

E-mail: [ca.mandg@gmail.com](mailto:ca.mandg@gmail.com)

**Muchhal & Gupta**

Chartered Accountants

301, Shalimar Corporate Centre,  
8-A, South Tukoganj, Indore-452001  
Ph: 0731-2519818, 4046818

## **Independent Auditor's Report**

To The Members of **Shaan Agro Oils & Extractions Private Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the Financial Statements of **Shaan Agro Oils & Extractions Private Limited** (the 'Company'), which comprise the Balance sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

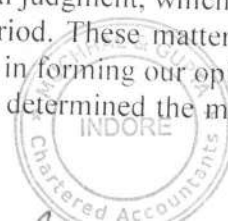
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the '*Auditor's Responsibilities for the Audit of the Financial Statements*' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, which are of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.



### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter those charged with governance.

### **Management's and the Board of Directors' Responsibility for the Financial Statements**

The Company's management and the Board of Directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government in terms of section 143 (11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31<sup>st</sup>, 2022 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**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.
  - h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act and section 67 of the Companies (Amendment) Act, 2017.



i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

1. The company does not have any pending litigations which would impact its financial position.
2. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.
4. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the company; or
  - Provide any guarantee or security or like to or on behalf of the Ultimate Beneficiaries
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall:
  - Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the company; or
  - Provide any guarantee or security or like to or on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representations under subclause (i) and (ii) contain any material mis-statement.
5. No dividend was declared or paid during the year by the company.

With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act :

3. In our opinion and according to information and explanation given to us, the remuneration paid by the company to its director during the current year is in accordance with the provision of the



section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

**For: Muchhal & Gupta**  
**Chartered Accountants**  
**FRN: 004423C**



**Santosh Muchhal**  
**Partner**

**M.No. 073320**

**UDIN: 22073320AJBHHL6277**



**Place: Indore**

**Date: 16<sup>th</sup> May, 2022**



E-mail: [ca.mandg@gmail.com](mailto:ca.mandg@gmail.com)

**Muchhal & Gupta**

Chartered Accountants

301, Shalimar Corporate Centre,  
8-A, South Tukoganj, Indore-452001

Ph: 0731-2519818, 4046818

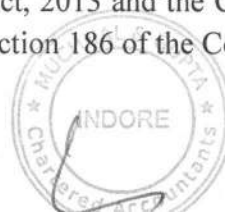
## **Annexure 'A' to the Independent Auditor's Report on Financial Statements**

The Annexure referred to in the Independent Auditor's Report to the members of Shaan Agro Oils and Extractions Pvt Ltd. (the 'Company') on the financial statements for the year ended 31 March 2022, we report that:

- i. In respect of the Company's Property, Plant and equipment:
  - (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - B. The Company has maintained proper records showing full particulars of Intangible Assets.
  - (b) The Company has a program of verification to cover all the items of Property, Plant and Equipment, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The Company does not own any immovable property in its name and hence the clause is not applicable.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets, hence this clause is Not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted any loans to companies during the year. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year.
- (a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted loans to subsidiaries.
- B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to a party other than subsidiaries.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the aforesaid clause is not applicable to the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the aforesaid clause is not applicable to the company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the aforesaid clause is not applicable to the company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any loans, guarantee or security as specified under Section 186 of the Companies Act, 2013.





- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. The Company is required to maintain cost records as specified by Central Government under sub section (1) of section 148 of the Companies Act , 2013, and as per the information and explanation along with records and documents produced before us, such accounts and records have been so made and maintained.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31<sup>st</sup>, 2022 for a period of more than six months from the date they became payable.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix. (a) The company has not defaulted in repayment of dues to financial institution, or a bank.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the term loans of the company were applied for the purpose for which they were raised.
  - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company.
  - (e) According to the information and explanations given to us and on an overall examination of the Financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries
  - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xii. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) There were no whistle blowing complaints received during the year by the company.
- xiii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xiv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xv. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvi. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xvii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xviii. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xix. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For: Muchhal & Gupta**  
**Chartered Accountants**  
**FRN: 004423C**


**Santosh Muchhal**  
**Partner**  
**M No. 073320**  
**UDIN: 22073320AJBHHL6277**

**Place: Indore**  
**Date: 16<sup>th</sup> May, 2022**



E-mail: [ca.mandg@gmail.com](mailto:ca.mandg@gmail.com)

**Muchhal & Gupta**

Chartered Accountants

301, Shalimar Corporate Centre,  
8-A, South Tukoganj, Indore-452001  
Ph: 0731-2519818, 4046818

## **Annexure “B” to the Independent Auditor’s Report on Financial Statements**

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Shaan Agro Oils and Extractions Private Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Shaan Agro Oils and Extractions Private Limited (“the Company”) as of March 31<sup>st</sup> 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 respective 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.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company.

#### **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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

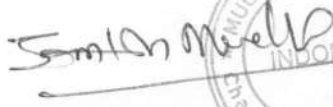
#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2022, 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: Muchhal & Gupta**  
**Chartered Accountants**  
**FRN: 004423C**


**Santosh Muchhal**  
**Partner**  
**Membership No. 073320**  
**UDIN: 22073320AJBHHL6277**

**Place: Indore**  
**Date: 16<sup>th</sup> May 2022**

# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

Balance Sheet as at 31st March 2022

(Rs in lakhs, unless stated otherwise)

	Notes	As at 31st March 2022	As at 31st March 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	882.35	983.05
(b) Right of Use Assets	5	-	61.76
(c) Financial Assets			
(i) Others	6	3.00	3.00
(d) Income Tax Assets (net)	7d)	-	-
<b>Total Non-Current Assets</b>		<b>885.35</b>	<b>1,047.81</b>
<b>Current Assets</b>			
(a) Inventories	8	356.49	354.67
(b) Financial Assets			
(i) Trade Receivables	9	307.72	405.79
(ii) Cash and Cash Equivalents	10	53.65	3.63
(iii) Loans and advances	11	0.02	0.15
(iv) Others	12	0.19	-
(c) Other Current Assets	13	48.92	135.27
<b>Total Current Assets</b>		<b>766.98</b>	<b>899.51</b>
<b>Total ASSETS</b>		<b>1,652.33</b>	<b>1,947.32</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	14	456.00	456.00
(b) Other Equity	15	158.27	(99.62)
<b>Total EQUITY</b>		<b>614.27</b>	<b>356.38</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	749.76	254.80
(ii) Lease Liabilities		-	44.41
(c) Deferred Tax Liabilities (net)	7c)	10.17	45.93
<b>Total Non-Current Liabilities</b>		<b>759.93</b>	<b>345.14</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	-	223.34
(ii) Trade Payables	18		
Dues to Micro enterprises & small enterprises		-	-
Dues to Others		106.10	875.92
(iii) Lease Liabilities		-	8.56
(iv) Other Financial Liabilities	19	103.85	126.48
(b) Other Current Liabilities	20	21.27	3.10
(c) Provisions	21	0.73	0.25
(d) Current Tax Liabilities (Net)	22	46.18	8.15
<b>Total Current Liabilities</b>		<b>278.13</b>	<b>1,245.80</b>
<b>Total EQUITY AND LIABILITIES</b>		<b>1,652.33</b>	<b>1,947.32</b>

Significant accounting policies & key accounting estimates & judgements


1-3


See accompanying notes to the Financial Statements

4-39

This is the Balance Sheet referred to in our report of even date

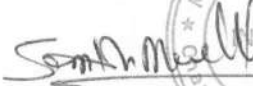
For & on Behalf of the Board  
SHAAN AGRO OILS & EXTRACTIONS PVT LTD

  
Mukesh Kacholia  
Director  
DIN:00376922

  
Ayush Kacholia  
Director  
DIN:03096933



As per our Report of even date annexed  
For MUCHHAL & GUPTA  
Chartered Accountants

  
Santosh Muchhal  
(Partner)

M.No.: 073320  
FRN: 004423C

Date: 16th May 2022

Place: Indore

# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

Statement of Profit and Loss for the year ended 31st March 2022

(Rs in lakhs, unless stated otherwise)


		Notes	Year ended 31st March 2022	Year ended 31st March 2021
	<b>INCOME</b>			
I.	Revenue From Operations	23	14,179.50	5,721.67
	Other Income	24	0.19	-
	<b>Total INCOME</b>		<b>14,179.69</b>	<b>5,721.67</b>
	<b>EXPENSES</b>			
II.	Cost of Material Consumed	25	5,416.93	2,737.78
	Purchases of Stock-in-Trade	26	8,270.99	2,544.55
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	27	13.13	66.30
	Employee Benefit Expenses	28	12.70	51.73
	Finance Costs	29	31.21	64.59
	Depreciation Expense	30	119.24	144.37
	Other Expenses	31	39.51	47.42
	<b>Total EXPENSES</b>		<b>13,903.71</b>	<b>5,656.74</b>
III.	Profit/ (loss) before tax		275.98	64.93
IV.	Tax Expense	7a)		
	Current Tax		46.18	9.76
	Deferred Tax		(28.09)	(15.14)
	<b>Total Tax Expense</b>		<b>18.09</b>	<b>(5.38)</b>
V.	Profit/(loss) for the period		257.89	70.31
VI.	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Re-measurement gain on defined benefit plans		-	-
	Income tax relating to re-measurement gain on defined benefit plans		-	-
	<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
	<b>Total Comprehensive Income</b>		<b>257.89</b>	<b>70.31</b>
VII.	Earnings Per Share (In Rs)	31		
	(1) Basic		5.66	1.54
	(2) Diluted		5.66	1.54


Significant accounting policies & key accounting estimates & judgements  
See accompanying notes to the Financial Statements

1-3  
4-39

This is the Statement of Profit & Loss referred to in our report of even date

For & on Behalf of the Board  
SHAAN AGRO OILS & EXTRACTIONS PVT LTD

  
 Mukesh Kacholia  
 Director  
 DIN:00376922

  
 Ayush Kacholia  
 Director  
 DIN:03096933



As per our Report of even date annexed  
For MUCHHAL & GUPTA  
Chartered Accountants

  
 Santosh Muchhal  
 (Partner)

Date: 16th May 2022  
Place: Indore

M.No.: 073320  
 FRN: 004423C  
 UDIN: 22073320AJBHHL6277



# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

Statement of Cash Flows for the year ended 31st March 2022

(Rs in lakhs, unless stated otherwise)

	Year ended 31st March 2022	Year ended 31st March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	275.98	64.93
<b>Adjustments for:</b>		
Depreciation expense	119.24	144.37
Finance Costs	31.21	64.59
Termination of Lease	1.12	7.92
<b>Operating profit before working capital changes</b>	<b>427.55</b>	<b>281.81</b>
<b>Adjustments for:</b>		
Decrease/(Increase) in Inventories	(1.82)	101.21
Decrease/(Increase) in Loans	0.13	(0.06)
Decrease/(Increase) in Trade Receivables	98.07	(326.36)
Decrease/(Increase) in Other Financial Assets	(0.19)	(3.00)
Decrease/(Increase) in Other assets	86.35	110.52
Increase/(Decrease) in Trade Payables	(769.82)	(44.42)
Increase/(Decrease) in Other Financial Liabilities	(22.63)	20.91
Increase/(Decrease) in Other Liabilities	18.17	(23.09)
Increase/(Decrease) in Provisions	0.48	(0.01)
<b>Cash flow from operating activities post working capital changes</b>	<b>(163.71)</b>	<b>117.51</b>
Direct taxes	(8.15)	(1.57)
<b>Net cash flow from operating activities (A)</b>	<b>(171.86)</b>	<b>115.94</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and Equipment	(18.54)	(10.53)
<b>Net cash used in investing activities (B)</b>	<b>(18.54)</b>	<b>(10.53)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	271.62	(40.17)
Interest paid	(31.21)	(64.59)
<b>Net cash used in financing activities (C)</b>	<b>240.41</b>	<b>(104.76)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>50.02</b>	<b>0.65</b>
Cash and cash equivalents as at 1st April	3.63	2.98
Cash and cash equivalents as at 31st March	53.65	3.63
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>50.02</b>	<b>0.65</b>

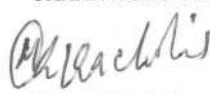
**Notes**

1. The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 - 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder.

	As at 31st March 2022	As at 31st March 2021
<b>Cash and Cash Equivalents</b>		
Balances with banks	52.80	1.78
Cash on hand	0.85	1.85
	<b>53.65</b>	<b>3.63</b>

This is the Statement of Cash Flow referred to in our report of even date

For & on Behalf of the Board  
SHAAN AGRO OILS & EXTRACTIONS PVT LTD



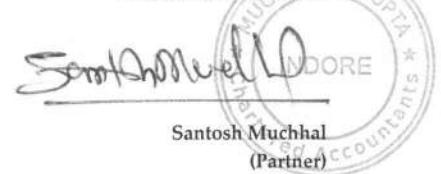
Mukesh Kacholia  
Director  
DIN:00376922



Ayush Kacholia  
Director  
DIN:03096933



As per our Report of even date annexed  
For MUCHHAL & GUPTA  
Chartered Accountants



Santosh Muchhal  
(Partner)

M.No.: 073320

FRN: 004423C

UDIN: 22073320AJBHHL6277

Date: 16th May 2022  
Place: Indore

# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

## Statement of Changes in Equity for the year ended 31st March 2022

(Rs in lakhs, unless stated otherwise)

	As at 31st March 2022		As at 31st March 2021	
	Number of Shares	Amount	Number of Shares	Amount
Issued, Subscribed & Fully Paid up (Equity Shares of Rs.10/- each)				
Opening Balance	45,60,000	456.00	45,60,000	456.00
Closing Balance	45,60,000	456.00	45,60,000	456.00

### (b) Other equity

	Reserves & Surplus		Other Comprehensive Income	Total
	Retained Earnings	Securities Premium		
Balance as at 1st April 2020	(169.93)	-	-	(169.93)
Profit for the period	70.31	-	-	70.31
Other comprehensive income for the period	-	-	-	-
Balance as at 31st March 2021	(99.62)	-	-	(99.62)
Balance as at 1st April 2021	(99.62)	-	-	(99.62)
Profit for the period	257.89	-	-	257.89
Other comprehensive income for the period	-	-	-	-
Balance as at 31st March 2022	158.27	-	-	158.27

This is the Statement of Changes in Equity referred to in our report of even date

For & on Behalf of the Board  
SHAAN AGRO OILS & EXTRACTIONS PVT LTD

*Mukesh Kacholia*

Mukesh Kacholia  
Director  
DIN:00376922

*Ayush Kaerolia*

Ayush Kaerolia  
Director  
DIN:03096933



As per our Report of even date annexed

For MUCHHAL & GUPTA  
Chartered Accountants

*Santosh Muchhal*

Santosh Muchhal  
(Partner)

M.No.: 073320

FRN: 004423C

UDIN: 22073320AJBHHL6277

Date: 16th May 2022  
Place: Indore

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE SUMMARY OF STATEMENTS**

### **1. Corporate information**

The Company, Shaan Agro Oils & Extractions Private Limited is a wholly owned subsidiary company of Shanti Overseas (India) Limited. The company has been incorporated on 14th February, 2017 and has started operations on 11th July, 2018.

### **2. Basis of preparation**

#### **a) Statement of compliance:**

These financial statements have been prepared on a going concern basis following the accrual basis of accounting in accordance with the Generally accepted Accounting Principles (GAAP) in India (Indian Accounting standards referred to as "IndAS") as specified under the section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and relevant amendments rules issued there-after.

The financial statements are presented in Rupees and all values are rounded to the nearest lakhs up to two decimals places except when otherwise indicated.

#### **b) Basis of measurement:**

The financial statements have been prepared on a historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant IndAS.

#### **c) Significant accounting judgements, estimates and assumptions**

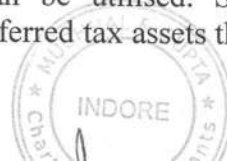
The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **d) Critical accounting estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

#### **i. Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be



recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

## **ii. Employee benefit plans**

The cost of the defined benefit gratuity plan, other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## **iii. Property Plant and Equipment**

Useful lives and residual values are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

## **3. Significant accounting policies**

### **3.1 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



### **3.2 Property, Plant & Equipments**

#### **Recognition and initial measurement**

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

#### **Subsequent measurement (depreciation and useful lives)**

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Depreciation on property, plant and equipment has been provided using written down value method using rates determined based on management's assessment of useful economic lives of the asset.

Followings are the estimated useful lives of various category of assets used which are aligned with useful lives defined in schedule II of Companies Act, 2013 :

Factory Building	30 Years
Furniture & Fixture	10 Years
Electrical Equipment	10 Years
Electrical fittings	10 Years
RCC Road	10 Years
Computer	3 Years
Boiler & Chimney	40 Years
Laboratory	10 Years
Plant and Machinery (Including Refinery)	25 Years
Separator	15 Years
Water Treatment Plant	15 Years
Weigh Bridge	15 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



**Derecognition:**

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is de-recognized.

**Capital work-in-progress (CWIP)**

Cost of property, plant and equipment not ready for use as at the reporting date are disclosed as capital work-in progress.

**3.3 Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**3.4 Provisions, Contingent Liabilities and Contingent Assets****Provisions:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.



If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in respective expense.

### **Contingent Liabilities and Contingent Assets**

Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### **3.5 Leases**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether,

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

The company applies a single recognition and measurement approach for all leases, except for short term leases (twelve month or less) and leases of low-value. For short-term and leases of low value, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease. For all other leases, the Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset



Lease liability and ROU asset, if any, have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2020 using the modified retrospective method and has taken the cumulative adjustments to retained earnings, on the date of initial application.

### **3.6 Inventories:**

Inventories are valued as under:

#### **Raw materials, stores and spares**

Lower of cost and net realisable value. Cost is determined on a weighted average basis. Materials and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost.

#### **Finished Goods & Work In Progress :**

Lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of attributable overheads

#### **Stock-In-Trade**

Valued at lower of cost or net realizable value and for this purpose cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### **3.7 Income tax**

#### **Current tax:**

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to





situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax ('MAT') credit entitlement under the provisions of the Income-tax Act, 1961 is recognised as a deferred tax asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is recognised to the extent that is probable that future taxable profits will be available against which they can be used. MAT credit entitlement has been presented as deferred tax asset in Balance Sheet. Significant management judgement is required to determine the probability of recognition of MAT credit entitlement.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

### **3.8 Employee Benefits**

#### **Short-term Employee Benefits:**

Employee benefit liabilities such as salaries, wages and bonus, etc. that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of



the reporting period and are measured at an undiscounted amount expected to be paid when the liabilities are settled.

### **Post-employment benefit plans:**

#### Defined Contribution Plans:

State governed Provident Fund Scheme and Employees State Insurance Scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised during the period in which the employees render the related services.

#### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity scheme is a defined benefit plan. Currently, the Company's gratuity scheme is unfunded. The Company recognises the defined benefit liability in Balance sheet. The present value of the obligation under such defined benefit plan and the related current service cost and, where applicable past service cost are determined based on an actuarial valuation done using the Projected Unit Credit Method by an independent actuary, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) is reflected immediately in Other Comprehensive Income in the Statement of Profit and loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to Statement of Profit and Loss hence it is treated as part of retained earnings in the Statement of Changes In Equity.

### **3.9 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Company.

#### **Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;



Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **3.10 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **a) Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

► **Debt instruments at amortised cost** - The Company has cash & cash equivalents, loans and trade receivables classified within this category.

► **Debt instruments at fair value through other comprehensive income (FVTOCI)** - The Company does not have any financial asset classified in this category.

► **Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)** - The Company does not have any financial asset classified in this category.

► **Equity instruments measured at fair value through other comprehensive income (FVTOCI)** - The Company does not have any financial asset classified in this category.

##### **Debt instruments at amortised cost**



A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation and losses arising from impairment are recognised in the Statement of Profit & Loss. The amortised cost of the financial asset is also adjusted for loss allowance, if any.

### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Company has not designated any such debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

### **Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

### **Impairment of financial assets**

In accordance with IndAS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g. Loans and trade receivables.

The company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables that do not contain a significant financing component.



The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## **b)Financial liabilities**

### **Initial recognition and measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial liabilities are initially measured at fair value deducted by, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

### **Subsequent measurement**

Financial liabilities are classified as measured at amortised cost using the effective interest method. The Company's financial liabilities include trade payables, borrowings and other financial liabilities.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as expense over the relevant period of the financial liability in the Statement of Profit and Loss.

### **Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to



set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### **3.11 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### **3.12 Revenue Recognition**

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

### **Sale of goods**

Revenue from the sale of goods is recognised when control of the goods have passed to the buyer, usually on delivery of the goods. In determining the transaction price for the sale of goods, the company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

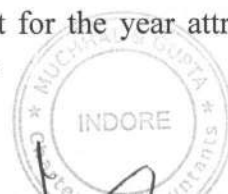
### **Export incentives receivable, TMA scheme incentive receivable and duty drawback receivable**

Export incentives receivable, TMA scheme incentive receivable and duty drawback receivable are accounted for when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection of such proceeds.

### **3.13 Earnings per share**

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares.



### **3.14 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **3.15 Foreign currency transactions**

Transactions in foreign currencies are recorded by the Company entities at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Non Monetary asset and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss with the exception that the exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

### **3.16 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use. The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised in the year in which they occur

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

### **3.17 Rounding off of figures of financial statements:**

In compliance with the amendment made by Ministry of Corporate Affairs (MCA) vide notification dated 24<sup>th</sup> March 2021 in Schedule III of the Companies Act 2013, all the figures forming part of financial statement are rounded off in Rupees lacs until and unless stated otherwise.



# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

Schedules forming part of the standalone financial statements

(Rs in lakhs, unless stated otherwise)

4	Property, Plant and Equipment (PPE)	Boiler And Chimney	Computer	Electric equipment	Electrical Fittings	Factory Building	Furniture & Fixture	Plant & Machinery (including Refinery)	Site Development	Water Treatment Plant	Weigh Bridge	Total
	<b>Gross Value</b>											
	Balance as at 1st April 2020	101.81	0.52	5.77	14.89	421.18	11.43	648.72	28.71	21.78	10.18	1,264.99
	Additions during the year	-	-	-	-	-	-	10.53	-	-	-	10.53
	Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
	Balance as at 31st March 2021	101.81	0.52	5.77	14.89	421.18	11.43	659.25	28.71	21.78	10.18	1,275.52
	Balance as at 1st April 2021	101.81	0.52	5.77	14.89	421.18	11.43	659.25	28.71	21.78	10.18	1,275.52
	Additions during the year	-	-	-	-	-	-	18.54	-	-	-	18.54
	Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
	Balance as at 31st March 2022	101.81	0.52	5.77	14.89	421.18	11.43	677.79	28.71	21.78	10.18	1,294.06
	<b>Accumulated Depreciation</b>											
	Balance as at 1st April 2020	18.39	0.33	1.03	3.86	39.83	2.59	76.58	7.43	3.94	1.84	155.82
	Depreciation charge for the year	15.10	0.12	1.23	2.86	36.23	2.29	68.57	5.51	3.23	1.51	136.65
	Balance as at 31st March 2021	33.49	0.45	2.26	6.72	76.06	4.88	145.15	12.94	7.17	3.35	292.47
	Balance as at 1st April 2021	33.49	0.45	2.26	6.72	76.06	4.88	145.15	12.94	7.17	3.35	292.47
	Depreciation charge for the year	12.36	0.04	0.91	2.12	32.79	1.70	61.36	4.08	2.64	1.24	119.24
	Balance as at 31st March 2022	45.85	0.49	3.17	8.84	108.85	6.58	206.51	17.02	9.81	4.59	411.71
	<b>Net carrying value</b>											
	As at 31st March 2021	68.32	0.07	3.51	8.17	345.12	6.55	514.10	15.77	14.61	6.83	983.05
	As at 31st March 2022	55.96	0.03	2.60	6.05	312.33	4.85	471.28	11.69	11.97	5.59	882.35

## Note

The Company has applied the optional exemption to measure its Property, Plant & Equipment at the date of transitional at their previous GAAP carrying amount and used it as the deemed cost for such assets.





# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

## Schedules forming part of the standalone financial statements

(Rs in lakhs, unless stated otherwise)

5	Right of use assets	Building	Total
	Gross Value		
	Balance as at 1st April 2020	77.20	77.20
	Additions during the year	-	-
	Disposals during the year	-	-
	Balance as at 31st March 2021	77.20	77.20
	Balance as at 1st April 2021	77.20	77.20
	Additions during the year	-	-
	Disposals during the year	-	-
	Balance as at 31st March 2022	77.20	77.20
	Accumulated Depreciation		
	Balance as at 1st April 2020	7.72	7.72
	Depreciation charge for the year	7.72	7.72
	Balance as at 31st March 2021	15.44	15.44
	Balance as at 1st April 2021	15.44	15.44
	Depreciation charge for the year	61.76	61.76
	Balance as at 31st March 2022	77.20	77.20
	Net carrying value		
	As at 31st March 2021	61.76	61.76
	As at 31st March 2022	-	-

6	Other non-current financial assets	As at 31st March 2022	As at 31st March 2021
	Unsecured, considered good, unless otherwise stated		
	Margin Money Fixed Deposits with original maturity of more than 12 months	3.00	3.00
		3.00	3.00

7	Income tax	Year ended 31st March 2022	Year ended 31st March 2021
7a)	The major components of income tax expense for the year are as under:		
i)	Amounts recognised in the Statement of Profit and Loss comprises :		
	Current tax:		
	- in respect of the current year	46.18	9.76
		46.18	9.76
	Deferred tax expense:		
	Attributable to -		
	- Origination and reversal of temporary differences	3.52	(5.38)
	- MAT Credit Entitlement	(31.61)	(9.76)
		(28.09)	(15.14)
	Total Income tax expense	18.09	(5.38)

ii)	Income tax recognised in Other Comprehensive Income	Year ended 31st March 2022	Year ended 31st March 2021
	Net loss/(gain) on remeasurements of defined benefit plans	-	-
	Income tax charged to OCI	-	-



# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

## Schedules forming part of the standalone financial statements

(Rs in lakhs, unless stated otherwise)

		Year ended 31st March 2022	Year ended 31st March 2021
<b>7b) Reconciliation of effective tax rate</b>			
Profit before tax	A	275.98	64.93
Company's domestic tax rate	B	16.69%	26.00%
Tax expense	C = A * B	46.06	16.88
<b>Tax effect of :</b>			
Deferred tax recognised		(28.09)	(15.14)
Others		0.12	(7.12)
<b>Tax expense as recognised in Statement of Profit and Loss</b>		<b>18.09</b>	<b>(5.38)</b>

### 7c) Deferred Tax Liabilities (Net)

	As at 1st April 2020	Profit & Loss	OCI	As at 31st March 2021
<b>Deferred tax relates to the following:</b>				
Property, Plant & Equipment	53.50	(5.48)	-	48.02
Right of use assets and lease liabilities	7.57	0.10	-	7.67
MAT Credit Entitlement	-	(9.76)	-	(9.76)
<b>Deferred Tax Liabilities (Net)</b>	<b>61.07</b>	<b>(15.14)</b>	<b>-</b>	<b>45.93</b>

	As at 31st March 2021	Profit & Loss	OCI	As at 31st March 2022
<b>Deferred tax relates to the following:</b>				
Property, Plant & Equipment	48.02	3.52	-	51.54
Right of use assets and lease liabilities	7.67	(7.67)	-	-
MAT Credit Entitlement	(9.76)	(31.61)	-	(41.37)
	-	-	-	-
<b>Deferred Tax Liabilities (Net)</b>	<b>45.93</b>	<b>(35.76)</b>	<b>-</b>	<b>10.17</b>

	As at 31st March 2022	As at 31st March 2021
<b>7d) Income Tax Assets (Net)</b>		
Advance income-tax (net of provision for taxation)	-	-
	-	-

	As at 31st March 2022	As at 31st March 2021
<b>8 Inventories (valued at lower of cost and net realizable value)</b>		
<b>Finished Goods</b>		
Soya Refined oil	114.89	14.70
Soya Lecithin	3.38	280.55
Soya Soap Stocks	1.60	4.49
Soya Fatty Acid	0.30	1.60
Rejections	1.78	7.25
<b>Raw Material</b>		
Soya Crude Oil	13.20	1.15
<b>Stock-in-trade</b>		
Soyabean	-	13.93
Soya Refined oil	94.93	-
Refined Groundnut Oil	78.14	-
Refined Mustard Oil	14.37	-
<b>Others</b>		
Stores and Spares	27.73	20.29
Packing Material	6.17	10.71
<b>Total</b>	<b>356.49</b>	<b>354.67</b>



# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

## Schedules forming part of the standalone financial statements

(Rs in lakhs, unless stated otherwise)

		As at 31st March 2022	As at 31st March 2021
9	Trade receivables		
	Unsecured, considered good, unless otherwise stated		
	Others	307.72	405.79
	<b>Total</b>	<b>307.72</b>	<b>405.79</b>

Trade receivables are non-interest bearing and are generally on credit terms of 30

		As at 31st March 2022	As at 31st March 2021
10	Cash & Cash Equivalents		
	Cash on Hand	0.85	1.85
	Balances with banks	52.80	1.78
	<b>Total</b>	<b>53.65</b>	<b>3.63</b>

		As at 31st March 2022	As at 31st March 2021
11	Current financial assets - Loans and advances		
	Unsecured, considered good unless otherwise stated		
	Staff loan	0.02	0.15
	<b>Total</b>	<b>0.02</b>	<b>0.15</b>

		As at 31st March 2022	As at 31st March 2021
12	Current financial assets - Others		
	Accrued Interest on FD	0.19	-
	<b>Total</b>	<b>0.19</b>	<b>-</b>

		As at 31st March 2022	As at 31st March 2021
13	Other current assets		
	Balances with Government Authorities	14.79	63.86
	Amount recoverable in cash or Kind from others	32.61	30.83
	Export Incentive (MEIS Scheme)	-	11.91
	Prepaid Expenses	1.51	0.32
	TMA Scheme Receivable	-	28.35
	<b>Total</b>	<b>48.92</b>	<b>135.27</b>

		As at 31st March 2022		As at 31st March 2021	
14	Equity Share Capital				
a)	Authorised & Issued Share Capital				
	<u>Authorised Share Capital</u>	Number	Amount	Number	Amount
	Equity Shares of Rs 10/- each	47,00,000	470.00	47,00,000	470.00
	<u>Issued, Subscribed &amp; Fully Paid up</u>	Number	Amount	Number	Amount
	Equity Shares of Rs 10/- each	45,60,000	456.00	45,60,000	456.00

(b) Reconciliation of Share Capital

Issued, Subscribed & Fully Paid up

	Number	Amount	Number	Amount
Equity Shares of Rs 10/- each				
Opening Balance	45,60,000	456.00	45,60,000	456.00
Closing Balance	45,60,000	456.00	45,60,000	456.00

# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

## Schedules forming part of the standalone financial statements

(Rs in lakhs, unless stated otherwise)

### (c) Terms and rights attached to equity shares

- The Company has one class of equity shares referred to as equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share.
- In the event of liquidation of the company, the holders of equity share will be entitled to received remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st March, 2021, the company has not declared any dividend.

### (d) Disclosure of Shares in the company held by each shareholder holding more than 5%

#### Equity Shares

Name of Shareholder	As at 31st March 2022		As at 31st March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shanti Overseas (India) Ltd.	45,60,000	100.00%	45,60,000	100.00%
<b>Total</b>	<b>45,60,000</b>	<b>100.00%</b>	<b>45,60,000</b>	<b>100.00%</b>

### (e) Shareholding of Promoters

Shares held by the Promoters at the end of the year 31/03/2022			%Change During the Year
Promoter's Name	No. of Shares	% of total Shares	
Shanti Overseas (India) Ltd.	45,60,000.00	100.00%	Nil
<b>Total</b>	<b>45,60,000.00</b>	<b>100.00%</b>	

15 Other Equity	Reserves & Surplus	Other Comprehensive Income	Total
	Retained Earnings		
Balance as at 1st April 2020	(169.93)	-	(169.93)
Profit for the period	70.31	-	70.31
Other comprehensive income for the period	-	-	-
<b>Balance as at 31st March 2021</b>	<b>(99.62)</b>	<b>-</b>	<b>(99.62)</b>
Balance as at 1st April 2021	(99.62)	-	(99.62)
Profit for the period	257.89	-	257.89
Other comprehensive income for the period	-	-	-
<b>Balance as at 31st March 2022</b>	<b>158.27</b>	<b>-</b>	<b>158.27</b>

16 Borrowings	As at	As at
	31st March 2022	31st March 2021
<b>Secured</b>		
Term loans from bank*	75.00	254.80
<b>Unsecured</b>		
Loans from related parties (Refer note 32)	674.76	-
<b>Total</b>	<b>749.76</b>	<b>254.80</b>

(i) Secured Loans are secured by hypothecation of Plant and Machinery, Movable fixed assets and further secured by immovable assets of

# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

## Schedules forming part of the standalone financial statements

(Rs in lakhs, unless stated otherwise)

17	Current Borrowings	As at 31st March 2022	As at 31st March 2021
	Secured Loans from Banks	-	223.34
	<b>Total</b>	-	223.34

18	Trade Payables	As at 31st March 2022	As at 31st March 2021
	Dues to Micro enterprises & small enterprises (Refer Note c below)	-	-
	Dues to Others	106.10	875.92
	<b>Total</b>	106.10	875.92

### Notes:

- a) Trade payables are non-interest bearing.
- b) For explanations on the Company's liquidity risk management processes, refer to
- c) Details of Dues to Micro enterprises & small enterprises under MSMED Act, 2006
- The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year
  - Principal amount due to micro and small enterprises
  - Interest due on above
  - The amount of interest paid by the buyer in terms of section 16 of MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the
  - The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the Appointed day during the year) but without adding the interest specified under the MSMED Act 2006.
  - The amount of interest accrued and remaining unpaid at the end of each
  - The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowances as deductible expenditure under

d)	Trade Payable from others	As at 31st March 2022	As at 31st March 2021
	Creditor for Capital Goods	8.75	-
	Creditor for Goods	73.18	867.23
	Creditor for Expense	24.17	8.69
	<b>Total</b>	106.10	875.92

19	Other financial liabilities (Current)	As at 31st March 2022	As at 31st March 2021
	Current maturities of long-term borrowings (Secured)	100.00	120.20
	Interest accrued and due on Term Loan	-	2.52
	Employee Liabilities	3.85	3.76
	<b>Total</b>	103.85	126.48



# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

## Schedules forming part of the standalone financial statements

(Rs in lakhs, unless stated otherwise)

		As at 31st March 2022	As at 31st March 2021
20	<b>Other current liabilities</b>		
	Statutory Liabilities	20.82	1.22
	Contribution to Provident Fund and other Funds	0.45	1.88
	<b>Total</b>	<b>21.27</b>	<b>3.10</b>
21	<b>Provision (Current)</b>		
	Provision for expenses	0.73	0.25
	<b>Total</b>	<b>0.73</b>	<b>0.25</b>
22	<b>Current Tax Liabilities (Net)</b>		
	Provision for taxation (net of Advance income-tax)	46.18	8.15
		<b>46.18</b>	<b>8.15</b>



# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

Schedules forming part of the Standalone Financial Statements

(Rs in lakhs, unless stated otherwise)

23	Revenue from Operations	Year ended 31st March 2022	Year ended 31st March 2021
	<b>Sale of products</b>		
	<b>Domestic Sales</b>		
	Soyabean	1,919.77	820.80
	Soyabean Refined Oil	7,211.08	4,350.23
	Soyabean Crude Oil	2,807.93	0.85
	Soy Lecithin	79.11	77.66
	Soy Meal	1,409.70	432.97
	Soya Oil Fatty Acid	19.13	13.06
	Soya Soap Stock	33.20	17.17
	By Products / Rejection	2.20	7.19
	Refined Mustard Oil	91.40	-
	Refined Groundnut Oil	217.65	-
	<b>Other Operating Revenue:</b>		
	Foreign Exchange Fluctuation	-	0.67
	Quantity & Rate Difference	-	1.07
	Brokerage on Sale	60.18	-
	Packing Material Sales	3.73	-
	Contract Settlement	324.42	-
	<b>Total</b>	<b>14,179.50</b>	<b>5,721.67</b>

24	Other Income	Year ended 31st March 2022	Year ended 31st March 2021
	Interest on deposits	0.19	-
	<b>Total</b>	<b>0.19</b>	<b>-</b>

25	Cost of Material Consumed	Year ended 31st March 2022	Year ended 31st March 2021
	Soyabean Crude Oil		
	Opening Stock	1.15	18.84
	Add: Purchases	5,158.82	2,547.42
	Add: Direct Expenses	270.16	172.67
	Less: Closing Stock	(13.20)	(1.15)
	<b>Total</b>	<b>5,416.93</b>	<b>2,737.78</b>



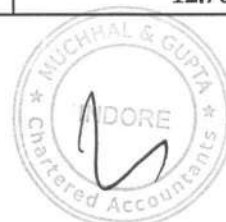
# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

Schedules forming part of the Standalone Financial Statements

(Rs in lakhs, unless stated otherwise)

26	Purchases of Stock-in-Trade	Year ended 31st March 2022	Year ended 31st March 2021
	<u>Stock-in-trade</u>		
	<u>Domestic Purchase</u>		
	Soyabean Meal	1,186.56	332.08
	Soyabean	1,739.42	2,161.86
	Soya Refined Oil	2,924.20	50.61
	Soyabean Crude Oil	2,039.06	-
	Refined Mustard Oil	99.29	-
	Refined Groundnut Oil	282.46	-
	<b>Total</b>	<b>8,270.99</b>	<b>2,544.55</b>
27	Changes in inventories	Year ended 31st March 2022	Year ended 31st March 2021
	<b>Finished Goods</b>		
	Opening Stock	322.52	388.82
	Closing Stock	121.95	322.52
	<b>Net (Increase)/Decrease</b>	<b>200.57</b>	<b>66.30</b>
	<b>Stock-in-trade</b>		
	Opening Stock	-	-
	Closing Stock	187.44	-
	<b>(Increase)/Decrease</b>	<b>(187.44)</b>	<b>-</b>
	<b>Net (Increase)/Decrease</b>	<b>13.13</b>	<b>66.30</b>
28	Employee Benefits Expenses	Year ended 31st March 2022	Year ended 31st March 2021
	Salaries, Wages and Bonus	10.61	11.59
	Contribution to Provident & Other Funds	1.70	3.61
	Staff Welfare Expenses	0.39	0.53
	<b>Remuneration of Directors and Key Managerial Personnel</b>		
	Salary to whole time directors	-	36.00
	<b>Total</b>	<b>12.70</b>	<b>51.73</b>





# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

## Schedules forming part of the Standalone Financial Statements

(Rs in lakhs, unless stated otherwise)

29	Finance Cost	Year ended 31st March 2022	Year ended 31st March 2021
	<b>Interest</b>		
	Interest on Term Loan	23.71	36.19
	Interest on C.C./EPC	6.49	19.11
	Interest on Income Tax	0.77	-
	Interest on Lease liabilities	-	7.92
	<b>Others</b>		
	Bank Charges	0.12	1.12
	Processing Fees	0.12	0.25
	<b>Total</b>	<b>31.21</b>	<b>64.59</b>

30	Depreciation expense	Year ended 31st March 2022	Year ended 31st March 2021
	Depreciation expense on Property, Plant & Equipment	119.24	136.65
	Depreciation expense on Right of use assets	-	7.72
	<b>Total</b>	<b>119.24</b>	<b>144.37</b>

31	Other Expenses	Year ended 31st March 2022	Year ended 31st March 2021
	<b>Administrative, Selling &amp; Other Expenses</b>		
	<b>Administrative Expense</b>		
	Auditors Remuneration*	0.75	0.15
	Conveyance	0.09	0.04
	Factory Expense - Indirect	0.15	0.35
	Insurance expense	2.16	5.76
	Legal expense	0.77	7.22
	Rent	0.66	1.32
	Professional fees	15.65	13.07
	Office expense	0.13	0.06
	Professional Tax	0.06	0.03
	Postage & Stamp Charges	0.004	0.04
	Printing & Stationery	0.08	0.02
	Computer Repair & Maintenance	-	0.25
	Telephone	0.02	-
	Travelling expense	0.22	-
	Loss on sale of MEIS License	9.92	-
	<b>Total (A)</b>	<b>30.66</b>	<b>28.31</b>



# SHAAN AGRO OILS & EXTRACTIONS PVT. LTD.

CIN : U74999MP2017PTC042643

## Schedules forming part of the Standalone Financial Statements

(Rs in lakhs, unless stated otherwise)

<b>*Auditor's Remuneration</b>		
Statutory Audit	0.60	0.10
Tax Audit	0.15	0.05
<b>Total</b>	<b>0.75</b>	<b>0.15</b>
(All amounts are exclusive of Goods and Service Tax)		
<b><u>Selling Expense</u></b>		
Brokerage on sales & exports	3.84	16.80
Sampling & Inspection	0.96	1.52
Freight on Sales	0.18	-
<b>Total (B)</b>	<b>4.98</b>	<b>18.32</b>
<b><u>Other Expense</u></b>		
Other Interest & Late Fees	0.03	0.08
Sundry Balance Written off	2.31	0.71
Income Tax A.Y. 2021-22	0.37	-
Termination Of Lease	1.12	-
Round Off	0.04	-
<b>Total (C)</b>	<b>3.87</b>	<b>0.79</b>
<b>Total (A+B+C)</b>	<b>39.51</b>	<b>47.42</b>



### 30.Earning per share

	Year ended 31st March 2022	Year ended 31st March 2021
Total profit for the year	257.89	70.31
Weighted average number of equity shares of Rs. 10/- each (Nos)	45,60,000	45,60,000
<b>EPS - Basic and Diluted ( per share in Rs.)</b>	<b>5.66</b>	<b>1.54</b>

### 31.Related Party Transactions

In accordance with the requirement of IndAS 24 on Related Parties notified under the Companies (Indian Accounting Standards) Rules, 2015, the name of related parties where control exists and / or with whom transactions have taken place during the year and description of relationships, as identified and certified by the Management are:

#### a) List of related parties and nature of relationship where control exists:

1	Key Managerial Personnel	Mr. Mukesh Kacholia (Managing Director) Mr. Ayush Kacholia (Whole Time Director) Mr. Rohan Kacholia (Whole Time Director)
2	Relatives of KMP	M/s. Mukesh Kacholia HUF (HUF Of Director) Mrs. Sangeeta Kacholia (Spouse of Director) Mrs. Karuna Kacholia (Spouse of Director)
3	Entities where control exists	M/s. Shanti Overseas (India) Limited (Holding Company) M/s. Agriwing Organics

#### b) Transactions with the related parties for the year ended.

(Rs. In lacs)

Particulars	Key Managerial Personnel	Relatives of KMP	Entities where control exists
<b>31st March 2022</b>			
<b>Unsecured Loans Received</b>			
Mr. Ayush Kacholia	810.34	-	-
Shanti Overseas India Ltd.	-	-	125.00
<b>Unsecured Loans Repaid</b>			
Mr. Ayush Kacholia	260.58	-	-
<b>Rent Paid</b>			
Mrs. Sangeeta Kacholia	-	0.66	-
<b>Purchases During the year</b>			
M/s. Shanti Overseas (India) Limited	-	-	793.05

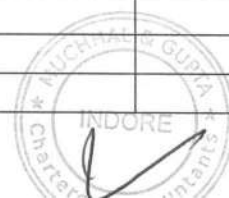


<b>Sales During the Year</b>			
M/s. Shanti Overseas (India) Limited	-	-	84.86
M/s. Agri Wing Organics	-	-	117.76
<b>Professional Fees</b>			
Mrs. Karuna Kacholia	-	6.00	-
<b>31st March 2021</b>			
<b>Employee Benefit Expenses</b>			
Mr. Mukesh Kacholia	12.00	-	-
Mr. Ayush Kacholia	12.00	-	-
Mr. Rohan Kacholia	12.00	-	-
<b>Rent Paid</b>			
Mrs. Sangeeta Kacholia	-	1.32	
M/s. Shanti Overseas (India) Limited	-	-	18.00
<b>Purchase During the Year</b>			
M/s. Shanti Overseas (India) Limited	-	-	2,685.37
<b>Professional Fees</b>			
Mrs. Karuna Kacholia	-	6.00	-

c) Detail of Outstanding Balances are as follows: -

(Rs. In lacs)

Particulars	Key Managerial Personnel	Relatives of KMP	Entities where control exists
<b>As on 31st March 2022</b>			
<b>Unsecured Loans</b>			
Mr. Ayush Kacholia	549.76	-	-
Shanti Overseas India Ltd.			125.00
<b>Rent Payable</b>			
M/s. Shanti Overseas (India) Limited	-	-	9.72
<b>As on 31st March 2021</b>			
<b>Trade Payables</b>			



M/s. Shanti Overseas (India) Limited	-	-	865.15
<b>Salary Payable</b>			
Mr. Mukesh Kacholia	0.85	-	-
Mr. Ayush Kacholia	0.85	-	-
Mr. Rohan Kacholia	0.85	-	-
<b>Professional Fees Payable</b>			
Mrs. Karuna Kacholia	-	0.46	-
<b>Rent Payable</b>			
M/s. Shanti Overseas (India) Limited	-	-	1.66
Mrs. Sangeeta Kacholia	-	0.11	-

### 32. Financial instruments

#### Fair value measurements

Following table shows the carrying amounts and fair values of financial assets and financial liabilities:

(Rs. In lacs)

	As at 31st March 2022		As at 31st March 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Trade Receivables	-	307.72	-	405.79
Cash and Cash Equivalents	-	53.65	-	3.63
Loans and advances	-	0.02	-	0.15
Others	-	3.19	-	3.00
<b>Total</b>	-	<b>364.58</b>	-	<b>412.57</b>
<b>Current</b>	-	<b>361.58</b>	-	<b>409.57</b>
<b>Non-Current</b>	-	<b>3.00</b>	-	<b>3.00</b>
<b>Financial Liabilities</b>				
Borrowings	-	849.76	-	598.34
Lease Liabilities	-	-	-	52.97
Trade Payables	-	106.10	-	875.92
Other Financial Liabilities	-	3.85	-	6.28
<b>Total</b>	-	<b>959.71</b>	-	<b>1,533.51</b>



<b>Current</b>	-	<b>209.95</b>	-	<b>1,234.30</b>
<b>Non-Current</b>	-	<b>749.76</b>	-	<b>299.21</b>

### Fair Value hierarchy

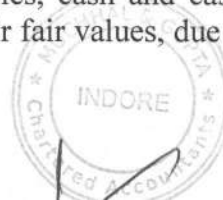
The following tables shows the levels in the fair value hierarchy of financial assets and financial liabilities

(Rs. In lacs)

	Fair value Measurement		
	Level 1	Level 2	Level 3
<b>As at 31st March 2022</b>			
<b>Financial Assets</b>			
Trade Receivables	-	-	307.72
Cash and Cash Equivalents	-	-	53.65
Loans and advances	-	-	0.02
Others	-	-	3.19
	-	-	<b>364.58</b>
<b>Financial Liabilities</b>			
Borrowings	-	-	849.76
Lease Liabilities	-	-	-
Trade Payables	-	-	106.10
Other Financial Liabilities	-	-	3.85
	-	-	<b>959.71</b>
<b>As at 31st March 2021</b>			
<b>Financial Assets</b>			
Trade Receivables	-	-	405.79
Cash and Cash Equivalents	-	-	3.63
Loans and Advances	-	-	0.15
Others	-	-	3.00
	-	-	<b>412.57</b>
<b>Financial Liabilities</b>			
Borrowings	-	-	598.34
Lease Liabilities	-	-	52.97
Trade Payables	-	-	875.92
Other Financial Liabilities	-	-	6.28
	-	-	<b>1533.51</b>

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short-term nature.



The fair values of borrowings are based on discounted cash flows using a borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### **33. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, security deposits, trade and other payables, etc. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivable, security deposit, cash and cash equivalents, etc. that derive directly from its operations. The Company also holds investments in the shares of its subsidiary measured at amortised cost.

The Company is exposed to market risk, credit risk and liquidity risk. The management oversees the management of these risks. The management is responsible for formulating an appropriate financial risk governance framework for the Company and periodically reviewing the same. The management ensures that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

#### **A. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and Equity price risk.

##### (i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has borrowings, therefore Company is exposed to such risk.

##### (ii) Foreign Currency Risk

The Indian Rupee is the Company's most significant currency. As a consequence, the Company's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. So, the Company is exposed to such risk.



### (iii) Equity Price Risk

The Company's investment in shares are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the price risk through diversification and by placing limits on individual and total instruments. Reports on the portfolio are submitted to the management on a regular basis.

### **B. Credit Risk**

**The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet**

(Rs. In laacs)

Particulars	As at 31st March 2022	As at 31st March 2021
Trade receivables	307.72	405.79

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk arises mainly from loans, trade receivables and financial assets. The Company maintains a defined credit policy and monitors the exposures to these credit risks on an ongoing basis. None of the trade receivables are credit impaired as on reporting date.

On adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. Based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the expected credit loss for trade receivables is not significant.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitors credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

The Company's exposure to credit risk for trade receivables are as follows:

(Rs. In laacs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Carrying Amount</b>		
1-30 days past due	307.72	312.90
31 to 90 days past due	-	92.38
More than 90 days past due	-	0.51
<b>Total</b>	<b>307.72</b>	<b>405.79</b>





### C. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31st March 2022:

(Rs. In lacs)

	Carrying amount	Contractual Cash Flows			
		0-1 year	1-5 years	> 5 years	Total
Borrowings	853.61	103.85	749.76	-	853.61
Lease Liabilities	-	-	-	-	-
Trade Payables	106.10	106.10	-	-	106.10
<b>Total</b>	<b>959.71</b>	<b>209.95</b>	<b>749.76</b>	<b>-</b>	<b>959.71</b>

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31st March 2021:

(Rs. In lacs)

	Carrying amount	Contractual Cash Flows			
		0-1 year	1-5 years	> 5 years	Total
Borrowings	478.14	223.34	254.80	-	478.14
Lease Liabilities	52.97	18.00	90.00	36.00	144.00
Trade Payables	875.92	875.92	-	-	875.92
Other Financial Liabilities	126.48	126.48	-	-	126.48
<b>Total</b>	<b>1,533.51</b>	<b>1,243.74</b>	<b>344.80</b>	<b>36.00</b>	<b>1,624.54</b>

### 34. Capital management

The management policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Company's management monitor the return on capital employed.

### Company's Gearing ratio

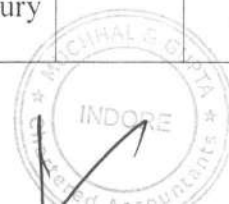
	As at 31st March 2022	As at 31st March 2021
Total Liabilities	1038.06	1,590.94
Less: Cash and Cash Equivalents	53.65	3.63
Net Debt	984.41	1,587.31



Total Equity	614.27	356.38
<b>Gearing Ratio</b>	<b>1.60</b>	<b>4.45</b>

### 35. Financial ratios

Particulars	Numerator	Denominator	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	Variances In %
Current Ratio (in times)	Current Assets	Current Liability	2.76 Times	0.72 Times	283.01%
Debt- Equity Ratio (in times)	Debt consists of borrowings and lease liabilities.	Total Equity	1.22 Times	0.71 Times	71.91%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest on Loan + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	2.65 Times	1.69 Times	56.97%
Return on equity ratio (in %)	Net profits after taxes	Average shareholder's equity	53.14%	21.89%	142.75%
Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory	15.23 Times	6.76 Times	125.36%
Trade receivables turnover ratio (in times)	Revenue	Average trade Receivable	39.75 Times	23.58 Times	68.56%
Trade payables turnover ratio (in times)	Purchases of services and other expenses	Average trade Payables	27.35 Times	5.67 Times	382.39%
Net capital turnover Ratio (in times)	Revenue	Working capital	29.01 Times	(16.52) Times	275.58%
Net profit ratio (in %)	Net profit	Revenue	1.82%	1.23%	47.87%
Return on Capital Employed (ROCE) (in %)	Earning before interest and taxes	Capital employed	22.52%	15.52%	45.00%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	0.00%	0.00%	0.00%



### 36. Reasons for variances

- There has been a decrease in trade payables by 223.34 and 770.00 respectively which has increased the current ratio by 283.01%.
- An Increase in long term borrowings by 495 lakhs was encountered by the company which has led to an increase in Debt Equity ratio by 71.91%.
- Drastic increase in net profit amounting 187.58 have caused debt service coverage ratio to increase by 56.97%.
- Increase in sales and net profit by 8457.83 and 187.58 has caused an increase in Return on Equity Ratio by 142.75%.
- There has been an increase in cost of goods sold amounting to Rs.2679.15 lakhs due to which inventory turnover ratio has risen up by 125.36%.
- Increase in sales/Revenue by 8457.83 lakhs have caused an increase of 68.56% in trade receivables turnover ratio.
- There has been an increase in purchase and payment of trade payables by 5726.44 and 769.82 respectively due to advance or immediate payment credit terms which has led to an increase in trade payables turnover ratio by 382.39%
- Increase in sales/Revenue by 8457.83 lakhs has resulted in increase of 275.58% in net capital turnover ratio.
- There has been an increase in amount of net profit by 110.46 due to which net profit ratio has shown an increase by 47.87%.
- There has been an increase in profit and reduction by Rs 187.58 and 33.38 respectively due to which ROCE has risen up by 45.10%.

### 37. Trade Payables ageing report

(Rs. In lacs)

Particulars	Outstanding for following periods from Due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	106.10	-	-	-	106.10
(iii) Disputed dues- MSME	-	-	-	-	-



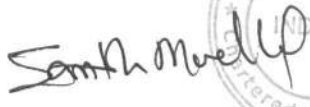

(iv) Disputed dues- Others	-	-	-	-	-
-------------------------------	---	---	---	---	---

**38.Trade Receivables ageing report**

(Rs. In lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables– considered good	307.72	-	-	-	-	307.72
(ii) Undisputed Trade Receivables –which have significant increase in credit risk						
(iii) Undisputed Trade Receivables –credit impaired						
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables –which have significant increase in credit risk						
(vi) Disputed Trade Receivables–credit Impaired						

**For: Muchhal & Gupta**  
Chartered Accountants  
FRN: 004423C

**Santosh Muchhal**  
Partner  
Membership No. 073320  
UDIN: 22073320AJBHHL6277

**Place: Indore**  
**Date: 16<sup>th</sup> May 2022**