

Independent Auditors' Report

To
The Members of
MFL TRADING PRIVATE LIMITED
5th Floor Bhandari House 91
Nehru Place, New Delhi-110019

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **MFL TRADING PRIVATE LIMITED** ("the company"), which comprises the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, the statement of changes in Equity, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the 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 31st March, 2020, and its Loss including other comprehensive income for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Auditor's Responsibility

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 accountably 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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, 2016 ('the order'), issued by the Central Government of India in terms of Sub Section (11) of Section 143 of the Act, we give in the **Annexure – 'A'** statement on the matters specified in paragraph 3 & 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of changes in Equity 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of written representations received from the directors as on 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report that:



- i. There is no pending litigations and as such no impact on its financial position.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Rajendra K. Goel & Co.
Chartered Accountants
FRN-001457N



Place: New Delhi
Date: 03/06/2020
UDIN:- 20006154AAAABV8035


R.K. Goel
(Partner)
Membership No:006154

Annexure – A to the Independent Auditors Report

Referred to in paragraph (1) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020

- i) Since the company does not own any fixed assets, the clause (i) of the paragraph 3 of the Order related to maintenance of proper records, physical verification and valuation of fixed assets are not applicable.
- ii) The company does not hold any inventory; accordingly the provisions of the clause (ii) of the paragraph of the order, related to inventory, are not applicable.
- iii) The Company has not granted unsecured loan to a company covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) The company is having Commission Agency Business. Therefore, the provisions referred to in sub-section (1) of the section 148 of the Companies Act, 2013, does not apply;
- vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March 2020 for a period of more than six months from the date on when they become payable.
(b) According to the information and explanations given to us, no disputed amounts in respect of Income Tax, Goods and Services Tax & Custom Duty were outstanding as at 31st March, 2020;
- viii) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institution. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the company and hence not commented upon;
- ix) Based upon the audit procedures performed and the information and explanation given by the management, the company has not raised moneys during the year by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the



provisions of clause 3 (ix) of the Order are not applicable to the company and hence not commented upon;

- x) Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year;
- xi) Based upon the audit procedures performed and the information and explanation given by the management, the managerial remuneration has not been provided. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the company;
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- xiv) Based upon the audit procedures performed and the information and explanation given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanation given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon.

For Rajendra K. Goel & Co.
Chartered Accountants
FRN-001457N

R. K. Goel
(Partner)
M. No.:- 006154



Place: New Delhi
Date: 03/06/2020

Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **MFL TRADING PRIVATE LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India



Place: New Delhi
Date: 03/06/2020

For Rajendra K. Goel and Co.
Chartered Accountants
FRN-001457N


R.K. Goel
(Partner)
Membership No:006154

MFL TRADING PVT. LTD.

BALANCE SHEET AS AT March 31, 2020

S.NO.	PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
I	ASSETS			
1	NON-CURRENT ASSETS			
	(A) FINANCIAL ASSETS		-	-
	(B) DEFERRED TAX ASSETS (NET)		-	-
	(C) OTHER NON-CURRENT ASSETS		-	-
2	CURRENT ASSETS			
	(A) FINANCIAL ASSETS		-	-
	(I) CASH AND CASH EQUIVALENTS	1	-	18,432
	(B) OTHER CURRENT ASSETS		-	-
			-	18,432
	TOTAL (1+2+3) :-		-	18,432
II	EQUITY & LIABILITIES			
1	EQUITY			
	(A) EQUITY SHARE CAPITAL	2	1,00,000	1,00,000
	(B) OTHER EQUITY	3	(1,94,381)	(1,68,733)
			(94,381)	(68,733)
2	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(A) FINANCIAL LIABILITIES		-	-
	(B) PROVISIONS		-	-
	(C) DEFERRED TAX LIABILITIES (NET)		-	-
	(D) OTHER NON-CURRENT LIABILITIES		-	-
3	CURRENT LIABILITIES			
	(A) FINANCIAL LIABILITIES		-	-
	(B) OTHER CURRENT LIABILITIES	4	94,381	87,165
	(C) PROVISIONS		-	-
	(D) CURRENT TAX LIABILITIES (NET)		-	-
			94,381	87,165
	TOTAL (1+2) :-		-	18,432

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR RAJENDRA K. GOEL & CO
CHARTERED ACCOUNTANTS
FRN No- 001457N

Rakesh Thakur
RAKESH THAKUR
DIRECTOR
DIN : 07743523

Nawal Kumar
NAWAL KUMAR
DIRECTOR
DIN : 07719264

(R. K. GOEL)
PARTNER
M.NO. 006154



PLACE : NEW DELHI
DATED : 03-06-2020

MFL TRADING PVT. LTD.
PROFIT & LOSS ACCOUNT AS ON 31-03-2020

S.NO.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31.03-2020	FOR THE YEAR ENDED 31.03.2019
I	REVENUE FROM OPERATION		-	-
II	OTHER INCOME		-	-
III	TOTAL REVENUE (I+ II)		-	-
IV	EXPENSES:			
	- FINANCE COSTS	5	248	236
	- OTHER EXPENSES	6	25,400	23,937
	TOTAL EXPENSES		25,648	24,173
V	PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III - IV)		(25,648)	(24,173)
VI	EXCEPTIONAL ITEMS		-	-
VII	PROFIT BEFORE TAX (V - VI)		(25,648)	(24,173)
VIII	TAX EXPENSE			
	- CURRENT TAX		-	-
	- EARLIER YEAR TAX		-	-
	- DEFERRED TAX		-	-
	TOTAL TAX EXPENSES		-	-
IX	PROFIT/(LOSS) FOR THE PERIOD (VII-VIII)		(25,648)	(24,173)
X	OTHER COMPREHENSIVE INCOME			
	A (i) ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		-	-
	(ii) INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		-	-
	B (i) ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS		-	-
	(ii) INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS		-	-
	TOTAL OTHER COMPREHENSIVE INCOME		-	-
XI	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (IX+X)		(25,648)	(24,173)
XII	EARNINGS PER EQUITY SHARE:			
	- BASIC	7.27	(2.56)	(2.42)
	- DILUTED	7.27	(2.56)	(2.42)

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

7

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR RAJENDRA K. GOEL & CO
CHARTERED ACCOUNTANTS
FRN No- 001457N

RAKESH THAKUR
DIRECTOR
DIN : 07743523

NAWAL KUMAR
DIRECTOR
DIN : 07719264

(R. K. GOEL)
PARTNER
M.NO. 006154



PLACE : NEW DELHI
DATED : 03-06-2020

MFL TRADING PVT. LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH -2020

S. NO.	PARTICULARS	FOR THE YEAR ENDED 31.03.2020	FOR THE YEAR ENDED 31.03.2019
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	NET PROFIT/LOSS BEFORE TAX & EXTRA ORDINARYT ITEMS	(25,648)	(24,173)
	ADD:- NON CASH INEREST EXPENSE ON AMORTISED COST	-	-
	ADD:- GRATUITY PROVISION	-	-
	LESS: INTEREST & OTHER INCOME	-	-
	OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(25,648)	(24,173)
	ADJUSTMENTS FOR		
	INCREASE/DECREASE IN OTHER CURRENT ASSETS	-	-
	INCREASE/DECREASE IN OTHER CURRENT LIABILITIES	7,216	41,050
	CASH GENERATED /LOST FROM OPERATIONS	(18,432)	16,877
	LESS: TAXES PAID	-	-
	NET CASH FLOW FROM OPERATING ACTIVITIES	(18,432)	16,877
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	LOAN TO SUBSIDIARY COMPANY	-	-
	LOAN REPAYMENT BY SUBSIDIARY COMPANY	-	-
	INTEREST RECEIVED	-	-
	PURCHASES OF DEBT FUND	-	-
	INVESTMENT IN FIXED DEPOSIT	-	-
	PROCEEDS FROM SALE OF DEBT FUND	-	-
	PROFIT ON SALE OF DEBT FUND	-	-
	NET CASH FLOW FROM INVESTING ACTIVITIES	-	-
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	ISSUE OF EQUITY SHARES WITH PREMIUM	-	-
	NET CASH FLOW FROM FINANCING ACTIVITIES	-	-
	NET INCREASE/DECREASE IN CASH & CASH EQUIVALENT	(18,432)	16,877
	OPENING CASH & CASH EQUIVALENT	18,432	1,555
	CLOSING CASH & CASH EQUIVALENT	-	18,432

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR RAJENDRA K. GOEL & CO
CHARTERED ACCOUNTANTS
FRN No- 001457N

Rhatur
RAKESH THAKUR
DIRECTOR
DIN : 07743523

Nawal Kumar
NAWAL KUMAR
DIRECTOR
DIN : 07719264

(R. K. GOEL)
PARTNER
M.NO. 006154



PLACE : NEW DELHI
DATED : 03-06-2020

MFL TRADING PVT. LTD.
STATEMENT OF CHANGE IN EQUITY AS ON MARCH 31, 2020

CAPITAL

PARTICULARS	BALANCE AS AT 1ST APRIL 2019	CHANGES DURING THE YEAR 2018-19	BALANCE AS AT MARCH 31 2019	CHANGES DURING THE YEAR 2019-20	BALANCE AS AT 31ST MARCH 2020
ISSUED, SUBSCRIBED AND PAID UP					
10000 EQUITY SHARES OF RS.10/- EACH	1,00,000	-	1,00,000	-	1,00,000
TOTAL	1,00,000	-	1,00,000	-	1,00,000

B. OTHER EQUITY

	RESERVES & SURPLUS			OTHER COMPREHENSIVE INCOME		TOTAL OTHER EQUITY
	SECURITIES PREMIUM RESERVES	RETAINED EARNING	CAPITAL RESERVES	ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF TAXES)	ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS (NET OF TAXES)	
BALANCE AS OF APRIL 1, 2019	-	(1,44,560)	-	-	-	(1,44,560)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR 2019-20	-	(24,173)	-	-	-	(24,173)
BALANCE AS OF MARCH 31, 2019	-	(1,68,733)	-	-	-	(1,68,733)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR 2019-2020	-	(25,648)	-	-	-	(25,648)
BALANCE AS OF 31ST-MARCH 2020	-	(1,94,381)	-	-	-	(1,94,381)

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR RAJENDRA K. GOEL & CO
CHARTERED ACCOUNTANTS
FRN No- 001457N

(R. K. GOEL)
PARTNER
M.NO. 006154



Rakesh Thakur
RAKESH THAKUR
DIRECTOR
DIN : 07743523

Nawal Kumar
NAWAL KUMAR
DIRECTOR
DIN : 07719264

PLACE : NEW DELHI
DATED : 03-06-2020

MFL TRADING PVT. LTD. NOTES FORMING PART OF THE BALANCE SHEET		
PARTICULARS	AS AT 31st MARCH 2020	AS AT 31st March 2019
NOTE NO- 1 CASH & CASH EQUIVALENTS		
- BALANCE WITH BANK		
IN CURRENT ACCOUNT	-	18,432
- CASH ON HAND	-	-
IN FIXED DEPOSITS (MORE THAN 12 MONTHS)	-	-
	-	18,432
NOTE NO-2 SHARE CAPITAL		
AUTHORISED: 10000 EQUITY SHARES (PREVIOUS YEAR 10000 EQUITY SHARES) OF Rs. 10/- EACH	1,00,000.00	1,00,000.00
ISSUED, SUBSCRIBED & PAID UP: 10000 EQUITY SHARES (PREVIOUS YEAR 10000 EQUITY SHARES) OF Rs. 10/- EACH	1,00,000	1,00,000

RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE PERIOD		
EQUITY SHARES AT RS. 10 EACH	AS AT 31st MARCH 2020	AS AT 31st March 2019
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	10,000	10,000
SHARES ISSUED DURING THE YEAR	-	-
SHARES BOUGHT BACK DURING THE YEAR	-	-
ANY OTHER MOVEMENT (PLEASE SPECIFY)	-	-
SHARES OUTSTANDING AT THE END OF THE YEAR	10,000	10,000

DETAIL OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY		
	AS AT 31st MARCH 2020	AS AT 31st March 2019
NAME OF SHAREHOLDERS	No. of shares / % holding in the class	No. of shares / % holding in the class
MILK FOOD LTD	9999 / 99.99 %	10000 / 99.99 %
MILKFOOD LIMITED J/W RAVI CHHABRA	1 / 0.01	1 / 0.01

TERMS/RIGHTS ATTACHED TO EQUITY SHARES

CLASS OF EQUITY SHARES, PAR VALUE, VOTE PER SHARE, DIVIDEND PROPOSED, DISTRIBUTION AT THE TIME OF LIQUIDATION

THE COMPANY HAS ONLY ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF RS.10 PER SHARE. EACH HOLDER OF EQUITY SHARES IS ENTITLED TO ONE VOTE PER SHARE. THE COMPANY DECLARES AND PAYS DIVIDEND IN INDIAN RUPEES.

IN THE EVENT OF LIQUIDATION OF THE COMPANY, THE HOLDERS OF EQUITY SHARES WILL BE ENTITLED TO RECEIVE REMAINING ASSETS OF THE COMPANY, AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS. THE DISTRIBUTION WILL BE IN PROPORTION TO THE NUMBER OF EQUITY SHARES HELD BY THE SHAREHOLDERS.



MFL TRADING PVT. LTD.		
NOTES FORMING PART OF THE BALANCE SHEET		
PARTICULARS	AS AT 31st MARCH 2020	AS AT 31st March 2019

NOTE NO-3

OTHER EQUITY

- CAPITAL RESERVES
- SECURITIES PREMIUM RESERVE
- RETAINED EARNING
- OTHER COMPREHENSIVE INCOME/(LOSS)

-	-
-	-
(1,94,381)	(1,68,981)
-	-
(1,94,381)	(1,68,981)

NOTE NO- 4

OTHER CURRENT LIABILITIES

- EXPENSES PAYABLE
- AUDIT FEES PAYABLE
- MILKFOOD LIMITED*
- DIRECTORS REIMBURSMENT PAYABLE

17,618	10,518
11,800	11,800
50,000	50,000
14,963	14,847
94,381	87,165

*This is a interest free short term assistance.



(Signature)

ul

MFL TRADING PVT. LTD.		
NOTES FORMING PART OF THE PROFIT AND LOSS STATEMENT		
PARTICULARS	FOR THE YEAR ENDED 31.03.2020	FOR THE YEAR ENDED 31.03.2019
NOTE NO- 5		
FINANCE COSTS		
- BANK CHARGES	248	236
	248	236
NOTE NO- 6		
OTHER EXPENSES		
- LEGAL & PROFESSIONAL CHARGES	12,000	11,210
- FILLING FEES	1,600	927
PAYMENT TO AUDITORS		
- STATUTORY AUDIT FEES	11,800	11,800
	25,400	24,173



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MFL TRADING PRIVATE LIMITED
CIN NO. U51109DL2010PTC208069
Notes Forming Part of The Balance Sheet and Profit & Loss Statement

Note No. – 7

A. SIGNIFICANT ACCOUNTING POLICIES.

7.1 Company Information

MFL Trading Private Limited (the Company) is a private limited company with registered office situated at 5th Floor, Bhandari House 91, Nehru Place New Delhi -110019 .

7.2 Basis for preparation of Accounts

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, MSMED Act, 2006, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in revised Schedule – III to the Companies Act, 2013.

7.3 Use of Estimates

Ind AS enjoins management to make estimates and assumptions related to financial statements that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to the year. Actual result may differ from such estimates. Any revision in accounting estimates is recognized prospectively in the period of change and material revision, including its impact on financial statements, is reported in the notes to accounts in the year of incorporation of revision.

7.4 Recognition of Income and Expenses

- a) Revenue from services are recognized in proportion to the stage of completion of transaction at the end of reporting period, and cost incurred in the transaction including same to complete the transaction and revenue (representing economic benefit associated with the transaction) can be measured reliably.
- b) Interest income from a financial asset has been recognised using effective interest rate method.
- c) Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

7.5 Financial instruments

(i) Financial Assets

Initial Recognition and Measurement

All financial assets are recognized 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. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.



MFL TRADING PRIVATE LIMITED
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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

Subsequent Measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:-

- Financial Assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of Profit and loss, or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost.

- **Business Model Test:** The objective of the company's business model is to hold the financial Asset to collect the contractual cash flows.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:-

- **Business Model Test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

Investment in associates, joint venture and subsidiaries

The company has accounted for its investment in subsidiaries, associates and joint venture at cost.

Impairment of financial assets

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

Depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not rack the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Financial Liabilities

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

7.6 Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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 by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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:



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines Whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

7.7 Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

Post Separation Employee Benefit Plan

i) Defined Benefit Plan

- Post separation benefits of Directors on the basis of actuarial valuation as per IND AS-19.
- Gratuity Liability on the basis of actuarial valuation as per IND AS-19. Liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.
- Company contributes its share of contribution to Employees Provident Fund Scheme Administered by a separate trust with its obligation to make good the shortfall, if any, in trust fund arising on account of difference between the return on investments of the trust and the interest rate on provident fund dues notified periodically by Central Government.
- Actuarial gain / loss pertaining to i & ii above and other components of re-measurement of net defined benefit liability (asset) are accounted for as OCI. All remaining components of costs are accounted for in statement of profit & loss.



MFL TRADING PRIVATE LIMITED
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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

7.8 Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed considering the provisions of the Income Tax Act, 1961.

Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

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

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 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 taxable entity and the same taxation authority.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of Investments in subsidiaries and interest in joint arrangements where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

7.9 Provisions, Contingent Liability and Contingent Assets

Disputed liabilities and claims against the company including claims raised by fiscal authorities (e.g. Sales Tax, Income Tax Excise etc.) Pending in appeal / court for which no reliable estimate can be made and or involves uncertainty of the outcome of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in notes to accounts.

However, present obligation as a result of past event with possibility of outflow of resources, when reliable estimation can be made of the amount of obligation, is recognized in accounts in terms of discounted value, if the time value of money is material using a current pre-tax rate that reflects the risk specific to the liability.

No contingent asset is recognized but disclosed by way of notes to accounts.



MFL TRADING PRIVATE LIMITED
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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

7.10 Foreign Currency Translation

The company's financial statements are presented in INR, which is also the company's functional currency.

- a) Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transactions. Gain / Loss arising on account of rise or fall in overseas currencies vis-à-vis functional currency between the date of transaction and that of payment is charged to Statement of Profit & Loss.
- b) Monetary Assets in foreign currencies are translated into functional currency at the exchange rate ruling at the Reporting Date and the resultant gain or loss, is accounted for in the Statement of Profit & Loss.
- c) Non-Monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- d) Impact of exchange fluctuation is separately disclosed in notes to accounts.

7.11 Earnings per Share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributed to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

7.12 Borrowing Cost

Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

7.13 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



7.14 Property, Plant and Equipment

Cost:-

Property, Plant & Equipment held for use in the production or supply of goods or services, or for administration purposes, are stated in the balance sheet at cost (net of duty/tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commence when the assets are ready for their intended use.

Depreciation/Amortization:

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

Fixed assets are stated at cost of acquisition and subsequent improvement thereto, including taxes, duties, freight and other incidental expenses related to acquisition and installation.

Depreciation is provided on the written down value at the rates and in the manner specified in Schedule II of the Companies Act, 2013. Schedule II prescribes useful lives for fixed assets.

However, allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

7.16 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

7.17 Impairment

(i) Impairment of Financial Assets

The company assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

Depending upon whether there has been a significant increase in credit risk since initial recognition.

However, for trade receivables, the company does not track the changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

(ii) Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

7.17 Current versus Non-Current Classification

The company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An Asset is current when it is:

- a) Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- b) Held primarily for the purpose of trading.
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or Cash Equivalents 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:

- a) Expected to be settled in the normal operating cycle.
- b) Held primarily for the purpose of trading.
- c) Expected to be realised within twelve months after the reporting period, or
- d) There is no conditional 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.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

7.18 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.

B. NOTES ON ACCOUNTS.

7.19 Sundry Debtors, Loans & Advances are subject to confirmation.

7.20 Previous year figures have been re-grouped and recast wherever necessary to make them comparable with those of the current year.

7.21 Director Remuneration

	<u>2019-20</u>	<u>2018-19</u>
Directors Remuneration	NIL	NIL

7.22 Disclosure under Micro, small and Medium Enterprises Development (MSMED) Act, 2006:

As per the information available with the Company and as certified by the management, there are no dues outstanding including interest as on 31st March, 2020 to Micro, Small and Medium Enterprises as defined under the Micro, small and Medium Enterprises Development (MSMED) Act, 2006.

7.23 Related Parties Disclosure:-

1. Related Parties

a) Key Management Personnel

- Mr. Rakesh Thakur - Director
- Mr. Nawal Kumar- Director
- Mr. Hemant Kumar – Director

2. Transaction with Related Parties

<u>Particular</u>	<u>2019-20</u>	<u>2018-19</u>
a) Temporary Assistance	50,000/-	50,000/-
b) Directors Reimbursement of Expenses	14,963/-	14,847/-

7.24 Financial risk management objectives and Policies

The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk, credit risk and liquidity risk. The company's overall risk management policy seeks to minimize potential adverse effects on company's financial performance.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

(i) Market Risk: Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate because of change in market prices. Market risk comprises mainly three types of risk: interest rate, currency risk and other price risk such as equity price risk and commodity price risk.

(a) Foreign Currency Risk: The Company's transactions do not expose the company to exchange rate fluctuations. The operations of the Company are INR based. INR is its functional currency.

Interest rate risk: Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any change in the interest rates environment may impact future rates of borrowing. The company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiation with the lenders for ensuring the cost effective method of financing.

(b) Interest Rate Sensitivity: Interest rate risk is the risk that the fair value of future cash flow of financial instruments will fluctuate because of change in market interest rates. The Company has not taken any loan from bank & financial institutions; hence there is not any interest rate risk.

(c) Equity Price Risk: The Company has not equity investment except investment in Subsidiary Company. The Subsidiary company investment to be shown at Carrying value as at the date of transition to IND AS, measured as per previous GAAP are treated as their deemed costs as at the date of transition.

(ii) Credit Risk:

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, Inter Corporate deposit, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counter parties are banks and recognised financial institutions with high credit ratings.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Trade receivables
- ii. Balance with banks & fixed Deposits
- ii. Financial assets measured at amortized cost (other than trade receivables)
- iii. Others

Trade Receivables: Customer credit risk is managed through the company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the security held in his account. Outstanding customer receivables are regularly monitored. At the year end, the company does not have any outstanding trade receivable.

Balance & fixed Deposits with banks: Credit Risk from balances & Fixed Deposits with banks is managed by the Company's Finance Department in accordance with the company's policy. Investments of surplus funds are made only with banks as fixed deposits.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

The Company's maximum exposure to credit risk for the components of the balance sheet at 31.03.2020 & 31.03.2019 is the carrying amounts as summarized in Note No. 1.

Other Assets: The Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. Subsequently, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for financial instruments is described below:

Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

(iii) Liquidity Risk: Liquidity risk is the risk, where 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 monitors its risk of a shortage of funds using future cash flow projections. The Company manages its liquidity needs by continuously monitoring cash flows from customers and by maintaining adequate cash & cash equivalent. The Company's objective is to maintain a balance between continuity of funding and flexibility through shareholder funds or borrowings from the holding company or sister concerns

7.25 Fair Valuation Techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Fair value of borrowings from banks and other non-current financial liabilities, are estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.
- 3) Other non-current receivables are evaluated by the Company, based on parameters such as interest rates, individual creditworthiness of the counterparty etc. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.



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Notes Forming Part of The Balance Sheet and Profit & Loss Statement

4) Fair value of Investments in quoted non-current Equity Shares are based on quoted market price at the reporting date.

5) The fair values of derivatives are calculated using the RBI reference rate as on the reporting date as well as other variable parameters.

Fair Value hierarchy

All financial assets and liabilities for which fair value is measured in the financial statements are categorized within the fair value hierarchy, described as follows: -

Level 1 - Quoted prices in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

The following table presents the fair value measurement hierarchy of financial assets and liabilities, which have been measured subsequent to initial recognition at fair value as at 31st March, 2020, 31st March 2019 and 1st April 2018:

7.26 Earnings per share

	<u>2019-20</u>	<u>2018-19</u>
Profit After Taxation (Rs.)	(25,648)	(24,173)
Number of equity shares as on 31 st March (Nos)	10,000	10,000
Weighted average number of Share (Nos)	10,000	10,000
Nominal Values of Shares Outstanding (Rs.)	10	10
Basic & Diluted Earnings per Share	(2.56)	(2.42)

7.27 Notes 1 to 7 form an integral part of the Balance Sheet and Profit & Loss Statement of the Company.

AS PER REPORT OF EVEN DATE

RAJENDRA K. GOEL & CO.
CHARTERED ACCOUNTANTS
FRN No- 001457N

R.K. GOEL
PARTNER
M.NO. 006154



FOR & ON BEHALF OF THE BOARD

RAKESH THAKUR
DIRECTOR
DIN : 07743523

NAWAL KUMAR
DIRECTOR
DIN : 07719264

PLACE: NEW DELHI
DATED : 03-06-2020

MFL TRADING PRIVATE LIMITED

5TH FLOOR BHANDARI HOUSE, 91, NEHRU PLACE NEW DELHI- 110019
CIN NO, U51109DL2010PTC208069

To
Rajendra K. Goel & Co.
Chartered Accountants
J-288, Ground Floor,
Saket, New Delhi-110017

Dear Sir,

Reg.: Management Representation Letter

This representation letter is provided in connection with your audit of the financial statements of the company for the year ended 31st March, 2020 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the company as on 31st March 2020 and the results of operation for the period ended. We acknowledge our responsibility for preparation of financial statements in accordance with requirements of the provisions of the Companies Act, 2013 and recognized accounting policies and practices, including the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable.

We confirm, to the best of our knowledge and belief, the following representations:

1. Basis For Preparation of Financial Statements

The financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provision of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupees.

2. Assets

The Company has a satisfactory title to all assets and there are no liens or encumbrances on the Company's assets as mentioned in financial statements.

3. Fixed Assets

There are no fixed assets in the company during the year.

4. Capital Commitments

There are no contracts remaining to be executed on capital account at Balance Sheet date.

5. Other Current Assets

In the opinion of the management, other current assets have a value on realization in the ordinary course of the Company's business, which is at least equal to the amount at which they are stated in the Balance Sheet.

-Balance with schedule bank:	NIL
-Cash & Cash equivalent:	NIL

6. Liabilities

We have recorded all known liabilities in the financial statements.

Contingent liabilities do not include any contingencies, which are likely to result in the loss and which, therefore, require adjustment of assets or liabilities. All contingent liabilities not acknowledged as debts are disclosed in Financial Statements. There are no guarantees issued up to the year ended 31st March, 2020, which are yet to recorded and disclosed. We also confirm that there is no liability towards PF and ESI on the company.

7. Provision for Claims and Losses

Provision has been made in the books of accounts for all known losses and claims of material amounts. There have been no events subsequent to the Balance Sheet date, which require adjustment of, or disclosure in, the financial statements or notes thereto.

8. Profit & Loss Accounts

Except as disclosed in the financial statements, the results for the year were not materially affected by:

- (a) Transactions of a nature not usually undertaken by the company.
- (b) Circumstances of an exceptional or non-recurring nature.
- (c) Charges of credits relating to prior years.
- (d) Changes in accounting policies

9. Responsibility for Internal Financial Controls

We acknowledge our responsibility 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

10. General

We believe that effects of those unrecorded financial statement misstatements, if any aggregated by the auditor during the audit are immaterial, both individually and in aggregate, to the financial statements taken as a whole.

The financial statements are free of material misstatements, including omission.

The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

We have no plans or intentions that may materially affect the carrying value or classifications of assets and liabilities reflected in the financial statements.

As at the Balance Sheet date, there is no undisputed amounts in respect of Income Tax, Goods and Services Tax and Custom Duty which have remained outstanding for a period of more than six months from the date they became payable, if any.

The Company has not made any payment in cash more than Rs. 10,000/- during the year.

MFL TRADING PRIVATE LIMITED



Managing Director

To ,
THE BOARD OF DIRECTORS
MFL TRADING PRIVATE LIMITED
5th, FLOOR, BHANDARI HOUSE 91,
NEHRU PLACE, NEW DELHI-110019

Dear Sir,

Reg. Audit Engagement for F.Y- 2019-20

This confirms our engagement covering the following services requested by you: Statutory audit of the Balance Sheet of MFL TRADING PRIVATE LIMITED as at 31st March 2020, the related statements of Profit and Loss and Notes thereon for the year then ended, as required by the Companies Act, 2013

Our audit will be conducted with the objective of our expressing an opinion if the aforesaid financial statements give the information required by the Companies Act 2013 in the manner so required, and give a true and fair view in conformity with the applicable accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its loss for the year ended on that date.

We will conduct our audit in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed by the Central Government in accordance with Section 143(10) of the 2013 Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, including the possibility of collusion or improper management override of controls, there is an unavoidable risk that material misstatements due to fraud or error may occur and not be detected, even though the audit is properly planned and performed in accordance with the SAs.

Our audit will be conducted on the basis that the Management and those charged with governance (Audit Committee) acknowledge and understand that they have the responsibility.



- (a) For the preparation of financial statements that give a true and fair view in accordance with the applicable Financial Reporting Standards and other generally accepted accounting principles in India. This includes:
- ∞ Compliance with the applicable provision of the 2013 Act;
 - ∞ Proper maintenance of accounts and other matters connected therewith;
 - ∞ The responsibility for the preparation of the financial statements on a going concern basis;
 - ∞ The preparation of the annual accounts in accordance with, the applicable accounting standards and providing proper explanation relation to any material departures from those accounting standards;
 - ∞ Selection of accounting policies and applying them consistently and making judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
 - ∞ Taking proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 2013 Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - ∞ Laying down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
 - ∞ Devising proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.
- (b) Identifying and informing us of financial transactions or matters that may have any adverse effect on the functioning of the Company.
- (c) Identifying and informing us of:
- ∞ All the pending litigations and confirming that the impact of the pending litigations on the Company's financial position has been disclosed in its financial statement;
 - ∞ All material foreseeable losses, if any, on long term contracts including derivative contracts and the accrual for such losses as required under any law or accounting standards; and
 - ∞ Any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (d) Informing us of facts that may affect the financial statements, of which Management may become aware during the period from the date of our report to the date the financial statements are issued.
- (e) Identifying and informing us as to whether any director is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the 2013 Act. This should be supported by written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors.



(f) To provide us, *inter alia*, with :

- (i) Access, at all times, to all information, including the book, accounts, vouchers and other records and documentation of the Company, whether kept at the Head Office or elsewhere, of which the Management is aware that are relevant to the preparation of the financial statements such as records, documentation and other matters. This will include books of account maintained in electronic mode;
- (ii) Access to reports, if any, relating to internal reporting on frauds (e.g., vigil mechanism reports etc.), including those submitted by cost accountant or company secretary in practice to the extent it relates to their reporting on frauds in accordance with the requirements of Section 143(12) of the 2013 Act;
- (iii) Additional information that we may request from Management for the purpose of our audit;
- (iv) Unrestricted access to persons within the Company from whom we deem it necessary to obtain audit evidence. This includes our entitlement to require from the officers of the company such information and explanations as we may think necessary for the performance of our duties as the auditors of the company; and
- (v) All the required support to discharge our duties as the statutory auditors as stipulated under the Companies Act, 2013/ ICAI standards on auditing and applicable guidance.

As part of our audit process, we will request from the management written confirmation concerning representations made to us in connection with our audit.

Our report prepared in accordance with relevant provisions of the 2013 Act would be addressed to the shareholders of the Company for adoption of the accounts at the Annual General Meeting. In respect of other services, our report would be addressed to the Board of Directors. The form and content of our report may need to be amended in the light of our audit findings.

In accordance with the requirements of Section 143(12) of the 2013 Act, if in the course of performance of our duties as auditor, we have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company, we will be required to report to the Central Government, in accordance with the rules prescribed in this regard which, *inter alia*, requires us to forward our report to the or Audit Committee, as the case may be, seeking their reply or observations, to enable us to forward the same to the Central Government. Such reporting will be made in good faith and, therefore, cannot be considered as breach of maintenance of client confidentiality requirements or be subject to any suit, prosecution or other legal proceeding since it is done in pursuance of the 2013 Act or of any rules or orders made thereunder.

We also wish to invite your attention to the fact that our audit process is subject to 'peer review' / 'quality review' under the Chartered Accountants Act, 1949. The reviewer(s) may inspect, examine or take abstract of our working papers during the course of the peer review / quality review.

We may involve specialists and staff from our affiliated network firms to perform certain specific audit procedures during the course of our audit.



In terms of Standard on Auditing 720- "The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements" issued by the ICAI and deemed to be prescribed by the Central Government in accordance with Section 143(10) of the 2013 Act, we request you to provide to us a Draft of the Annual Report containing the audited financial statements so as to enable us to read the same and communicate material inconsistencies, if any, with the audited financial statements, before issuing the auditor's report on the financial statements.

We look forward to full cooperation from your staff during our audit.

Please sign and return the attached copy of this letter to indicate your acknowledgement of and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

Yours faithfully,

For Rajendra K. Goel & Co.
Chartered Accountants
FRN: 001457N

For MFL TRADING PRIVATE LIMITED

Handwritten signature

R.K. GOEL
(Partner)
M.No.: 006154



Place: New Delhi
Date : 07.10.2019