

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MFL TRADING PRIVATE LIMITED**

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

**Opinion**

We have audited the accompanying IND AS financial statements of **MFL TRADING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2024, and the Statement of Profit and Loss, and 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 31<sup>st</sup> March 2024, and its Loss and its cash flows 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.

**Emphasis of Matters**

We draw the attention to the following matters in the notes to the financial statements:

Note No. 7.27 in the financial statements indicate that the company has accumulated losses which are more than its' new worth, i.e. the net worth has been fully eroded, the company has incurred net cash loss during the current year and previous year(s) and the current liabilities have exceeded its current assets which is nil at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note for the financial support of its parent company.

**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 Management Discussion and Analysis, Board's Reports including Annexure to Board Report, Business Responsibility Report, Corporate Governance and Shareholder Information, but does not include the financial statements and auditor's report thereon.



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

In connection with our audit of the financial statement, 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.

If, based on our work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 Responsibilities for the Audit of 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.

### **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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) As per Notification No. G.S.R. 583(E) dated 13th June, 2017, amendment to Notification No. G.S.R. 464(E) dated 5th June 2015 with respect to reporting on adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls is not applicable to the company.
- (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:
- a. The Company does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party or provided any guarantee, security or the like on behalf of the Ultimate Beneficiaries and
  - (iii) Based on audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- e. The Company had not declared or paid any dividend during the year.



- f. Based on our examination which includes test checks, the company has used an accounting software for maintaining its books of accounts which has the feature of recording audit trail (Edit Log). However, the company doesn't have any business transactions during the year apart from few compliance expenses. Hence, enabling the audit trail feature was overlooked during the year by the company.

As proviso to Rule 3(1) of the companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31,2024.

For Rajendra K Goel & Co.  
Chartered Accountants  
(F.R.N.: - 001457N)



Place: New Delhi

Date: 14.05.2024

UDIN: 24006154BKFI5P4497

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

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MFL Trading Private Limited of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. The company does not own any Property, Plant and Equipment hence the clause (i) of the paragraph 3 of the Order related to maintenance of proper records, physical verification and valuation are not applicable. The Company does not have any intangible assets during the year.
- ii. The company does not hold any inventory; accordingly, the provisions of the clause (ii) of the paragraph 3 of the order, related to inventory, are not applicable.
- iii. The Company has not made investments in, provided any guarantee or security, granted any loan or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, and any other parties, during the year. Hence, reporting under Paragraph 3(iii) (a), (b), (c), (d), (e) and (f) of the order is not applicable to the Company.

- iv. The Company has not granted loan, made investment, and provided guarantee and security to which the provisions of section 185 and 186 of the Companies Act, 2013 are attached. Hence, reporting under Paragraph 3(iv) of the order is not applicable to the Company.
- 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 not required to maintain cost records under section 148(1) of the Companies Act, 2013.
- vii. In respect of statutory dues:
- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, and as per examination of records of the Company, there is no amount payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, which have not been deposited as on March 31, 2024 on account of any disputes.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. 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(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, 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 (x) of the Order are not applicable to the company and hence not commented upon;
- xi. 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;
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) (a), (b) and (c) of the Order is not applicable.
- 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. According to the information and explanation given to us, the Company does not require to have an internal audit system as per the provisions of the Companies Act, 2013. Hence, reporting under clause 3 (xiv) (a) and (b) of the Order is not applicable.



- xv. In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b), (c) and (d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. accordingly, clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that 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.
- xx. Provisions under section 135 of the Companies Act, 2013 is not applicable on the company hence reporting under clause 3(xx) (a) and (b) of the order is not applicable for the company.
- xxi. The Company does not have investment in subsidiaries, associates or joint ventures and therefore, company has not prepared consolidated financial statements. Accordingly, reporting under clause 3(xxi) of the order is not applicable.

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



**Place: New Delhi**  
**Date: 14.05.2024**  
**UDIN: 24006154BICFISPL447**

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

**MFL TRADING PVT. LTD.**

**BALANCE SHEET AS AT 31ST MARCH , 2024**

S.NO.	PARTICULARS	NOTE NO.	As at 31-03-2024	As at 31-03-2023
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>NON-CURRENT ASSETS</b>			
	(A) FINANCIAL ASSETS		-	-
	(B) DEFERRED TAX ASSETS (NET)		-	-
	(C) OTHER NON-CURRENT ASSETS		-	-
<b>2</b>	<b>CURRENT ASSETS</b>			
	(A) FINANCIAL ASSETS		-	-
	(I) CASH AND CASH EQUIVALENTS	1	-	-
	(B) OTHER CURRENT ASSETS		-	-
	<b>TOTAL ( 1+2+3 ) :-</b>		-	-
<b>II</b>	<b>EQUITY &amp; LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
	(A) EQUITY SHARE CAPITAL	2	1,00,000	1,00,000
	(B) OTHER EQUITY	3	(2,78,798)	(2,57,950)
			<b>(1,78,798)</b>	<b>(1,57,950)</b>
<b>2</b>	<b>LIABILITIES</b>			
	<b>NON-CURRENT LIABILITIES</b>			
	(A) FINANCIAL LIABILITIES		-	-
	(B) PROVISIONS		-	-
	(C) DEFERRED TAX LIABILITIES (NET)		-	-
	(D) OTHER NON-CURRENT LIABILITIES		-	-
<b>3</b>	<b>CURRENT LIABILITIES</b>			
	(A) FINANCIAL LIABILITIES		-	-
	(B) OTHER CURRENT LIABILITIES	4	1,78,798	1,57,950
	(C) PROVISIONS		-	-
	(D) CURRENT TAX LIABILITIES (NET)		-	-
	<b>TOTAL ( 1+2 ) :-</b>		<b>1,78,798</b>	<b>1,57,950</b>
			-	-

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

FOR AND ON BEHALF OF THE BOARD

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



*Rakesh Kumar Thakur*  
 (RAKESH KUMAR THAKUR)  
 DIRECTOR  
 DIN : 07743523

*Nawal Kumar*  
 (NAWAL KUMAR)  
 DIRECTOR  
 DIN : 07719264

PLACE : NEW DELHI  
 DATED : 14-05-2024

**MFL TRADING PVT. LTD.**  
**PROFIT & LOSS ACCOUNT AS ON 31-03-2024**

S.NO.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH 2024	FOR THE YEAR ENDED 31ST MARCH 2023
I	REVENUE FROM OPERATION		-	-
II	OTHER INCOME		-	-
III	<b>TOTAL REVENUE ( I+ II )</b>		-	-
IV	EXPENSES:			
	- FINANCE COSTS	5	-	-
	- OTHER EXPENSES	6	20,848	16,800
	<b>TOTAL EXPENSES</b>		<b>20,848</b>	<b>16,800</b>
V	PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX ( III - IV )		(20,848)	(16,800)
VI	EXCEPTIONAL ITEMS		-	-
VII	<b>PROFIT BEFORE TAX ( V - VI )</b>		<b>(20,848)</b>	<b>(16,800)</b>
VIII	TAX EXPENSE			
	- CURRENT TAX		-	-
	- EARLIER YEAR TAX		-	-
	- DEFERRED TAX		-	-
	<b>TOTAL TAX EXPENSES</b>		-	-
IX	<b>PROFIT/(LOSS) FOR THE PERIOD (VII-VIII)</b>		<b>(20,848)</b>	<b>(16,800)</b>
X	<b>OTHER COMPREHENSIVE INCOME</b>			
	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		-	-
	<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		-	-
XI	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (IX+X)</b>		<b>(20,848)</b>	<b>(16,800)</b>
XII	<b>EARNINGS PER EQUITY SHARE:</b>			
	- BASIC		(2.08)	(1.68)
	- DILUTED		(2.08)	(1.68)

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS**

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**AS PER OUR REPORT OF EVEN DATE ATTACHED**

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

**FOR AND ON BEHALF OF THE BOARD**

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



*Rhaxur*  
(RAKESH KUMAR THAKUR)  
DIRECTOR  
DIN : 07743523

*Nawal Kumar*  
(NAWAL KUMAR)  
DIRECTOR  
DIN : 07719264

PLACE : NEW DELHI  
DATED :14-05-2024



**MFL TRADING PVT. LTD.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH - 2024**

S. NO.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2024	FOR THE YEAR ENDED 31ST MARCH 2023
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>NET PROFIT/LOSS BEFORE TAX &amp; EXTRA ORDINARYT ITEMS</b>	<b>(20,848)</b>	-
	ADD:- NON CASH INEREST EXPENSE ON AMORTISED COST	-	-
	ADD:- GRATUITY PROVISION	-	-
	LESS: INTEREST & OTHER INCOME	-	-
	<b>OPERATING LOSS BEFORE WORKING CAPITAL CHANGES</b>	<b>(20,848)</b>	-
	ADJUSTMENTS FOR		
	INCREASE/DECREASE IN OTHER CURRENT ASSETS	-	-
	INCREASE/DECREASE IN OTHER CURRENT LIABILITIES	-	-
	<b>CASH GENERATED /LOST FROM OPERATIONS</b>	<b>(20,848)</b>	-
	LESS: TAXES PAID	-	-
	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(20,848)</b>	-
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	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	-	-
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	ISSUE OF EQUITY SHARES WITH PREMIUM	-	-
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	-	-
	<b>NET INCREASE/DECREASE IN CASH &amp; CASH EQUIVALENT</b>	<b>(20,848)</b>	-
	<b>OPENING CASH &amp; CASH EQUIVALENT</b>		-
	<b>CLOSING CASH &amp; CASH EQUIVALENT</b>	<b>(20,848)</b>	-

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

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

**FOR AND ON BEHALF OF THE BOARD**

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



*Rhakar*  
**(RAKESH KUMAR THAKUR)  
DIRECTOR  
DIN : 07743523**

*Nawal Kumar*  
**(NAWAL KUMAR)  
DIRECTOR  
DIN : 07719264**

**PLACE : NEW DELHI  
DATED :14-05-2024**

**MFL TRADING PVT. LTD.**  
**STATEMENT OF CHANGE IN EQUITY AS ON 31ST MARCH , 2024**

**A. EQUITY SHARE CAPITAL**

**(1) Current Reporting Period**

PARTICULARS	BALANCE AS AT 1ST APRIL 2023	Changes in Equity Share Capital due to Prior Period errors	Restatement balances at the beginning of the current reporting period	CHANGES DURING THE YEAR 2023-24	BALANCE AS AT 31ST MAR 2024
<b>ISSUED, SUBSCRIBED AND PAID UP</b>					
10000 EQUITY SHARES OF RS.10/- EACH	1,00,000	-	-	-	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,00,000</b>

**(2) Previous Reporting Period**

PARTICULARS	BALANCE AS AT 1ST APRIL 2022	Changes in Equity Share Capital due to Prior Period errors	Restatement balances at the beginning of the current reporting period	CHANGES DURING THE YEAR 2022-23	BALANCE AS AT 31ST MAR 2023
<b>ISSUED, SUBSCRIBED AND PAID UP</b>					
10000 EQUITY SHARES OF RS.10/- EACH	1,00,000	-	-	-	1,00,000
<b>TOTAL</b>	<b>1,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,00,000</b>

**B. OTHER EQUITY**

**(1) Current Reporting Period**

	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)	
<b>BALANCE AS OF APRIL 1, 2022</b>	-	(2,41,150)	-	-	-	(2,41,150)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR 2022 -2023		(16,800)				(16,800)
<b>BALANCE AS ON MAR 31ST,2023</b>	-	(2,57,950)	-	-	-	(2,57,950)
TOTAL COMPREHENSIVE INCOME/(LOSS), 31ST DEC 23	-	(20,848)	-	-	-	(20,848)
<b>BALANCE AS OF 31ST MAR ,2024</b>	-	(2,78,798)	-	-	-	(2,78,798)

**(2) Previous Reporting Period**

RESERVES & SURPLUS	OTHER COMPREHENSIVE
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	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)	TOTAL OTHER EQUITY
<b>BALANCE AS OF APRIL 1, 2021</b>	-	(2,21,311)	-	-	-	(2,21,311)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCI AL YEAR 2021 -22	-	(19,839)	-	-	-	(19,839)
<b>BALANCE AS OF MARCH 31ST ,2022</b>	-	(2,41,150)	-	-	-	(2,41,150)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR 2021-2022	-	(16,800)	-	-	-	(16,800)
<b>BALANCE AS OF 31-03- 2023</b>	-	(2,57,950)	-	-	-	(2,57,950)

AS PER OUR REPORT OF EVEN DATE ATTACHED

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

FOR AND ON BEHALF OF THE BOARD

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



*Rakesh Kumar Thakur*  
(RAKESH KUMAR THAKUR)  
DIRECTOR  
DIN : 07743523

*Nawal Kumar*  
(NAWAL KUMAR)  
DIRECTOR  
DIN : 07719264

PLACE : NEW DELHI  
DATED :14-05-2024

MFL TRADING PVT. LTD.		
NOTES FORMING PART OF THE BALANCE SHEET		
PARTICULARS	AS AT 31ST MAR 2024	AS AT 31ST MAR 2023
<b>NOTE NO- 1</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
- BALANCE WITH BANK		
IN CURRENT ACCOUNT	-	-
- CASH ON HAND	-	-
IN FIXED DEPOSITS (MORE THAN 12 MONTHS)	-	-
	-	-
<b>NOTE NO-2</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
10000 EQUITY SHARES (PREVIOUS YEAR 10000 EQUITY SHARES) OF Rs. 10/- EACH	1,00,000.00	1,00,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP:</b>		
10000 EQUITY SHARES (PREVIOUS YEAR 10000 EQUITY SHARES) OF Rs. 10/- EACH	1,00,000	1,00,000

Share Held by Promoters at the end of the year			
Promoter Name	No of Shares	% of Total shares	% Change during the year
MILKFOOD LIMITED	9,999	99.99	NO CHANGE
MILKFOOD LIMITED J/W RAVI CHHABRA	1	0.01	NO CHANGE

RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE PERIOD		
EQUITY SHARES AT RS. 10 EACH	AS AT 31ST MAR 2024	AS AT 31ST MAR 2023
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 MAR 2024	AS AT 31ST MAR 2023
NAME OF SHAREHOLDERS	No. of shares / % holding in the class	No. of shares / % holding in the class
MILK FOOD LTD	10000/100%	10000/100%

#### TERMS/RIGHTS ATTACHED TO EQUITY SHARES

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

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.

<b>NOTE NO-3</b>		
<b>OTHER EQUITY</b>		
- CAPITAL RESERVES	-	-
- SECURITIES PREMIUM RESERVE	-	-
- RETAINED EARNING	(2,78,798)	(2,57,950)
- OTHER COMPREHENSIVE INCOME/(LOSS)	-	-
	(2,78,798)	(2,57,950)
<b>NOTE NO- 4</b>		
<b>OTHER CURRENT LIABILITIES</b>		
- EXPENSES PAYABLE	16,412	16,412
-AUDIT FEES PAYABLE	11,800	11,800
- MILKFOOD LIMITED*	1,35,623	1,14,775
-DIRECTORS REIMBURSEMENT PAYABLE	14,963	14,963
	1,78,798	1,57,950

\*This is an interest free short term assistance.



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**MFL TRADING PVT. LTD.**

**NOTES FORMING PART OF THE PROFIT AND LOSS STATEMENT**

<b>PARTICULARS</b>	<b>FOR THE YEAR ENDED, 31ST MARCH 2024</b>	<b>FOR THE YEAR ENDED, 31ST MARCH 2023</b>
<b>NOTE NO- 5</b>		
<b>FINANCE COSTS</b>		
- BANK CHARGES	-	-
	-	-
<b>NOTE NO- 6</b>		
<b>OTHER EXPENSES</b>		
- LEGAL & PROFESSIONAL CHARGES	-	5,000
- FILLING FEES	9,048	-
<b>PAYMENT TO AUDITORS</b>		
- STATUTORY AUDIT FEES	11,800	11,800
	<b>20,848</b>	<b>16,800</b>



## MFL Trading Private Limited

5th Floor, Bhandari House

91-Nehru Place

New Delhi

### Trial Balance

1-Apr-2023 to 31-Mar -2024

Particulars	MFL Trading Private Limited			
	1-Apr-2023 to 31- Mar -2024			
	Opening Balance	Transactions		Closing Balance
Debit		Credit		
<b>Capital Account</b>	<b>100000.00 Cr</b>			<b>100000.00 Cr</b>
<i>Share Capital</i>	<i>100000.00 Cr</i>			<i>100000.00 Cr</i>
<b>Current Liabilities</b>	<b>121311.00 Cr</b>	<b>11800.00</b>	<b>20848.00</b>	<b>141150.00 Cr</b>
Provisions	16800.00 Cr	11800.00	0.00	5000.00 Cr
<i>Audit Fees Payable</i>	<i>11800.00 Cr</i>	<i>11800.00</i>	<i>9048.00</i>	<i>9048.00 Cr</i>
Sundry Creditors	129738.00 Cr		20848.00	150586.00 Cr
<i>HEMANT KUMAR</i>	<i>13000.00 Cr</i>	<i>0</i>	<i>0</i>	<i>13000.00 Cr</i>
<i>Milkfood Limited</i>	<i>114775.00 Cr</i>	<i>0</i>	<i>20848.00</i>	<i>135623.00 Cr</i>
<i>RAKESH THAKUR</i>	<i>1963.00 Cr</i>	<i>0</i>	<i>0</i>	<i>1963.00 Cr</i>
EXPENSE PAYABLE	11412.00 Cr	0	0	11412.00 Cr
<i>Audit fees</i>	<i>0.00 Cr</i>	<i>11800</i>		<i>11800.00 Dr</i>
<i>FILING FEE</i>	<i>0.00 Cr</i>	<i>9048</i>		<i>9048.00 Dr</i>
Profit & Loss A/c	257950.00 Dr	0	0	266998.00 Dr
<b>Grand Total</b>				



# **MFL TRADING PRIVATE LIMITED**

5TH FLOOR, BHANDARI HOUSE 91, NEHRU PLACE NEW DELHI-110019  
CIN: 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 5<sup>th</sup> 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 is 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.



**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

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.

## (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:

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

#### 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.

## 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.

### **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.

## **7.15 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.

## **7.16 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.

### **(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.

### 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>2023-24</u>	<u>2022-23</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, 2024 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) Holding Company

- M/s. Milkfood Limited

#### b) Key Management Personnel

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

### 2. Transaction with Related Parties

<u>Particular</u>	<u>2023-24</u>	<u>2022-23</u>
a) Temporary Assistance	20848/-	19536/-
b) Directors Reimbursement of Expenses	NIL	NIL

## 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.

### (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.

- **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.
- **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.
- **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.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31.03.2024 & 31.03.2023 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:**

- 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.
- 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.
- 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.
- Fair value of Investments in quoted non-current Equity Shares are based on quoted market price at the reporting date.
- 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, 2024, 31st March 2023 and 1st April 2022:

(No financial assets.)



**7.26 Earnings per share**

	<u>2023-24</u>	<u>2022-23</u>
Profit After Taxation (Rs.)	(20,848)	(16,800)
Number of equity shares as on 31 <sup>st</sup> 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	(2.08)	(1.68)

7.27 The accumulated losses of the company as at 31.03.2024 amounts to Rs. 2,78,798/- and as such eroded the net worth of the company to negative. The company has incurred losses in the current year also. The company is a wholly owned subsidiary of M/s. Milk food Limited which is a going concern company. From the management's perspective, the subsidiary company is expected to start a profitable business in the future, and funds will be arranged by the Parent company, as such accounts are prepared on going concern basis.

**7.28 Ratio Analysis:**

Ratios	FY 2023-2024 (%)	FY 2022-2023 (%)	Variance (% age)
Current Ratio	-	-	0%
Debt Equity Ratio	-	-	0%
Debt service coverage ratio	-	-	0%
Return on Net Worth	(0.12)	(0.11)	-10%
Inventory Turnover	-	-	0%
Debtors Turnover	-	-	0%
Trade payables turnover	-	-	0%
Net capital turnover	-	-	0%
Net Profit Margin (%)	-	-	0%
Return on capital employed	(0.12)	(0.11)	-10%
Return on Investment (Equity)	-	-	0%

7.29 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****FOR & ON BEHALF OF THE BOARD**

**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: 14.05.2024**