

Independent Auditors' Report

To the Members of HOAC Foods India Private Limited (Formerly known as HOAC MP Atta Spices Manufacturing Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HOAC Foods India Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (together referred to as "financial statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 March 2021, and of its profit 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 Act. Our responsibilities under those SAs 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 Act 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 on the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the 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.



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu

Director

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.



For HOAC FOODS INDIA PVT. LTD.

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Director

For HOAC FOODS INDIA PVT. LTD.

Rombaby

Director

- Conclude on the appropriateness of the Management and Board of Directors 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.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2020, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2020 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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, and statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.



For HOAC FOODS INDIA PVT. LTD.

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Director

For HOAC FOODS INDIA PVT. LTD.

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Director

- e. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f. This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated 13 June 2017, read with corrigendum dated 13 July 2017 on reporting on internal financial controls with reference to financial statements.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. According to the information and explanations given to us, the Company did not have any long-term contracts including derivative 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; and
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended 31 March 2021.

For Sanjay K Goyal & Associates
Chartered Accountants
Firm Regn. No. 006128C



Rohit Aggarwal
(Partner)
M. No.: 530410
UDIN: 22530410AAAAAM7465
Date: 29 November 2021
Place: Delhi



For HOAC FOODS INDIA PVT. LTD.

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Director

For HOAC FOODS INDIA PVT. LTD.

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Director

Annexure A referred to in the Independent Auditors' Report to the Members of HOAC Foods India Limited on the financial statements for the year ended 31 March 2021

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all the items are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, certain fixed assets were physically verified during the year. According to the information and explanations given to us, no material discrepancies were noticed on physical verification of such fixed assets.
- (c) According to the information and explanations given to us, there is no immovable property with the Company.
- (ii) Inventories, except for goods-in-transit and stocks lying with third parties have been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. Moreover, in respect of the investments made by the Company, requirements of section 186 of the Companies Act, 2013 have been complied with.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including employees state insurance, goods and service tax, income-tax, and any other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. As explained to us, the Company did not have any dues on account of provident fund, duty of excise, sales tax, service tax, duty of customs, cess and value added taxes.



For HOAC FOODS INDIA PVT. LTD.

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Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu.

Director

According to the information and explanation given to us, there are no undisputed amounts payable in respect of provident fund, goods and service tax, income-tax, duty of customs, cess and any other material statutory dues that were in arrear as on 31 March 2021 for a period of more than six months from the date they became payable except employee's state insurance for which Company's has liability due for more than six months as on 31 March 2021.

(b) According to the information and explanations given to us, there are no dues in respect of income-tax, sales-tax, goods and service tax, value added tax, service tax, duty of customs and duty of excise which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2021

- (viii) According to the information and explanation given to us, the Company has utilised the loans or borrowings from banks and financial institutions for the purpose for which they are taken. Further, the Company has not taken any loan from government and there were no debentures issued during the year or outstanding as at 31 March 2021.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of examination of the records of the Company, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to information and explanations given to us and on the basis of examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to information and explanations given to us and on the basis of examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

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Director

- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For Sanjay K Goyal & Associates
Chartered Accountants
Firm Regn. No. 006128C



Rohit Aggarwal
(Partner)
M. No.: 530410
UDIN: 22530410AAAAAM7465
Date: 29 November 2021
Place: Delhi



For HOAC FOODS INDIA PVT. LTD.
गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

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Director

HOAC Foods India Private Limited

BALANCE SHEET

As at 31 March 2021

(All amounts are in INR, unless otherwise stated)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
I. EQUITY AND LIABILITIES			
Shareholder's funds			
(a) Share capital	3	10,00,000	10,00,000
(b) Reserves and surplus	4	23,53,857	9,85,443
Non-current liabilities			
(a) Long-term borrowings	5	60,00,058	19,55,802
(b) Deferred tax liabilities	6	79,759	34,549
Current liabilities			
(a) Short-term borrowings	7	38,29,317	14,58,153
(b) Trade payables	8		
i. Total outstanding dues of micro enterprises and small enterprises		-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		39,29,844	41,47,113
(c) Other current liabilities	9	32,84,203	7,79,030
(d) Short-term provisions	10	4,75,439	2,24,734
Total		2,09,52,477	1,05,84,824
II. ASSETS			
Non-current assets			
(a) Property, plant and equipment			
Tangible assets	11	35,12,287	12,77,628
(b) Long-term loans and advances	12	5,68,580	1,84,830
Current Assets			
(a) Inventories	13	92,69,449	44,55,700
(b) Trade receivables	14	12,22,051	9,95,276
(c) Cash and bank balances	15	56,69,996	36,40,885
(d) Short-term loans and advances	16	7,04,661	30,505
(e) Other current assets	17	5,453	-
Total		2,09,52,477	1,05,84,824

Significant accounting policies

1

The Notes No. 1 to 32 form an intergral part of these financial statement:

As per our report of even date attached

For Sanjay K Goyal & Associates
Chartered Accountants
Firm Regn. No. 006128C



Rohit Aggarwal
(Partner)
M. No. 530410

Date: 29 November 2021
Place: New Delhi

For and on behalf of the Board of Directors of
HOAC Foods India Private Limited

Gaytri Thakur
(Director)
DIN - 08084214

Rambabu Thakur
(Director)
DIN - 08084215



For HOAC FOODS INDIA PVT. LTD.

ग़ायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu

Director

HOAC Foods India Private Limited

STATEMENT of PROFIT and LOSS

For the year ended 31 March 2021

(All amounts are in INR, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
I Revenue from operations	18	7,42,25,680	6,28,55,987
II Other income	19	3,87,324	4,63,830
III Total revenue (I +II)		7,46,13,004	6,33,19,817
IV Expenses:			
Purchase of stock-in-trade	20	5,96,28,174	4,89,58,263
Change in inventories of finished goods, work-in-progress and stock-in-trade	21	(48,13,749)	15,42,095
Employee benefits expense	22	54,18,232	45,92,005
Finance cost	23	22,33,014	9,30,328
Depreciation expense	10	3,63,738	1,01,124
Other expenses	24	98,94,532	62,78,882
Total expenses (IV)		7,27,23,941	6,24,02,697
V Profit before tax (III - IV)		18,89,063	9,17,120
VI Tax expense:			
(1) Current tax		4,75,439	2,24,734
(2) Deferred tax		45,210	30,260
VII Profit for the year (V - VI)		13,68,414	6,62,126
VIII Earning per equity share:	26		
[Nominal value per share: Rs.10 (previous year Rs. 10)]			
(1) Basic		13.68	17.75
(2) Diluted		13.68	17.75

SIGNIFICANT ACCOUNTING POLICIES

1

The Notes No. 1 to 32 form an intergral part of these financial statements

As per our report of even date attached

For Sanjay K Goyal & Associates

Chartered Accountants

Firm Regn. No. 006128C



Rohit Aggarwal

(Partner)

M. No. 530410

Date: 29 November 2021

Place: New Delhi

For and on behalf of the Board of Directors

HOAC Foods India Private Limited

Gaytri Thakur

(Director)

DIN - 08084214

Rambabu Thakur

(Director)

DIN - 08084215



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu

Director

HOAC Foods India Private Limited
Cash Flow Statement for the year ended 31 March 2021
(All amounts are in INR, unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	18,89,063	9,17,119
<u>Adjustment for :</u>		
Depreciation and amortisation	3,63,738	1,01,124
Finance Cost	22,33,014	9,30,328
Operating (Loss) / Profit Before Working Capital Changes	44,85,815	19,48,571
<u>Adjustments for :</u>		
(Increase) / Decrease in Trade and Other Receivables	(2,26,775)	(3,07,929)
(Increase) / Decrease in Inventories	(48,13,749)	15,42,095
(Increase) / Decrease in Other Assets	(10,63,359)	(7,653)
Increase / (Decrease) in Other current liabilities	25,05,173	(3,67,231)
Increase / (Decrease) in Trade and Other Payables	(2,17,269)	8,94,627
Cash Generated from Operations	6,69,836	37,02,480
Direct Taxes (paid)/refund	(2,24,734)	-
Net Cash Flow (used in)/ from Operating Activities	4,45,102	37,02,480
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(25,98,397)	(11,38,900)
Net Cash Flow used in Investing Activities	(25,98,397)	(11,38,900)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital		9,00,000
Movement in Short term borrowing	23,71,164	10,19,753
Movement in Long term borrowing	40,44,256	(28,71,443)
Interest Paid	(22,33,014)	(9,30,328)
Net Cash Flow from/(used in) Financing Activities	41,82,406	(18,82,018)
Net increase/ (Decrease) in Cash and Cash equivalents (A+B+C)	20,29,111	6,81,562
Cash and Cash equivalents (Opening balance)	36,40,885	29,59,323
Cash and Cash equivalents (Closing balance) (Refer Note-15)	56,69,996	36,40,885

Notes

1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 (AS-3) on "Cash Flow Statements", and present cash flows by operating, investing and financing activities.

For Sanjay K Goyal & Associates
Chartered Accountants
Firm Regn. No. 006128C



Rohit Aggarwal
(Partner)
M. No. 530410

For and on behalf of the Board of Directors
HOAC Foods India Private Limited

Gaytri Thakur
(Director)
DIN - 08084214

Rambabu Thakur
(Director)
DIN - 08084215

Date: 29 November 2021
Place: New Delhi



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu

Director

HOAC Foods India Private Limited
Notes to financial statements for the year ended 31 March 2021

1. Corporate Information

HOAC Foods India Private Limited (the company) is a private company domiciled in India. The company is engaged in the manufacturing and trading of cereals, flour of cereals and spices. The Company caters to domestic market only.

2. Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with the Companies (Accounting Standards) Amendment Rules, 2006 (as amended from time to time). The financial statements have been prepared on an accrual basis and under the historical cost convention, except for derivative financial instruments which have been measured at fair value.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c. Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The company has used the following rates to provide depreciation on its property, plant and equipment.

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



For HOAC FOODS INDIA PVT. LTD.

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Director

For HOAC FOODS INDIA PVT. LTD.

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Director

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

e. Leases

Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on actual payment basis.

f. Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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

h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects Goods and Service Tax (GST) and other taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu.

Director

i. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

j. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambaker.

Director

HOAC Foods India Private Limited**Notes to financial statements for the year ended 31 March 2021**

(All amounts are in INR, unless otherwise stated)

Note 3 - Share capital

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised share capital:		
1,00,000 Equity Shares of Rs. 10/- each	10,00,000	10,00,000
Issued capital:		
1,00,000 Equity Shares of Rs. 10/- each	10,00,000	10,00,000
Subscribed and paid up:		
1,00,000 Equity Shares of Rs. 10/- each fully paid up	10,00,000	10,00,000
Total	10,00,000	10,00,000

Reconciliation of shares outstanding at the beginning and at the end of the reporting period	As at 31 March 2021	As at 31 March 2020
At the beginning of the year	1,00,000	10,000
Shares issued during the year	-	90,000
At the end of the year	1,00,000	1,00,000

The Company has one class of equity shares having a par value of Rs.10 per share. Accordingly all equity shares rank equally with regard to dividends and share in the the company's residual assets. The equity shares are entitled to received dividend as declared from time to time. Each shareholder is eligible for one vote per share held.

The details of shareholders holding more than 5% shares

Name of the Shareholder	As at 31 March 2021	As at 31 March 2020	% held
	No. of Shares	No. of Shares	
Rambabu Thakur	45,000	45,000	45%
Gaytri Thakur	55,000	55,000	55%
Total	1,00,000	1,00,000	

Note 4 - Reserves and surplus

Particulars	As at 31 March 2021	As at 31 March 2020
Surplus:		
Opening balance	9,85,443	3,23,318
Add: Net profit for the year	13,68,414	6,62,125
Closing balance	23,53,857	9,85,443



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu.

Director

HOAC Foods India Private Limited

Notes to financial statements for the year ended 31 March 2021

(All amounts are in INR, unless otherwise stated)

Note 5 - Long term borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
<u>From banks and financial institutions</u>		
Secured		
Vehicle loan	2,08,843	4,35,121
Unsecured		
(a) Fom banks	49,81,179	-
(b) Fom non banking financial institution	33,80,032	19,66,533
	85,70,054	24,01,654
Less : Current maturities of long term borrowings	25,69,996	4,45,852
Total	60,00,058	19,55,802

A. Vehicle loan from bank is secured by hypothecation of vehicle. Vehicle loan carried interest @ 7.5%

B. Loans from bank and financial institutions carries interest from 14% to 22% and it is unsecured in nature.

Note 6 - Deferred Tax Liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
<u>Deferred tax liability</u>		
Property, plant and equipment and intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	79,759	34,549
<u>Deferred tax assets</u>	-	-
Net deferred tax liabilities	79,759	34,549

Note 7 - Short term borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured		
Bank OCC A/C	35,22,147	12,91,572
Loan from director (Interest free loan)	3,07,170	1,66,581
Total	38,29,317	14,58,153

Overdraft from banks is secured against margin trade receivables and inventory. The overdraft is repayable on demand and carries interest @ 9% to 11% p.a.



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu

Director

HOAC Foods India Private Limited**Notes to financial statements for the year ended 31 March 2021**

(All amounts are in INR, unless otherwise stated)

Note 8 - Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	39,29,844	41,47,113
Total	39,29,844	41,47,113

Note 9 - Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings	25,69,996	4,45,852
Advance from customers	4,85,000	-
Payable to directors	1,73,267	1,78,267
Audit fee payable	30,000	31,500
Statutory dues	25,940	42,906
Employees payable	-	80,505
Total	32,84,203	7,79,030

Note 10 - Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for tax	4,75,439	2,24,734
Total	4,75,439	2,24,734



For HOAC FOODS INDIA PVT. LTD.

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Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu.

Director

HOAC Foods India Private Limited

Notes to financial statements for the year ended 31 March 2021
(All amounts are in INR, unless otherwise stated)

Note 11 - Property, plant & equipment

Particulars	Gross Value			Accumulated Depreciation:			Net Value	
	Value as at 1 April 2020	Additions during the year	Deductions during the year	Value as at 1 April 2020	Depreciation during the year	Deductions during the year	Value as at 31 March 2021	Value as at 31 March 2020
Plant & Machinery	4,76,038	13,18,486	-	22,885	1,43,285	-	1,66,170	16,28,554
Furniture & Fixtures	1,30,817	6,73,491	-	14,396	48,388	-	62,784	7,41,524
Vehicles	5,20,800	-	-	34,227	61,845	-	96,072	4,24,728
Office Equipment	1,34,350	3,70,825	-	13,130	34,268	-	47,398	4,57,777
Computers	1,22,916	2,35,595	-	22,655	75,952	-	98,607	2,59,904
	13,84,921	25,98,397	-	1,07,293	3,63,738	-	4,71,031	12,77,628

Particulars	Gross Value			Accumulated Depreciation			Net Value	
	Value as at 1 April 2019	Additions during the year	Deductions during the year	Value as at 1 April 2019	Depreciation during the year	Deductions during the year	Value as at 31 March 2020	Value as at 31 March 2019
Plant & Machinery	65,641	4,10,397	-	1,317	21,568	-	22,885	4,53,153
Furniture & Fixtures	61,345	69,472	-	2,379	12,017	-	14,396	1,16,421
Vehicles	-	5,20,800	-	-	34,227	-	34,227	4,86,573
Office Equipment	81,403	52,947	-	1,783	11,347	-	13,130	1,21,220
Computers	47,710	75,206	-	690	21,965	-	22,655	1,00,261
	2,56,099	11,28,822	-	6,169	1,01,124	-	1,07,293	2,49,930



For HOAC FOODS INDIA PVT. LTD.

[Signature]

Director

For HOAC FOODS INDIA PVT. LTD.

[Signature]

Director

HOAC Foods India Private Limited

Notes to financial statements for the year ended 31 March 2021
(All amounts are in INR, unless otherwise stated)

Note 12 - Long term loans and advances

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	5,68,580	1,84,830
Total	5,68,580	1,84,830

Note 13 - Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Food grains and flour and spices	92,69,449	44,55,700
Total	92,69,449	44,55,700

Note 14 - Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Due over six months: Considered good (unsecured)	-	-
(b) Others: Considered good (unsecured)	12,22,051	9,95,276
Total	12,22,051	9,95,276

Note 15 - Cash and bank balances

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	23,27,957	17,12,738
Bank balance	7,89,877	19,28,147
Bank deposits	25,52,162	-
Total	56,69,996	36,40,885



For HOAC FOODS INDIA PVT. LTD.

गणेशजी

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu

Director

HOAC Foods India Private Limited

Notes to financial statements for the year ended 31 March 2021

(All amounts are in INR, unless otherwise stated)

Note 16 - Short term loans and advances

Particulars	As at 31 March 2021	As at 31 March 2020
Deposit with government departments	4,38,600	20,505
Advances:		
(a) Employees	1,88,148	-
(a) Suppliers	77,913	10,000
Total	7,04,661	30,505

Note 17 - Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued on deposits	5,453	-
Total	5,453	-



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambhadr.

Director

HOAC Foods India Private Limited

Notes to financial statements for the year ended 31 March 2021
(All amounts are in INR, unless otherwise stated)

Note 18 - Revenue from operations

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of flours, spices and pulses	7,42,25,680	6,28,55,987
Total	7,42,25,680	6,28,55,987

Note 19 - Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount received	3,76,679	4,63,830
Interest on FD	7,229	-
Miscellaneous income	3,416	-
Total	3,87,324	4,63,830

Note 20 - Purchase of stock in trade

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of grains, pulses and spices	5,96,28,174	4,89,58,263
Total	5,96,28,174	4,89,58,263

Note 21 - Change in inventories

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening inventory	44,55,700	59,97,795
Closing inventory	92,69,449	44,55,700
	(48,13,749)	15,42,095

Note 22 - Employee benefits

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	41,38,496	38,77,552
Employers contribution to ESIC	28,739	25,221
Directors remuneration	10,80,000	6,00,000
Staff welfare	1,70,997	89,232
Total	54,18,232	45,92,005



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu.

Director

HOAC Foods India Private Limited

Notes to financial statements for the year ended 31 March 2021
(All amounts are in INR, unless otherwise stated)

Note 23 - Finance cost

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Bank charges	1,45,020	40,301
Interest on loan	14,50,977	8,28,885
Processing fee	4,30,828	-
Loan prepayment charges	2,06,189	61,142
Total	22,33,014	9,30,328

Note 24 - Other expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent shops and godown	30,13,515	19,35,603
POS machine rent	34,230	31,580
Electricity and water charges	13,90,343	8,18,684
Freight and cartage	6,00,159	52,330
Packing material	16,50,837	13,88,012
Selling and marketing	3,23,171	2,98,782
Shop running expenses	6,10,448	1,50,201
Insurance	18,200	14,800
Repair and maintenance		
Machinery	65,420	1,46,938
Others	27,410	-
Travelling and conveyance	15,897	11,975
Communication expenses	65,472	49,348
Printing and stationery	1,84,760	2,41,686
Accounting charges	30,000	30,000
Legal and professional charges	40,440	67,440
Late filing fee	75,210	40,121
Festival expenses	2,15,734	2,11,883
Audit fee	30,000	35,000
Labour charges	2,68,391	1,02,142
Business promotion	1,45,210	39,316
Office expenses	2,42,102	1,31,147
Legal fees	1,14,300	40,000
Vehicle running and maintainance	1,99,723	2,13,440
Software expenses	3,38,740	1,06,363
Miscellaneous expenses	1,94,820	1,22,091
Total	98,94,532	62,78,882

For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu

Director



HOAC Foods India Private Limited
Notes to financial statements for the year ended 31 March 2021

25. Contingent Liabilities and Commitments

- a. Contingent liabilities : Nil (31 March 2020 : Nil)
b. Capital Commitments : Nil (31 March 2020 : Nil)

26. Earnings per share

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net Profit/(loss) after tax	13,68,414	6,62,126
Weighted average number of shares outstanding	1,00,000	37,295
Nominal value of equity shares	10	10
Basic earnings per equity share	13.68	17.75
Diluted earnings per equity share	13.68	17.75

27. Leases

The company is a lessee under various operating leases. Rental expenses for operating leases for the year ended 31 March 2021 is Rs. 30,13,515 (31 March 2020 : Rs. 19,35,603).

28. Segment Information

Company's activities fall within a single operating segment i.e. manufacturing and trading of cereals and spices. Accordingly, the disclosure requirements of AS – 17 is not applicable to the Company.

29. Related Party Transactions

A. Related parties under AS 18 with whom transactions have taken place during the year

- | | |
|--|--|
| a) Key management personnel | Mr. Rambabu Thakur
Mrs. Gaytri Thakur |
| b) Relatives of key management personnel | Mr. Yashwant Thakur |

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salary		
Rambabu Thakur	4,80,000	3,00,000
Gaytri Thakur	4,80,000	3,00,000
Yashwant Thakur	4,80,000	-
Unsecured loan		
Rambabu Thakur	1,40,589	5,90,000



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu

Director

Closing balances at year end

Particulars	As at 31 March 2021	As at 31 March 2020
Other payable		
Rambabu Thakur	-	1,53,900
Gaytri Thakur	1,73,267s	24,367
Yashwant Thakur	-	-
Unsecured Loan payable		
Rambabu Thakur	3,07,170	166,581

30. The Company has not received intimation from suppliers regarding the status under Micro Small and Medium Enterprises Development Act, 2006 and based on the information available with the Company there are no dues to Micro, Small and Medium Enterprises Development Act, 2006.

31. Additional Information

- CIF Value of imported goods : Rs. Nil (31 March 2020 : Rs. Nil)
- Earnings in foreign currency : Rs. Nil (31 March 2020 : Rs. Nil)
- Expenditure in foreign currency : Rs. Nil (31 March 2020 : Rs. Nil)

32. Previous year figures have been regrouped/ rearranged wherever considered necessary.

For Sanjay K Goyal & Associates
Chartered Accountants
Firm Regn. No. 006128C

Rohit Aggarwal
(Partner)
M. No.: 530410
Date: 29 November 2021
Place : Delhi



**For and on behalf of the Board of Directors of
HOAC Foods India Private Limited**

Rambabu Thakur
(Director)
DIN: 08084215

Gaytri Thakur
(Director)
DIN: 08084214



For HOAC FOODS INDIA PVT. LTD.

गायत्री

Director

For HOAC FOODS INDIA PVT. LTD.

Rambabu.

Director