

**Farmers Fortune (India)
Private Limited**

Financial Statement for the year ended 31st
March 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of FarmersFortune (India) Private Limited

Report on the Audit of Ind AS Financial Statements

1. Opinion

We have audited the accompanying Ind AS financial statements of FarmersFortune (India) Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended of the state of affairs of the Company as at March 31, 2022, the profits, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, as prescribed under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS 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 Ind AS financial statements.

3 Emphasis of Matter

(i) We draw your attention to Note 41 of the Ind AS financial statements, as regards the non-realisation of the Export proceeds within the time frame and the subsequent application made to Authorised dealer for recovery of the money beyond the stipulated time frame. Our opinion is not modified in respect of this matter.

(ii) We draw your attention to Note 51 of the Ind AS financial statements, as regards the financial statements for the year ended 31 March 2022 and 31 March 2021 not being authenticated by the Company Secretary of the Company as the Company is in the process of appointing the Company Secretary. Our opinion is not modified in respect of this matter.

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(iii) We draw your attention to Note 53 of the Ind AS financial statements, as regards the Company not been able to file its statutory Ind AS financial statements and its Annual return with the Registrar of Companies within the timelines prescribed under Section 137 and 92 of the Act for the year ended March 31, 2019.

Our opinion is not modified in respect of this matter.

4. Information other than the Ind AS financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Directors Report, Corporate Governance and Shareholders Information, but does not include the Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of our auditor's report.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

5. Management's responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting Standards specified under section 133 of the Act as amended.

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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

6. Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on auditing 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 Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the Ind AS 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.
- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Ind AS 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.
- v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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.

7. Report on Other Legal and Regulatory Requirements

- i) 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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii) As required by section 143 (3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the Ind AS financial statements.
 - 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, Statement of Profit and Loss including Other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, as amended.
 - e) On the basis of written representations received from the directors of the Company as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provisions of said section are not applicable to the Company for the year ended March 31, 2022.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements to the extent determinable/ascertainable – Refer Note 38 to the Ind AS financial statements.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that 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;
- (b) The Management has represented that no funds have been received by the Company from any person(s) or entity(ies), 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on audit procedures that we have considered reasonable and appropriate nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and iv(b) contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

Chitale

(S. M. Chitale)
Partner
M. No. 111383

UDIN : 22111383AYMJNM3590

Place: Mumbai
Date: August 16, 2022

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Annexure 'A' to the Auditors' Report of even date on the Ind AS financial statements of FarmersFortune (India) Private Limited –

Referred to in paragraph 7 (i) under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i)
 - a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right-of-use Assets.
B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - b) Property, Plant and Equipment, Capital Work in Progress and Right-of-use Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
 - c) The title deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.
 - d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
 - e) No proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii)
 - a) As per information and explanations given to us the inventory has been physically verified by the management at regular intervals. In our opinion, the frequency of verification needs to be further improved having regard to the size of the Company and nature of its business. As informed to us, there was no material discrepancy in the aggregate for each class of inventory noticed on verification to the extent reconciled with the records available in this respect between the physical stocks and the book records.
 - b) The Company has been sanctioned working capital limits in excess of five crore rupees during the year, from banks on the basis of security of current assets. The quarterly statements were submitted to respective Banks as per the terms of the sanction letter. On comparison of the quarterly statements with the books of accounts, it was observed that the amount in the quarterly statements were not in agreement with the amounts in books of



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account. However, we have not carried out a specific audit of such statements. The reconciliation of which is given in Note 23.2 of Ind AS financial statements.

- iii) a) During the year, the Company has provided loans to two Companies which are related parties. The details are as given below:

Rs. In Lakhs

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted / provided during the year				
- Subsidiaries	-	-	-	-
- Associates and Jointly controlled entities	-	-	-	-
- Joint Ventures	-	-	-	-
- Other Related Parties	-	-	1,694.16	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	-	-
- Associates and Jointly controlled entities	-	-	-	-
- Joint Ventures	-	-	-	-
- Other Related Parties	-	-	1,127.36	-

- b) According to the information and explanations given to us and based on our audit procedures conducted by us, we are of the opinion that terms and conditions on which the unsecured loans have been granted to companies listed in the table above are not, prima facie, prejudicial to the interest of the Company.
- c) According to the Information and explanations given to us, interest bearing unsecured loans given to related parties is repayable on demand. There is no stipulation of schedule for payment of principal. Interest is paid as per specified repayment terms. The Borrowers have been regular in payment of principal and interest, if any, as demanded.
- d) Since the repayment schedule for loans granted is not stipulated, no loan is overdue.

- e) There are no loans or advance in the nature of loan granted which has fallen due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Accordingly, the requirements under paragraph 3(iii)(e) of the Companies (Auditor's report) Order, 2020 ("the Order") are not applicable to the Company.
- f) The Company has granted loans which are repayable on demand. The details are mentioned below:

Particulars	Rs. In Lakhs		
	All parties	Promoters	Related Parties
Aggregate amount of loans / advances in nature of loans			
- Repayable on demand (A)		-	1,127.36
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)		-	1,127.36
Percentage of loans / advances in nature of loans to the total loans	-	-	100.00%

- iv) In our opinion and according to the information and explanations provided to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, with respect to unsecured loans granted. According to the information and explanations given to us, there are no investments made, guarantees given or securities granted to the parties covered under the provisions of section 185 and 186 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder and thus the provisions of Clause 3(v) of the Order are not applicable.
- vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products or services of the Company.
- vii) a) According to the information and explanations given to us, the Company has not regularly deposited with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax and any other statutory dues and there have been delays in payments which were observed during the year ended March 31, 2022. As explained to us, the Company did not have any dues on

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account of Sales tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess. There were no undisputed amounts of statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues which were due for more than six months from the date they become payable as at the year end.

- b) According to the records examined by us and as per the information and explanations given to us, the details of statutory dues as at March 31, 2022 which have been deposited on account of disputes are given below:

Name of the Statute	Nature of Dues	Disputed Amount (Rs. In lakhs)	Period to which year	Amount deposited under dispute (Rs. In Lakhs)	Forum where dispute is pending
The Customs Act, 1962	Custom Duty	43.81	2013-14	Nil	Deputy Commissioner of Customs
Gujarat Value Added Tax Act, 2003	Value Added Tax	806.36	2014-15	35.00	Deputy Commissioner (Commercial Tax)

- viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix) a) According to the information and explanations given to us and records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us and records examined by us, the Company has applied the term loans for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us and records examined by us, the Company has not utilized funds raised on short term basis during the year for long term purposes.
- e) The Company do not have any subsidiaries, associates or joint ventures and hence reporting under paragraph 3 (ix)(e) of the Order is not applicable to the Company.

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- f) The Company do not have any subsidiaries, associates or joint ventures and hence reporting under paragraph 3 (ix)(f) of the Order is not applicable to the Company.
- x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any private placement of shares during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.
- xi) a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company has been noticed or reported during the year except a fraud reported which was on the Company involving the theft of inventory lying at one of its third party amounting to Rs.427.49 lakhs.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report by the Statutory Auditors.
- c) According to the information and explanation given to us, the Company has not received any whistle blower complaints during the year.
- xii) The Company is not a nidhi company and hence reporting under paragraph 3 (xii)(a) to 3 (xii)(c) is not applicable to the Company.
- xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board of Directors, the transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements as required by applicable accounting standard. The provisions of section 177 are not applicable to the Company and accordingly reporting under paragraph 3 (xiii) of the Order in so far as it related to section 177 of the Act is not applicable to the Company.
- xiv) a) According to the information and explanations given by the management, the provision of internal audit is not applicable to the Company and accordingly reporting under paragraph 3(xiv)(a) of the Order are not applicable to the Company.



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- b) According to the information and explanations given by the management, the provision of internal audit is not applicable to the Company and accordingly reporting under paragraph 3(xiv)(b) of the Order are not applicable to the Company.
- xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act.
- xvi) a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence reporting under paragraph 3 (xvi)(a) is not applicable to the Company.
- b) The company has not conducted any Non- Banking Financial or Housing Finance activities and hence reporting under paragraph 3 (xvi)(b) is not applicable to the Company.
- c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) is not applicable to the Company.
- d) The Group does not have any CIC as part of the group and hence reporting under paragraph 3 (xvi)(d) is not applicable to the Company.
- xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii) There has been no resignation of the Statutory Auditors of the Company during the year.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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.

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xx) According to the information and explanations given to us, the Company is not required to set aside any amount towards Corporate Social Responsibility (CSR). Accordingly, reporting under paragraph 3(xx) of the Order is not applicable for the year

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 22111383AYMJNM3590

Place: Mumbai
Date: August 16, 2022

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Annexure 'B' to the Auditors' Report of even date on the Ind AS financial statements of FarmersFortune (India) Private Limited

Report on the Internal Financial Controls with reference to Ind AS financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

Referred to in paragraph 7 (ii) (f) under Report on Other Legal and Regulatory Requirements of our report of even date

1. We have audited the internal financial controls with reference to Ind AS financial statements of FarmersFortune (India) Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial

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statements included obtaining an understanding of internal financial controls with reference to Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis

for our audit opinion on the Company's internal financial controls system with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

4. A company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

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

Opinion

6. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, based on the

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internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Ind AS financial statements issued by the Institute of Chartered Accountants of India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No. 106655W

Chitale

(S. M. Chitale)
Partner
M. No. 111383
UDIN: 22111383AYMJNM3590

Place: Mumbai
Date: August 16, 2022

FarmersFortune (India) Private Limited

Balance sheet

as at 31 Mar 2022

(Currency: Indian rupees in lakhs)

	Note	As at	
		31 March 2022	31 March 2021
ASSETS			
Non-current assets			
a. Property, plant and equipment	5.1	586.41	664.03
b. Right-of-use assets	5.2	86.94	71.91
c. Intangible assets	6.1	0.18	0.48
c. Financial assets			
(i) Investments	7	1.90	1.90
(ii) Other financial assets	8	930.98	970.74
d. Income tax assets (net)	9	407.97	361.67
e. Other non-current assets	10	98.29	75.39
f. Deferred tax asset (net)	11	-	-
Total Non-current assets (A)		2,112.66	2,146.11
Current assets			
a. Inventories	12	938.43	1,239.57
b. Financial assets			
(i) Trade receivables	13	5,686.43	1,087.05
(ii) Cash and cash equivalents	14	2.44	22.91
(iii) Bank balances other than (ii) above	15	92.98	285.92
(iv) Loans	16	1,127.36	2,763.32
(v) Other financial assets	17	941.29	1,464.87
c. Other current assets	18	2,236.18	2,174.48
Total current assets (B)		11,025.11	9,038.12
TOTAL ASSETS (A+B)		13,137.77	11,184.23
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	19	2,000.00	2,000.00
b. Other equity	20	2,594.03	2,494.18
Total equity (C)		4,594.03	4,494.18
Liabilities			
Non-current liabilities			
a. Financial liabilities			
Borrowings	21	156.22	249.72
b. Provisions	22	5.45	4.73
Total Non-current liabilities (D)		161.67	254.45
Current liabilities			
a. Financial liabilities			
(i) Borrowings	23	1,477.03	697.58
(ii) Trade payables	24		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of other than micro enterprises and small enterprises		5,113.42	3,031.36
(iii) Others financial liabilities	25	17.31	301.58
b. Provisions	26	0.16	0.15
c. Other current liabilities	27	1,774.15	2,404.93
Total current liabilities (E)		8,382.07	6,435.60
TOTAL EQUITY AND LIABILITIES (C+D+E)		13,137.77	11,184.23

The accompanying notes are an integral part of these Ind AS financial statements

As per our report of even date

For Mukund M Chitale & Co

Chartered Accountants

Firm's Registration No: 106655W

Chitale

S. M. Chitale

Partner

Membership No: 111383



For and on behalf of the Board of Directors of

FarmersFortune (India) Private Limited

CIN: U01122MH2012PTC306028

Amit Goyal

Amit Goyal

Director

DIN: 00474023

Amith Agarwal

Amith Agarwal

Director

DIN: 01140768

Vishnu Gupta

Vishnu Gupta

Chief Financial Officer

Place: Mumbai

Date: 16 August 2022

Place: Mumbai

Date: 16 August 2022

FarmersFortune (India) Private Limited

Statement of profit and loss

for the year ended 31 Mar 2022

(Currency: Indian rupees in lakhs)

	Note	For the year ended	
		31 March 2022	31 March 2021
Income			
Revenue from operations	28	18,420.57	17,368.16
Other income	29	566.85	413.71
Total income		18,987.42	17,781.87
Expenses			
Purchase of stock-in-trade		17,848.68	17,113.17
Changes in inventories of stock-in-trade	30	301.14	(230.43)
Employee benefits expenses	31	13.69	48.48
Finance costs	32	506.29	267.79
Depreciation and amortisation expenses	6.2	63.28	78.29
Other expenses	33	137.45	410.65
Total expenses		18,870.53	17,687.95
Profit before tax		116.89	93.92
Income tax expenses			
Current tax	34	17.20	19.00
Tax of previous year - Minimum alternate tax		-	(14.20)
Total income tax expenses		17.20	4.80
Profit after tax		99.69	89.12
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
-Re-measurement gains on defined benefit plans		0.16	0.40
-Income tax effect		-	-
Items that will be reclassified to profit and loss:		0.16	0.40
Other comprehensive income for the year, net of tax		0.16	0.40
Total comprehensive income		99.85	89.52
Earnings per equity share (nominal value of shares Rs 10)			
Basic earnings per share	35	0.50	0.45
Diluted earnings per share		0.10	0.09

The accompanying notes are an integral part of these Ind AS financial statements

As per our report of even date

For Mukund M Chitale & Co
Chartered Accountants
Firm's Registration No: 106655W

Chitale

S. M. Chitale
Partner
Membership No: 111383



For and on behalf of the Board of Directors of
FarmersFortune (India) Private Limited
CIN: U01122MH2012PTC306028

Amit Goyal

Amit Goyal
Director
DIN: 00474023

Amith Agarwal

Amith Agarwal
Director
DIN: 01140768

Vishnu Gupta

Vishnu Gupta
Chief Financial Officer

Place: Mumbai
Date: 16 August 2022

Place: Mumbai
Date: 16 August 2022

FarmersFortune (India) Private Limited

Statement of changes in equity

for the year ended 31 Mar 2022

(Currency : Indian rupees in lakhs)

(a) Share capital

Particulars	31 March 2022	31 March 2021
Equity share capital		
Balance as on 31 March 2021 / 31 March 2020	2,000.00	2,000.00
Changes in equity share capital due to prior period errors	-	-
Restated Balance as on 31 March 2021 / 31 March 2020	2,000.00	2,000.00
Changes in equity share capital during the year	-	-
Balance as on 31 March 2022 / 31 March 2021	2,000.00	2,000.00

(b) Other equity

Particulars	Instruments classified as equity	Reserves and surplus	Other Comprehensive Income	Total Other equity
	6% optionally fully convertible preference shares	Retained earnings		
Balance as at 31 March 2020	8,356.86	(5,961.08)	8.88	2,404.66
Profit for the year	-	89.12	-	89.12
Other comprehensive income for the year	-	-	0.40	0.40
Balance as at 31 March 2021	8,356.86	(5,871.96)	9.28	2,494.18
Profit for the year	-	99.69	-	99.69
Other comprehensive income for the year	-	-	0.16	0.16
Balance as at 31 March 2022	8,356.86	(5,772.27)	9.44	2,594.03

The accompanying notes are an integral part of these Ind AS financial statements

As per our report of even date

For Mukund M Chitale & Co
Chartered Accountants
Firm's Registration No: 106655W

S. M. Chitale

S. M. Chitale
Partner
Membership No: 111383



For and on behalf of the Board of Directors of
FarmersFortune (India) Private Limited
CIN: U01122MH2012PTC306028

Amit Goyal
Amit Goyal
Director
DIN: 00474023

Vishnu Gupta
Vishnu Gupta
Chief Financial Officer

Amith Agarwal

Amith Agarwal
Director
DIN: 01140768

Place: Mumbai
Date: 16 August 2022

Place: Mumbai
Date: 16 August 2022

Statement of cash flows

for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

	31 March 2022	31 March 2021
A Cash flow from operating activities		
Net profit before tax	116.89	93.92
Adjustment for:		
Interest income	(366.00)	(163.64)
Unrealised foreign exchange (gain) / loss	-	(27.44)
Allowance for doubtful debts receivables	-	110.31
Net Gain/(loss) arising on financial assets measured at fair value though profit or loss	-	(166.86)
Interest expenses	506.29	267.79
Depreciation and amortisation expenses	63.28	78.29
Liabilities no longer required written back	(189.98)	(48.63)
Profit on sale of investment	-	-
Deferred rent on security deposits	0.85	0.85
Operating profit before working capital changes	<u>131.33</u>	<u>144.59</u>
Changes in:		
(Increase)/Decrease in trade receivables	(4,599.38)	589.84
(Increase)/Decrease in other financial assets	494.66	(452.40)
(Increase)/Decrease in loans	1,635.96	(1,809.32)
(Increase)/Decrease in other current and non-current assets	(85.45)	62.96
(Increase)/Decrease in Inventories	301.14	(63.57)
(Decrease)/Increase in Current Liabilities and Financial Liabilities	(805.33)	1,404.25
(Decrease)/Increase in Provisions	0.89	1.84
(Decrease)/Increase in Trade payables	2,272.06	1,271.51
Cash generated from operations	<u>(654.11)</u>	<u>1,149.70</u>
Direct taxes (paid) / refund	(63.50)	(43.62)
Net cash from operating activities (A)	<u>(717.61)</u>	<u>1,106.08</u>
B Cash flow from investing activities		
Interest received	627.62	112.60
Acquisition of property, plant and equipment	(0.40)	(0.35)
Proceeds from sale of property, plant and equipment	-	-
Fixed deposits matured	-	-
Net cash generated from/(used in) investing activities (B)	<u>627.22</u>	<u>112.25</u>
Cash flow from financing activities		
Interest paid	(607.89)	(240.94)
Repayment of long-term borrowings	(101.62)	(89.57)
Repayment of short-term borrowings	779.45	(877.21)
Net cash used in financing activities (C)	<u>69.93</u>	<u>(1,207.72)</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	<u>(20.46)</u>	<u>10.61</u>
Cash and cash equivalents at beginning of year		
Balance with banks		
- in current account	22.91	12.19
Cash on hand	-	0.11
Cash and cash equivalent as per note 14	<u>22.91</u>	<u>12.30</u>



Statement of cash flows (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

Cash and cash equivalent at end of year

Balance with banks

- in current account

Cash on hand

Cash and cash equivalent as per note 14

For the year ended
31 March 2022 31 March 2021

2.44

22.91

-

-

2.4422.91**Notes :**

- 1** The above Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Statement of cash flows" notified under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

The accompanying notes are an integral part of these Ind AS financial statements

As per our report of even date

For Mukund M Chitale & Co

Chartered Accountants

Firm's Registration No: 106655W



J. M. Chitale

Partner

Membership No: 111383



**For and on behalf of the Board of Directors of
FarmersFortune (India) Private Limited**

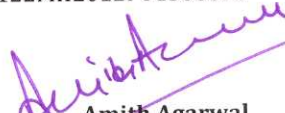
CIN: U01122MH2012PTC306028



Amit Goyal

Director

DIN: 00474023



Amith Agarwal

Director

DIN: 01140768



Vishnu Gupta

Chief Financial Officer

Place: Mumbai

Date: 16 August 2022

Place: Mumbai

Date: 16 August 2022

Notes to the Ind AS financial statements

for the year ended 31 Mar 2022

(Currency : Indian Rupees in lakhs)

Company overview and significant accounting policies**1 Company overview**

FarmersFortune (India) Private Limited ('the Company') was incorporated on 6 March 2012 under the Companies Act, 1956 ('the Act') and is a 100% subsidiary company of Star Agriwarehousing and Collateral Management Limited with effect from 1 November 2014. The Company is engaged in the business of procurement and sale of agricultural products such as food grains, cereals, pulses, oil seeds and wheat seeds.

2 Statement of compliance and basis of presentation and preparation**2.01 Basis of preparation and presentation**

The Ind AS Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.

These Ind AS financial statements for the year ended 31 March 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 16 August 2022.

2.02 Functional and presentation currency

The Ind AS Financial Statements is presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded off to the nearest lakhs with two decimals, unless otherwise indicated.

2.03 Basis of measurement

The Ind AS Financial Statements has been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value (refer- Accounting policy regarding financial instruments);
- assets held for sale - measured at lower of cost or fair value less cost to sell;
- defined benefit plans - plan assets measured at fair value less present value of defined obligation; and
- land at fair value on transition date.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services

2.04 Current / Non-current classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- it is expected to be realised or settled or is intended for sale or consumption in the Company's normal operating cycle;
- it is expected to be realised or settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months from the reporting date.

All other assets and liabilities are classified as non-current.

Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation and their realisation in cash and cash equivalents.

3 Use of accounting estimates and judgments

Preparation of Ind AS financial statements requires the Company to make assumptions and estimates about future events and apply significant judgments. The Company base its assumptions, estimates and judgments on historical experience, current trends and all available information that it believes is relevant at the time of preparation of the financial statements. However, future events and their effects cannot be determined with certainty. Accordingly, as confirming events occur, actual results could ultimately differ from our assumptions and estimates. Such differences could be material. The following require most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain.

3.01 Impairment losses on investment

The Company assesses impairment of investments in subsidiaries and associates which are recorded at cost. At the time when there are any indications that such investments have suffered a loss, if any, is recognised in the statement of profit and loss. The recoverable amount requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate.

3.02 Impairment losses on trade receivables

The Company reviews its trade receivables to assess impairment at regular intervals. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in the statement of profit and loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.



Notes to the Ind AS financial statements

for the year ended 31 Mar 2022

(Currency : Indian Rupees in lakhs)

3.03 Provision for litigations

In estimating the final outcome of litigation, the Company applies judgment in considering factors including experience with similar matters, past history, precedents, relevant financial, legal opinions and other evidence and facts specific to the matter. Application of such judgment determines whether the Company requires an accrual or disclosure in the Ind AS financial statements.

3.04 Estimated useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

3.05 Recoverability of deferred tax assets

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

3.06 Provision for obsolete inventory

The Company reviews its inventory to assess loss on account of obsolescence and expiry on a regular basis. In determining whether provision for obsolescence should be recorded in the statement of profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is any future salability of the product, including demand forecasts and shelf life of the product. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

3 Use of accounting estimates and judgments (Continued)**3.07 Valuation of inventories**

The Company values its inventories for commodity trading business at fair value less cost to sell and other inventories are valued at the lower of cost and net realisable value through inventory allowances. Subsequent changes in facts or circumstances could result in the reversal of previously recorded allowances. Results could differ if inventory allowances change because actual selling prices or selling costs differ materially from forecasted selling prices and selling costs. Calculating allowances depends on a combination of interrelated factors affecting forecasted selling prices, including demand variables. Demand variables include grain prices and changes in inventories in distribution channels.

3.08 Measurement of defined benefit obligations and other employee benefit obligations

The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the other long-term employment benefits.

The present value of the obligation is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

3.09 Measurement of fair value

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer (CFO).

They regularly review significant unobservable inputs and valuation adjustments. If third party information, such as NCDEX quotes, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS 113 "Fair Value Measurements", including the level in the fair value hierarchy in which such valuations should be classified.

4 Significant accounting policies**4.01 Property, plant and equipment****Measurement at recognition**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably and is measured at cost. Subsequent to recognition, all items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

If the cost of an individual part of property, plant and equipment is significant relative to the total cost of the item, the individual part is accounted for and depreciated separately.



Notes to the Ind AS financial statements

for the year ended 31 Mar 2022

(Currency : Indian Rupees in lakhs)

The cost of property, plant and equipment comprises its purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of decommissioning, restoration and similar liabilities, if any. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Items such as spare parts, stand-by equipments and servicing that meets the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life. Cost of repairs and maintenance are recognised in the statement of profit and loss as and when incurred.

Depreciation

Depreciation is provided on Straight Line Method at the rates based on useful life prescribed under Schedule II of the Act. In respect of assets acquired/sold during the year, depreciation has been provided on pro-rata basis with reference to the days of addition/put to use or disposal. Leasehold improvements are amortised over the useful life of the asset or the primary lease tenure whichever is lower, on a straight-line basis.

Asset class	Useful life (in years)
Buildings - Silo	15
Buildings - Office	30
Plant and machinery	15
Office equipments	5
Furniture and fixtures	10
Leasehold improvements	3
Computers	3

Assets costing Rs 5,000 or less are fully depreciated in the year of purchase. Depreciation is charged on a proportionate basis for all assets purchased and sold during the year.

Capital work-in-progress

Assets under construction includes the cost of property, plant and equipment that are not ready to use as at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under Other Non-current Assets. Assets under construction are not depreciated as these assets are not yet available for use.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit and loss in the period the asset is derecognised.

4.02 Intangible assets**Measurement at recognition**

Intangible assets comprise primarily of computer software (including enterprise systems). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation

Intangible Assets with finite lives are amortised on a straight line basis over the estimated useful economic life. The amortisation expense on intangible assets with finite lives are recognised in the statement of profit and loss.

Asset class	Useful life (in years)
Computer software	3

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such changes is accounted for as a change in an accounting estimate.

Derecognition

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit and loss in the year the asset is derecognised.

4.03 Financial instruments

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

(i) Non-derivative financial assets**Initial recognition and measurement**

The Company recognises a financial asset in its balance sheet when it become party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the statement of profit and loss at initial recognition if the fair value is determined through quoted market price in an active market for an identical asset (i.e level 1 input) or through a valuation technique that uses data from observable markets (i.e level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the statement of profit and loss only to the extent that such gain or loss arises due to a change in factor market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price irrespective of the fair value on initial recognition.



Notes to the Ind AS financial statements

for the year ended 31 Mar 2022

(Currency : Indian Rupees in lakhs)

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- (i) The Company's business model for managing the financial asset and
- (ii) The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- (i) Financial assets measured at amortised cost.
- (ii) Financial assets measured at fair value through profit and loss (FVTPL).

(i) Financial assets measured at amortised cost

A financial asset is measured at the amortised cost if both the conditions are met :

- (a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows.
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans, deposits and other financial assets of the Company. Such financial assets are subsequently measured at amortised cost using the effective interest method.

The amortised cost of a financial asset is also adjusted for loss allowance, if any.

- (ii) Financial assets measured at fair value through profit and loss (FVTPL)

A financial asset is measured at FVTPL unless it is measured at amortised cost or at Fair Value through Other Comprehensive Income (FVTOCI). This is a residual category applies to inventories, share based payments and other investments of the Company excluding investment in subsidiary. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognised in the statement of profit and loss.

Derecognition:

A financial asset is derecognized i.e. removed from the Company's statement of financial position when:

- a) The contractual rights to the cash flows from the financial asset expire or
- b) The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Presentation:

Financial assets and liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.03 Financial instruments

- (ii) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liabilities.

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently carried at amortised cost; any difference between the initial carrying value and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest rate method. Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs.

Non-derivative financial liabilities of the Company comprise long-term borrowings, short-term borrowings, bank overdrafts and trade and other payables.

Subsequent measurement:

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Derecognition:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. When an existing financial liability is replaced from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of profit and loss.

4.04 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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:

- (i) in the principal market for the asset or liability or
- (ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy that categorises into three levels, as described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs).



Notes to the Ind AS financial statements

for the year ended 31 Mar 2022

(Currency : Indian Rupees in lakhs)

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

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognised in the Ind AS financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting year.

4.05 Impairment**Non-derivative financial assets**

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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

- (i) Trade receivables and lease receivables
- (ii) Financial assets measured at amortised cost (other than trade receivables and lease receivables)

In case of trade receivables, contract revenue receivables and lease receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognition as loss allowance. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e all cash shortfalls), discounted at the original effective interest rate.

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 are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of profit and loss.

Intangible assets and property, plant and equipment

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's recoverable amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.06 Valuation of inventories

Inventories principally comprise commodities held for trading and inventories that form part of the Company's expected purchase, sale or usage requirements.

Inventories for commodity trading businesses are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in the statement of profit or loss in the year of the change.

Inventories are measured at cost and those forming part of the Company's expected purchase, sale or usage requirements are stated at the lower of cost and net realisable value and are valued on a first-in-first-out basis. Cost of inventories comprises of cost incurred on purchase and other direct expenditure on procurement. Net realisable value represents the estimated selling price in the ordinary course of business, less anticipated cost of disposal and after making allowance for damages and slow-moving items.

4.07 Statement of cash flow

The Company's statement of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature if 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.

Cash and cash equivalents comprise cash and bank balances and short-term fixed bank deposits that are subject to an insignificant risk of changes in value. These also include bank overdrafts and cash credit facility that form an integral part of the Company's cash management.



Notes to the Ind AS financial statements

for the year ended 31 Mar 2022

(Currency : Indian Rupees in lakhs)

4.08 Revenue recognition

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised under Ind AS 115.

Revenue is recognised when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and services taxes, Goods and services tax or any other taxes.

Amount collected on behalf of third parties such as services taxes, Goods and services tax are excluded from revenue. Revenue on time and material contracts are recognised as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognised as unbilled revenue.

Advances received for services and products are reported as advances from customers until all conditions for revenue recognition are met.

A. Warehousing services [Rental income]

These include warehousing services in owned, leased, franchise as well as field warehouses. Charges levied for providing storage, stock management and preservation services at locations which are owned, leased or under franchise/associate arrangement are recognised as income on accrual basis as per agreed terms.

B. Sale of goods

Income from sale of commodities is recognised as and when the risk and reward (control) is transferred to the buyer, while the Company retains neither managerial involvement nor effective control over the goods sold.

C. Other Services

Income by way of handling, transportation, and procurement commission are recognised as and when service are rendered.

D. Mandi Services

Income from sale of commodities is recognised as and when the risk and reward (control) is transferred to the buyer, while the Company retains neither managerial involvement nor effective control over the goods sold.

4.09 Other income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets on initial recognition. Interest income is included in other income in the statement of profit and loss.

The Company's finance income include:

- (i) Interest income from trade receivables for delayed payment as per the terms of contract; and
- (ii) Interest income from financial deposits and other financial assets.

4.10 Cost recognition

Costs and expenses are recognised when incurred and have been classified according to their primary nature.

The costs of the Company are broadly categorised in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses majorly include fees to external consultants, cost running its facilities, travel expenses, cost of hardware and software bought for reselling, communication costs allowances for delinquent receivables and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, bank charges, freight and octroi etc.

Finance costs

The Company's finance costs include:

- (i) Interest expense on borrowings and overdrafts
- (ii) Interest expense on inter corporate deposits

Interest expense is recognised using effective interest method based on interest rates specified / implicit in the transactions.

4.11 Foreign currency

Foreign currency transactions

Initial Recognition

All transactions that are not denominated in the Company's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Measurement of foreign current items are reporting date

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the reporting date. Non-monetary items measured based on historical cost in a foreign currency are not translated. Non-monetary items measured at fair value in a foreign currency are translated to the functional currency using the exchange rates at the date when the fair value was determined.

Exchange differences arising out of these translations are recognised in the statement of profit and loss.



Notes to the Ind AS financial statements

for the year ended 31 Mar 2022

(Currency : Indian Rupees in lakhs)

4.12 Lease accounting

Company as a Lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the Company is a lessee, except for a short term lease of 12 months or less and leases of low-value assets. For short term lease and low-value asset arrangements, the Company recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Company will exercise these options.

The right-of-use asset are recognized at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

Company as a Lessor

Leases for which the Company is a lessor is classified as finance or operating lease. If the terms of the lease arrangement transfers substantially all the risks and rewards of ownership to the lessee, such lease arrangement is classified as finance lease. All other leases are classified as operating leases.

In case of sub-lease, the Company recognizes investment in sub-lease separately in the financial statements. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from such lease arrangement. For operating leases, rental income is recognized on a straight-line basis over the term of the lease arrangement.

Transition

The Company has adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognized on the date of initial application and hence the Company has not restated comparative information. There is no material impact on adoption of Ind AS 116 by the Company.

4.13 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

4.14 Employee benefit

Post-employment benefits

i. Defined contribution plans

A defined contribution plan is a plan for the post employment benefit of an employee under which the Company pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations. The Company has no further legal or constructive obligation to pay once contributions are made. Contributions made are charged to employee benefit expenses in the period in which the employment services qualifying for the benefit are provided.

ii. Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan which is administered through Company gratuity scheme with Birla Sun Life. The Company's net obligation in respect of gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation at the balance sheet date by an Independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government of India securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

The Company recognises all remeasurement gains and losses arising from defined benefit plans in the Statement of other comprehensive income in the period in which they occur and not reclassified to the statement of profit and loss in the subsequent period. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs in the statement of profit and loss.



Notes to the Ind AS financial statements

for the year ended 31 Mar 2022

(Currency : Indian Rupees in lakhs)

4.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.16 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss. Cost of investments include acquisition charges such as brokerage, fees and duties.

4.17 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit/ (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Company does not have any intentions to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. (Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

iii) Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

4.18 Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting year.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

4.19 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting year, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.



Notes to the Ind AS financial statements (Continued)

as at 31 Mar 2022

(Currency : Indian rupees in lakhs)

5.1 Property, plant and equipment

Description	Building	Plant and machinery	Office equipments	Furnitures and fixtures	Leasehold building	Leasehold improvements	Leased computers	Computers	Total
Gross block									
As at 31 March 2020	1,009.29	14.38	16.97	1.17	-	48.20	-	14.74	1,104.75
Add: Additions during the year	-	-	-	-	-	-	-	0.35	0.35
Less: Deletion during the year	-	-	-	-	-	-	-	-	-
As at 31 March 2021	1,009.29	14.38	16.97	1.17	-	48.20	-	15.09	1,105.10
Add: Additions during the year	-	-	-	-	-	-	-	0.40	0.40
Less: Deletion during the year	-	-	-	-	-	-	-	-	-
As at 31 March 2022	1,009.29	14.38	16.97	1.17	-	48.20	-	15.49	1,105.50
Depreciation for the year									
As at 31 March 2020	288.25	4.12	13.09	0.47	-	48.20	-	14.64	368.77
Add: Depreciation for the year	68.72	1.10	2.00	0.12	-	-	-	0.36	72.30
Less: Depreciation on deletion	-	-	-	-	-	-	-	-	-
As at 31 March 2021	356.97	5.22	15.09	0.59	-	48.20	-	15.00	441.07
Add: Depreciation for the year	75.08	0.74	1.88	0.17	-	-	-	0.14	78.01
Less: Depreciation on deletion	-	-	-	-	-	-	-	-	-
As at 31 March 2022	432.05	5.96	16.97	0.77	-	48.20	-	15.13	519.09
Net block									
As at 31 March 2020	721.04	10.26	3.88	0.70	-	-	-	0.10	735.98
As at 31 March 2021	652.32	9.16	1.88	0.58	-	-	-	0.09	664.03
As at 31 March 2022	577.24	8.42	0.00	0.41	-	-	-	0.35	586.41



Notes to the Ind AS financial statements (Continued)

as at 31 Mar 2022

(Currency : Indian rupees in lakhs)

5.2 Right-of-use assets

Description	Buildings	Total
Gross block		
As at 31 March 2020	81.39	81.39
Add: Additions during the year	-	-
Less: Disposal during the year	-	-
As at 31 March 2021	81.39	81.39
Add: Additions during the year	-	-
Less: Disposal during the year	-	-
As at 31 March 2022	81.39	81.39
Amortisation for the year		
As at 31 March 2020	4.74	4.74
Add: Amortisation for the year	4.74	4.74
Less: Disposal during the year	-	-
As at 31 March 2021	9.48	9.48
Add: Amortisation for the year	(15.03)	(15.03)
Less: Disposal during the year	-	-
As at 31 March 2022	(5.55)	(5.55)
Net block		
As at 31 March 2020	76.65	76.65
As at 31 March 2021	71.91	71.91
As at 31 March 2022	86.94	86.94

6.1 Intangible assets

Description	Computer software	Total
Gross Block		
As at 31 March 2020	3.69	3.69
Add: Additions during the year	-	-
Less: Disposal during the year	-	-
As at 31 March 2021	3.69	3.69
Add: Additions during the year	-	-
Less: Disposal during the year	-	-
As at 31 March 2022	3.69	3.69
Amortisation for the year		
As at 31 March 2020	1.96	1.96
Add: Amortisation for the year	1.25	1.25
Less: Disposal during the year	-	-
As at 31 March 2021	3.21	3.21
Add: Amortisation for the year	0.30	0.30
Less: Disposal during the year	-	-
As at 31 March 2022	3.51	3.51
Net block		
As at 31 March 2020	1.73	1.73
As at 31 March 2021	0.48	0.48
As at 31 March 2022	0.18	0.18

6.2 Depreciation and Amortization

Description	31 March 2022	31 Mar 2021
On Property, Plant and Equipment	78.01	72.30
On Right to Use Assets	(15.03)	4.74
On Intangible Assets	0.30	1.25
Total	63.28	78.29



Notes to the Ind AS financial statements (Continued)

as at 31 Mar 2022

(Currency : Indian rupees in lakhs)

	As at	
	31 March 2022	31 March 2021
7 Investments		
Investment in Government or trust securities (unquoted)		
National saving certificates (under lien) at amortised cost #	1.90	1.90
	<u>1.90</u>	<u>1.90</u>
Aggregate book value of unquoted investments	1.90	1.90
# National saving certificates are lien marked against Value Added Tax registration and Mandi Licence.		
8 Other financial assets		
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Long-term deposits with banks*	60.38	89.69
Interest receivable on fixed deposits	41.49	71.48
Capital advance (refundable) - related party	795.20	795.20
Security deposits	33.91	14.37
	<u>930.98</u>	<u>970.74</u>
* Term deposits aggregating Rs. 60.38 lakhs (31 March 2021: Rs. 89.69 lakhs) lien are against bank guarantees given for mandi license and Value Added Tax registration.		
9 Income tax assets		
Income tax assets (net of provision)	407.97	361.67
	<u>407.97</u>	<u>361.67</u>
10 Other non-current assets		
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Value added tax receivable	98.29	75.25
Deferred rent on security deposits	-	0.14
	<u>98.29</u>	<u>75.39</u>

11 Deferred Tax

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.



Notes to the Ind AS financial statements (Continued)

as at 31 Mar 2022

(Currency : Indian rupees in lakhs)

As at
31 March 2022 31 March 2021

Unrecognised deferred tax assets

Deferred tax assets (DTA) have not been recognised in respect of losses carried forward, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Deferred tax assets for the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

	As at	
	31 March 2022	31 March 2021
12 Inventories		
<i>Stock in trade (valued at lower of cost and net realisable value)</i>		
Commodities	938.43	1,239.57
	938.43	1,239.57
13 Trade receivables		
<i>From parties other than related parties</i>		
Unsecured, considered good *	5,686.43	1,085.33
Unsecured, considered doubtful	2,189.27	2,256.54
Less: Allowance for doubtful debts	(2,189.27)	(2,256.54)
<i>From related parties</i>		
Unsecured, considered good	-	1.72
	5,686.43	1,087.05

*Refer Note 41 and Note 49

Trade receivables ageing: 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
1.Undisputed Trade receivables - considered good	5,220.84	50.80	70.55	113.96	230.32	5,686.46
2.Undisputed Trade Receivables - which have significant increase in credit risk						-
3.Undisputed Trade Receivables - credit impaired	-	-	-	-	2,189.27	2,189.27
4.Disputed Trade Receivables-considered good						-
5.Disputed Trade Receivables - which have significant increase in credit risk						-
6.Disputed Trade Receivables - credit impaired						-
Grand Total	5,220.84	50.80	70.55	113.96	2,419.59	7,875.73
Less: Allowance for Bad and doubtful debts						(2,189.27)
Net Total						5,686.46



Notes to the Ind AS financial statements (Continued)

as at 31 Mar 2022

(Currency : Indian rupees in lakhs)

As at
31 March 2022 31 March 2021

Trade receivables ageing: 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
1.Undisputed Trade receivables – considered good	727.78	118.76	240.50	0.00	0.00	1,087.05
2.Undisputed Trade Receivables – which have significant increase in credit risk						-
3.Undisputed Trade Receivables – credit impaired	-	-	212.56	81.38	1,962.60	2,256.54
4.Disputed Trade Receivables-considered good						-
5.Disputed Trade Receivables – which have significant increase in credit risk						-
6.Disputed Trade Receivables – credit impaired						-
Grand Total	727.78	118.76	453.06	81.38	1,962.60	3,343.59
Less: Allowance for Bad and doubtful debts						(2,256.54)
Net Total						1,087.05

14 Cash and cash equivalents

Balances with banks:

- In current accounts

2.44 22.91

2.44 22.91**15 Bank balances other than cash and cash equivalents**

Fixed deposit account with banks (with original maturity more than 3 months)

92.98 285.92

92.98 285.92

* Term deposits aggregating Rs. 92.98 lakhs (31 March 2021: Rs. 285.92 lakhs) are against security deposit for Value Added Tax registration and bank guarantees given for mandi license & performance guarantee.

As at

31 Mar 2022 31 March 2021

16 Loans

(Unsecured, considered good)

Loans to related parties

1,127.36 2,763.32

1,127.36 2,763.32**Loans to related party include due from companies in which director is a director as under**

Star Agri Infrastructure Private Limited

954.00 954.00

Star Agri warehousing & Collateral Management Ltd

173.36 1,809.32

1,127.36 2,763.32

Notes to the Ind AS financial statements (Continued)

as at 31 Mar 2022

(Currency : Indian rupees in lakhs)

	As at	
	31 March 2022	31 March 2021
17 Other financial assets		
Security Deposit	4.77	22.12
Advance to suppliers (refundable)	936.53	1,211.12
Interest receivable from corporates (unsecured) - related party		
- Considered good*	-	216.14
- Considered doubtful	196.22	393.91
Less: Allowance for doubtful debts	(196.22)	(393.91)
	(0.01)	216.14
Interest receivable on Fixed Deposits	-	15.49
	941.29	1,464.87
18 Other current assets		
<i>To parties other than related parties</i>		
Advance to suppliers		
- Considered good	1,099.50	1,090.55
- Considered doubtful	728.94	728.94
Less: Allowance for doubtful debts	(728.94)	(728.94)
<i>To related parties (Unsecured, considered good)</i>		
Advance to suppliers	936.53	863.71
Advance against expenses	0.65	1.05
Advances to employees	0.76	2.12
Goods and service tax receivable	198.74	217.05
	2,236.18	2,174.48



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)

as at 31 Mar 2022

(Currency : Indian rupees in lakhs)

19 Share capital

	31 March 2022	31 March 2021
Authorised :		
20,000,000 (31 March 2021: 20,000,000) equity shares of Rs 10 each	2,000.00	2,000.00
80,000,000 (31 March 2021: 80,000,000) 6% optionally fully convertible preference shares of Rs 10 each	8,000.00	8,000.00
	10,000.00	10,000.00
Issued, Subscribed and Paid up:		
20,000,000 (31 March 2021: 20,000,000) equity shares of Rs 10 each	2,000.00	2,000.00
	2,000.00	2,000.00

a) Reconciliation of the shares outstanding at the beginning and at the end of the year is as below:

	31 March 2022		31 March 2021	
	No of shares	(Rs. In lakhs)	No of shares	(Rs. In lakhs)
Equity Shares :				
At the beginning of the year	2,00,00,000	2,000.00	2,00,00,000	2,000.00
At the end of the year	2,00,00,000	2,000.00	2,00,00,000	2,000.00
6% optionally fully convertible preference shares				
At the beginning of the year	8,00,00,000	8,000.00	8,00,00,000	8,000.00
At the end of the year	8,00,00,000	8,000.00	8,00,00,000	8,000.00

b) Rights, preferences and restrictions attached to each class of shares:

Equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The Company declares and pays dividend in Indian Rupees. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of shares.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

Optionally fully convertible preference shares

The 6% Optionally fully convertible preference shares shall have a maximum maturity period of 10 years from the date of issue i.e. 22 October 2015 and 5 April 2016. The shareholders shall have the right to fully convert into equity shares by providing a written notice to the Company at any time within the maturity period.

The shares will bear a Non-Cumulative dividend rate of 6% per annum.

The shares shall be redeemed at par / premium in accordance with Section 55 of the Companies Act, 2013 or as varied after due approval of preference shareholders under Section 48 of the Act at any time on or before the maturity period at the Company's option.

During the previous year with effective from 1 April 2017, the Company has changed the terms of preference shares whereby 6% optionally fully convertible non-cumulative preference can at any time within the maturity period, be fully converted into equity shares at the sole option and discretion of Company at conversion ratio of 1:1 and the shares shall be redeemed at par in accordance with Section 55 of the Companies Act, 2013 or as varied after due approval of preference shareholders under Section 48 of the Act at any time on or before the maturity period at the option of the Company.



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)

as at 31 Mar 2022

(Currency : Indian rupees in lakhs)

19 Share capital (Continued)

c) The details of shareholders holding more than 5% shares of a class of shares at year end is as below:

Name of shareholders	31 March 2022		31 March 2021	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity shares of Rs 10 each, fully paid-up, held by				
Star Agriwarehousing and Collateral Management Limited	2,00,00,000	100%	2,00,00,000	100%
6% optionally fully convertible preference shares of Rs 10 each,				
Star Agriwarehousing and Collateral Management Limited	8,00,00,000	100%	8,00,00,000	100%

d) Shares held by holding company

Name of shareholders	31 March 2022		31 March 2021	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity shares of Rs 10 each, fully paid-up, held by				
Star Agriwarehousing and Collateral Management Limited	2,00,00,000	100%	2,00,00,000	100%
6% optionally fully convertible preference shares of Rs 10 each, fully paid-up, held by				
Star Agriwarehousing and Collateral Management Limited	8,00,00,000	100%	8,00,00,000	100%

e) Shares held by Promoters

Sr. No.	Promoter name	31 March 2022		% Change during the year	31 March 2021	
		No. of Shares	% of total shares		No. of Shares	% of total shares
1	Star Agriwarehousing and Collateral Management Limited	2,00,00,000	100%	-	2,00,00,000	100%

20 Other equity

	31 March 2022	31 March 2021
Optionally fully convertible preference share		
80,000,000 (31 March 2021: 80,000,000) 6% optionally fully convertible preference shares of Rs 10 each	8,356.86	8,356.86
Retained earnings		
Opening balance	(5,871.96)	(5,961.08)
Add : Profit for the year	99.69	89.12
Closing balance	(5,772.27)	(5,871.96)
Other comprehensive income		
Opening balance	9.28	8.88
Re-measurement gains on post employment defined benefits plans	0.16	0.40
Closing balance	9.44	9.28
	2,594.03	2,494.18



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)

as at 31 Mar 2022

(Currency : Indian rupees in lakhs)

	As at	
	31 March 2022	31 March 2021
21 Borrowings		
<i>Secured</i>		
Term loan from bank (Refer Note 21.1)	245.75	347.37
Less: Current maturities of long-term borrowings (Refer Note 23)	(89.53)	(97.65)
	<u>156.22</u>	<u>249.72</u>

21.1

The Company has taken term loan from State Bank of India which is secured against Building and Plant and Machinery created out of bank finance and collateral security of land at khasra No 361, Kota, Rajasthan with personal guarantee of all directors and corporate guarantee of Star Agriwarehousing and Collateral Management Limited. Term loan carries an interest of 15% to 17% p.a. Loan is repayable in equated monthly installments of Rs. 7.46 lakhs (principal) beginning September 2016 and last installment falling due on February 2025.

22 Provisions

Provision for employee benefits :
Gratuity (Refer Note 46)

	5.45	4.73
	<u>5.45</u>	<u>4.73</u>

23 Borrowings

Secured

Cash credit facility from banks (Refer Note 23.1)

104.79 599.93

Unsecured

Loan from Other parties

1,282.71 -

Current maturities of long-term borrowings (Refer note 21)

89.53 97.65

	<u>1,477.03</u>	<u>697.58</u>
--	-----------------	---------------

23.1 Loan from Karur Vysya Bank carrying interest rate of 12.05% to 12.50 % p.a, computed on a monthly basis on the actual amount utilised, and is repayable on demand. This is secured by hypothecation charge on the inventory (commodities) on pari-passu sharing basis along with other cash credit lenders and with corporate guarantee of Star Agriwarehousing and Collateral Management Limited.

23.2 The Company has borrowings from Banks on the basis of security of current assets and it has provided the quarterly statements to the Banks as per the terms of the sanction letter. On comparison of the quarterly statements with the books of accounts, there were discrepancies found, the reconciliation of which is given below:

Particulars	31-Mar-22	31-Dec-21	30-Sep-21	30-Jun-21
Working Capital as per books	11,35,20,180	9,22,38,273	9,42,75,687	10,71,65,948
Add : Considered in DP as per terms & conditions of Bank	-	2,38,189	-	-
Less: Lower working capital given for DP	34,66,282	-	6,89,421	13,18,910
Net Working capital as per DP	11,00,53,898	9,24,76,463	9,35,86,266	10,58,47,038

24 Trade payables*

Trade payable towards goods purchased and services received

- Total outstanding due to micro, small and medium enterprises (Refer note 36)

- -

- Total outstanding due to creditors other than micro, small and medium enterprises

5,113.42 3,031.36

	<u>5,113.42</u>	<u>3,031.36</u>
--	-----------------	-----------------

* includes related party Rs.28.01 akhs (Prev. Year Rs. 382.90 lakhs).

Trade payables ageing: 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	4,816.92	134.73	30.80	130.96	5,113.42
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)

as at 31 Mar 2022

(Currency : Indian rupees in lakhs)

As at
31 March 2022 31 March 2021

Trade payables ageing: 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	2,846.46	24.55	-	160.35	3,031.36
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

25 Other financial liabilities

Interest accrued but not due on borrowings*	16.00	117.60
Payable to employees	1.31	9.05
Advance from customers (refundable)	-	174.93
	<u>17.31</u>	<u>301.58</u>

* includes related party Rs. NIL (Prev. Year Rs. 81.60 lakhs).

26 Provisions

Gratuity (Refer note 46)	0.16	0.15
	<u>0.16</u>	<u>0.15</u>

27 Other current liabilities

Advance from customers*	1,761.72	2,391.35
Statutory dues payable		
- Tax deducted/collected at source	12.25	13.40
- Employees' state insurance	0.01	0.01
- Provident fund	0.14	0.17
- Professional tax	0.03	-
	<u>1,774.15</u>	<u>2,404.93</u>

* includes related party Rs. NIL (Prev. Year Rs. 79.95 lakhs).



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)

for the year ended 31 Mar 2022

(Currency : Indian rupees in lakhs)

For the year ended
31 March 2022 31 March 2021

28 Revenue from operations

Sale of products:

Traded goods

Domestic sales

18,142.72

16,898.88

Other operating income:

Brokerage and commission income

6.06

-

Delayed delivery charges

7.21

18.95

Warehouse rent (Refer Note 42)

115.51

116.00

Other operating income

149.08

334.33

18,420.57

17,368.16

Refer Note 51 for disclosure on Ind AS 115: Revenue from Contracts with Customers

29 Other income

Interest income on

- Fixed deposits

61.81

40.78

- Security deposits

-

1.09

Interest income on Inter corporate deposits

304.19

121.77

Foreign exchange gain

-

27.44

Liabilities no longer required written back

189.98

48.63

Net Gain/(loss) arising on financial assets measured at fair value through profit or loss

-

166.86

Miscellaneous income

10.87

7.14

566.85

413.71

30 Changes in inventories of stock-in-trade

Opening stock - Refer note 12

Commodities valued at lower of cost and net realisable value

1,239.57

1,009.14

1,239.57

1,009.14

Less: Closing stock - Refer note 12

Commodities valued at lower of cost and net realisable value

938.43

1,239.57

938.43

1,239.57

301.14

(230.43)

31 Employee benefits expenses

Salary, wages and other benefits

11.92

44.80

Contributions to provident and other funds (Refer note 47)

1.69

2.68

Staff welfare expenses

0.08

1.00

13.69

48.48



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)

for the year ended 31 Mar 2022

(Currency : Indian rupees in lakhs)

For the year ended
31 March 2022 31 March 2021

32 Finance costs

Interest on :

- Term loan from bank	21.38	91.86
- Cash credit facility	53.77	104.60
- Unsecured loans	410.57	50.23
- Interest on others	19.95	17.18
Processing fees to banks	0.63	3.92

506.29

267.79

33 Other expenses

Professional warehouse charges	0.89	5.46
Import / export expenses	-	161.57
Freight expenses	11.23	3.95
Legal and professional fees	(0.82)	23.80
Brokerage and commission	42.33	2.01
Bank charges	0.38	6.31
Provision for doubtful trade receivables	-	110.31
Travelling and conveyance expenses	5.72	3.40
Rent (Refer note 42)	25.81	25.98
Repair and maintenance	0.13	1.03
Payment to auditors' (Refer note 43)	4.00	4.00
Foreign exchange loss	5.44	-
Labour charges	14.59	14.40
Sortex and cleaning expenses	7.76	-
Rates and taxes	5.08	18.49
Packing expenses	3.61	-
Electricity expense	4.89	6.20
Office expense	0.91	3.32
Miscellaneous expenses	5.50	20.42

137.45

410.65



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

34 Income tax expenses

(A) Amounts recognised in statement of profit and loss

	31 March 2022	31 March 2021
Income tax expenses		
Current tax		
Current tax - Minimum alternate tax	19.51	19.00
Tax of previous year - Minimum alternate tax	-	(14.20)
Total income tax expenses	19.51	4.80
Deferred tax	-	-
Tax expenses for the year	19.51	4.80

(B) Amounts recognised in other comprehensive income

	Year ended 31 March 2022			Year ended 31 March 2021		
	Before tax	Tax (expenses) benefit	Net of tax	Before tax	Tax (expenses) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	0.16	-	0.16	0.40	-	0.40
Items that will be reclassified to profit or loss	-	-	-	-	-	-
	<u>0.16</u>	<u>-</u>	<u>0.16</u>	<u>0.40</u>	<u>-</u>	<u>0.40</u>

(C) Reconciliation of effective tax rate

	31 March 2022	31 March 2021
Profit /(loss) before tax	<u>116.89</u>	<u>93.92</u>
Tax using the Company's domestic tax rate	27.82%	31.20%
Expected income tax expenses	32.52	29.30
Tax effect of:		
Expenses not deductible for tax purposes	-	-
Utilisation of previously unrecognised tax losses	(76.59)	(38.52)
Unrecognised deferred tax assets	-	-
Earlier year tax credit	-	(14.20)
Others	53.62	28.22
Tax expenses as per Statement of profit and loss	<u>9.55</u>	<u>4.80</u>



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

35 Earnings per share

		31 March 2022	31 March 2021
Basic earnings / (loss) per share			
Net Profit / (loss) after tax attributable to equity shareholders (Rs)	(A)	99.69	89.12
Number of equity shares outstanding at the end of the year (Nos in lakhs)	(B)	200.00	200.00
Basic earnings per share (Rs)	(A / B)	0.50	0.45
Dilutive earnings per share			
Number of equity shares considered for basic earnings per share (based on date of issue of shares) (Nos in lakhs)	(C)	200.00	200.00
Effect of potential equity shares on optionally convertible preference shares (Nos in lakhs)	(D)	800.00	800.00
Weighted average number of equity shares considered for dilutive earnings per share (Nos in lakhs)	(C+D+E)	1,000.00	1,000.00
Dilutive earnings per share (Rs)		0.10	0.09
Face value per share (Rs)		10.00	10.00

36 Small enterprises and micro enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006 certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Based on the information and records available with the management, there are no dues outstanding to micro and small enterprises covered under the Micro, medium and Small Enterprises Development Act, 2006 (MSMED) as at 31 March 2022, and 31 March 2021.

	31 March 2022	31 March 2021
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
Amount of further interest remaining and due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Dues to small enterprises and micro enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued) for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

37 Related party disclosures

In accordance with the requirement of IND AS - 24 "Related Party Disclosures", following are the details of the transactions during the year with the related parties of the Company.

(A) Related parties and nature of relationship :

Nature of relationship	Name of the related Party
A. Holding Company	Star Agriwarehousing and Collateral Management Limited
B. Fellow subsidiary company with whom transactions have taken place during the year	Agriwise Finserv Limited (formerly known as Star Agri Finance Limited) Star Agri Services Pte Ltd Star Agri Infrastructure Private Limited
C. Enterprises over which key management personnel or their relatives exercise significant influence and with whom transactions have taken place during the year	Amit Industries Uttam Agro Sales Sun Agro Corporation Balaji Soya Proteins Private Limited Star Agribazaar Technology Limited Farmers Harvest Private Limited Shri Krishna Motor Company Amit Gaurav & Co.
D. Key management personnel	Amit Khandelwal (Managing Director) Suresh Goyal (Director) Amith Agarwal (Director) Amit Goyal (Director) Vishnu Gupta - Chief Financial Officer
E. Relative of key management personnel with whom transactions have taken place during the year.	Vinod Kumar Piyush Kumar Ramchandra Banarasi Das Prakash Chand Vinod Kumar Shri Krishna Agarwal Prashant Agarwal Sharda Agarwal Devkinandan Bhagwati Prasad

(B) Details of related party transactions :

	Relationship	31 March 2022	31 March 2021
(i) Sale of goods			
Star Agriwarehousing and Collateral Management Limited	A	-	-
Fellow subsidiary company with whom transactions have taken place during the year			
Farmers Harvest Private Limited	C	-	837.33
Relative of Key management personnel			
Sun Agro Corporation		-	23.15
Khandelwal Commodities		385.49	-
Balaji Soya Proteins Private Limited		-	-
Vidhya Prakash Vinod Kumar	E	-	-
Vinod Kumar Piyush Kumar	E	-	-
		385.49	23.15
(i) Sale of assets			
Holding company			
Star Agriwarehousing and Collateral Management Limited		-	-
		-	-
Sale of goods - Subtotal		385.49	860.48
(ii) Purchase of goods			
Star Agriwarehousing and Collateral Management Limited	A	8.64	698.42
		8.64	698.42
Sun Agro Corporation	C	18.23	399.69
Prashant Agarwal	E	-	0.29
Khandelwal Commodities		497.75	-
Vinod Kumar Piyush Kumar	E	-	236.71
Devkinandan Bhagwati Prasad	E	-	9.41
		515.98	646.10
Purchase of goods - Subtotal		524.62	1,344.52



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)
for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

37 Related party disclosures (Continued)

(B) Details of related party transactions (Continued)

		31 March 2022	31 March 2021
(iii) Loan taken			
Star Agriwarehousing and Collateral Management Limited	A	-	757.00
Agriwise Finserv Limited (formerly known as Star Agri Finance Limited)	B	-	500.00
Loan taken - Subtotal		-	1,257.00
(iv) Loan refunded			
Agriwise Finserv Limited (formerly known as Star Agri Finance Limited)	B	-	540.00
Star Agri Infrastructure Private Limited	B	-	-
		-	540.00
(v) Loan given			
Star Agriwarehousing and Collateral Management Limited		1,694.16	
Star Agri Infrastructure Private Limited	B	-	-
		-	-
(vi) Interest expense			
Star Agriwarehousing and Collateral Management Limited	A	-	50.23
		-	50.23
Agriwise Finserv Limited (formerly known as Star Agri Finance Limited)	B	-	-
		-	-
(vii) Interest income			
Star Agriwarehousing and Collateral Management Limited	A	184.94	2.52
		184.94	2.52
Star Agri Infrastructure Private Limited	B	119.25	119.25
		119.25	119.25
(viii) Rent income			
Star Agriwarehousing and Collateral Management Limited	A	115.20	115.20
		115.20	115.20
(ix) Sale of Fixed Assets			
Star Agriwarehousing and Collateral Management Limited	A	-	-
		-	-
(x) Rent expenses			
Star Agriwarehousing and Collateral Management Limited	A	1.20	1.20
		1.20	1.20
Agriwise Finserv Limited (formerly known as Star Agri Finance Limited)	B	0.60	0.60
		0.60	0.60
(xi) Professional warehouse charges			
Star Agriwarehousing and Collateral Management Limited	A	-	-
		-	-
(xii) Miscellaneous Expenses			
Star Agriwarehousing and Collateral Management Limited	A	0.77	-
Agriwise Finserv Limited (formerly known as Star Agri Finance Limited)	B	-	10.53
Star Agribazaar Technology Limited	B	-	1.14
		-	11.67
Vidhya Prakash Vinod Kumar	E	-	-
		-	-



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)
for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

37 Related party disclosures

(B) Details of related party transactions (Continued)

		31 March 2022	31 March 2021
(xiii) Expenses recovered by the Company (reimbursement)			
Star Agribazaar Technology Limited	B	-	-
		-	-
(xiv) Rent			
Amith Agarwal	D	23.20	22.80
		23.20	22.80

Outstanding balances

		31 March 2022	31 March 2021
(i) Trade payables			
Star Agriwarehousing and Collateral Management Limited	A	-	329.04
		-	329.04
Star Agri Services Pte Ltd	B	33.45	28.01
Star Agribazaar Technology Limited	B	-	2.04
Agriwise Finserv Limited (formerly known as Star Agri Finance Limited)	B	3.35	1.56
		36.80	31.61
Enterprises over which key management personnel or their relatives exercise significant influence			
Vinod Kumar Piyush Kumar		0.21	0.21
Relative of key management personnel			
Sun Agro Corporation	C	1.18	21.97
Prashant Agarwal	E	-	0.07
Shri Krishna Motor	C	-	-
		1.18	22.04
	Trade Payable - Subtotal	38.19	382.90
(ii) Outstanding loan given			
Star Agriwarehousing and Collateral Management Limited	A	173.36	1,809.32
		173.36	1,809.32
Star Agri Infrastructure Private Limited	B	954.00	954.00
		954.00	954.00



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)
for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

37 Related party disclosures

(B) Details of related party transactions (Continued)

Outstanding balances (Continued)

		31 March 2022	31 March 2021
(iii) Trade receivables			
Star Agriwarehousing and Collateral Management Limited	A	10.97	-
		<u>10.97</u>	
Enterprises over which key management personnel or their relatives exercise significant influence			
Khandelwal Commodities	C	91.93	-
Uttam Agro Sales	C	22.21	-
Balaji Soya Proteins Pvt. Ltd.	C	12.55	-
Devkinandan Bhagvati Prasad	C	1.71	1.71
Vidhya Prakash Vinod Kumar	E	-	0.01
		<u>128.40</u>	<u>1.72</u>
	Trade Receivable - Subtotal	<u>139.36</u>	<u>1.72</u>
(iv) Advance to suppliers			
Farmers Harvest Private Limited	C	763.71	798.71
Star Agribazaar Technology Limited	B	-	-
		<u>763.71</u>	<u>798.71</u>
Vinod Kumar Piyush Kumar	E	-	-
Goyal Agri warehousing	C	-	43.00
		<u>-</u>	<u>43.00</u>
Relative of key management personnel			
Shri Krishna Motor		27.50	22.00
		<u>27.50</u>	<u>22.00</u>
	Advance to Supplier - Subtotal	<u>791.21</u>	<u>863.71</u>
(v) Advance from customer			
Amit Gaurav & Co.	C	-	75.00
Sharda Agarwal	E	4.95	4.95
		<u>4.95</u>	<u>79.95</u>
(v) Interest receivables			
Star Agriwarehousing and Collateral Management Limited	A	187.46	2.33
		<u>187.46</u>	<u>2.33</u>
Star Agri Infrastructure Private Limited	B	119.25	119.06
		<u>119.25</u>	<u>119.06</u>
Blue Height Developers Private Limited (Rs. 310.69 lakhs has been provided for)	C	113.00	405.44
Farmers Harvest Private Limited (Rs. 83.22 lakhs has been provided for)	C	83.22	83.22
		<u>196.22</u>	<u>488.66</u>
	Interest receivables - Subtotal	<u>502.93</u>	<u>610.05</u>
(v) Interest payable			
Star Agriwarehousing and Collateral Management Limited	A	-	65.29
Agriwise Finserv Limited (formerly known as Star Agri Finance Limited)	B	-	16.31
		<u>-</u>	<u>16.31</u>
	Interest payables - Subtotal	<u>-</u>	<u>81.60</u>
(vi) Outstanding loan taken			
Star Agriwarehousing and Collateral Management Limited	A	-	-
Agriwise Finserv Limited (formerly known as Star Agri Finance Limited)	B	-	-
(vii) Capital Advance			
Blue Height Developers Private Limited	C	795.20	795.20
(viii) Guarantee given on behalf of company by			
Star Agriwarehousing and Collateral Management Limited	A	947.00	947.00
		<u>947.00</u>	<u>947.00</u>
Amith Agarwal/Amit Khandelwal/Amit Goyal/Suresh Goyal	D	347.37	347.37
		<u>347.37</u>	<u>347.37</u>



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)
for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

38 Contingent liabilities and commitments

Contingent liability

(i) Particulars	31 March 2022	31 March 2021
Bank guarantees	-	500.00
Claim against the company not acknowledgement as debt in respect of:		
- Income tax*	-	572.39
- Custom duty**	43.81	43.81
- Value added tax#	-	11.41
- Value added tax##	806.36	806.36

* The Income tax order has been received in favour of the company and hence not disclosed as contingent liability in the current year. In the previous year, Income tax demand was being contested by the Company at Commissioner of Income Tax Appeal. The Company had been legally advised that it has a good case and the demand by the authority is not tenable. Future cash flows in respect of these are determinable only on receipt of judgments / decisions pending with Commissioner of Income Tax Appeal.

** Customs duty demand is being contested by the Company at Deputy Commissioner of Customs. The Company has been legally advised that it has a good case and the demand by the authority is not tenable. Future cash flows in respect of these are determinable only on receipt of judgements / decisions pending with Deputy Commissioner of Customs.

On assessment by Commercial Taxes Department for the year 2014-15 and 2015-16, Government of Andhra Pradesh, they have raised demand of Rs 11.41 lakhs which is being contested by the Company. However, there was one time settlement order passed in the current financial year.

On assessment by Commercial Taxes Department for the year 2014-15, Government of Gujarat, they have raised demand of Rs 806.36 lakhs which is being contested by the Company.

(B) Capital commitments

Particulars	31-Mar-22	31-Mar-21
Capital commitments	-	-



Notes to the Ind AS financial statements (Continued)
for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

39 Movement of borrowings as per Ind AS 7

The movement of borrowings as per Ind AS 7 is as follows:

	31 March 2022	31 March 2021
Opening balances		
Long-term borrowings	347.37	436.93
Short-term borrowings	599.93	1,477.14
Movements		
Long-term borrowings	(101.62)	(89.57)
Short-term borrowings	877.10	(877.21)
Closing balances		
Long-term borrowings	245.75	347.37
Short-term borrowings	1,477.03	599.93

40 Unhedged exposures in foreign currency

The foreign currency exposures not covered by forward contracts other derivative contracts as on 31 March 2022 and 31 March 2021 is given below:

	Currency	31 March 2022		Currency	31 March 2021	
		Amount (Foreign currency)	Amount (Indian rupee in lakhs)		Amount (Foreign currency)	Amount (Indian rupee in lakhs)
Trade receivable	USD	6,53,150	483.33	USD	6,53,150	483.33
Trade payable	USD	44,065	33.45	USD	41,408	30.64

41 Foreign Exchange and Management Act (FEMA)

As per Section 8 of Foreign Exchange Management Act (FEMA), 1999 and Reserve Bank of India (RBI) Master Circular No. 14/2014-15, the Company needs to take all reasonable steps to realise and repatriate to India within the time and in the manner specified by Reserve Bank of India (RBI) (i.e. within 6 months from the date of export). In case it is not possible to realise and repatriate the export proceeds within the time frame provided for an application should be made to the Authorised Dealer Bank (AD bank). Balance outstanding from foreign debtors (pertaining to financial year 2014-15) for more than 6 months is amounting to Rs 483.33 lakhs as at March 31, 2022 (March 31, 2021: Rs 483.33 lakhs). The Company had made application to Authorised Dealer Bank (AD bank) and has obtained no objection letter for crediting the funds to the account of the Company as and when the funds are received.



Notes to the Ind AS financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

42 Operating lease**Where Company is lessee**

i) The changes in the carrying values of right-of-use asset for the year ended March 31, 2022 are given in note 5.2

ii) There is no lease liability on adoption of Ind AS 116.

iii) The following amounts are recognized in the statement of profit and loss for the year ended March 31, 2022:

Particulars	For the year ended	
	March 31,2022	March 31,2021
Depreciation expenses on right-of-use asset (Note 5.2)	(15.03)	4.74
Interest expense on lease liability	-	-
Expense relating to short-term leases (included in Note 33 - other expenses as rent)	25.81	25.98

Where Company is lessor

The Company has leased out its warehouses under cancellable operating lease . The carrying amount of warehouses (buidlings) given on operating lease is Rs. 577.24 lakhs (March 31, 2021: Rs 652.32 lakhs). Lease rentals credited to the Statement of Profit and Loss aggregate Rs. 115.51 lakhs (March 31, 2021: Rs. 116.00 lakhs).

43 Payment to auditors' (excluding goods and service tax)

Particulars	31 March 2022	31 March 2021
Statutory audit	4.00	4.00
Out of pocket expenses	-	-
	<u>4.00</u>	<u>4.00</u>

44 Segment reporting

- (i) The Company is engaged in the business of procurement and sales of various agricultural commodities. The Management is of the view that the risks and returns for these commodities are not significantly different. Accordingly, the Company has a single reportable segment which is reviewed by Chief Operating Decision Maker (CODM). Further, there are no export in the current year and there is no reportable secondary segment.
- (ii) Revenue from two major customers of the Company of the supply chain area represents approximately Rs. 5790.38 lakhs (31.77% of total revenue from operations) and Rs. 10,170.09 lakhs (60.18 % of total revenue from operations) of the Company's total revenues respectively for the year ended March 31, 2022 and March 31, 2021.

45 Capital management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

	31 March 2022	31 March 2021
Total financial liabilities (Refer note 21, 23,24 and 25)	6,763.98	4,280.24
Less: Cash and bank balances (Refer note 14 and 15)	(95.42)	(308.83)
Adjusted net debt	6,668.56	3,971.41
Total equity (Refer note 19 and 20)	4,594.03	4,494.18
Adjusted equity	4,594.03	4,494.18
Adjusted net debt to adjusted equity ratio (times)	1.45	0.88



Notes to the Ind AS financial statements (Continued)
for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

46 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(A) Defined contribution plans:

(i) Contribution to provident fund

The Company's provident fund scheme (including pension fund scheme for eligible employees) is a defined contribution plan. The expense charged to the statement of profit and loss is Rs 0.85 lakhs for the year ended 31 March 2022 (31 March 2021: Rs 1.69 lakhs).

(ii) Contribution to Employees' state insurance

The Company is contributing towards Employees State Insurance Contribution Scheme in pursuance of Employee state insurance Act, 1948 (as amended). The expense charged to the statement of profit and loss is Rs 0.11 lakhs for the year ended 31 March 2022 (31 March 2021: Rs 0.13 lakhs).

(B) Defined benefit plan:

(i) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The Company during the year provided Rs 0.89 lakhs (31 March 2021: Rs 2.02 lakhs) towards gratuity.

The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Particulars	31 March 2022	31 March 2021
<u>I. Changes in defined benefit obligations</u>		
Opening defined benefit obligation	4.88	3.44
Interest cost	0.49	0.22
Current service cost	0.40	0.64
Benefits paid	-	-
Actuarial (gains) / loss on obligation	(0.16)	0.40
Effect of transfer in/ (out)	-	0.18
Closing defined benefit obligation	5.61	4.88
<u>II Fair value of plan assets</u>		
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	-	-
<u>III Net liability recognised in the Balance sheet</u>		
Liability at the year end	5.61	4.88
Fair value of plan assets at the year end	-	-
Amount recognised in the Balance sheet	5.61	4.88
<u>IV Expense recognised in the Statement of profit and loss</u>		
Current service cost	0.40	1.80
Interest costs	0.49	0.22
Expected return on plan assets	-	-
Expense recognised in the Statement of profit and loss	0.89	2.02
<u>V Recognised in other comprehensive income for the year</u>		
Actuarial gains on plan assets	0.16	0.40
Remeasurement of plan asset	-	-
Recognised in other comprehensive income	0.16	0.40



46 Employee benefits (Continued)

(B) Defined benefit plan: (Continued)

(i) Gratuity (Continued)

Particulars	31 March 2022	31 March 2021
VI Actuarial assumptions		
Discount rate	7.20%	6.80%
Expected salary increase rate	7.00%	7.00%
Attrition rate	5% to 10%	5% to 10%
Mortality rate	Indian assured lives (2012-14)	Indian assured lives (2012-14)
Retirement age	60 Years	60 Years
VII Expected Employer Contribution for next year		
	-	-

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation. Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity analysis

Year ended 31 March 2022	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 0.39 lakhs	DBO decreases by Rs 0.34 lakhs
Discount rate	DBO decreases by Rs 0.34 lakhs	DBO increases by Rs 0.39 lakhs
Withdrawal rate	Negligible change	Negligible change
Mortality (increase in expected lifetime by 1 year)	Negligible change	
Mortality (increase in expected lifetime by 3 year)	Negligible change	

Year ended 31 March 2021	Increases 1%	Decreases 1%
Salary growth rate	DBO increases by Rs 0.60 lakhs	DBO decreases by Rs 0.52 lakhs
Discount rate	DBO decreases by Rs 0.52 lakhs	DBO increases by Rs 0.61 lakhs
Withdrawal rate	DBO decreases by Rs 1 lakhs	DBO increases by Rs 1 lakhs
Mortality (increase in expected lifetime by 1 year)	Negligible change	
Mortality (increase in expected lifetime by 3 year)	Negligible change	

Note: The Sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameter constant. There are no changes from previous period to the methods and assumptions underlying the sensitivity analyses.

(ii) Compensated absences other long-term employee

The Company does not provide for the encashment of leave or leave with pay. Accordingly for the current year, the Company has not recognised any expense in the Statement of profit and loss on account of provision for compensated absences.



7 Financial risk management objectives and policies

Risk management framework

The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has exposure to market risk, credit risk and liquidity risk.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

Exposure to interest rate risk:

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	31 March 2022	31 March 2021
Fixed rate instruments :		
Financial asset	2,075.92	3,934.13
Financial liabilities	-	-
	<u>2,075.92</u>	<u>3,934.13</u>
Variable rate instruments :		
Financial liabilities	350.54	947.30

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.



Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2022				
Secured bank loan - Long-term	(2.46)	2.46	(1.69)	1.69
Cash credit facility	(1.05)	1.05	(0.72)	0.72
Variable-rate instruments	<u>(3.51)</u>	<u>3.51</u>	<u>(2.41)</u>	<u>2.41</u>
31 March 2021				
Secured bank loan - Long-term	(3.47)	3.47	(2.39)	2.39
Cash credit facility	(6.00)	6.00	(4.13)	4.13
Variable-rate instruments	<u>(9.47)</u>	<u>9.47</u>	<u>(6.52)</u>	<u>6.52</u>

7 Financial risk management objectives and policies (Continued)

() Market risk (Continued)

(ii) The Company has negligible exposure to currency risk since almost all the transactions of the Company are denominated in Indian Rupees.

(iii) Commodities traded by the Company are subject to fluctuations due to a number of factors that result in price risk. The Company's trading market risk exposure is determined by the business team in consultation with the Board of directors.

b) Credit risk

Credit risk is limited to the risk arising from the inability of a customer to make payment when due. It is the Company's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, the Company does not expect to incur material credit losses.

The carrying amounts of trade and other receivables, advances to suppliers, cash and short-term deposits payments, interest receivable on deposits and customer receivables represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. Deposits and cash balances are placed with reputable banks.

Exposure to credit risk

In line with the prevalent trade practices in India, the Company realises its trade receivables over a period of 60-180 days from the date of invoice. At the balance sheet date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets. The Company's maximum exposure to credit risk for trade receivables at the balance sheet date is as follows:

Particulars	31 March 2022	31 March 2021
Trade receivable	5,686.43	1,087.05

Impairment

Trade receivables that are individually determined to be impaired at the Balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements are reviewed by segment heads periodically.

The ageing of trade receivables that were not impaired was as follows:

Particulars	31 March 2022	31 March 2021
Neither past due nor impaired	-	-
Past due 1 - 6 months	5,220.84	245.50
Past due 6 - 12 months	50.80	38.64
Past due 12 months	2,604.09	802.91
	<u>7,875.73</u>	<u>1,087.05</u>



c) **Liquidity risk**

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

To ensure continuity of funding, the Company primarily uses short-term bank facilities in nature of cash credit facility, bank overdraft facility and short term borrowings, to fund its ongoing working capital requirement and growth needs.

Further, the Company has obtained long-term secured borrowings from banks to fund its warehouse construction from bank as referred in note 21.

7 **Financial risk management objectives and policies (Continued)**

a) **Liquidity risk (Continued)**

Exposure to liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations;

	Contractual cash flows			Total
	One year or less	1 - 5 years	More than 5 years	
Non-derivative financial liabilities				
Borrowings	1,477.03	156.22	-	1,633.25
Other non-current financial liabilities	-	-	-	-
Trade payables	5,113.42	-	-	5,113.42
Other financial liability	17.31	-	-	17.31
	<u>6,607.76</u>	<u>156.22</u>	<u>-</u>	<u>6,763.98</u>

	Contractual cash flows			Total
	One year or less	1 - 5 years	More than 5 years	
Non-derivative financial liabilities				
Borrowings	697.58	249.72	-	947.30
Other non-current financial liabilities	-	-	-	-
Trade payables	3,031.36	-	-	3,031.36
Other financial liability	301.58	-	-	301.58
	<u>4,030.52</u>	<u>249.72</u>	<u>-</u>	<u>4,280.24</u>



Notes to the Ind AS financial statements (Continued)
for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

48 Fair Value Measurement

Financial Instrument By Category & Hierarchy

The fair value of the financial assets and liabilities is the value at which the instrument could be exchanged in a current transaction between willing parties.

The following methods and assumptions were used to estimate the fair values:

Fair value of the cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The fair value of loans were calculated based on cashflows discounted using a current leading rate, they are classified as level 3 in fair value Hierarchy.

The fair value of non current borrowings are based on discounted cash flow using a current lending rate. They are classified at level 3 fair value.

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

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets and liabilities as at March 31, 2022

	Fair value through Profit or Loss			Fair value Through OCI			Carried at Amortised cost		
	Level 1	Level2	Level 3	Level 1	Level2	Level 3	Level 1	Level2	Level 3
Non-current assets									
Financial assets									
(i) Non-current investments	-	-	-	-	-	-	-	-	1.90
(ii) Other financial assets	-	-	-	-	-	-	-	-	930.98
Current assets									
Financial assets									
(i) Trade receivables	-	-	-	-	-	-	-	-	5,686.43
(ii) Cash and cash equivalents	-	-	-	-	-	-	-	-	2.44
(iii) Bank balances other than (ii) above	-	-	-	-	-	-	-	-	92.98
(iv) Loans	-	-	-	-	-	-	-	-	1,127.36
(v) Other financial assets	-	-	-	-	-	-	-	-	941.29
	-	-	-	-	-	-	-	-	8,783.38
Non-current liabilities									
Financial liabilities									
Borrowings	-	-	-	-	-	-	-	-	156.22
Current liabilities									
Financial liabilities									
(i) Borrowings	-	-	-	-	-	-	-	-	1,477.03
(ii) Trade payable	-	-	-	-	-	-	-	-	5,113.42
(iii) Others financial liabilities	-	-	-	-	-	-	-	-	17.31
	-	-	-	-	-	-	-	-	6,763.98



Notes to the Ind AS financial statements (Continued)
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Financial Assets and Liabilities as at March 31, 2021

	Fair value through Profit or Loss			Fair value Through OCI			Carried at Amortised cost		
	Level 1	Level2	Level 3	Level 1	Level2	Level 3	Level 1	Level2	Level 3
Non-current assets									
Financial assets									
(i) Non-current investments	-	-	-	-	-	-	-	-	1.90
(ii) Other financial assets	-	-	-	-	-	-	-	-	970.74
Current assets									
Financial assets									
(i) Trade receivables	-	-	-	-	-	-	-	-	1,087.05
(ii) Cash and cash equivalents	-	-	-	-	-	-	-	-	22.91
(iii) Bank balances other than (ii)	-	-	-	-	-	-	-	-	285.92
(iv) Loans	-	-	-	-	-	-	-	-	2,763.32
(v) Other financial assets	-	-	-	-	-	-	-	-	1,464.87
	-	-	-	-	-	-	-	-	6,596.71
Non-current liabilities									
Financial liabilities									
Borrowings	-	-	-	-	-	-	-	-	249.72
Current liabilities									
Financial liabilities									
(i) Borrowings	-	-	-	-	-	-	-	-	599.93
(ii) Trade payable	-	-	-	-	-	-	-	-	3,031.36
(iii) Others financial liabilities	-	-	-	-	-	-	-	-	399.23
	-	-	-	-	-	-	-	-	4,280.24

Non financial assets as at March 31, 2022

Particulars	Fair value through P&L			Fair value through OCI			Carried at amortised cost		
	Level 1	Level2	Level 3	Level 1	Level2	Level 3	Level 1	Level2	Level 3
Inventories	-	-	938.43	-	-	-	-	-	-

Non financial assets as at March 31, 2021

Particulars	Fair value through P&L			Fair value through OCI			Carried at amortised cost		
	Level 1	Level2	Level 3	Level 1	Level2	Level 3	Level 1	Level2	Level 3
Inventories	-	-	1,239.57	-	-	-	-	-	-



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

49 Assignment

The Company had entered into a deed of assignment dated 28 September 2017 individually with certain promoter shareholders of the parent company / directors of the Company whereby the below mentioned trade receivables, advance to suppliers, capital advances, interest receivable from Corporates and advance for expenses ("assigned receivables") of the Company have been assigned to them and the said promoter shareholders of the parent company / directors of the Company would now pay these monies to the Company in the schedule as mentioned below, which represents the original amounts less recoveries till date:

Sr. no.	Particulars	31 March 2022	31 March 2021
1	Trade receivables	962.17	962.17
2	Advance to suppliers	1,273.74	1,273.74
3	Capital advances	-	-
4	Interest receivable from corporates	30.45	30.45
5	Advance for expenses	0.25	0.25
	Total	2,266.61	2,266.61

The above mentioned amount for assignment is split amongst the promoter shareholders of the parent company / directors of the Company in the following manner:

Sr. no.	Particulars	31 March 2022	31 March 2021
1	Amith Agarwal	566.65	566.65
2	Amit Khandelwal	566.65	566.65
3	Suresh Chandra Goyal	566.65	566.65
4	Amit Kumar Goyal	566.66	566.66
	Total	2,266.61	2,266.61

This amount is payable by the assignees as per following schedule:

Due date**	Payment terms
31-Mar-19	10% of total assigned/uncollected amount
Between 1 April 2019 to 30 June 2020	5% of the total assigned/uncollected amount in each quarter to be paid before 5th date of the end of quarter
28-Sep-20	65% of the total assigned/uncollected amount

**The Company is in the process of entering addendum to the assignment agreement so as to extend the terms of repayment with promoter shareholders of the parent company / directors of the Company for repayment/recovery of receivables as stated in table hereinabove.

The Board of Directors of the Company has approved the said individual deed of assignment in their meeting held on 8 September 2017 and the shareholders of the Company approved the same in their meeting held on 12 September 2017. Further the holding company has approved the same in their board meeting held on 8 September 2017.

The Company and these promoter shareholders of the parent company / directors of the Company have also entered into a servicing agreement dated 28 September 2017 individually with certain promoter shareholders of the parent company / directors of the Company whereby the Company shall provide services to promoter shareholders of the parent company / directors of the Company in the form of collecting and receiving payment of the above mentioned assigned receivables and provide certain other administrative services to these promoter shareholders of the parent company / directors of the Company.

Based on the said individual deed of assignment, in the financial statements, the said trade receivables, advance to suppliers, capital advances, interest receivable from Corporates and advance for expenses have been considered as good.



Notes to the Ind AS financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

50 Disclosure under Ind AS -115: Revenue from Contracts with Customers

a) The Company is geared to handle operations encompassing the sale, purchase, trading, storage and movement of commodities and inventories.

b) **Disaggregation of revenue from contracts with customers**

The Company believes that the information provided under Note 28, Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers.

c) Contract liability (Advances from customers):

	31 March 2022	31 March 2021
Advance from customers		
Closing contract liability	1,761.72	2,566.28

d) There are no adjustment to revenue accordingly, no disclosure is made under para 126AA.

e) **Performance obligations**

The Company is engaged in the business of to manage risk across various stages of commodity providing commodity handling and risk management services to customers across the country.

Revenue is recognised at a point of time upon satisfaction of the performance obligations which is typically upon rendering of services based on the contractual terms.

f) **Practical expedients:**

Applying the practical expedient in paragraph 63 of Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for SCM contracts that have original expected duration of one year or less.



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

- 51 The financial statements for the financial year ended 31 March 2022 and 31 March 2021 is not authenticated by a Company Secretary as required under Section 134 (1) of the Act, as the Company is in the process of appointing Company Secretary during the course of audit as required under the Act.
- 52 **Estimation of uncertainties relating to COVID-19**
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying value of trade receivables, inventory and contract assets which are not significant to the financial statements for the year ended March 31, 2022. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The impact on account of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material impact due to changes in future economic conditions.
- 53 The Company has not conducted its annual general meeting for the financial year ended March 31, 2019 within the time limit prescribed under Companies Act, 2013 (AGM conducted on March 17, 2020 i.e. post September 30/December 31, 2019). The Company has suo motu filed the relevant forms with Registrar of Companies for compounding of offence under section 441 of the Companies Act 2013 for non compliance of section 96 and 99 of the Companies Act 2013.
- 54 The figures relating to CIF value of imports, expenditure in foreign currency is as per tabulation below. There are no earnings in foreign currency applicable to the Company for the year ended March 31, 2022 and year ended March 31,2021.

a) CIF value of Imports

Particulars

For the year ended

March 31, 2022 March 31, 2021

Purchases of Goods - Soyabean Commodity

- 1,143.87

b) Expenditure in Foreign Currency

Purchases of Goods - Soyabean Commodity

- 1,016.51



Notes to the Ind AS financial statements (Continued)
for the year ended 31 March 2022

(Currency : Indian Rupees in lakhs)

55 Additional disclosures

- (i) During the financial years ended 31 March 2022, the Company has granted loans to the related parties which is repayable on demand.
- (ii) There is no benami property held by the Company and no proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (iii) The Company has not entered in to any transactions during the year with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.
- (iv) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (v) **Utilisation of Borrowed funds and share premium:**
A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -
(i) 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
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

56 Disclosure of Financial Ratios

Sr. No.	Ratio	Numerator	Denominator	31 March 2022	31 March 2021	Reasons for change in ratio by more than 25%
a)	Current ratio (in times)	Current Assets	Current liabilities	1.32	1.40	-
b)	Debt-equity ratio (in time)	Long-term borrowings and short-term borrowings	Total equity	0.36	0.21	Due to increase in borrowings during the year
c)	Debt service coverage ratio (in times)	Profit before interest, tax and exceptional items	Finance cost together with principal repayments made	1.36	1.64	-
d)	Return on equity ratio	Profit after tax	Average total equity	2.19%	2.00%	Due to reduction in profit for the year
e)	Inventory turnover ratio (in times)	Revenue from operations	Inventories	19.63	14.01	Due to increase in consumption and increase in turnover
f)	Trade receivables turnover ratio (in times)	Revenue from operations	Net trade receivables	3.24	15.98	Due to increase in trade receivables during the year
g)	Trade payables turnover ratio (in times)	Cost of construction, change in inventories and other expenses	Trade payables	3.58	5.70	Due to increase in trade payables during the year
h)	Net capital turnover ratio (in times)	Revenue from operations	Working capital (working capital refers to net current assets arrived after reducing current liabilities excluding short-term borrowings from current assets)	6.97	6.67	-
i)	Net profit ratio	Profit after tax	Revenue from operations	0.54%	0.51%	Due to reduction in profit for the year
j)	Return on capital employed	Profit after tax excluding finance costs	Average capital employed (capital employed refers to total equity, long-term borrowings and short-term borrowings)	1.71%	1.54%	Due to reduction in profit and increase in borrowings for the year



FarmersFortune (India) Private Limited

Notes to the Ind AS financial statements (Continued)
for the year ended 31 March 2022

(Currency : Indian rupees in lakhs)

57 The figures for the previous year have been regrouped/reclassified to correspond with the current year's classification/disclosures.

Signature to Notes to Financial Statements

For Mukund M. Chitale & Co.
Chartered Accountants
Firm's Registration No: 106655W

**For and on behalf of the Board of Directors of
FarmersFortune (India) Private Limited**
CIN: U01122MH2012PTC306028


S. M. Chitale
Partner
Membership No: 111383




Amif Goyal
Director
DIN: 00474023


Amith Agarwal
Director
DIN: 01140768


Vishnu Gupta
Chief Financial Officer

Place: Mumbai
Date: 16 August 2022

Place: Mumbai
Date: 16 August 2022