

# BHUTA SHAH & Co LLP

## CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITORS' REPORT

To the Members of

**Arjun Food Colorants Manufacturing Private Limited**

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

##### Opinion

We have audited the accompanying financial statements of **Arjun Food Colorants Manufacturing Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 gives a true and fair view in conformity, with the aforesaid accounting standards and other accounting principles generally accepted in India prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, the loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for opinion

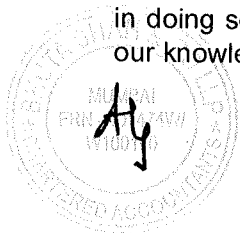
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements 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 (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our report thereon.

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

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



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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so **(Refer note no. 21)**

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. However, expressing our opinion on the adequacy of internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls under section 143(3)(i) of the Act is not applicable to the Company.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is applicable to the Company and given in "**Annexure A**" statement on the matters specified in paragraphs 3 and 4 of the Order.
  - A. As required by Section 143(3) of the Act, we report that:
    - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



- 
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31 March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, it is not applicable to the Company; and
- B. 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 does not have any pending litigations which would impact its financial position in its financial statements;
- ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
- a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- b. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:



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- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause iv (a) and iv (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

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

The Company is a private limited company. Therefore, the provisions of the section 197 read with schedule V under the Act are not applicable to the Company.

**For Bhuta Shah & Co LLP**

*Chartered Accountants*

Firm Registration No.: 10147W/W100100



*Atul Gala*

**Atul Gala**

*Partner*

Membership No.: 048650

UDIN: 23048650BGTOGE2304

Place: Mumbai

Date: 25 May, 2023

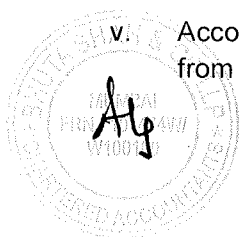
**“Annexure A”**

**To the Independent Auditors’ Report on the Ind AS financial statements of Arjun Food Colorants Manufacturing Private Limited for the year ended 31 March, 2023**

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Arjun Food Colorants Manufacturing Private Limited** of even date.)

- i. In respect of property, plant and equipment:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) As informed to us, the property, plant and equipment have been physically verified by the Management. In our opinion, such verification is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification by the Management.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of lessee), which are included under the head 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) or intangible assets or both during the year. Therefore, provisions of Clause (i) (d) are not applicable to the Company.
  - e) No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, provisions of Clause (i) (e) are not applicable to the Company.
- ii.
  - a) In our opinion and according to the information and explanations given to us, the Company does not have inventory at any point of time during the year. Accordingly, the provisions of Clause (ii) (a) of Para 3 of the Order are not applicable to the Company.
  - b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, during any point of time of the year, therefore, provisions of Clause (ii) (b) are not applicable to the Company.
- iii. The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, therefore, Clause (iii) is not applicable to the Company.
- iv. the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013, wherever applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of Section 73 to 76 of the Act and rules framed thereunder.



- vi. According to the information and explanation given to us, Central Government has not prescribed the maintenance of cost records under section (1) of Section 148 of the Act, and accordingly, the provisions of Clause (vi) of Para 3 of the Order are not applicable to the Company.
- vii. In respect of statutory dues:
- a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income-tax, Goods and Service tax, cess and any other statutory dues wherever applicable. According to the information and explanations given to us there were no outstanding statutory dues as on 31 March 2023 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), therefore Clause (viii) is not applicable to the Company.
- ix. a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, therefore, Clause (ix) (a) is not applicable to the Company.
- b) The Company is not declared as willful defaulter by any bank or financial institution or other lender;
- c) There is no specific purpose for which the loans have been taken, further, the same has been applied for the general business purpose;
- d) No funds raised on short term basis was used for long term purpose, hence its utilization for long term purposes does not arise;
- e) The Company does not have any subsidiary, associate or joint venture, hence, sub-clauses (e) and (f) are not applicable to the Company;
- x. a) The Company have not raised moneys by way of initial public offer or further public offer (including debt instrument) during the year, hence, clause (x) (a) is not applicable to the Company;
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year, therefore, clause (x) (b) is not applicable to the Company;
- xi. a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act is required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- c) There is no whistle-blower complaints received during the year by the Company;
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause (xii) (a) to (c) are not applicable to the Company;



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- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is in compliance with section 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company is a private limited company and hence provision of section 177 of the Act is not applicable to the Company.
- xiv. a) Since the Company does not fall under the criteria prescribed under section 138 of the Companies Act, 2013 for the applicability of internal audit, the same is not applicable to the Company, therefore, sub-clauses (a) and (b) of clause (xiv) are not applicable to the Company;
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors, requiring compliance with Section 192 of the Companies Act.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) (a) to (d) of the Order is not applicable to the Company;
- xvii. The Company has incurred cash losses in the financial year and in the immediately preceding financial year. The cash losses for FY 2022-23 is Rs. 1,06,123 and for FY 2021-22 was Rs. 4,65,826;
- xviii. There is no resignation of the statutory auditors during the year, therefore, clause (xviii) is not applicable to the Company;
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. As the Company is incurring losses, the provisions of Corporate Social Responsibility (CSR) are not applicable to the Company, hence, clause (xx) (a) and (b) is not applicable to the Company;
- xxi. Since the Company does not have any subsidiary, associate or joint venture, consolidated financial statements are not applicable to the Company, hence, clause (xxi) is not applicable to the Company.

**For Bhuta Shah & Co LLP**

*Chartered Accountants*

Firm Registration No.: 10147W/W100100

*Atul Gala*

**Atul Gala**

*Partner*

Membership No.: 048650

UDIN: 23048650BGTOGE2304

Place: Mumbai

Date: 25 May, 2023





Arjun Food Colorants Manufacturing Private Limited

Balance Sheet as at 31 March 2023

CIN : U24111MH1995PTC092460

(All amounts in Indian ₹ in Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
<b>Assets</b>			
<b>Non-Current assets</b>			
(a) Property, plant and equipment	3.1	126.61	129.05
(b) Capital work-in-progress	3.2	390.54	385.67
<b>Total Non Current Assets</b>		<b>517.15</b>	<b>514.72</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	4	0.44	0.53
(b) Other Current Assets	5	3.68	2.91
<b>Total Current Assets</b>		<b>4.12</b>	<b>3.43</b>
<b>Total Assets</b>		<b>521.27</b>	<b>518.15</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	6	8.28	8.28
(b) Other equity	7	494.44	497.93
<b>Total Equity</b>		<b>502.71</b>	<b>506.21</b>
<b>Liabilities</b>			
<b>1. Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	8	12.15	4.60
<b>Total Non - current Liabilities</b>		<b>12.15</b>	<b>4.60</b>
<b>2. Current Liabilities</b>			
(a) Financial liabilities	9		
i) Trade payables - MSME	9.1	0.40	0.20
ii) Trade payables - other than MSME	9.2	5.93	6.83
(b) Other current liabilities	10	0.08	0.32
<b>Total Current Liabilities</b>		<b>6.42</b>	<b>7.35</b>
<b>Total Equity and Liabilities</b>		<b>521.27</b>	<b>518.15</b>
The notes referred to above form an integral part of the financial statements	1-28		

As per our report of even date

For Bhuta Shah & Co LLP

Chartered Accountants

FRN: 101474W / W100100

*Atul Gala*

Atul Gala

Partner

Membership No: 048650

Place: Mumbai

Date: 25th May, 2023



For and on behalf of the board of directors

*Bipin M. Manek*

Bipin M. Manek

Director

DIN: 00416441

Place: Mumbai

Date: 25th May, 2023

*Mithir B. Manek*

Mithir B. Manek

Director

DIN: 00650613

**Arjun Food Colorants Manufacturing Private Limited**

**Statement of Profit and Loss for the year ended 31 March 2023**

**CIN : U24111MH1995PTC092460**

**(All amounts in Indian ₹ in Lakhs, unless otherwise stated)**

Particulars	Note No.	For the year ended	
		31 March 2023	31 March 2022
<b>Income</b>			
Revenue from operations		-	-
Other Income	11	-	-
<b>Total Income</b>		-	-
<b>Expenditure</b>			
Finance Costs	12	0.63	0.17
Amortisation of leasehold assets	13	2.43	2.43
Other expenses	14	0.43	4.48
<b>Total Expenses</b>		<b>3.50</b>	<b>7.09</b>
<b>Profit /(Loss) before tax</b>		<b>(3.50)</b>	<b>(7.09)</b>
<b>Tax Expense</b>			
Current Tax		-	-
Deferred Tax		-	-
Tax adjustment of earlier years		-	-
Deferred Tax charge		-	-
<b>Profit for the year from continuing operations</b>		<b>(3.50)</b>	<b>(7.09)</b>
<b>Other Comprehensive Income</b>			
i) Items that will not be reclassified subsequently to profit or			-
ii) Income tax related to above		-	-
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income</b>		<b>(3.50)</b>	<b>(7.09)</b>
<b>Earnings per share</b>			
Basic Earnings per share		(0.42)	(0.86)
Diluted Earnings per share		(0.42)	(0.86)
<b>Significant accounting policies</b>	2		
<b>The notes referred to above form an integral part of the financial statements</b>	1-28		

As per our report of even date

**For Bhuta Shah & Co LLP**

Chartered Accountants

FRN: 101474W / W100100

*Atul Gala*

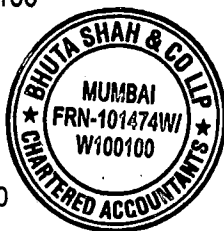
**Atul Gala**

Partner

Membership No: 048650

Place: Mumbai

Date: 25th May, 2023



**For and on behalf of the Board of Directors**

*Bipin M. Manek*

**Bipin M. Manek**

Director

DIN: 00416441

Place: Mumbai

Date: 25th May, 2023

*Mihir B Manek*

**Mihir B Manek**

Director

DIN: 00650613

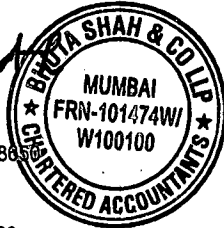
(All amounts in Indian ₹ in Lakhs, unless otherwise stated)

Particulars	31-Mar-23	31-Mar-22
<b>Cash flow from Operating activities</b>		
Profit before Income tax	(3.50)	(7.09)
<b>Adjustments for :</b>		
Amortisation of Leasehold Land	2.43	2.43
Finance Cost	0.63	0.17
Sundry Balance Written Back	-	-
Sundry Balance Written Off	-	-
Interest income	-	-
Adjustment for Other Comprehensive Income	-	-
Ind AS adjustment charged to Retain Earning	-	-
Expected Credit loss	-	-
Interest on MSME	-	-
	<b>3.07</b>	<b>2.61</b>
<b>Operating profit before Working Capital changes</b>	<b>(0.43)</b>	<b>(4.48)</b>
(Increase)/Decrease in Trade Receivables	-	-
(Increase)/ Decrease in Inventories	-	-
(Increase)/Decrease in Financial Assets - Loans	-	-
(Increase)/Decrease in Financial Assets - Others	-	-
Increase/ (Decrease) in Current Tax Assets	-	-
(Increase)/ Decrease in Other non-current assets	-	-
(Increase)/Decrease in Other current assets	(0.78)	(0.22)
Increase/ (Decrease) in Trade payables	-	-
Increase/(Decrease) in Provisions	-	-
Increase/(Decrease) in Current Tax Liabilities	-	-
Increase/(Decrease) in Other financial liabilities	(0.69)	2.54
Increase/(Decrease) in Other current liabilities	(0.24)	0.32
<b>Net changes in Working Capital</b>	<b>(1.71)</b>	<b>2.63</b>
<b>Cash generated from Operations</b>	<b>(2.14)</b>	<b>(1.85)</b>
Direct taxes paid	-	-
<b>Net cash Inflow/(Outflow) from operating activities [A]</b>	<b>(2.14)</b>	<b>(1.85)</b>
<b>Cash flow from Investing activities</b>		
Purchase of Fixed Assets	(4.87)	-
Interest received	-	-
Investment	-	-
<b>Net cash Inflow /(Outflow) from Investing activities [B]</b>	<b>(4.87)</b>	<b>-</b>
<b>Cash flow from Financing activities</b>		
Dividend paid	-	-
Finance Cost	-	-
Issue of share capital	-	-
Proceeds/ (Repayment) of Long Term Borrowings	6.92	1.18
Proceeds/ (Repayment) of Short Term Borrowings	-	-
<b>Net cash Inflow/(Outflow) from Financing activities [C]</b>	<b>6.92</b>	<b>1.18</b>
<b>Net Increase/(Decrease) in cash and cash equivalents [A+B+C]</b>	<b>(0.09)</b>	<b>(0.67)</b>
Cash and cash equivalents at the beginning of the year	0.53	1.20
Cash and cash equivalents at the end of the year	0.44	0.53
<b>Note :</b>		
The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind As 7 specified under section 133 of the Companies Act, 2013.		
Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with those of current year.		

As per our report of even date  
For Bhuta Shah & Co LLP  
Chartered Accountants  
FRN: 101474W / W100100

Atul Gala  
Partner  
Membership No: 048655

Place: Mumbai  
Date: 25th May, 2023



For and on behalf of the board of directors

Bipin M. Manek  
Director  
DIN: 00416441

Place: Mumbai  
Date: 25th May, 2023

Mihir B Manek  
Director  
DIN: 00650613

No.	Particulars
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1 Background

The Company Arjun Food Colorants Manufacturing Private Limited is planning to start the business of manufacturing and trading of food colours and trading in chemicals. The Company has been incorporated on 7 September 1995.

2 Summary of Significant accounting policies

2.1 Basis of preparation of Financial Statements

**Compliance with Ind AS:** The financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013. The financial statements upto the year ended 31st March 2019 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective 1 April 2019, the company has adopted Ind AS and adoption was carried out in accordance with Ind AS 101 first time adoption of accounting standard, with 1st April, 2016 as the transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 (IGAAP), which was the previous GAAP. The balances as at 31 March 2019, as per the audited accounts (IGAAP) regrouped / reclassified by the management where necessary to comply with the classification in accordance with Ind AS format as per Schedule III (amended) to the Companies Act, 2013 ("the Act"), have been considered as opening balances for the purpose of these Ind AS financial statements.

**Functional and presentation currency:** The financials statements are presented in Indian Rupees (INR or Rs.), which is also the company's functional currency. Foreign currency transactions are recorded at the exchange rates prevailing at the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gain / Loss arising on account of differences in foreign exchange rates on settlement/translation of monetary assets and liabilities are recognized in the Statement of Profit and Loss, unless they are considered as an adjustment to borrowing costs, in which case they are capitalised along with the borrowing cost.

**Going concern:** The financial statements of the Company have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets or to amounts and classification of liabilities that may be necessary, if the Company is unable to continue as a going concern.

**Classification of assets and liabilities :** All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

**Historical cost convention :** The financial statements have been prepare on going concern basis under the historical cost convention except:

- (a) certain financial instruments (including derivative instruments) and
- (b) defined benefit plans

Which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.



**Arjun Food Colorants Manufacturing Private Limited**  
**Notes to financial statements for the year ended 31 March 2023**

**Fair value measurement :** The Company measures certain financial assets and financial liabilities including derivatives and defined benefit plans at fair value.

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 take place either

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

## **2.2 Revenue Recognition:**

### ***Revenue from operations***

Revenue from Sale of goods is recognised when all the following conditions are satisfied:

- (i) When the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order;
- (ii) Amount of revenue can be measured reliably;
- (iii) It is probable that economic benefits associated with the transactions will flow to the entity; and
- (iv) Cost incurred or to be incurred in respect of the transaction can be measure reliably.

### ***Interest Income***

Interest income is recognised using the time proportion method, based on the amount outstanding and the underlying interest rates.

### ***Dividend income***

Revenue is recognized when the shareholders' right to receive payment is established by the reporting date. Dividend income is included under the head "other income" in the Statement of Profit and Loss.

### ***Other income***

Revenue is recognised in respect of export incentives, insurance / other claims etc., when it is reasonably certain that the ultimate collection will be made.



## 2.3 Property plant and equipment

(i) *Tangible property plant and equipment:*

As per Ind AS 16 "Property, Plant and Equipment" Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of 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 attributable borrowing costs. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Property plant and equipment owned and operated by the Company are reported at cost, less accumulated depreciation and/or impairment losses, if any. Cost includes its purchase price including non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use.

Property, plant and equipment is eliminated from the financial statements on disposal or when no further economic benefit is expected from its use and disposal.

Gains or losses arising from disposal/retirement of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss.

Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalised as property, plant and equipment.

(ii) *Capital work-in-progress :*

Capital work-in-progress comprises the cost of plant and machinery that are not yet ready for their intended use at the reporting date. Assets under construction includes the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under Long term loans and advances. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) *Intangible assets:*

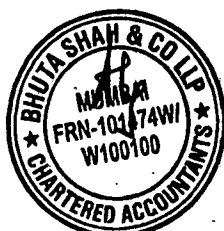
Intangible assets comprise primarily of computer software (including enterprise systems). Intangible assets are initially recorded at cost and subsequent to recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

(iv) *Depreciation :*

- a. Depreciation is provided on the "straight line method" based on the estimated useful life of assets which are equal to those suggested in Part C of schedule II of the Act.

(v) *Derecognition:*

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 or loss in the year the asset is derecognised.



**(vi) Impairment Testing of Property, Plant and Equipment, Goodwill and Intangible Assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are 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. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

**2.7 Leases**

Under Ind AS 116, the Company has to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for almost all lease contracts. Interest expense on the lease liability and depreciation on the right-of-use asset are charged to the statement of profit and loss. In the cash flow statement, cash payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

A finance lease liability is recognised at the present value of the outstanding lease payment and right of use asset is initially measured at direct cost. Initial direct costs includes lease liability, payment made before commencement date and present value of site restoration / decommissioning obligation.

**2.8 Foreign currency transactions**

**(i) Initial recognition**

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

**(ii) Measurement of monetary items denominated in foreign currency at the Balance Sheet date**

Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

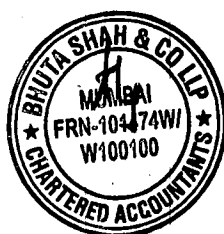
Non monetary foreign currency items are carried at cost.

**(iii) Treatment of exchange differences**

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of profit and loss.

The translation differences on monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of profit and loss. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.

Transactions with fixed Rupee exposure are not revalued at the balance sheet date as the Company's exposure is fixed in INR terms.



(iv) *Treatment for Forward Contracts*

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

## 2.9 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

## 3 Employee Benefits

### *Short-term employee benefits*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences for paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is charged during the year to the Statement of profit and loss.

## 3.1 Taxes on income

### (i) *Current tax*

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable laws.

Minimum Alternate Tax (MAT) paid in accordance with the laws, which gives future benefits in the form of adjustment to future income tax liability, is considered as assets if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. Currently the Company has not recognised MAT credit entitlement as an asset in the Balance Sheet on prudence basis.

### (ii) *Deferred tax*

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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





## 2.10 Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss. The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

## 2.11 Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes forming part of the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

## 2.12 Financial Assets and Investments

The Company classifies its financial assets in the following measurement categories:

- (i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- (ii) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### *Measurement of debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- (i) Amortised cost: that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.



**Notes to financial statements for the year ended 31 March 2023**

- (ii) Fair Value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit and loss and recognised in other income / expenses. Interest income from these financial assets is included in other income using the effective interest rate method.
- (iii) Fair Value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other income / expenses in the period in which it arises. Interest income from these financial assets is included in other income.

*Measurement of equity instruments*

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income / expenses in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

*Impairment of financial assets*

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 2.17 details how the Company determines whether there has been a significant increase in credit risk.

*De-recognition of financial assets*

A financial asset is derecognised only when

- (i) The Company has transferred the rights to receive cash flows from the financial asset; or  
(ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



## 2.13 Financial Liabilities

### *Measurement of Financial Liabilities*

**Borrowings and other financial liabilities** are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit and loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**Trade payables** are recognised initially at their transaction values which also approximate their fair values and subsequently measured at amortised cost less settlement payments. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**Derivative financial instruments:** The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**Hedge accounting :** The Company designates certain hedging instruments which include derivatives, embedded derivatives and non derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. At the inception of the hedge relationship, the Company documents the relationship between the hedging instruments and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

### *De-recognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## 2.14 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



## 2.15 Significant accounting judgements, estimates and assumptions

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

### *Judgements*

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- (i) Operating lease commitments – Company as lessor;
- (ii) Assessment of functional currency;
- (iii) Evaluation of recoverability of deferred tax assets

### *Estimates and assumptions*

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year :

- (i) Useful lives of property, plant and equipment, investment property and intangible assets;
- (ii) Fair value measurements of financial instruments ;
- (iii) Impairment of non-financial assets;
- (iv) Taxes;
- (v) Defined benefit plans (gratuity benefits);
- (vi) Provisions;
- (vii) Valuation of inventories;
- (viii) Contingencies

## 2.16 First Ind AS Financial statements

These are the Company's first financial statements prepared in accordance with Ind AS applicable as at 31st March, 2020. The Ind AS financial statements for the year ended 31 March 2021 have been prepared for the purpose of fit for consolidation.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31st March, 2020, the comparative information presented in these financial statements for the year ended 31st March, 2019 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2018 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

The Company has prepared the opening Balance Sheet as per Ind AS as of the transition date which is 1st April, 2018, by

- a) recognising all assets and liabilities whose recognition is required by Ind AS;
- b) not recognising items of assets or liabilities which are not permitted by Ind AS;
- c) reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- d) applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below:

### (i) *De-recognition of financial assets and liabilities*

The Company has applied the de-recognition requirements of financial assets and liabilities prospectively for transactions occurring on or after 01st April, 2018 (date of transition).



**Arjun Food Colorants Manufacturing Private Limited**

**Notes to financial statements for the year ended 31 March 2023**

**(ii) Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

**(iii) Deemed cost for property, plant and equipment, investment property and intangible assets**

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of 01st April, 2018 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(iv) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 01st April 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP except for the Impairment of financial assets based on expected credit loss model where application of the Indian GAAP did not require estimation.

**2.17 Nature and extent of risks arising from financial instruments**

The main financial risks faced by the Company relate to fluctuations in interest and foreign exchange rates, the risk of default by counterparties to financial transactions, and the availability of funds to meet business needs. The Balance Sheet as at 31 March, 2023 is representative of the position of the year.

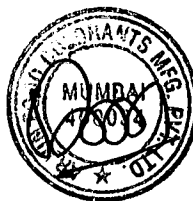
**Credit Risk**

Credit risk arises from Cash and Cash equivalents, financial instruments and deposits with banks and financial institutions. Credit risk also arises from trade receivables and other financial assets. The Company is not significantly exposed to geographical distribution risk as the counterparties operate across various countries across the Globe.

**Liquidity Risk**

Liquidity risk is managed using short term and long term Cash Flow forecasts.

Risk Management is carried out by the Management Committee as per the Risk Management Policy adopted by the Company.

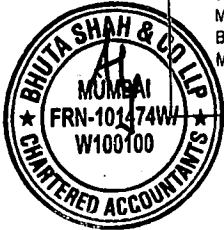


All amounts in Indian ₹ in Lakhs, unless otherwise stated,

Note No.	Particulars	2023	2022			
<b>3</b>	<b>Property, plant and equipment</b>					
<b>3.1</b>	<b>Gross Block</b>					
	At 1 April 2022	129.05	131.48			
	Additions	-	-			
	Deductions / adjustments	-	-			
	At 31 March 2023	129.05	131.48			
	<b>Gross Block</b>					
	At 1 April 2022	129.05	131.48			
	Additions	-	-			
	Deductions / adjustments	-	-			
	Transferred from CWIP	-	-			
	Less: Amortisation of Lease payment	(2.43)	(2.43)			
	At 31 March 2023	126.61	129.05			
<b>3.2</b>	<b>Capital work-in-progress (CWIP)</b>					
	At 1st April 2022	385.67	375.67			
	Additions	4.87	10.00			
	Less: Capitalised during the year	-	-			
	At 31st March 2023	390.54	385.67			
	<b>CWIP ageing schedule 2022-23</b>					
		Amount in CWIP for a period of				
	CWIP	Less than a year	1-2 Years	2-3 Years	More than 3 years	Total
	Projects in progress	4.87	10.00	1.88	373.80	390.54
	Projects temporarily suspended	-	-	-	-	-
					Total	Total
	<b>CWIP ageing schedule 2021-22</b>					
		Amount in CWIP for a period of				
	CWIP	Less than a year	1-2 Years	2-3 Years	More than 3 years	Total
	Projects in progress	10.00	-	1.88	374	385.67
	Projects temporarily suspended	-	-	-	-	-
					Total	Total
<b>4</b>	<b>Cash and cash equivalents</b>					
	Balance with Scheduled Banks :					
	- in current accounts	0.44	0.53			
	Cash in hand	-	-			
		0.44	0.53			
<b>5</b>	<b>Other Current Assets</b>					
	<u>Short Term Loans &amp; Advances</u>					
	Unsecured, considered good	3.68	2.91			
	Balance with Government authorities	3.68	2.91			
	<p>* In the opinion of the directors, loans and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business. Advances are subject to confirmation. Periodically, the company evaluates all customer dues to the company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, general economic factors, which could affect the parties' ability to settle.</p>					
<b>6</b>	<b>Equity share capital</b>					
	Authorised Share Capital:					
	2,50,000 (31 March 2022 : 2,50,000) Equity Shares of ₹ 10 each	25.00	25.00			
	Issued , Subscribed and Fully Paid up:					
	82,750 (31 March 2022 : 82,750) fully paid-up Equity Shares of ₹ 10 each, fully paid up	8.28	8.28			
	Add: Right Shares Issued during the year	-	-			
		8.28	8.28			
	<b>Rights of Equity Shareholders</b>					
	The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.					
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.					
	The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.					



Note No.	Particulars	2023	2022		
The reconciliation of the number of shares outstanding is set out below:					
	Particulars	31-Mar-23	31-Mar-22		
	Shares outstanding at the beginning of the year	0.83	0.83		
	Shares issued during the year	-	-		
	Shares bought back during the year	-	-		
	Shares outstanding at the end of the year	0.83	0.83		
Details of shareholders holding more than 5% shares in the company					
Name of Shareholder		31-Mar-23	31-Mar-22		
		No. of Shares	% of Holding		
		No. of Shares	% of Holding		
Vidhi Speciality Food Ingredients Limited		82,750	100.00%		
		82,750	100.00%		
7 Other equity					
Securities Premium Account		520.73	520.73		
Balance at the beginning of the year		-	-		
Add: Premium received on issue of shares during the year		-	-		
Less: Utilised during the year		-	-		
Balance at the end of the year		520.73	520.73		
Surplus from Statement of Profit and Loss		(23)	(16.70)		
Balance at the beginning of the year		(3)	(7)		
Add: Profit/(Loss) for the year		(26)	(23)		
Net retained earnings		-	-		
Total other equity		494	498		
8 Borrowings					
Unsecured		12.15	4.80		
- from related parties (Refer Note below)		-	-		
- from others		-	-		
		12.15	4.80		
Note: The loan from a related party of Rs. 10.07 lakhs (31.3.22 : Rs. 2.52 lakhs) carries interest rate of 9% and loan of Rs. 2.08 lakhs (31.3.22 : Rs. 2.08 lakhs) from another related party is interest free. Both the loans are for long term and its repayment is not stipulated.					
9 Trade payables					
9.1 i) Trade payables - MSME		0.40	0.20		
9.2 ii) Trade payables - other than MSME		5.93	6.83		
		6.33	7.03		
Trade Payables Ageing Schedule 2022-23					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	0.21	-	-	0.20	0.40
(ii)Others	1.23	1.61	-	3.09	5.93
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Trade Payables Ageing Schedule 2021-22					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	-	-	-	0.20	0.20
(ii)Others	3.74	-	-	3.09	6.83
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
10 Other current liabilities				0.08	0.32
Statutory dues payable		0.08	0.32		
11 Other Income				-	-
Sundry balance W/off		-	-		
12 Finance Costs				0.63	0.17
Interest on Loan		0.63	0.17		
13 Amortisation of Leasehold Land				2.43	2.43
14 Other Expenses				0.25	-
Audit Fees		(1.55)	3.20		
Legal/Prof/Consultancy Charges		1.34	1.24		
Water Charges		0.26	0.03		
Miscellaneous Expenses		0.00	0.01		
Bank Charges/Commission		0.13	-		
MSDCL (Power Charges)		0.43	4.48		



Note 24: Fair values Measurement

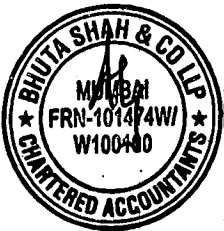
A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	Classification				Fair Value
	Carrying Value	FVTPL	FVTOCI	Amortised cost	
Current Financial assets	-	-	-	-	-
Trade receivables	-	-	-	-	-
Cash and cash equivalents	0.44	-	-	0.44	0.44
Bank balances other than cash and cash equivalents	-	-	-	-	-
Current loans	-	-	-	-	-
Other current financial assets	-	-	-	-	-
- Rent deposits	-	-	-	-	-
	0.44	-	-	0.44	0.44
Non Current Financial liabilities	12.15	-	-	12.15	12.15
Borrowings	-	-	-	-	-
Current Financial liabilities	-	-	-	-	-
Lease Liability	-	-	-	-	-
Borrowings	0.40	-	-	0.40	0.40
Trade payables - MSME	5.93	-	-	5.93	5.93
Trade payables - other than MSME	-	-	-	-	-
Other current financial liabilities	-	-	-	-	-
	18.48	-	-	18.48	18.48

Particulars	Classification				Fair Value
	Carrying Value	FVTPL	FVTOCI	Amortised cost	
Current Financial assets	-	-	-	-	-
Trade receivables	-	-	-	-	-
Cash and cash equivalents	0.53	-	-	0.53	-
Bank balances other than cash and cash equivalents	-	-	-	-	-
Current loans	-	-	-	-	-
Other current financial assets	-	-	-	-	-
- Rent deposits	-	-	-	-	-
	0.53	-	-	0.53	-
Non Current Financial liabilities	4.60	-	-	4.60	4.60
Borrowings	-	-	-	-	-
Current Financial liabilities	-	-	-	-	-
Lease Liability	-	-	-	-	-
Borrowings	0.20	-	-	0.20	0.20
Trade payables - MSME	6.83	-	-	6.83	6.83
Trade payables - other than MSME	-	-	-	-	-
Other current financial liabilities	-	-	-	-	-
	11.63	-	-	11.63	11.63

Particulars	As at 31st March 2023			As at 31st March 2022		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Current Financial assets	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	0.44	-	-	0.53
Bank balances other than cash and cash equivalents	-	-	-	-	-	-
Current loans	-	-	-	-	-	-
Other current financial assets	-	-	-	-	-	-
- Rent deposits	-	-	-	-	-	-
	-	-	0.44	-	-	0.63
Non Current Financial liabilities	-	-	12.15	-	-	4.60
Borrowings	-	-	-	-	-	-
Current Financial liabilities	-	-	-	-	-	-
Lease Liability	-	-	-	-	-	-
Borrowings	-	-	0.40	-	-	0.20
Trade payables - MSME	-	-	5.93	-	-	6.83
Trade payables - other than MSME	-	-	-	-	-	-
Other current financial liabilities	-	-	-	-	-	-
	-	-	18.48	-	-	11.63





B. Fair value hierarchy  
Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

C Description of significant observable inputs to valuation:

The following table shows the valuation techniques used to determine fair value :

Type	Valuation technique
Current loans	Based on prevailing market interest rate

Note 26: Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial statements.  
The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	As at 31 March 2023	As at 31 March 2022
Total borrowings (Refer note 8)	12.15	4.60
Total equity (Refer note 6 and 7)	502.71	506.21
Debt to Equity ratio	2.42%	0.91%

Note 26: Financial Risk Management

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

A. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in securities

a. Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank balances of ₹ 0.44 Lakhs at March 31, 2023 (March 31, 2022: ₹ 0.53 Lakhs) The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings

B. 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.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

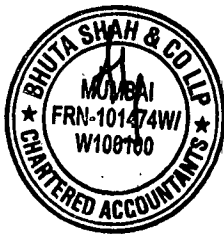
Particulars	Less than 1 Year	1 to 5 Years	More than 5 Year	Total
As on 31-Mar-2023	-	-	-	-
Current borrowings	1.43	4.90	-	6.33
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
Term loans- from banks	-	-	-	-
As on 31-Mar-2022	-	-	-	-
Current borrowings	3.74	3.29	-	7.03
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
Lease liabilities	-	-	-	-
Term loans- from banks	-	-	-	-

C. Interest Rate Risk Exposure

I. Interest rate risk exposure

The Exposure of the borrowing to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period the following weighted average interest rate on the borrowings.

Particulars	31st March 2023			31st March 2022		
	Weighted average interest rate	Balance	% of Total Loans	Weighted average interest rate	Balance	% of Total Loans
Bank Overdrafts, Bank Loan	9.00%	10.07	82.88%	12.00%	2.52	54.78%
The percentage of total loans shows the proportion of loans that are currently at weighted average in relation to the total amount of borrowings.						



15 Fixed Assets  
No write off has been made in respect of lease premium paid on lease hold land since the leases are granted for a long period.  
The factory building is not yet constructed and all the expenses pertaining to it is capitalised.

16 Expenditure In Foreign Currency  
Income in Foreign Currency

2023	2022
Nil	Nil
Nil	Nil

17 Related Party Disclosures:  
Disclosures as required by the Ind AS 24 "Related Party Disclosures" are given below:

- Key management personnel, relatives and related parties:  
Key management personnel :  
1. Bipin M. Manek – Director  
2. Mihir B. Manek –Director  
3. Pravina Manek - Director/Spouse of Director- Mr. Bipin Manek  
4. Vidhi Parekh - Daughter of Director- Mr Bipin Manek  
5. Vidhi Specialty Food Ingredients Limited - Holding Company

Nature of transactions	2023			2022		
	Key management personnel	Relatives and Related parties of Key Management Personnel	Holding Co.	Key management personnel	Relatives and Related parties of Key Management Personnel	Holding Co.
Loan taken during the year						
Bipin M. Manek	-	-	-	-	-	-
Pravina Manek	-	-	-	-	-	-
Mihir B Manek	-	-	-	-	-	-
Vidhi Specialty Food Ingredients Limited	-	-	7.55	-	-	1.20
	-	-	7.55	-	-	1.20
Loan repaid during the year						
Bipin M. Manek	-	-	-	-	-	-
Mihir Manek	-	-	-	-	-	-
Pravina B Manek	-	-	-	-	-	-
Vidhi Parekh	-	-	-	-	-	-
Vidhi Specialty Food Ingredients Limited	-	-	-	-	-	-
	-	-	-	-	-	-
Long Term Borrowings						
Bipin M. Manek	-	-	-	-	-	-
Mihir B Manek	2.08	-	-	2.08	-	-
Pravina B Manek	-	-	-	-	-	-
Vidhi Parekh	-	-	-	-	-	-
Vidhi Specialty Food Ingredients Limited	-	-	10.07	-	-	2.52
	2.08	-	10.07	2.08	-	2.52

18 Contingent Liabilities

19 Pending Capital commitments

20 Earning Per Share		
Net Profit after tax attributable to Shareholders	(3.50)	(7.09)
Total Weighted Average No. of Equity Shares for Basic and Diluted EPS	0.83	0.83
Earnings Per Share (Basic and Diluted)	(4.22)	(8.67)
Nominal value per Equity Share	10.00	10.00

21 Since the Company is yet to capitalise PPE and commence the production, the accounts are prepared on going concern basis, since holding company is committed to pump in funds as and when required

22 Deferred Tax  
There are no items falling under timing difference and therefore deferred tax is not applicable to the Company.

23 Ratios

Particulars	Formula	2023	2022	Reasons for changes more than 25%
				The change is due to increase in cash and cash equivalents and decrease in trade payables during F.Y. 2021-22.
a) Current Ratio	Current assets/current liab	0.64	0.86	NA
b) Debt-Equity Ratio	Total debt/Total equity	0.02	0.00	Loan taken of Rs. 10,07Lakhs from Vidhi Specialty Food Ingredients Ltd. During FY 2022-23 @ 9%.
c) Debt Service Coverage Ratio	Net Operating Income/ Debt Service	-5.53	-40.79	



27 Additional regulatory information required by Schedule III

- i **Details of benami property held**  
The Company do not have any Benami property, where proceeding has been initiated or pending against the Company for holding any Benami property.
- ii **Borrowing secured against current assets**  
There are no borrowings availed by Company from banks and financial institutions for period ending March 31, 2023 and March 31, 2022
- iii **Willful defaulter**  
The company has not been declared as a willful defaulter by any bank or financial institution or other lender.
- iv **Relationship with struck off companies**  
The company do not have any transactions with the companies struck off under section 24B of Companies Act, 2013 or section 560 of Companies Act, 1956
- v **Registration of charges or satisfaction with Registrar of Companies**  
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- vi **Compliance with number of layers of companies**  
The company has complied with the number of layers prescribed under the Companies Act, 2013.
- vii **Compliance with approved scheme(s) of arrangements**  
The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- viii **Utilisation of borrowed funds and share premium**  
The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
a. 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  
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries  
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:  
a. 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  
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- ix **Undisclosed income**  
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- x **Details of crypto currency or virtual currency**  
The company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- xi **Revaluation of property, plant and equipment and intangible asset.**  
The company has not revalued its property, plant and equipment or intangible assets or both during the year ended March 31, 2023 and March 31, 2022.

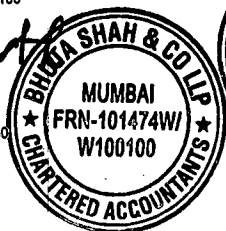
28 Prior Year Comparatives

Previous year figures are reclassified / regrouped / recast wherever considered necessary to confirm to current year's classification.

For Bhuta Shah & Co LLP  
Chartered Accountants  
FRN: 101474W / W100100

Atul Gala  
Partner  
Membership No: 048650

Place: Mumbai  
Date: 25th May, 2023



For and on behalf of the Board of Directors

Bipin M. Manek  
Director  
DIN: 00416441

Place: Mumbai  
Date: 25th May, 2023

Mihir B Manek  
Director  
DIN: 00850813