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INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To,

The Members of
HINGOLI JILHA KAYADHU FARMER PRODUCER COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HINGOLI JILHA KAYADHU FARMER PRODUCER COMPANY LIMITED**, (the "Company"),CIN-U01114MH2018PTC309048 which comprise the Balance sheet as at 31st March, 2020, and the Profit and Loss Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its profit and its cash flows for the year ended on that date

Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures thereto, but does not include the financial statements and our auditors' report thereon.

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard

Responsibilities of Management and those charged with governance for the Financial Statements

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

In preparing the financial statements, 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India Ministry of Corporate Affairs in terms of sub-section (11) of Section 143 of the Act. We give in the Annexure a statement on the matters specified in the paragraph 3 of the Order, to the extent applicable



- 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 and Profit and Loss Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164 (2) of the Act;
- f) the clause relating to the adequacy of internal financial controls system over financial reporting and its operating effectiveness is not applicable to the Company in view of Notification dated 13th June, 2019 issued by the Government of India, Ministry of Corporate Affairs, since it being a small company as defined under section 2(85) of the Companies Act, 2013;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) there are no pending litigations, which would impact the financial position in its financial statements.
- (ii) the Company did not have any long term contracts including derivative contracts, hence question of making any provision for foreseeable losses does not arise.
- (iii) there were no amount which were required to be transferred to the Investor Education and Protection Fund.

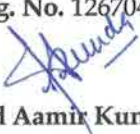
10. This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 issued by the Government of India, Ministry of Corporate Affairs in terms of Sub-Section (11) of Section 143 of the Companies Act, 2013, since in our opinion and according to the information and explanations given to us, the said order is



not applicable to the Company it being a Private Limited Company not being a subsidiary or holding company of a public company and ;

- a) does not have paid up capital and reserves and surplus more than rupees one crore as on 31st March, 2020;
- b) does not have total borrowings exceeding rupees one crore from any bank or financial institution at any point of time during the financial year and
- c) does not have total revenue as disclosed in Schedule III to the Companies Act, 2013 exceeding rupees ten crores during the financial year.

For S.P. Dhoot & Associates
Chartered Accountants
(ICAI Reg. No. 126704W)


CA Mohd Aamir Kunda
Partner
Membership No. 147716



PLACE : HINGOLI

DATED : 14TH DEC 2020

UDIN: 21147716AAAABL3774



HINGOLI JILHA KAYADHU FARMER PRODUCER COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2020

I. **SIGNIFICANT ACCOUNTING POLICIES** :

a) **Basis of Preparation of Financial Statements** :

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) on accrual basis under the historical cost convention. GAAP comprises the mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 and the other relevant provisions of the Act to the extent notified.

b) **Use of Estimates** :

The preparation of the financial statements in conformity with GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of its revenues and expenses during the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

c) **Fixed Assets** :

Tangible assets are stated at cost of acquisition less accumulated depreciation and impairment.

d) **Depreciation** :

Depreciation on Tangible assets is provided on written down value method and carrying amount of assets is depreciated over remaining useful life of the assets as prescribed in part C of Schedule II to the Companies Act, 2013 and as per Income Tax Act, 1961

e) **Investments** :

Investments are long term non current in nature and carried at cost.

A Provision for diminution in value is made to recognize a decline other than temporary in value of investments in line with the Accounting Standard for Accounting of Investment (AS-13).



f) **Employee Benefits** :

1) **Short Term Employee Benefits** :

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as performance incentives etc. are recognized at actual amounts due in the period in which the employee renders the related service.

2) **Post-employment Plans** :

a) **Defined Contribution Plan** :

Payments made to Defined Contribution Plans are charged to expense as and when they fall due if any.

b) **Defined Benefit Plans** :

In terms of arrangement and understanding between the management and the employees, no benefits accrue to the employee for any past service rendered by them. The Company does not incur any obligation towards such past service rendered on year to year basis. However if any sum is determined to be payable to any employee the same shall be calculated on rational basis and recorded in the year of payment.

3) **Other Long-term Benefits:**

Other Long-term Benefits viz. are recognized as an expense as and when it accrues.

g) **Taxation** :

- i) Provision for tax is made on the basis of the estimated taxable income as per the provisions of the Income Tax Act, 1961 and the relevant Finance Act, after taking into consideration judicial pronouncements and opinions of the Company's tax advisors.
- ii) Deferred tax resulting from timing difference between Book Profits and Tax Profits is accounted for at the applicable rate of tax to the extent the timing differences are expected to crystallise, in case of Deferred Tax Liabilities with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realised.



h) **Impairment of Assets** :

As at each Balance Sheet date, the carrying amount of assets is tested for impairment.

Where carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value is use determined by the present value of estimated future cash flows.

i) **Provisions and Contingencies** :

A provision is recognized when there is a present obligation as a result of a past event and 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. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

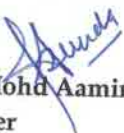
A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed in the financial statements.


As per our Report attached

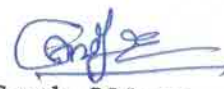
For and on Behalf of the Board

For S.P. Dhoot & Associates
Chartered Accountants
(ICAI Reg. No. 126704W)


CA Mohd Aamir Kunda
Partner
Membership No. 147716




Nilesh V Patange
(DIN: 08040540)


Gyanba S Magar
(DIN : 08563016)

PLACE : HINGOLI

DATED : 14THDEC 2020

UDIN: 21147716AAAABL3774



HINGOLI JILHA KAYADHU FARMER PRODUCER COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST MARCH, 2020

15. Contingent liabilities and Commitments :

i) Contingent Liabilities : NIL (NIL)

ii) Commitments:

Estimated amount of Contracts remaining to be executed on Capital Account not provided for are Rs. NIL (Rs. NIL).

16. Related Party disclosure as per AS 18 issued by the The Institute of Chartered Accountants of India :

a) Managerial Remuneration

Particulars	2019-2020 (Amt in Rs.)	2018-2019 (Amt in Rs.)
Salary	0.00	0.00

b) In the opinion of the Management and to the best of their knowledge and belief the value on realization of Loans , Advances and other Current Assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

c) As the company has not commenced its business during the year, preliminary expenses are not written off during the year



17. Earnings Per Share : (AS-20)

		2019-2020
a)	Net profit(loss) after tax available for equity shareholders	11189.00
b)	Weighted average number of shares used as denominator for calculating basic and diluted earnings per share	10000
c)	Basic and diluted earning per share of Rs.10/- each	1.12

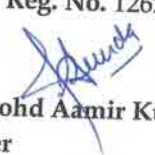
18. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our Report attached


For and on Behalf of the Board


For S.P. Dhoot & Associates
Chartered Accountants
(ICAI Reg. No. 126704W)

Hingoli Jilha Kayadhu Farmer Producer Co Ltd


CA Mohd Aamir Kunda
Partner
Membership No. 147716




Nilesh V Patange
(DIN: 08040540)


Gyanb S Magar
(DIN : 08563016)

PLACE : HINGOLI

DATED : 14THDEC 2020

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HINGOLI JILHA KAYADHU FARMER PRODUCER COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	AS AT 31ST MARCH	
		2020 Rs.	2019 Rs.
I. EQUITY AND LIABILITIES :			
1) Shareholder's Funds			
(a) Share Capital	2	6,92,000.00	6,92,000.00
(b) Reserves and Surplus	3	20,628.00	9,439.00
2) Current Liabilities			
(a) Long Term Borrowings	4	10,000.00	10,000.00
(b) Trade Payables	5	-	57,200.00
(c) Other Current Liabilities	6	-	-
(d) Short Term Provisions	7	-	-
Total		7,22,628.00	7,68,639.00
II. ASSETS :			
1) Non-current assets			
(a) Non-Current Investments	8	25,000.00	-
(b) Fixed Assets	9	-	-
2) Current assets			
(a) Trade Receivables	10	-	-
(b) Inventories		4,42,881.00	70,081.00
(c) Cash and Bank Balances	11	2,54,747.00	6,56,558.00
(d) Other Current Assets	12	-	42,000.00
Total		7,22,628.00	7,68,639.00

Significant Accounting Policies
Notes on Financial Statements

1
2 to 20

As per our report of even date

For and on Behalf of the Board

For S.P. Dhoot & Associates
Chartered Accountants
(ICAI Reg. No. 126704W)

Hingoli Jilha Kayadhu Farmer Producer Company

CA Mohd Aamir Kunda
Partner
Membership No. 147716



Nilesh V Patange
Director
DIN-08040540

Gyanba S Magar
Director
DIN-08563016

PLACE : HINGOLI

DATED : 14.12.2020

UDIN: 21147716AAAABL3774



HINGOLI JILHA KAYADHU FARMER PRODUCER COMPANY LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note No	2019-20 Rs.	2018-19 Rs.
I. Revenue from operations	12	1,49,140.00	9,97,030.00
II. Other Income	13	0.00	0.00
II. Total Revenue (I +II)		1,49,140.00	9,97,030.00
III. Expenses :			
Cost of Material Consumed / Purchases of Stock in Trade		3,72,800.00	8,99,900.00
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(3,72,800.00)	(70,081.00)
Employee benefits expense	13	68,000.00	58,000.00
Finance costs		0.00	0.00
Depreciation and amortisation expense		0.00	0.00
Other expenses	14	69,951.00	99,772.00
Total Expenses		1,37,951.00	9,87,591.00
IV. Profit/(Loss) before Tax (III - IV)		11,189.00	9,439.00
V. Tax expense :			
1) Current tax		0.00	0.00
2) MAT Credit (Entitlements) / Utilisations		0.00	0.00
3) Deferred tax		0.00	0.00
4) Short/ (Excess) Provision for Tax		0.00	0.00
VI. Profit/(Loss) for the period (IV-V)		11,189.00	9,439.00
VII. Earning per equity share : F.V.Rs. 10/- each	18		
(1) Basic		1.12	0.94
(2) Diluted		1.12	0.94

Significant Accounting Policies

Notes on Financial Statements

1

2 to 20

As per our report of even date

For and on Behalf of the Board

For S.P. Dhoot & Associates

Chartered Accountants
(ICAI Reg. No. 126704W)

Hingoli Jilha Kayadhu Farmer Producer Company

CA Mohd Aamir Kunda
Partner
Membership No. 147716



Nilesh V Patange
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DIN-08040540

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PLACE : HINGOLI

DATED : 14.12.2020

UDIN: 21147716AAAABL3774



HINGOLI JILHA KAYADHU FARMER PRODUCER COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note : 3 Reserves and Surplus

Sr. No.	Particulars	AS AT 31ST MARCH	
		2020 Rs.	2019 Rs.
1)	<u>Surplus (Deficit)</u> As per last financial statements Add: Net Profit/ (Loss) as per Profit and Loss statement	9,439.00 11,189.00	- 9,439.00
		20,628.00	9,439.00

Note : 4 Long Term Borrowings

Sr. No.	Particulars	AS AT 31ST MARCH	
		2020 Rs.	2019 Rs.
	<u>Secured Loan:</u> Bank of Baroda (Term Loan)	-	-
	<u>Unsecured :</u> 1) Loans from related party - repayable on demand Nilesh Vasantrao Patange	10,000.00	10,000.00
		10,000.00	10,000.00

Note : 5 Trade Payables

Sr. No.	Particulars	AS AT 31ST MARCH	
		2020 Rs.	2019 Rs.
1)	Total Outstanding dues of Micro enterprises and Small enterprises	-	57,200.00
2)	Total Outstanding dues of creditors other than micro enterprises and small enterprises	-	-
		-	57,200.00

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures relating to amount unpaid as at the year end together with the interest paid/payable as required under the said Act could not be given.



HINGOLI JILHA KAYADHU FARMER PRODUCER COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note : 6 Other Current Liabilities

Sr. No.	Particulars	AS AT 31ST MARCH	
		2020 Rs.	2019 Rs.
1)	Liability related to Payroll	-	-
2)	Deposits from Customers	-	-
		-	-

Note : 7 Short Term Provisions

Sr. No.	Particulars	AS AT 31ST MARCH	
		2020 Rs.	2019 Rs.
1	Short Term Provision	-	-
		-	-



HINGOLI JILHA KAYADHU FARMER PRODUCER COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note : 8 Non Current Investments

Sr. No.	Particulars	FACE VALUE	AS AT 31ST MARCH	
			2020 Rs.	2019 Rs.
1)	Deposit with Maha Farmer Producer Company		25,000.00	-

Note : 9 Fixes Assets

Sr. No.	Particulars	AS AT 31ST MARCH	
		2020 Rs.	2019 Rs.
1)	Fixed Assets	-	-
		-	-

Note : 10 Trade Receivables

Sr. No.	Particulars	AS AT 31ST MARCH	
		2020 Rs.	2019 Rs.
	<u>Unsecured, Considered Good :</u>		
1)	Debts due for a period exceeding six months	-	-
2)	Other debts	-	-
		-	-

Note : 11 Cash and Bank Balances

Sr. No.	Particulars	AS AT 31ST MARCH	
		2020 Rs.	2019 Rs.
	<u>Cash and Cash Equivalents</u>		
1)	Cash on hand	2,54,630.00	5,62,030.00
2)	Balance with Bank in Current Account	117.00	94,528.00
		2,54,747.00	6,56,558.00

Note : 12 Other Current Assets

Sr. No.	Particulars	AS AT 31ST MARCH	
		2020 Rs.	2019 Rs.
1)	Salary in Advance	-	42,000.00
		-	42,000.00



HINGOLI JILHA KAYADHU FARMER PRODUCER COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note : 12 Revenue from Operations

Sr. No	Particulars	2019-20 Rs.	2018-2019 Rs.
1)	Sales (Net)	-	9,97,030.00
2	Commission Received	1,49,140.00	-
		1,49,140.00	9,97,030.00

Note :13 Employee Benefits Expense

Sr. No	Particulars	2019-20 Rs.	2018-2019 Rs.
1)	Salaries, Wages and Allowances	68,000.00	58,000.00
		68,000.00	58,000.00

Note : 14 Other Expenses

Sr. No	Particulars	2019-20 Rs.	2018-2019 Rs.
1	Bank Commission	3551.00	2218.00
2	Rent	40000.00	40000.00
3	Printing & Stationery	400.00	354.00
4	Filing Fees ROC	-	8200.00
5	Legal & Professional Fees	5000.00	9000.00
6	Incorporation Exp	-	40000.00
7	Registration Fees	21,000.00	-
		69,951.00	99,772.00

