

## **INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,

### **KRUSHIDIP AGRICULTURE PRODUCER COMPANY LIMITED, BORGAON**

Report on the Audit of Standalone Financial Statements:

#### **Modified Opinion**

We have audited the Standalone Financial Statements **KRUSHIDIP AGRICULTURE PRODUCER COMPANY LIMITED**, which comprises the Balance sheet as at 31 March 2021, and the Statement of Profit and Loss, Statement of Changes in Equity the year then ended, and notes to the Standalone Financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and subject to the matter given in point No. 2 below of Report On Other Legal and Regulatory Requirements, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, and its loss for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of in accordance with the Standard on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Standalone Financial Statement section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountant of India (ICAI) together with the ethical independence requirements that are relevant to our audit of the standalone Financial Statement under the provisions of the Act and the rules made there under, 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 opinion.

#### **Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report as Key Audit Matters.

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

The Company's management and Board of Directors are responsible for the other information. The information comprises the information included in the Board of

Directors Report, but does not include the standalone financial statements and auditor's report thereon.

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

In connection with our audit of the standalone financial statements our responsibilities is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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's, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include 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. Misstatement 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 standalone 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 standalone Financial Statements, whether due to fraud or error, design and perform audit procedure 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 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal Financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure 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 disclosure 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 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 significance audit findings, including any significant deficiencies in internal controls 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 relationship 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**

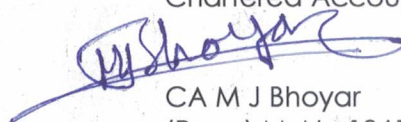
1. Reporting as required by the Companies (Auditor's Report) Order, 2016 (the "order") issued by the Central Government in terms of section 143(11) of the Act is not applicable to the Company and hence no report is furnished on the matters specified in paragraph 3 and 4 of the said order.
2. As required by section 143 (3) of the Act based on our audit we report that:

- a) We have sought and obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purposes of our audit except:-
- i. Proceeding register of AGM with Attendance register;
  - ii. Proceeding register of Board Meetings with Attendance register
  - iii. Fixed asset register held by the company;
  - iv. Factory Building construction Related and Well digging related MB
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books Except:  
Few of the expenses such as diesel, travelling etc. expenses are supported by home vouchers only
- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity dealt with by this report are in agreement with the relevant Books of Accounts.
- d) In our opinion, the aforesaid Standalone 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 March 31, 2021 taken on record by the Board of Director, none of the director is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls under section 143(3)(i) of the Act is not applicable in view of the exemption available to the Company in terms of the notification no. G.S.R. 583(E) dated 13<sup>th</sup> June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25<sup>th</sup> July 2017.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Company(Audit and Auditors) Rule 2014, In our opinion and to the best of our information and according to the explanation given to us:
- i. The Company has disclosed the impact of pending litigations, if any, as at 31 March 2021 on its financial position in its standalone financial statements- Refer Notes to the standalone financial statements.
  - ii. The Company did not have any long term contracts including derivative contract 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.

Place: Washim

Date: 11/10/2021

For, Bhojar & Co  
Chartered Accountants



CA M J Bhojar  
(Prop.) M. No.136107  
UDIN : 21136107AAAAFP7247



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST  
MARCH, 2021.**

**ACCOUNTING POLICIES & OTHER NOTES:**

**1.1 Basis of Preparation and presentation of financial statement**

The financial statements are prepared on accrual basis under the historical cost convention and in accordance with the requirements of The Companies Act, 2013 except Government Grant which have been accounted on receipt basis.

**1.2 Use of Estimates**

The preparation of financial statement is in conformity with the generally accepted accounting principles those requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting year. Difference between the actual result and estimates are recognized in the year in which the results are known /materialized. The management believes that the estimates used in preparation of financial statements are prudent and reasonable.

**1.3 Fixed Assets:**

**1.3.1 Tangible Assets:**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss. The cost of Tangible Assets comprises cost of acquisition and other incidental expenses related to acquisition and installation. Insurance and direct expenses during construction period are capitalized, if appropriate on pro-rata basis.

Government grant/subsidy received directly against a movable or immovable assets are reduced from the cost of assets against which it is received.

Subsequent expenditures related to an item of Tangible Assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are disclosed under Capital work in progress.

**1.3.2**

Depreciation on Fixed Assets except freehold land is provided to the extent of depreciable amount on the Written down Value method. Depreciation is provided based on useful life of the Assets as prescribed in schedule II to the Companies Act, 2013 except in respect of those Assets where useful life as estimated by the Board at Directors is different than those prescribed in schedule II to the Companies Act. 2013. In respect of those assets where useful life has not been prescribed in schedule II of the companies Act, the useful life as estimated by the Board of Directors is considered for the calculation of Depreciation.

Depreciation on fixed assets where government grant or subsidy is received is provided on the value arrived after reduction of such grant or subsidy from the cost of fixed assets against which such grant or subsidy is received.

#### **1.4 Borrowings costs:**

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use is capitalized as part of the cost of that asset. Other costs are charged to profit and loss Account.

#### **1.5 Investments:**

1.5.1 Non Current investments are stated at cost. Provision for diminution in the value of non-current investments is made only if such a decline is other than temporary.

1.5.2 Current Investments are carried at the lower of cost and fair value determined by category of the particular investment.-NA

#### **1.6 Revenue Recognition.**

Sales are accounted for as and when the goods are delivered and bills for the same are rose. Purchases are reflected at cost.

#### **1.7 Inventories:-**

Inventories are valued at cost including inward expenses.

1.7.1 Raw material, packing material stores and spares are valued at cost.

1.7.2 Goods in process are valued at production cost-N.A

1.7.3 Finished stocks of seeds acquired for supply to the farmer's for seed production are valued at cost.

#### **1.8 Foreign Currency Transactions:**

The transactions in foreign currency is as under

Earning in foreign Exchange:-Nil

Expenditure in foreign Exchange:-Nil

#### **Accounting of taxation:**

##### **1.9.1 Direct Tax:-**

No provision made by the company for Current income Tax in the financial statements of current period however the company debited to the P&L an amount of income tax paid for previous year profit.

Deferred tax Liability and deferred tax asset not recognized by the company during f.y. 2020-21.

### **1.9.2 Employee Benefit:**

The liability for the Gratuity and superannuation Fund is **Not applicable** to the company.

### **1.10 Accounting for provisions, Contingent Liabilities and Contingent Assets:**

Subject to above Para 1.9.1, provisions are recognized in terms of Accounting Standard 29 'Provisions, Contingent liabilities and Contingent Assets' issued by the ICAI, When there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made except provision for Retirement Benefits which are dealt as per Accounting Standard 15.

### **1.11 Accounting for Governments Grants:**

#### **For Capital Expenditure/Fixed Assets:-**

Government grant/subsidy received directly against a movable or immovable assets are accounted as Capital Reserve in liability side and the fixed assets of the equivalent value is stated in asset side and no depreciation is charged on said amount.

During F.Y. 2019-20 the company has received Rs.88,90,000/- under Gut Sheti Scheme of Agriculture Department out of those amount Rs. 13,92,586.80 is shown under the head "Capital Reserve" as against the Refer Van purchased by the company and the remaining amount shown as current liabilities as the remaining project was not completed till 31.03.2021.

#### **For Revenue Expenditure:-**

Government grant/subsidy received for revenue expenditure recognized as income of the company and credited to profit & loss account of the company for the year in which it is received, during f.y. 2020-21 the company has received Rs.Nil as seed production subsidy from government which has been recognized as revenue income.

**Received for others:-** Government grant/subsidy received for distribution among the beneficiary farmers/ producers is accounted as current liability and the share of the company from such grant/ subsidy is recognized as income of the company.

### **1.12 Earning per shares:**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period.

### **1.13 Cash flow statement: Not Applicable to company**

## **B) Notes on accounts**

### **2.1 Depreciation**

Pursuant to the enactment of Companies Act, 2013 the company has applied the estimated useful lives as specified in schedule II, except in respect of certain assets as disclosed in accounting policy on Depreciation, Amortization and Depletion Accordingly the unamortized carrying value is being depreciated / amortized over the revised / remaining useful lives.

For depreciable assets acquired or created out of Government Grants, the depreciation has been charged after reduction of subsidy amount from the acquisition cost of such fixed assets.

## 2.2 Third party Confirmation

In most of the cases, confirmation from the parties grouped under sundry debtors, sundry creditors, loans & advances has not been received by the company, These balances have, therefore been taken as per the books subject to reconciliation & adjustments, if any.

## 2.3 Trade Payables:

Balances of Trade Payable are subject to confirmation and reconciliation for F.Y. 2020-21.

## 2.4 Unsecured Loan

The unsecured loan received by the company from its members is as per the provision of section 269SS of Income Tax Act, 1961.

2.5 Previous year figures have been regrouped and re-casted whenever necessary to make them Comparable to Current year figures.

## 2.5 Deferred Tax:

2.5.1 During the year, the company has not adopted accounting standards 22 "Accounting for taxes on income" issued by the institute of Chartered Accountants of India and in consonance to the transitional provisions contained therein the company has not recorded the cumulative net deferred tax Assets.

2.5.2 The deferred tax Assets as at 31<sup>st</sup> March, 2021 comprised the following:

	As at 31 <sup>st</sup> March,2021	As at 31 <sup>st</sup> March,2020
Deferred tax liability Related to fixed assets.		
Deferred tax assets Related to fixed assets.		
Relating to payment of employees.		
Provision for deferred tax (Net)		

## 2.6 Prior Period and extraordinary items and changes in accounting policies: (if any.....)

Nil during F.Y. 2020-21

## 2.7 Managerial Remuneration

Sr. No	Name of the Director	Directors' Identification Number (DIN)	Designation	Total Remuneration for Financial Year
				Nil

## 2.8 Auditors Remuneration

Particulars	Financial Year	Total
Statutory Audit Fees	F.Y.2019-20	35,400/-
Taxation	F.Y. 2019-20	30,680/-
Other matter	F.Y.2019-20	

## 2.9 RELATED PARTY DISCLOSURE IN TERMS OF AS 18 IS GIVEN HEREUNDER:

1. Number of contracts or arrangements or transactions not at arm's length basis: Nil
2. Number of material contracts or arrangement or transactions at arm's length basis: Nil

A) NAME OF THE RELATED PARTIES WITH WHOM TRANSACTIONS HAVE BEEN ENTERED IN THE ORDINARY COURSE OF BUSINESS.

I) ASSOCIATES CONCERN WITH WHOM TRANSACTIONS HAVE BEEN ENTERED DURING THE YEAR

SR, NO	-	NAME
	-	NIL
	-	
	-	

II) DIRECTOR/ KEY MANAGERIAL ( KMP) AND THEIR RELATIVES

• LIST OF DIRECTORS:-

SR, NO	-	NAME
1		VASANTA A LANDKAR
2		PANDURANG A LANDKAR
3		SHANKAR UKANDA SANSARE
4		BABARAO KONDUJI LANDKAR

5	NARAYAN SAKHARAM LANDKAR- RETIRED DURING THE YEAR
6	KALAVATIBAI NANDU LANDKAR

- FOR LIST OF RELATIVES PLEASE REFER TO SCHEDULE-1

B) FOLLOWING TRANSACTIONS CARRIED OUT WITH THE RELATED PARTIES REFERRED TO IN ABOVE IN ORDINARY COURSE OF BUSINESS ARE AS UNDER

SR. NO	NAME	NATURE OF RELATIONSHIP (DIRECTOR CONCERN OR HIS RELATIVE)	NATURE OF CONTRACT	DURATION OF THE CONTRACT/ ARRANGEMENT	DETAILS OF ANY ADVANCE PAID.
	PLEASE REFER TO SCHEDULE 1	PLEASE REFER TO SCHEDULE 1	PLEASE REFER TO SCHEDULE 1	PLEASE REFER TO SCHEDULE 1	PLEASE REFER TO SCHEDULE 1

C) BALANCES WITH THE RELATED PARTIES REFERRED ABOVE ARE AS UNDER :- AS PER SCHEDULE -1

*Sumisul*  
For, and on behalf of Board

Dir: 0006776878



For, Bhoyar & Co.  
Chartered Accountant

*Bhoyar*

Proprietor

M. No. :136107

Date: 11/10/2021

Place: Washim

UDIN : 21136107AAAAFP7247



Schedule-1 f.y. 2020-21

Sr no.	name	Nature of relationship (director concern or his relative)	nature of contract	duration of contract/arr agement	details of any advance paid.	balances with the related parties	Creditor	Debtors
1	Vasanta A Landkar	Director	Nil	2020-21	Nil	Nil	63295	Nil
2	Pandurang A Landkar	Director	Tractor Ren	2020-21	Nil	30450	Nil	30450
3	Sakharam U Sansare	Director	Op. Balance	2020-21		10500	Nil	10500
4	Babarao K Landkar	Director	Tractor Ren	2020-21	Nil	12500	Nil	12500
5	Kalavatibai N Landkar	Director	Nil	2020-21	Nil	Nil	Nil	Nil

During F.Y. 2020-21 no transactions were incurred with relatives of the Directors



वसंता अ. लंडकार

For Krushideep Agricultural Producer Company Limited, Bargaon

DIN:-0006776878

DIN:-0006776861

