

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of

**Kanchani Farmer Producer Company Limited, Warora.**

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

#### **Opinion**

We have audited the accompanying financial statements of **Kanchani Farmer Producer Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the statement of Profit and Loss for the year ended on that date, and notes to the Standalone Financial statements including a summary of the 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, 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 Companies (Accounting Standard) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Emphasis of Matter**

*We draw the attention of the members that the company, though mandated by its Memorandum and Articles of Association, and in non conformity with Section 581 ZF, has not complied with the requirement of internal audit of its operations for the entire period under review nor provided any explanation as to the non conduct of the same.*



**Key Audit Matters**

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**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 Board's Report including Annexures to Board's Report, Business Responsibility Report, but does not include the financial statements and our auditor's 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 standalone 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.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India. 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, 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.



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

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 standalone 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**

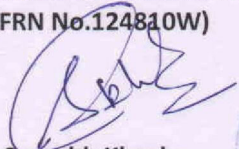
1. The provisions of the **Companies (Auditor's Report) Order, 2016** ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Company and hence a statement on the matters specified in paragraphs 3 and 4 of the Order is not enclosed.
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 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 dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with accounting standard 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 Directors, none of the directors 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 th June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 th July 2017.

- 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. The Company has disclosed the impact of pending litigations on its financial position in its standalone 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.
- h) As required by section 581ZG of Part IX A of the Companies Act, 1956, read with Sec 465 of Companies Act, 2013, we report that:-
- a) The total Debtors mentioned in the financial statements are Rs.1,45,87,465 out of which Rs 1,03,94,126 are more than 6 months old. Provision @ 25 % is made for Doubtful debts for RS 24,85,197, for which civil suit has been filed under Negotiable Instrument Act 1881.
  - b) The cash/bank balances and securities, if any, could not be physically verified. Balance confirmation of short term loan from Sammunati Financial Intermediation & Services private limited was not made available and the closing balance of such loan is taken as certified by the management.
  - c) The balances of debtors, creditors, purchases are subject to reconciliation and confirmation, the lack of proper records in these areas hampers the authentication of the same.
  - d) The Producer Company has not given any loans to the directors.
  - e) The Producer Company has not given any donations or Subscriptions.

**For APJ & ASSOCIATES**  
**Chartered Accountants**  
**(FRN No.124810W)**

  
**Saurabh Khosla**  
**Partner**  
**(M. No. 140199)**



**Date: November 15,2021**  
**Place:Chandrapur**

**KANCHANI FARMER PRODUCER COMPANY LIMITED****Balance Sheet as at 31st March, 2021**

Figures in Rupees, except as otherwise stated

Particulars	Note	Amount in Rs. as on 31/03/2021	Amount in Rs. as on 31/03/2020
<b>I. EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' Funds</b>			
(a) Share Capital	2	3,475,000.00	1,949,000.00
(b) Reserves and Surplus	3	(3,382,826.28)	(1,753,986.33)
(c) Money Received Against Share Warrants		-	-
(2) <b>Share Application Money Pending Allotment</b>		-	-
(3) <b>Non Current Liabilities</b>			
(a) Long-term Borrowings	4	17,965,876.40	10,635,876.40
(b) Deferred Tax Liabilities (Net)	5	42,336.00	2,340.00
(c) Other Long Term Liabilities	6	-	-
(d) Long-term Provisions		-	-
(4) <b>Current Liabilities</b>			
(a) Short-term Borrowings	7	2,412,810.25	2,366,972.16
(b) Trade Payables			
A total outstanding dues of micro enterprises and small enterprises and			
B total outstanding dues of creditors other than micro enterprises and small enterprises	8	7,269,582.89	3,791,438.25
(c) Other Current Liabilities	9	7,839,350.00	
(d) Short-term Provision	10	145,030.00	929,461.77
<b>Total</b>		<b>35,767,159.27</b>	<b>17,921,102.25</b>
<b>II. ASSETS</b>			
(1) <b>Non Current Assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible Assets	11	2,558,598.38	76,805.10
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		655,505.00	-
(iv) Intangible assets under development		-	-
(b) Non current investments	12	59,000.00	31,000.00
(c) Deferred tax assets(net)		-	-
(d) Long term loan and advances		-	-
(e) Other non current assets		-	-
(2) <b>Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	13	13,390,748.51	2,896,768.32
(c) Trade receivables	14	12,102,267.88	13,824,254.51
(d) Cash and Cash Equivalent	15	2,299,589.27	1,008,498.32
(e) Short term loans & advances	16	2,060,239.25	3,500.00
(f) Other Current Assets	17	2,641,210.98	80,276.00
(3) <b>Misc. Expenditure to the Extent Not Written Off</b>	18	-	-
<b>Total</b>		<b>35,767,159.27</b>	<b>17,921,102.25</b>

Significant Accounting Policies & Notes on Accounts are an integral part of the financial statements.

As per our report of even date

For APJ & Associates

Chartered Accountants

(FRN : 124810W)

Ca Saurabh Khosla

Partner

M.NO. 140199

UDIN:21140199AAAADV1949

Place: Chandrapur

Date :15th November, 2021



For and on behalf of the Board of Directors

Kanchani Farmer Producer Company Limited

*Nitin Tonge*

Nitin Tonge

Director

DIN:07404963

*Yashwant Syare*

Yashwant Syare

Director

DIN:07907596



**KANCHANI FARMER PRODUCER COMPANY LIMITED**  
**Profit and Loss Statement for the Period ended on 31st March 2021**

Figures in Rupees, except as otherwise stated

Particulars	Note	Amount In Rs. as on 31/03/2021	Amount In Rs. as on 31/03/2020
I. Revenue from Operations	19	98,523,520.24	32,372,859.65
II. Other Income	20	2,122,866.57	234,811.76
<b>III. Total Revenue (I+II)</b>		<b>100,646,386.81</b>	<b>32,607,671.41</b>
<b>IV. Expenses:</b>			
Cost of material consumed:		-	-
Purchases of Stock-in-Trade		105,913,195.93	32,710,222.07
Changes in inventories of finished goods	21	(10,493,980.19)	(2,436,989.96)
Work in progress and Stock in trade		-	-
Employee benefits expense Finance cost	22	1,114,631.05	914,054.85
Depreciation and Amortisation	23	71,033.00	15,743.00
Other Expenses	24	5,401,561.97	959,409.92
<b>Total Expenses</b>		<b>102,006,441.76</b>	<b>32,162,439.88</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(1,360,054.95)	445,231.53
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V-VI)		(1,360,054.95)	445,231.53
VIII. Extraordinary item			
IX. Profit before tax(VII-VIII)			
X. Tax Expense			
1)Current Tax		17,522.00	-
2)Prior Period Tax		141,584.00	-
3)Deffered Tax	4	39,996.00	(1,457.00)
Profit/(Loss) for the year from continuing operations(IX-X)		<b>(1,559,156.95)</b>	<b>446,688.53</b>
XII Profit/(Loss) from discontinuing operations		-	-
XIII Tax Expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations(after tax)(XII-XIII)		-	-
XIV Profit/(Loss) for the period(XI+XIV)		<b>(1,559,156.95)</b>	<b>446,688.53</b>
XV Earning per equity share of face value of Rs. 1000 each : Basic & Diluted ( in Rs)	25	(448.68)	229.19
<b>Significant Accounting Policies</b>	1		
<b>Notes Forming Part of Financial Statements</b>			

As per our report of even date

For APJ & Associates

Chartered Accountants

(FRN : 124810W)

CA Saurabh Khosla  
Partner

M.NO. 140199

UDIN:21140199AAAADV1949

Place Chandrapur

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For and on behalf of the Board of Directors

Kanchani Farmer Producer Company Limited

Nitin Tonge  
Director

DIN:07404963

Yashwant Syare  
Director

DIN:07907596



**KANCHANI FARMER PRODUCER COMPANY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

	2020-21		2019-20	
	Rs.	Rs.	Rs.	Rs.
<b>(A) Cash Flow from Operating Activities</b>				
Profit before tax (before prior period item, after extraordinary items)	-1,360,054.95		445,231.53	
<u>Add - Adjustments for:</u>				
Depreciation, Amortisation & Extraordinary items	71,033.00		15,743.00	
Finance Costs	178,631.05		109,049.85	
Loss on Sale of Fixed Assets/				
<u>Less - Adjustments for:</u>				
Profit on Sale of Fixed Assets	0.00		0.00	
Interest Income	0.00		0.00	
<b>Operating profit before working capital changes</b>	<b>-1,110,390.90</b>		<b>570,024.38</b>	
<u>Adjustments for:</u>				
(Increase)/ Decrease in trade receivables	1,721,986.64		14,663,148.42	
(Increase)/ Decrease in Inventories	-10,493,980.19		-2,436,989.96	
(Increase)/ Decrease in loans & advances-ST	-2,056,739.25		25,000.00	
(Increase)/ Decrease in Other Assets - Current	-2,560,934.98		0.00	
Increase/ (Decrease) in trade payables	3,478,144.64		-16,965,264.92	
Increase/ (Decrease) in Other Current Liabilities	7,839,350.00		0.00	
Increase/ (Decrease) in provisions	-871,636.77		-677,949.95	
<b>Cash generated from Operating activities</b>	<b>-4,054,200.81</b>		<b>-4,822,032.03</b>	
<b>Income-tax paid (net of refunds)</b>	<b>-141,584.00</b>		<b>0.00</b>	
<b>Net Cash generated from Operating activities</b>		<b>-4,195,784.81</b>		<b>-4,822,032.03</b>
<b>(B) Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(2,552,826.28)		0.00	
Increase in Work In Progress	(655,505.00)		0.00	
Sale of Fixed Assets	0.00		1,660,000.00	
(Increase)/ Decrease in loans & advances-LT			0.00	
(Purchase)/ Sale of Long Term Investments	-28,000.00		-10,000.00	
(Purchase)/ Sale of Other Non-Current Assets	0.00		0.00	
Interest Received	0.00		0.00	
<b>Net Cash used in Investing activities</b>		<b>(3,236,331.28)</b>		<b>1,650,000.00</b>
<b>(C) Cash Flow from Financing Activities</b>				
Proceeds/ (Repayment) of Long Term Borrowings	7,330,000.00		1,709,976.40	
Proceeds/ (Repayment) of Short Term Borrowings	45,838.09		2,366,972.16	
Proceeds/ (Repayment) of Govt Grants	0.00		0.00	
Proceeds/ (Repayment) of Shares Issued	1,526,000.00		0.00	
Finance Costs paid	-178,631.05		-109,049.85	
<b>Net Cash used in Financing activities</b>		<b>8,723,207.04</b>		<b>3,967,898.71</b>
<b>(D) Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>		<b>1,291,090.95</b>		<b>795,866.68</b>
Add: Cash & Cash Equivalents as at 01st April		1,008,498.32		212,631.64
<b>Cash &amp; Cash Equivalents as at 31st March</b>		<b>2,299,589.27</b>		<b>1,008,498.32</b>

**Notes:**

(a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statement. (0.00) (0.00)

(b) Cash and Cash Equivalents comprises of



	As at 31st March, 2021	(All figures in Rs.) As at 31st March, 2019
(a) Cash on hand	1,747,504.25	310,913.25
(b) Balances with Banks:		
(b) Balances with Banks:	552,085.02	697,585.07
(ii) Deposits with original maturity of less than 3 months	0.00	0.00
Cash and Cash Equivalents (Refer Note 15) in Cash Flow Statement	2,299,589.27	1008498.32

(c) Previous year's figures have been regrouped, wherever necessary.

As per our report of even date

For APJ & Associates  
Chartered Accountants  
(FRN : 124810W)

Ca Saurabh Khosla  
Partner  
M.No. 140199  
UDIN:  
Chandrapur  
15th November, 2021



For and on behalf of the Board  
Kanchani Farmer Producer Company Limited

*Nitin Tonge*

Nitin Tonge  
Director  
DIN:07404963



*Yashwant Sayare*

Yashwant Sayare  
Director  
DIN:07907596

<b>Notes on Financial Statements for the Year ended 31st March, 2021</b>			
<b>Notes</b>		<b>(Amount in Rs.)</b>	<b>(Amount in Rs.)</b>
<b>2</b>	<b>Share Capital</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
	<b>Authorised</b>		
	5000 Equity Shares of Rs. 1000each	5,000,000.00	5,000,000.00
		<b>5,000,000.00</b>	<b>5,000,000.00</b>
	<b>Issued, Subscribed and Paid up Capital</b>		
	1949 Equity Shares of Rs. 1000 each		1,949,000.00
	3475 Equity Shares of Rs.1000each	3,475,000.00	
	<b>Total</b>	<b>3,475,000.00</b>	<b>1,949,000.00</b>
<b>2.1</b>	<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the year</b>		
	<b>Equity Shares</b>	<b>As at 31st March 2021</b>	
		<b>No. Of Shares</b>	<b>Amount</b>
	At the beginning of the year	1,949.00	1,949,000.00
	Add: Issued during the year	1,526.00	1,526,000.00
	Outstanding at the end of the year	3,475.00	3,475,000.00
		<b>No. Of Shares</b>	<b>Amount</b>
		1,949.00	1,949,000.00
		-	-
		1,949.00	1,949,000.00
<b>2.2</b>	The details of shareholder holding more than 5% shares as at March 31,2021 is set out below:		
	<b>Name of the shareholder</b>	<b>No. of Shares</b>	<b>% held as at 31st March 2021</b>
			<b>% held as at 31st March 2020</b>
	NIL	NIL	
	<b>TOTAL :</b>	<b>0.00%</b>	<b>0.00%</b>
	# As per the records of the Company, including its register of members.		
<b>2.3</b>	<b>Right, Preferences and Restriction attached to shares:</b>		
	<b>Equity shares:</b>		
(a)	The company has only one class of Equity shares having a par value Rs. 1000/- per share. Each shareholder is eligible for one vote per share held. Each shareholder is entitled to dividend.		
(b)	In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.		
(c)	No bonus shares have been issued and no shares have been brought back by the company in immediately preceding 5 years.		
<b>3</b>	<b>Reserves And Surplus</b>	<b>(Amount in Rs.)</b>	<b>(Amount in Rs.)</b>
		<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
	<b>GENERAL RESERVE</b>		
	Opening Balance	(1,753,986.33)	(1,144,347.43)
	Add: Balance transferred from profit and loss statement	(1,559,156.95)	446,688.53
	Less: MAT Credit Fy 2019-20	(69,683.00)	69,683.00
	Less: Loss on sale of Capital Asset		(1,126,010.43)
	<b>Total</b>	<b>(3,382,826.28)</b>	<b>(1,753,986.33)</b>



4	<u>Long Term Borrowings</u>	(Amount in Rs.)		(Amount in Rs.)	
		As at 31st March 2021		As at 31st March 2020	
		Non-Current	Current	Non-Current	Current
	<u>Non Current Liabilities</u>				
	<b>SECURED</b>				
	(a) <u>From Financial Institutions:</u>				
	Mortgage Business Loans	-	-	-	-
	Vehicle Loans	-	-	-	-
	<b>UNSECURED</b>				
	(a) <u>From Banks:</u>				
	Personal Loans from Banks	-	-	-	-
	(b) <u>From Financial Institutions:</u>				
	Personal Loans from Fis	-	-	-	-
	(c) <u>Loans &amp; Advances from related parties</u>				
	Loans from Directors & Relatives	17,965,876.40		10,635,876.40	-
	<b>Total</b>	<b>17,965,876.40</b>		<b>10,635,876.40</b>	
5	<u>Deferred tax liabilities</u>				
	The company has recognised defferd Tax arising from timing difference between the taxable income and accounting income,that arises in one period and capable of reversable in one or more subsequent accounting period(s) in compliance with accounting standard(AS-22) Accounting For Taxes For Income.				
	The major components of Deffered Tax(liabilities)/assets arising on account of timing differences as at 31st March 2021 are as follows				
			(Amount in Rs.)	(Amount in Rs.)	
			As at 31st March 2021	As at 31st March 2020	
	<b>Deferred tax liabilities</b>				
	Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961		42,336.00	2,340.00	
	<b>Deferred tax assets</b>				
	Difference due to Preliminary Expenses amortised		0.00	-	
	<b>Net deferred tax (liability)</b>		42,336.00	2,340.00	
	Net deferred tax liability of earlier years		2,340.00	3,797.00	
	<b>Net deferred tax expense/ (income) for the year</b>		<b>39,996.00</b>	<b>(1,457.00)</b>	
6	<u>OTHER LONG TERM LIABILITIES</u>		(Amount in Rs.)	(Amount in Rs.)	
			As at 31st March 2021	As at 31st March 2020	
	Others		-	-	
	<b>Total</b>		-	-	
7	<u>Short term borrowings</u>		(Amount in Rs.)	(Amount in Rs.)	
			As at 31st March 2021	As at 31st March 2020	
	Borrowing From Samunnati Finance		2,412,810.25	2,366,972.16	
	<b>Total</b>		<b>2,412,810.25</b>	<b>2,366,972.16</b>	
7.1	Short Term Loan availed from Sammunati Financial Intermediation & Services Private Limited, Chennai against hypothication of stock and book debts.It carries rate of interest @14%p.a.				
7.2	Default in terms of repayment of principal and interest - NIL				



8	<b>Trade Payables</b>		
		(A)	
Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2020-21, to the extent Company has received intimation from the "Suppliers" regarding their status under the Act:-			
		(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2021	As at 31st March 2020
(i) Principal amount remaining unpaid (but within due date as per MSMED Act)		-	-
(ii) Interest due thereon remaining unpaid		-	-
(iii) Interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during the period		-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		-	-
(v) Interest accrued and remaining unpaid		-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises		-	-
(B)			
Total outstanding dues of creditors other than micro enterprises and small enterprises:			
Professional Fees		45,010.00	43,707.00
Trade Creditors		7224572.89	3,747,731.25
<b>Total</b>		<b>7,269,582.89</b>	<b>3,791,438.25</b>
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.			
9	<b>Other Current Liabilities</b>	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2021	As at 31st March 2020
Advance from Customers		1,450,500.00	-
Government Grant for Instruments to be distributed		6,332,850.00	
Excess Government grant refundable		56,000.00	
<b>Total</b>		<b>7,839,350.00</b>	<b>-</b>
10	<b>Short Term Provisions</b>	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2021	As at 31st March 2020
Audit Fees		41,625.00	43,500.00
Professional Fees		51,744.00	74,000.00
Statutory Remittances		34,139.00	38,357.89
Rent Payable		-	120,000.00
Salary Payable		-	77,275.00
GST Payable		-	576,328.88
Current Tax Expense		17,522.00	
<b>Total</b>		<b>145,030.00</b>	<b>929,461.77</b>



**KANCHANI FARMER PRODUCER COMPANY LIMITED, WARORA**  
**SCHEDULE OF FIXED ASSETS**  
**AS ON 31ST MARCH 2021**  
**Schedule-11**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	ORIGINAL COST OF ASSETS	ADDITIONS DURING THE YEAR	DEDUCTIONS	TOTAL AS ON 31.3.2021	AS ON 31.03.2020	FOR THE YEAR	DEDUCTIONS	AS ON 01.04.2020	AS ON 31.3.2021
Office Equipment	5,000.00	-	-	5,000.00	2,641.00	1,583.00	-	2,359.00	776.00
AC(old)									
Computer(old)	30,000.00	-	-	30,000.00	10,135.00	5,700.00	-	19,865.00	14,165.00
Internet Instrument	7,500.00	-	-	7,500.00	2,077.00	1,425.00	-	5,423.00	3,998.00
Printer	15,461.18	-	-	15,461.18	5,224.00	2,938.00	-	10,237.18	7,299.18
Telephone	1,208.00	-	-	1,208.00	359.00	230.00	-	849.00	619.00
<b>Furniture &amp; Fixtures</b>									
Chairs(New)	1,694.92	-	-	1,694.92	287.00	161.00	-	1,407.92	1,246.92
Chairs n Tables(old)	8,414.00	-	-	8,414.00	1,390.00	799.00	-	7,024.00	6,225.00
<b>Plant &amp; Machinery</b>									
Digital Moisture metr	4,225.00	-	-	4,225.00	410.00	282.00	-	3,815.00	3,533.00
Wooden Pata	6,450.00	-	-	6,450.00	595.00	426.00	-	5,855.00	5,429.00
Weging Machines	22,000.00	-	-	22,000.00	2,030.00	1,393.00	-	19,970.00	18,577.00
Bag Sewing Machine	-	18,923.28	-	18,923.28	-	970.00	-	-	17,953.28
Boiler instrument	-	21,627.00	-	21,627.00	-	1,006.00	-	-	20,621.00
Grinder Machine	-	7,790.00	-	7,790.00	-	362.00	-	-	7,428.00
Laser Land Leveler	-	675,000.00	-	675,000.00	-	13,417.00	-	-	661,583.00
MB Plough	-	9,804.00	-	9,804.00	-	456.00	-	-	9,348.00
Polisher	-	11,339.00	-	11,339.00	-	527.00	-	-	10,812.00
Power Weeder	-	15,114.00	-	15,114.00	-	703.00	-	-	14,411.00
Rotavator	-	9,804.00	-	9,804.00	-	456.00	-	-	9,348.00
Tractors	-	1,783,425.00	-	1,783,425.00	-	38,199.00	-	-	1,745,226.00
<b>Total</b>	<b>101,953.10</b>	<b>2,552,826.28</b>	<b>-</b>	<b>2,654,779.38</b>	<b>25,148.00</b>	<b>71,033.00</b>	<b>-</b>	<b>76,805.10</b>	<b>2,558,598.38</b>

9.1 The RTO Registration of Tractors are held in the name of directors though the invoice was raised in the name of the company & payment was routed from companies accounts.



12	<b>Non-Current Investments</b>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2021	As at 31st March 2020	
		Purchase of Shares	59,000.00	31,000.00
		<b>Total</b>	<b>59,000.00</b>	<b>31,000.00</b>
13	<b>INVENTORIES:</b> (As taken, valued and certified by the Management)	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2021	As at 31st March 2020	
		Stock of Finished Goods	13,390,748.51	2,896,768.32
		<b>Total</b>	<b>13,390,748.51</b>	<b>2,896,768.32</b>
14	<b>Trade Receivables:</b>  (Unsecured considered Good) Over Six Months Debts Below Six Months Debts  (Unsecured considered Doubtfull) Over Six Months Debts Provison for Bad Debts @25%	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2021	As at 31st March 2020	
		453,337.86	10,135,378.63	
		4,193,338.79	3,688,875.88	
		9,940,788.22	-	
		2,485,197.00	-	
<b>Total</b>	<b>12,102,267.88</b>	<b>13,824,254.51</b>		
15	<b>Cash and Cash Equivalent:</b>  <b>Balances with Banks</b> <i>In Current Accounts</i> Bank Of India HDFC Bank SBI Warora <b>Cash in Hand</b>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2021	As at 31st March 2020	
		-	697,585.07	
		9,898.26		
		277,950.11		
		264,236.65		
1,747,504.25	310,913.25			
<b>Total</b>	<b>2,299,589.27</b>	<b>1,008,498.32</b>		
16	<b>Short Term Loan and advances</b>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2021	As at 31st March 2020	
		Advance for Seeds and Fertilizers	2,045,400.00	-
		Excess amount paid to supplier	1,339.25	-
Deposit	13,500.00	3,500.00		
<b>Total</b>	<b>2,060,239.25</b>	<b>3,500.00</b>		
17	<b>Other Current Asset</b>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2021	As at 31st March 2020	
		MAT credit	-	69,683.00
		GST Credit	2,628,396.98	-
		TCS	4,914.00	-
		Excess IT Tax Paid FY 2018-19	7,900.00	-
Other	-	10,593.00		
<b>Total</b>	<b>2,641,210.98</b>	<b>80,276.00</b>		



18	<b>Misc. Expenditure to the Extent Not Written off</b> (To the extent not written off or adjusted As per Last Balance Sheet) Opening Balance Add: Amount Incurred Less: Amount Written off during the year  <b>Total</b>	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2021	As at 31st March 2020
		-	-
		-	-
19	<b>REVENUE FROM OPERATIONS</b>  <b>(a) Sale of Products:</b>  <b>Trading Goods</b> Commodities(Chana,Toor,Soyabean) Agricultural Instruments Pesticides,Seeds and Fertilizers  <b>Total Sale of Products</b>  <b>(b) Other Operating Income</b>  <b>Total</b>	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2021	As at 31st March 2020
		72,705,379.50 18,513,000.00 7,305,140.74  98,523,520.24	32,372,859.65    32,372,859.65
		-	-
20	<b>Other Income</b>  Commission Income From NAFED Discount Received on purchases Round off  <b>Total</b>	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2021	As at 31st March 2020
		782,893.38 1,339,927.00 46.19	234,811.76 - -
		2,122,866.57	234,811.76
21	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WIP &amp; STOCK-IN-TRADE</b>  <b>Stock at the beginning of the year</b>  <b>Trading Goods:</b> Commodities(Chana,Toor,Soyabean) Agricultural Instruments Pesticides,Seeds and Fertilizers  <b>Total (A)</b>  <b>Stock at the end of the year</b> Trading Goods: Commodities(Chana,Toor,Soyabean) Agricultural Instruments Pesticides,Seeds and Fertilizers  <b>Total (B)</b>  <b>CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS &amp; STOCK-IN-TRADE (A - B)</b>	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2021	As at 31st March 2020
		0.00  2,896,768.32  <b>2,896,768.32</b>	0.00  459,778.36  <b>459,778.36</b>
		4,487,406.11 8,161,500.00 741,842.40  <b>13,390,748.51</b>	2,896,768.32    <b>2,896,768.32</b>
		(10,493,980.19)	(2,436,989.96)



22	<b>Employee/Labour Benefit Expenses Finance Cost</b>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2021	As at 31st March 2020	
		Salary	936,000.00	805,005.00
		Other Allowances	-	-
		Bank Charges	33,634.68	44,848.57
	Interest on Bank Loan	144,996.37	64,201.28	
	<b>Total</b>	<b>1,114,631.05</b>	<b>914,054.85</b>	
23	<b>Depreciation &amp; Amortisation Expense</b>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2021	As at 31st March 2020	
		Tangible Asset	71,033.00	15,743.00
			<b>71,033.00</b>	<b>15,743.00</b>
24	<b>Other Expenses</b>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2021	As at 31st March 2020	
		Accounting Charges	66,000.00	30,000.00
		Advertisement Charges	8,400.00	-
		Auditors' Remuneration	45,000.00	30,000.00
		Bardana Expenses	913,437.50	-
		Discount Allowed	988,080.00	-
		Commission	116,264.59	266,699.32
		General Expenses	30,823.00	116,651.70
		GST Late Fees	-	-
		Interest on Professional Tax & TDS	3,296.00	9,798.00
		Interest U/s 234 A,B,C	19,846.00	-
		Insurance	26,190.00	-
		Loading & Unloading Charges	28,428.00	3,334.98
		Office Expenses	6,445.40	-
		Printing & stationery	34,363.00	15,236.00
		Professional Fees	68,000.00	229,900.00
		Professional Tax	2,500.00	2,500.00
		Provision for Bad & Doubtful Debt	2,485,197.00	-
		Repair and Maintenance	81,644.62	-
		Security Service Charges	51,000.00	-
		Telephone Charges	6,395.00	-
		Travelling Expenses	101,332.00	-
		Transportation Charges	18,730.00	-
		Rent	97,500.00	84,168.00
		Statutory Remittances(Market Fees)	192,689.86	171,121.92
		Warehouse Exp	10,000.00	-
	<b>Total</b>	<b>5,401,561.97</b>	<b>959,409.92</b>	
24.1	<b>Auditor's Remuneration:</b>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2021	As at 31st March 2020	
		Statutory Audit Fee	25,000.00	15,000.00
		Tax Audit Fee	20,000.00	15,000.00
		<b>TOTAL</b>	<b>45,000.00</b>	<b>30,000.00</b>



25	<b>Basic and Diluted Earning Per Share</b>			
			As at 31st March 2021	As at 31st March 2020
	Basic Earnings Per Share			
	Net Profit after tax	(A)	(1,559,156.95)	446,688.53
Weighted average number of equity shares (Nos.)	(B)	3,475.00	1,949.00	
Basic and Diluted Earnings Per Share of face value of Rs.1000/- each	(A) / (B)	(448.68)	229.19	
Diluted Earnings Per Share of face	(A) / (B)			
26	<b>Related Party disclosures:</b>			
As per Accounting Standard - 18, the disclosure of transactions with the related parties are given below:				
<b>A. Related Parties</b>				
		<b>Name</b>	<b>Designation</b>	
		Baliram K. Dongarkar	Director	
		Dr. Sudhir Matte	Director	
		Hiralal Bhagele	Director	
		Nitin Tonge	Director	
		Shailesh S. Naxine	Director	
		Shriram Uppanlawar	Director	
		Yashwant Sayare	Director	
		Balaji Dhobe	CEO	
		Krupali Panchbhai	Director	
		Asha Sambaji Sayare	Director	
		Anup Dattatraya	Director	
		Mayur Manohar Paunkar	Director	
		Sanjay Uddhaorao Dhawas	Director	
		Ajay Pode	Director Relative	
		Akshay Wandhare	Director Relative	
		Ananta Sayare	Director Relative	
		Waman Rao Podey	Director Relative	
		Dasrath Wandhare	Director Relative	
		Naresh Tonge	Director Relative	
		Omkar Tonge	Director Relative	
		Pandurang Dongarkar	Director Relative	
		Shankar Dhobe	Director Relative	
<b>(b) Transactions during the period:</b>				
(All figures in Rs.)				
<b>Nature of Transaction</b>		<b>Designation</b>	<b>20-21</b>	<b>19-20</b>
<b>Salary paid to CEO:</b>				
Balaji Dhobe		CEO	480,000.00	480,000.00
Total			480,000.00	480,000.00
<b>Transactions with Directors &amp; Relatives:</b>				
<b>Purchases Of Commodities/ Instruments/Pesticides/Fertilizers</b>				
Baliram K Dongarkar		Director	330,348.80	213,090.00
Nitin Tonge		Director	183,804.00	218,550.00
Dr.Sudhir Matte		Director		300,000.00
Pandurang Dongarkar		Relative	129,088.00	-
Shailesh Naxine		Director		10,898.00
Shriram Uppanlawar		Director	234,657.50	-
Y.S.Sayare		Director	38,237.50	195,000.00
Shankar Dhobe		Relative	126,540.00	-
Ajay Dhobe		Relative	15,606.20	-
Ashok Dhobe		Relative	201,737.50	-
Ramesh Dhobe		Relative	306,507.50	-
			<b>1,566,527.00</b>	<b>937,538.00</b>
<b>Instruments/Pesticides/Fertilizers</b>				
Baliram K Dongarkar		Director	158,500.00	-
Pandurang Dongarkar		Relative	140,000.00	-
Shriram Uppanlawar		Director	140,000.00	-
Shankar Dhobe		Relative	10,150.00	-
Ashok Dongarkar		Relative	70,000.00	-
			<b>518,650.00</b>	
<b>Interest paid to Directors &amp; Relatives:</b>				
			-	-



<u>(c) Balances outstanding:</u>		(All figures in Rs.)	
<u>Nature of Transaction</u>	<u>Designation</u>	<u>As at 31.03.2021</u>	<u>As at 31.03.2020</u>
<b><u>Trade Payables:</u></b>			
Baliram K Dongarkar	Director	-	65,190.00
Dr.Sudhir Matte	Director	-	300,000.00
Hiralal Bhagele	Director	-	180,000.00
Nitin Tonge	Director	-	318,550.00
Shailesh S. Naxine	Director	-	30,000.00
Y.S.Sayare	Director	-	375,000.00
			<b>1,268,740.00</b>
<b><u>Trade Recivable:</u></b>			
		-	-
<b><u>Long Term Borrowings:</u></b>			
Anup Wasade Loan	Director	3,160,000.00	1,760,000.00
Asha Sayare Loan	Director	1,190,000.00	890,000.00
Baliram Dongarkar Loan	Director	4,020,000.00	3,020,000.00
Dr. Sudhir Matte Loan	Director	750,000.00	50,000.00
Hiralal Baghele Loan	Director	790,000.00	610,000.00
Krupali Pachbhai Loan	Director	300,000.00	300,000.00
Mayur Paunkar Loan	Director	1,500,000.00	
Nitin Tonge Loan	Director	1,009,976.40	1,009,976.40
Ritesh Bhate Loan	Director	1,750,000.00	750,000.00
Sanjay Dhawas Loan	Director	1,500,000.00	
Shriram Upganlawar Loan	Director	540,000.00	640,000.00
Yeshwant Sayare Loan	Director	1,455,900.00	1,605,900.00
		<b>17,965,876.40</b>	<b>10,635,876.40</b>
<b><u>Salary Payable:</u></b>			
Balaji Dhobe	CEO	-	39,800.00
		=	<b>39,800.00</b>
<b><u>Advances given:</u></b>			
		-	-
		-	-

27 The previous year's figures have been re-grouped/ re-classified wherever necessary to correspond with the current year's classification/ disclosure.

Significant Accounting Policies & Notes on Accounts are an integral part of the financial statements.

As per our report of even date  
For APJ & Associates  
Chartered Accountants  
(FRN : 124810W)

Ca Saurabh Khosla  
Partner  
M.NO. 140199  
UDIN:21140199AAAADV1949  
Place:Chandrapur  
Date :15th November,2021



For and on behalf of the Board of Directors  
Kanchani Farmer Producer Company Limited

  
Nitin Tonge  
Director  
DIN:07404963

  
Yashwant Sayare  
Director  
DIN:07907596



## Notes on Financial Statements for the year ended 31st March, 2021

### OVERVIEW:

Kanchani Farmer Producer Company Ltd is a Producer Company incorporated under the provisions of the Companies Act 1956. It seeks in terms of its Memorandum of Association, inter alia, deal in various types of agricultural products.

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Basis of Preparation of Financial Statements

**(a) Basis of Accounting:**

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the company, except stated otherwise.

**(b) Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amount of income and expenses during the period. Difference between the actual and estimated amount is recognised in the year the actual results are known/materialized.

**(c) Current/ Non-Current Classification:**

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

- i) It is expected to be realized or settled or is intended for sale or consumption in the company's normal operating cycle which has been ascertained as twelve months
- ii) In case of an asset,
  - It is held primarily for the purpose of being traded; or
  - It is cash or cash equivalent, unless it is restricted from being exchanged or used to settle liability for at least twelve months from the reporting date.
- iii) In case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

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



## 1.2 Revenue Recognition

- (a) Revenue from sale of goods is recognised net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer viz. issuance of sale invoice and delivery of goods to the buyer. Sale of goods is recognised net of goods and service tax (GST).

## 1.3 Fixed Assets

### (a) Tangible Fixed Assets:

Tangible assets except Grinder Machine, Laser Land Leveler, MB Plough, Polisher, Rotavator and tractors are stated at cost less accumulated depreciation and net of impairment if any.

The cost of fixed asset includes cost of acquisition and all expenses incurred for acquisition and installation.

Grinder Machine, Laser Land Leveler, MB Plough, Polisher, Rotavator and tractors are stated at cost less Government grant received less accumulated depreciation

### (b) Depreciation and Amortisation:

Depreciation on all fixed assets Straight Line Method on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013.

### (c) Impairment:

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The depreciation is charged on residual value after adjustment of impairment loss.

## 1.4 Inventories

All items of Inventories are measured at lower of cost or estimated net realisable value after providing for obsolescence, if any. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.

## 1.5 Investments

Long term investments relates to the purchase of shares in other producer companies and federations which are shown at the price at which they are purchased.

## 1.6 Trade Receivables:

No confirmations were received from the individual debtor/s parties. Adequate provision is made for debts considered doubtful.



## **1.7 Employee Benefits**

### **Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service.

## **1.8 Indirect Taxes**

- (a) Goods and Service Tax (GST) is accounted separately and not included in sales, purchases and expenses.

## **1.9 Taxation**

- (a) Provision has been made for both current tax and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

## **1.10 Provisions & Contingencies**

The company creates a provision when there exists a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

## **1.11 Trade Payable:**

Balance Confirmations and/or the transactions are not available from all the creditors concerned.

## **1.12 Short Term Borrowings:**

The company has taken short term loan from Samunnati Financial Intermediation & Services Private Limited for meeting temporary requirement of fund, for running the Business activities. The closing balance of short term loan is as certified by the management.

## **1.13 Cash and Cash Equivalents:**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances.

The company's management has provided a management certificate for certifying closing cash balance.

Bank balances are subject to confirmation and/or reconciliation. Entries in bank book are Made as per bank statements furnished.

## **1.14 Issue of Shares:**

During the year the Company has issued 1526 Equity shares of Rs 1000/- each in cash.

