

INDEPENDENT AUDITOR'S REPORT

To the Members of

Kanchani Farmer Producer Company Limited, Warora.

Report on the Audit of the Standalone 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, 2020, 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, 2020, the profit 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.

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

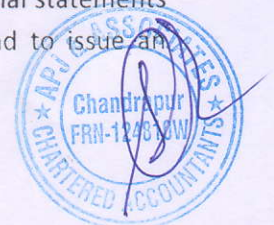
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 does not have any pending litigations which would impact its financial position;
 - 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.1,38,24,254 out of which Rs 1,01,35,378.63 are outstanding for more than 6 months. None of the above are considered doubtful. No provision has been made in the accounts for the same.
 - b) The Cash/Bank balances and securities, if any, could not be physically verified.
 - c) The balances of debtors, creditors, purchases are subject to reconciliation and confirmation.
 - 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 I. KHOSLA

Partner

(M. No. 140199)



UDIN:20140199AAAADC1070

Date: 21.09.2020

Place: Chandrapur

KANCHANI FARMER PRODUCER COMPANY LIMITED, WARORA

Balance Sheet as on 31/03/2020

Figures in Rupees, except as otherwise stated

Particulars	Schedule No.	Amount in Rs. as at 31/03/2020	Amount in Rs. as at 31/03/2019
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	1,949,000.00	1,949,000.00
(b) Reserves and Surplus	2	(1,753,986.33)	(1,144,347.43)
(c) Money Received Against Share Warrants			
(2) Share Application Money Pending Allotment			
(3) Non Current Liabilities			
(a) Long-term Borrowings	3	10,635,876.40	8,925,900.00
(b) Deferred Tax Liabilities (Net)	4	2,340.00	3,797.00
(c) Other Long Term Liabilities		-	-
(d) Long-term Provisions		-	-
(4) Current Liabilities			
(a) Short-term Borrowings	5	2,366,972.16	-
(b) Trade Payables	6	3,791,438.25	20,756,703.17
(c) Short-term Provisions	7	929,461.77	1,607,411.72
(d) Other Current Liabilities	8	-	-
Total		17,921,102.25	32,098,464.46
II. ASSETS			
(1) Non Current Assets			
Fixed Assets			
a) Tangible Assets	9	76,805.10	2,664,519.10
b) Intangible		-	214,039.43
c) Building WIP		-	-
(2) Investments	10	31,000.00	21,000.00
(3) Current Assets			
(a) Current Investment		-	-
(b) Inventories	11	2,896,768.32	459,778.36
(c) Trade Receivables	12	13,824,254.51	28,487,402.93
(d) Cash and Cash Equivalent	13	1,008,498.32	212,631.64
(e) Short-term Loan and Advances	14	3,500.00	28,500.00
(f) Other Current Assets	15	80,276.00	10,593.00
(4) Misc. Expenditure to the Extent Not Written Off	16	-	-
Total		17,921,102.25	32,098,464.46

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

In terms of our report attached.

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

SAURABH I.KHOSLA
Partner

M.No.140199

UDIN:20140199AAAADC1070

Place : Chandrapur

Date : 21.09.2020

For and on behalf of the Board of Directors

Kanchani Farmer Producer Company Limited

Nitin Tonge
Director

DIN:07404963

Yashwant Sayare
Director

DIN:07907596

KANCHANI FARMER PRODUCER COMPANY LIMITED, WARORA
Profit and Loss Statement for the Period ended on 31st March 2020

Figures in Rupees, except as otherwise stated

Particulars	Schedule No.	Amount In Rs. as on 31/03/2020	Amount In Rs. as on 31/03/2019
I. Revenue from Operations		32,372,859.65	54,240,332.24
II. Other Income	17	234,811.76	20,359.40
III. Total Revenue (I+II)		32,607,671.41	54,260,691.64
IV. <u>Expenses:</u>			
Cost of Material Consumed :			
Opening stock		459,778.36	-
Purchases		32,710,222.07	52,795,323.97
Closing stock		2,896,768.32	459,778.36
		30,273,232.11	52,335,545.61
Employee Benefit Expenses	18	805,005.00	422,775.00
Finance Cost	19	109,049.85	1,300.74
Depreciation & Amortisation	20	15,743.00	12,549.00
Other Expense	21	959,409.92	2,429,748.19
Preliminary Expenditure Written off	16	-	-
		1,889,207.77	2,866,372.93
Total Expenses		32,162,439.88	55,201,918.54
V. Profit before exceptional and extraordinary items and tax (III-IV)		445,231.53	(941,226.90)
VI. Profit before exceptional and extraordinary items and tax (III-IV)		445,231.53	(941,226.90)
VII Tax expense			
a) Current Year		-	-
b)Deferred Tax		(1,457.00)	3,797.00
VIII. Profit for the year		446,688.53	(945,023.90)
Earning per equity share of face value of Rs. 10 each : Basic & Diluted (in Rs)	22	59.56	-126.00
Significant Accounting Policies Notes Forming Part of Financial Statements			

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

In terms of our report attached.
 For APJ & ASSOCIATES
 Chartered Accountants
 (FRN : 124810W)

SAURABH I.KHOSLA
 Partner
 M.NO. 140199
 UDIN:20140199AAAADC1070
 Place :Chandrapur



For and on behalf of the Board of Directors
 Kanchani Farmer producer company Limited



Nitin Tonge
 Director
 DIN:07404963

Yashwant Sayare
 Director
 DIN:07907596

MAHARAJA FARMER PRODUCER COMPANY LIMITED, WARORA

Schedules		(Amount in Rs.)	(Amount in Rs.)
1	Share Capital	As at 31st March 2020	As at 31st March 2019
	Authorised 5,000 Equity Shares of Rs. 1000 each	5,000,000.00	5,000,000.00
	Issued, Subscribed and Paid up Capital 1949 Equity Shares of Rs.1000 each	5,000,000.00	5,000,000.00
		1,949,000.00	1,949,000.00
	Total	1,949,000.00	1,949,000.00

The Company has only one class of shares referred to as equity shares having a par value of 10/-.
Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

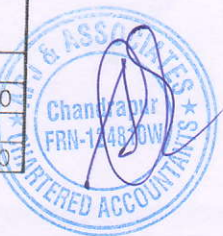
The details of shareholder holding more than 5% shares as at March 31, 2019 and as at 31st March 2018 is set out below:

Name of the shareholders	No. of Shares	% held as at 31st March 2020	% held as at 31st March 2019
TOTAL :	0	0.00%	0.00%

2	Reserves And Surplus	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2020	As at 31st March 2019
	GENERAL RESERVE		
	Opening Balance	(1,144,347.43)	(199,324.00)
	Add: Bal trf from CY profit and loss statement	446,688.53	(945,023.43)
	Add: MAT Credit	69,683.00	
	Less: Loss on sale of Capital Asset	(1,126,010.43)	
	Total	(1,753,986.33)	(1,144,347.43)

3	Non Current Liabilities	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2020	As at 31st March 2019
	Long Term Borrowings		
	Loan From Directors	10,635,876.40	8,925,900.00
	Total	10,635,876.40	8,925,900.00

4	DEFERRED TAX LIABILITY (NET)/ASSET	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2020	As at 31st March 2019
	The major components of Deferred Tax(liabilities)/assets arising on account of timing differences as at 31st March 2019 are in compliance with accounting standard (AS-22) Accounting For Taxes For Income as follows:		
	Deferred tax liabilities		
	Difference between written down value of fixed assets as per the books of accounts and Income Tax Act, 1961	2,340.00	3,797.00
	Deferred tax assets		
	Difference due to Preliminary Expenses amortised	-	-
	Net deferred tax (liability)	2,340.00	3,797.00
	Net deferred tax liability of earlier years	3,797.00	-
	Net deferred tax expense/ (income) for the year	(1,457.00)	3,797.00



5	<u>Short Term Borrowings</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Borrowing From Samunati Finance	2,366,972.16	-
		Total	2,366,972.16	-
6	<u>Trade Payable</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Sundry Creditors & other Credit Balances Due to Others	3,791,438.25	20,756,703.17
			0.00	0.00
	Total	3,791,438.25	20,756,703.17	
7	<u>Short Term Provisions</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Payable For Expenses	314,775.00	198,500.00
		Statutory Remittances	614,686.77	1,408,911.72
	Total	929,461.77	1,607,411.72	
8	<u>Other Current Liabilities</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Advances From Customers	-	-
			-	-
10	<u>Investments</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Purchase of Shares	31,000.00	21,000.00
		Total	31,000.00	21,000.00
11	<u>INVENTORIES:</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Particulars (Valued at lower cost and net realisable value and Certified by the management)		
		Stock in Trade	2,896,768.32	459,778.36
	Total	2,896,768.32	459,778.36	
12	<u>Trade Receivables</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		(Unsecured considered Good)		
		Over Six Months Debts	10,135,378.63	
	Below Six Months Debts	3,688,875.88	28,487,402.93	
	Other Debts	-	-	
	Total	13,824,254.51	28,487,402.93	



13	<u>Cash and Cash Equivalent</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Cash & Cash Equivalents : Balances with Banks - In Current Accounts	697,585.07	207,364.64
		Cash in Hand	310,913.25	5,267.00
	Total	1,008,498.32	212,631.64	
14	<u>Short term loans & Advances</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Advance & Deposit	3,500.00	28,500.00
		Other Debit Balances	0.00	0.00
	Total	3,500.00	28,500.00	
15	<u>Other Current Assets</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Secured Advances	-	-
		MAT Credit	69,683.00	-
	Other Receivables	10,593.00	10,593.00	
	Total	80,276.00	10,593.00	
16	<u>Misc. Expenditure to the Extent Not Written off</u> (To the extent not written off or adjusted As per Last Balance Sheet)	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Opening Balance	-	-
		Add: Amount Incurred	-	-
	Less: Amount Written off during the year	-	-	
	Total	-	-	
17	<u>Other Income</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Other Income	234,811.76	20,359.40
		Total	234,811.76	20,359.40
18	<u>Employee/Labour Benefit Expenses</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Salary	805,005.00	422,775.00
		Other Allowances	0.00	0.00
	Total	805,005.00	422,775.00	
19	<u>Finance Cost</u>	(Amount in Rs.)	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019	
		Bank Charges	44,848.57	1,300.74
		Interest on Bank Loan	64,201.28	0.00
	Total	109,049.85	1,300.74	



20	<u>Depreciation & Amortization Expenses</u>	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2020	As at 31st March 2019
	Tangible Assest	15,743.00	12,549.00
	Total	15,743.00	12,549.00
21	<u>Other Expenses</u>	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March 2020	As at 31st March 2019
	Accounting Charges	30,000.00	6,000.00
	Advisory Fees	-	-
	Auditors' Remuneration	30,000.00	45,000.00
	Commission	266,699.32	483,910.63
	Consultancy Fees	-	-
	General Expenses	116,651.70	144,138.61
	Interest on Professional Tax & TDS	9,798.00	376.00
	Loading & Unloading Charges	3,334.98	149,695.32
	Office Expenses	-	21,520.00
	Printing & stationery	15,236.00	11,226.00
	Professional Fees	229,900.00	455,590.00
	Profesional Tax	2,500.00	5,000.00
	Travelling Expenses	-	263,831.00
	Transportation Charges	-	97,532.00
	Rent	84,168.00	69,062.00
	Shortage in Transport	-	15,981.00
	Statutory Remittances	171,121.92	601,957.63
	Quality Deduction	-	58,928.00
	Total	959,409.92	2,429,748.19
22	<u>Basic and Diluted Earning Per Share</u>	As at 31st March 2020	As at 31st March 2019
	Basic Earnings Per Share		
	Net Profit after tax (A)	446,688.53	(945,023.90)
	Weighted average number of equity shares (Nos.) (B)	7,500	7,500
	Basic and Diluted Earnings Per Share of face value of Rs.10/- each (A) / (B)	59.56	(126.00)

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

In terms of our report attached.

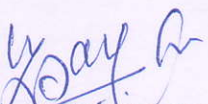
For APJ & Associates
Chartered Accountants
(FRN :124810 W)


SAURABH I. KHOSLA
Partner
M.No.140199
Place:Chandrapur
Date:21.09.2020



For and on behalf of the Board of Directors
Kanchani farmer producer Company Limited


Nithin Tonge
Director
DIN:07404963


Yashwant Sayare
Director
DIN:07907596

KANCHANI FARMER PRODUCER COMPANY LIMITED, WARORA

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31/03/2020

NOTE A : CORPORATE INFORMATION:

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 B: SIGNIFICANT ACCOUNTING POLICIES

i. Basis for preparation of Accounts:

The financial statements have been prepared under historical cost conventions and on accrual basis of accounting and comply with accounting standards issued by the Institute of Chartered Accountants of India (ICAI).

The financial Statement has been prepared for the period ended as on 31st March 2020.

ii Revenue & Expenses:

Revenues are the receipts generated from the sale of primary agriculture produce. Expenses are recorded on accrual basis, except in case of significant uncertainty. Provisions are made for all known expenses, losses and liabilities. Depreciation on assets is provided on Straight Line Method (SLM) method on the basis of useful lives of assets as specified in Schedule II to the Companies Act 2013.

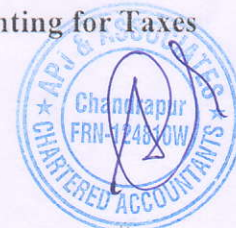
iii Fixed Asset:

Fixed assets are stated at original cost of assets less depreciation till date. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

iv Taxes on Income:-

The deferred tax for timing difference between book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred tax assets have not been recognized as a matter of conservative accounting policy, because it is not probable that future taxable profit will be available against which the deferred tax asset can be recovered. However, Deferred tax liability arising on account of timing differences as at 31st March 2020 are in compliance with accounting standard(AS-22) Accounting for Taxes for Income



v. **Earning Per Share:**

Basic earnings per share are calculated by dividing the net income or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

- a) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

vi. **Provisions:**

A provision is recognized when the company has present obligations as a result of past Event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

NOTE C: NOTES ON ACCOUNTS:

1. **Share Capital:**

The authorized capital of the company is 50,00,000 comprising 5,000 equity shares of Rs.1000 each. the total of 1949 such equity shares of Rs.1000 each are issued, subscribed and paid up as at 31.03.2020.

2. **Reserves & Surplus:**

The net debit in the General Reserve is Rs 18,38,670.33 which includes the current year revenue profit of Rs 4,31,678.53 and capital loss of Rs.11,26,010.43 against sale of Land.

3. **Non-current Liabilities:**

The company has long term borrowings from directors of Rs.1,06,35,876.40.

4. **Short Term Borrowings:**

It includes Cash Credit Limit taken from Samunnati Financial Intermediation & Services Private Limited for meeting temporary requirement of fund for running the business activities.

5. **Short term Provisions:**

Comprise amounts payable as detailed in the schedule towards amounts payable /remaining unpaid at the balance sheet date, but accounted for on accrual basis.

6. **Investment:**

Investment relates to the purchase of shares in other producer companies.

7. **Cash & Cash equivalents:**

Comprises cash and bank balances as detailed therein.



Cash balances are taken as per books of accounts but the same has not been physically verified by the auditor. The company's management has however provided a management certificate for the same.

Entries in bank book are made as per bank statements furnished.

8. Current Assets:

Current Assets include Cash and Bank Balances, Deposits, Inventories, Trade Receivables, Short term loans and Advances.

9. Closing Stock:

Closing Inventories of the company are as per the stock register maintained by the management

10. Other Current Asstes:

Comprises of excess amount paid and the MAT Credit arrived in the year 2019-20.

11. Other Income & Revenue from Operations:

Sales values are based upon the sales bills and inventory records

Other income includes Rs.2,34,811.76 arrived by reversal of excess provision for cess made in the F.Y 2018-19.

12. Payment To Auditors :

Auditors Remuneration	2019-20
Stautory Audit Fees	15,000
Income-Tax Audit Fees	15,000
Total	30,000

13. Related Party Disclosure:

As per the Accounting Standard 18 on related party disclosure issued by the Institute of Chartered Accountants of India, the nature and volume of the transactions carried out with the related parties are as follows.

Names of Related parties	Relationship
Shri.Baliram K. Dongarkar Shri. Sudhir Matte Shri.Hiralal Bhagele Shri.Nitin Tonge Shri.Shaillesh S. Naxine Shri.Shriram Urganlawar Shri.Yashwant Sayare Shri.Balaji Dhobe Shri.Krupali Panchbhai Shri.Asha Sambaji Sayare Shri.Anup Dattatraya Wasade	Key Management Personnel



Shri.Ajay Poda Shri Akshay Wandhare Shri Ananta Sayare Shri Waman Rao Poday Shri Dasrath Wandhare Shri Naresh Tonge Shri Omkar Tonge Shri Pandurang Dongarkar	Relatives of Key Management Personnel
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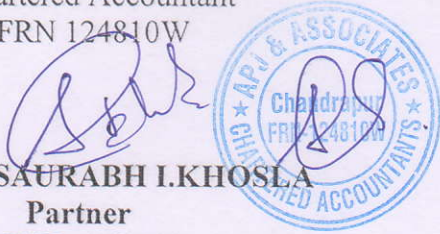
A. Transaction during the period:

Particulars	Opening	Transaction during the year	Closing
Salary To CEO	-	4,80,000	39,800
Purchases From Related Parties	18,85,092	9,37,538	12,68,740

For APJ & Associates
Chartered Accountant
FRN 124810W

CA SAURABH LKHOSLA
Partner
M.No.140199

UDIN: 20140199AAAADC1070



For Kanchani Farmer Producer Company Ltd
By order of the Board of Directors

NITIN TONGE
Director
DIN:07404963

YASHWANT SAYARE
Director
DIN:07907596



Date:21.09.2020
Place:Chandrapur