

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of VNF FARMER PRODUCER COMPANY LIMITED**

**Report on the Audit of Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of **VNF FARMER PRODUCER COMPANY LIMITED**, which comprise the Balance Sheet as at March 31, 2025 and the Statement of Profit and Loss for the period then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its Loss for the period ended on that date.

### **Basis for opinion**

We conducted our audit 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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 auditors' 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 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 Financial Statements**

The Company's board of directors are 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 and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; Information other than the financial statements and auditors' report thereon 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 statement 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 also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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

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

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


### **1 As required by the Companies (Auditor's Report) Order, 2020 "Annexure A"**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

### **2 As required by Section 143(3) of the Act, we report that:**

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, the company is exempt from getting an audit opinion on internal financial control.
- (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, in our opinion and to the best of our information and according to the explanations given to us: Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;

- 1) The Company has disclosed details regarding pending litigations in note 28 of financial statements, which would impact its financial position.
- 2) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 4) (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(ii) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- 5) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013. h) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the limit prescribed by section 197 for maximum permissible managerial remuneration is not applicable to a private limited company.



**RAJENDRA KISAN SATPUTE**  
Chartered Accountants  
M.No.135221  
Place: Pune  
Date: 01/09/2025

UDIN NO-25135221BMJRTG6341

**VNF FARMER PRODUCER COMPANY LIMITED**

**Notes to the Financial Statement for the year ended 31 March, 2025**

**SIGNIFICANT ACCOUNTING POLICIES**

**1.1. Basis of preparation of financial statements**

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis. The GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified), Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**1.2. Use of Estimates**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made

**1.3. Revenue Recognition**

Mercantile method of accounting is employed unless otherwise specifically stated elsewhere in the notes. However where the amount is immaterial/negligible and/or where the establishment of accrual/determination of amount is not possible no entries are passed for such accrual.

**1.5. Tangible Assets (There is no Tangible Assets)**

Fixed assets are carried at the cost less accumulated depreciation. The cost of fixed assets comprises of its purchase price and other costs attributable to bringing such assets to its working condition for its intended use.

### **1.6. Intangible Assets (There is no Intangible Assets)**

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment.

### **1.7. Depreciation And Amortization (There is no Depreciation And Amortization)**

Depreciation on tangible assets is provided on the Written Down Value method over the useful lives of assets as per Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a systematic basis, commencing from the date the asset is available to the Company for its use. The useful lives for the other fixed assets are as follows:

<b>PARTICULARS</b>	<b>USEFUL LIFE</b>
<b>CCTV Camera</b>	NA
<b>Inverter</b>	NA
<b>Printer</b>	NA
<b>Computer System</b>	NA

### **1.8. Accounting for Taxes on Income (NA since there is no income so no effect of income tax act given)**

Current Income Tax is determined as per the Income Tax Act, 1961 on the taxable income for the year.

Deferred Tax on timing differences between taxable income & accounting income is accounted on the basis of the provisions of Income Tax Act, 1961 that have been enacted or substantively enacted by the Balance Sheet date.

### **1.9. Earnings/ (Loss) Per Share (N A since there is no income so no provision is made as per AS 20 Of Indian Accounting Standards issued by ICAI)**

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

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 dilutive potential equity shares.

### **1.10. Cash and Cash Equivalent**

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents

### **1.11. Cash Flow Statement (N A since it is Small scale company As per as AS 03 Of Indian Accounting Standards issued by ICAI)**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## **2.0 Notes to Accounts**

### **2.1. PAYMENT TO AUDITORS:**

<b>PARTICULARS</b>	<b>2024-2025</b>
<b>Audit Fees (Including Service Tax)</b>	-
<b>Tax Audit Fees(Including Service Tax)</b>	-
<b>TOTAL</b>	-

### **2.2. DEFERRED TAX (NA Since there is no Timing Difference in income as per Income tax Act 1961 & Company Act 2013)**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

DTA Due to Unabsorbed depreciation and Unabsorbed Losses will be recognized only when there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### 2.3. Related Party Transactions:

#### a) Key Management Personnel

1) **PRIYANKA SANTOSH SHITOLE**

2) **KIRAN SURESH OVHAL**

Relatives of Key Management Personnel and their Enterprises where transactions have taken place:

Transactions carried out with related parties referred in 2.3 above, in ordinary course of business:

Nature of Transactions	Related Parties	
	Referred in 2.3 (a) above	Referred in 2.3 (b) above
<b>EXPENSES</b>		-
Interest Paid		-
<b>OUTSTANDING</b>		-
Unsecured Loan		-

2.4. Balance under the head Sundry Receivable, Bank Balances, Deposits, Advance to parties and sundry Payables are subject to confirmation/Reconciliation, if any.

2.5. Details about amount outstanding from small scale industrial units as at the end of year could not be given as necessary information is not available with the company.

**As per our report of even date attached**



UDIN NO-25135221BMJRTG6341

**RAJENDRA KISAN SATPUTE**  
Chartered Accountants  
M.No.135221  
Place: Pune