

Independent Auditors' Report

To
The Members
M/s. Marjyada Farmers Producer Company Limited

Report on the Financial Statements

Opinion

We have audited the accompanying (Standalone) financial statements of **M/s. Marjyada Farmers Producer Company Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 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 Companies Act, 2013 and the Rules there under, 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.

Responsibilities of Management and those charged with governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 implementation and maintenance of 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 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statement

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.

A further description of the auditor's responsibilities for the audit of the financial statements is included in **Annexure 1**. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act are not applicable to this company.
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 purpose 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) As per the information obtained from the management we report that there are no branches of the company during the year, therefore audit of branches is not applicable.
 - d) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account and returns.
 - e) In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) There are no such observations or comments made by us which have adverse impact on the functioning of the company.



- g) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) There are no qualification, reservation or adverse remark found by us during our audit relating to the maintenance of accounts and other matters connected therewith.
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A".
- j) 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) Amendment Rules, 2018, 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.

Place: Cuttack
Date: 05.09.2019



For Brahmananda & Co
Chartered Accountants
FRN 315153E

Suman Sahoo
CA. Suman Sahoo
Partner
M. No. 304451

UDIN~19304451AAA0W3277

Annexure 1

Responsibilities for Audit of Financial Statement

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

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

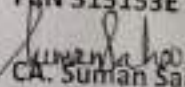
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Place: Cuttack
Date: 05.09.2019



For Brahmananda & Co
Chartered Accountants
FBN 315153E


CA. Suman Sahoo
Partner
M. No. 304451

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of M/s. Marjyada Farmers Producer Company Limited

[Referred to in paragraph 2 (i) under 'Report on other legal and regulatory requirements' in the independent auditors report of even date, to the members of the company on the standalone financial statements for the year ended 31st March 2019]

(Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"))

We have audited the internal financial controls over financial reporting of **M/s. Marjyada Farmers Producer Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that ;

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Cuttack
Date: 05.09.2019



For Brahmananda & Co
Chartered Accountants
FRN 315153E

Suman Sahoo
CA. Suman Sahoo
Partner
M. No. 304451

MARJYADA FARMERS PRODUCERS COMPANY LIMITED
Balance Sheet as at 31st March 2019

Amount in Rs.

Particulars	Note No.	Amount in Rs.	
		As at 31st March, 2019	As at 31st March, 2018
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	2,43,500	2,43,500
(b) Reserves and surplus	2	(1,41,515)	(1,98,973)
2 Share application money pending allotment		0	1,50,000
3 Current liabilities			
(a) Short term Borrowings	3	5,00,000	6,88,257
(a) Trade Payable	4	1,17,000	62,000
(b) Other Current Liabilities	5	4,47,944	1,67,500
(d) Short-term provisions	6	3,700	-
Total Equity & Liabilities		11,70,629	11,12,284
II. ASSETS			
1 Non-current assets			
(a) <u>Fixed assets</u>			
(i) Tangible assets	7	1,48,395	2,38,456
2 Current assets			
(a) Inventories	8	1,55,430	1,46,934
(b) Trade receivables	9	2,07,129	35,000
(b) Cash and cash equivalents	10	3,38,837	1,88,332
(e) Short-term loans and advances	11	2,95,839	4,40,250
(f) Other current assets	12	25,000	63,312
Total Assets		11,70,629	11,12,284

Notes forming part of the Accounts

1 to 19

Auditors' Report to the Members
As per our report of even date attached.

For Brahmananda & Co.
(Chartered Accountants)
Firm Regn No : 315153E

For and on behalf of the Board of Directors

Suman Sahoo
(CA S. Sahoo)



Partner
Membership No. 304451
Place: Cuttack
Date: 05.09.2019

Jugal Kishor Chalan

Director

Director
Marjyada Farmers Producer Company Ltd
Chalanpada

Kishor Kumar Patra

Director

Director
Marjyada Farmers Producer Company Ltd
Chalanpada

MARJYADA FARMERS PRODUCERS COMPANY LIMITED
Statement of Profit and Loss for the period ended 31st March, 2019

Particulars	Note No.	Amount in Rs.	
		2018-19	2017-18
I. Revenue from operations	13	42,38,430	27,57,838
II. Other income	14	700	38,312
III. Total Revenue (I + II)		42,39,130	27,96,150
IV. Expenses:			
Purchase of Stock-in-Trade	15	22,90,865	18,98,950
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		(8,496)	(1,23,144)
Employee Benefit Expense	16	9,54,650	4,77,000
Finance costs	17	1,03,107	89,707
Depreciation and Amortization Expense	7	1,15,061	1,51,709
Other Expenses	18	7,22,785	4,21,508
Total expenses		41,77,972	29,15,730
V. Profit before tax (III- IV)		61,158	(1,19,580)
VI. Tax expense:		3,700	-
VII. Profit (Loss) for the period (V- VI)		57,458	(1,19,580)
VIII. Earnings per equity share:			
(1) Basic & Diluted		2.36	(4.91)

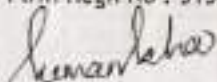
Notes forming part of the Accounts

1 to 19

Auditors' Report to the Members
As per our report of even date attached.

For Brahmananda & Co.
(Chartered Accountants)
Firm Regn No : 315153E

For and on behalf of the Board of Directors


(CA S. Sahoo)



Partner
Membership No. 304451
Place: Cuttack
Date: 05.09.2019

Jugal Kishor Chalan

Director

Director
Marjyada Farmers Producer Company Ltd.
Chalanpada

Kishor Kumar Chak
Director

Director
Marjyada Farmers Producer Company Ltd.
Chalanpada

Share Capital	As at 31 March 2019		As at 31 March 2018	
	Number	Rs	Number	Rs
Authorised				
Equity Shares of ₹ 10/- each	50,000	5,00,000	50,000	5,00,000
Issued & Subscribed & Paid up				
Paid up Share Capital A/c	24,350	2,43,500	24,350	2,43,500
Total	24,350	2,43,500	24,350	2,43,500

1.1 Reconciliation of the Number of Equity Shares outstanding

Particulars	As at 31 March 2019	
	Number	Rs
Shares outstanding at the beginning of the year	24,350	2,43,500
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	24,350	2,43,500

1.2 Rights, preferences and restrictions in respect of each class of shares

Each holder of Equity Shares is entitled to one vote, when present in person on a show of hands, in case of poll, each holder of Equity Shares shall be entitled to vote in proportion to his paid up Equity Share Capital. The preferential shareholders have preferential right over equity shareholders in respect of repayment of capital and payment of dividend.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of Equity Shares are eligible to receive the remaining assets of the Company after distribution of all the preferential amounts, in proportion to their shareholding.

1.3 Details of Shareholders holding more than 5% of the equity shares each

Name of Shareholder	As at 31 March 2019		As at 31 March 2018	
	Number	% of Shareholding	Number	% of Shareholding
Suresh Kumar Raut	3,000	12.32	3,000	12.32
Namita Raut	2,000	8.21	2,000	8.21

2. Reserve & Surplus

Particulars	As at 31 March 2019	As at 31 March 2018
	Rs	Rs
Surplus		
Opening Balance	(1,98,973)	(79,394)
(+) Current Year Transfer	57,458	(1,19,580)
(-) Written Back in Current Year	-	-
Total	(1,41,515)	(1,98,973)



3. Short Term Borrowing

Working Capital loan from NBFC		5,00,000	6,88,257
		-	
Total		5,00,000	6,88,257

4.1 The working capital loan has been secured by followings:

- Hypothecation of Stocks & Receivables of the Company
- Corporate Guarantee of M/s. Pallivikash and Personal Guarantee of Mr. Sulresh Kumar Rout

4. Trade Payable

Particulars	As at 31 March 2019	As at 31 March 2018
	Rs	Rs
Creditors for supply of Goods	1,17,000	62,000
Total	1,17,000	62,000

5. Current Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
	Rs	Rs
Interest Accrued on loan	13,069	-
Audit Fees Payable	10,000	7,500
Deffered Grant (from ATMA for implementation of Special programme for promotion of Millets in Boden block))		
Opening Balance	1,60,000	
Add: Received during the year	9,02,500	
Less: Utilisation	7,87,625	1,60,000
Share Application money Due for refund	1,50,000	-
Total	4,47,944	1,67,500

6. Short term provisions

Particulars	As at 31 March 2019	As at 31 March 2018
	Rs	Rs
Income Tax provisions	3,700	-
Total	3,700	-



7. Fixed Assets

Sl. No.	Particulars	Gross Block			Accumulated Depreciation			Net Block		
		Balance as at 1st Apr 2018	Additions/ (Disposals)	Balance as at 31 March 2019	Balance as at 1st Apr 2018	Depreciation charge for the year	On disposals	Balance as at 31 March 2019	Balance as at 31 March 2019	Net Block Balance as at 31 March 2019
a	Electrical Equipment	₹ 1,17,400	-	₹ 1,17,400	₹ 35,980	₹ 44,186	-	₹ 80,166	₹ 37,234	₹ 81,420
b	Computer	₹ 42,000	10,000	₹ 52,000	₹ 38,916	₹ 2,346	-	₹ 41,263	₹ 10,737	₹ 3,084
c	Furnitures & Fixtures	₹ 1,02,600	15,000	₹ 1,17,600	₹ 33,206	₹ 22,640	-	₹ 55,846	₹ 61,754	₹ 69,394
d	Building	₹ 1,92,340	-	₹ 1,92,340	₹ 1,07,781	₹ 45,889	-	₹ 1,53,670	₹ 38,670	₹ 84,559
	Total	₹ 4,54,340	25,000	₹ 4,79,340	₹ 2,15,894	₹ 1,15,061	-	₹ 3,30,945	₹ 1,48,393	₹ 2,36,456
	Figures for the Previous reporting period	₹ 3,02,340	1,52,000	₹ 4,54,340	₹ 64,175	₹ 1,51,709	-	₹ 2,15,884	₹ 2,38,456	₹ 2,38,163



g. inventories

Particulars	As at 31 March 2019	As at 31 March 2018
	₹	₹
Finished goods (Valued at lower of cost or market value)	1,55,430	1,46,934
Total	1,55,430	1,46,934

9. Trade Receivables

Trade Receivables	As at 31 March 2019	As at 31 March 2018
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment	2,07,129	35,000
Secured, considered good		
Total	2,07,129	35,000

10. Cash and Cash Equivalents

Cash and cash equivalents	As at 31 March 2019	As at 31 March 2018
	₹	₹
a. Balances with Banks-	3,25,271	1,43,252
b. Cash on hand	13,566	25,080
Total	3,38,837	1,68,332

11. Short Term Loans & Advances

Cash and cash equivalents	As at 31 March 2019	As at 31 March 2018
	₹	₹
Loans to Members	0	3,72,750
Advances	2,95,839	67,500
Total	2,95,839	4,40,250

12. Other Current Assets

Cash and cash equivalents	As at 31 March 2019	As at 31 March 2018
	₹	₹
Security Deposits	25,000	25,000
Interest Receivable	-	38,312
Total	25,000	63,312



Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹	₹
Revenue		
Sale of Goods		
Other Operating Income	33,62,055	24,99,608
Grant in Aid from ATMA for MILET Programme		
Grant in Aid from NABARD	7,87,638	1,00,000
Total	42,38,430	37,67,638

14. Other Income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹	₹
Interest Income		
Members' Contribution	700	38,312
Total	700	38,312

15. Purchase of Stock in Trade

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹	₹
Purchase of Goods	22,90,866	18,98,950
Total	22,90,866	18,98,950

16. Employee Benefit Expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹	₹
Salaries, wages etc.	4,38,000	4,77,000
Honorarium paid to CRP for MILET Prog	4,81,250	-
Director Allowances	35,000	-
Total	9,54,650	4,77,000

17. Finance Cost

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹	₹
Interest Expenses		
Other Borrowing Charges	95510	77,907
Total	1,03,107	89,707

18. Other Expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	₹	₹
Carriage outward Expenses	43,450	83,060
Registration and Filing Fees	12,090	19,350
Printing & Stationery	24,200	30,300
Market Promotion	15,600	25,000
Market Promotion (NABARD Rural Mart)	20,000	-
Training and Workshop Expenses	88,710	68,320
Office Expenses	2,500	4,900
Audit Expenses	10,000	7,500
Telephone Expenses	1,20,000	72,000
Bank Charges	15,600	18,800
Consultancy Charges	320	-
Travelling Expenses	50,000	-
Market Promotion - MILET Prog	29,690	84,668
Electronic Machinery Exp-MILET Prog	7,600	-
Custom Hiring Centre- MILET Prog	10,000	-
Promotion and Strengthening of Community Based Organisations Prog	1,13,676	-
Total	1,70,800	-

19. SIGNIFICANT ACCOUNTING POLICIES FORMING THE PART OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT (31.03.2019)

I. PART A- Significant Accounting Policies:

1. Accounting Convention

The financial statements are prepared under the historical cost conventions and on accrual basis and in accordance with the provisions of the Companies Act, 2013.

2. Fixed Assets

Fixed Assets are stated at cost acquisition less depreciation accumulated to date and includes financing cost related to the borrowed funds attributable to acquisition of fixed assets up to the date assets is put to use.

3. Depreciation

During the year Company has acquired Fixed assets and hence, depreciation is provided using written down value method according to the provisions of the Companies Act, 2013.

4. Inventories

The finished goods are valued at lower cost or market value.

5. Revenue Recognition

Income from business activities are recognised on accrual basis

6. Miscellaneous Expenditure

Preliminary expenses in respect of formation and registration of the company has been written off in the year of occurrence.

II. PART B: Notes on Accounts

The provision as on 31.03.2019 is as follows:

Auditor Remuneration

For Audit Fees: Rs. 10,000

