



## **ANNUAL REPORT 2019-2020**

## Company Information

| <b>Board of Directors<br/>&amp;<br/>Key Managerial<br/>Personnel</b> | <b>Names</b>                           | <b>Designation</b>                                       |
|--|--|--|
|  | <b>MANGALCHAND JAIN<br/>KEWALCHAND</b> | <b>Managing Director and<br/>Chief Financial Officer</b> |
|  | <b>NEERAJ AGARWAL</b>                  | <b>Independent Director</b>                              |
|  | <b>MAHAVEERCHAND SETHIA</b>            | <b>Independent Director</b>                              |
|  | <b>PRIYA MALANI</b>                    | <b>Company Secretary<br/>upto. 14/08/2019</b>            |
|  | <b>VANITHA</b>                         | <b>Woman Director</b>                                    |

| <i>Statutory Auditors</i>  | <i>Bankers &amp; Financial Institutions</i>  |
|--|--|
| <b>M/s. Safal Gupta &amp; Associates.</b><br>Chartered Accountants<br>#99/A 1st floor, Sri Rama Arcade, 6th Cross<br>16th Main Road, Industries & Commercial<br>Layout Vijayanagar, Bangalore - 560040                 | <b>Kotak Mahindra Bank</b>   |
| <i>Registered Office</i>   | <i>Share Transfer agent</i>  |
| No. 59/1, NAKODA ARCADE III FLOOR, DVG<br>ROAD, BANGALORE- 560004<br>Website : <a href="http://www.jainfarms.com">www.jainfarms.com</a><br>E-mail : <a href="mailto:mangal100100@gmail.com">mangal100100@gmail.com</a> | <b>INTEGRATED REGISTRY MANAGEMENT<br/>SERVICES PRIVATE LIMITED</b><br>CIN : U74900TN2015PTC101466<br>30, Ramana Residency, 4th Cross, Sampige Road,<br>Malleswaram, Bangalore - 560 003<br>Phone: 080 - 23460815 to 818<br>Fax : 080 - 23460819<br>email : <a href="mailto:irg@integratedindia.in">irg@integratedindia.in</a><br>Regd. Office: 2nd Floor, Kences Towers, No.1,<br>Ramakrishna Street, North Usman Road, T.<br>Nagar, Chennai - 600 017<br>Website: <a href="https://www.integratedindia.in/">https://www.integratedindia.in/</a> |

## **NOTICE**

Notice is hereby given that 25<sup>th</sup> Annual General Meeting of the Members of JAIN FARMS PALM OIL LIMITED will be held at Country club No. 95, Basavanapura, Bannerghatta Road, Bangalore-560083, on Wednesday, September 30<sup>th</sup>, 2020 at 11.30 A.M to transact the following business:

### **ORDINARY BUSINESS:-**

#### **1. ADOPTION OF FINANCIAL STATEMENTS :-**

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020, including the Audited Balance Sheet as on 31<sup>st</sup> March, 2020, the statement of profit and loss for the year ended on that date, the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors' Auditors, including Secretarial Audit Report thereon.

#### **2. DIRECTOR RETIRING BY ROTATION :-**

To re-appoint Mr. MANGALCHAND JAIN KEWALCHAND (DIN: 01845160), who being longest in the term, retires by rotation and being eligible has offered himself for re-appointment as the Director of the Company.

"RESOLVED THAT pursuant to the provisions of the Section 152 of Companies Act, 2013 and rules made there under (including any amendment/modification thereof), Mr. MANGALCHAND JAIN KEWALCHAND (DIN: 01845160), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as Director of Company, whose period of office will be liable to retire by rotation."

**For and on behalf of the Board Of Directors  
For JAIN FARMS PALM OIL LIMITED  
[CIN:L01133KA1995PLC016969]**

**Sd/-  
MANGALCHAND JAIN KEWALCHAND  
[DIN:01845160]  
Managing Director**

**Date: 05.09.2020  
Place: Bangalore**

## NOTES:-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
2. A person can act as proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2020 to 29.09.2020 (both days inclusive).
5. Members are requested to bring their Attendance Slips with their copy of the Annual Report to the meeting.
6. Relevant documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 a.m and 1.00 p.m. upto the date of the Meeting.
7. Section 72 of the Companies Act, 2013 provides for nomination by the shareholders of the Company in the prescribed Form SH-13. Shareholders are requested to avail this facility.
8. Members are requested to a) intimate to the Company changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
9. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for these transactions, is mandatory.
10. Your Company supports in full measure the 'green initiative' of the Ministry of Corporate Affairs under which, service of notices/documents including Annual Report, can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders. To support this green initiative of the Government, members who would like to receive such notices/documents in electronic mode and who have not registered their e-mail addresses so far, are requested to do so by sending a request to the Company mentioning their folio number and e-mail addresses to which such documents can be sent.
11. Voting through electronic means, pursuant to the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business

may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

**The instructions for shareholders voting electronically are as under:**

- I. The voting period begins on 25<sup>th</sup> September, 2020 (10:00 a.m) and ends on 29<sup>th</sup> September, 2020 (5.00 p.m.).
- II. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 24<sup>th</sup> September, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. ( as per RTA cutoff date should be a day before book closure).
- III. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- IV. Click on Shareholders.
- V. Now Enter your User ID
- VI. For CDSL: 16 digits beneficiary ID,
- VII. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- VIII. Next enter the Image Verification as displayed and Click on Login.
- IX. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- X. If you are a first time user follow the steps given below:

|     | <b>For Members holding shares in Demat Form and Physical Form</b>  |
|-----|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  |

- XI. After entering these details appropriately, click on "SUBMIT" tab.
- XII. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XIII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XIV. Click on the relevant EVSN of JAIN FARMS PALM OIL LIMITED on which you choose to vote.
- XV. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XVI. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- XVII. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XVIII. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XIX. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XX. If Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XXI. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- Mr. Vighneshwar Bhat, Practising Company Secretary, Bangalore, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - The members would be able to cast their votes at the meeting through ballot paper if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility, then the members would not be permitted to exercise their voting right at the general meeting.
  - The voting rights of members shall be in proportion to their share in the paid up capital of the Company as on the cut-off date.
  - Any Person who acquires the shares and becomes a member of the Company after dispatch of the Notice and holds shares as on the cut-off date i.e., September 24<sup>th</sup>, 2020, may obtain the login Id and password by sending a request to CDSL/OUR RTA.
  - The scrutinizer shall immediately after the conclusion of the voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days of conclusion of the meeting a consolidated scrutinizer's report of the votes cast in favour or against, to the Chairman of the Company.
  - The results shall be declared on or after the Annual General Meeting. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.jainfarms.com](http://www.jainfarms.com) and on the website of CDSL.

**12. Particulars of Directors Seeking Re-appointment:**

| <b>Particulars</b>  |  |
|---|--|
| Name  | MANGALCHAND JAIN KEWALCHAND  |
| Date of Birth   | 02/04/1960   |
| Date of Appointment                                       | 08/09/1994   |
| Qualifications  | B Com  |
| Expertise in specific Functional Areas                    | Service Industry   |
| Other Directorships/ Committee Chairmanships/ Memberships | JAIN FARMS AND RESORTS LIMITED, JAIN FARMS PRIVATE LIMITED, SREE NAGALAKSHMI TEXTILE MILLS (MADURAI) LIMITED |
| Number of Shares Held in the Company                      | 1465020  |

**13.**

**By Order of the Board Of Directors  
For JAIN FARMS PALM OIL LIMITED  
[CIN:L01133KA1995PLC016969]**

**Sd/-**

**MANGALCHAND JAIN KEWALCHAND**

**Date: 05.09.2020  
Place: Bengaluru**

**[DIN:01845160]  
Managing Director**

**JAIN FARMS PALM OIL LIMITED**  
**CIN: L01133KA1995PLC016969**  
**NO.59/1, NAKODA ARCADE, III FLOOR, DVG ROAD, BAMGALORE-560004**  
**Email: mangal100100@gmail.com Ph: 080 26629440**

---

**ATTENDANCE SLIP**

|           |  |
|-----------|--|
| DP ID.    |  |
| CLIENT ID |  |

|               |  |
|---------------|--|
| FOLIO NO.     |  |
| NO. OF SHARES |  |

Name & Address of Shareholder / Proxy holder

-----  
-----  
-----

I certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company held on Wednesday, the 30<sup>th</sup> day of September, 2020 at Country club No. 95, Basavanapura, Bannerghatta Road, Bangalore-560083 at 11.30 a.m.

Member's / Proxy's  
Signature

**(Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and handover at the entrance of the Meeting Hall)**



**JAIN FARMS PALM OIL LIMITED**  
**CIN:L01133KA1995PLC016969**  
**NO.59/1, NAKODA ARCADE, III FLOOR, DVG ROAD, BANGALORE-560004**  
**Email: mangal100100@gmail.com Ph: 080 26629440**

**PROXY FORM**

|           |  |
|-----------|--|
| DP ID.    |  |
| CLIENT ID |  |

|               |  |
|---------------|--|
| FOLIO NO.     |  |
| NO. OF SHARES |  |

I / We \_\_\_\_\_ of

Being a Member / Members of \_\_\_\_\_ Limited hereby appoint Mr. / Ms.

as my / our Proxy to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company held on Wednesday, the 30<sup>th</sup> day of September, 2020 at Country club No. 95, Basavanapura, Bannerghatta Road, Bangalore-560083 at 11.30 a.m. and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020

|                                |
|--------------------------------|
| Affix<br><br>Re.1/-<br>Revenue |
|--------------------------------|

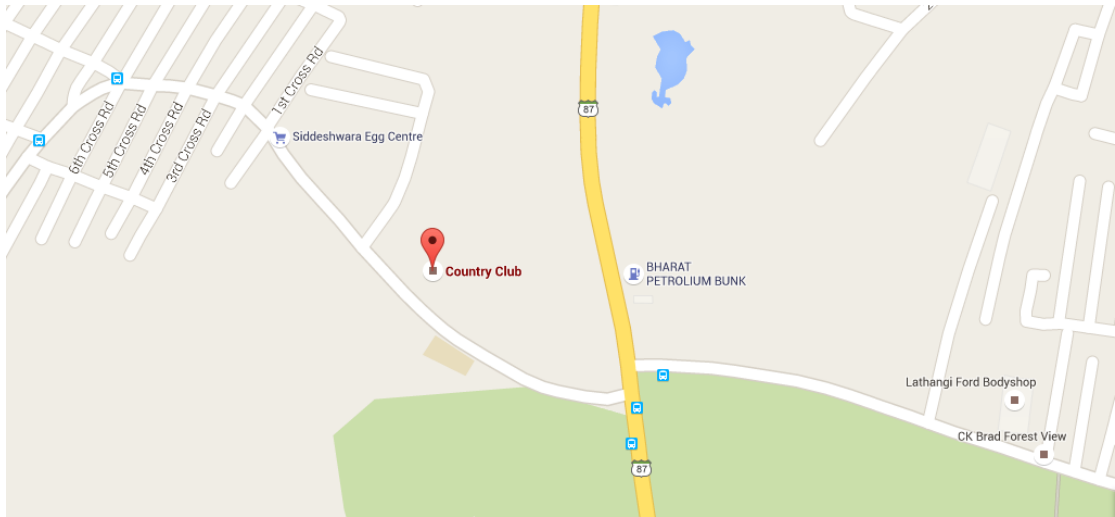
|              |
|--------------|
| Signature(s) |
|--------------|

|  |
|--|
| Proxy form must reach company's registered office not later than 48 hours before the commencement of the meeting |
|--|

|                     |
|---------------------|
| FOR OFFICE USE ONLY |
|---------------------|

|                 |
|-----------------|
| DATE OF RECEIPT |
|-----------------|

**ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING  
Country Club, No.95, Basavanapura, Bannerghatta Road, Bangalore-560083**



## **BOARDS' REPORT**

To,  
The Members of  
**JAIN FARMS PALM OIL LIMITED**

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2020.

### **1. FINANCIAL PERFORMANCE:**

The financial performance of the Company for the Financial Year ended March 31, 2020 is summarized below:-

| <b>Particulars</b>   | (Amt. in Lac.)    | (Amt. in Lac.)    |
|--|-------------------|-------------------|
|  | <b>31.03.2020</b> | <b>31.03.2019</b> |
| Total Revenue  | 61.26             | 449.85            |
| Less: Expenses excluding Depreciation                              | 133.80            | 418.27            |
| Profit /(Loss) before Depreciation, Taxation and Exceptional items | -72.54            | 31.57             |
| Less: Depreciation   | 7.93              | 10.65             |
| Profit /(Loss) before Taxation and exceptional items               | -80.48            | 20.91             |
| Less: Exceptional items  | -                 | -                 |
| Profit /(Loss) before Tax  | -80.48            | 20.91             |
| Less: Tax expenses   |                   |                   |
| Current Tax  | -                 | -                 |
| Deferred tax   | (3.97)            | (2.41)            |
| Net Profit/(Loss) for the year                                     | -76.51            | 23.33             |

### **2. STATE OF COMPANY'S AFFAIRS:**

Despite of difficult market conditions, healthy competition in the market, the performance of your Company has not been satisfactory and has not been able to achieve the healthy growth for its stakeholders. The performance evaluations of the Company are as under;

**Revenue:** During the financial year 2019-20, the revenue of the Company has decreased from Rs. 449.85 lac to Rs.61.26 lac. It shows that the turnover of the Company decreased as compared to previous financial year 2018-19.

**Expenses:** In Financial Year ended 31 March, 2020, the purchase & cost expense of the Company has decreased from Rs. 418.27 lac to 133.80 lac as compared to the previous financial year ended on 31 March, 2019.

**Profit:** During the year Company has incurred net loss of Rs 76,50,638/- compared to net profit of Rs.23,33,045 /- in the FY 2018-19.

For the financial year 2019-20, the Company has faced the impact of recession due to this the turnover has reduced drastically, the company has taken steps to cut down its operational and administrative costs and tried to mitigate the loss. At the later part of the end of financial year, COVID-19 has also impacted the business of the Company. Board is of the opinion that in the upcoming financial year, Company will be able to enhance its revenue.

### **3. SHARE CAPITAL:**

#### **a) Authorised capital**

During the year under review, the Authorised capital of the company has not increased or decreased.

**b) Issue / allotment of shares**

Your Company has not issued/allotted any equity shares during the year ended 31<sup>st</sup> March, 2020.

**c) Other information**

The Company has neither issued shares with differential voting rights nor granted any Stock options or sweat equity shares.

**4.DIVIDEND:**

Since the Company has recorded a net loss of Rs 76,50,638/- during the year, your Directors did not propose any dividends for the Financial Year ending 31st March 2020.

**5.ANNUAL RETURN**

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 in Form MGT-9 is annexed herewith for your kind perusal and information as **Annexure – V**. The extract of the Annual return shall also be placed in the web address of the company i.e <http://jfpol.jainfarms.com/>

**6.DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) In the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors including the audit of internal financial controls over financial reporting by the Internal Auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020.

## **7. CHANGES IN NATURE OF BUSINESS:**

There is no significant change made in the nature of the company during the financial year.

## **8. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY**

The Company's internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the Act. The Company's internal financial controls framework is based on the 'three lines of defense model'. The Company has laid down standard operating procedures and policies to guide the operations of the business. Unit heads are responsible to ensure compliance with the policies and procedures laid down by the management. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. The management, Statutory and Internal Auditors undertake rigorous testing of the control environment of the Company. The board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

## **9. DECLARATION BY INDEPENDENT DIRECTORS**

Your Company has received declarations from all the Independent Directors and MR.MAHAVEERCHAND SETHIA, confirming that Directors meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued there under as well as Regulation 16(1) (b) of Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). In Annexure-III

## **10. AUDITORS:**

### **A) STATUTORY AUDITORS:**

M/s. Safal Gupta & Associate, Chartered Accountants (Firm Regn. No.016530S) is the Statutory Auditors of the Company".

### **B) SECRETARIAL AUDITOR:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed VB & Associates, represented by its Proprietor Mr. Vighneshwar Bhat, a firm of Company Secretaries in Practice (CP No. 10012), to undertake the Secretarial Audit of the Company for the F.Y. 2019-20. The Secretarial Audit Report for F.Y. 2019-20 is annexed herewith as "Annexure VI".

## **11. INTERNAL AUDITORS**

Company has Internal Auditors under section 138 of the Companies Act, 2013 for the financial year 2019-20.

## **12. AUDITOR'S REPORT**

- a) Statutory Auditor's report contains following auditor's qualifications. Statutory Audit report is enclosed separately to this report.
  - i) The balances held under Sundry Debtors are subject to confirmation, reconciliation and adjustments, if any. The effect of the aforesaid adjustments on the financial statements is not ascertainable as the relevant information is not in possession with the company.

- ii) In our opinion the company is not created the Provision for Gratuity payable as per the requirements of Accounting Standard -15: Employees Benefits which requires the provision to be created on basis of an Actuarial Valuation .The Company has not followed the same hence we cannot justify the provision created.

### **Board's reply**

- i) The reconciliation exercise has been taken up with sundry debtors to obtain the desired information.
- ii) The Company has created the provision for gratuity in the books, but it has not availed any Actuary report for the same as prescribed by AS-15. The Board of Directors would ensure that from next financial year onwards, provision for gratuity would be passed on the basis of Actuarial valuation.
- b) The report of Secretarial Auditor contains following qualifications and their report is annexed herewith to this report as “Annexure II”.
- i) During the period under review the Company, notice that the vacancy of the Company Secretary is not filled-up within stipulated time as per section 203 of Companies act 2013 and Rule 8 and Rule 8A of Companies appointment & remuneration of Managerial Personnel Rules 2014.

### **Board's Reply**

- i) Relating to Appointment of Company Secretary – The Board has appointed Company Secretary, Mr Ravi Gupta, Company Secretary, with effect from 01.04.2020.

### **13.COMPOSITION OF BOARD OF DIRECTORS AND MEETINGS OF THE BOARD OF DIRECTORS**

There were changes in the composition of board;

- a) Ms. Priya Malani was resigned as Company Secretary of the company with effect from 14.08.2019.
- b) Mr Pavan Kumar Mangal Chand was resigned as Chief Financial Officer of the Company with effect from 14.08.2019
- c) Designation of Mr Mangalchand Jain Kewalchand has been changed to Managing Director and Chief Financial Officer of the Company with effect from 14.08.2019

The following Meetings of the Board of Directors were held during the Financial Year 2019-20:

| <b>Sl. No.</b> | <b>Date of Meeting</b> | <b>Board Strength</b> | <b>No. of Directors Present</b> |
|----------------|------------------------|-----------------------|---------------------------------|
| 1.             | 30-05-19               | 4                     | 4                               |
| 2.             | 14-08-19               | 4                     | 4                               |
| 3.             | 04-09-19               | 4                     | 4                               |
| 4.             | 14-11-19               | 4                     | 4                               |
| 5.             | 14-02-20               | 4                     | 4                               |

#### **14. BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 read with the rules issued there under, Regulation 17(10) of the Listing Regulations and the circular issued by SEBI dated 5th January, 2017 with respect to Guidance Note on Board Evaluation, the evaluation of the annual performance of the Directors/Board/Committees was carried out for the financial year 2019-20.

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-Independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

#### **15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

As on date the Company does not have any subsidiary, joint venture or associate company.

#### **16. PARTICULARS OF EMPLOYEES**

The details in respect of employees of the Company will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary of the Company in this regard.

#### **17. PARTICULARS OF LOANS, GUARANTEES OR/AND INVESTMENTS**

During the year under review the Company has not given any loan, guarantee or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

#### **18. DISCLOSURE REQUIREMENTS**

➤ Details of the familiarization program of the independent directors are available on the website of the Company ([www.jainfarms.com](http://www.jainfarms.com))

➤ The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act. The whistle blowing Policy is available on the company's website at ([www.jainfarms.com](http://www.jainfarms.com))

#### **19. RELATED PARTY TRANSACTIONS**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto shall be disclosed in Annexure-I of Form No. AOC -2 annexed herein.

All Related Party Transactions are placed before the Audit Committee and also to the Board for approval.

#### **20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

#### **21. FOREIGN EXCHANGE EARNINGS AND OUTGO.**

There were no foreign exchange earnings and outgo during the year under review.

#### **22. RISK MANAGEMENT**

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor & take precautionary measures in respect of the events that may pose risks for the business. The Board & Audit Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis by keeping Risk Management Report before the Board & Audit Committee periodically.

#### **23. LISTING STATUS**

With effect from 21.05.2018 Company has been listed at Metropolitan Stock Exchange of India Limited.

#### **24. MATERIAL CHANGES**

There were no material changes took place after closure of the financials of the Company.

#### **25. DISCLOSURE RELATING TO REMUNERATION OF EMPLOYEES:**

Pursuant to Sub Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the employees receiving remuneration more than Rs.1,02,00,000/- (Rupees One Crore Two Lakhs only) per annum and/or Rs.8,50,000/- (Rupees Eight Lakhs Fifty Thousand) per month, is not applicable to your Company.

There were no employees posted and working in a country outside India, not being directors or relatives, drawing more than the amount prescribed under the Sub Rule 5(3)



of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence the details are not required to be circulated to the Members and also not required to be attached to this Annual Report.

## **26. RISK MANAGEMENT:**

The Company has in place Risk Management system according to which the Board of Directors of the Company periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

## **27. CORPORATE SOCIAL RESPONSIBILITY**

Since the Company's Net worth does not exceed Rs. 500 crores or the Company's turnover does not exceed Rs. 1000 crores or the Company's Net Profit does not exceed Rs. 5 Crores in the Financial Year 2019-20, the provisions of section 135 of the Companies Act, 2013 are not applicable.

## **28. VIGIL MECHANISM:**

Your Company is committed to highest ethical and legal standards. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and as per Regulation 4(2)(d)(iv) of the Listing Regulations.

## **29. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has a Zero Tolerance towards Sexual Harassment at the workplace. Company has adopted necessary steps to Prevent, Prohibit and redressal of Sexual Harassment at workplace.

## **30. CORPORATE GOVERNANCE**

The Company has taken adequate steps to adhere to all the stipulations laid down under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance included as a part of this Annual Report is given in **Annexure-II**.

Certificate from the Practicing Company Secretary of the company confirming the compliance with the conditions of Corporate Governance as stipulated under the SME Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Annual Report.

## **31. DEPOSITS**

The Company has not accepted fixed deposits from the public and shareholders within the meaning of Section 73(1) of the Companies Act, 2013 and Rules made there under, during the year under review. The Company has re-paid all outstanding deposits accepted before the commencement of the Companies Act, 2013, during the year under review.

## **32. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report is given as an **Annexure IV** which forms part of this report.

### **33.SECRETARIAL STANDARDS:**

During the year under review, the Company was in compliance with the Secretarial Standards. i.e. SS-1 and SS-2 relating to "Meetings of the Board of Directors" and "General Meetings" respectively.

### **34.ACKNOWLEDGEMENTS:**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and workers of the Company.

**For JAIN FARMS PALM OIL LIMITED  
[CIN:L01133KA1995PLC016969]**

**SD/-**

**MAHAVEERCHAND SETHIA  
DIN: 07640886  
Director**

**SD/-**

**MANGALCHAND JAIN KEWALCHAND  
DIN:01845160  
Managing Director**

**Date: 05.09.2020  
Place: Bengaluru**

**ANNEXURE I**  
**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

**1. Details of contracts or arrangements or transactions not at arm's length basis.**

All the transactions with the related parties have been done at Arm's length price only.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

| <b>Name of related party</b> | <b>Description of relationship</b> | <b>Year ended March 31, 2020</b> | <b>Nature and Duration of Contract</b> | <b>Salient terms of the contracts or arrangements or transactions including the value, if any</b> | <b>Date(s) of approval by the Board</b> | <b>Amount paid as advances, if any</b> |
|------------------------------|------------------------------------|----------------------------------|--|---|---|--|
| Pavan Kumar                  | Son of Director                    | 8,40,000                         | --                                     | Remuneration  | Not Specified                           | Nil                                    |
| K Mangalchand Jain           | Managing Director                  | 15,75,000                        | --                                     | Remuneration  | Not Specified                           | Nil                                    |
| Pavan Kumar                  | Son of Director                    | 17,66,722                        | --                                     | Incentives  | Not Specified                           | Nil                                    |
| Darshan                      | Son of Director                    | 2,43,675                         | --                                     | Incentives  | Not Specified                           | Nil                                    |
| K Mangalchand and Sons       | Directors' HUF                     | 1,35,359                         | --                                     | Advances received   | Not Specified                           | Nil                                    |
| JF Constructions             | Associated Entity                  | 3,00,000                         | --                                     | Advances given  | Not Specified                           | Nil                                    |

**For JAIN FARMS PALM OIL LIMITED**  
**[CIN:L01133KA1995PLC016969]**

**Sd/-**  
**MANGALCHAND JAIN KEWALCHAND**

**Date: 05.09.2020**  
**Place: Bengaluru**

**[DIN:01845160]**  
**Managing Director**

## ANNEXURE II

### **CORPORATE GOVERNANCE REPORT**

On September 2, 2015, The Securities and Exchange Board of India (SEBI) had notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 replacing the erstwhile Listing Agreement, effective from December 1, 2015. The new Listing Agreement is aimed at consolidating and streamlining the provisions of existing listing agreements for different segment of the capital markets.

#### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. The Company's has been diligently developing best practices to ensure its responsibility to the stakeholders.

The Company believes that good corporate governance practices help to enhance performance and valuation of the Company. The Company also respects the right of its shareholders to information on the performance of the Company and considers itself as trustee of its shareholders.

#### **2. BOARD OF DIRECTORS**

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. The Company has an optimum representation of Independent Directors on the Board of Directors of the Company.

The composition of the Board of Directors of the Company as on 31<sup>st</sup> March, 2020 is as follows:

| Category              | No. of Directors |
|-----------------------|------------------|
| Independent Directors | 2                |
| Executive Director    | 1                |
| Woman Director        | 1                |
| Total                 | 4                |

The Independent Directors have submitted declarations that they meet the criteria of independence as per the provisions of the Companies Act, 2013 and the Listing Regulations; a statement in this regard forms part of the Board's Report. Further, the Independent Directors have confirmed that they do not hold directorships in more than seven Listed companies.

The details of nature of Directorships, relationship inter-se, number of Directorships and Committee Chairmanships/Memberships held by them in other Public Companies are detailed below. Directorships of Private Limited Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and alternate Directorships have been excluded. For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholder Relationship Committee of Public Limited Companies have been considered.

None of the Directors of the Company hold memberships in more than 10 (Ten) Committees or act as Chairman of more than 5 (Five) committees across all Companies in which he/she is a Director.

| <b>Name of the Director</b>       | <b>Nature of Directorship</b> | <b>Relationship With each other</b>                               | <b>Directorship in other companies as on 31.03.2020</b>   | <b>Committee membership of other companies on 31.03.2020</b>  |
|-----------------------------------|-------------------------------|---|---|---|
| MANGALCHAND<br>JAIN<br>KEWALCHAND | Managing Director             | No inter -se relationship with any other Directors of the company | Jain Farms And Resorts Limited, Jain Farms Private Limited , Jain Farms Palm Oil Sree Nagalakshmi Textile Mills (Madurai) Limited | Jain Farms And Resorts Limited, Jain Farms Private Limited , Jain Farms Palm Oil Sree Nagalakshmi Textile Mills (Madurai) Limited |
| NEERAJ AGARWAL                    | Independent Director          | -do-  | Jain Farms And Resorts Limited, Jain Farms Palm Oil   | Jain Farms And Resorts Limited, Jain Farms Palm Oil   |
| MAHAVEERCHAND<br>SETHIA           | Independent Director          | -do-  | Jain Farms And Resorts Limited, Jain Farms Palm Oil Ltd Jain Farms Private Limited  | Jain Farms And Resorts Limited, Jain Farms Palm Oil Ltd Jain Farms Private Limited  |
| VANITHA                           | Woman Director                | -do-  | Jain Farms And Resorts Limited, Jain Farms Palm Oil   | Jain Farms And Resorts Limited, Jain Farms Palm Oil   |

### **3. The Audit Committee**

The Audit Committee of the Company is constituted and functions in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

Powers of audit Committee:

The Audit Committee is empowered, pursuant to its terms of reference, inter-alia, to:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal professional advice
4. To secure attendance of outsiders the relevant expertise, if it considers necessary.

The Audit Committee is constituted and functions in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations

| Name of the Member          | Nature of Membership | No. of meetings held | Attendance |
|-----------------------------|----------------------|----------------------|------------|
| MAHAVEERCHAND SETHIA        | Chairman             | 4                    | 4          |
| MANGALCHAND JAIN KEWALCHAND | Member               | 4                    | 4          |
| NEERAJ AGARWAL              | Member               | 4                    | 4          |

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### Composition and terms of reference:

The Nomination and Remuneration Committee is constituted and functions in accordance with Section 178(1) of the Companies Act 2013

| Name of the Member   | Nature of Membership | No. of meetings held | Attendance |
|----------------------|----------------------|----------------------|------------|
| NEERAJ AGARWAL       | Chairman             | 4                    | 4          |
| MAHAVEERCHAND SETHIA | Member               | 4                    | 4          |
| VANITHA              | Member               | 4                    | 4          |

#### 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 (5) of the Companies Act 2013 and the Listing Regulations the Stake holders' Relationship Committee comprises of members as given in the below table.

The terms of references of the Committee are as follows:

- To consider and approve share transfers, transmissions, transposition of names.
- Issue and split/duplicate certificates.
- Ratify confirmations made to the Demat requests received by the Company
- Review the status report on Redressal of shareholders' complaints received by the Company/share transfer agents.

During the year, the Company has not received any complaint from the investors.

| Name of the Member          | Nature of Membership | No. of meetings held | Attendance |
|-----------------------------|----------------------|----------------------|------------|
| NEERAJ AGARWAL              | Chairman             | 4                    | 4          |
| MANGALCHAND JAIN KEWALCHAND | Member               | 4                    | 4          |
| MAHAVEERCHAND SETHIA        | Member               | 4                    | 4          |
| VANITHA                     | Member               | 4                    | 4          |

#### 6. RISK MANAGEMENT COMMITTEE

The company does not have a Risk Management Committee as prescribed under the Regulation 21 of the Listing Regulations.

## 7. CEO/CFO CERTIFICATION

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO/CFO Certificate for the financial year 2019-20 signed by Mr. Mangalchand Jain Kewalchand, Managing Director forms part of this Report.

## 8. GENERAL BODY MEETINGS

The venue and time of the last three Annual General Meetings of the Company are as follows:-

Annual General Meetings:

| Year | Location  | Date       | Time       |
|------|---|------------|------------|
| 2019 | No.95, Basavanapura, Bannerghatta Road, Bangalore-5600083 | 30/09/2019 | 11.30 a.m. |
| 2018 | No.95, Basavanapura, Bannerghatta Road, Bangalore-5600083 | 28/09/2018 | 11.30 a.m. |
| 2017 | No.95, Basavanapura, Bannerghatta Road, Bangalore-5600083 | 30/09/2017 | 10.30 a.m. |

## 9. DISCLOSURES :

### a) Disclosures on materially significant related party transactions

There are no materially related party transactions and pecuniary transactions between the company and its Directors during the year under review.

### b) Details of non-compliance by the Company

the company has complied with all the requirements of the Stock Exchange and the Securities and Exchange Board of India on matters relating to capital markets or any other matter as may be applicable from time to time.

Your Company has complied with all the mandatory requirements of the Listing Regulations. Following is the status of the compliance with the non-mandatory requirements:

### c) Vigil Mechanism and Whistle Blower Policy

The Company has adopted a Whistle Blower Policy with an objective to provide employees and Business Associates a frame work and to establish a formal mechanism or process where by concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication.

No personnel were denied access to the Audit Committee of the Company.

### d) Code of Conduct

Your Company has adopted a Code of Conduct for all the employees including the Board Members and Senior Management Personnel of the Company in accordance with the requirement under the Listing Regulations. The Code of Conduct has been posted on the website of the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31<sup>st</sup> March, 2020.

The Certificate by the CEO of the Company concerning compliance with the Code of conduct for Directors and Senior Management is given below Code of Conduct for Directors and Senior Management CEO Confirmation

I hereby confirm that the Company has obtained from the Directors and Senior Management personnel affirmation that they have complied with the above code for, and in respect of, the year ended March 31, 2020.

## 10. GENERAL SHAREHOLDER INFORMATION

### (i) Annual General Meeting

|               |   |
|---------------|---|
| Date and time | WEDNESDAY 30 <sup>TH</sup> DAY OF SEPTEMBER, 2020 AT 11.30 A.M. |
| Venue         | No.95, Basavanapura, Bannerghatta Road, Bangalore-5600083       |

### (ii) Dividend Payment Date

Not applicable

### (iii) Share Transfer System

The share transfer activities in respect of the shares in physical mode are carried out by the Company's Registrar and Transfer Agent (R&TA) Integrated Registry Management Services Private Limited. Shareholders, beneficial owners and depository participants (DPs) are requested to send/ deliver the documents/ correspondence relating to the Company's share transfer activity etc. to Integrated Registry Management Services Private Limited, R&TA of the Company.

A summary of all the transfers, transmissions, issue of duplicate share certificate requests, deletion requests, etc., are placed before the Board of Directors from time to time for their review. The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Regulation 40 (9) of the Listing Regulations and files a copy of the said certificate with Stock Exchanges

### (iv) Category of shareholders

Shareholding pattern as on 31<sup>st</sup>March, 2020 is as follows:

| Category of Shareholder                               | Total No. of shares | % of Total No. of shares |
|---|---------------------|--------------------------|
| (A) Shareholding of Promoter and Promoter Group       | 14,65,020           | 48.83                    |
| (a) Individuals/Hindu Undivided Family                | 14,65,020           | 48.83                    |
| (b) Bodies Corporate                                  | -                   | -                        |
| Total Shareholding of Promoter and Promoter Group (A) | 14,65,020           | 48.83                    |
| (B) Public Shareholding                               | -                   | -                        |
| <b>(1) Institutions</b>                               | -                   | -                        |
| (a) Mutual Funds/UTI                                  | -                   | -                        |
| (b) Financial Institutions/Banks                      | -                   | -                        |
| (c) Insurance Companies                               | -                   | -                        |
| (d) Foreign Institutional Investors                   | -                   | -                        |
| <b>Sub Total (B)(1)</b>                               | -                   | -                        |

| (2) Non-Institutions                                      | Total No. of shares | % of Total No. of shares |
|---|---------------------|--------------------------|
| (a) Bodies Corporate                                      | 62,000              | 2.07                     |
| (b) Individuals   |                     |                          |
| (i) Individual shareholders holding nominal share capital | 8,28,080            | 27.60                    |



|   |                  |               |
|---|------------------|---------------|
| up to Rs. 2 Lakhs   |                  |               |
| (ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs | 6,42,900         | 21.43         |
| (c) Any other   |                  |               |
| (i) Directors and their Relatives   | -                | -             |
| (ii) Hindu Undivided Families   | 2000             | 0.07          |
| (iii) Non-resident Indians  | -                | -             |
| <b>Sub Total (B)(2)</b>   | <b>15,34,980</b> | <b>51.17</b>  |
| <b>Total Public Shareholding B = (B)(1)+(B)(2)</b>                                  | <b>15,34,980</b> | <b>51.17</b>  |
| <b>Total (A)+(B)</b>  | <b>30,00,000</b> | <b>100.00</b> |

(v) Details of shares dematerialized as on 31st March, 2020.

| No. of shares | % of total shares | No. of shareholders | % of total shareholders |
|---------------|-------------------|---------------------|-------------------------|
| 15,81,420     | 52.71%            | 30                  | 3.37%                   |

(vi) Break up of shares in physical and DEMAT form as on 31st March, 2020

| Mode of Holding      | No. of shares  | % of shares  |
|----------------------|----------------|--------------|
| Physical Segment     | 14,18,580      | 47.29%       |
| <b>DEMAT Segment</b> | <b>0</b>       | <b>0.00%</b> |
| NSDL                 | 73,400         | 2.45%        |
| CDSL                 | 15,08,020      | 50.27%       |
| <b>TOTAL</b>         | <b>3000000</b> | <b>100%</b>  |

**ANNEXURE III**

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors JAIN FARMS PALM OIL LIMITED

Dear Sir,

We undertake to comply with the conditions laid down under Section 149 and Schedule IV of the Companies Act 2013 read with the provisions of Listing Regulations in relation to conditions of independence and in particular:

a) Apart from receiving Director's remuneration we do not have any material pecuniary relationship or transactions with the Company its promoters Senior Management or its associates which may affect my independence as Director on the Board of the Company.

b) We declare that we are not related to Promoters or persons occupying management positions at the Board level and one level below the Board.

c) We have not been executive of the Company in the immediately preceding three financial years.

d) We are not a Partner or an Executive or were also not Partner or Executive during the preceding three years of any of the following:

(i) The statutory audit firm or the internal audit firm that is associated with the Company and

(ii) The legal firm(s) and consulting firm(s) that have a material association with the company

e) We are not a material supplier service provide or customer or lesser or lessee of the Company which may affect independence of the Director.

a) f) We are not a substantial Shareholder of the Company i.e owning two per cent or more of the block of voting shares.

**For and on behalf of Independent  
Directors**

Sd/-

**MAHAVEERCHAND SETHIA**

**Independent Director  
(DIN: 07640886)**

**Date: 05.09.2020  
Place: Bengaluru**

---

**ANNEXURE -IV****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. INDUSTRY STRUCTURE AND DEVELOPMENT:**

The company is in the Real Estate industry. In India real estate business and resorts offers more growth opportunities.

**2. OPPORTUNITIES & THREATS:**

There may be inflation here and after. This offers the few organized players tremendous scope for growth & development. This opportunity however comes with challenges that need to be overcome, the need for good value for the price paid, a friendly atmosphere and the need for enhancement of self-esteem. This demands the companies to maintain the higher standard of quality and consistency.

**3. SEGMENT WISE OR PRODUCT WISE PERFORMANCE:**

Jain Farms Palm Oil Limited has over 3000 satisfied customers, dedicated to developing farmlands & farmhouses, and the infrastructure to support them. We pioneered the concept of community farming & creating farmhouses equipped with modern amenities.

**4. OUTLOOK:**

Your company will continue to consolidate its position as a leading pub brand of India and also focus on development of the non-liquor brands in its portfolio. The business outlook of the company is positive based on our carefully laid out expansion plans. The company is seeking to expand its turnover by adding more restaurants to its fold.

**5. RISKS AND CONCERNS:**

Huge business opportunities in the sector also result in huge competition. Much of these competitions come from startups promoted by individuals with little or no prior experience in the sector. Unfortunately many of these fail within the first year of operation. This results in disruption of growth of industry and also could lead to pricing pressures. Your company sees these risks and concerns and taking proper actions to mitigate the same.

**6. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The Management team is constantly challenged to optimize their performance and thus deliver the highest margin on sales possible. Ours is culture of achieving maximum performance with minimum resources.

**7. MATERIAL DEVELOPMENT ON HUMAN RESOURCES:**

Human capital is the most vital building block especially in the F&B retail business. Our Management team is constantly motivated to enhance the value of our human capital by developing a culture of constant teaching and learning. The collective efforts of each individual in the company in this endeavor will lift the performance of company as a whole.

**For and on behalf of the Board**

**SD/-**

**MANGALCHAND JAIN KEWALCHAND**  
**Managing Director**  
**(DIN: 01845160)**

**Date: 05.09.2020**  
**Place: Bengaluru**

**Annexure - V**  
FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2020  
[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

|      |  |  |
|------|--|--|
| i.   | <b>CIN</b>   | <b>L01133KA1995PLC016969</b>   |
| ii.  | <b>Registration Date</b>   | <b>13/01/1995</b>  |
| iii. | <b>Name of the Company</b>   | <b>JAIN FARMS PALM OIL LIMITED</b>   |
| iv.  | <b>Category/Sub-Category of the Company</b>                                      | <b>Public-Listed</b>   |
| v.   | <b>Address of the Registered office and contact details</b>                      | <b>59/1, NAKODA ARCADE III FLOOR, DVG ROAD, BANGALORE 560004</b>   |
| vi.  | <b>Whether listed company</b>  | Yes  |
| vii. | <b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b> | <b>INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED</b><br>CIN :U74900TN2015PTC101466<br>30, Ramana Residency, 4 <sup>th</sup> Cross, Sampige Road, Malleswaram, Bangalore – 560 003<br>Phone: 080 – 23460815 to 818<br>Fax : 080 – 23460819<br>email : irg@integratedindia.in<br>Regd. Office: 2 <sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017<br>Website: <a href="https://www.integratedindia.in/">https://www.integratedindia.in/</a> |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| SL.No. | Name and Description of main products/ services | NIC Code of the Product/service | % to total turnover of the company |
|--------|---|---------------------------------|------------------------------------|
| 1      | Real Estate                                     | 68100                           | 100                                |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary /Associate | %of shares held | Applicable Section |
|---------|---------------------------------|---------|--------------------------------|-----------------|--------------------|
| NIL     |                                 |         |                                |                 |                    |

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i. **Category-wise Shareholding**

| Category of Shareholders                                      | No. of Shares held at the beginning of the year |             |                |                   | No. of Shares held at the end of the year |             |                |                   | % Change during The year |
|---|---|-------------|----------------|-------------------|---|-------------|----------------|-------------------|--------------------------|
|   | Demat   | Physical    | Total          | % of Total Shares | Demat                                     | Physical    | Total          | % of Total Shares |                          |
| <b>A. Promoter</b>  |   |             |                |                   |   |             |                |                   |                          |
| 1) <i>Indian</i>  | 1465020   | 0.00        | 1465020        | 48.83             | 1465020                                   | 0.00        | 1465020        | 48.83             | 0.00                     |
| a) Individual/ HUF  | 0.00  | 0.00        | 0.00           | 0.00              | 0.00                                      | 0.00        | 0.00           | 0.00              | 0.00                     |
| b) Central Govt   | 0.00  | 0.00        | 0.00           | 0.00              | 0.00                                      | 0.00        | 0.00           | 0.00              | 0.00                     |
| c) State Govt(s)  | 0.00  | 0.00        | 0.00           | 0.00              | 0.00                                      | 0.00        | 0.00           | 0.00              | 0.00                     |
| d) Bodies Corp  | 0.00  | 0.00        | 0.00           | 0.00              | 0.00                                      | 0.00        | 0.00           | 0.00              | 0.00                     |
| e) Banks / FI   | 0.00  | 0.00        | 0.00           | 0.00              | 0.00                                      | 0.00        | 0.00           | 0.00              | 0.00                     |
| f) Any Other (Director/ Promoter & their relatives & Friends) | 0.00  | 0.00        | 0.00           | 0.00              | 0.00                                      | 0.00        | 0.00           | 0.00              | 0.00                     |
| Sub-total(A)(1):-   | <b>1465020</b>                                  | <b>0.00</b> | <b>1465020</b> | <b>48.83</b>      | <b>1465020</b>                            | <b>0.00</b> | <b>1465020</b> | <b>48.83</b>      | <b>0.00</b>              |
| 2) <i>Foreign</i>   |   |             |                |                   |   |             |                |                   |                          |
| g) NRIs-Individuals   | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| h) Other-Individuals  | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| i) Bodies Corp.   | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| j) Banks / FI   | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| k) Any Other....  | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| Sub-total(A)(2):-   | <b>0</b>  | <b>0</b>    | <b>0</b>       | <b>0</b>          | <b>0</b>                                  | <b>0</b>    | <b>0</b>       | <b>0</b>          | <b>0</b>                 |
| <b>B. Public Shareholding</b>                                 |   |             |                |                   |   |             |                |                   |                          |
| 1. <i>Institutions</i>  |   |             |                |                   |   |             |                |                   |                          |
| a) Mutual Funds   | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| b) Banks / FI   | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| c) Central Govt   | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| d) State Govt(s)  | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| e) Venture Capital Funds                                      | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| f) Insurance Companies  | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| g) FIIs   | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| h) Foreign Venture Capital Funds                              | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| i) Others (specify)   | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| Sub-total(B)(1)   | <b>0</b>  | <b>0</b>    | <b>0</b>       | <b>0</b>          | <b>0</b>                                  | <b>0</b>    | <b>0</b>       | <b>0</b>          | <b>0</b>                 |
|   |   |             |                |                   |   |             |                |                   | 0                        |
| 2. <i>Non Institutions</i>                                    |   |             |                |                   |   |             |                |                   | 0                        |
| a) Bodies Corp.   | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |
| (i) Indian  | 0   | 72000       | 72000          | 2.4               | 0   | 62000       | 62000          | 2.07              | -13.89                   |
| (ii) Overseas   | 0   | 0           | 0              | 0                 | 0   | 0           | 0              | 0                 | 0                        |

|   |         |         |         |       |         |         |         |       |       |
|---|---------|---------|---------|-------|---------|---------|---------|-------|-------|
| <b>b) Individuals</b>   | 0       | 0       | 0       | 0     | 0       | 0       | 0       | 0     | 0     |
| (i) Individual shareholders holding nominal share capital upto RS.2 lakh          | 38300   | 861380  | 899680  | 29.98 | 31500   | 796,580 | 828080  | 27.60 | -7.96 |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 64900   | 508400  | 573300  | 19.11 | 84900   | 558,000 | 642900  | 21.43 | 12.14 |
| <b>c) Others (Specify) HUF</b>  | 0       | 2000    | 2000    | 0.07  | 0       | 2000    | 2000    | 0.07  | 0     |
| C-1) Non Resident Indians (Individuals)   | 0       | 0       | 0       | 0     | 0       | 0       | 0       | 0     | 0     |
| C-2) Clearing Member  | 0       | 0       | 0       | 0     | 0       | 0       | 0       | 0     | 0     |
| C-3) Directors  | 0       | 0       | 0       | 0     | 0       | 0       | 0       | 0     | 0     |
| C-4) Trusts   | 0       | 0       | 0       | 0     | 0       | 0       | 0       | 0     | 0     |
| Sub-total (B)1+ (B)(2)  | 103200  | 1443780 | 1534980 | 51.17 | 103200  | 1418580 | 1534980 | 51.17 | -9.71 |
| Total Public Shareholding(B)=(B)(1) + (B)(2)+(C)                                  | 103200  | 1443780 | 1534980 | 51.17 | 103200  | 1418580 | 1534980 | 51.17 | -9.71 |
| C. Shares held by Custodian for GDRs & ADRs                                       | 0       | 0       | 0       | 0     | 0       | 0       | 0       | 0     | 0     |
| Sub-total ©   | 0       | 0       | 0       | 0     | 0       | 0       | 0       | 0     | 0     |
| Grand Total (A+B+C)   | 1568220 | 1443780 | 3000000 | 100   | 1581420 | 1418580 | 3000000 | 100   | -9.71 |

## ii. Shareholding of Promoters

| Sr. No | Shareholder's Name             | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|--------|--------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|        |                                | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1      | MANGALCHAND JAIN<br>KEWALCHAND | 1465020                                   | 48.83                            | -  | 1465020                             | 48.83                            | -  | -   |

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in shareholding pattern of the promoter.

## iv. Shareholding of top ten shareholders(Other than directors and promoters)

| SN       | For Each of the Top 10 Shareholders                         | Shareholding at the beginning of the year |                                  |   | Cumulative Shareholding during the year |                                  |
|----------|---|---|----------------------------------|---|---|----------------------------------|
|          |   | No. of shares                             | % of total shares of the company |   | No. of shares                           | % of total shares of the company |
| <b>1</b> | <b>PADMANABHAN V K</b>                                      |   |                                  |   |   |                                  |
| i        | At the beginning of the year                                | 85000                                     | 2.83                             | - | 85000                                   | 2.83                             |
| ii       | Date wise Increase/Decrease in Shareholding during the year | -   | -                                | - | -                                       | -                                |
| iii.     | At the end of the year                                      | 85000                                     | 2.83                             | - | 85000                                   | 2.83                             |
| <b>2</b> | <b>FORESIGHT FINANCIAL SERVICES LIMITED</b>                 |   |                                  |   |   |                                  |
| i        | At the beginning of the year                                | 50000                                     | 1.66                             | - | 50000                                   | 1.66                             |
| ii       | Date wise Increase/Decrease in Shareholding during the Year | -   | -                                | - | -                                       | -                                |
| iii      | At the end of the year                                      | 50000                                     | 1.66                             | - | 50000                                   | 1.66                             |
| <b>3</b> | <b>P SUDARSHAN</b>  |   |                                  |   |   |                                  |
| i        | At the beginning of the year                                | 49900                                     |                                  |   | 49900                                   |                                  |
| li       | Date wise Increase/Decrease in Shareholding during the Year | -   | -                                | - | -                                       | -                                |
| iii      | At the end of the year                                      | 49900                                     | 1.66                             | - | 49900                                   | 1.66                             |
| <b>4</b> | <b>ARPITH</b>   |   |                                  |   |   |                                  |
| i        | At the beginning of the year                                | 48700                                     | 1.62                             |   | 48700                                   | 1.62                             |
| li       | Date wise Increase/Decrease in Shareholding during the Year | -   | -                                | - | -                                       | -                                |
| iii      | At the end of the year                                      | 48700                                     | 1.62                             | - | 48700                                   | 1.62                             |
| <b>5</b> | <b>BALA MURUGAN</b>   |   |                                  |   |   |                                  |
| I        | At the beginning of the year                                | 47400                                     | 1.58                             |   | 47400                                   | 1.58                             |
| li       | Date wise Increase/Decrease in Shareholding during the Year | -   | -                                | - | -                                       | -                                |
| iii      | At the end of the year                                      | 47400                                     | 1.58                             |   | 47400                                   | 1.58                             |
| <b>6</b> | <b>SHASHIDHARA</b>  |   |                                  |   |   |                                  |
| I        | At the beginning of the year                                | 45100                                     | 1.50                             | - | 45100                                   | 1.50                             |
| li       | Date wise Increase/Decrease in Shareholding during the Year | -   | -                                | - | -                                       | -                                |
| iii      | At the end of the year                                      | 45100                                     | 1.50                             | - | 45100                                   | 1.50                             |
| <b>7</b> | <b>ANURAG</b>   |   |                                  |   |   |                                  |
| i        | At the beginning of the year                                | 44700                                     | 1.49                             | - | 44700                                   | 1.49                             |
| ii       | Date wise Increase/Decrease in Shareholding during the Year | -   | -                                | - | -                                       | -                                |
| iii      | At the end of the year                                      | 44700                                     | 1.49                             | - | 44700                                   | 1.49                             |
| <b>8</b> | <b>RAMESHA</b>  |   |                                  |   |   |                                  |
| i        | At the beginning of the year                                | 44000                                     | 1.46                             | - | 44000                                   | 1.46                             |



|           |   |        |      |    |        |      |
|-----------|---|--------|------|----|--------|------|
| ii        | Date wise Increase/Decrease in Shareholding during the Year | -      | -    | -- | -      | -    |
| iii       | At the end of the year                                      | 44000  | 1.46 | -  | 44000  | 1.46 |
| <b>9</b>  | <b>KARTHIK</b>  |        |      |    |        |      |
| i         | At the beginning of the year                                | 40500  | 1.35 |    | 40500  | 1.35 |
| ii        | Date wise Increase/Decrease in Shareholding during the Year | -      | -    | -  | -      | -    |
| iii       | At the end of the year                                      | 40500  | 1.35 | -  | 40500  | 1.35 |
| <b>10</b> | <b>S. GANAPATHI</b>   |        |      |    |        |      |
| i         | At the beginning of the year                                | 40,000 | 1.33 | -  | 40,000 | 1.33 |
| ii        | Date wise Increase/Decrease in Shareholding during the Year | -      | -    | -  | -      | -    |
| iii       | At the end of the year                                      | 40,000 | 1.33 | -  | 40,000 | 1.33 |

**v. Shareholding of Directors and Key Managerial Personnel:**

| SN         | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year |                                  | Increase/Decrease in No. of shares | Cumulative Shareholding during the year |                                  |
|------------|--|---|----------------------------------|------------------------------------|---|----------------------------------|
|            |  | No. of shares                             | % of total shares of the company |                                    | No. of shares                           | % of total shares of the company |
| <b>1</b>   | <b>K.MANGALCHAND JAIN</b>  |   |                                  |                                    |   |                                  |
| <b>i</b>   | At the beginning of the year                                     | 1465020                                   | 48.83                            | -                                  | 1465020                                 | 48.83                            |
| <b>ii</b>  | a. Decrease<br>b. Increase                                       | -   | -                                | -                                  | -                                       | -                                |
| <b>iii</b> | At the end of the year   | 1465020                                   | 48.83                            | -                                  | 1465020                                 | 48.83                            |

Note: None of the other Directors / Key Management Personnel held any shares at the beginning and end of the financial year ended March 31, 2020.

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 956967                           | 824085          | 0        | 1781052            |
| ii) Interest due but not paid                              |                                  |                 |          |                    |
| iii) Interest accrued but not due                          |                                  |                 |          |                    |
| <b>Total (i+ii+iii)</b>                                    | 956967                           | 824085          | <b>0</b> | <b>1781052</b>     |
| Change in Indebtedness during the financial year           |                                  |                 |          |                    |
| * Addition   | 0                                | 1,363,473       | 0        | 1,363,473          |
| * Reduction  | 294,853                          | 0               | 0        | 294,853            |
| Net Change   |                                  |                 |          |                    |

| Indebtedness at the end of the financial year |               |                |          |                |
|---|---------------|----------------|----------|----------------|
| i) Principal Amount                           | 662114        | 2187558        | 0        | 2849672        |
| ii) Interest due but not paid                 |               |                |          |                |
| iii) Interest accrued but not due             |               |                |          |                |
| <b>Total (i+ii+iii)</b>                       | <b>662114</b> | <b>2187558</b> | <b>0</b> | <b>2849672</b> |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director ,Whole-time Directors and/or Manager

| SN. | Particulars of Remuneration   | Name of MD/WTD/ Manager     | Total Amount     |
|-----|---|-----------------------------|------------------|
|     |   | Managing Director           |                  |
|     |   | Mangalchand Jain Kewalchand |                  |
| 1   | Gross salary  | 15,75,000                   | 15,75,000        |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                           | -                |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                           | -                |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                           | -                |
| 2   | Stock Option  |                             |                  |
| 3   | Sweat Equity  | 0.00                        | 0.00             |
| 4   | Commission<br>- as % of profit<br>- others, specify...                              | 0.00                        | 0.00             |
| 5   | Others-contribution to funds  | -                           | -                |
|     | <b>Total (A)</b>  | <b>15,75,000</b>            | <b>15,75,000</b> |
|     | Ceiling as per the Act  |                             |                  |

### B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sl. no. | Particulars of Remuneration   | Key Managerial Personnel |                   |       |
|---------|---|--------------------------|-------------------|-------|
|         |   | Chief Financial Officer  | Company Secretary | Total |
| 1.      | Gross salary<br>(a)Salary as per provisions containsection17(1)of the Income-tax Act,1961<br>(b)Value of perquisites u/s 17(2) Income-tax Act,1961<br>(c)Profits in lieu of salary under section17(3)Income-taxAct,1961 | 0.00                     | 78,750            |       |
| 2.      | Stock Option  | 0.00                     | 0.00              | 0.00  |
| 3.      | Sweat Equity  | 0.00                     | 0.00              | 0.00  |
| 4.      | Commission<br>- as % of profit<br>-others, specify...   | 0.00                     | 0.00              | 0.00  |
| 5.      | Others, please specify  | 0.00                     | 0.00              | 0.00  |
| 6.      | <b>Total</b>  |                          |                   |       |

C. **Remuneration to other directors**

| S N. | Particulars of Remuneration                | Name of Directors   |                |   |   | Total Amount |
|------|--|---|----------------|---|---|--------------|
|      |  |   |                |   |   |              |
| 1    | Independent Directors                      | MAHAVEERCHAND SETHIA  | NEERAJ AGARWAL | - | - |              |
|      | Fee for attending board committee meetings | 0.00  | 0.00           | - | - | 0.00         |
|      | Commission                                 | 0.00  | 0.00           | - | - | 0.00         |
|      | Others, please specify                     | 0.00  | 0.00           | - | - | 0.00         |
|      | <b>Total (1)</b>                           | <b>0.00</b>   | <b>0.00</b>    | - | - | <b>0.00</b>  |
| 2    | Other Directors                            | VANITHA   | -              | - | - | -            |
|      | Fee for attending board committee meetings | 0.00  | -              | - | - | -            |
|      | Commission                                 | 0.00  | -              | - | - | -            |
|      | Others, please specify                     | 0.00  | -              | - | - | -            |
|      | <b>Total (2)</b>                           | <b>0.00</b>   | -              | - | - | -            |
|      | <b>Total (B)=(1+2)</b>                     | <b>0.00</b>   |                | - | - | <b>0.00</b>  |
|      | Total Managerial Remuneration              | 0.00  | -              | - | - | 0.00         |
|      | Overall Ceiling as per the Act             | Due to inadequate profit remuneration is paid as per the limit prescribed under Part II of Schedule V of the Companies Act, 2013. |                |   |   |              |

VII. **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

| Type                         | Section of the companies Act | Brief description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD /NCLT/Court] | Appeal made. If any (give details) |
|------------------------------|------------------------------|-------------------|--|----------------------------|------------------------------------|
| A. Company                   |                              |                   |  |                            |                                    |
| Penalty                      | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Punishment                   | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Compounding                  | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| B. Directors                 |                              |                   |  |                            |                                    |
| Penalty                      | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Punishment                   | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Compounding                  | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| C. Other Officers In Default |                              |                   |  |                            |                                    |
| Penalty                      | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Punishment                   | NIL                          | NIL               | NIL  | NIL                        | NIL                                |
| Compounding                  | NIL                          | NIL               | NIL  | NIL                        | NIL                                |

**For and on behalf of the Board of Directors**

**SD/-  
MANGALCHAND JAIN KEWALCHAND  
DIN :01845160  
(Director)**

**SD/-  
MAHAVEERCHAND SETHIA  
(DIN: 07640886)  
(Director)**

**Date: 05.09.2020  
Place: Bengaluru**

**ANNEXURE VI**

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 2020*

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
JAIN FARMS PALM OIL LIMITED  
CIN: L01133KA1995PLC016969  
Reg. off: No.59/1, Nakoda Arcade,  
III Floor, DVG Road, Bangalore – 560004

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JAIN FARMS PALM OIL LIMITED. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the JAIN FARMS PALM OIL LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by JAIN FARMS PALM OIL LIMITED (“the Company”) for the financial year ended on 31<sup>st</sup> March 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings(**Not applicable to the Company during the year under review**);
- (v) The Memorandum and Articles of Association.
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not applicable to the Company during the Audit Period)**
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **(Not applicable during audit period as there are no issue of shares under ESOP or ESPS scheme during the period of audit).**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not applicable to the Company during the Audit Period)**
  - h) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009 **(Not applicable to the Company during the Audit Period).**
- (vii) Following other laws as are applicable to the company
- a) The Companies Act, 2013 and the rules made there under
  - b) The Indian Contract Act, 1872
  - c) Employees Provident Fund Scheme, 1952
  - d) Employees State Insurance Act, 1948
  - e) Payment of Gratuity Act, 1972
  - f) Payment of Bonus Act, 1965
  - g) Minimum Wages Act, 1948
  - h) Transfer of Property Act, 1882
  - i) Real Estate Regulation Act, 2017
  - j) The Sexual Harassment of Women at Workplace Prevention, Prohibition, and Redressal Act 2013

As per a certificate submitted by the Managing Director, the company has complied with all the laws and regulations governing the company's behavior as a Public Company, has been following due processes enabling the Company to comply by all the legal requirements applicable to a Public Company and has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company is a listed company. The Audit is being conducted as a matter of good corporate governance practice.
- (ii) The Listing Agreements entered into by the Company with MSEI Limited Stock Exchange(s), if applicable;
- (iii) Securities Exchange of India (Listing Obligation and Disclosure Requirements) Regulation, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines and *partially complied with Secretarial Standards mentioned above.*

**I further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year Mr. Pavan Kumar Mangal Chand is resigned as the Chief Financial officer and Mr. Mangalchand Jain Kewalchand is appointed as the Chief Financial officer and Managing Director of the company. Miss Priya Malani resigned as the Company Secretary.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. One meeting was held at shorter notice and independent director was present in the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company, ***notice that the vacancy of the Company Secretary is not filled-up within stipulated time as per section 203 of Companies act 2013 and Rule 8 and Rule 8A of Companies appointment & remuneration of Managerial Personnel Rules 2014.***

**I further report that** no audit has been conducted on compliance with finance and taxation laws as the same are subject to audit by Statutory Auditor and Internal Auditor to the Company and their observations, if any, shall hold for the purpose of the Audit Report.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** there is scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and as informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory/regulatory authorities and initiated actions for corrective measures, wherever necessary.

For VB & Associates  
Company Secretaries

Sd/-

**Vighneshwar Bhat**

FCS No: 10057

C P No: 10012

Place: Bangalore

Date: 04.09.2020

UDIN: **F010557B000666256**

**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.**

**ANNEXURE A**

To,  
The Members,  
JAIN FARMS PALM OIL LIMITED  
CIN: L01133KA1995PLC016969  
Reg. off: No.59/1, Nakoda Arcade,  
III Floor, DVG Road, Bangalore – 560004

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and have relied on the report of statutory auditors on direct and indirect taxes.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For VB & Associates  
Company Secretaries**

SD/-

**Vighneshwar Bhat**  
FCS No: 10057  
C P No: 10012

Place: Bangalore  
Date: 04.09.2020  
UDIN: **F010557B000666256**



**Annexure - VII**  
**POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

**1. INTRODUCTION:**

Jain Farms Palm Oil Limited (“the Company”) recognizes the importance of attracting, retaining and motivating personnel of high caliber and talent for the purpose of ensuring efficiency and high standard in the conduct of its affairs and achievement of its goals besides securing the confidence of the shareholders in the sound management of the Company.

Section 178 of the Companies Act, 2013 and the provisions of Regulation 19 of the Listing Regulation with Stock Exchanges require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, among other classes of companies, to

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- Carry out evaluation of every director’s performance
- Formulate the criteria for evaluation of Independent Directors and the Board

Accordingly, in adherence to the above said requirements and in line with the Company philosophy towards nurturing its human resources, the Nomination and Remuneration Committee of the Board of Directors of Jain Farms Palm Oil Limited herein below recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the directors, key managerial personnel and other employees of the Company as set out below:

**2. DEFINITIONS:**

“Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“Board” means Board of Directors of the Company. “Company” means Jain Farms Palm Oil Limited.”

“Directors” means Directors of the Company.

“Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.

“Key Managerial Personnel” means as may be defined in the Companies Act, 2013. As per section 2(51)

“key managerial personnel”, in relation to a company, means—

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-time Director;

- iv. the Chief Financial Officer; and
- v. such other officer as may be prescribed;

“Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

“Policy or This Policy” means, “Policy for Remuneration of Directors, Key Managerial Personnel and Senior Employee”.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

“Senior Management” mean personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

“Other employees” means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

### **3. REMUNERATION TO THE DIRECTORS:**

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macroeconomic review on remuneration packages of heads of other organizations.

The remuneration payable to the directors of the Company shall at all times be determined, in accordance with the provisions of Companies Act, 2013.

### **4. APPOINTMENT AND REMUNERATION OF MANAGING DIRECTOR AND WHOLE TIME-DIRECTOR:**

The terms and conditions of appointment and remuneration payable to a Managing Director and/or Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013. Approval of the Central Government is not necessary if the appointment is made in accordance with the conditions specified in Schedule V to the Act.

In terms of the provisions of Companies Act, 2013, the Company may appoint a person as its Managing Director or Whole-time Director for a term not exceeding 5 (years) at a time. The executive directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to a Managing/ Whole-time Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- Financial and operating performance of the Company
- Relationship between remuneration and performance
- Industry/ sector trends for the remuneration paid to executive directorate.

Annual Increments to the Managing/ Whole Time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

#### **5. INSURANCE PREMIUM AS PART OF REMUNERATION:**

Where any insurance is taken by a Company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **6. REMUNERATION TO INDEPENDENT DIRECTORS:**

Independent Directors may receive remuneration by way of :-

- Commission as approved by the Shareholders of the Company.
- Independent Directors shall not be entitled to any stock options.

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to Independent Directors, but the amount of such sitting fees shall not exceed the maximum permissible under the Companies Act, 2013.

#### **7. REMUNERATION TO DIRECTORS IN OTHER CAPACITY:**

The remuneration payable to the directors including Managing Director or Whole-time Director or Manager shall be inclusive of the remuneration payable for the services rendered by him/her in any other capacity except the following:

- a) The services rendered are of a professional nature; and
- b) In the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

#### **8. EVALUATION OF THE DIRECTORS:**

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178 (2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

In developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters, the Board / Committee may take the advice of an independent professional consultant.

#### **9. REMUNERATION OF OTHER EMPLOYEES:**

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Key Managerial Personnel/s shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the individual in question.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the HODs of various departments.

Decisions on Annual Increments shall be made on the basis of this annual appraisal.

#### **10. REVIEW AND AMENDMENT:**

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Regulation on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

#### **11. SIGNIFICANT ACCOUNTING POLICIES:**

Significant accounting policies adopted in the preparation and presentation of the accounts are as under:

##### a) Nature of Operations

JAIN FARMS PALM OIL LIMITED ("the Company") was incorporated on 13/01/1995 at Bangalore, India (CIN No. L01133KA1995PLC016969). The main object of the company is to carry on business of Real Estate Activities

##### b) Basis of Accounting

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, in accordance with the accounting principles generally accepted in India and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013. Except where otherwise stated, the accounting principles have been consistently applied.

## c) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is provided on Straight Line method on pro-rata basis over the useful life prescribed in schedule II of the Companies Act, 2013. Depreciable amount is calculated after considering 5% of original cost as residual value.

## d) Investments

Long term investments are stated at cost and provision made (if required) to recognize any diminution in value, other than that of a temporary nature.

## e) Revenue recognition

a) Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

b) In respect of any other income, the company follows the practice of recognizing income on accrual basis.

## f) Income taxes

Tax expense comprises both current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

## g) Earnings per Share

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

## h) Segment Reporting Policies

## a) Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

## b) Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

c) Segment Policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

i) Provisions and Contingent Liabilities

The Company recognizes a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosures for a 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**For and on behalf of the Board of Directors**

**SD/-  
MANGALCHAND JAIN KEWALCHAND  
DIN :01845160  
(Managing Director)**

**Date: 05.09.2020**

**Place: Bengaluru**



## INDEPENDENT AUDITOR'S REPORT

To

**The Members of Jain Farms Palm Oil Limited**

### Report on the Financial Statements

We have audited the accompanying Standalone Financial Statements of **Jain Farms Palm Oil Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 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 Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone 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, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Financial Statements.

**Opinion: -**

*The balances held under Sundry Creditors are subject to confirmation, reconciliation and adjustments, if any. The effect of the aforesaid adjustments on the financial statements is not ascertainable as the relevant information is not in possession with the company.*

*In our opinion the company is not created the Provision for Gratuity payable as per the requirements of Accounting Standard -15: Employees Benefits which requires the provision to be created on basis of an Actuarial Valuation. The Company has not followed the same hence we cannot justify the provision created.*

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the 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: -

- i. In the case of the Balance Sheet, of the statement of affairs of the company as at 31<sup>st</sup> March 2020;





- ii. In the case of the statement of profit or loss, of the Loss for the year ended on that date;
- iii. In the case of the cash flow statement, of the cash flows for the year ended on that date

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - i) 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;
  - ii) in our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books
  - iii) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of accounts;
  - iv) in our opinion, the aforesaid balance sheet, statement of profit and loss and cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - v) On the basis of written representations received from the directors as on March 31, 2020, and 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;
  - vi) 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 **Annexure 'B'**. our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting
  - vii) 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:
    - a. The Company has pending litigations with the Income tax Department which is under an appeal with the Commissioner of Income tax (Appellate) which will have its impact on its financial position of the company.
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For Safal Gupta & Associates,  
Chartered Accountants  
FRN: 016530S**



**Safal Gupta  
Proprietor  
Membership No. 237864**



**UDIN:20237864AAAABP5977**

**Place: Bengaluru  
Date: 30<sup>th</sup> July, 2020**



# SAFAL GUPTA AND ASSOCIATES

## CHARTERED ACCOUNTANTS

### Annexure A referred to in paragraph 1 under the heading " Report on Other Legal and Regulatory Requirements " of our report of even date

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) All fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification. All the title deeds of immovable properties are held in the name of the Company.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.  
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.
- iii. (a) The Company has not granted secured/unsecured loan to parties covered in the register maintained under section 189 of the Companies Act, 2013 during the financial year 2016-17.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed maintenance of cost of records by the Company under section 148(1) of the Companies Act, 2013 for any of the products. Hence no comment on the maintenance of cost records is required.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, excise duty, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable with the appropriate authorities during the year which is outstanding as on date of this report and it is outstanding for more than 6 months.

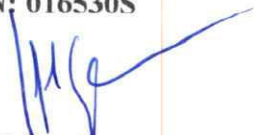
(b) According to the information and explanations given to us and based on the records of the company examined by us, the following dues have not been deposited on account of disputes. The Company has filed an appeal before the Commissioner of Income tax appellate, Bangalore against the demand for the Assessment year as stated below:

| Name of the Statute | Issued by                       | Nature of Dues       | Amount in (Lakhs) | Period to which the amount relates in A.Y | Forum where the dispute is pending              |
|---------------------|---------------------------------|----------------------|-------------------|---|---|
| Income Tax Act 1961 | Income Tax Officer-Ward 4(1)(1) | Demand of Income Tax | 28.78             | 2014-15                                   | Commissioner of Income Tax Appellate, Bangalore |



- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. The company has not borrowed any funds from the government.
- ix. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. There was no money raised by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3 (ix) the Order is not applicable to the Company.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
- xi. According to the information and explanation provided to us, and based on our examination of the records of the company, the company has paid/provided managerial remuneration in accordance with requisite approval mandated by the provisions of section 197 read with schedule V of the Act,
- xii. In our opinion and according to explanation provide to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanation provided to us, transactions with related parties are in compliance with sections 177 & 188 of the Act wherever applicable and details of such transaction have been disclosed in the financial statements as required by the applicable Accounting Standard.
- xiv. The Company has not made any preferential allotment/ private placement of shares or fully or partly convertible debentures during the financial year 2019-20
- xv. According to the information and explanation provided to us, the company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Safal Gupta & Associates,  
Chartered Accountants  
FRN: 016530S**

  
**Safal Gupta  
Proprietor  
Membership No. 237864**



**Place: Bengaluru  
Date: 30<sup>th</sup> July, 2020  
UDIN:20237864AAAABP5977**



**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

**Report on the Internal Financial Controls Over Financial Reporting 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 **Jain Farms Palm Oil Limited** ("the Company") as on 31<sup>st</sup> March, 2020 in conjunction with our audit of the 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 control 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 the 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 Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain of 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 judgment, 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 31<sup>st</sup> March, 2020, 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.

For Safal Gupta & Associates,  
Chartered Accountants  
FRN: 016530S

  
Safal Gupta  
Proprietor  
Membership No. 237864



**UDIN:20237864AAAABP5977**

Place: Bengaluru  
Date: 30<sup>th</sup> July, 2020

**JAIN FARMS PALM OIL LIMITED**  
59/1, Nakoda Arcade , 3rd Floor , DVG Road, Basavangudi ,Bangalore -560004 ;  
Balance Sheet as at 31st March 2020  
CIN:U01133KA1995PLC016969

| Particulars   | Note No. | 31.03.2020<br>Rs. | 31.03.2019<br>Rs. |
|---|----------|-------------------|-------------------|
| <b>I.ASSETS</b>                                       |          |                   |                   |
| <b>1.Non-current assets</b>                           |          |                   |                   |
| (a) Fixed Assets                                      |          |                   |                   |
| (i) Tangible assets                                   | 1        | 7,455,184         | 8,046,664         |
| (ii) Intangible assets                                |          |                   |                   |
| (iii) Capital work-in-progress                        |          |                   |                   |
| (b) Non-Current Investments                           | 2        | 2,000,000         | 2,000,000         |
| (c) Deferred tax Assets (Net)                         |          | 735,725           | 338,704           |
| (d) Long-term loans and advances                      | 3        | 24,917,600        | 27,997,041        |
| <b>Total non-current assets</b>                       |          | <b>35,108,510</b> | <b>38,382,410</b> |
| <b>2.Current Assets</b>                               |          |                   |                   |
| (a) Inventories                                       | 4        | 9,285,316         | 10,729,346        |
| (b) Trade receivables                                 |          | -                 | -                 |
| (c) Cash and Cash Equivalents                         | 5        | 2,304,381         | 833,986           |
| (d) Short-term loans and advances                     | 6        | 2,108,168         | 280,650           |
| (e) Other current assets                              | 7        | 860,214           | 588,145           |
| <b>Total current assets</b>                           |          | <b>14,558,078</b> | <b>12,432,127</b> |
| <b>Total Assets</b>                                   |          | <b>49,666,588</b> | <b>50,814,537</b> |
| <b>II.EQUITY AND LIABILITIES</b>                      |          |                   |                   |
| <b>1.Shareholders' Funds</b>                          |          |                   |                   |
| (a) Share Capital                                     | 8        | 30,000,000        | 30,000,000        |
| (b) Reserves and Surplus                              | 9        | 281,116           | 8,775,864         |
| (c) Money received against Share Warrants             |          |                   |                   |
| <b>Total equity</b>                                   |          | <b>30,281,116</b> | <b>38,775,864</b> |
| <b>2.Non-Current liabilities</b>                      |          |                   |                   |
| (a) Long-term borrowings                              | 10       | 2,849,672         | 1,781,052         |
| (b) Other long term liabilities                       |          | -                 | -                 |
| (c) long term provisions                              |          | -                 | -                 |
| <b>Total non-current liabilities</b>                  |          | <b>2,849,672</b>  | <b>1,781,052</b>  |
| <b>3.Current liabilities</b>                          |          |                   |                   |
| (a) Short-term borrowings                             |          |                   |                   |
| (b) Trade payables                                    | 11       | 1,665,361         | 4,822,131         |
| (c) Other current liabilities                         | 12       | 14,494,979        | 5,134,521         |
| (d) Short-term provisions                             | 13       | 375,459           | 300,968           |
| <b>Total current liabilities</b>                      |          | <b>16,535,799</b> | <b>10,257,620</b> |
| <b>Total equity and liabilities</b>                   |          | <b>49,666,588</b> | <b>50,814,537</b> |
| Significant Accounting Policies and Notes to Accounts | 21       |                   |                   |

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
for Safal Gupta & Associates,  
Chartered Accountants  
Firms' Registration No.016530S

**sd/-**

Safal Gupta  
Proprietor  
Membership No.237864  
UDIN:20237864AAAABR3303

Place: Bengaluru  
Date:30th July,2020

For and on behalf of the Board of Directors of  
M/s JAIN FARMS PALM OIL LIMITED

① *K. MangalChand*

Director  
K MangalChand  
DIN:01845160

Place: Bengaluru  
Date:30th July,2020



Director  
Mahaveerchand Sethi  
DIN:07640886

Place: Bengaluru  
Date:30th July,2020



**JAIN FARMS PALM OIL LIMITED**  
**59/1, Nakoda Arcade , 3rd Floor , DVG Road, Basavangudi ,Bangalore -560004,**  
**Statement of Profit and Loss for the year ended 31.03.2020**  
**CIN:U01133KA1995PLC016969**

| Particulars  | Note No. | 31.03.2020<br>Rs.  | 31.03.2019<br>Rs. |
|--|----------|--------------------|-------------------|
| I.Revenue from operations(Gross)   | 14       | 6,039,175          | 43,688,350        |
| II.Other Income  | 15       | 86,570             | 1,296,727         |
| <b>Total Revenue ( I+II)</b>   |          | <b>6,125,745</b>   | <b>44,985,077</b> |
| <b>III. Expenses:</b>  |          |                    |                   |
| Purchases of Stock in Trade  | 16       | 1,691,967          | 16,161,890        |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 17       | 1,444,030          | 9,203,013         |
| Employee benefits expense  | 18       | 3,629,632          | 4,385,772         |
| Finance costs  | 19       | 183,710            | 279,256           |
| Depreciation and Amortisation expense  | 1        | 793,398            | 1,065,817         |
| Other expenses   | 20       | 6,430,665          | 11,797,840        |
| <b>Total Expenses</b>  |          | <b>14,173,403</b>  | <b>42,893,589</b> |
| <b>Profit before exceptional and extraordinary items and tax</b>             |          | <b>(8,047,658)</b> | <b>2,091,488</b>  |
| Exceptional items  |          | -                  | -                 |
| <b>Profit before extraordinary items and tax</b>                             |          | <b>(8,047,658)</b> | <b>2,091,488</b>  |
| Extraordinary Items  |          | -                  | -                 |
| <b>Profit before Tax</b>   |          | <b>(8,047,658)</b> | <b>2,091,488</b>  |
| <b>Tax expense:</b>  |          |                    |                   |
| 1.Current tax  |          | -                  | -                 |
| 2.Deferred tax   |          | (397,021)          | (241,557)         |
| <b>Profit (Loss) for the period from continuing operations</b>               |          | <b>(7,650,638)</b> | <b>2,333,045</b>  |
| Profit/(loss) from discontinuing operations                                  |          | -                  | -                 |
| Tax expense of discontinuing operations                                      |          | -                  | -                 |
| Profit/(loss) from Discontinuing operations (after tax)                      |          | -                  | -                 |
| <b>Profit (Loss) for the period</b>  |          | <b>(7,650,638)</b> | <b>2,333,045</b>  |
| Earnings per share:  |          |                    |                   |
| (1) Basic (Facevalue of Rs.10 each)  |          | (2.55)             | 0.78              |
| (2) Diluted (Facevalue of Rs.10 each)  |          | (2.55)             | 0.78              |
| Significant Accounting Policies and Notes to Accounts                        | 21       |                    |                   |

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
for Safal Gupta & Associates,  
Chartered Accountants  
Firms' Registration No.016530S

**sd/-**

Safal Gupta  
Proprietor  
Membership No.237864  
UDIN:20237864AAAAABR3303

Place: Bengaluru  
Date: 30th July,2020

For and on behalf of the Board of Directors of  
M/s JAIN FARMS PALM OIL LIMITED

② *K. Mangalchand*

Director  
K MangalChand  
DIN:01845160

Place: Bengaluru  
Date: 30th July,2020

*M. Mahaveerchand Sethi*  
Director  
Mahaveerchand Sethi  
DIN:07640886

Place: Bengaluru  
Date: 30th July,2020



0  
59/1, Nakoda Arcade , 3rd Floor , DVG Road, Basavangudi ,Bangalore -560004,  
Cash Flow Statement for the year ended 31st March 2020  
CIN:U01133KA1995PLC016969

| Particulars   | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---|-----------------------|-----------------------|
| <b>A. Cash Flow from Operating Activities</b>                 |                       |                       |
| Profit before Taxation and extraordinary items (before taxes) | (8,047,658)           | 2,091,488             |
| Adjustments for Depreciation                                  | 793,398               | 1,065,817             |
| (Profit)/Loss on sale of Tangible assets                      | -                     | -                     |
| Interest Expenditure  | 74,883                | 114,367               |
| Other Non cash adjustments                                    | -                     | (24,174)              |
| <b>Operating Profit before working capital changes</b>        | <b>(7,179,377)</b>    | <b>3,247,498</b>      |
| <u>Changes in Working Capital:</u>                            |                       |                       |
| (Increase)/Decrease in Trade Receivables                      | -                     | -                     |
| (Increase)/Decrease in Inventories                            | 1,444,030             | 9,203,013             |
| (Increase)/Decrease in Loans and advances                     | 3,079,440             | (3,554,022)           |
| (Increase)/Decrease in Other Current assets                   | (272,069)             | (290,485)             |
| Increase/(Decrease) in Trade Payables                         | (3,156,770)           | 2,366,772             |
| Increase/(Decrease) in Current Liabilities                    | 9,360,458             | (12,248,365)          |
| Increase/(Decrease) in Short term provisions                  | 74,491                | 164,808               |
| <b>Cash generated from Operations</b>                         | <b>3,350,203</b>      | <b>(1,110,781)</b>    |
| Less: Income Tax  | 844,110               | -                     |
| Net cash generated from operations after tax                  | 2,506,093             | (1,110,781)           |
| <b>Net cash generated from operating activities</b>           | <b>2,506,093</b>      | <b>(1,110,781)</b>    |
| <b>B. Cash Flow from Investing Activities</b>                 |                       |                       |
| Sale of Asset   | -                     | -                     |
| Investment Income   | -                     | -                     |
| Interest received   | -                     | -                     |
| Investment in Capital Work in progress                        | -                     | -                     |
| Purchase of Tangible/Intangible Assets                        | (201,918)             | (248,841)             |
| <b>Net Cash from Investing Activities</b>                     | <b>(201,918)</b>      | <b>(248,841)</b>      |
| <b>C. Cash flow from Financing Activities</b>                 |                       |                       |
| Increase/(Repayment) of borrowings                            | 1,068,620             | 531,741               |
| Increase/(Repayment) of Short term loans and advances         | (1,827,518)           | (230,650)             |
| Proceeds from share capital increase                          | -                     | -                     |
| Proceeds from issue of share warrants                         | -                     | -                     |
| Interest paid   | (74,883)              | (114,367)             |
| <b>Net cash raised in Financing activities</b>                | <b>(833,781)</b>      | <b>186,724</b>        |
| <b>Net increase in cash and cash equivalents</b>              | <b>1,470,394</b>      | <b>(1,172,898)</b>    |
| Cash and Cash equivalents at the beginning of the year        | 833,986               | 2,006,884             |
| Cash and Cash equivalents at the end of the year              | 2,304,380             | 833,986               |

As per our report of even date  
for Safal Gupta & Associates,  
Chartered Accountants  
Firms' Registration No.016530S

**sd/-**

Safal Gupta  
Proprietor  
Membership No.237864  
UDIN:20237864AAAABR3303

Place: Bengaluru  
Date: 30th July,2020

For and on behalf of the Board of Directors of  
M/s JAIN FARMS PALM OIL LIMITED

(3) *K. MangalChand*

Director  
K MangalChand  
DIN:01845160

Place: Bengaluru  
Date: 30th July,2020

Director  
Mahaveerchand Sethi  
DIN:07640886

Place: Bengaluru  
Date: 30th July,2020



**JAIN FARMS PALM OIL LIMITED**

Registered office: #59/1,3rd Floor,'Nakoda Arcade' D.V.G Road Basavanagudi,Bangalore-560004

CIN:U01133KA1995PLC016969

**STATEMENT OF CHANGES IN EQUITY**

| Particulars   | Equity Share Capital | Capital Equity  |                   | (Amount in Rs) |
|---|----------------------|-----------------|-------------------|----------------|
|   |                      | Capital Reserve | Retained Earnings | Total Equity   |
|   |                      |                 |                   |                |
| <b>As at 31 March 2018</b>  | 30,000,000           | 5,625,400       | 1,647,376         | 37,272,776     |
| Changes during the period   | -                    | -               | (805,781)         | (805,781)      |
| Profit/ (loss) for the period                                     | -                    | -               | 2,333,044         | 2,333,044      |
| Other comprehensive income/(loss) for the year, net of income tax | -                    | -               | (24,174)          | (24,174)       |
| <b>Total comprehensive income for the year</b>                    | -                    | -               | 2,308,870         | 1,503,089      |
| <b>As at 31 March 2019</b>  | 30,000,000           | 5,625,400       | 3,150,465         | 38,775,864     |
| Changes during the period   | -                    | -               | (803,510)         | (803,510)      |
| Profit/ (loss) for the period                                     | -                    | -               | (7,650,638)       | (7,650,638)    |
| Other comprehensive income/(loss) for the year, net of income tax | -                    | -               | -                 | -              |
| <b>Total comprehensive income for the year</b>                    | -                    | -               | (7,650,638)       | (7,650,638)    |
| <b>As at 31 March 2020</b>  | 30,000,000           | 5,625,400       | (4,500,173)       | 30,321,716     |

Significant accounting policies and notes form an integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date

For Safal Gupta & Associates.,  
Chartered Accountants  
Firm Registration No. 016530S

For and on behalf of the Board of Directors of Jain Farms Palm Oil Limited

**sd/-**

Safal Gupta  
Proprietor  
Membership No. 237864  
UDIN:20237864AAAAABR3303

④ *K. MangalChand*

K MangalChand  
Director  
DIN:01845160

*M. J. Sethi*

Mahaveerchand Sethi  
Director  
DIN:07640886



Place: Bengaluru  
Date:30th July,2020

Place: Bengaluru  
Date:30th July,2020

Place: Bengaluru  
Date:30th July,2020

**2 Non-Current Investments**

| Particulars   | As at 31.3.2020  | As at 31.3.2019  |
|---|------------------|------------------|
| <b>Investment in Equity Instruments :</b>             |                  |                  |
| Shyam Flexi Pack Limited                              | 2,000,000        | 2,000,000        |
| No of Shares held                                     | 200,000          | 200,000          |
| % of Holding  | 10               | 10               |
| Less: Provision for diminution in value of investment | -                | -                |
| <b>Total</b>  | <b>2,000,000</b> | <b>2,000,000</b> |

**3 Long term loans and advances**

| Particulars                                   | As at 31.3.2020   | As at 31.3.2019   |
|---|-------------------|-------------------|
| <b>Security Deposit :</b>                     |                   |                   |
| Unsecured considered good                     |                   |                   |
| Deposit with Govt. Authorities                | 2,796,193         | 2,796,193         |
| <b>Loans &amp; Advance to Related parties</b> |                   |                   |
| Unsecured considered good                     |                   |                   |
| To entities under common control              | 10,823,853        | 13,807,853        |
| To Directors                                  | -                 | -                 |
| To Other related Party                        | 220,154           | 284,795           |
| <b>Loans &amp; Advance to Others</b>          |                   |                   |
| Unsecured considered good                     | 11,077,400        | 11,108,200        |
| <b>Total</b>                                  | <b>24,917,600</b> | <b>27,997,041</b> |

**4 Inventories**

| Particulars        | As at 31.3.2020  | As at 31.3.2019   |
|--------------------|------------------|-------------------|
| Finished Goods     | 9,285,316        | 10,729,346        |
| Work -in- Progress | -                | -                 |
| <b>Total</b>       | <b>9,285,316</b> | <b>10,729,346</b> |

**5 Cash and Cash Equivalents**

| Particulars         | As at 31.3.2020  | As at 31.3.2019 |
|---------------------|------------------|-----------------|
| Cash on hand        | 36,882           | 136,396         |
| Balances with Banks |                  |                 |
| In current Account  | 2,267,499        | 697,590         |
| <b>Total</b>        | <b>2,304,381</b> | <b>833,986</b>  |

**6 Short term Loans and advances**

| Particulars                           | As at 31.3.2020  | As at 31.3.2019 |
|---------------------------------------|------------------|-----------------|
| <b>Other Loans and Advances</b>       |                  |                 |
| Unsecured, considered good            |                  |                 |
| Advance paid for suppliers and others | 2,108,168        | 280,650         |
| <b>Total</b>                          | <b>2,108,168</b> | <b>280,650</b>  |



**7 Other current assets**

| Particulars          | As at 31.3.2020 | As at 31.3.2019 |
|----------------------|-----------------|-----------------|
| TDS & TCS Receivable | 26,365          | 26,365          |
| GST Input Credit     | 833,849         | 561,780         |
| <b>Total</b>         | <b>860,214</b>  | <b>588,145</b>  |

**10 Long term Borrowings**

| Particulars                             | As at 31.3.2020  | As at 31.3.2019  |
|---|------------------|------------------|
| <u>Secured</u>                          |                  |                  |
| Car Loans                               | 662,114          | 956,967          |
| <u>Unsecured</u>                        |                  |                  |
| Loans and advances from related parties | 2,187,558        | 824,085          |
| <b>Total</b>                            | <b>2,849,672</b> | <b>1,781,052</b> |

**11 Trade Payables**

| Particulars                                | As at 31.3.2020  | As at 31.3.2019  |
|--|------------------|------------------|
| Due to Micro, small and Medium Enterprises | -                | -                |
| Others                                     | 1,665,361        | 4,822,131        |
| <b>Total</b>                               | <b>1,665,361</b> | <b>4,822,131</b> |

**12 Other Current liabilities**

| Particulars                      | As at 31.3.2020   | As at 31.3.2019  |
|----------------------------------|-------------------|------------------|
| (i) Other Payables               |                   |                  |
| Payable to employees             | 718,548           | 491,516          |
| Advances Received form Customers | 9,322,668         | 2,124,000        |
| Statutory dues                   | 1,215,775         | 1,343,021        |
| Others                           | 3,237,988         | 1,175,984        |
| <b>Total</b>                     | <b>14,494,979</b> | <b>5,134,521</b> |

\* Note: Car Loan from Bank of Baroda secured by hypothecation of the vehicle.

**13 Short term Provisions**

| Particulars                         | As at 31.3.2020 | As at 31.3.2019 |
|-------------------------------------|-----------------|-----------------|
| (a) Provision for Employee benefits |                 |                 |
| (i) Gratuity                        | 330,459         | 255,968         |
| (b) Provision for Audit Fees        | 45,000          | 45,000          |
| <b>Total</b>                        | <b>375,459</b>  | <b>300,968</b>  |



**14 Revenue from Operations**

| Particulars           | Year ended 31st<br>March 2020 | Year ended 31st<br>March 2019 |
|-----------------------|-------------------------------|-------------------------------|
| (a) Sale of Farm Land | 6,039,175                     | 43,688,350                    |
| <b>Total</b>          | <b>6,039,175</b>              | <b>43,688,350</b>             |

**15 Other Income**

| Particulars                  | Year ended 31st<br>March 2020 | Year ended 31st<br>March 2019 |
|------------------------------|-------------------------------|-------------------------------|
| (a) Miscellaneous income     | 83,867                        | 1,208,975                     |
| (b) Amount No longer payable | 2,702                         | 87,752                        |
| <b>Total</b>                 | <b>86,570</b>                 | <b>1,296,727</b>              |

**16 Purchase of Stock in Trade**

| Particulars                   | Year ended 31st<br>March 2020 | Year ended 31st<br>March 2019 |
|-------------------------------|-------------------------------|-------------------------------|
| (a) Purchase of Farm Land     | -                             | 15,241,650                    |
| (b) Land Development Expenses | 1,012,580                     | 775,040                       |
| (c) Construction Expenses     | 125,000                       | -                             |
| (d) Registration Expenses     | 144,050                       | 145,200                       |
| (e) Incentives Paid For Plot  | 280,907                       | -                             |
| (f) Legal Opinion Charges     | 27,930                        | -                             |
| (g) Plot Cleaning Charges     | 43,500                        | -                             |
| (h) Survey Works              | 58,000                        | -                             |
| <b>Total</b>                  | <b>1,691,967</b>              | <b>16,161,890</b>             |

**17 Changes in inventory**

| Particulars                               | Year ended 31st<br>March 2020 | Year ended 31st<br>March 2019 |
|---|-------------------------------|-------------------------------|
| (a) Opening Balance                       | 10,729,346                    | 19,932,359                    |
| (b) Less: Closing Balance                 | 9,285,316                     | 10,729,346                    |
| <b>(Increase)/Decrease in Stocks(a-b)</b> | <b>1,444,030</b>              | <b>9,203,013</b>              |

**18 Employee Benefit Expenses**

| Particulars               | Year ended 31st<br>March 2020 | Year ended 31st<br>March 2019 |
|---------------------------|-------------------------------|-------------------------------|
| Salaries, Wages and Bonus | 3,328,963                     | 3,877,126                     |
| Staff welfare expenses    | 173,611                       | 343,638                       |
| Gratuity                  | 74,491                        | 164,808                       |
| Overtime & Bata           | 52,567                        | 200                           |
| <b>Total</b>              | <b>3,629,632</b>              | <b>4,385,772</b>              |

**19 Finance Costs**

| Particulars                     | Year ended 31st<br>March 2020 | Year ended 31st<br>March 2019 |
|---------------------------------|-------------------------------|-------------------------------|
| Bank Charges                    | 12,076                        | 44,612                        |
| Interest Paid                   | 74,883                        | 114,367                       |
| Interest on Late payment of TDS | 96,751                        | 6,152                         |
| Interest on Income Tax          | -                             | 114,125                       |
| <b>Total</b>                    | <b>183,710</b>                | <b>279,256</b>                |



## 20 Other Expenses

| Particulars                 | Year ended 31st<br>March 2020 | Year ended 31st<br>March 2019 |
|-----------------------------|-------------------------------|-------------------------------|
| Statutory Audit fees        | 50,000                        | 50,000                        |
| Advertisement charges       | 2,149,399                     | 1,949,867                     |
| Accounting Charges          | 401,680                       | -                             |
| Repairs & Maintenance       | 14,900                        | 106,161                       |
| Conveyance                  | 52,591                        | 51,952                        |
| Designing Charges           | 7,670                         | 215,924                       |
| Electricity Charges         | 95,000                        | 93,783                        |
| Exhibition Charges          | -                             | 181,820                       |
| Business Promotion Expenses | 557,302                       | 929,154                       |
| Donation                    | 20,000                        | -                             |
| Rates and Taxes             | -                             | 2,500                         |
| Petrol Expenses             | 133,833                       | 261,014                       |
| Printing Expenses           | 227,011                       | 249,116                       |
| Professional Charges        | 1,068,065                     | 2,166,872                     |
| Government Fees             | -                             | 42,000                        |
| Postage & Courier           | 92,636                        | 226,203                       |
| Incentive Paid              | 181,475                       | 3,956,937                     |
| Insurance paid              | 40,930                        | 55,085                        |
| Security Charges            | -                             | 20,000                        |
| Telephone Charges           | 23,958                        | 103,030                       |
| News paper and Magazines    | 12,174                        | 5,890                         |
| Office Expenses             | 37,976                        | 76,759                        |
| Rent paid                   | 131,481                       | 114,083                       |
| Stamp Duty                  | -                             | 2,860                         |
| Listing Fees                | -                             | 20,000                        |
| Water Charges               | 5,440                         | 6,800                         |
| Travelling Expenses         | 494,185                       | 315,370                       |
| Fencing Gate Charges        | -                             | 25,474                        |
| Maintenance Charges         | -                             | 109,590                       |
| Penalty Charges             | 46,400                        | -                             |
| Other Operating Expenses    | -                             | 58,015                        |
| Miscellaneous Expenses      | 294,245                       | 268,075                       |
| Accommodation Expenses      | 248,327                       | 26,789                        |
| Computer Maintenance        | 43,989                        | 45,829                        |
| Membership Charges          | -                             | 60,888                        |
| <b>Total</b>                | <b>6,430,665</b>              | <b>11,797,840</b>             |



## JAIN FARMS PALM OIL LIMITED

### NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

#### 8 Share Capital

| Particulars   | As at 31st March 2020 |                   | As at 31st March 2019 |                   |
|---|-----------------------|-------------------|-----------------------|-------------------|
|   | No. of Shares         | Amount (Rs/-)     | No. of Shares         | Amount (Rs/-)     |
| <b>Authorised Share Capital:</b><br>55,00,000 ( March 31, 2016 : 55,00,000) Equity Shares of Rs.10/- each               | 5,500,000             | 55,000,000        | 5,500,000             | 55,000,000        |
| <b>Issued Share Capital</b><br>30,00,000 (March 31, 2016 : 30,00,000) Equity Shares of Rs.10/- each                     | 3,000,000             | 30,000,000        | 3,000,000             | 30,000,000        |
| <b>Subscribed and fully Paid up:</b><br>30,00,000 ( March 31, 2016 : 30,00,000) Equity Shares of Rs. 10/- fully paid up | 3,000,000             | 30,000,000        | 3,000,000             | 30,000,000        |
| <b>Total</b>  |                       | <b>30,000,000</b> |                       | <b>30,000,000</b> |

The Company has only one class of shares, referred to as equity shares, having a par value of Rs.10/-. Each holder of equity The Company declares and pays dividend in Indian rupees. The dividend proposed, if any, by the Board of Directors is Dividend, if any, is payable to the shareholders in proportion to their shareholding.

The Company has not declared dividend during the year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets

#### Reconciliation of number of Shares:

| Particulars                                      | As at 31st March 2020 |                   | As at 31st March 2019 |                   |
|--|-----------------------|-------------------|-----------------------|-------------------|
|  | No. Of Shares         | Amount (Rs/-)     | No. Of Shares         | Amount (Rs/-)     |
| Balance as at the beginning of the previous year | 3,000,000             | 30,000,000        | 3,000,000             | 30,000,000        |
| Shares Issued during the year                    | -                     | -                 | -                     | -                 |
| Shares bought back during the year               | -                     | -                 | -                     | -                 |
| Any other movement (please specify)              | -                     | -                 | -                     | -                 |
| <b>Balance as at the end of the year</b>         | <b>3,000,000</b>      | <b>30,000,000</b> | <b>3,000,000</b>      | <b>30,000,000</b> |

#### Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company:

| Particulars         | As at 31st March 2020 |            | As at 31st March 2019 |            |
|---------------------|-----------------------|------------|-----------------------|------------|
|                     | No. of shares         | Percentage | No. of shares         | Percentage |
| K Mangal Chand Jain | 1,465,020             | 48.83      | 1,465,020             | 48.83      |

#### 9 Reserves and Surplus

| Particulars  | As at 31.3.2020  | As at 31.3.2019  |
|--|------------------|------------------|
| <b>(a) Capital Reserve</b>                         |                  |                  |
| Opening balance                                    | 5,625,400        | 5,625,400        |
| Add: Addition during the year                      |                  |                  |
| <b>Balance as at the end of the year</b>           | <b>5,625,400</b> | <b>5,625,400</b> |
| <b>(b) Surplus in Statement of Profit and Loss</b> |                  |                  |
| Opening balance                                    | 3,150,464        | 841,594          |
| Add: Profit/(Loss) for the year                    | (7,650,638)      | 2,333,044        |
| Add: Equilisation Levy                             | -                | (24,174)         |
| Less: Income Tax                                   | (844,110)        | -                |
| Closing Balance                                    | (5,344,284)      | 3,150,464        |
| <b>Total</b>                                       | <b>281,116</b>   | <b>8,775,864</b> |





Notes Forming Integral Part of the Balance Sheet as at 31st March , 2020

Notes : 1 Fixed Asset

| Particulars            | Gross Block               |                                |                                 |                           | Depreciation              |                                       |  | Net Block                 |                         |                         |
|------------------------|---------------------------|--------------------------------|---------------------------------|---------------------------|---------------------------|---------------------------------------|--|---------------------------|-------------------------|-------------------------|
|                        | Value as on<br>01.04.2019 | Addition<br>during the<br>year | Deduction<br>during the<br>year | Value as on<br>31.03.2020 | Value as on<br>01.04.2019 | Addition/Deduction<br>during the year | Addition/Dedu<br>ction For the<br>year | Value as on<br>31.03.2020 | WDV as on<br>31.03.2020 | WDV as on<br>31.03.2019 |
| <b>Tangible Assets</b> |                           |                                |                                 |                           |                           |                                       |  |                           |                         |                         |
| Land                   | 5,846,900                 | -                              | -                               | 5,846,900                 | -                         | -                                     | -                                      | -                         | 5,846,900               | 5,846,900               |
| Furniture & Fittings   | 390,002                   | -                              | -                               | 390,002                   | 208,423                   | 25,692                                | -                                      | 234,115                   | 155,887                 | 133,959                 |
| Office Equipment       | 1,010,862                 | 164,970                        | -                               | 1,175,832                 | 712,985                   | 127,041                               | -                                      | 840,026                   | 335,806                 | 306,334                 |
| Plant and Machinery    | 2,792,104                 | -                              | -                               | 2,792,104                 | 1,071,795                 | 636,513                               | -                                      | 1,708,308                 | 1,083,796               | 2,576,448               |
| Software               | -                         | 36,947                         | -                               | 36,947                    | -                         | 4,152                                 | -                                      | 4,152                     | 32,795                  | -                       |
| <b>Total</b>           | <b>10,039,868</b>         | <b>201,917</b>                 | <b>-</b>                        | <b>10,241,785</b>         | <b>1,993,203</b>          | <b>793,398</b>                        | <b>-</b>                               | <b>2,786,601</b>          | <b>7,455,184</b>        | <b>8,863,641</b>        |
| <b>(Previous Year)</b> | <b>9,791,027</b>          | <b>248,841</b>                 | <b>-</b>                        | <b>10,039,868</b>         | <b>927,386</b>            | <b>1,065,817</b>                      | <b>-</b>                               | <b>1,993,203</b>          | <b>8,046,664</b>        |                         |



M/s JAIN FARMS PALM OIL LIMITED

23. NOTES FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS AS ON 31<sup>ST</sup>  
MARCH 2020

A) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of Accounting:**

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

b) **Inventories:**

Inventories are valued at lower of cost and estimated net realizable value.

c) **Terms/ rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company did not declare any dividend in the year covered under audit. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) **Net profit or Loss for the Period, Prior period items and Changes in Accounting Policies:**

Ordinary activities are of such size, nature, or incidence that their disclosure is relevant to explain the performance of the enterprise for the reporting period. Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such. On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.



e) **Depreciation:**

Depreciation on tangible assets is provided on the written down value method over the useful life of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a written down value, commencing from the date the asset is available to the Company for its use. As per Management's estimate the useful lives for the fixed assets as stated in the schedule II to the Companies Act, 2013 are the useful life of the assets of the Company.

f) **Revenue Recognition:**

The company follows mercantile system of accounting for all segments. The segment wise accounting policies of the Companies are as under:

- i. **Horticultural Farm Lands:** -The Company buys large area farm lands, develops and maintains the same by adopting best agricultural practices and sells in smaller portions to the intending buyers. Present locations of these farm lands are at Baglur, Kodaiknal and Jaipur. The development of large area of farms includes providing access, irrigation facility, leveling, drilling of bore-well, etc. We are growing plants like, Teak, Mango, Guava, Sapota, Avenue tree, Gooseberry, Neem, Leman, Custard Apple and Pomegranate. The Company recognizes the revenue as and when the farm land sale deed is registered.
- ii. **Maintenance of Horticultural Plots:** -Upon sale of farm land to prospective customers, Company also undertakes to maintain the same. Major maintenance activities are land leveling, planting, irrigating, etc., on a fixed price on monthly basis. The Company accounts those revenues as and related expenses on accrual basis.
- iii. **Registration expenses:** -The Company upon sale of farm land or residential plots collects money towards registration expenses as most of the customer request the Company to complete the registration process as well. This money is spent on registration expenses like, documentation charges, Khatas, Pattas, stamp duty, Registration fees, lawyers fee, stationery expenses etc.
- iv. **Construction of Cottages/Village Homes:** - The Company also undertakes construction of cottages/village homes. The Company recognizes revenue according to "Guidance note on Construction contracts" as well as According Standards -7, Issued by ICAI. Revenue from Constructed properties & projects is recognized on the percentage of completion method. Total sale consideration as per the duly executed , agreements to sell/ application forms (containing salient terms of agreement to sell), is recognized as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost, subject to such actual cost incurred being 25 percent or more of the total estimated project cost.
- v. **Recognition/Allocation of Expenses:** - The Company recognizes each expense on relatable segments by following matching concepts.



**g) Tangible assets:**

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements

Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

**h) Foreign Currency transactions:**

The reporting currency of the Company is Indian Rupees. There are no transactions involving foreign currency during the reporting period.

**i) Advances:**

**Land Advances paid by the Company to the seller**

Intermediary payments toward outright purchase of land is recognized as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories.

Likewise, advance received by the company from customers for sale of plot is stated under advance received from customer under current liabilities. During the reporting period, there were no advances received for construction activities.

**j) Segment reporting:**

The Company has operated in only one segment during the financial year 2019-20 namely development and sale of real estate products. Hence there no disclosure of segment wise revenue and assets as per AS-17 "Segment Reporting has been in during the year 2019-20. The Company operates primarily in India and there is no other significant geographical segment.

**k) Accounting for taxes for Income:**

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing



evidence that the Company will pay normal tax and the resultant asset can be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. 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. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

**l) Borrowing costs:**

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for capitalization are charged to statement of profit and loss.

**m) Investments:**

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention. Current investments are carried at the lower of cost and fair value of each investment individually. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

**n) Employee benefits:**

**Retirement benefits to employees:**

**a) Short term:**

Short term employee benefits include salaries and performance incentives. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or informal obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognized as an expense in the Statement of Profit and Loss at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company



**b) Post-employment benefits:**

The Company offers its employees long term benefits by way of defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees

**c) Defined Contribution plan :**

Eligible employees receive benefits from a provident fund, which is a defined Contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

**d) Defined Benefit plan:**

The obligation under defined benefit plan is accounted as per the estimation provided by the Management. Accordingly, during the year, the Management has provided Rs.74,491/- towards estimation of Gratuity payable.

**o) Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

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

**p) Leases:**

A lease of assets where the risk and rewards of ownership are transferred by the owner by the end of the lease term is capitalized as finance lease. Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower. Depreciation on the assets taken on lease is charged over the primary period of the lease. Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease, based on the interest rate implicit in the lease

Other leases are operating leases and the leased assets are not recognized in the Company's Balance Sheet. Lease expenses on such operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred

**q) Impairment of Asset:**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the



asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased

**r) Provisions and contingent liabilities:**

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 there, for that provision is made.



B) NOTES FORMING PART OF ACCOUNTS AS ON 31<sup>ST</sup> MARCH 2020

- a) **Contingent Liability:** -The company has filed an appeal before the Income tax appellate tribunal, Bangalore against the demand order for the Assessment years as mentioned below: -

| Name of the Statute | Issued by                       | Nature of Dues       | Amount in (Lakhs) | Period to which the amount relates in A.Y | Forum where the dispute is pending              |
|---------------------|---------------------------------|----------------------|-------------------|---|---|
| Income Tax Act 1961 | Income Tax Officer-Ward 4(1)(1) | Demand of Income Tax | 28.78             | 2014-15                                   | Commissioner of Income Tax Appellate, Bangalore |

- a) Earnings Per Share

| Particulars  | 2019-2020   | 2018-2019 |
|--|-------------|-----------|
| Net profit/(Loss) attributable to Equity Share Holders | (76,50,638) | 23,33,045 |
| No.of Equity Share holders                             | 30,00,000   | 30,00,000 |
| Basic and Diluted Earnings per Share                   | (2.55)      | 0.78      |

- b) Disclosure of Related Party Transactions

A) List of Related Parties

| Sl.No | Name of the Related party      | Relationship          |
|-------|--------------------------------|-----------------------|
| 1     | Jain farms private limited     | Associated Company    |
| 2     | Jain farms and resorts limited | Associated Company    |
| 3     | Jain farms construction        | Associated Enterprise |
| 4     | Jain farms trust               | Associated Enterprise |

B) List of Key Management Personnel

| Sl.No | Name of the Key Management Person | Relationship |
|-------|-----------------------------------|--------------|
| 1     | K Mangalchand Jain                | Director     |

- e) Related party Transactions

| Nature of Transaction | Relationship    | Related Party | For Year ended 31 <sup>st</sup> March 2020 | For Year ended 31 <sup>st</sup> March 2019 |
|-----------------------|-----------------|---------------|--|--|
| Salary Paid           | Son of Director | Pavan Kumar   | 8,40,000                                   | 7,00,000                                   |
|                       | Director        | K             | 15,75,000                                  | 19,50,000                                  |





|                           |                      |  |              |              |
|---------------------------|----------------------|--|--------------|--------------|
|                           |                      | Mangalchand Jain                                 |              |              |
| Reimbursement of expenses | Son of Director      | Pavan Kumar                                      | NIL          | NIL          |
| Incentive Paid            | Son of Director      | Pavan Kumar                                      | 17,66,722    | 14,31,045    |
|                           | Son of Director      | Darshan  | 2,43,675     | 2,56,500     |
| Advances Received         | Associate Enterprise | K Mangal Chand & Sons                            | 1,35,359     | 2,00,000     |
|                           | Wife of Director     | M Chanchal Jain                                  | NIL          | NIL          |
| Advances given            | Associate Enterprise | JF Constructions                                 | 3,00,000     | 3,00,000     |
|                           | Son of Director      | Darshan  | 1,50,056     | 2,78,571     |
|                           | Director             | K Mangal Chand Jain                              | 15,10,802.21 | 2,00,814.45  |
| Payable at year end       | Associate Enterprise | Jain farms Resort                                | 34,700       | 44,700       |
|                           | Director's Son       | Pavan Kumar                                      | 1,92,000     | -            |
| Receivable at year end    | Associate Company    | Jain farms private limited                       | 16,16,192.72 | 44,68,676.19 |
|                           | Associate Company    | Jain farms and Resort Limited                    | 24,81,586.31 | 70,10,586.31 |
|                           | Associate Enterprise | JF Trust   | 10,61,336    | 12,03,248    |
|                           | Associate Enterprise | Jain farms Palm oil Limited-Hoticulture Division | 56,64,738.36 | 11,25,342.36 |

- f) Disclosures pursuant to Guidance Note on Accounting for real estate Transactions (revised 2012) issued by The Institute of Chartered Accountants of India, adopted by the company with effect from 01.04.2012.

| Sl.No | Particulars  | Amount (Rs/-) |
|-------|--|---------------|
| 1     | Amount of Project revenue recognized for the financial year  | Nil           |
| 2     | Aggregate amount of cost incurred and profit recognized (less recognized loss) as at the end of the financial year for all contracts in progress as at that date | Nil           |



|   |  |     |
|---|--|-----|
| 3 | Amount of customer advance outstanding for the contracts in progress as at the end of financial year | Nil |
| 4 | Excess of revenue recognized over actual bill raised   | Nil |

The methods used to determine the project revenue during the reporting period is percentage of Completion method as per Guidance Note for Accounting for Real Estate Transactions Revised 2012

The method used to determine the stage of completion of the project is accumulated expenses incurred in the project till the end of financial year divided by the estimated Project cost.

**g) Payment to Statutory Auditors**

| Particulars                  | FY 2019-20     | FY 2018-19     |
|------------------------------|----------------|----------------|
| Audit fee                    | 50000/-        | 50000/-        |
| Tax Audit fee                | Nil            | Nil            |
| Other law & Taxation Matters | Nil            | Nil            |
| <b>Total</b>                 | <b>50000/-</b> | <b>50000/-</b> |

**h)** Balances in certain long term / short term loans and advances, trade receivables, and current liabilities, are subject to confirmation. In the opinion of Board of Directors, Current Assets and Short term and long term Loans and advances have at least the value as stated in Balance Sheet, if realized in the ordinary course of the business.

**i) Expenditure and Income in foreign currency:**

| Particulars                     | FY 2019-20 | FY 2018-19 |
|---------------------------------|------------|------------|
| Expenditure in Foreign Currency | NIL        | NIL        |
| Income In Foreign currency      | NIL        | NIL        |

**j) Details of consumption and inventory of Land (Finished Goods)**

| Particulars   | FY 2019-20        |                | FY 2018-19        |                |
|---------------|-------------------|----------------|-------------------|----------------|
|               | Quantity(In Sqft) | Value (In RS.) | Quantity(In Sqft) | Value (In RS.) |
| Opening Stock | 68,957            | 1,07,29,346    | 1,38,654          | 1,99,32,358    |
| Purchases     | 0                 | 0              | 1,06,823          | 1,52,41,650    |
| Consumption   | 21,997            | 14,44,031      | 1,76,520          | 2,44,44,663    |
| Closing Stock | 46,960            | 92,85,315      | 68,957            | 1,07,29,346    |

**Note:** The entity deals in development and sale of land. All the inventory are considered as finished goods. No work-in progress inventory has been created during current financial year as well as previous financial year.



k) Previous year balances have been re grouped wherever it necessary.

l) **MSMED**

The company has not received any intimation from the suppliers regarding status under Micro, Small and Medium Enterprises Development Act, 2006(the Act) and hence disclosures regarding the same cannot be furnished the financial statements. Further, the Company is making effort to get the confirmation from the suppliers as regard their status under the act.

M/s JAIN FARMS PALM OIL LIMITED



⑦

*K. Mangal chand*

*M. Jeevan*

**K Mangal Chand Jain**    **Mahaveerchand Sethi**  
Director                      Director

**For Safal Gupta and Associates,**  
Chartered Accountants  
FRN:016530S

**sd/-**

**Safal Gupta**  
Proprietor  
M No:237864  
UDIN:20237864AAAABR3303

Place : Bengaluru

Date :30<sup>th</sup> July, 2020