

**THE MAHARASHTRA STATE
FARMING CORPORATION LIMITED,
PUNE**

(A Government of Maharashtra Undertaking)

**S.No. 270, Bhamburda, Senapati Bapat Marg,
Pune- 411016**

**52nd Annual Report
(2014-2015)**

**THE MAHARASHTRA STATE FARMING CORPORATION
LIMITED, PUNE
(A Government of Maharashtra Undertaking)**

**52nd Annual Report
(2014-2015)**

INDEX

Sr. No.	Subject	Page No.
1	List of Directors for the year 2014-2015	5
2	Notice For The Adjourned Annual General Meeting	7
3	Director's Report	8
4	Auditor's Report	11
5	Balance sheet And Profit & Loss Account	19 & 20
6	Significant Accounting Policies and Notes annexed to and forming part of Balance Sheet and Profit and Loss Account	37
7	Comments of the Comptroller and Auditor General of India	39 & 40

-----*-----

The Maharashtra State Farming Corporation Limited, Pune
(A Government of Maharashtra Undertaking)

The Annual Accounts of the Corporation for the year 2014-2015 ended on 31st March, 2015 were due for presentation to the Annual General Body before 30th September, 2015.

M/s. NPSR & Associates, Chartered Accountants were appointed as Statutory Auditors for the year 2014-2015 vide Comptroller & Auditor General of India, New Delhi's order dated 11-08-2014. The accounts for the year ended on 31st March, 2015 were adopted by the Board of Directors of the corporation vide circulatory resolution dated 12-10-2015. Statutory audit for the year 2014-2015 was completed on 12-10-2015. The Supplementary Audit for the year ending on 31st March, 2015 under section 143(6)(b) of the Companies Act, 2013 was completed on 02-12-2015. The final comments from the Comptroller and Auditor General of India were received on 06-02-2016. Accounts for the year 2014-2015 were placed before the 52nd Adjourned Annual General Meeting held on 09-03-2016. The Annual Report was printed and submitted to the Government.

-----*-----

The Maharashtra State Farming Corporation Limited, Pune
(A Government of Maharashtra Undertaking)

Details of the Losses sustained by the Maharashtra State Farming Corporation Ltd; during the Year 2014-2015.

During the year 2014-2015 the Corporation earned the **Profit Rs. 546.11 lac before interest on Government loan, depreciation, & income tax** and suffered a loss of **Rs. 622.80 lac after on Government loan, depreciation, & income tax.**

Under the instructions of Revenue and Forest Department, Government of Maharashtra vide their Letter No. ICH 3407 /1221 /P.K. 194 /L - 7 dtd. 27th March 2008 directing Maharashtra State Farming Corporation not to incur any expenditure on pre-cultivation and related expenses of cropping scheme from the year 2008-2009, all the cropping activities of the corporation came to a stand still. During the year 2014-2015 the joint cultivation scheme was continued at some farms.

Accumulated loss as on 31st March, 2014 was Rs. 208.15 crore and taking into consideration prior adjustments accumulated loss as on 31st March, 2015 is Rs. 235.38 crore.

Expenditure :-

Expenditure for the year 2013-2014 and 2014-2015 were as under. The **loss for the year 2014-2015 is Rs.622.80 lac after considering the interest of Rs. 10,98.89 lac on Government Loans.**

(Rs.In Lakhs.)			
Sr. No.	Particulars	2013-2014 (For the period 01-07-2013 to 31-03-2014)	2014-2015 (For the period 01-04-2014 to 31-03-2015)
		Rs.	Rs.
1	Salary & Wages	455.79	753.83
2	Repairs & Maintenance	7.27	10.19
3	Establishment Expenditure	77.65	96.19
4	Director's remuneration & Expenditure	16.38	22.38
5	Interest	825.18	1107.72
6	Decrease in Stock	15.60	39.22
7	Depreciation on Assets	19.30	20.66
8	Provision for Income Tax	28.85	40.52
	Total	1446.02	2090.71

INCOME:-

Comparative Revenue incomes for the years 2013-2014 and 2014-2015 were as under.

(Rs.In Lakhs.)			
Sr. No.	Particulars	2013-2014 (For the period 01-07-2013 to 31-03-2014)	2014-2015 (For the period 01-04-2014 to 31-03-2015)
1	Revenue from Operation Joint Cultivation & Agroforestry	248.12	623.04
2	Other Income(including income from leave & License, interest in investments etc.)	468.66	844.87
	Total	716.78	1467.91

-----*

MAHARASHTRA STATE FARMING CORPORATION LTD. PUNE
(Government of Maharashtra Undertaking)

Board of Directors 2014-2015
1st April, 2014 to 31st March 2015

1	Hon. Shri. Ekanathrao Ganapatrao Khadse Minister (Revenue), Maharashtra State	-----	Chairman
2	Hon. Shri Sanjay Dhulichand Rathod Minister of State (Revenue), Maharashtra State	-----	Vice Chairman
3	Shri. Manu Kumar Srivastava, I.A.S. Principal Secretary (Revenue), Maharashtra State	-----	Director
4	Shri Shivaji Maruti Upase, I.A.S. Secretary (Irrigation) Maharashtra State	-----	Director
5	Shri. Vipin Sharma, I.A.S. Commissioner of Sugar Maharashtra State	-----	Director
6	Shri Hanamant Methaji Shinde Chief Engineer, Irrigation, Nashik	-----	Director
7	Shri. U.K.Agrawal I.F.S. Managing Director Maharashtra State Farming Corporation Ltd.	-----	Director

The following Board of Directors approved the Annual Report and Balance Sheet of the Corporation for the year 2014-2015 vide their Circulatory Resolution dated 12-10-2015.

1	Hon. Shri.Ekanathrao Khadse	.....	Chairman
2	Shri.Manu Kumar Srivastav	.....	Director
3	Shri Shivaji Maruti Upase	.....	Director
4	Shri. U.K. Agrawal	.....	Managing Director
5	Shri. S.S.Chavan	.....	Secretary

REGISERED OFFICE :

S.No. 270, Bhamburda,
Senapati Bapat Marg,
Pune 411016
Phone No.,25650555,25659553
Fax No. 25659843

AUDITORS :

M/s. NPSR & Associates.
Chartered Accountants
Plot No. 405, Sector No. 27/A,
Pradhikaran, Nigadi Pune-411044.

-----*-----.

MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE

(A Government of Maharashtra Undertaking)

270,Bhamburda, Senapati Bapat Marg,Pune 411016

Gram: STATEFARM,PUNE Phone :25659552, 25659553

FAX : 25659843

No.Secretary/2016/ 52nd Adj. AGM/ 1550

Date : 18-02-2016

NOTICE FOR THE 52nd ADJOURNED ANNUAL GENERAL MEETING

Notice is hereby given that the 52nd Adjournd Annual General Meeting of the Members of the Maharashtra State Farming Corporation Limited, Pune will be held on **Wednesday, 9th March, 2016 at 12.00 hrs.** in the chamber of the Managing Director, Maharashtra State Farming Corporation Limited at its registered office at 270, Bhamburda, Senapati Bapat Marg, Pune 411016 to transact the following business :-

To receive, consider and adopt the statement of accounts and the Balance sheet of the Company, for the year ended on 31st March, 2015 and the reports of the Auditors and Directors thereon.

By order of the Board of Directors.

Place : Pune
Date : 18/02/2016

sd/-
(D.S.Joshi)
Company Secretary

Note : A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member.

To,

The Share-holders and Company Auditors of the Maharashtra State Farming Corporation Limited, 270, Bhamburda, Senapati Bapat Marg,Pune 411016.

-----*-----

THE MAHARASHTRA STATE FARMING CORPORATION LTD.PUNE-411 016.

**(A Government of Maharashtra Undertaking)
DIRECTORS' REPORT – 2014-2015**

To,
The Members,

Your Directors have great pleasure in presenting this 52nd Annual Report on the working of the Corporation for the year 2014-2015. The audited statement of accounts with the Auditors' Report and comments of the Comptroller & Auditor General of India for this period are presented along with this Report.

2. Annual General Meeting :

Although the Profit and Loss Accounts and Balance Sheet of the Company for the year 2014-2015 ending on 31-03-2015 together with Auditors' Report and the comments of the Comptroller and Auditor General of India to be submitted before the Annual General Meeting on or before 30th September, 2015.

Office of the Comptroller and Auditor General of India New Delhi vide its letter dated 11-08-2014 issued orders appointing M/S. NPSR & Associates, Chartered Accountant, Pune as Statutory Auditors for the year 2014-2015.

Accounts for the year 2014-2015 have since been audited and are now submitted for adoption by the Share Holders.

3. Share Capital :-

The authorised share capital of the Corporation during the year continued to be Rs.3/- crore and the subscribed paid-up capital Rs.2.75 crore as on 31st March,2015.

Financial Results		(Rs. in lacs.)	
		2014-2015 (Rs.)	2013-2014 (Rs)
1	Joint Cultivation, Agro- forestry & Horticulture Funds)	6,23.04	2,48.12
2	Other Receipts	8,44.87	4,68.66
3	Gross Profit/(Loss) before depreciation, interest, tax, provisions.	5,46.11	1,44.09
4	Profit/(Loss) after depreciation, interest, tax, provisions	(6,22.80)	(7,29.24)
5	Dividend proposed	0.00	0.00
6	Net surplus transferred	(-) 235,37.84	(-) 208,14.75
7	Capital Employed	(-) 123,94.00	(-) 107,70.00
8	Paid-up Capital	2,75.00	2,75.00
9	Net Worth	(-) 203,62.84	(-) 205,39.75

The Corporation continued to incur loss due to mainly provision of interest on Government loan.

4. Bonus

A Provision at 8.33% is made for the payment of Bonus for the year 2014-2015

5) Cropping plan .

As per the instructions of Revenue and Forest Department, Government of Maharashtra vide their Letter No. ICH 3407 /1221 /P.K. 194 /L - 7 dtd. 27th March 2008 directing not to implement new cropping scheme for the year 2008-2009. As per the above directives, all the cropping activities of the corporation are at stand still.

In the year 2014-2015 joint cultivation is being implemented at some farms by the Corporation under joint cultivation scheme. Under this scheme amount is being received by the Corporation..

Production

Sr. No.	Name of the Crop.	Area in Ac		Production (Rupees in Lakhs)	
		2014-2015	2013-2014	2014-2015	2013-2014
1	Agro Forestry & Horticulture	9,216	9,216	39.22	36.41

6. Personnel and Industrial Relation

At the end of the year (31st March 2015) there were in all 220 permanent employees working in the Corporation. Your directors are glad to report that the relations between the Management and Labour were generally cordial during the year under report. Although there were some minor incidents, they were very few and were quickly settled.

7. Meetings of the Board :

During the year under report, one meeting of the Board of Directors was held on 6-08-2014.

8. Directors' Responsibility Statement.

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors, based on the representations received from the Operative Management, confirm that

i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures

ii) they have in the selection of the accounting policies, consulted the statutory auditors and have 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 at the end of the financial year viz March 31, 2015 and of the profit or loss of the company for the year ended on that date.

iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) they have prepared the annual accounts on a going concern basis

9. Acknowledgement:

Your Directors wish to appreciate the good work done by the Corporation's staff during the year under report .Your Directors also wish to record their appreciation of the helpful approach of various Departments of the State Government in dealing with matters relating to the Corporation. The Corporation thanks Accountant General (Commercial Audit), Mumbai and Auditors M/s.NPSR & Associates, Chartered Accountants, Pune for the valuable assistance to the Corporation from time to time.

For and on behalf of the Board of Directors.

Sd/-

Chairman.

Annexure

Statement under section 217 (2A) of the Companies Act.

List of employees drawing remuneration not less than Rs. 24 lakh during the financial year 2014-2015.

----NIL----

-----*-----

**THE MAHARASHTRA STATE FARMING
CORPORATION LIMITED, PUNE 411016
BALANCE SHEET AS AT 31st March, 2015
AND
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st March, 2015
ALONGWITH
FINANCIAL NOTES ATTECHED TO
AND
FORMING PART OF ACCOUNTS
AS AT 31st March, 2015
AND
AUDITOR'S REPORT**

N P S R & ASSOCIATES
Chartered Accountant

Plot No. 405, Sector No. 27/A, Pradhikaran, Nigadi Pune-411044.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Maharashtra State Farming Corporation Limited.

Report on the Financial Statements:

We have audited the accompanying financial statements of Maharashtra State Farming Corporation Limited ('the Company') which comprise the balance sheet as at March 31, 2015 and the statement of Profit and Loss for the year ended on 31st March 2015 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing 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 misstatement.

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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate with the exception of the points given in the following paragraph to provide a basis for our audit opinion.

1. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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 subject to the points given below:

(a) In the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015;

(b) In the case of the statement of profit and loss, of the loss for the year ended on that date; and

- i. *The Company has suspended its farming activities abruptly from the year 2008-09. Thus the agricultural equipment and machinery including drip irrigation systems, electric pumps, tractors, transport vehicles which were idle previous has been sold out by the Company. The agricultural land available has thereon been used for joint cultivation basis.*

As per Schedule 12 & 13 of Statement of Profit & Loss, during the year from 1st of April 2014 to 31st March 2015, out of total Revenue Rs. 14,67,91,366/-, Revenue from Operations (Joint Cultivation & Agroforestry and Horticulture) is Rs. 6,23,03,901/- whereas the Employee Benefit Expenses as per Schedule 15 of the Statement of Profit & Loss for the year is Rs. 7,76,20,790/-. As such the income from activities related to agriculture is less than expenditure. However the same has been recovered by the Company through its Miscellaneous Income.

- ii. *During the year 2014-15, the corporation has incurred a net loss of Rs 6,22,80,106/-; while accumulated losses are to the tune of 2,35,37,84,060/-.*
- iii. *The corporation maintains its books of accounts in manual form and computerized accounts are unavailable. So the impact of the internal controls in areas like cut-off procedures and ascertainment of necessary accounting adjustments, compilation of certain vital reconciliations, accounting of certain expenses and income etc. of the same on the financial statements cannot be ascertained..*
- iv. *As stated in Sub point B-1 of Point No 2 of Schedule 18 Notes on Accounts, the net compensation of Rs.60.85 lakhs payable to Government of Maharashtra in respect of occupancy price is subject to confirmation, reconciliation and consequential adjustments, if any. Also as per point 'b' of Schedule 16 of the Balance Sheet interest at the rate 6.5% p.a is provided on payment of the above mentioned occupancy price as per the letter of Revenue and Forest Department , Govt of Maharashtra No. ICH1381/32148/218/I-7 DT. 14-08-1982.*
- v. *Sundry Debtors aggregating to Rs.2781.01 lakhs (Schedule 9 of financial statements), Advance for Purchase of Capital Assets of Rs.53.41 Lakhs (Schedule 5 of financial statements), Advances recoverable in cash or kind aggregating to Rs.488.30 lakhs, Deposits of Rs.55.49 lakhs and Sundry Deposits of Rs.23.31 lakhs (Schedule 11 of financial statements), are subject to confirmation, scrutiny by the Company, reconciliation and consequential adjustments/provisions, if any.*
- vi. *Sundry Creditors aggregating to Rs. 2269.69 lakhs, Security deposits aggregating to Rs.944.07 lakhs and other deposits of Rs.475.73 lakhs, Provident fund dues of Rs.2.88 lakhs and Provisions of Rs. 1125.22 lakhs are subject to confirmation, scrutiny by the Company, reconciliation and consequential adjustments/write back, if any.*
- vii. *The details and supporting documents explaining the nature and amounts for contingent liabilities (including in respect of removal of vedi babhool trees) as disclosed in Schedule 18 Notes on Accounts were not made available for our verification, in certain cases. Therefore we are unable to comment upon the correctness of disclosures and adequacy of provisioning in this regard.*

viii. Deviation from accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act").

A. AS – 2 Valuation of Inventories: -

- * Opening Stock of agroforestry and horticulture is valued at historical cost and value of sales of agroforestry made during the year is reduced from the opening stock to arrive at closing stock. In our opinion, this accounting policy adopted by the company is inappropriate
- * The procedures of physical verification of inventory followed by the management are inadequate in relation to the size of the Company and the nature of its business, since the inventories of agro forestry and Horticulture valued at Rs. 418.16 Lacs which form significant portion of inventories have not been verified by the management. Also quantity records and valuation of the same were not made available to us.
- * The Company has not conducted physical verification of inventories of agro-forestry and horticultural and has not made any adjustments for obsolete, spoiled and damaged inventories if any, the impact of the same on the financial statement cannot be ascertained.
- * No provision has been made in respect of slow moving, non-moving, obsolete inventories, if any. The impact, if any, on the financial statements cannot be ascertained.

B. AS-3 Cash Flow Statements:- The Company has not prepared and presented the cash flow statement for the year ended on March 31, 2015 which is not in accordance with AS-3.

C AS – 6 Depreciation Accounting:

The Company has provided depreciation based on erstwhile accounting standard and has not complied with the provisions of The Companies Act, 2013. The effect of same on the profitability cannot be ascertained.

D. AS-10 Accounting for Fixed Assets:-

1. Disputed Assets

- * As stated in point b of Schedule 04 of the Balance Sheet, the Company has provided depreciation on certain assets without capitalizing the same. As explained by the management, these assets valued at 35,26,516 by the government of Maharashtra are disputed from the year 1963-65 and the sugar factories from whom the assets were acquired have not finalized the sale transactions as they have not agreed with the Valuation of the assets done by Government of Maharashtra.
- * The company has not created the assets- Building & Dairy , cattle shed , electrical installations , Land but have provided depreciation on the same on the basis that the company has already paid Rs. 31,99,537 towards these disputed assets (Shown in the books as advances for purchase of Assets) and the same are being used by the company.

2. Sale of land

- * As stated in Point (c) of Schedule 3 of the Balance Sheet, land admeasuring to 1,480 acres has been acquired by the government authorities.
- * Total Compensation received up to 31.3.2015 is Rs 458.28 lakhs (Previous year Rs. 290.28 lakhs).
- * This amount is shown as Current Liabilities under the head "Sundry Creditors for other Finance" and the Company continues to disclose the land under the fixed assets, which in our opinion, is incorrect.
- * Thus Amount received against sale of Land is not properly accounted for so as to ascertain profit or loss on sale of Land.

3. Distribution of land to Ex-Lessors

- * As disclosed in Schedule 18 Notes on Accounts, land admeasuring to 13,580 acres have been ceded in favour of the ex-lessors in the year 1970. Another lot of land being distributed at present is 29677 acres. However as per the para (i) of schedule 4 of the balance sheet, land distribution process for 19054 acres has been commenced till the date of balance sheet.

** We were also informed by the management that the land belonging to Ex-Lessors is not shown as the land of the corporation and effect of Land Distribution will not have any effect on the books of accounts of the corporation. However it was in the possession of the corporation.*

** We are informed that the lease rent was being paid to the lessors till 1982. After that neither the lease rent was paid nor provision was made for lease rent payable to the ex-lessors; though the land was occupied and used by the corporation.*

** However, the details and proper documentary evidence of the land to be distributed back to the Ex-Lessors were not made available to us for verification.*

We have not examined the entire land distribution process.

E. AS-13 Accounting for Investments:-

** The face value of available share certificates in case of Malegaon Sahakari Sakhar Karkhana Ltd. aggregates to Rs. 88.60 lakhs as against the aggregate amount of Rs.78.50 lakhs as mentioned in Schedule No 7 to the Balance Sheet. The difference is subject to confirmation, reconciliation and consequential adjustments, if any.*

** The reason for the Difference is not disclosed in the Financial Statements and no provision has been made in respect of diminution, if any, in the value of investments as required under AS-13.*

F AS-18 Related Party Disclosures:-

The company has not disclosed related parties and transactions with related parties as required under AS-18.

G. AS-22 Accounting for Taxes on Income :-

The Company has not made provision for deferred tax; as is required according to AS 22 'Accounting for Taxes on Income'. Hence we are unable to comment upon the correctness on the same.

H. AS-28 Impairment of assets:-

As stated in point g of Schedule 4 of the Balance Sheet, land admeasuring to 404 acres has been encroached and litigation are pending with various Courts. The Company has not assessed whether any impairment provision in this regard is required to be made in the books of account.

I. AS-29 Provisions, Contingent Liabilities and Contingent Assets:-

** Service tax payable on rent received from properties given on lease is not computed ab initio and not provided for in the accounts.*

** Further, due to non-availability of adequate information, assessment orders and other documents in respect of VAT, etc. we are unable to comment on the adequacy of provisions and disclosures in respect of contingent liabilities as required by AS 29*

The overall impact, of the above, on the financial statements is not ascertainable.

2. Emphasis on matter

I. We would like to invite attention point 'd' of the Schedule 3 of the Balance Sheet.

Accordingly following amounts are removed from the books by the management with the approval of the Managing Director of the corporation.

a. Sundry creditors for Purchase (Rs. 9,64,293/-) refers to amounts due to the creditors from whom the assets are already purchased and are being used by the corporation.

b. Creditors for other finance (Rs.20,63,714/-) includes creditors for miscellaneous purchases and expenses incurred by the corporation.

We were told that these amounts were outstanding for more than 3 years. The above amounts were written back during the period ended on 31, March 2015. Effect of this act on the financial statements is not ascertained.

II. *Corporate Governance: Following are the examples of no good Governance*

A. *Carrying forward frivolous amounts of payables without any adjustment and rectification*

B. *No efficient accounting policy, as far as Land is concerned.*

III. *The undisputed Agricultural Income Tax payable, pertaining to the years 1972-73 to 1983-84 is Rs. 328.16 Lakhs.*

IV. *The corporation maintains its books of accounts in manual form and computerized accounts are unavailable.*

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure to our report, a statement on the matters specified in the paragraphs 3 and 4 of the said Act:

As required by Section 143(3) of the act we report as follows:

- a) we have sought and obtained all the information and explanations; subject to our remarks elsewhere in the report which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; and
- e) The matter described in the Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) The Central Government has directed vide notification number G.S.R.463(E) dated 5th June 2015 that the sub section 2 of section 164 of the Act is not applicable to a government company.
- g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Schedule 18 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For NPSR and Associates
Chartered Accountants
FRN: 105511W

sd/-
CA Rahul Sancheti
Partner M No: 120526
Date: 12th October 2015
Pune

Annexure referred to in our report to the members of Maharashtra State Farming Corporation Limited for the year ending 31st March 2015.

- i. The Company is not maintaining adequate records showing full particulars including quantitative details and situation- location as well as present condition- of fixed assets including the records in respect of land. Records in respect of land are not being reconciled with the financial statements. As is informed from the staff from various farms, fixed assets registers were initially prepared, but the same were not updated over a period of time.
 - (a) The fixed assets have not been physically verified by the management since about past more than five years due to which reasonability of intervals of fixed asset verification are inadequate. Consequently, the material discrepancies, if any, have not been ascertained by the management.
 - (b) During the year, the Company has not disposed of substantial part of the fixed assets so as to affect its going concern status.
- ii.
 - (a) According to the information and explanations given to us, the inventories except agro forestry, horticultural and other plantations have been physically verified by the management at the end of accounting year. In our opinion, the frequency of such physical verification is not reasonable since the inventories of agro forestry, horticultural and other plantations, which form significant portion of inventories, have not been verified.
 - (b) The Company has maintained proper records in respect of inventories except for agro forestry and plantations. Since the physical verification of agro forestry and horticulture inventories has not been carried out, the discrepancies, if any, have not been ascertained by the Company.
- iii. As per the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register to be maintained under section 189 of the Act. However, information as regards the companies, firms or other parties which are required to be covered under section 189 of the Act was not made available, due to which we are unable to comment upon whether any such loans were taken/given or otherwise.
- iv. In our opinion and according the information and explanations given to us, the present internal control system needs to be strengthened so as to make it commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods. However, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under Clause (d) of sub-section (1) of Section 209 of the Companies Act,1956, for any of the items dealt with by the Company.
- vii. In respect of statutory dues:

The Company does not have a system in place for compiling the reconciliations showing year wise/month wise opening balances payable, amounts payable during the year, amounts paid during the year and year wise/ month wise closing balances payable in respect of Provident fund, Tax deducted at source, Sales Tax/VAT, Land Revenue/Local Taxes, Professional tax and Labour Welfare Fund. Further, the Company has not compiled the details in respect of the arrears of undisputed statutory dues as at March 31, 2015 which are outstanding for a period of more than 6 months from the date they become payable. In view of above, we are unable to comment on statutory dues outstanding for a period of more than 6 months as at March31, 2015.

Our specific observations are as under:

- (a) We are unable to comment on regularity of payment of Sales Tax/ MVAT for want of schedules and other information in this regard.*
- (b) The undisputed Agricultural Income Tax payable, pertaining to the years 1972-73 to 1983-84 is Rs. 328.16 Lakhs.*
- (c) The Company has not ascertained service tax payable on rent received from properties given on rent for the year ended June 30, 2009 , June 30, 2010, June 30, 2011 , June 30, 2012 and . June 30, 2013 ,March 31 2014 and March 2015*
- viii. The accumulated losses of the Company as at the end of the accounting year ended March 31, 2015 Rs. 2,35,37,84,060 is more than its net worth. The Company has incurred cash losses during the year ended March 31, 2015 and during the preceding financial year.
- ix. The Company has not raised any funds from the financial institutions, banks or by way of issue of debentures.
- X According to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xi. During the year the Company has not obtained any term loan.+
- xii. We are informed that no fraud on or by the Company has been noticed for the period under audit.

For NPSR And Associates
Chartered Accountants
FRN: 105511W

sd/-
CA Rahul Sancheti
Partner
M No: 120526
Date: 12th October 2015
Pune

-----*-----

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE

(A Government of Maharashtra Undertaking)

HIGH LIGHTS

(Rs. in lakhs)

	Schedule	2014-2015 (Rupees)	2013-2014 (Rupees)
Revenue From Operation	12	623.04	248.12
Other Income	13	844.87	468.66
Total		1,467.91	716.78
Profit/(Loss) Before Interest, Depreciation, Taxes		546.11	144.09
Interest		1,107.72	825.17
Depreciation		20.67	19.31
Profit/(Loss) Before Tax		(582.28)	(700.39)
Taxes		40.52	28.85
Profit/(Loss) After Tax		(622.80)	(729.24)
Accumulated Profit/(Loss)		(23,537.84)	(20,814.75)
Paid Up Capital		275.00	275.00
Capital Employed		(12,394.00)	(10,770.00)
Inventory as % of Turnover		349.23	155.23

SUMMARISED BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs. in lakhs)

	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
What the Corporation Owned		
1 Net Fixed Assets	633.26	688.31
2 Investments	150.65	150.65
3 Net Current Assets	(293.04)	1,276.11
4 Accumulated Loss	23,537.84	20,814.76
Total Assets [Net]	24,028.71	22,929.83
What the Corporation Owed		
1. Loans	23,753.71	22,654.83
2. Paid up Capital	275.00	275.00
Total Funds Employed.	24,028.71	22,929.83

-----*-----

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED,PUNE

(A Government of Maharashtra Undertaking)

BALANCE SHEET AS AT 31st MARCH, 2015

(Rs.)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
1	2	3	4
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	27,500,000.00	27,500,000.00
(b) Reserves and surplus	2	(2,353,784,060)	(2,081,475,495)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
(4) Current liabilities	3		
(a) Short-term borrowings	3A	2,375,371,542	2,265,482,948
(b) Trade payables	3B	156,955,035	113,630,774
(c) Other current liabilities	3C	212,284,292	200,228,016
(d) Short-term provisions	3D	112,522,159	92,861,070
TOTAL		530,848,968	618,227,313
II. ASSETS			
Non-current assets			
(I) (a) Fixed assets			
(i) Tangible assets	4	57,985,058	63,490,490
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	5	5,340,854	5,340,854
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	6	-	-
(2) Current assets			
(a) Current investments	7	15,065,257	15,065,257
(b) Inventories	8	42,033,047	46,176,315
(c) Trade receivables	9	278,101,066	253,933,787
(d) Cash and cash equivalents	10	75,612,948	179,028,477
(e) Short-term loans and advances	11	56,710,738	55,192,133
(f) Other current assets		-	-
TOTAL		530,848,968	618,227,313

As per our report attached for
FOR M/S N.P.S.R. & Associates
Chartered Accountants

Please refer to Financial Notes .Schedule 18

sd/-
(CA Rahul Sancheti)
IAS)

sd/-
(S.S.Chavan)

sd/-
(U.K.Agarwal, I.F.S)

sd/-
(Dr.Vipin Sharma

Membership No. 120526 Secretary /
Firm Regn. No.105511W Chief Executive (Admn

Managing Director

Director

STATEMENT OF PROFIT AND LOSS
THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015
(Rs.)

Particulars	Note No.	2014-2015	2013-2014
1	2	3	4
I. Revenue from operations	12	62,303,901	24,811,846
II. Other income	13	84,487,465	46,866,210
III. Total Revenue (I + II)		146,791,366	71,678,056
IV. Expenses :			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods		-	-
Work-in- progress		-	-
and Stock-in-Trade	14	3,922,233	1,559,935
Employee benefits expense	15	77,620,790	47,216,399
Finance costs			
Depreciation and amortisation expense		2,066,639	1,930,584
Other expenses	16	121,409,810	91,010,425
Total expenses		205,019,472	141,717,343
V. Loss before exceptional and extraordinary items and tax (IV - III)		(58,228,106)	(70,039,287)
VI. Exceptional items		-	-
VII. Loss before extraordinary items and tax (V - VI)		(58,228,106)	(70,039,287)
VIII. Extraordinary items		-	-
IX. Loss before tax (VII - VIII)		(58,228,106)	(70,039,287)
X. Tax expense :			
(1) Current tax		4,052,000	2,885,165
(2) Deferred tax		-	-
XI. Profit (Loss) for the period from continuing operations (IX-XI)		(62,280,106)	(72,924,452)
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI + XIV)		(62,280,106)	(72,924,452)
XVI. Earnings per equity share :		(9,902)	(2,492)
(1) Basic		(9,902)	(2,492)
(2) Diluted		-	-

As per our report attached for
FOR M/S N.P.S.R. & Associates
Chartered Accountants

Please refer to Financial Notes .Schedule 18

sd/-
(CA Rahul Sancheti)
IAS)

sd/-
(S.S.Chavan)

sd/-
(U.K.Agarwal, I.F.S) (Dr.Vipin Sharma

Membership No. 120526
Firm Regn. No.105511W

Secretary /
Chief Executive (Admn

Managing Director

Director

SCHEDULE NO. 1

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
 (A Government of Maharashtra Undertaking)
SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2015
SCHEDULE NO. 1 (ITEM NO.1(a))
SHARE CAPITAL

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Rupees		Rupees	
Authorised Share Capital 30,000 Equity Shares of Rs.1,000/- each	30,000,000		30,000,000	
Issued Subscribed and paid-up 27,500 Equity shares of Rs.1,000/- each fully subscribed and paid up by Government of Maharashtra	27,500,000		27,500,000	
Total	27,500,000		27,500,000	

a) Reconciliation of the shares outstanding at the beginning and at the end of the Year

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No.of Shares	Rupees	No.of Shares	Rupees
At the beginning of the Year	27,500	27,500,000	27,500	27,500,000
Issued during the Year	-	-	-	-
Outstanding at the end of the Year.	27,500	27,500,000	27,500	27,500,000

b) Details of Shareholders holding more than 5% shares in the Company/

	As at 31st March, 2015		As at 31st March, 2014	
	No.of Shares	Percentage Held	No.of Shares	Percentage Held
Governor of Maharashtra	27,498	99.99%	27,498	99.99%
Total	27,498		27,498	

SCHEDULE NO. 2

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED,PUNE
(A Government of Maharashtra Undertaking)
SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2015
SCHEDULE NO.2 ITEM NO. 1 (b)
RESERVES AND SURPLUS

Particulars	As at 31stMarch, 2015	As at 31stMarch, 2014
	Rupees	(Rupees
a) Securities Premium account	-	-
b) General Reserve	-	-
c) Surplus in Statement of Profit And Loss	-	-
As per last Balance Sheet	(2,081,475,495)	(2,012,936,686)
Add: Profit for the year/period	(62,280,106)	(72,924,452)
Less: Adjustment on account transferred to General Reserve	(210,028,459)	4,385,643
Closing Balance	(2,353,784,060)	(2,081,475,495)
Total	(2,353,784,060)	(2,081,475,495)

SCHEDULE NO. 3

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2015
SCHEDULE NO. 3A ITEM NO. 4 (A)
CURRENT LIABILITIES-a) SHORT TERM BORROWINGS
LOANS (UNSECURED)

	As at 31st March, 2015 (Rupees)	As at 31st March, 2014 (Rupees)
Short Term Loans (Unsecured) From Government of Maharashtra		
a) Interest bearing	1,072,415,685	1,072,415,685
b) Non Interest bearing	216,072,000	216,072,000
Add : Interest accrued and due on above [Amount of loans Rs. 128,84.87 Lacs (Previous Year Rs.128,84.87 Lacs) has already become due for repayment.]	1,086,883,857	976,995,263
Total	2,375,371,542	2,265,482,948

Note:-

The Government of Maharashtra provided interest bearing Short Term Loans on repayment basis from the year 1963 onwards for meeting their salary, establishment and day to day expenses. Due to financial losses amount of loans and interest not paid to the Government of Maharashtra . Confirmation of loans and interest thereon is not received from Government of Maharashtra.

-----*-----

SCHEDULE NO. 3 B,C,D

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED,PUNE
(A Government of Maharashtra Undertaking)
SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2015
SCHEDULE NO.3 B,C,D ITEM NO. 4 (B) (C) (D)
CURRENT LIABILITIES AND PROVISIONS

	As at 31stMarch, 2015 (Rupees)	As at 31stMarch, 2014 (Rupees)
Current Liabilities & Provisions		
3B Trade Payables		
1. Sundry Creditors for Material Purchases	4,770,541	5,736,388
2. Sundry Creditors for Purchases of Assets	10,203,310	10,203,310
3. Security Deposits	94,407,841	55,244,352
4. Other Deposits	47,573,343	42,446,724
5. Interest Accrued But Not Due on Govt. loan.	-	-
Total	156,955,035	113,630,774
3C Other Current Liabilities		
1. Sundry Creditors for Other Finance	211,995,872	199,975,182
2. Provident Fund Dues	288,420	252,834
Total	212,284,292	200,228,016
3D Provisions		
1. Agricultural Income Tax	32,816,498	32,816,498
2. Gratuity	65,244,504	45,385,965
3. Depreciation	2,911,644	2,856,738
4. Income Tax	11,549,513	11,801,869
Total	112,522,159	92,861,070

Note:-

- a) No confirmations have been obtained from the creditors, and depositors and for other credit balance appearing in the Balance-sheet as on 31-03-2015. These balances are pending reconciliation and are subject to adjustments between Head Office, Farms and Sugar Factories. Effect of such reconciliation on financial statement cannot be ascertained especially in view of the fact that these are pending for a very long period
- b) Out of the land of 3405 acres in respect of one Sadashivnagar as stated in note (b) of Sch.5,. There being no award, the value of these lands is not ascertainable. Area of 11 acres has been acquired by Government Authority, against which, part amount of Rs. 1.89 lakhs up to 31-03-2015 (Previous year Rs. 1.89 lakhs) has been received. This amount is shown as "Current Liability " in the absence of award
- c) An area of 1480 acres of land has been acquired by Government Authorities (Please ref. Sch.4 note e) . The compensation in respect of this land is not yet finalized and hence it is not provided. During the year, the Corporation has received Rs.167.99 lakh as part of compensation towards the compulsory acquisition of land. Total Compensation received up to 31-03-2015 is Rs 458.28 lakhs (Previous year Rs. 290.28 lakhs). This amount is shown as Current Liabilities under the head "Sundry Creditors for other Finance" in the absence of award.
- d) Amounts pertening to year from 1964-65 to 2010-2011 are written off during the year 2014-2015 which are outstanding for more than 3 years. Details as under.

1	Sr. Crs. For Material Purchases Rs.	964292.74
2	Sr. Crs. for Other Finance Rs.	2063713.71

SCHEDULE NO. 3 Contd

- e) Unpaid Salaries and Wages include Rs. 41,05,625.53/-lakhs (Previous year Rs.2,94,383.75/-) which is outstanding for more than three years
- f) During the year 2014-2015 provision for taxation in respect of Income Tax payable on house property income is made to the extent of Rs.40.52 lakhs (Previous year i.e. 01-07-2013 to 31-03-2014 Rs. 28.85 Lakhs). The provision has been made considering the actual income tax liability for Financial 2014-2015 (Assessment Year 2015-2016) . There is no pending any Income Tax Assessment order nor any pending disputes.
- g) The Corporation is liable to pay an amount of Rs. 328.16 lakh towards Agricultural Income Tax as provided under the Maharashtra Agricultural Income Tax Act to the State Government. The Corporation has requested the State Government to waive the said amount of Agricultural Income Tax. The State Government has not yet confirmed the waiver of such amount.
- h) Sundry Creditors for other Finance includes Rs.2.24 Crores being Land rent payable to Govt. of Maharashtra for the period for 1964-65 to 1970-71 for 14 units.
- i) **Employees Benefits**
- * Gratuity liability has been provided for in the Books of Accounts on the basis of actual liability as at the year end, on the assumption that all the employees retire at the end of the year, after considering the amount received from ex-management towards their share
 - * Provision for employee benefits (Gratuity liability)as stated above is not made on the basis of actuarial valuation
 - * Leave encashment liability for unavailed leave is accounted for on cash basis.
 - * Employer's Contributions to Provident Fund & Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities.
- j) Total Current Liabilities include Rs.7,53,59,654 /-for less than one Year, Rs.6,57,94,355/- for more than one year and less than three years and Rs.22,80,85,318/- for more than three years.
- k) Total provisions includes Rs. 61,47,199/-for less than one Year, Rs.1,71,12,764/- for more than one year and less than three years and Rs 8,92,62,196/- for more than three years.

l) Provision For Depreciation:-

The Schedule of Fixed assets does not include the following assets, pending verification of titles and final settlement of the transactions. These assets are in possession and in use of the Corporation.

Particulars	Rs.
Land and building on non-agricultural land	34,14,148.00
Other assets	1,12,069.00
Total	35,26,217.00

However, depreciation Rs.54,906/- has been charged to Profit & Loss account in respect of assets shown above and is shown under Current Liabilities. Total advances of Rs.31,99,537/- have remained unadjusted pending settlement against the cost of Rs.35,26,217/-.

-----*-----

SCHEDULE NO. 4

MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE

(A Government of Maharashtra Undertaking)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2015

SCHEDULE NO. 4 Item No.II ASSETS (1)(a)(i)

NON CURRENT ASSETS - FIXED ASSETS

(Figures in Rupees)

Sr. No.	Particulars of Assets	Gross Block At Cost				Depreciation				Net Block	
		Opening Balance as on 1st July,2014	Additions adjustments during the year 2014-2015	Deductions during the year 2014-2015	Balance as on 31st March,2015	Upto 31st March 2014	Adjustments for 2014-2015	Deductions during the year 2014-2015	Total Balance as on 31st March,15	(5-9) As at 31st March, 2015	(5-9) As at 30th June, 2014
		2	3	4	5	6	7	8	9	10	11
1	Land including Land Development Free Hold Land	23,642,342	-		23,642,342	1		1	-	23,642,342	23,642,342
2	Irrigation Wells & Tanks	19,451,724	-	196,931	19,254,793	6,170,308	306,123	86,790	6,389,641	12,865,152	13,281,417
3	Roads	128,223	-	-	128,223	73,522	2,065		75,587	52,636	54,701
4	Building including fencing	45,231,144	-	951,419	44,279,725	25,871,027	705,475	777,716	25,798,786	18,480,939	19,360,117
5	Lift Pumps and Agri. Machinery	30,784,010	12,557	28,808,390	1,988,177	26,361,595	647,313	25,182,368	1,826,540	161,637	4,422,415
6	Furniture,Fittings &O.Equipment	5,813,551		2,102,231	3,711,320	5,093,645	200,934	1,946,822	3,347,757	363,563	719,906
7	Laboratory ,Veterinary and Dairy Equipments	5,511	-	4,626	885	5,236		4,395	841	44	275
8	Weigh Bridges	8,016	-	8,016	-	7,615		7,615	-	-	401
9	Other Machinery (Diesel Tank)	577,644	-	369,119	208,525	547,245		349,135	198,110	10,415	30,399
10	Tractor and Trailors	11,260,997	-	10,033,482	1,227,515	10,623,981		9,457,840	1,166,141	61,374	637,016
11	Vehicle	6,861,712	1,436,454	1,171,678	7,126,488	5,750,222	145,345	1,113,095	4,782,472	2,344,016	1,111,490
12	Tractor implements & Tools	3,757,973	-	3,741,816	16,157	3,528,168	4,478	3,519,430	13,216	2,941	229,805
13	Bullock Carts	4,142	-	4,142	-	3,935		3,935	-	-	207
	Total	147,526,989	1,449,011	47,391,850	101,584,150	84,036,500	2,011,733	42,449,142	43,599,091	57,985,058	63,490,490
	Previous Year	147,424,825	102,166	2	147,526,991	82,147,096	1,889,404	-	84,036,500	63,490,490	
	Add; depreciation on disputed assetsrefer note no. 7/15/2015 "h"						54,906				
	Total Depreciation						2,066,639				

Note :-

- Fixed assets are stated at cost net of accumulated depreciation. Cost includes purchase price and all directly attributable costs incurred to bring the asset to its working condition for its intended use including duties and other non-refundable taxes in respect thereof. No fixed assets have been revalued during the year.
- The Schedule of Fixed assets does not include Land and building on non-agricultural land Rs. 34,14,148 /- and Other assets Rs. 1,12,069/- (Total Rs. 35,26,217/-) because of pending verification of titles and final settlement of the transactions. These assets are in possession and in use of the Corporation. However, depreciation Rs.41,180/- has been charged to Profit & Loss account in respect of assets shown above. Accumulated depreciation is shown under Current Liabilities. Total advances of Rs.31,99,537/- have remained unadjusted pending settlement against the cost of Rs.35,26,217/- . (Please ref. Sch.3BCD note 1)
- Land (including permanent and temporary structures thereon) at Sadashivnagar, the value of which is not available as no awards have been declared so far for the unit. However, the Corporation has paid an amount of Rs.7,63,797/- (Sadashivnagar) ad-hoc rent to the ex-lessors on demand from government in respect of the above unit. This payment is to be adjusted against the award, and is shown as Advance against assets in " Capital Work In Progress ".

- d) Out of the land of 3405 acres in respect of one unit as stated in Sch.3BCD note B , 681 acres of land are ceded in favour of ex-lessors. There being no award, the value of these lands is not ascertainable. Area of 11 acres has been acquired by Government Authority
- e) In respect of other Thirteen Units (excluding Sadashivnagar), the position of land holdings is as under

Sr. No	Particulars	Acres
1	In possession and use	66,495
2	Ceded in favour of ex-lessors	13,580
3	Area encroached upon	404
4	Acquired by government	1,480
5	Surrendered by Corporation	111
6	Sold	14
7	Deleted by Collector Land Ceiling	148
	Total	82,232

- f) There being no final decision as to price/value of lands, awards, etc., from the Authorities, the liabilities and assets referred to in forgoing paragraphs and as shown in the Balance-Sheet are subject to alterations which may have consequential effect on the Profit & Loss of the Corporation. There being no final decision as to price/value of lands, awards, etc., from the Authorities, the liabilities and assets referred to in forgoing paragraphs and as shown in the Balance-Sheet are subject to alterations which may have consequential effect on the Profit & Loss of the Corporation.
- g) Out of the total land of 82,232 acres in respect of 13 farms, 404 acres of land has been encroached and the matters are pending in the Court.
- h) The cost of land stated in the Balance Sheet is without giving effect to the cost for land acquired by the various authorities.
- i) Maharashtra Agricultural Land (Ceiling on Holding) Act 1961 was amended by the Maharashtra Act No. XVII of 2003. By virtue of this amendment, the ex-lessors, who had previously leased their lands to the Sugar Undertakings and subsequently such lands which were handed over to the Corporation, are now entitled for grant of land up to one ceiling unit. Constitutional validity of the Mah. Act No. 17 of 2003 was challenged by the Representative Labour Unions by filing the W.P. No. 2978/2003 in the High Court of Judicature at Bombay, Bench at Aurangabad. The Hon'ble High Court had dismissed the same W.P. by Judgment Dt.23-09-2005. Being aggrieved by the decision the Representative Labour Unions had filed Appeal No. 462 of 2006 before the Hon'ble Supreme Court, New Delhi. The said Appeal has also been dismissed by the Hon'ble Supreme Court, New Delhi vide its order dt. 30th August, 2011.).

Considering the above decision, the ex-lessors are now entitled for grant of lands, upto one ceiling limit. The State Government has issued " Government Resolution " regarding ten farms vis. Harigaon, Sakharwadi (Satara), Sakarwadi (A), Belwandi, Ravalgaon, Kolhapur, Sadashivnagar, Shreepur, Changdeonagar, Ratnpuri, Shivpuri, Laxmiwadi & Tilaknagar on various dates with a view to grant the lands to such ex-lessors. The lands are being distributed by the Government as provided in Section 28-1 AA (3) of the M.A.L. Act. Government Resolution in respect of distribution of lands OF other 3 farms is being issued by the Government seperately. Up to 31-03-2015 total land 29,663.26 acres hand over for distribution of land and outof 23,181.18 acres actual distributed to the ex-lessors. However the figures of quantum of lands distributed in this process would be made available only after completion of entire process. The cost of land stated in the Balance Sheet is exluding the land of ex-lessors and hence does not affect due to these alterations.

- j) Impaired Assets under AS 28 is worth Rs. 2,36,411/- (Previous year Rs. 53,20,518/-).
- h) The Schedule of Fixed assets does not include the following assets, pending verification of titles and final settlement of the transactions. These assets are in possession and in use of the Corporation.

Particulars	Rs.
Land and building on non-agricultural land	34,14,148.0
Other assets	1,12,069.0
Total	35,26,217.0

However, depreciation Rs.54,906/- has been charged to Profit & Loss account in respect of assets shown above and is shown under Current Liabilities. Total advances of Rs.31,99,537/- have remained unadjusted pending settlement against the cost of Rs.35,26,217/-.

-----*-----

SCHEDULE NO. 5

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)
SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST
MARCH,2015

SCHEDULE NO.5 Item No. II ASSETS (1)(a)(iii)
NON CURRENT ASSETS - CAPITAL WORK-IN-PROGRESS

	As at 31stMarch, 2015 (Rupees)	As at 31stMarch, 2014 (Rupees)
Capital Work-in-Progress	-	-
Advance Against Purchases Of Assets	5,340,854	5,340,854
Total	5,340,854	5,340,854

Note:- Advance against purchases of assets Rs. 53,40,854/- is more than three years. There being no final decision as to price/value of lands, awards, etc., from the Authorities

SCHEDULE NO. 6
THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)
SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,
2015

SCHEDULE NO.6 Item No. II ASSETS (1)(e)
OTHER NON CURRENT ASSETS

	As at 31stMarch, 2015 (Rupees)	As at 31stMarch, 2014 (Rupees)
Deferred revenue expenditure to the extent not written off towards		
1] Lift Irrigation Scheme	5,163,382	5,163,382
LESS: Provision For Doubtful	5,163,382	5,163,382
Total	-	-

-----*-----

SCHEDULE NO. 7

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE

(A Government of Maharashtra Undertaking)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2015

SCHEDULE No. 7 Item No.II ASSETS (2) (A)

CURRENT INVESTMENTS

	As at 31stMarch, 2015 (Rupees)	As at 31stMarch, 2014 (Rupees)
Investment (At Cost)		
a) Other investments in Government Securities (Unquoted)		
i).National Savings Certificates (Certificates of different face value)	33,237	33,237
(b)Trade Investments (Unquoted)		
1) 1200 Fully paid-up Equity Shares of Rs.5000/- each of Shree Shankar S.S.K.Ltd., Sadashivnagar	6,000,000	6,000,000
2) 500 Fully paid-up Equity Shares of Rs. 1000/- each of Gangapur S.S.K.Ltd., Gangapur	500,000	500,000
3) 1 Fully paid-up Equity Shares of Rs. 3000/- each of Shri Chatrapati S.S.K.Ltd., Bhavaninagar	3,000	3,000
4) 133 Fully paid-up Equity Shares of Rs. 5000 each of Someshwar S.S.K.Ltd.	665,000	665,000
5) 1570 Fully paid-up Equity Shares of Rs. 5000 each of Malegaon S.S. K.Ltd.	7,850,000	7,850,000
6) 30 Fully paid-up Equity Shares of Rs. 5000 each of Sanjivani S.S.K.Ltd.,	-	-
7) 1 Fully paid-up Equity Shares of Rs. 5000/- each of Kopergaon S.S.K.Ltd.,	5,000	5,000
8)168 Fully paid-up Equity Shares of Rs. 25/- each of M/s. Mula Pravara Electricity Co-operative Society Ltd., Shreerampur (Previous Year:1752)	4,200	4,200
9)2 Fully paid-up-Equity Shares of Rs.10/- each of Vividha Karyakari Society, Kalamb.	20	20
(c) Others		
8.5 % Debentures of Maharashtra State Electricity Board (Debentures are not received from M.S.E.B.till the date of signing of Balance sheet)	4,800	4,800
TOTAL	15,065,257	15,065,257
Aggrgate value of Unquoted Investments Cost	15,065,257	15,065,257

Note:-

- a) As management is of the opinion that the unquoted investments made are fully realisable in spite of certain organizational changes in Investee Company, no provision for diminution in the value of investments is made.
- b) The investments are stated at cost. Provision for diminution in the value of investment is made only if such decline is not temporary in the opinion of the management.
- c) Mula-Pravara Electric Co-op. Society Ltd. Shrirampur has been taken over by the Maharashtra State Electricity Distribution Co. Ltd. In the absence of availability of details, compensation in respect of investment has not been accounted for.

-----*-----

SCHEDULE NO. 8**THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE**

(A Government of Maharashtra Undertaking)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2015**SCHEDULE No. 8 item No. II ASSETS (2) (B)****INVENTORIES**

	As at 31st March, 2015 (Rupees)	As at 31st March, 2014 (Rupees)
Inventories (As certified and valued by the Management excluding item No.4)		
1. Stores & Spares at Cost	7,747	228,182
2. Raw Material at Cost	-	-
3. Stock at Fair Price Shop Articles at Cost	208,346	208,946
4. Standing Crops AgroForestry & Horticulture at cost after deducting the sales proceeds, Sugarcane crop at Cost or net realisable value whichever is lower.	41,816,954	45,739,187
Total	42,033,047	46,176,315

Note:-

- a) Inventory includes various small parts of agri, machinery and cost of each below Rs. 5000/- and hence Quantitywise details are not possible to show it.
- b) Stock of stores, spares, is valued at cost or net realisable price whichever is lower. Cost for the purpose of valuation of inventories includes all direct expenses, indirect expenses, administrative expenses and financial charges.

SCHEDULE NO. 9**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2015****SCHEDULE NO.9 Item No.II ASSETS (2)(c)****TRADE RECEIVABLES**

	As at 31st March, 2015 (Rupees)		As at 31st March, 2014 (Rupees)	
Sundry Debtors (Unsecured considered good unless otherwise stated)				
1) Outstanding for a period of less than 6 months		14,821,525		9,793,960
2) Outstanding for a period exceeding six months				
(a) Considered good	263,279,541		244,139,827	
(b) Considered doubtful	101,356,977		101,356,977	
	364,636,518		345,496,804	
Less: Provision for doubtful debts	101,356,977		101,356,977	
		263,279,541		244,139,827
Total		278,101,066		253,933,787

Note:-

a) No confirmations are obtained from the debtors balance appearing in the Balance-sheet as on 31-03-2015. These balances are pending reconciliation and are subject to adjustments between Head Office, Farms and Sugar Factories. Effect of such reconciliation on financial statement cannot be ascertained especially in view of the fact that these are pending for a very long period.

Sundry Debtors includes Rs.1,48,21,525/- for less than 6 months and Rs 5,65,41,685/- for more than six month and less than 3 years. and Rs.20,67,36,856/- for more than three years, Sundry Debtors more than three years includes Rs.26.50 lakhs (Previous year Rs. 29.25 lakhs), which are outstanding for more than 3 years and no legal action for recovery of the same has been taken.

-----*-----

SCHEDULE NO. 10

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)
SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST
MARCH, 2015

SCHEDULE NO.10 ITEM NO. II ASSETS (2) (d)
CASH AND CASH EQUIVALENTS

	As at 31st March, 2015 Rupees		As at 31st March, 2014 Rupees	
Cash & Bank Balances				
Cash, Cheques & Stamps on hand (including cheques in hand Rs. Nil)		874,039		206,033
With Scheduled Banks				
On Current Accounts		3,088,998		3,636,609
On Saving Accounts		3,405,474		243,941
Fixed Deposits		68,222,077		174,926,635
1. I.D.B.I. Bank	7,000,000		32,000,000	
2. Canara Bank	61,222,077		125,700,000	
3. H.D.F.C. Bank	-		11,026,827	
4. Oriental Bank Of Commerce	-		6,199,808	
Current Accounts with Non-Scheduled Banks	Maximum Balance during the year		Maximum Balance during the year	
i) Ahmednagar District Co-Operative Bank Ltd.		10,428	10,900	10,900
ii) Pune District Central Co. Operative Bank Ltd. Baramati		10,702	3,078	3,078
iii) Solapu District Central Co. Operative Bank Ltd. Baramati		1,230	1,281	1,281
Remittances in Transit		-		-
Total		75,612,948		179,028,477

-----*-----

SCHEDULE NO. 11

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED,PUNE

(A Government of Maharashtra Undertaking)

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2015

SCHEDULE NO.11, item No. II ASSETS (2) (e)

SHORTTERM LOANS & ADVANCES

	As at 31st March, 2015		As at 31st March, 2014	
	Rupees		Rupees	
* Loans & Advances (Unsecured considered good unless other wise stated)				
1. Advances Recoverable in cash or kind or for value to be received				
a) Secured considered good		8,030,000		8,030,000
b) Unsecured considered good	40,800,805		38,715,129	
Considered doubtful	596,383		596,383	
	41,397,188		39,311,512	
Less: Provision for doubtful advances	596,383		596,383	
		40,800,805		38,715,129
2) Deductions on account of Non- refundable deposits, Time Deposit & small Savings				
a) Gangapur S.S.K..Ltd Gangapur	2,778,769		2,778,768	
b) Shankar S.S.K..Ltd Sadashivnagar	1,619,846		1,619,846	
c) Malegaon S.S. K. Ltd.	931,559		931,559	
d) Someshwar S,S,K Ltd.	2,617		2,617	
e) Shri Chatrapati S.S.K.Ltd.	215,894		753,510	
		5,548,685		6,086,300
3) Sr. Deposits(Security Deposits)		2,331,248		2,360,704
Total		56,710,738		55,192,133
* Loans & Advances includes : (Excluding reserve for doubtful debts)				
Dues from Directors		-		-
Maximum Amount Due		-		-
Dues from Officers		-		-
Maximum Amount Due		-		-

Note:-

- Non refundable deposit represents amounts deducted by Co-op. Sugar Factory from sale proceeds of sugarcane and retained with them, as per bye laws of the Sugar Factory, which is receivable on the termination of membership.
- Management is of the opinion that, the amount of Rs. 80.30 lakh deposited in the Court for obtaining stay against decree awarded (May 2004) in favor of the contractor is recoverable either in cash or kind, therefore the same is considered as secured and shown as “ Current Assets, Loans and Advances – secured considered good.”
- No confirmations have been obtained from the depositors and for other debit balance appearing in the Balance-sheet as on 31-03-2015. These balances are pending reconciliation and are subject to adjustments between Head Office, Farms and Sugar Factories. Effect of such reconciliation on financial statement cannot be ascertained especially in view of the fact that these are pending for a very long period
- Total Loans and advances includes Rs.1,76,25,940/-for less than one Year, Rs.1,03,74,927/- for more than one year and less than three years and Rs.2,87,09,871/- for more than three years.

-----*-----

SCHEDULE NO. 12

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)
SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015.

SCHEDULE NO.12 ITEM NO. I
Information in Regard to Revenue from Operation by the Company

	2014-2015 (Rupees)	2013-2014 (Rupees)
Revenue from operation		
a. Sugarcane	-	-
b Joint Cultivation	58,381,671	21,170,746
c Agroforestry and Horticulture	3,922,230	3,641,100
Total	62,303,901	24,811,846

Notes:-

- a) The main business of the Corporation is to produce sugarcane and supply it to sugar factories. The Government of Maharashtra in Revenue and Forest Department, vide its Letter No. ICH 3407 /1221 /P.K. 194 /L -7 dt. 27th March 2008, directed MSFC not to incur any further expenditure on sugar cane cultivation. Accordingly, all the cropping activities of the corporation had been brought to a halt since then.
- b) Income from joint cultivation activities is accounted for as per the agreements and on accrual basis. Revenue from Joint Cultivation in the current year has increased by Rs.372.11 lac as compared to previous year 2013-2014, because the corporation implemented the new joint cultivation on farms.
- c) Similarly the revenue from Agroforestry and horticulture increased by Rs. 2.81 lac as compared to previous year i.e. 2013-2014.

-----*-----

SCHEDULE NO. 13

SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015.

SCHEDULE NO.13 ITEM NO. II
Information in Regard to Revenue from other income

	2014-2015 (Rupees)	2013-2014 (Rupees)
IOther Income		
a)Interest received (Gross) (Tax deduction Nil)		
1. Interest on Current Investment (Tax Deducted at Source Rs.66,916 /- Previous Year Rs.7,82,911/-)	13,367,377	10,573,221
2. Other interest	1,137,058	604,139
3. Interest on delayed payment of Sugarcane dues	29,643,050	19,587,919
4. Profit on Assets Sold	9,492,370	-
5. Rent	21,306,960	14,104,504
6. Misc. Income	9,540,650	1,996,427
Total	84,487,465	46,866,210

Contd.

Notes:-

a) Other Income

- Income from House Rent-

Income from house rent is recognized on the basis of leave and licenses agreements and on accrual basis.

- Income from Interest –

Income from interest on investments and other interest is recognized on accrual basis as per the applicable rates.

- Income from Interest on Delayed Payments of Sugarcane-

Income from Interest on Delayed Payments of Sugarcane is recognized on accrual basis as per the Hon’ble court order (Sp. Civil Suit No. 47/2006).

The Corporation had filed Special Civil Suit No. 47 of 2006 before the Learned Civil Judge (Sr.Divn.), Shrirampur, against the Belapur Suger and allied Industries Ltd. The Learned C.J.S.D. has partly decreed the suit in favour of the corporation. In pursuance of the said decree the Corporation has filed Darkhast i.e. Decree Execution Application No. 03/2012, before the Ld. C.J.S.D. Shrirampur. The Corporation has claimed compound interest @ 18 p.c. p.a. in the execution proceeding.

b) Miscellaneous income includes news paper, old scrap material, ,sale of grass/grazing, and other i.e, Mahiti Adhikar fee, fine, damage recovery,coal bhatti charges, ration profit, pipeline and plot road-water charges, godown rent watch and ward, recovery of use of vehicles etc.

Details of Miscellaneous is as under:-

S.No.	<u>Particulars</u>	Rs.
1	Sale of Tender Formand catalog/map	638060.00
2	Mahiti Adhikar	1311.00
3	Interest , Fine /Penalty/ damages/theft or loss recovery etc.	117671.10
4	Coal Depo/coal Bhatti	5000.00
5	Forfited Deposits	1172150.00
6	Pipe Line & Other Rent/Plot road	264234.00
7	Other	78579.94
8	Sale old scrap materil,/News paper	5999715.00
9	Ration Profit /Excess Sugar sold	71717.43
10	Water Charges /Tanker rent	84300.00
11	Manure compost	98875.00
12	Grazing Charges/Sale of Grass	142600.00
13	Watch & ward	6300.00
14	Godwon Rent /Stall Licenses/Jeep Hire	782136.00
15	Recovery from Ex-lessor well/area	78000.00
	Total	9540649.47

-----*-----

SCHEDULE NO. 14

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)

SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

SCHEDULE NO.14 (item No.IV)
INCREASE/ (DECREASE) STOCK IN TRADE

	2014-2015 (Rupees)		2013-2014 (Rupees)	
Increase/(Decrease) in Stock at Commencement				
a) Standing Crops				
1. Sugarcane	-		-	
b)Agro-Forestry (at cost)	45,739,187		47,299,122	
		45,739,187		47,299,122
Stock At Close				
a) Standing Crops				
1. Sugarcane	-		-	
b) Agro-Forestry (at /Cost)	41,816,954		45,739,187	
		41,816,954		45,739,187
Increase/(Decrease) in stock		(3,922,233)		(1,559,935)

Note:-

a) The valuation of Agro Forestry and Horticulture has been done at cost, after deducting the sale proceeds realized during the year.

SCHEDULE NO. 15

SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS
ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

SCHEDULE NO.15 (item No. 4)
Employees Benefit Expenses

	2014-2015 (Rupees)		2013-2014 (Rupees)	
1) Payment to and Provision for employees				
(i) Salaries & Wages	65,360,557		36,022,519	
(ii) Bonus	469,060		733,899	
(iii) Contribution to Provident Fund & Other Funds	5,816,243		2,839,696	
(iv) Employees Welfare Expenses	1,696,904		1,930,962	
(v) Gratuity	2,040,293		4,051,467	
		75,383,057		45,578,543
(2) Director's Remuneration & Expenses				
a) Managing Director's Salaries & Allowances	1,937,238		1,357,182	
b) Contribution to Pension & Leave Salary	300,495		280,674	
		2,237,733		1,637,856
Total:-		77,620,790		47,216,399

-----*-----

SCHEDULE NO. 16

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED,PUNE

(A Government of Maharashtra Undertaking)

SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015

SCHEDULE NO.16 (item No. 4)

OTHER EXPENSES

	2014-2015		2013-2014	
	Rupees		Rupees	
A) Expenses for Administration & Other				
(I) Repairs & Maintenance				
(a) Agricultural Machinery	172,180		10,250	
(b) Buildings	334,743		63,225	
(c) Others	511,868		653,293	
		1,018,791		726,768
(II) Establishment Expenses				
a) Postage, Stationery & Telephone Expenses	631,185		490,701	
b) Travelling Expenses (including Managing Director & Other Directors Rs.57,911/-)(Previous Year Rs. 1,40,060/-)	1,153,475		934,648	
B) Auditors Remuneration & Expenses				
1) Audit Fees	75,000		75,000	
2) Service Tax	9,270		9,270	
C) Other				
1) Insurance	81,489		84,645	
2) Stores Clearing & Forwarding	27,400		5,650	
3) Rent	210,335		154,913	
4) Rates & Taxes	1,454,965		1,421,036	
5) Legal & Consultancy Charges	718,750		447,021	
6) Fertilisers, Manures & Seeds Consumed	-		19,096	
7) Stores & Spares Consumed	304,553		216,329	
8) Power & Fuel	2,877,919		3,037,453	
9) Misc. Expenses	2,074,572		869,954	
		9,618,913		7,765,716
D) Loss on Asset sold				
E) Interest Payment to and Provided for Interest on				
i) Government Loan	109,888,594		81,855,307	
ii) Occupancy Price of Government Land	395,546		296,659	
iii) Others	487,966		365,975	
		110,772,106		82,517,941
Total		121,409,810		91,010,425

Note:-

a) Note a) The Government of Maharashtra provided interest bearing loans on repayment basis to the Maharashtra State Farming Corporation (MSFC) Limited, Pune from the year 1963 onwards for meeting their Salary, Establishment and day to day expenses Interest calculated as per Government resolutions. Due to financial losses amount of interest not paid to the Government of Maharashtra. Confirmation of interest thereon is not received from Government of Maharashtra.

b) The interest Rs. 3,95,546/- at the rate of 6.5% p.a. is provided on payment of Occupancy price payable to Government Rs.60,85,322.47 as per the letter of Revenue and Forest Department, Govt. of Maharashtra No. ICH 1381/32148/218/L-7 DT. 14-08-1982..

c) Total other interest includes Rs 4,87,966/- on rent payable to Belapur Sugar and Allied Industries Ltd. The Belapur Sugar and Allied Industries Ltd. had filed a Special Civil Suit No. 51 of 2004 before the The Hon'ble Civil Court (Ahmednagar District) Decreed to p[ay compounding interest on rent payable to them for the period 1965-1966 to 2003-2004 at the rate of 15 per cent p.a.against Corporation.Other Interest provided as per the order of the Hon'ble Civil Court.

-----*-----

SCHEDULE NO. 17

THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE

(A Government of Maharashtra Undertaking)

**SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS
ACCOUNT**

FOR THE YEAR ENDED 31ST MARCH, 2015

SCHEDULE NO.17

ADJUSTMENT RELATING TO PREVIOUS YEAR

Head of Account	2014-2015		2013-2014	
	Debit	Credit	Debit	Credit
	Rupees		Rupees	
1. Contribution to EPF	170,869	23,981	181,221	4,170
2. Gratuity	44,946,475	1,098,502	1,152,956	
3. Miscellaneous Income			394,032	1,866,802
4. Sr.Crs. for Asset Purchases/Other / Material purchases		3,028,007		300,126
5. General Expenses	1,575,000	2,240,924	574,705	63,801
6. Interest		1,040,061	79,900	43,423
7. Salary & Wages	157,347,173	2,433,859	529,167	20
8. Bonus	1,415,037	108,008	15,263	-
9. Other	323,133	33,651		
10. Other Deposits	10,062	827		25,306
11. Security Deposits				6,006,235
12. Advances	87,193	2,000	63,622	28,348
13. Investments				
14. Sr.Drs.	5,763,004	951		
15. Joint Cultivation Income	8,401,285			
16. Income Tax			961,722	
Total	220,039,231	10,010,771	3,952,588	8,338,231
Net Balance	DR. Rs. 21,00,28,460		CR. Rs. 43,85,643/-	

Note:-

a) Prior period income & expenses and extra-ordinary items, wherever material, are disclosed .

b) Old balances which are more than three years are written off during the year 2014-2015

FOR M/S N.P.S.R. & Associates
Chartered Accountants Firm Regn. No. 105511W

sd/- CA Rahul Sancheti Membership No. 120526	sd/- (S.S.Chavan) Secretary / Chief Executive (Admn.)	sd/- (U.K.Agarwal, I.F.S) Managing Director	sd/- (Dr.Vipin Sharma IAS) Director
--	--	---	---

Schedule No. 18

MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE-16

Significant Accounting Policies and Notes annexed to and forming part of Balance Sheet as at 31st March, 2015 and Profit and Loss Account for the year ended on that date.

A. Significant Accounting Policies

1. Basis of Accounts

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards.

The Financial statements have been prepared under the historical cost convention on going concern basis and on an accrual basis except where the interest on National Saving Certificate and Debentures of Maharashtra State Electricity Board is accounted for on cash basis, in accordance with generally accepted accounting principles in India.

2. Depreciation

Depreciation on fixed assets acquired on or after 01-04-1987 is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on fixed assets acquired before 1-4-1987 is provided on the basis of estimated life of assets as determined by the management

B. Notes on Accounts

1. Fixed assets (Schedule No. 5)

The summarized position regarding payment of Occupancy price payable to Government is as under. The interest at the rate of 6.5% p.a. is provided on the same.

Particulars		Rupees
Occupancy price (for 13 units)		4,08,46,036.49
Add : Rent paid to ex-lessors as per condition 6 (f) of the order		1,01,96,335.00
Total Occupancy Price payable (for 13 units)		5,10,42,371.49
Less :		
1. Land rent/adhoc rent paid (for 13 units) on behalf of Govt. to ex-lessors.	3,10,79,510.53	
2. Payment made to Govt. on 18.2.1982 & adjusted in 1988-89 against – “Sundry Creditors for Purchase of Assets”	50,00,000.00	
3. Amount recovered by Government from compensation payable on acquisition of Laxmiwadi land for Shri Saibaba Sansthan, Shirdi.	88,77,538.49	4,49,57,049.02
Net Payable to Government		60,85,322.47

The above statement shows net balance towards Occupancy Price payable to Government subject to the confirmation of the value of 13,580 acres of land ceded in favour of the ex-lessors.

2..Contingent Liabilities

(Rs. In lakhs)

Particulars	2014-2015	2013-2014
Contingent Liabilities not provided for		
In respect of assets and materials taken over from ex-management including other charges etc.	21.40	21.40
Interest on outstanding amount arising out of claims of the Joint Stock Sugar Factories	119.98	119.98
Escalation in cost in case of ‘C’ and ‘D’ type residential buildings.	1.04	1.04
Disputed Liabilities Not Provided for		
Penal interest on Contribution to Bombay Labor Welfare Fund	3.84	3.84
Ravalgaon Sugar Farm	2.44	2.44
Claims against Corporation not acknowledged as debt. Someshwar S.S.K.40/2006	421.59	421.59

Liabilities not ascertained and hence not provided

- a. Claim arising out of Legal suits not known to the Company.
- b. Damages/ interest on delayed payment on Provident Fund and agricultural income tax.
- c. The Corporation had entered into agreement for removal of Vedi Babhul trees from the lands situated at various units of the Corporation and to make available the said land fit for cultivation purpose in earlier year. However, the contractor did not comply with the terms and conditions as stipulated in the agreement, which has resulted in dispute, and the Corporation has filed a suit against the Contractor for an amount of Rs.75.80 Lakhs on 21.01.1998. The Contractor also had filed a suit against the Corporation for an amount of Rs.118 Lakhs on 15.04.1998, which is dismissed by the Civil Judge Senior Division, Pune.
- d. Service tax payable on rent is not computed ab-initio and not provided for.

CURRENT ASSETS & CURRENT LIABILITIES (Schedule 8 to 12)

1. An amount of Rs.51.63 lakh (P.Y. Rs.51.63 lakhs) appearing in the accounts under the head Miscellaneous Expenditure (deferred revenue expenditure) represents amount not written off in respect of lift Irrigation scheme, Gangapur. The Corporation has consistently adopted the policy to write off, this amount taken into consideration the area actually irrigated under the scheme in each year. However from 1994-1995 no area is irrigated as per the scheme, as such during the year 2008-2009 entire amount is provided.

PROFIT AND LOSS ACCOUNT

2. Repairs carried out departmentally are booked under various heads of accounts such as Stores and Spares consumed, etc. at the farms.
3. No Depreciation has been provided in respect of Assets referred to note no. c of Sch. 5 in absence of valuation thereof.
4. Employees Welfare expenses include the amount of Rs. 54,221/- (P.Y. Rs. 45,221/-) in respect of medical expenses reimbursed to Managing Director.
5. The Asstt. P.F. Commissioner, Nasik recovered the damages Rs. 15.39 lakh and Rs 15.59 lakh of Harigaon Farm and Sakarwadi (A) farm respectively. The Corporation has filed an appeal against the order of the Asstt. P.F. Commissioner, Nasik before the Hon'ble Employees Provident Fund Appellate Tribunal, New Delhi. Decision of the Tribunal is being awaited.

OTHER NOTES

6. There are no purchases for agricultural operations during the year. Therefore the company has neither identified nor called for declarations under the micro, small medium enterprises Act, 2006.
 - i. Events occurring after Balance sheet date have been duly considered while finalizing the accounts in view of policy of business prudence except stated otherwise in notes.
 - ii. Figures pertaining to the previous year are regrouped wherever necessary.

Please refer to Financial Notes

Signatures to Schedule No.1 to 17.

As per our report attached for

M/S N.P.S.R. & Associates

sd/-

sd/-

sd/-

sd/-

CA Rahul Sanceti

(S.S Chavan)

(U.K.Agrawal, I.F.S.)

(Dr Vipin Sharma IAS)

Chartered Accountants Secretary/Chief Executive(Admn)

Managing Director

Director

Firm Regn. No. 105511W

Membership No. 120526

फैक्स ढ. २२०९ २३२६
/२२०१४४३ॢ
दूरभाष संख्या
(०२२) २२०५ ४०२२, २२०५
७३६०,२२०१४४९७
e-mail:
agcommamMaharashtra@cag.gov.in

प्रधाा महालेखाकार (लेखापरिक्षा)-III महाराष्ट्र
प्रतिष्ठा भवा, १०१,महर्षि कर्वे मार्ग,
मुंबई- ४०० ०२०.

PLRINCIPAL ACCOUNTANT GENERAL (AUDIT)-
III MAHARASHTRA
PRILTSHTHA BHAVAN, 101,MAHARSHI KARVE
MARG, MUMBAI-400 020.

BY SPEED POST

गोपीय

ढ. पीएजी/लेप-III/वालेप खण्ड-I/फार्मिंग /२०१४-१५/७५९

२७/१/२०१६

सेवा मे,
प्रबंध ढिदेशक,
महाराष्ट्र स्टेट फार्मिंग कार्पोरेशा
लिमिटेड, पुणे

विषय:- मार्च ३१, २०१५ को समाप्त हुए वर्ष के महाराष्ट्र स्टेट फार्मिंग कार्पोरेशा
लिमिटेड, पुणे के लेखो पर कम्पी अधिीयम, २०१३ की धारा १४३(६)(b) के
अतर्गत भारत के ढियंत्रक-महालेखापरीक्षक की टिप्पणियो ढ

महोदय,

मार्च ३१, २०१५ को समाप्त हुए वर्ष के महाराष्ट्र स्टेट फार्मिंग कार्पोरेशा लिमिटेड,
पुणे के लेखों पर कम्पी अधिीयम, २०१३ की धारा १४३(६)(b) के अतर्गत भारत के ढि-
यंत्रक - महालेखापरीक्षक का ढिरंक टिप्पणी (**Nil Comments**) संलग है.

वार्षिक आमसभा (A.G.M.) हेो के पश्चात, वार्षिक रिपोर्ट की पांच मुद्रित
प्रतियाँ कृपया इस कार्यालय को भेज दे.

लग-यथोपरि

भवदीया,

सही/-

प्रधाा महालेखाकार
(लेखापरीक्षा)-III

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE FOR THE YEAR ENDED 31 MARCH,2015.

The preparation of financial statements of **Maharashtra State Farming Corporation Limited, Pune** for the year ended **31st March, 2015** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, is responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **12 October 2015**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6)(a) of the Act of the Financial Statements of **‘ Maharashtra State Farming Corporation Limited’, Pune** for the year ended **31st March, 2015**. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

For and on Behalf of
Comptroller and Auditor General of India

sd/-

**PRINCIPAL ACCOUNTANT GENERAL
(AUDIT) - III**

Place:
Date

The Maharashtra State Farming Corporation Limited, Pune
(A Government Of Maharashtra Undertakings)
IN A NUTSHELL

(Rs. in lacs)

Sr. No.	Particulars	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
1	Share Capital (Paid up)	275.00	275.00	275.00	275.00	275.00
2	Amount received towards share capital	-	-	-	-	-
3	Reserves and Surplus	-	-	-	-	-
4	Net Fixed Assets	693.16	668.84	652.78	634.90	579.85
5	Sales & Other income	577.97	724.02	737.10	716.78	1467.91
6	Loss					
	a) Before Taxation	1,388.65	1102.79	1138.17	700.39	582.28
	b) After Taxation	1,421.18	1145.83	1177.01	729.24	622.80
7	To State Government					
	a) Dividend	-	-	-	-	-
	b) Agricultural Income Tax	328.16	328.16	328.16	328.16	328.16
8	Salaries to Staff	800.01	514.14	495.86	376.61	675.99
9	Ex-gratia /bonus Payment to staff for accounting year					
	a) Rates	8.33%	8.33%	8.33%	8.33%	8.33%
	b) Amount	44.83	20.87	15.92	7.33	4.69
	Incentive Payment					
10	Staff Welfare	18.79	17.11	25.41	19.31	16.96
11	Staff Gratuity Provision	92.88	73.56	54.68	40.51	20.40
12	Interest on Loan	752.61	987.80	1059.96	825.18	1107.72
13	Price Fluctuation Fund	-	-	-	-	-
14	Amount set aside for	-	-	-	-	-
	B. Development Programme & replacement of old assets	-	-	-	-	-
	C. Rehabilitation of Mechanical	-	-	-	-	-
	Farm civil Works	-	-	-	-	-

-----*-----

The Companies Act (1 of 1956) Schedule VI – Part III

BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details:

Registration No.

					1	2	6	0	1
--	--	--	--	--	---	---	---	---	---

Balance - Sheet

3	1
---	---

0	3
---	---

1	5
---	---

State Code

1	1
---	---

(Refer Code List)

Date

Date

Month

Year

II Capital raised the year (Amount in Rs. Thousands):

Public Issue

					N	I	L
--	--	--	--	--	---	---	---

Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus

					N	I	L
--	--	--	--	--	---	---	---

Private Placement

					N	I	L
--	--	--	--	--	---	---	---

III Position of Mobilization and Deployment of Funds (Amount in Rs. (Thousand))

Total Liabilities

			5	3	0	8	4	9
--	--	--	---	---	---	---	---	---

Total Assets

			5	3	0	8	4	9
--	--	--	---	---	---	---	---	---

Sources of Funds

Paid-Up Capital

				2	7	5	0	0
--	--	--	--	---	---	---	---	---

Reserves & Surplus

					N	I	L
--	--	--	--	--	---	---	---

Secured Loans

					N	I	L
--	--	--	--	--	---	---	---

Unsecured Loans

	2	3	7	5	3	7	1
--	---	---	---	---	---	---	---

Application of Funds

Net Fixed assets

				6	3	3	2	6
--	--	--	--	---	---	---	---	---

Investments

				1	5	0	6	5
--	--	--	--	---	---	---	---	---

Net Current Assets

			(-)	2	9	3	0	4
--	--	--	-----	---	---	---	---	---

Misc. Expenditure

					N	I	L
--	--	--	--	--	---	---	---

Accumulated Losses

		2	3	5	3	7	8	4
--	--	---	---	---	---	---	---	---

IV Performance of Company (Amount in Rs. Thousands)

Turnover							Total Expenditure										
			1	4	6	7	9	1			2	0	9	0	7	1	
(+)	(-)	Profit/Loss Before Tax							(+)	(-)	Profit/Loss After Tax						
	(-)				5	8	2	2	8		(-)		6	2	2	8	0

(Please Tick Appropriate Box + for Profit - for Loss)

Earning Per Share in Rs.							Dividend @ %		
		(-)		9	9	0	2	0	%

V Generic Names of Three Principal Products / Services of Company (As per Mounetary Terms)

Item Code No. (ITC Code)	
Product Description	S U G A R C A N E
Item Code No. (ITC Code)	
Product Description	F O O D C R O P S &
	S E E D C R O P S
Item Code No. (ITC Code)	
Product Description	A G R O F O R E S T R Y &
	H O R T I C U L T U R E

Note :- For ITC Code of Products please refer to the publication Indian trade Classification based on harmonized commodity description and coding system by Ministry of Commerce, General of Commercial intelligence & Statistics Calcutta - 700 00).

sd/-
(S.S.Chavan)
Secretary / Chief Executive (Admn.)

sd/-
(U.K.Agarwal, I.F.S)
Managing Director

sd/-
(Dr. Vipin Sharma IASD)
Director