

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

**(A Government of Maharashtra Undertaking)**

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

**54<sup>th</sup> ANNUAL REPORT  
( 2016-2017 )**

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

(A Government of Maharashtra Undertaking)

**54<sup>th</sup> ANNUAL REPORT**

**(2016-2017)**

**INDEX**

<b>Sr. No.</b>	<b>Subject</b>	<b>Page No.</b>
1	Reasons for Delay in presenting the Annual Report Before The Legislature for The Year 2016-2017	3
2	List of Directors for the year 2016-2017	5
3	Notice For The Adjourned Annual General Meeting	7
4	Director's Report	8
5	Auditor's Report	11
6	Balance sheet	20
7	Profit & Loss Account	21
8	Significant Accounting Policies and Notes annexed to and forming part of Balance Sheet and Profit and Loss Account	41
9	Comments of the Comptroller and Auditor General of India	44

-----\*-----

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

**Reasons for Delay in presenting the Annual Report Before The Legislature  
for The Year 2016-2017:-**

Maharashtra State Farming Corporation Limited is registered under the Companies Act 1956 and undertaking by the Government of Maharashtra. As per the Companies Act 2013, section 129 & 96, the Annual Accounts of the Corporation for the year 2016-2017 ended on 31<sup>st</sup> March, 2017 were due for presentation to the Annual General Body before 30<sup>th</sup> September, 2017.

However, M/s. NPSR & Associates, Chartered Accountants were appointed as Statutory Auditors for the year 2016-2017 vide order of Office of the Comptroller & Auditor General of India, New Delhi's Order No. CA. V/COY/MAHARASHTRA, MHFARM(1)/1095 dated 08-09-2016. The accounts for the year ended on 31st March, 2017 were adopted by the Board of Directors of the corporation vide **circulatory resolution dated 18-01-2018**. Statutory audit for the year 2016-2017 was **completed on 22-01-2018**. Supplementary Audit for the year ending on 31st March, 2017 under section 143(6) of the Companies Act, 2013 was completed on 05-03-2018. The final comments from the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 were received on 12-04-2018. **Accounts for the year 2016-2017 was adopted in the 54<sup>th</sup> Adjourned Annual General Meeting held on 11-05-2018**. The Annual Report was printed and submitted to the Government.

Due to above reasons the accounts for the year 2016-2017 ended on 31<sup>st</sup> March, 2017 were delayed in presentation before the Legislature.

-----\*-----

# **The Maharashtra State Farming Corporation Limited, Pune**

(A Government of Maharashtra Undertaking)

## **Details of the Profit earned by the Maharashtra State Farming Corporation Ltd; during the Year 2016-2017.**

During the year 2016-2017 the Corporation earned the **Profit Rs. 975.82 lac before interest on Government loan, depreciation, income tax & prior period expenses** and earned a **profit of Rs. 46.04 lac after interest on Government loan, depreciation, income tax & prior period expenses.**

During the year 2016-2017 the joint cultivation scheme was implemented on 22,242.37 acres 11 farms.

Accumulated loss as on 31<sup>st</sup> March, 2016 was Rs. 234.88 core and taking into consideration prior adjustments accumulated loss as on 31<sup>st</sup> March, 2017 is Rs. 234.42 core.

### **A:- Expenditure :-**

Comparative Expenditure for the year 2015-2016 and 2016-2017 were as under-

(Rs.In Lakhs.)

Sr.No	Particulars	2015-2016	2016-2017
		Rs.	Rs.
1	Salary & Wages	728.46	711.56
2	Repairs & Maintenance	10.45	14.98
3	Establishment Expenditure	89.15	89.47
4	Director's remuneration & Expenditure	24.64	20.61
5	<b>Interest</b>	<b>1114.29</b>	<b>822.82</b>
6	Decrease in Stock	21.22	61.02
7	Depreciation on Assets	13.04	12.59
8	Provision for Income Tax	42.98	48.70
	<b>Total</b>	<b>2044.23</b>	<b>1781.75</b>
9	<b>Prior Period Expenses</b>	<b>165.23</b>	<b>45.67</b>
	<b>Total</b>	<b>2209.46</b>	<b>1827.42</b>

### **B:- INCOME:-**

Comparative Revenue incomes for the years 2015-2016 and 2016-2017 were as under-

(Rs.In Lakhs.)

Sr.No	Particulars	2015-2016	2016-2017
1	<b>Revenue from Operation:-</b>		
	a) Joint Cultivation	1387.79	1541.34
	b) Agroforestry	27.41	12.90
2	<b>Other Income</b> (including income from lease License, interest in investments etc.)	843.98	319.22
	<b>Total</b>	<b>2259.18</b>	<b>1873.46</b>

C	<b>Profit/(Loss) ( B-A )</b>	49.72	46.04
D	<b>Accumulated Loss</b>	234,88.12	234,42.08

-----\*-----

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

**Board of Directors 2016-2017**

1	<b>Hon. Shri. Ekanathrao Ganapatrao Khadse</b> Minister ( Revenue ), Maharashtra State. ( From Oct. 2014 to 03-06-2016 )	-----	<b>Chairman</b>
	<b>Hon. Shri. Chandrakant (Dada) Patil</b> Minister ( Revenue ), Maharashtra State. ( From 08-07-2016 )	-----	<b>Chairman</b>
2	<b>Hon. Shri Sanjay Dhulichand Rathod</b> Minister of State ( Revenue ), Maharashtra State. ( From 05-12-2014 )	-----	<b>Vice Chairman</b>
3	<b>Shri. Manu Kumar Srivastava, I.A.S.</b> Principal Secretary (Revenue), Maharashtra State. ( From 06-01-2015 )	-----	<b>Director</b>
4	<b>Shri Shivaji Maruti Upase, I.A.S.</b> Secretary CAD, Irrigation, Maharashtra State. ( From 01-07-2015 to 31-05-2017 )	-----	<b>Director</b>
5	<b>Shri. Dr. Vipin Sharma, I.A.S.</b> Commissioner of Sugar, Maharashtra State, Pune. ( From 05-09-2014 to 24-04-2017 )	-----	<b>Director</b>
6	<b>Shri. Vikas Deshmukh, I.A.S.</b> Commissioner of Agriculture, Maharashtra State, Pune. ( From 01-10-2016 to 15-05-2017 )	-----	<b>Director</b>
7	<b>Shri. Chandrakant Dalvi, I.A.S.</b> Commissioner of Cooperation, Maharashtra State, Pune. ( From 01-10-2016 to 24-07-2017 )	-----	<b>Director</b>
8	<b>Chief Engineer, Irrigation, Nashik -</b> 1.Shri R.M.More (Addil Ch.) ( From 28-03-2016 to 01-04-2016) 2.Shri V.J. Rajput (Addil Ch.) ( From 01-04-2016 to 11-09-2016) 3.Shri S.S. Waghmare ( From 12-09-2016 to 31-05-2017 )	-----	<b>Director</b>
9	<b>Shri. U.K.Agrawal I.F.S.</b> Managing Director, Maharashtra State Farming Corporation Ltd. ( From 01-01-2010 to 11-09-2016 )	-----	<b>Director</b>
	<b>Shri. R.B.Bhagade I.A.S.</b> Managing Director, Maharashtra State Farming Corporation Ltd. ( From 12-09-2016 )		

The following Board of Directors approved the Annual Report and Balance Sheet of the Corporation for the year 2016-2017 vide their Circulatory Resolution dated 18-01-2018.

1	Hon. Shri. Chandrakant(Dada) Patil Minister ( Revenue ), Maharashtra State	.....	Chairman
2	Hon. Shri. Sanjay Rathod Minister of State ( Revenue ), Maharashtra State	.....	Vice-Chairman
3	Shri.Manu Kumar Srivastav, I.A.S. Principal Secretary (Revenue), Maharashtra State	.....	Director
4	Shri C.A.Birajdar, I.A.S Secretary CAD, Irrigation, Maharashtra State.	.....	Director
5	Shri. Sambhaji Kadu Patil, I.A.S. Commissioner of Sugar, Maharashtra State	.....	Director
6	Shri Sachindra Pratap Singh, I.A.S. Commissioner of Agriculture, Maharashtra State, Pune.	.....	Director
7	Shri Dr.Vijay N. Zade, I.A.S. Commissioner of Cooperation, Maharashtra State, Pune.	.....	Director
8	Shri Kiran Bhalchandra Kulkarni Chief Engineer, Irrigation, Nashik	.....	Director
9	Shri. R.B.Bhagade I.A.S. Managing Director Maharashtra State Farming Corporation Ltd.	.....	Director
10	Smt. Varsha Ladda-Untawal Chief Executive ( Administration) Maharashtra State Farming Corporation Ltd.	.....	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  
Office No. 13 to 16, MSR SQUARE, Behind Chinchwad Railway Station,  
Chinchwad, Pune-411033

-----\*-----.

**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/54<sup>th</sup> Adj. AGM/ 2018/ Date 16-04-2018**

**NOTICE FOR THE 54<sup>th</sup>ADJOURNED ANNUAL GENERAL MEETING**

Notice is hereby given that the 54<sup>th</sup> Adjourned Annual General Meeting of the Members of the Maharashtra State Farming Corporation Limited, Pune will be held on 11<sup>th</sup> May, 2018 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, 2017 and the reports of the Auditors and Directors thereon.

By order of the Board of Directors.

Place : Pune  
Date : 16/04/2018

sd/-  
( Dadabhau Sayaji Joshi )  
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 – 2016-2017**

To,  
The Members,

Your Directors have great pleasure in presenting this 54th Annual Report on the working of the Corporation for the year 2016-2017. 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 Financial Statement/Cash Flow, Profit and Loss Accounts and Balance Sheet of the Company for the year 2016-2017 ending on 31-03-2017 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 30<sup>th</sup> September, 2017.

Office of the Comptroller and Auditor General of India New Delhi vide its letter dated 08-09--2016 issued orders appointing M/S. NPSR & Associates, Chartered Accountant, Pune as Statutory Auditors for the year 2016-2017.

Accounts for the year 2016-2017 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 31<sup>st</sup> March,2017.

**Financial Results-**

**(Rs. in lacs.)**

Sr. No.	Particulars	2016-2017 ( Rs.)	2015-2016 ( Rs.)
1	Revenue received from operation Joint Cultivation,)	1541.34	1387.79
2	Revenue received from Agro- forestry & Horticulture Funds	11.47	27.40
3	Other Receipts	319.22	8,43.98
4	Gross Profit/(Loss) before depreciation, interest, tax, provisions & prior period expenses	975.82	13,85.25
5	Profit/(Loss) after depreciation, interest, tax, provisions & prior period expenses	46.04	49.72
6	Dividend proposed	0.00	0.00
7	Net surplus transferred	(-)23442.08	(-) 234,88.12
8	Capital Employed	(-) 103,78.98	(-) 112,39.01
9	Paid-up Capital	2,75.00	2,75.00
10	Net Worth	(-) 231,67.08	(-) 232,13.12

**4. Bonus**

A Provision at 8.33% is made for the payment of Bonus for the year 2016-2017.

**5. Cropping plan .**

In the year 2016-2017 joint cultivation was implemented on area of 22,242.37 acres by the Corporation and the Corporation earned a revenue of Rs. 1541.34 lacs .

**6. Personnel and Industrial Relation**

At the end of the year (31<sup>st</sup> March 2017) there were in all 117 permanent employees and 6 on deputation and 82 from outsourcing agencies & retired employees/ officers of the Corporation were 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, meeting of the Board of Directors was not held.

**8. Directors' Responsibility Statement.**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board on the representations received from the operative management confirmed that and hereby submit its responsibility Statement:-

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

b) 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, 2017 and of the profit or loss of the company for the year ended on that date.

c) 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.

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

e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**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 1956.**

List of employees drawing remuneration not less than Rs. 60 lakh during the financial year 2016-2017

----NIL----

-----\*-----

**THE MAHARASHTRA STATE FARMING  
CORPORATION LIMITED, PUNE 411016**

**BALANCE SHEET AS AT 31<sup>st</sup> March, 2017**

**AND**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31<sup>st</sup> March, 2017**

**ALONGWITH**

**FINANCIAL NOTES ATTECHED TO**

**AND**

**FORMING PART OF ACCOUNTS**

**AS AT 31<sup>st</sup> March, 2017**

**AND**

**AUDITOR'S REPORT**

# **N P S R & ASSOCIATES**

## **Chartered Accountants**

**Office No. 13to 16, MSR SQUARE,  
Behind Chinchwad Railway Station  
Chinchwad, Pune-411033.  
Phone No.: 020-27515575/020-27515585  
E-mail: nclahoti@yahoo.co.in**

---

### **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, 2017, the Statement of Profit and Loss for the year then ended 31<sup>st</sup> March 2017, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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 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 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, An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting 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 audit opinion on financial statement

#### **Basis for Qualified Opinion**

i. The company has prepared a cash flow statement, however, there are some deviations from the requirements under AS 3.

ii. The corporation maintains its books of accounts in manual form and computerized accounts are unavailable. So the impact of 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.

iii. No confirmations have been obtained with regards to Sundry Creditors for Materials, Sundry Creditors for Assets, Other Advances and Sundry Creditors for Others of Rs. 4531100, Rs.1023310, Rs.98764514 and Rs.50895397 respectively, as shown in Schedule 3C.

iv. Also, the Company chooses to show these liabilities as Long Term. Therefore the effect of these items on the Financial Statements cannot be ascertained.

v. **Expenses Written Back:**

- a) We would like to invite attention point 'd' of the Schedule 3 of the Balance sheet. Accordingly Rs. 1455589 are written back - ie. Removed from liability - by the management with the approval of the Managing Director of the corporation. This amount pertains to Sundry Creditors for Other Finance - which have been outstanding for more than three years. These include creditors for miscellaneous purchases and expenses incurred by the corporation. No confirmations have been obtained from the said Creditors.
- b) We would like to bring to your notice that the Company has been following this method to writing off old creditors for at least last 2 years now. Details of which are available in previous audit reports. For the year 2015-16 it was Rs.2591244.

vi. Provision as appearing in Schedule 4D include Rs.3,28,16,498 towards Agricultural Income Tax, which is appearing in the books since more than 1983-84, but which has not been paid to the government nor is any confirmation obtained which quantifies the liability. It is being carried forward at the same historical value without any interest or penalty, if any.

vii. Provision for Gratuity provided for as per Schedule 4D is based on reasonable estimates made by the management. However, it is not based on any actuarial valuation, hence not as per AS 15 - Employee Benefits. Also, the entire amount has been classified as a Current Liability even though it is not expected to be paid within twelve months from the reporting date.

viii. Accounting for valuation of Fixed Assets is not in accordance with the AS - 10 due to the following reasons-

a) **Inadequate Record-keeping and physical verification**

- i. The Company has not maintained adequate records showing full particulars including quantitative details and situation - present location as well as present condition - of fixed assets including the records in respect of land. It is informed to us by the management that fixed assets registers were initially prepared, but the same were not updated over a period of time.
- ii. The fixed assets have not been physically verified by the management since about past more than seven years. As such, reasonability of intervals of fixed asset verification are inadequate.

b) **Disputed assets:**

- i. As explained by the management, the valuation of assets mentioned under Point B of Schedule 5 was done by the Government of Maharashtra in the year 1963-65, but are disputed ever since.
- ii. As stated in point b of schedule 5, the Company has provided depreciation of Rs.54,906 on these assets without capitalizing the same. As explained by the management, these assets valued at Rs.35,26,217 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 asset done by Government of Maharashtra.
- iii. As against this Rs. 35,26,217 company has advanced only of Rs. 31,99,537. Remaining amount is neither paid by the company nor acknowledged as a debt or liability by the company.

c) **Acquisition of Land by Government:**

- i. As stated in point (c.) of Schedule 3 and point (e.) of Schedule 5, land admeasuring 1542 acres has been acquired by the government authorities. Total compensation

received up to 31.3.2017 is Rs. 418.72 lakhs. This amount is shown as a Non-Current Liability under the head "Sundry Creditors for Others" since the legal title in the land is still with the company and final settlement (Award) is still pending. At the same time, the corresponding assets are not removed from assets of the company. Although the land is no more in the control of the company and it has physically been acquired by the government, the company continues to disclose the land under the head fixed assets, which in our opinion, is incorrect.

- ii. Because of above accounting, Profit / Loss is neither quantified nor accounted on compulsory acquisition of land by government.
- d) **Distribution of land to ex-lessors**
  - i. As disclosed in point (a.) of schedule 5, land admeasuring 13,580 acres have been ceded in favour of the ex-lessors in the year 1970. Another lot of land actually distributed at present is 26509 acres. However as per the para (i) of Schedule 5, quantum of land to be distributed in this process will be available only after completion of the entire process. That means, as on the date of Balance Sheet, it is not ascertainable as to how much more land will be required to be further distributed in this manner.
  - e) The details and proper documentary evidence of the land to be distributed back to the Ex-Lessor were not available to us for verification. However, management has given a representation that there has been no irregularity in the process.
  - f) Also, 1418 acres of land of the Company has been encroached upon. As explained to us, matters related to these encroachments are pending in various courts. We have been unable to ascertain the extent of contingency involved in this regard. The Company has not assessed whether any impairment provision - as appropriate under AS 28 - in this regard is required to be made in the books of account.
- ix. We have not examined the entire land distribution process.
- x. The amount of Rs. 53,40,854 shown as Capital Work in Progress, details of which are given in Schedule 6, is actually an Advance given by the company to the Government with regards to acquisition of an Asset. As such, this amount has been wrongly classified as Work in Progress. Also, no proper disclosure regarding the type of assets and their present location and condition are provided.
- xi. Non-Current Investments, as shown in Schedule 7 are mostly pertaining to Unlisted Equity Shares, for which, no active market exists. Hence, their Fair Value is not readily available. The Management agrees that there has been a diminution in the value of these securities, however it is of the opinion that such reduction in value is of temporary nature, hence no Provision for Diminution is provided against these Investments.
- xii. Inventories with regards to agro-forestry and horticulture as shown in Schedule 9 and Schedule 15 are held by the Company at various locations. It comprises of Standing Crops amounting to Rs. 3,35,93,040. However, in our opinion, the accounting policy and methods adopted by the company for determining their value is not in confirmation with AS-2 because –
  - a) The inventories have not been physically verified by the management. Also quantity records and valuation of the same were not made available to us. We are of the opinion that 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.
  - b) Opening stock of agro-forestry and horticulture is valued at historical cost and value of sale of agro-forestry made during the year is reduced from the opening stock to arrive at closing stock. Our opinion is that this is not an appropriate Accounting Policy.
  - c) A provision of Rs. 50,00,000 has been made in respect of non-moving, obsolete, spoilt or damaged inventories, if any, especially with regards to Inventories of agro-forestry and horticulture. However we are not able to ascertain the adequacy of the same. We are relying on the assertion given by management that the amount is adequate.

- xiii. No confirmation has been obtained by the Company with regards to the Trade Receivables / Sundry Debtors shown in the Balance Sheet (as per schedule 10), major part of which has been under litigation and outstanding for more than last three years. Their balances are pending reconciliation. The effect of this reconciliation cannot be ascertained especially considering that they have been pending for a long period.
- xiv. Short Term Loans and Advances (schedule 12) of Rs. 80,30,000 have been deposited by the Company in the Court against a claim by a contractor. In our opinion, this amount should be classified as Secured Advance since the amount is recoverable only if the Company wins the litigation. Thus, in our opinion it should be disclosed as a Contingent Asset or a Possible Future Benefit in Schedule 18 - Notes to Accounts. It should not be recognized in financial Statements as per AS 29 since its realization is not virtually certain.
- xv. Also, other Short Term Loans and Advances shown in Schedule 12 have also not been confirmed by any parties / debtors.
- xvi. In Schedule 12, Amount of Rs.2,04,90,287 has been outstanding for more than three years. However, Management is of the opinion that they are Short Term and are likely to be recovered in the Financial Year 17-18.
- xvii. Sundry Debtors outstanding for more than 6 months, as shown in Schedule 10, includes Rs.29,19,56,304 which are on account of accumulated Interest on Delayed Payments on Sugarcane Dues. This amount was subject matter of litigation which has been resolved in the favor of MSFCL. Hence, management is of the opinion, that this accumulated interest should be recognized as an asset in the Balance Sheet. At the same time management is of the view that it would not be prudent to recognize any further interest as Income unless the above proceeds are recoverable.
- xviii. Depreciation calculated on Tangible Assets as shown in Schedule 5, is as per SLM method. However, this Depreciation is not as per the Depreciation Rate Chart given in Part C of Schedule II of the Companies Act 2013. The useful life of many of these assets is beyond the prescribed useful life in these schedules. In our opinion, if the Company wants to adopt a useful life different from what is specified, it is required to provide justification in this behalf duly supported by technical advice. However, it has not done so.
- xix. Since there is a Timing Difference between Depreciation as per Income Tax Act 1961 and as per Companies Act 2013, as per AS-22, Accounting for Taxes on Income, there should have been either a deferred tax asset or a liability. However, since the Company has not made any provision for deferred tax, it is not an appropriate accounting policy.
- xx. Confirmed Statutory Dues not accounted for
- a) Service tax payable on rent received from non-agricultural properties given on lease is not computed *ab initio* and not provided for in the accounts. As such, Service Tax liability is a part of accepted statutory dues, whose value has not been ascertained.
- xxi. Contingent Liabilities - as per AS 29
- a) A provision for payment of outstanding dues towards Sales Tax / VAT has been made under Schedule 4C- Other Current Liabilities, for an amount of Rs.113,610. However, due to non-availability of assessment orders and other documents in respect of VAT, etc. we are unable to comment on the adequacy of provisions.
- b) Also, in the absence of any proper legal opinion, we have not been able to satisfactorily ascertain the effect of various litigation pending against the Company and also, litigation initiated by the Company against other parties.
- xxii. The company has not maintained any Register for contracts or arrangements in which directors are interested, as required under Section 189. However, we have received a Management Representation in this regard that the Directors of the company are not interested in any arrangements and contracts of the Company.

**xxiii.** Details regarding disclosure of remuneration of Key Managerial Persons and Related Party Transactions as required under the Act and as per the Accounting Standards AS 18 and Ind AS 24 have not been adequately complied by the company.

### **Qualified Opinion**

Except for the effect of matters described in the Basis for Qualified Opinion paragraph, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2017.

### **Emphasis of matter**

#### **1. No accounting done for lease rent payable to ex-lessors.**

We are informed that the lease rent was being paid to ex-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, as informed to us these lands were earlier not under the ownership of the Company upto 1982. Therefore rent was being paid. Thereafter, since the lands were under the ownership of the Company, rent payments were discontinued.

#### **2. Contingent Liabilities**

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 19 Notes on Accounts were not made available for our verification, in certain cases. However, we have relied on Management's Representation with regards to the correctness of disclosures and adequacy in this regard.

#### **3. Impact of Pending Litigation:**

The Company has not appropriately disclosed the impact of pending litigations on its financial position in its financial statements. In our opinion, a list of various legal suits pending against the company and a legal opinion of the same should have been provided.

#### **4. Accumulated Losses:**

The accumulated losses of the company as at the end of the year ended March 31, 2017 are Rs. 2,344,208,341 which are more than its net worth. However, being a Government concern, all these losses have been absorbed by government grants and loans. As such, going concern assumption cannot be doubted. Effect of this fact on the financial statements is not ascertained.

#### **5. Corporate Governance:** Following are the examples of not good Governance.

- a) Carrying forward frivolous amounts of payable without any adjustment and rectification
- b) No efficient accounting policy, as far as Land is concerned.

#### **6. Government Dues –**

- a) **Undisputed Agricultural Income Tax** pertaining to years 1972-73 to 1983-84 is Rs. 3,28,16,498 - which has not been paid or settled till date.

**7. Manual Accounting** - the Company maintains its books of accounts in manual form and hence may be prone to clerical mistakes. Computerized accounts are unavailable.

**For NPSR and Associates**  
**Chartered Accountants**  
**Firm Registration No 105511W**  
Sd/-  
**V.N. Lahoti**  
**Partner**  
**Membership Number: (170951)**

**Place: Pune**

**Date: 22/01/2018**

# **N P S R & ASSOCIATES**

## **Chartered Accountants**

**Office No. 13to 16, MSR SQUARE,  
Behind Chinchwad Railway Station**

**Chinchwad, Pune-411033.**

**Phone No.: 020-27515575/020-27515585**

**E-mail: nclahoti@yahoo.co.in**

---

### **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 sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. However, due to inadequate record keeping, some of the information required could not be made available to us by the company.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The company has operations at various locations. However, no separate auditors were appointed for the Branch.
  - d) The company has maintained proper books of accounts as required under the act. However, there have been some lapses in this regard as various Accounting Standards have not been complied with. Also some policies, like depreciation calculation are not as per the new Companies Act and the company continues to follow its old accounting policies.
  - e) In our opinion, the aforesaid financial statements do not comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - f) The matters described in the Basis for Qualified Opinion and Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - g) Directors of the Company are appointed by the Government of Maharashtra. We have relied on the Management's Representation that the persons appointed have not violated any conditions under Section 164(1) and 164(2), and hence they are not disqualified to be appointed as Directors.
  - h) All qualifications, reservations and adverse remarks with respect to maintenance of accounts and other matters connected therewith, have been put forth in the Basis for Qualified Remark and Emphasis of Matter paragraphs.
  - i) In the absence of proper records, there is not adequate traceability of each transaction entered into by the company at its various farms. Management is of the opinion that since all financial transactions are Centrally monitored, there is sufficient internal financial control. We have relied on the management's representation that they have maintained adequate internal financial control system.

**For NPSR and Associates**

**Chartered Accountants**

**Firm Registration No 105511W**

**Sd/-**

**V.N. Lahoti**

**Partner**

**Membership Number: (170951)**

Place: Pune

Date: 22/01/2018

# **N P S R & ASSOCIATES**

## **Chartered Accountants**

**Office No. 13to 16, MSR SQUARE,  
Behind Chinchwad Railway Station**

**Chinchwad, Pune-411033.**

**Phone No.: 020-27515575/020-27515585**

**E-mail: nclahoti@yahoo.co.in**

---

### **Annexure - A to the Auditors' Report s**

The Annexure referred to in Independent Auditors' Report to the members of Maharashtra State Farming Corporation Limited for the year ended 31 March 2017, we report that:

- 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. As is informed by the Management, 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 six 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 not maintained proper records in respect of inventories. Since the physical verification of various plantations, agro-forestry and horticultural inventories has not been carried out, the discrepancies, if any, have not been ascertained by the Company.
- III. As per the information given to us, the Company has not maintained the register as per provisions of section 189 regarding loans taken granted , secured or unsecured, to or from companies, firms or other parties covered in the register to be maintained under section 189 of the Act., due to which we are unable to comment upon whether any such loans were taken/given or otherwise.
- IV. In our opinion and according to 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 covered under 73 to 76 of the Companies Act 2013..
- VI. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered 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 balance payable, amounts payable during the year, amounts paid during the year and year wise / month wise closing balance 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, 2017 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 March 31, 2017. Our specific observations are as under:

- (a) We are unable to comment on regularity of payment of sales Tax / MVAT for want of schedule and other information in this regard.
  - (b) The undisputed Agricultural income Tax payable, pertaining to the years 1972-73 to 1983-84 is Rs. 3,28,16,498.
  - (c) The Company has not ascertained service tax payable on rent received from properties given on rent for the year period from June 30, 2009 till 31<sup>st</sup>, March 2017.
  - (d) In the absence of records, we are unable to ascertain if any other statutory dues are pending with respect to property taxes, etc.
- VIII. The Company has not raised any funds from the financial institutions, banks or by way of issue of debenture. However it has taken loans from the Government of Maharashtra from the year 1963 onwards, to meet its salary, establishment and day to day expenses. As on 31<sup>st</sup> March 2017, the amount of outstanding loan as per Schedule 4A is Rs. 230,94,02,194. Besides this, 50% of rent receivable from Canara Bank is also payable to the government as per their mutual agreement. This amount is covered in Sundry Creditors for Other Finance under Schedule 3C. However none of the amounts have been confirmed by the Government of Maharashtra and hence cannot be confirmed.
- IX. As per the information provided to us, no fresh capital or loans were raised by the company during the year ended 31<sup>st</sup> March 2017.
- X. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the period of our audit.
- XI. According to the information given to us and based on our examination of the records of the company, the Company has not paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of 197 read with Schedule V to the Act. However, we have been informed that managerial remuneration paid to managing director and other key personnel is as per policy of state government.
- XII. In our opinion and according to the information given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- XIII. The company has maintained a register of Directors and Key Managerial Persons and their shareholdings as required under section 170 of the Act. However, the company has not maintained any Register for contracts or arrangements in which directors are interested, as required under Section 189. As such, all details regarding Related Party Transactions as required under the Act and as per the Accounting Standards AS 18 and Ind AS 24 have not been complied by the company - management representation.
- XIV. According to the information and explanations given to us and based on our examination of the record of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. According to the information and explanations given to us and based on our examination of the record of the company, the company has not entered into 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 45-IA of the Reserve Bank of India Act 1934.

**For NPSR and Associates**  
Chartered Accountants  
Firm Registration No 105511W  
Sd/-  
**V.N. Lahoti**  
Partner  
Membership Number: (170951)

Place: Pune  
Date: 22/01/2018

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

**SUMMARISED BALANCE SHEET AS AT 31ST MARCH, 2017**

(Rs. in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
	(Rupees)	(Rupees)
<b>What the Corporation Owned</b>		
1 Net Fixed Assets	565.00	581.82
2 Investments	148.98	148.98
3 Net Current Assets	(787.04)	(1,179.89)
5 Accumulated Loss	23,442.08	23,488.12
<b>Total Assets [Net]</b>	<b>23,369.02</b>	<b>23,039.03</b>
<b>What the Corporation Owed</b>		
1.Loans	23,094.02	22,764.03
2.Paid up Capital	275.00	275.00
<b>Total Funds Employed.</b>	<b>23,369.02</b>	<b>23,039.03</b>

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

**HIGH LIGHTS**

(Rs. in lakhs)

	Schedule	2016-2017	2015-2016
		(Rupees)	(Rupees)
Revenue From Operation	13	1554.24	1415.19
Other Income	14	319.22	843.98
<b>Total</b>		<b>1,873.46</b>	<b>2,259.17</b>
<b>Profit/(Loss) Before Interest, Depreciation, Taxes</b>		975.82	1,385.25
Interest		822.82	1,114.29
Depreciation		12.59	13.04
Profit/(Loss) before Prior Period Expenses		140.41	257.92
Prior Period Expenses		(45.67)	(165.22)
<b>Profit/(Loss) Before Tax</b>		94.74	92.70
Taxes		48.70	42.98
<b>Profit/(Loss) After Tax</b>		46.04	49.72
<b>Accumulated Profit/(Loss)</b>		(23,442.08)	(23,488.12)
Paid Up Capital		275.00	275.00
Capital Employed		(10,378.00)	(11,239.00)
Inventory as % of Turnover		462.09	356.44

----\*----

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

**BALANCE SHEET AS AT 31st MARCH, 2017**

( Figures in Rs. )

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	1	27,500,000.00	27,500,000.00
(b) Reserves and surplus	2	(2,344,208,341)	(2,348,812,297)
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-current liabilities</b>	3		
(a) Long-term borrowings	3a	-	-
(b) Deferred tax liabilities (Net)	3b	-	-
(c) Other Long term liabilities	3c	483,123,094.00	466,537,702.28
(d) Long-term provisions	3d	-	-
<b>(4) Current liabilities</b>	4		
(a) Short-term borrowings	4A	2,309,402,194	2,276,403,374
(b) Trade payables	4B	-	-
(c) Other current liabilities	4C	32,921,757	38,255,557
(d) Short-term provisions	4D	92,797,550	104,528,615
<b>TOTAL</b>		<b>601,536,254</b>	<b>564,412,951</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>(I) (a) Fixed assets</b>			
(i) Tangible assets	5	51,158,958	52,841,021
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	6	5,340,854	5,340,854
(iv) Intangible assets under development		-	-
<b>(b) Non-current investments</b>	7	14,898,437	14,898,437
<b>(c) Deferred tax assets (net)</b>		-	-
<b>(d) Long-term loans and advances</b>		-	-
<b>(e) Other non-current assets</b>	8	-	-
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories	9	33,635,102	39,703,693
(c) Trade receivables	10	407,907,281	401,882,296
(d) Cash and cash equivalents	11	52,609,586	15,872,520
(e) Short-term loans and advances	12	35,986,036	33,874,130
(f) Other current assets		-	-
<b>TOTAL</b>		<b>601,536,254</b>	<b>564,412,951</b>

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

Please refer to Financial Notes .Schedule 19

sd/- ( CA Vivek N. Lahoti ) Membership No.170951 Firm Regn. No. 105511W	sd/- ( Smt.Varsha Ladda-Untwal ) Secretary / Chief Executive (Admn.)	sd/- ( R.B.Bhagade, I.A.S ) Managing Director	sd/- ( Sambhaji Kadupatil, I.A.S.) 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, 2017**

( Figures in Rs. )

Particulars	Note No.	2016-2017	2015-2016
1	2	3	4
I. Revenue from operations	13	155,424,336	141,519,786
II. Other income	14	31,922,150	84,397,752
<b>III. Total Revenue (I + II)</b>		<b>187,346,486</b>	<b>225,917,538</b>
<b>IV. Expenses :</b>			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods		-	-
Stock-in-Trade	15	6,102,331	2,121,583
Employee benefits expense	16	73,217,263	75,309,850
Finance costs		.	.
Depreciation and amortisation expense	5A	1,258,686	1,304,488
Other expenses	17	92,727,065	121,389,283
<b>Total expenses</b>		<b>173,305,345</b>	<b>200,125,204</b>
<b>V. Profit/(Loss) before exceptional and extraordinary items and tax ( IV - III )</b>		<b>14,041,141</b>	<b>25,792,334</b>
<b>VI. Exceptional items</b>		-	-
<b>1. Prior Period Expenses</b>	18	4,567,185	16,522,570
<b>VII. Profit/(Loss) before extraordinary items and tax (V - VI)</b>		<b>9,473,956</b>	<b>9,269,764</b>
<b>VIII. Extraordinary items</b>		-	-
<b>IX. Profit/(Loss) before tax (VII - VIII)</b>		<b>9,473,956</b>	<b>9,269,764</b>
<b>X. Tax expense :</b>			
(1) Current tax		4,870,000	4,298,000
(2) Deferred tax		-	-
<b>XI. Profit (Loss) for the period from continuing operations (IX-XI)</b>		<b>4,603,956</b>	<b>4,971,764</b>
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
<b>XV. Profit (Loss) for the period (XI + XIV)</b>		<b>4,603,956</b>	<b>4,971,764</b>
<b>XVI. Earnings per equity share :</b>		<b>167.42</b>	<b>180.79</b>
(1) Basic		167.42	180.79
(2) Diluted		-	-

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

Please refer to Financial Notes .Schedule 19

sd/- ( CA Vivek N. Lahoti ) ( Smt.Varsha Ladda-Untwal ) ( R.B.Bhagade, I.A.S ) ( Sambhaji Kadupatil, I.A.S.)  
Membership No.170951 Secretary / Managing Director Director  
Firm Regn. No. 105511W Chief Executive (Admn.)

**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, 2017**

**SCHEDULE NO. 1 (ITEM NO.1(a))**

**SHARE CAPITAL**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	(Rupees)	(Rupees)
<b>Authorised Share Capital</b> 30,000 Equity Shares of Rs.1,000/- each	30,000,000	30,000,000
<b>Issued Subscribed and paid-up</b> 27,500 Equity shares of Rs.1,000/- each fully subscribed and paid up by Government of Maharashtra	27,500,000	27,500,000
<b>Total</b>	<b>27,500,000</b>	<b>27,500,000</b>

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	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/**

Name of Shareholders	As at 31st March, 2017		As at 31st March, 2016	
	No.of Shares	Percentage Held	No.of Shares	Percentage Held
Governor of Maharashtra	27,497	99.99%	27,497	99.99%
<b>Total</b>	<b>27,497</b>		<b>27,497</b>	

----\*----

**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, 2017**  
**SCHEDULE NO.2 ITEM NO. 1 (b)**

**RESERVES AND SURPLUS**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	(Rupees)	(Rupees)
<b>a) Securities Premium account</b>	-	-
<b>b) General Reserve</b>	-	-
<b>c) Surplus in Statement of Profit And Loss</b>	-	-
As per last Balance Sheet	(2,348,812,297)	(2,353,784,061)
Add: Profit for the year/period	4,603,956	4,971,764
<b>Closing Balance</b>	<b>(2,344,208,341)</b>	<b>(2,348,812,297)</b>
<b>Total</b>	<b>(2,344,208,341)</b>	<b>(2,348,812,297)</b>

**SCHEDULE NO. 3 a,b,c,d**

**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2017**  
**SCHEDULE NO.3 a,b,c,d**

**NON CURRENT LIABILITIES**

	As at 31st March, 2017	As at 31st March, 2016
	(Rupees)	(Rupees)
<b>3a) Long Term Borrowing</b>	-	-
<b>3b) Deferred Tax Liabilities</b>	-	-
<b>3c) Long Term Liabilities</b>		
1. Sundry Creditors for Material Purchases	4,531,100	4,530,945
2. Sundry Creditors for Purchases of Assets	10,203,310	10,203,310
3. Security Deposits	238,728,234	188,940,759
4. Other Advances	98,764,514	82522451.28
5. Government Dues	77,797,670	120,683,207
6. Employees Benefit Expenses		
6.1 Gratuity( Including Ex-Management Share )	2,202,869	1,501,730
7. Sundry Creditors for Others	50,895,397	58,155,300
<b>Total</b>	<b>483,123,094</b>	<b>466,537,702</b>
<b>3d) Long term Provisions</b>	-	-
<b>Total</b>	-	-

**Notes:-**

- a) No confirmations have been obtained from the creditors, and advances received and for other credit balance appearing in the Balance-sheet as on 31-03-2017. 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 Farm as stated in note (d) 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 31-03-2017 (Previous year 1.89 lakhs) has been

**Contd.**

**SCHEDULE NO. 3 a,b,c,d Contd.**

received. This amount is shown as "Non Current Liability " under "Sundry Creditors for Others" in the absence of award.

- c) An area of 1480 acres of land has been acquired by Government Authorities ( Please ref. Sch.5 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.9.02 lakh as part of compensation towards the compulsory acquisition of land. Total Compensation received up to 31-03-2017 is Rs 418.72 lakhs (Previous year Rs. 465.41 lakhs). This amount is shown as "Non Current Liability " under "Sundry Creditors for Others" in the absence of award.
- d) Amounts pertaining to year from 1964-65 to 2014-2015 are written back during the year 2016-2017 which are outstanding for more than 3 years. Details as under-

1. Sr. Crs. for Other Finance Rs.	1455589.24
-----------------------------------	------------

- e) Sundry Creditors for other 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.

**f) Employee 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 i.e. as on 31-03-2017, 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.
- g) 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/-. Difference amount of Rs.3,26,680/- shown in Sch.19 as Contingent Liability.

**h) Government dues and payable includes as under-**

Particulars	2016-2017	2015-2016
Interest On Rent Payable Bela. Co.	12757995.00	12270029.00
Interest On Occupancy Price.	23302963.37	22907417.37
Government Loans and Advances Payable	0.00	37500000.00
C.M.R.Fund//Flag Fund//LIC/Union Sub.	17851.60	239634.00
Rent .50%Canara bank payable to Govt.	9910364.30	9113486.30
Irrigation	10423237.69	17267381.69
Land Rent	21385258.28	21385258.28
<b>Total</b>	<b>77797670.24</b>	<b>120683206.64</b>

**j) Sundry Creditors for Other includes as under-**

Particulars	2016-2017	2015-2016
B.L.W. Fund	661797.70	438507.75
Rent	7804227.95	7601692.95
Sugar Factories	201747.00	3025587.00
Acquisition of land Cost recd.	41871705.00	46729605.00
Joint Cultation 11-12 Admn Exp	308329.00	308329.00
Other Misc/ Advance	10632.73	14500.73
HB/CAR loan recovery payable to Govt.	36957.81	37077.81
<b>Total</b>	<b>50895397.19</b>	<b>58155300.24</b>

----\*----

**SCHEDULE NO.4 A**

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

**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2017**  
**SCHEDULE NO. 4 (A)**  
**CURRENT LIABILITIES-a) SHORT TERM BORROWINGS**  
**LOANS (UNSECURED)**

	As at 31st March, 2017 (Rupees)	As at 31st March, 2016 (Rupees)
<b>Short Term Loans (Unsecured)</b>		
<b>From Government of Maharashtra</b>		
a) Interest bearing	814,519,685	862,919,685
b) Non Interest bearing	216,072,000	216,072,000
Add : Interest accrued and due on above [Amount of loans Rs. 103,05.92 Lacs ( Previous Year Rs.107,89.92 Lacs ) has already become due for repayment.]	1,278,810,509	1,197,411,689
<b>Total</b>	<b>2,309,402,194</b>	<b>2,276,403,374</b>

**Notes:-**

- 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 . Loan amount is reconciled with the records of the Government of Maharashtra.
- During the year 2016-2017 the Corporation refunded the loan of Rs. 8.59 crore to the Government of Maharashtra. Amount of loan reconciled with the record of Government of Maharashtra and accordingly amount of Rs. 3.75 crore transferred from Current Liabilities to Govt. Loan A/C.

----\*----

**SCHEDULE NO.4 B,C,D**

**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2017**  
**SCHEDULE NO.4 B,C,D**  
**CURRENT LIABILITIES AND PROVISIONS**

	As at 31st March, 2017 (Rupees)	As at 31st March, 2016 (Rupees)
<b>4B Trade Payables</b>	-	-
<b>4C) Other Current Liabilities</b>		
a)Employees Benifit Expenses		
1. Salaries & Wages	4,321,604	4,032,181
2. Unpaid Salaries & Wages	4,346,113	4,703,807
3. Bonus	7,532,742	7,631,844
4. Provident Fund Employees Subscription	273,087	336,592
5. a)Contribution to Provident Fund	138,597	119,594
b) Sundry Creditors Others	2,132,681	2,389,847
c) Government Dues & Taxes		
1. Rates & Taxes	13,911,365	18,549,768
2. Vat/Profession Tax	113,610	320,680
3. Electricity & Power	151,958	171,244
<b>Total</b>	<b>32,921,757</b>	<b>38,255,557</b>
<b>4.D Provisions</b>		
1. Agricultural Income Tax	32,816,498	32,816,498
2. Gratuity	41,589,763	56,192,515
3. Depreciation	3,021,456	2,966,550
4. Income Tax	15,369,833	12,553,052
<b>Total</b>	<b>92,797,550</b>	<b>104,528,615</b>

Contd

**Notes:-**

- a) No confirmations have been obtained from the creditors, and advances received and for other credit balance appearing in the Balance-sheet as on 31-03-2017. 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) Unpaid Salaries and Wages include Rs.3230819/- lakhs ( Previous year Rs.34,68,485/- ) which is outstanding for more than three years.
- c) During the financial year 2016-2017 provision for taxation in respect of Income Tax payable on house property income is made to the extent of Rs.48.70 lakhs (Previous financial year Rs. 42.98 Lakhs ). The provision has been made considering the actual income tax liability for the financial year 2016-2017 ( i.e. Assessment Year 2017-2018 ) . There is no pending any Income Tax Assessment order nor any pending disputes.
- d) 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.
- e) **Employees Benefits –**  
 \* 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.
- f) Total provisions includes Rs.4,65,14,669/-for less than one Year, Rs.1,06,09,645/- for more than one year and less than three years and Rs.3,56,73,236/- for more than three years.They are not classified into current liabilities and non current liabilities as per bussiness cycle of the Corporation.
- g) **Other Curent Liabilities includes as under-**

Particulars	2016-2017	2015-2016
Travelling Expenses other	39894.00	57102.00
Consumption of Fuel & Oil	0.00	2500.00
Medical Exp	8537.00	11717.00
Employees Co.Op.Socety.	101727.00	102454.00
Books & Periodicals	499.00	2538.00
Telephone & Trunkcal	17140.00	20922.00
Postage & Tel.	170.00	245.00
Entertenment/Guest House	2820.00	7992.00
General Expenses	11033.00	8993.00
Bank Chages	632.50	859.00
Legal Charges	0.00	240.00
Repairs & Maintenance M Veh.	410.00	3220.00
Provision For Expenses Paid during 2016-17	1848716.00	2071785.00
Auditor Fee	75000.00	75000.00
P.F.Trust Auditor Fee	15000.00	15000.00
Income Tax & T.D.S Return Filing Fee	11102.00	9280.00
<b>Total</b>	<b>2132680.50</b>	<b>2389847.00</b>

**SCHEDULE NO. 5**

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

**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2017**

**SCHEDULE NO. 5 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 April, 2016	Additions adjustme nts during the year 2016-2017	Deductio ns during the year 2016-2017	Balance as on 31st March, 2017	Up to 31st March 2016	Adjustm ents for 2016- 2017	Deductio ns during the year 2016-2017	Total Balance as on 31st March,1 7 (6+7-8)	As at 31st March, 2017	As at 31st March, 2016	
			(+)	(-)	(2+3-4)		(+)	(-)	(5-9)	(5-9)		
1	2	3	4	5	6		8	9	10	11		
1	Land including Land Development Free Hold Land	23,642,342	-	29,450	23,612,892	-	-	-	-	23,612,892	23,642,342	
2	Irrigation Wells & Tanks	14,729,643	-	8,428	14,721,216	5,170,324	236,057	4,477	5,401,904	9,319,312	9,559,319	
3	Roads	128,223	-	-	128,223	77,652	2,065	-	79,717	48,506	50,571	
4	Building including fencing	41,560,009	-	2,235,846	39,324,163	24,582,563	654,369	1,627,960	23,608,972	15,715,191	16,977,446	
5	Lift Pumps and Agri, Machinery	1,241,797	-	76,074	1,165,723	1,148,270	2,683	72,271	1,078,682	87,041	93,527	
6	Furniture, Fittings & Office Equipment	3,571,840	172,200	16,767	3,727,273	3,155,505	91,115	16,241	3,230,379	496,894	416,335	
7	Laboratory, Veterinary and Dairy Equipments	885	-	885	-	841	-	841	-	-	44	
8	Other Machinery (Diesel Tank)	135,437	-	58,898	76,539	128,665	-	55,953	72,712	3,827	6,772	
9	Vehicle	6,171,144	-	-	6,171,144	4,078,357	217,491	-	4,295,848	1,875,296	2,092,787	
10	Tractor implements & Tools	4,251	-	4,251	-	2,373	-	2,373	-	-	1,878	
	<b>Total</b>	<b>91,185,571</b>	<b>172,200</b>	<b>2,430,599</b>	<b>88,927,172</b>	<b>38,344,550</b>	<b>1,203,780</b>	<b>1,780,116</b>	<b>37,768,214</b>	<b>51,158,958</b>	<b>52,841,021</b>	
	Previous Year	101,584,151	161,898	10,560,478	91,185,571	43,599,091	1,249,582	6,504,123	38,344,550	52,841,021	52,841,021	
Add; depreciation on disputed assets refer note no. 7/15/2015 "h"								54,906				
							<b>Total Depreciation</b>		<b>1,258,686</b>			

Notes :-

a) 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.

b) 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.54,906/- 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.3ABCD note (g) ]

- c) 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 Sadashivnagar Farm 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	excluding Sadashivnagar	Sadashivnagar Acres	Total Acres
1	In possession and use	40,661	972	41,633
2	Total land distributed to the exlessors (Up to 31-03-2017 total land distributed 23065 acar.) ( Ref. Note No. i )	24,768	1,741	26,509
3	Ceded in favour of ex-lessors	13,580	681	14,261
4	Area encroached upon	1,418		1,418
5	Acquired by government	1,531	11	1,542
6	Surrendered by Corporation	111	-	111
7	Sold	14	-	14
8	Deleted by Collector Land Ceiling	148	-	148
	Total	82,231	3,405	85,636

- 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 and assets of the Corporation.
- g) Out of the total land of 82,231 acres in respect of 13 farms,1418 acres of land has been encroached and about 404 acar 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 filling 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 13farms 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. Up to 31-03-2016 total land actual distributed to the ex-lessors is 26509 acres. 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 excluding the land of ex-lessors and hence does not affect due to these alterations.

- j) Impaired Assets under AS 28 is worth Rs. 3827/- ( Previous year Rs.8694/-).
- k) 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
<b>Total</b>	<b>35,26,217.00</b>

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.5A

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

#### SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2017 SCHEDULE NO.5A

#### NON CURRENT ASSETS - FIXED ASSETS (Contd.)

	As at 31st March, 2017	As at 31st March, 2016
	(Rupees)	(Rupees)
1. Depreciation and amortisation for the year on tangible assets	1,203,780	1,249,582
2. Depreciation on disputed assets (ref. Sch. 5 Note No.b)	54,906	54,906
<b>Total</b>	<b>1,258,686</b>	<b>1,304,488</b>

#### SCHEDULE NO. 6

#### SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2017 SCHEDULE NO.6 Item No. II ASSETS (1)(a)(iii)

#### NON CURRENT ASSETS - CAPITAL WORK-IN-PROGRESS

	As at 31st March, 2017	As at 31st March, 2016
	(Rupees)	(Rupees)
Capital Work-in-Progress	-	-
Advance Against Purchases Of Assets	5,340,854	5,340,854
<b>Total</b>	<b>5,340,854</b>	<b>5,340,854</b>

**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.

-----\*

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

**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2017**  
**SCHEDULE No. 7 Item No.II ASSETS (2) (A)**

**NON-CURRENT INVESTMENTS**

	As at 31st March, 2017	As at 31st March, 2016
	(Rupees)	(Rupees)
<b>Investment (At Cost)</b>		
<b>a) Other investments in Government Securities(Unquoted)</b>		
<b>i).National Savings Certificates</b> (Certificates of different face value)	31,417	31,417
<b>(b)Trade Investments (Unquoted)</b>		
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) 1537 Fully paid-up Equity Shares of Rs. 5000 each of Malegaon S.S. K.Ltd.	7,685,000	7,685,000
6) 1 Fully paid-up Equity Shares of Rs. 5000/- each of Kopergaon S.S.K.Ltd.,	5,000	5,000
7)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
8)2 Fully paid-up-Equity Shares of Rs.10/- each of Vividha Karyakari Society, Kalamb.	20	20
<b>(c) Others</b> 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
<b>Total</b>	<b>14,898,437</b>	<b>14,898,437</b>
<b>Aggrgate value of Unquoted Investments Cost</b>	<b>14,898,437</b>	<b>14,898,437</b>

**Notes:-**

1. As management is of the opinion that the unquoted investments made are fully realizable in spite of certain organizational changes in Investee Company
2. Amount of diminution is not ascertained, hence no provision for diminution in the value of Investments is made.
3. 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.

4. 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.
5. National Savings Certificates are not in possession of the Corporation. Diminution is not provided 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, 2017 SCHEDULE NO.8 Item No. II ASSETS (1)( e )

#### OTHER NON CURRENT ASSETS

	As at 31st March, 2017 (Rupees)	As at 31st March, 2016 (Rupees)
<b>Deferred revenue expenditure to the extent not written off towards</b>		
1] Lift Irrigation Scheme	5,163,382	5,163,382
LESS: Provision For Doubtful	5,163,382	5,163,382
<b>Total</b>	-	-

#### SCHEDULE NO. 9

#### SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2017 SCHEDULE No. 9 item No. II ASSETS (2) (B)

#### INVENTORIES

	As at 31st March, 2017 (Rupees)	As at 31st March, 2016 (Rupees)
<b>Inventories</b> (As certified and valued by the Management excluding item No.4)		
1. Stores & Spares at Cost	42,062	8,322
2. Stock at Fair Price Shop Articles at Cost		-
<b>3.Standing Crops</b> AgroForestry & Horticulture at cost after deducting the sales proceeds.	33,593,040	39,695,371
<b>Total</b>	<b>33,635,102</b>	<b>39,703,693</b>

**Notes:-**

- a) Inventory includes only stock of fuel & oil and hence Quantitywise details are not possible to show it.
- b) Stock of stores, is valued at cost or net realisable price whichever is lower.
- c) The valuation of Agro Forestry and Horticulture has been done at cost and reliable, after deducting the sale proceeds realized during the year 2016-2017.

----\*---

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, 2017**  
**SCHEDULE NO.10 Item No.II ASSETS (2)(c)**

**TRADE RECEIVABLES**

	As at 31st March, 2017		As at 31st March, 2016	
	(Rupees)		(Rupees)	
<b>Sundry Debtors</b> (Unsecured considered good unless otherwise stated)				
1) Outstanding for a period of less than 6 months		4,013,873		40,467,843
2) Outstanding for a period exceeding six months				
<b>(a) Considered good</b>	403,893,408		361,414,453	
<b>(b) Considered doubtful</b>	101,356,977		101,356,977	
	505,250,385		462,771,430	
<b>Less: Provision for doubtful debts</b>	101,356,977		101,356,977	
		403,893,408		361,414,453
<b>Total</b>		<b>407,907,281</b>		<b>401,882,296</b>

Note:-

- a) No confirmations are obtained from the debtors balance appearing in the Balance-sheet as on 31-03-2017. 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 after Reserve for doubtful debts includes Rs.40,13,873/- for less than 6 months and Rs 15,29,72,564/- for more than six month and less than 3 years. and Rs.25,09,20,844/- for more than three years, Sundry Debtors more than three years includes Rs. 85.73 lakhs (Previous year Rs. 128.71 lakhs), which are outstanding for more than 3 years and no legal action for recovery of the same has been taken.

-----\*-----

**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, 2017**

**SCHEDULE NO.11 ITEM NO. II ASSETS (2) (d)**

**CASH AND CASH EQUIVALENTS**

	As at 31st March, 2017		As at 31st March, 2016	
	(Rupees)		(Rupees)	
<b>Cash &amp; Bank Balances</b>				
Cash, Cheques & Stamps on hand (including cheques in hand Rs. Nil )		72,299		95,368
<b>With Scheduled Banks</b>				
On Current Accounts		2,812,456		969,365
On Saving Accounts		4,224,831		8,680,808
Fixed Deposits		45,500,000		6,100,000
1. I.D.B.I. Bank		-		-
2. Canara Bank	11,500,000		6,100,000	
3. State Bank Of India	9,500,000		-	
4. Central Bank Of India	24,500,000		-	
<b>Current Accounts with Non-Scheduled Banks</b>				
		<b>Maximum Balance during the year</b>		<b>Maximum Balance during the year</b>
i) Ahmednagar District Co-Operative Bank Ltd.		-		10,850
ii) Pune District Central Co. Operative Bank Ltd. Baramati		-		5,258
iii) Solapu District Central Co. Operative Bank Ltd. Baramati		-		10,871
<b>Remittances in Transit</b>		-		-
<b>Total</b>		<b>52,609,586</b>		<b>15,872,520</b>

----\*----

**THE MAHARASHTRA STATE FARMING CORPORATION LIMITED,PUNE**  
**(A Government of Maharashtra Undertaking)**  
**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2017**  
**SCHEDULE NO.12, item No. II ASSETS (2) (e)**

**SHORTTERM LOANS & ADVANCES**

	As at 31st March, 2017		As at 31st March, 2016	
	(Rupees)		(Rupees)	
<b>* Loans &amp; Advances</b> ( Unsecured considered good unless other wise stated)				
1. Advances Recoverable in cash or kind or for value to be received		8,030,000		8,030,000
a) Secured considered good	21,108,674		18,857,359	
b) Unsecured considered good	596,383		596,383	
Considered doubtful	21,705,057		19,453,742	
<b>Less: Provision for doubtful advances</b>	596,383		596,383	
		21,108,674		18,857,359
<b>2) Deductions on account of Non-refundable deposits, Time Deposit &amp; small Savings</b>				
a) Gangapur S.S.K..Ltd Gangapur	2,778,769		2,778,769	
b) Shankar S.S.K..Ltd , Sadashivnagar	1,619,846		1,619,846	
c) Malegaon S.S. K. Ltd.	10,823		10,823	
d) Someshwar S,S,K Ltd.	2,617		2,617	
e) Shri Chatrapati S.S.K.Ltd.	215,894		215,894	
		4,627,949		4,627,949
3) Sr. Deposits(Security Deposits)		2,219,413		2,358,822
<b>Total</b>		35,986,036		33,874,130
<b>* Loans &amp; Advances includes :</b> (Excluding reserve for doubtful debts)				
Dues from Directors		-		-
Maximum Amount Due		-		-
Dues from Officers		-		-
<b>Maximum Amount Due</b>		-		-

**Notes:-**

- 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 parties (debtors) and for other debit balance appearing in the Balance Sheet as on 31-03-2017. 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.48,96,913/-for less than one Year, Rs.1,05,98,836/- for more than one year and less than three years and Rs.2,04,90,287/- for more than three years.

----\*----

**SCHEDULE NO. 13**

**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, 2017.  
SCHEDULE NO.13 ITEM NO. I**

**Information in Regard to Revenue from Operation by the Company**

	<b>2016-2017</b>	<b>2015-2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>Revenue from operation</b>		
a. Joint Cultivation	154,134,444	138,779,382
b. Agroforestry and Horticulture	1,289,892	2,740,404
<b>Total</b>	<b>155,424,336</b>	<b>141,519,786</b>

**Notes:-**

- a) Income from joint cultivation activities is accounted for as per the agreements and on accrual basis. During the year 2016-2017 revenue from Joint Cultivation in the current year has increased by Rs.153.55 lac as compared to previous year 2015-2016, because the corporation implemented the new joint cultivation on farms.
- b ) During the year 2016-2017 revenue from Agroforestry and horticulture is decreased by Rs. 15.93 lac as compared to previous year i.e. 2015-2016.

----\*----

**SCHEDULE NO. 14**

**SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2017.**

**SCHEDULE NO.14 ITEM NO. II**

**Information in Regard to Revenue from other income**

	<b>2016-2017</b>	<b>2015-2016</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
<b>IOther Income</b>		
1. Interest received (Gross) (Tax deduction Nil )		
11. Interest on Current Investment ( Tax Deducted at Source Rs.3,20,883/- Previous Year Rs.7,91,173/- )	4,282,091	6,893,886
2. Other interest	280,069	278,746
3. Interest on delayed payment of Sugarcane dues	-	34,978,799
4. Profit on Assets Sold	834,210	1,322,825
5. Rent	23,481,299	22,237,192
6. Misc. Income	3,044,481	18,686,304
<b>Total</b>	<b>31,922,150</b>	<b>84,397,752</b>

**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 as per the Hon'ble court order (Sp. Civil Suit No. 47/2006) is not provided because of recovery is doubtful. 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 old scrap material, sale of grass/grazing, and other i.e, Mahiti Adhikar fee, fine, damage recovery, ration profit, pipeline and plot road-water charges, watch and ward, etc. Details of Miscellaneous is as under:-

<b>S.No.</b>	<b>Particulars</b>	<b>Rs.</b>
1	Sale of Tender	155,330.00
2	Mahiti Adhikar	4,223.00
3	Interest, Fine/ Penalty/damages/ recovery etc.	490,203.00
4	N.O.C.	58,855.00
5	Forfited Joint Cultivation Security Deposits	1,301,572.00
6	Forfited Auction /otherDeposits	15,000.00
7	Pipe Line & Plot road	35,533.00
8	Other	2,622.00
9	Sale old scrap materil.	674,856.50
10	Ration Profit /Excess Sugar sold	48,109.02
11	Water Charges /Tanker rent	26,700.00
12	Manure compost	56,000.00
14	Grazing Charges/Sale of Grass	112,000.00
15	Watch & ward / Electricity & Power	62,199.00
16	Recovery from Ex-lessor well/area	1,278.00
	<b>Total</b>	<b>3,044,480.52</b>

----\*----

**SCHEDULE NO. 15**

**SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 31ST MARCH, 2017**

**SCHEDULE NO.15 (item No.IV)**

**INCREASE/ (DECREASE ) STOCK IN TRADE**

	2016-2017		2015-2016	
	(Rupees)		(Rupees)	
<b>Increase/(Decrease) in Stock at Commencement</b>				
a )Agro-Forestry (at cost)	39,695,371	39,695,371	41,816,954	41,816,954
<b>Stock At Close</b>				
a) Agro-Forestry (at /Cost)	33,593,040	33,593,040	39,695,371	39,695,371
<b>Increase/(Decrease) in stock</b>				
		(6,102,331)		(2,121,583)

**Note:-**

- a) The valuation of Agro Forestry and Horticulture has been done at cost and reliable, after deducting the sale proceeds realized during the year 2016-2017.

----\*----

**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, 2017**

**SCHEDULE NO.16 (item No. 4)**

**Employees Benefit Expenses**

	2016-2017		2015-2016	
	(Rupees)		(Rupees)	
<b>1) Payment to and Provision for employees</b>				
(i) Salaries & Wages	58,207,427	71,156,144	58,986,925	72,845,691
(ii) Bonus	981,985		481,746	
(iii) Contribution to Provident Fund & Other Funds	4,990,192		5,262,469	
(iv) Employees Welfare Expenses	487,917		1,292,961	
(v) Gratuity	6,488,623		6,821,590	
<b>(2) Director's Remuneration &amp; Expenses</b>				
a) Managing Director's Salaries & Allowances	1,919,826		2,154,637	
b) Contribution to Pension & Leave Salary	141,293		309,522	
<b>Total</b>		<b>2,061,119</b>		<b>2,464,159</b>
		<b>73,217,263</b>		<b>75,309,850</b>

----\*----

**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, 2017**

**SCHEDULE NO.17 (item No. 4)**

**OTHER EXPENSES**

	2016-2017		2015-2016	
	(Rupees)		(Rupees)	
<b>A) Expenses for Administration &amp; Other</b>				
<b>(I) Repairs &amp; Maintenance</b>				
(a) Agricultural Machinery	1,550		-	
(b) Buildings	825,405		331,475	
(c) Others	671,471		713,031	
		1,498,426		1,044,506
<b>(II) Establishment Expenses</b>				
a) Postage, Stationery & Telephone Expenses	560,123		599,760	
b) Travelling Expenses (including Managing Director & Other Directors Rs.66,300/-) ( Previous Year Rs. 1,77,739/-)	1,049,623		1,133,702	
<b>B) Auditors Remuneration &amp; Expenses</b>				
1) Audit Fees	75,000		75,000	
2) Service Tax	18,000		10,735	
<b>C ) Other</b>				
1) Insurance	100,479		96,705	
2) Stores Clearing & Forwarding	2,600		2,400	
3) Rent	210,335		210,335	
4) Rates & Taxes	1,429,981		1,358,382	
5) Legal & Consultancy Charges	1,006,700		989,225	
6) Stores & Spares Consumed	387,246		241,862	
7) Power & Fuel	1,621,656		1,945,795	
8) Misc. Expenses	2,484,402		2,251,549	
		8,946,145		8,915,450
<b>D) Loss on Asset sold/Written Off</b>		162		-
<b>E) Interest Payment to and Provided for Interest on</b>		82,282,332		111,429,327
i) Government Loan	81,398,820		110,527,832	
ii) Occupancy Price of Government Land	395,546		395,546	
iii) Others	487,966		505,949	
<b>Total</b>		<b>92,727,065</b>		<b>121,389,283</b>

**Note:-**

- b) 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. Balances are reconciled with the record of 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. and from 2003-2004 onwards simple interest at the rate 12% p.a. against Corporation. Other Interest provided as per the order of the Hon'ble Civil Court.
- d) General expenses Rs. 24,84,402/-includes as under:-

Sr. No.	Particulars	Amount (Rs.)
1	Revenue / Court Fee/ Other Court Exp/ stamps/Rubber stamps	28,253.00
2	Xerox/Typing Charges /Fax/Cartrage filing/Net chardges PF/PT	232,207.50
3	News paper	2,457.00
4	General Material	69,179.12
5	Puja Exp.	15,130.00
6	Scrap Transporttation/Binding	
7	7/12 abstract/Map/Valuation	22,204.00
8	Map Exp.	
9	Digital signature	13,114.00
10	Sweeper Charges	75,892.00
11	Other/Meeting /PF CD & online Submission	176,669.75
12	Land Measurement	6,800.00
13	Quarter Water Operation	21,000.00
14	Professional Fees ( Income Tax, /ROC /Certification	134,865.00
15	Advertisement/Documentary	1,331,861.00
16	Irrigation Charges	9,336.00
17	Guest House Expenses	120,920.00
18	Hired Charges-Tractor	38,100.00
19	Bank Charges	35,173.34
20	Entertainment Exp.	133,696.00
21	Uninsured Losses	2,579.71
22	License & Renewal fee	14,965.00
	<b>TOTAL</b>	<b>2,484,402.42</b>

-----\*-----

**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, 2017**

**SCHEDULE NO.18**

**ADJUSTMENT RELATING TO PREVIOUS YEAR**

Head of Account	2016-2017		2015-2016	
	Debit	Credit	Debit	Credit
	(Rupees)		(Rupees)	
1. Gratuity	542,119	-	486,181	
2. Sr.Crs. for Other/ Material purchases	1,455,589	400	356,165	2,591,244
3. General Expenses	3,010,785	902,312	2,117,710	3,568,270
4. Interest	-	260,458	773,440	287,295
5. Salary & Wages	8,525,174	1,157,847	12,211,968	1,566,328
6. Bonus	-	21,921	1,708,933	1,038,246
7. Other /Rates & Taxes	203,753	2,243,418	3,039,681	889
8. Security Deposits	75,728	-	419,800	6,070
9. Other Deposits	-	-	18,347	369,539
10. Irrigation-Electricity	11,720,865	13,659	-	-
11. Profit On Land Acquisition	-	18,604,897	-	-
12. Sr.Drs.	1,477,790	797,453	-	10,775
13. Joint Cultivation Income	4,480,735	2,922,988	3,834,243	86,528
14. Income Tax	-	-	1,081,286	-
<b>Total</b>	<b>31,492,538</b>	<b>26,925,353</b>	<b>26,047,754</b>	<b>9,525,184</b>
<b>Net Balance</b>	<b>DR. Rs. 45,67,185/-</b>		<b>DR. Rs. 1,652,570/-</b>	

**Notes:-**

- 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 2016-2017

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

Please refer to Financial Notes .Schedule 19

sd/-	sd/-	sd/-	sd/-
( CA Vivek N. Lahoti )	( Smt.Varsha Ladda-Untwal)	( R.B.Bhagade, I.A.S )	( Sambhaji Kadupatil, I.A.S.)
Membership No.170951	Secretary /	Managing Director	Director
Firm Regn. No. 105511W	Chief Executive (Admn.)		

**MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE-16**

**Significant Accounting Policies and Notes annexed to and forming part of Balance Sheet as at 31<sup>st</sup> March, 2017 and Profit and Loss Account for the year ended on that date.**

**A-1. Significant Accounting Policies**

**2. 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.

**3. 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. 4 )**

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
<b>Add :</b> 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
<b>Less :</b>		
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
<b>Net Payable to Government</b>		<b>60,85,322.47</b>

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.

**4. Contingent Liabilities (Claims not acknowledged as debts.)**

(Rs. In lakhs)

Particulars-	2016-2017	2015-2016
<b>Contingent Liabilities not provided for</b>		
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
<b>Disputed Liabilities Not Provided for</b>		
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
Disputed Assets pending for final valuation	3.26	3.26

### **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)**

5. 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**

6. Repairs carried out departmentally are booked under various heads of accounts such as Stores and Spares consumed, etc. at the farms.
7. No Depreciation has been provided in respect of Assets referred to note no. h of Sch. 5 in absence of valuation thereof.
8. Employees Welfare expenses include the amount of Rs. 61,617/- (P.Y. Rs. 1,52,263/-) in respect of medical expenses reimbursed to Managing Director.
9. 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**

10. 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.

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

**Please refer to Financial Notes .Schedule 19**

sd/- ( CA Vivek N. Lahoti ) Membership No.170951 Firm Regn. No. 105511W	sd/- ( Smt.Varsha Ladda-Untwal ) Secretary / Chief Executive (Admn.)	sd/- ( R.B.Bhagade, I.A.S ) Managing Director	sd/- ( Sambhaji Kadupatil, I.A.S.) Director
--	---	---	---

**THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE**  
(A Government of Maharashtra Undertaking)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017**

	2016-2017		2015-2016	
		Amount (Rs.)		Amount (Rs.)
<b>1) Cash Flow from Operating Activities</b>				
Profit/ Loss before income Tax		9,473,956		9,269,764
<b>Depreciation &amp; amortisation Exp</b>		1,258,686		1,304,488
<b>Changes in certain assets &amp; liabilities</b>				
<b>Long Term Liabilities</b>		16,585,392		155,022,068
1. Sundry Creditors for Material Purchases	155		(239,596)	
2. Security Deposits	49,787,475		94,532,918	
3. Other Advances	16,242,063		34,949,108	
4. Government Dues	(42,885,537)		24,741,854	
5. Gratuity( Including Ex-Management Share )	701,139		184,675	
6. Sundry Creditors for Others	(7,259,903)		853,109	
<b>Other Current Liabilities</b>		(5,333,800)		(19,468,136)
a)Employees Benifit Expenses				
1. Salaries & Wages	289,423		(602,284)	
2. Unpaid Salaries & Wages	(357,694)		(4,615,718)	
3. Bonus	(99,102)		(7,088,962)	
4 Provident Fund Employees Subscription	(63,505)		(72,236)	
5. Contribution to Provident Fund	19,003		(168,826)	
b) Sundry Creditors Others	(257,166)		(4,768,766)	
c) Government Dues & Taxes	0			
1. Rates & Taxes	(4,638,403)		(1,129,889)	
2. Vat/Profession Tax	(207,070)		(924,357)	
3. Electricity & Power	(19,286)		(97,098)	
<b>Inventories</b>		6,068,591		2,329,353
<b>Trade Receivables</b>		(6,024,985)		(123,781,230)
<b>Advances</b>		(2,111,906)		22,836,608
<b>Provisions</b>				
1. Gratuity		(14,602,752)		(9,051,989)
2. Income Tax		(2,053,219)		(3,294,461)
<b>Net cash provided by operating activities</b>		3,259,963		35,166,465
<b>2)Cash flows from investing activities</b>				
<b>From Government of Maharashtra</b>				
a) Interest bearing loans		(48,400,000)		(209,496,000)
b) Interest accrued and due on above		81,398,820		110,527,832
<b>Investments</b>		0		166,820
<b>2) Net cash used in investing activities</b>		32,998,820		(98,801,348)
<b>3) Cash flow from financing activities</b>				
<b>Fixed Assets</b>		478,283		3,894,455
<b>3) Net cash used in financing activities</b>		478,283		3,894,455
<b>Net increase (decrease) in cash and cash equivalents</b>		36,737,066		(59,740,428)
cash and cash equivalents at the begining of the year		15,872,520		75,612,948
cash and cash equivalents at the close of the year		52,609,586		15,872,520
<b>Net increase (decrease) in cash and cash equivalents</b>		36,737,066		(59,740,428)

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

Please refer to Financial Notes .Schedule 19

sd/-	sd/-	sd/-	sd/-
( CA Vivek N. Lahoti )	( Smt.Varsha Ladda-Untwal)	( R.B.Bhagade, I.A.S )	( Sambhaji Kadupatil, I.A.S.)
Membership No.170951	Secretary /	Managing Director	Director
Firm Regn. No.105511W	Chief Executive (Admn.)		

फैक्स नं. } 2209 2326  
Fax No. } 2201 4438

दूरभाष संख्या } 2205 4022  
Telephone No. } 2205 7360  
2201 4437

e-mail : agcommauMaharashtra@cag.gov.in



प्रधान महालेखाकार (लेखापरीक्षा)-III महाराष्ट्र यांचे कार्यालय  
प्रधान महालेखाकार (लेखापरीक्षा)-III महाराष्ट्र का कार्यालय  
प्रतिष्ठा भवन, तल मंजिल,  
101, महर्षि कर्वे मार्ग, मुंबई - 400 020.  
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL  
(AUDIT) - III, MAHARASHTRA  
PRATISHTHA BHAVAN, GROUND FLOOR,  
101, MAHARSHI KARVE MARG, MUMBAI - 400 020.

संख्या /No. गोपनीय

प्रमले/लेप-III/वालेप-I/ फार्मिंग /2016-17/ 116

दिनांक / Date : 10/04/2018

सेवा में,  
प्रबंध निदेशक,  
महाराष्ट्र स्टेट फार्मिंग कांपरिशन लिमिटेड,  
पुणे

विषय: मार्च 31, 2017 को समाप्त हुए वर्ष के महाराष्ट्र स्टेट फार्मिंग कांपरिशन लिमिटेड,  
पुणे के लेखों पर कंपनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के  
नियंत्रक व महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

31 मार्च, 2017 को समाप्त हुए वर्ष के महाराष्ट्र स्टेट फार्मिंग कांपरिशन लिमिटेड, पुणे  
के लेखों पर कंपनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक व  
महालेखापरीक्षक की टिप्पणियाँ (Comments) संलग्न है।

वार्षिक आमसभा (A.G.M.) होने के पश्चात, वार्षिक रिपोर्ट की तीन मुद्रित प्रतियाँ कृपया इस  
कार्यालय को भेज दें, साथ ही उपरोक्त लेखों के वार्षिक प्रतिवेदन को विधानसभा में प्रस्तुत करने कि  
तिथि को भी इस कार्यालय को सूचित करें।

भवदीय,

एस.डी. जयपुरियार

(एस के जयपुरियार)

प्रधान महालेखाकार (लेखापरीक्षा)-III

संलग्न: यथोपरि

महाराष्ट्र राज्य शेती महामंडळ म. पुणे			
आवक क्रमांक	102	12 APR 2018	
शाखा / विभाग	212		अधिकारी
	ग. का. (शे.)	ग. का. (शे.)	व्य. सं.

10/4

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF THE MAHARASHTRA STATE FARMING CORPORATION  
LIMITED, PUNE FOR THE YEAR ENDED 31 MARCH 2017.**

The preparation of Financial Statements of **Maharashtra State Farming Corporation Limited, Pune** for the year ended **31 March 2017** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the 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 **22 January 2018**.

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 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the Financial Statements and the related Audit Report:

**Comment on Profitability:**  
**Profit & Loss Account:**  
**Expenses: ₹ 17.33 crore**

1. This does not include ₹ 1.67 crore payable to Irrigation Department towards water charges pertaining to period 2006-07 to 2008-09 which becomes payable after GoM's refusal (21.11.16) to waive the same.

This resulted in overstatement of profit and understatement of Expenses and Current Liabilities by ₹ 1.67 crore.

**For and on behalf of  
The Comptroller and Auditor General of India**



**(S. K. Jaipuriyar)**  
Principal Accountant General  
(Audit)-III

Place: Mumbai  
Date: 10.04.2018

**THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE**  
**Government Of Maharashtra Undertakings)**

**IN A NUTSHELL**

**(Rs. in lacs)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>
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	652.78	634.90	579.85	528.41	511.59
5	Sales & Other income	737.10	716.78	1467.91	2259.18	1873.46
6	Profit/(Loss)					
	a) Before Taxation	(1138.17)	(700.39)	(2682.56)	92.69	94.74
	b) After Taxation	(1177.01)	(729.24)	(2723.09)	49.72	46.04
7	To State Government					
	a) Dividend	-	-	-	-	-
	b) Agricultural Income Tax	328.16	328.16	328.16	328.16	328.16
8	Salaries to Staff	495.86	376.61	675.99	614.51	602.69
9	Ex-gratia /bonus Payment to staff for accounting year					
	a) Rates	8.33%	8.33%	8.33%	8.33%	8.33%
	b) Amount	15.92	7.33	4.69	4.82	9.82
	Incentive Payment					
10	Staff Welfare	25.41	19.31	16.96	12.93	4.88
11	Staff Gratuity Provision	54.68	40.51	20.40	68.21	64.89
12	Interest on Loan	1059.96	825.18	1107.72	1114.29	822.82
13	Price Fluctuation Fund	-	-	-	-	-
14	Amount set aside for	-	-	-	-	-
	A Development Programme & replacement of old assets	-	-	-	-	-
	B Rehabilitation of Mechanical	-	-	-	-	-
	C. 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  
Date

3	1
---	---

Date

0	3
---	---

Month

1	7
---	---

Year

State Code 

1	1
---	---

 (Refer Code List)

**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

		6	0	1	5	3	6
--	--	---	---	---	---	---	---

Total Assets

		6	0	1	5	3	6
--	--	---	---	---	---	---	---

**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	0	9	4	0	2
---	---	---	---	---	---	---

**Application of Funds**

Net Fixed assets

		5	1	1	5	9
--	--	---	---	---	---	---

Investments

		1	4	8	9	8
--	--	---	---	---	---	---

Net Current Assets

		(-)	7	3	3	6	3
--	--	-----	---	---	---	---	---

Misc. Expenditure

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

Accumulated Losses

		2	3	4	4	2	0	8
--	--	---	---	---	---	---	---	---

