

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

(A Government of Maharashtra Undertaking)

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

**56th ANNUAL REPORT
(2018-2019)**

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

56th ANNUAL REPORT

(2018-2019)

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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 2018-2019:-

- 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, u/s 96 the Annual Accounts of the Corporation for the year 2018-2019 ended on 31st March, 2019 were due for presentation to the Annual General Meeting before 30th September, 2019.
- The Statement of Accounts and the Balance sheet of the Company, for the year ended on 31st March, 2019 were adopted by the Board of Directors of the Corporation vide Circulatory Resolution dt. 06-10-2020.
- Office of the Comptroller & Auditor General of India, New Delhi were appointed to M/s M.S.Godbole And Associates, Chartered Accountant as Statutory Auditors for the year 2018-2019 vide their order No. CA. V/COY/MAHARASHTRA, MHFARM(1)/774 DT. 21-08-2018. Accounts for the year ended on 31st March, 2019 was audited and certified by Statutory Auditor M/s M.S.Godbole And Associates, Chartered Accountant on 15th October, 2020.
- Supplementary Audit of the financial statements for the year ended 31 March, 2019 as required by u/s 143(6)(a) of the Companies Act, 2013 was completed by the Office Of The Accountant General (Audit-II), Maharashtra, Nagpur on dt. **18-12-2020**.
- Comments of “The Comptroller and Auditor General of India” u/s 143(6)(b) of the Companies Act, 2013 on the financial statements for the year ended 31 March, 2019 was received on dt. **16-03-2021** from the office of Accountant General (Audit)-II, Maharashtra, Nagpur. vide their letter dt.12-03-2021.
- **Accounts for the year 2018-2019 were adopted by the share-holders in their 56th Adjourned Annual General Meeting held on 23-04-2021.**
- **The Annual Report was printed and submitted to the Government.**
- **Due to above reasons the accounts for the year 2018-2019 ended on 31st March, 2019 were delayed in presentation before the Legislature.**

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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 2018-2019.

During the year 2018-2019 the Corporation earned the **Profit Rs. 19,72.61 Lac before interest on Government loan, depreciation, income tax & prior period expenses** and earned a **profit of Rs. 18,30.29 Lac after interest on Government loan, depreciation, income tax & prior period expenses.**

During the year 2018-2019 the joint cultivation scheme was implemented on 23173 acres on 14 farms of the Maharashtra State Farming Corporation Ltd..

Accumulated loss as on 31st March, 2018 was Rs. 194.73 core and taking into consideration prior adjustments accumulated loss as on **31st March, 2019 is Rs. 176.43 core.**

A:- Expenditure :-

Comparative Expenditure for the year 2017-2018 and 2018-2019 were as under-

(Rs. In lakhs.)

Sr. No.	Particulars	2017-2018	2018-2019
		Rs.	Rs.
1	Salary & Wages	618.84	597.29
2	Repairs & Maintenance	4.72	8.55
3	Establishment Expenditure	78.15	106.66
4	Director's remuneration & Expenditure	25.61	22.81
5	Interest	542.66	118.68
6	Decrease in Stock	224.31	37.35
7	Depreciation on Assets	13.08	13.62
8	Provision for Income Tax	47.47	51.35
	Total	1554.84	956.31
9	Prior Period Expenses	124.82	0
	Total	1679.66	956.31

B:- INCOME:-

Comparative Revenue incomes for the years 2018-2018 and 2018-209 were as under-

(Rs. In lakhs.)

Sr. No.	Particulars	2017-2018	2018-2019
1	Revenue from Operation:-		
	a) Joint Cultivation	1800.43	2316.67
	b) Agroforestry	8.00	11.66
2	Other Income (including income from leave & License, interest in investments etc.)	3840.42	416.94
3	Prior Period Income	-	41.33
	Total	5648.85	2786.60

C	Profit/(Loss) (B-A)	3969.19	1830.29
D	Accumulated Loss	19472.89	17642.60

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MAHARASHTRA STATE FARMING CORPORATION LTD. PUNE

(Government of Maharashtra Undertaking)

Board of Directors 2018-2019

1	Hon. Shri. Chandrakant (Dada) Patil Minister (Revenue), Maharashtra State. [From 08-07-2016)	-----	Chairman
2	Hon. Shri Sanjay Rathod Minister of State (Revenue), Maharashtra State. (From 05-12-2014)	-----	Vice Chairman
3	Shri. Manu Kumar Srivastava, I.A.S. Addl.Chief Secretary (Revenue), Maharashtra State. (From 06-01-2015)	-----	Director
4	Shri Manoj Saunic, I.A.S. Addl.Chief Secretary (Finance), Maharashtra State. (From 23-10-2018)	-----	Director
5	Shri. S. Chocklingam, I.A.S. Settlement And Director Of Land Records, Maharashtra State, Pune (From 03-10-2017)	-----	Director
6	Dr.Vijay N. Zade, I.A.S. Commissioner of Cooperation, Maharashtra State, Pune. (From 24-07-2017 to 02-09-2018) Shri. Satish Soni, I.A.S. Commissioner of Cooperation, Maharashtra State, Pune. (From 21-09-2018 to 20-09-2019)	-----	Director
7	Shri. Sambhaji Kadu Patil, I.A.S. Commissioner of Sugar, Maharashtra State, Pune. (From 25-04-2017 to 31-12-2018) Shri. Shaikhar Gaikwad, I.A.S. Commissioner of Sugar, Maharashtra State, Pune. (From 01-01-2019 to 21-01-2020)	-----	Director
8	Shri. Sunil Kendrekar, I.A.S. . Commissioner of Agriculture, Maharashtra State, Pune. (From 15-05-2017 to 31-08-2017) Shri. Sachindra Pratap Singh, I.A.S. Commissioner of Agriculture, Maharashtra State, Pune. (From 31-08-2017 to 07-02-2019) Shri. Suhas Divase, I.A.S. Commissioner of Agriculture, Maharashtra State, Pune. (From 08-02-2019 to 13-07-2020)	-----	Director
9	Shri C.A.Birajdar, Secretary CAD, Irrigation, Maharashtra State. (From 01-06-2017 to 31-05-2018) Shri A.V.Surve, (Addl. Charge) Secretary CAD, Irrigation, Maharashtra State. (From 01-06-2018 30-11-2018) Shri Rajendra Pavar Secretary CAD, Irrigation, Maharashtra State. (From 01-12-2018 to 31-07-2020)	-----	Director
10	Shri Kiran Bhalchandra Kulkarni Chief Engineer, Irrigation, Nashik (From 01-01-2018 to 13-01-2021)	-----	Director
11	Shri. R.B.Bhagade I.A.S. Managing Director, Maharashtra State Farming Corporation Ltd. (From 12-09-2016)	-----	Director

The following Board of Directors approved the Annual Report and Balance Sheet along with Statements of Account of the Maharashtra State Farming Corporation Ltd., Pune for the year ended on 31st March, 2019 vide Circulatory Resolution dt. 06-10-2020.

1	Hon. Shri. Balasaheb Thorat Minister (Revenue), Maharashtra State.	-----	Chairman
2	Hon. Shri Abdul Sattar Minister of State (Revenue), Maharashtra State.	-----	Vice Chairman
3	Dr. Nitin Kareer, I.A.S. Addl.Chief Secretary (Revenue), Maharashtra State.	-----	Director
4	Shri Manoj Saunik, I.A.S. Addl.Chief Secretary (Finance), Maharashtra State.	-----	Director
5	Shri. S. Chocklingam, I.A.S. Settlement And Director Of Land Records, Maharashtra State, Pune	-----	Director
6	Shri. Anil Kawade, I.A.S. Commissioner of Cooperation, Maharashtra State, Pune.	-----	Director
7	Shri. Shaikhar N. Gaikwad, I.A.S. Commissioner of Sugar, Maharashtra State, Pune.	-----	Director
8	Shri. Dheeraj Kumar, I.A.S. . Commissioner of Agriculture, Maharashtra State, Pune.	-----	Director
9	Shri Sanjay Ghanekar, Secretary CAD, Irrigation, Maharashtra State.	-----	Director
10	Shri. R.B.Bhagade I.A.S. Managing Director, Maharashtra State Farming Corporation Ltd.	-----	Director
11	Smt. Varsha Ladda-Untwal 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.Godbole & Associates

Chartered Accountants
67/2,4, Uberoi House, Karve Road, Nal Stop,
PUNE-411004

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MAHARASHTRA STATE FARMING CORPORATION LIMITED

(A Government of Maharashtra Undertaking)
270, Bhamburda, Senapati Bapat Marg, Pune 411016

Gram: STATEFARM,PUNE Phone : 25650551 FAX : 25659843

Email :- msfcpunel6@gmail.com

No.Secretary/18-19/56th AGM/2021 /748

Date : 18/03/2021

NOTICE FOR THE 56th ADJOURNED ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Adjourned Annual General Meeting of the Members of the Maharashtra State Farming Corporation Limited, Pune will be held on Friday, 23rd April, 2021 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 411 016 to transact the following business :-

1. To receive, consider and adopt the Financial Statements/Cash Flow Statement, Statement of Accounts and the Balance Sheet of the Company, for the year ended on 31st March 2019 and the reports of the Auditors and Directors thereon.

SD/-

(Smt. Varsha Ladda-Untwal)

Secretary

Maharashtra State Farming Corporation Ltd., Pune
For and on behalf of the Board of Directors

Place : Pune

Date : 18/03/2021

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 411 016.

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

(A Government of Maharashtra Undertaking)

DIRECTORS' REPORT – 2018-2019

To,
The Members,

Your Directors have great pleasure in presenting this 56th Annual Report on the working of the Corporation for the year 2018-2019. 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 2018-2019 ending on 31st March, 2019 together with Auditors' Report and the comments of the Comptroller and Auditor General of India to be submitted before the Annual General Meeting on or before 30th September, 2019.

Office of the Comptroller and Auditor General of India New Delhi vide its letter dated 21-08-2018 issued orders appointing M/s. M S Godbole & Associates, Chartered Accountant, Pune as Statutory Auditors for the year 2018-2019.

Accounts for the year 2018-2019 have since been audited and are now submitted for adoption by the Share Holders.

3. Share Capital :-

The authorised share capital of the Corporation during the year continued to be Rs.3/- crore and the subscribed paid-up capital Rs.2.75 crore as on 31st March,2019.

Financial Results:-

		<u>2018-2019</u> (Rs. in lacs.)	<u>2017-2018</u> (Rs. in lacs.)
1	Revenue received from operation Joint Cultivation,)	23,16.67	18,00.43
2	Revenue received from Agro- forestry & Horticulture Funds	11.66	8.00
3	Other Receipts	41,69.42	38,40.42
4	Gross Profit/(Loss) before depreciation, interest, tax, provisions & prior period expenses	19,72.61	46,97.22
5	Profit after depreciation, interest, tax, provisions & prior period expenses	18,30.29	39,69.19
6	Dividend proposed	0.00	0.00
7	Net surplus transferred	(-)176,42.60	(-)19472.89
8	Capital Employed	(-) 39,35.82	(-) 5875.95
9	Paid-up Capital	2,75.00	2,75.00
10	Net Worth	(-) 173,67.59	(-) 19197.88

4. Bonus:-

A Provision at 8.33% is made for the payment of Bonus for the year 2018-2019.

5. Cropping plan .

In the year 2018-2019 joint cultivation was implemented on area of 23,173 acres by the Corporation and the Corporation earned a revenue of Rs. 23,16.67 lacs .

6. Personnel and Industrial Relation :-

At the end of the year (31st March 2019) there were in 61 permanent employees and 4 officers on deputation and 88 employees from outsourcing agencies & retired employees/officers of the Corporation and 79 casual employees 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, one meeting of the Board of Directors was held on 27-02-2019.

8. Directors' Responsibility Statement :-

In accordance with the provisions 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, 2019 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 2013, 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. M S Godbole & 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 2018-2019.

----NIL----

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

BALANCE SHEET AS AT 31st March, 2019

AND

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st March, 2019**

ALONGWITH

FINANCIAL NOTES ATTECHED TO

AND

FORMING PART OF ACCOUNTS

AS AT 31st March, 2019

AND

AUDITOR'S REPORT



M. S. Godbole & Associates

CHARTERED ACCOUNTANTS

67/2, 4, Uberoi House, Nal Stop, Karve Road, Pune - 411 004.
Phone: 2543 3540 / 2542 1657. Email: mgodbole1961@gmail.com

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, 2019, the Statement of Profit and Loss for the year then ended 31st March 2019, 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.



M. S. Godbole & Associates

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

Basis for Qualified Opinion

- i. The company has prepared a cash flow statement, however, there are some deviations from the requirements under AS-3. Hence it cannot be relied.
- 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. 45,30,790/-, Rs.1,02,03,310/-, Rs.17,46,21,064/- and Rs.6,32,77,576/- 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. 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.
- vi. Provision for Gratuity provided for as per Schedule 4D of Rs.2,65,69,628/- 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.
- vii. 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.
 - ii. The fixed assets have not been physically verified by the management since about past more than nine years. As such, reasonability of intervals of fixed asset verification are inadequate.
 - iii. As the Award from government for compulsory acquisition of land is not received, the said adjustment is pending in books of accounts maintained and the amount received towards acquisition is shown under Sundry Creditors – Others (Ref. Note C to Point 7 of Sch 3C).

- 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. Also the verification of titles is pending in respect of these assets.
 - iii. As explained to us, 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.
 - iv. Similarly, in case of Belapur farm – company has acquired assets from Belapur Sugar & Allied Industries Ltd, where in the valuation of the assets is under dispute. Belapur Sugar & Allied Inds. Ltd have valued their assets as Rs. 27,72,734.50/- (which is paid by MSFCL) where as MSFCL has valued these assets as Rs. 13,77,520.33/- and the matter is disputed. MSFCL included this Rs. 13,77,520.33/- as Advance given against assets (Schedule No. 6, Capital Work in Progress Rs. 53,40,854) and Rs. 13,95,213.67 is shown as Short-Term Loans and Advances (Schedule 12(b) Unsecured Considered – Rs. 2,11,21,685/-). So, even though they are utilizing the asset and enjoying its benefits, it is not shown as an asset in Balance Sheet.
- c) Uncertainty about various pending litigations
- i. We would also like to add that an amount of Rs.80,30,000 has been deposited by the company in the court against a litigation filed by one such aggrieved land owner Imperial Irrigation – which is shown by the company as a Loans and Advances (Considered Secured) – Schedule 12 point 1.a.
 - ii. We would also like to bring it to your notice that an amount of Rs. 2,26,98,500/- has been deposited by the company in the court against a litigation filed by union of labour for disputed gratuity – which is shown by the company as a Short Term Loans and Advances (Considered as Security Deposit) – Refer Note ‘e’ to Schedule 12 Point 3.
 - iii. In our opinion, more disclosures and clarity is required from the company with regards to its land acquisition procedures, valuations and disputes regarding its land acquisitions as well as its monetary / land distribution procedures carried out after these litigation come to conclusion.
 - iv. We have not received any legal opinion regarding all the litigations against the company and hence not been able to verify the status of various litigations against the company and cannot comment on the effects of these litigations on the overall financial statement of the company.
- d) Acquisition of Land by Government:
- i. As stated in point (c.) of Schedule 3 and point (e.) of Schedule 5, land admeasuring 1480 acres has been acquired by the government authorities. Total compensation received up to 31.3.2019 is Rs. 416.83 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.
- e) Distribution of land to ex-lessors
 - i. As disclosed in para (e) of Notes to Schedule 5, land admeasuring 14,261 acres have been ceded in favor of the ex-lessors. Another lot of land actually distributed at present is 23,809 acres. However as per the para (g) of Notes to 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 a how much will remain with the company.
 - f) The details and proper documentary evidence of the land to be distributed back to the Ex-Lessors were not available to us for verification. However, management has given a representation that there has been no irregularity in the process.
 - g) Out of the total land 82,231 Acres it is known that an area of 1418 acres of land of the Company has been encroached upon. and further, matters relating to about 404 acres are pending in courts. Management has failed to disclose this fact in the present Audited Financial Statements although this fact was disclosed earlier. We have been unable to ascertain the extent of contingency involved in this regard. Also, we are unable to comment whether or not there are any irregularities in this process as the details were not shared with us regarding efforts taken for retrieval for encroached land.

The Company has not made any impairment provision - as appropriate under AS 28 - in this regard as is required to be made in the books of account.

- viii. We have not examined the entire land distribution process to the ex-lessors or legal formalities associated with it.
- ix. 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.
- x. Refer Note 7 to Sch 7 - During the year under audit, Kopargaon S S K Ltd. issued shares to the company in lieu of outstanding Interest receivable. No physical share certificate is available with the company till date. Also, there is no any documentation or approval on conversion of income available with company for this transaction.
- xi. 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. 74,26,557/-. 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 –
 - i. 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.

- ii. 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.
- xii. No confirmation has been obtained by the Company with regards to the Trade Receivables / Sundry Debtors (Rs. 42,11,14,585) 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. No legal action for recovery of outstanding balances is taken.
- xiii. During the year, Company has received an amount of Rs. 33,244/- from various debtors, of which company is not aware as to who has sent the money via bank transfers. Hence, it has shown this amount as non-traceable and included it in under Schedule 3(c.) – point number 3 as a Security Deposit. Closing balance as on 31st March, 2019 is 3,83,244/-. However, this amount is not in the nature of any deposit but is a payment against current outstanding. The company should take proper care to tackle such issues.
- 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. This amount is classified as Secured Advance since the amount is recoverable only if the Company wins the litigation.
- 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, Short Term Loans and advances, amount of Rs.1,04,90,754/- has been outstanding for more than one year but less than three years and Rs.1,97,53,429 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 19-20.
- xvii. Similarly, in Schedule 10, Trade Receivables, amount of Rs.4,14,48,634/- has been outstanding for more than six months but less than three years and Rs.36,47,87,853/- 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 19-20. Compared to last year's Financials, there is an increase in amount receivable which is outstanding for more than three years. In case of Rs. 139.50 Lakhs which is included in Rs. 36,47,87,853/-, Company has not taken any legal action for recovery. Considering this & Based on the information provided, amount outstanding for more than three years should be classified as Non-Current Asset in financial statements.
- xviii. We were not made aware of the procedures initiated by the company for recovery of both the above amounts (Short Term Loans and Advances and Trade Receivables) hence we cannot comment on whether these should be considered good. The company has on its own classified Short Terms Loans and Advances of Rs.5,96,383 and Trade Receivables of Rs. 10,13,56,977 as Doubtful.

- xix. We were told that 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.
- xx. 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.
- xxi. 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
- xxii. Confirmed Statutory Dues not accounted for
- a) The company has computed its Income Tax, GST, Professional Tax and liabilities towards all other Taxes as applicable and paid the same.
 - b) As told to us, the company has paid GST only on urban land leased to financial institutions and other government departments within its building premises at Senapati Bapat Road, Pune. However it is of the view that many of its lessors to whom it has given on leave and license open land (urban land near Senapati Bapat Road, Pune as well as at Rural land adjoining various roads at its various farms) and who are using it for commercial purpose are not liable to GST as there is no GST on leave and license contract of open land – whether or not used for agriculture. In our view, only land used for agriculture and allied activities is exempt from GST as well as Income Tax. Since this land is used for commercial purposes, in our view contention of the company could be incorrect and the company might have defaulted in its Income Tax and GST liability.
 - c) Company has charged Interest and Penalty of Rs. 19,22,687/- (Schedule 14 Point 2 – Other Interest) to its joint cultivators for default or delay on payment to the company as per agreed terms. However, it considers this as its agricultural income for computation of GST as well as Income Tax since this amount is received from joint cultivators. In our opinion, even though the joint cultivators are involved mainly in agriculture, this amount is recovered as Penal Interest and is not related to Agriculture. Hence, the contention of the company could be incorrect, and the company might have again defaulted in its GST as well as Income Tax liability.
 - d) As per information given to us, Company was granted a loan by the State Government for payment of Salaries (Business Purpose). The business of the company is to do or facilitate Agriculture – which is exempt. The company has recognized the interest payable to the Govt on this amount borrowed as an expense in its Books of Accounts. In the current year, company has had a sizeable turnover through its agricultural activities and is in profit. This interest expense should be

attributable to this agricultural income – which is exempt. However, the company has adjusted Interest payable to the Government on this loan against Income on Fixed Deposits – which is not its business activity and is taxable. Expenses made against exempt income should be disallowed while computing Taxable Income. Hence the computation of Income by the company is subject to scrutiny.

- e) Further – even if we accept the contention of the company that it was not an expense made against exempt income, it fails to give an explanation that why was the same expense not used to set-off Income Tax liability against Rent received by the company. Because Non-Speculative Business Loss can be used to set-off against Income from House Property as well. And further balance, can be even carried forward for future years. Thus, in any case, we are not satisfied with the Income Tax computation of the company.
- f) We have relied on management contention that statutory liabilities like Property Tax, Telephone Bills and Electrical Bills are regularly paid and there is no default.

xxiii. 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.1,73,526. 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.

xxiv. 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.

xxv. 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 have not been adequately disclosed 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 2019.

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 up to 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 vedibabhul trees) as disclosed in Schedule 19 Notes on Accounts – Point 4.c. – 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, 2019 are Rs. 1,76,42,59,750/- 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 payables / receivables without any adjustment and rectification since historical periods.
- b) No efficient accounting policy, as far as Land is concerned.
- c) Ledger posting of certain expenses and Balance Sheet items do not adhere to Accounting Standards.
- d) Although there are identified statutory dues as already mentioned, they have not been cleared.
- e) In our opinion the company needs to take more serious note of various legal compliances and taxes as already pointed out.

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.
- b) Similarly, VAT Liability of Rs.56,419 has been outstanding for more than three years.

7. Manual Accounting - the Company maintains its books of accounts in manual form, which need to be reconciled from Farm Level to Consolidated level and then again to format as per Companies Act. Due to this, undue complication in accounts is involved which may lead to errors of omission and commission during ledger posting.

For **M.S. Godbole and Associates**
Chartered Accountants
FRN -103236W

Sd/-
Chinmay Karande
Partner
Membership No: (157700)

Place: Pune
Date:15/10/2020
UDIN – 20157700AAAAGW6621

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 Subject to Point No 7 of Emphasis of Matter Paragraph.
 - c) The company has operations at various locations. However, no separate auditors were appointed for the Branch. Manual records of all branches were brought for audit purposes and compilation of Financial Statements of the company.
 - 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, 2013 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.
3. As required by Section 143 (5) of the Act, we report that:
 - a) Comment on any cases of waiver / write-off of debts / loans / interest, etc.
 - i. During the current accounting period of FY 2018-19, the company has not waived / written-off any debts / loans / interest, etc.
 - ii. Previously, the Company 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 31st March 2019, the amount of outstanding loan along with interest as per Schedule 4A is Rs. 1,55,92,49,920/-.

- iii. The Company has been following a policy of paying off the principal first and then the interest thereon.
- b) Comment on records are being maintained for inventories lying with third parties and assets received as gift from Government and other authorities –
- i. The company has neither got any inventories lying with third parties nor has received any asset as gift from Government and other authorities during the current year.
- c) A report on age-wise analysis of pending legal / arbitration cases, including reason for pendency and existence / effectiveness of monitoring mechanism for expenditure on all legal cases.

d)

Sr. No.	Year	High Court	Civil Court	District Court	Criminal Court	Labour / Industrial Court	Revenue Court	Total
1.	2011	-	01	-	-	-	-	01
2.	2012	02	04	01	-	-	-	07
3.	2013	-	20	-	-	-	01	21
4.	2014	14	17	01	-	-	01	33
5.	2015	13	19	01	02	02	01	38
6.	2016	07	16	07	01	06	-	37
7.	2017	11	13	06	-	01	01	32
8.	2018	07	18	12	09	11	07	64
9.	2019	07	24	10	21	16	07	85
10.	2020	02	04	02	09	-	04	21
Total								339

Note –

- i. Some of the Writ Petitions or Appeals are remanded by the Hon’ble High Court to the Hon’ble District Courts. Such matters are being delayed due to Court procedure.
- ii. Matters prior to 2011 are 42. Most of these matters are delayed due to service of notices, transfer of Appeals and Civil suits as per procedure of the Courts.
- e) If the company has been selected for disinvestment –
- i. No. The company has not been selected for disinvestment.
4. Sector Specific sub-directions as required –
- a) Cases of levy of penalty for mismatch of stock of food grains with cash credit limit availed –
- i. The company has not availed any cash-credit limit of such nature.
- b) System for assessing the health of stock and for valuation of damaged goods –
- i. The company doesn’t have any system for assessing the health of stock and valuation of damaged goods.
- ii. All the activities related to cultivation of crops, assessing the health of stock (crops), their valuation in case of any damage, etc is handled by the joint-cultivators appointed by the Company.
- c) System of reconciliation of amount recoverable / payable in respect of gunny bales –
- i. All such activities are handled by the joint-cultivators appointed by the Company.



M. S. Godbole & Associates

- d) System to check the authenticity of claims shown as recoverable from FCI / State Govt. –
 - i. There are no such claims shown as recoverable from FCI / State Govt. in the books of accounts of the company.
- e) Whether Profit / loss mentioned in Audit Report is as per Profit & Loss Statement of the company –
 - i. The Audit Report has given a qualified opinion to the Financial Statements of the Company. The effects of Basis of Qualified Opinion and Emphasis of Matter Paragraphs should be taken into note.
- f) Stock of Seed Packing / Certification materials and other items –
 - i. The company has not shown any such inventory in its books of accounts for the current year.
- g) Mechanism for disbursement of loans / subsidies / agro inputs and agricultural machineries to beneficiaries –
 - i. The company has no such mechanism.
- h) Grants / Subsidies received for implementing various schemes –
 - i. No such grants or subsidies were received.

For **M.S. Godbole and Associates**
Chartered Accountants
FRN - 103236W

Sd/-
Chinmay Karande
Partner
Membership No: (157700)

Place: Pune
Date: 15/10/2020
UDIN – 20157700AAAAWG6621

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of Maharashtra State Farming Corporation Limited for the year ended 31 March 2019, 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 nine 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.
 - (c) We have not verified the Title Deeds of all the Immovable Properties held by the Company. There are cases where the title of the properties held by the company are under dispute due to litigations and also cases where the company has transferred the assets to third parties however the title is still with the company.
 - (d) (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.
- II. As per the information given to us, the Company has not maintained the register as per provisions of section 189 regarding loans granted, secured or unsecured, to 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 given or otherwise.
- III. 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.
- IV. The Company has not accepted any deposits from the public covered under 73 to 76 of the Companies Act 2013.
- V. 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.

VI. In respect of statutory dues:

- a. The Company has compiled a list of outstanding statutory dues as follows –
(Refer Schedule 3 a,b,c,d - Point No g.)

Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Interest on Occupancy Price	2,40,94,055.37	1963 to 2019	Every year	Unpaid
Principal Amount pending on Occupancy Price	60,85,322.47	1963 to 2014	Immediate	Unpaid
Government Loans				
a. Interest Bearing	0.00	1964 to 2013	As per GR	Unpaid
b. Non-Interest Bearing	21,60,72,685.00	1964 to 2013	As per GR	Unpaid
c. Interest Accrued & Due	1,34,31,77,235.00	1964 to 2019	Every year	Unpaid
Bombay Labor Welfare Fund	6,67,893.70	1995 – 2019	Every year	Unpaid
Rent - 50% of receipts as per GR	1,17,92,072.30	1970 to 2019	Every year	Unpaid
Irrigation Department	96,97,994.89	2016 to 2019	Immediate	Unpaid
Land Rent	2,24,33,888.61	1963 to 1982	As per GR	Unpaid
Undisputed Agricultural Income Tax	3,28,16,498/-	1972 to 1984	Immediate	Unpaid

- a. As per information given to us, various other statutory dues like provident fund, tax deducted at source, Income Tax, GST / Sales tax / VAT, Land Revenue / Local Taxes, Professional tax etc. has been paid regularly and there is no default subject to xxiii (b) of Basis for Qualified Opinion Paragraph.

VII. 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 31st March 2019, the amount of outstanding loan as per Schedule 4A is Rs. 1,55,92,49,920/-. 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.

VIII. As per the information provided to us, no fresh capital or loans were raised by the company during the year ended 31st March 2019.

IX. To the best of our knowledge and 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.

X. 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.

- XI. 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.
- XII. 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 have not been complied by the company.
- XIII. 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.
- 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 entered into non cash transactions with directors or persons connected with him Accordingly, paragraph 3(XV) of the order is not applicable.
- XV. The Company is not required to be registered under 45-IA of the Reserve Bank of India Act 1934.

For **M.S. Godbole and Associates**
Chartered Accountants
FRN - 103236W

Sd/-
Chinmay Karande
Partner
Membership No: (157700)

Place: Pune
Date: 15/10/2020
UDIN – 20157700AAAAWG6621

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

SUMMARISED BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
What the Corporation Owned		
1 Net Fixed Assets	539.17	546.37
2 Investments	153.93	148.98
3 Net Current Assets	(2,468.20)	(1,700.83)
5 Accumulated Loss	17,642.60	19472.89
Total Assets [Net]	15,867.50	18,467.41
What the Corporation Owed		
1. Loans	15,592.50	18,192.41
2. Paid up Capital	275.00	275.00
Total Funds Employed.	15,867.50	18,467.41

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HIGH LIGHTS

(Rs. in lakhs)

	Schedule	2018-2019	2017-2018
		(Rupees)	(Rupees)
Revenue From Operation	13	2328.33	1808.43
Other Income	14	416.94	3,840.42
Total		2,745.27	5,648.85
Profit/(Loss) Before Interest, Depreciation, Taxes		1,972.61	4,697.22
Interest	17	118.67	542.66
Depreciation	5A	13.62	13.08
Profit/(Loss) before Prior Period Expenses		1,840.32	4,141.48
Prior Period Expenses (DR.) CR	18	41.32	(124.82)
Profit/(Loss) Before Tax		1,881.64	4,016.66
Taxes		51.35	47.47
Profit/(Loss) After Tax		1,830.29	3,969.19
Accumulated Profit/(Loss)		(17,642.60)	(19,472.89)
Paid Up Capital		275.00	275.00
Capital Employed		(3,935.82)	(5,875.96)
Inventory as % of Turnover		3,118.46	1,614.38

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THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE

(A Government of Maharashtra Undertaking)

BALANCE SHEET AS AT 31st MARCH, 2019

(Rs.)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
1	2	3	4
		(Rupees)	(Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	27,500,000.00	27,500,000.00
(b) Reserves and surplus	2	(1,764,259,750)	(1,947,288,974)
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-current liabilities	3		
(a) Long-term borrowings	3a	-	-
(b) Deferred tax liabilities (Net)	3b	-	-
(c) Other Long term liabilities	3c	654,822,336.00	533,814,314.00
(d) Long-term provisions	3d	-	-
(4) Current liabilities	4		
(a) Short-term borrowings	4A	1,559,249,920	1,819,241,733
(b) Trade payables	4B	-	-
(c) Other current liabilities	4C	28,666,671	28,198,061
(d) Short-term provisions	4D	77,665,278	91,446,729
TOTAL		583,644,455	552,911,863
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets	5	48,576,000	49,296,020
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	6	5,340,854	5,340,854
(iv) Intangible assets under development		-	-
(b) Non-current investments	7	15,393,437	14,898,437
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	8	-	-
(2) Current assets			
(a) Current investments			
(b) Inventories	9	7,466,279	11,202,009
(c) Trade receivables	10	421,114,585	410,947,893
(d) Cash and cash equivalents	11	27,573,323	19,639,830
(e) Short-term loans and advances	12	58,179,977	41,586,820
(f) Other current assets		-	-
TOTAL		583,644,455	552,911,863

As per our report attached for
For M. S.Godbole & Associates
Chartered Accountants

Please refer to Financial Notes .Schedule 19

Sd/- (CA Chinmay D. Karande) Membership No.157700 Firm Regn. No.103236W	Sd/- (Smt.Varsha Ladda-Untwal) Secretary / Chief Executive (Admn.)	Sd/- (Raosaheb B.Bhagade,I.A.S) Managing Director	Sd/- (Anil Kawade, I.A.S.) Director
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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, 2019

(Rs.)

Particulars	Note No.	2018-2019	2017-2018
1	2	3	4
		(Rupees)	(Rupees)
I. Revenue from operations	13	232,832,808	180,842,576
II. Other income	14	41,694,196	384,042,335
III. Total Revenue (I + II)		274,527,004	564,884,911
IV. Expenses :			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods		-	-
Stock-in-Trade	15	3,735,026	22,431,457
Employee benefits expense	16	62,009,894	64,444,361
Finance costs			
Depreciation and amortisation expense	5A	1,361,978	1,307,676
Other expenses	17	23,388,626	62,552,703
Total expenses		90,495,524	150,736,197
V. Profit/(Loss) before exceptional and extraordinary items and tax (IV - III)		184,031,480	414,148,714
VI. Exceptional items		-	-
1. Prior Period Expenses Dr./ (Cr.)	18	(4,132,647)	12,481,981
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		188,164,127	401,666,733
VIII. Extraordinary items		-	-
IX. Profit/(Loss) before tax (VII - VIII)		188,164,127	401,666,733
X. Tax expense :			
(1) Current tax		5,134,903	4,747,366
(2) Deferred tax		-	-
XI. Profit (Loss) for the period from continuing operations (IX-XI)		183,029,224	396,919,367
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI + IV)		183,029,224	396,919,367
XVI. Earnings per equity share :			
(1) Basic		6,655.61	14,433.43
(2) Diluted		-	-

As per our report attached for
For M. S.Godbole & Associates
Chartered Accountants

Please refer to Financial Notes .Schedule 19

Sd/-	Sd/-	Sd/-	Sd/-
(CA Chinmay D. Karande)	(Smt.Varsha Ladda-Untwal)	(Raosaheb B.Bhagade,I.A.S)	(Anil Kawade, I.A.S.)
Membership No.157700	Secretary /	Managing Director	Director
Firm Regn. No.103236W	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, 2019****SCHEDULE NO. 1 (ITEM NO.1(a))****SHARE CAPITAL**

Particulars	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
Authorised Share Capital 30,000 Equity Shares of Rs.1,000/- each	30,000,000	30,000,000
Issued Subscribed and paid-up 27,500 Equity shares of Rs.1,000/- each fully subscribed and paid up by Government of Maharashtra	27,500,000	27,500,000
TOTAL	27,500,000	27,500,000

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	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

Shareholders	As at 31st March, 2019		As at 31st March, 2018	
	No.of Shares	Percentage Held	No.of Shares	Percentage Held
Governor of Maharashtra	27,497	99.99%	27,497	99.99%
Total	27,497		27,497	

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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, 2019
SCHEDULE NO.2 ITEM NO. 1 (b)****RESERVES AND SURPLUS**

Particulars	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
a) Securities Premium account	-	-
b) General Reserve	-	-
c) Surplus in Statement of Profit And Loss	-	-
As per last Balance Sheet	(1,947,288,974)	(2,344,208,341)
Add: Profit for the year/period	183,029,224	396,919,367
Closing Balance	(1,764,259,750)	(1,947,288,974)
Total	(1,764,259,750)	(1,947,288,974)

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SCHEDULE NO. 3 a,b,c,d**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2019
SCHEDULE NO.3 a,b,c,d****NON CURRENT LIABILITIES**

	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
3a) Long Term Borrowing	-	-
3b) Defered Tax Liabilities	-	-
3c) Long Term Liabilities		
1. Sundry Creditors for Material Purchases	4,530,790	4,530,790
2. Sundry Creditors for Purchases of Assets	10,203,310	10,203,310
3. Security Deposits	333,486,763	261,969,324
4. Other Advances	174,621,064	126,596,846
5 Government Dues	68,688,127	67,912,863
6. Employees Benefit Expenses		
6.1. Gratuity(Including Ex- Management Share)	14,706	14,706
7.Sundry Creditors for Others	63,277,576	62,586,475
Total	654,822,336	533,814,314
3d) Long term Provisions	-	-
Total	-	-

Contd.

SCHEDULE NO.3 a,b,c,d Contd.**Note:-**

- a) No confirmations have been obtained from the creditors, and advances received and for other credit balance appearing in the Balance-sheet as on 31-03-2019. 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) Value of land (3405 acres) at Sadashivnagar farm which is not available as no awards have been declared so far this one unit. (Please ref. Sch.5 note "d" and "e") Out of this land area of 11 acres has been acquired by Government Authority, against which, part amount of Rs. 1.89 lakhs up to 31-03-2019 (Previous year 1.89 lakhs) has been 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 as in the absence of award and hence it is not provided. During the year, the Corporation has received Rs.NIL as part of compensation towards the compulsory acquisition of land. Total Compensation received up to 31-03-2019 is Rs 416.83 lakhs (Previous year Rs. 416.83 lakhs). This amount is shown as "Non Current Liability " under "Sundry Creditors for Others" in the absence of award.
- a) 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.

e) 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 31-03-2019, 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.

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.

g) Government dues and payable includes as under-

Particulars	2018-2019	2017-2018
Interest On Occupancy Price.	24,094,055.37	23,698,509.37
C.M.R.Fund//Flag Fund//LIC/Union Sub.	2,222.60	2,222.60
B.L.W. Fund	667,893.70	665,193.70
Rent .50%Canara bank payable to Govt.	11,792,072.30	10,693,106.30
Irrigation	9,697,994.89	10,419,942.69
Land Rent	22,433,888.61	22,433,888.61
Total	68,688,127.47	67,912,863.27

i) Sundry Creditors for Other includes as under-

Particulars	2018-2019	2017-2018
Interest On Rent Payable Bela. Co.	13,733,927.00	13,245,961.00
Rent	7,161,867.62	6,958,732.62
Sugar Factories	201,747.00	201,747.00
Acquisition of land Cost recd.	41,871,705.00	41,871,705.00
Joint Cultation 11-12 Admn Exp	308,329.00	308,329.00
Total	63,277,575.62	62,586,474.62

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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, 2019
SCHEDULE NO. 4 (A)

CURRENT LIABILITIES-a) SHORT TERM BORROWINGS
LOANS (UNSECURED)

	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
Short Term Loans (Unsecured)		
From Government of Maharashtra		
a) Interest bearing	-	270,976,685
b) Non Interest bearing	216,072,685	216,072,000
Add : Interest accrued and due on above (Amount of loans Rs. 2160.73 lacs has already become due for repayment.)	1,343,177,235	1,332,193,048
Total	1,559,249,920	1,819,241,733

Note:-

- From 1963-1964 to 2012-2013 Corporation was taken Short Term Loans Rs. 128.85 crore from the Government of Maharashtra on the basis of repayment to make the salary, establishment and day to day expenses. Out of which Rs.107.24 crore loans refunded to the Government of Maharashtra. Interest on loan is calculated as per rate of interest prescribed in resolution of Government of Maharashtra. Loan amount is reconciled with the records of the Government of Maharashtra.
- During the year 2018-2019 the Corporation refunded the interest bearing loan of Rs. 27.10 crore to the Government of Maharashtra.

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SCHEDULE NO. 4 B,C,D**THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)****SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2019
SCHEDULE NO.4 B,C,D****CURRENT LIABILITIES AND PROVISIONS**

	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
4B Trade Payables	-	-
4C) Other Current Liabilities		
a) Employees Benefit Expenses		
1. Salaries & Wages	5,236,103	3,612,913
2. Unpaid Salaries & Wages	5,031,629	5,269,065
3. Bonus	3,477,617	2,720,041
4 Provident Fund Employees Subscription	190,142	199,757
5. Gratuity	1,893,710	1,791,807
6. Contribution to Provident Fund	138,359	152,881
7. Employees Medical Expenses	98,643	6,184
b) Sundry Creditors Others	545,070	3,078,101
c) Government Dues & Taxes	-	
1. Rates & Taxes	10,798,820	11,004,110
2. Vat/Profession Tax/PGST	173,526	115,732
3. Telephone & Trunkcal, Insurance, Other/Irrigation	895,303	82,819
3. Electricity & Power	187,749	164,651
Total	28,666,671	28,198,061
4D Provisions		
1. Agricultural Income Tax	32,816,498	32,816,498
2. Gratuity	26,569,628	35,041,055
3. Depreciation	3,131,268	3,076,362
4. Income Tax	15,147,884	20,512,814
Total	77,665,278	91,446,729

Note:-

- a) No confirmations have been obtained from the creditors, and advances received and for other credit balance appearing in the Balance-sheet as on 31-03-2019. 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.41,09,064/- lakhs (Previous year Rs.39,07,304/-) which is outstanding for more than three years.
- c) During the financial year 2018-2019 provision for taxation in respect of Income Tax payable on house property income is made to the extent of Rs.51.35 lakhs (Previous financial year Rs. 47.47 Lakhs). The provision has been made considering the actual income tax liability for the financial year 2018-2019 (i.e. Assessment Year 2019-2020) . There is no pending any Income Tax Assessment order nor any pending disputes.

Contd.

SCHEDULE NO.4 B,C,D Contd.

- 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) **Employee 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.3,17,59,437/-for less than one Year, 48,02,272/- for more than one year and less than three years and Rs.3,57,83,048/- 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	2018-2019 (Rs.)	2017-2018 (Rs.)
Travelling Expenses other	83760.00	48796.00
Fuel&Oil	24230.00	0.00
Union Subscription	11801.00	205294.00
Employees Co.Op.Socty.	102277.00	101727.00
Books & Periodicals	221.00	900.00
Postage & Tel.	0.00	334.00
Entertenment/Guest House	1650.00	2595.00
General Expenses	81275.00	45832.73
Legal Charges	27500.00	35000.00
Repairs & Maintenance M Veh.	32355.51	200.00
Provision For Expenses Paid during 2018-19	0.00	2535422.00
Auditor Fee	150000.00	75000.00
P.F.Trust Auditor Fee	21000.00	18000.00
Income Tax & T.D.S Return Filing Fee	9000.00	9000.00
Total	545069.51	3078100.73

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SCHEDULE NO. 5

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

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2019 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, 2018	Additions adjustments during the year 2018-2019 (+)	Deductions during the year 2018-2019 (-)	Balance as on 31st March, 2019 (2+3-4)	Up to 31st March 2018	Adjustments for 2018-2019 (+)	Deductions during the year 2018-2019 (-)	Total Balance As on 31st March, 19	As at 31st March, 2019	As at 31st March, 2018
	1	2	3	4	5	6	7	8	(6+7-8) 9	(5-9)10	11
1	Land including Land Development Free Hold Land	23,116,084	-	-	23,116,084	-	-	-	-	23,116,084	23,116,084
2	Irrigation Wells & Tanks	14,721,216	-	-	14,721,216	5,637,960	235,899	-	5,873,859	8,847,357	9,083,255
3	Roads	128,223	-	-	128,223	81,779	2,062	-	83,841	44,382	46,444
4	Building including fencing	39,324,163	-	43,924	39,280,239	24,253,903	644,142	33,311	24,864,734	14,415,505	15,070,261
5	Lift Pumps and Agri, Machinery	1,165,723	-	-	1,165,723	1,081,365	2,683	-	1,084,048	81,675	84,358
6	Furniture, Fittings & Office. Equipment	3,869,833	597,745	1,616	4,465,962	3,311,384	136,253	1,535	3,446,102	1,019,860	558,448
7	Laboratory , Veterinary and Dairy Equipments	-	-	-	-	-	-	-	-	-	-
8	Other Machinery (Diesel Tank)	76,539	-	-	76,539	72,712	-	-	72,712	3,827	3,827
9	Vehicle	6,171,144	-	-	6,171,144	4,837,801	286,033	-	5,123,834	1,047,310	1,333,343
10	Tractor implements & Tools	-	-	-	-	-	-	-	-	-	-
	Total	88,572,925	597,745	45,540	89,125,130	39,276,904	1,307,072	34,846	40,549,130	48,576,000	49,296,020
	Previous Year	88,927,173	142,560	496,808	88,572,925	37,768,215	1,252,770	(255,920)	39,276,905	49,296,020	51,158,958
	Add; depreciation on disputed assets refer note no. 7/15/2015 "h"						54,906				
	Total Depreciation						1,361,978				

Note :-

- 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

Contd.

SCHEDULE NO. 5 Contd.

advances of Rs.31,99,537/- have remained unadjusted pending settlement against the cost of Rs.35,26,217/-. [Please ref. Sch.3ABCD note (f)]

- c) Land (including permanent and temporary structures thereon) 3405 acar 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 ". (Pl.ref. Sch. No. 6)
- d) Out of the land 3405 acres at Sadashivnagar Farm, 681 acres of land are ceded in favour of ex-lessors and 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 Acre	Sadashivnagar Acre (No Award)	Total Acre
1	In possession and use	40,923	890	41,813
2	Total land to be grant to the exlessors as per Government Resolution (Up to 31-03-2019 total land distributed 23809 acar.) (Ref. Note No. h)	24,967	1,823	26,790
3	For Public purpose acquired by Government.	957	-	957
4	Ceded in favour of ex-lessors	13,580	681	14,261
5	Acquired/sold/deleted by government	1,804	11	1,815
	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) The cost of land stated in the Balance Sheet is without giving effect to the cost for land acquired by the various authorities.
- h) 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 13 farms 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 31-03-2019 total land actual distributed to the ex-lessors is 23,809 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.

- i) Impaired Assets under AS 28 is worth Rs. 3827/- (Previous year Rs.3827/-).

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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, 2019
SCHEDULE NO.5A****NON CURRENT ASSETS - FIXED ASSETS (Contd.)**

	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
1. Depreciation and amortisation for the year on tangible assets	1,307,072	1,252,770
2. Depreciation on disputed assets (ref.Sch. 5 Note No.b)	54,906	54,906
Total	1,361,978	1,307,676

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SCHEDULE NO. 6**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH,2019
SCHEDULE NO.6 Item No. II ASSETS (1)(a)(iii)****NON CURRENT ASSETS - CAPITAL WORK-IN-PROGRESS**

	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
Capital Work-in-Progress	-	-
Advance Against Purchases Of Assets	5,340,854	5,340,854
Total	5,340,854	5,340,854

Note:-

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

Sr. No.	Particulars	Amount (Rs.)
1	Ravalgaon Sugar farm Ltd.	426471.00
2	Bruhan Maharashtra Sugar Syndicate	200000.00
3	Walchandnagar Industries Ltd.	2573066.00
	Total (1 to 3)	3199537.00
4	Belapur Sugar & Allied Industries	1377520.33
5	Payment made to Ex-lessors at Sadashivnagar Farm	763797.00
	TOTAL (1 to 5)	5340854.33

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SCHEDULE NO. 7**THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)****SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2019
SCHEDULE No. 7 Item No.II ASSETS (2) (A)****Non CURRENT INVESTMENTS**

	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
Investment (At Cost)		
a) Other investments in Government Securities(Unquoted)		
i).National Savings Certificates (Certificates of different face value)	31,417	31,417
(b)Trade Investments (Unquoted)		
1) 1200 Fully paid-up Equity Shares of Rs.5000/- each of Shree Shankar S.S.K.Ltd., Sadashivnagar	6,000,000	6,000,000
2) 500 Fully paid-up Equity Shares of Rs. 1000/- each of Gangapur S.S.K.Ltd., Gangapur	500,000	500,000
3) 1 Fully paid-up Equity Shares of Rs. 3000/- each of Shri Chatrapati S.S.K.Ltd., Bhavaninagar	3,000	3,000
4) 133 Fully paid-up Equity Shares of Rs. 5000 each of Someshwar S.S.K.Ltd.	665,000	665,000
5) 1537 Fully paid-up Equity Shares of Rs. 5000 each of Malegaon S.S. K.Ltd.	7,685,000	7,685,000
6) 100 Fully paid-up Equity Shares of Rs. 5000/- each of Kopergaon S.S.K.Ltd.,	500,000	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
(c) Others		
8.5 % Debentures of Maharashtra State Electricity Board (Debentures are not received from M.S.E.B.till the date of signing of Balance sheet)	4,800	4,800
Total	15,393,437	14,898,437
Aggregate value of Unquoted Investments Cost	15,393,437	14,898,437

contd.

SCHEDULE NO. 7 Contd.

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. Shirampur 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.
6. Amount increased by Rs.4,95,000/- as compared to previous year due to Interest amounts on deposits is transferred to Shares A/C by the Kopergaon S.S.K.Ltd.

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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, 2019
SCHEDULE NO.8 Item No. II ASSETS (1)(e)

OTHER NON CURRENT ASSETS

	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
Deferred revenue expenditure to the extent not written off towards		
1] Lift Irrigation Scheme	5,163,382	5,163,382
LESS: Provision For Doubtful	5,163,382	5,163,382
Total	-	-

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SCHEDULE NO. 9

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

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2019 SCHEDULE No. 9 item No. II ASSETS (2) (B)

INVENTORIES

	As at 31st March, 2019	As at 31st March, 2018
	(Rupees)	(Rupees)
Inventories (As certified and valued by the Management excluding item No.4)		
1. Stores & Spares at Cost	39,722	40,426
2. Stock at Fair Price Shop Articles at Cost		
3.Standing Crops AgroForestry & Horticulture at cost after deducting the sales proceeds.	7,426,557	11,161,583
Total	7,466,279	11,202,009

Note:-

- a) Inventory includes only stock of fuel & oil, Civil Material 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 realisable value.

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SCHEDULE NO. 10

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2019 SCHEDULE NO.10 Item No.II ASSETS (2)(c)

TRADE RECEIVABLES

	As at 31st March, 2019		As at 31st March, 2018	
	(Rupees)		(Rupees)	
Sundry Debtors (Unsecured considered good unless otherwise stated)				
1) Outstanding for a period of less than 6 months		14,878,098		11,274,808
2) Outstanding for a period exceeding six months				
(a) Considered good	406,236,487		399,673,085	
(b) Considered doubtful	101,356,977		101,356,977	
	507,593,464		501,030,062	
Less: Provision for doubtful debts	101,356,977		101,356,977	
		406,236,487		399,673,085
Total		421,114,585		410,947,893

contd.

Note:-

- a) No confirmations are obtained from the debtors balance appearing in the Balance-Sheet as on 31-03-2019. 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) Sundry Debtors (after Reserve for doubtful debts) includes Rs.1,48,78,098/- for less than 6 months and Rs 4,14,48,634/- for more than six month and less than 3 years. and Rs.36,47,87,853/- for more than three years, Sundry Debtors more than three years includes Rs. 139.50 lakhs (Previous year Rs. 100.67 lakhs), which are outstanding for more than 3 years and no legal action for recovery of the same has been taken.

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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,2019
SCHEDULE NO.11 ITEM NO. II ASSETS (2) (d)

CASH AND CASH EQUIVALENTS

	As at 31st March, 2019		As at 31st March, 2018	
	(Rupees)		(Rupees)	
Cash & Bank Balances				
Cash, Cheques & Stamps on hand (including cheques in hand Rs. Nil)		85,117		56,872
With Scheduled Banks				
On Current Accounts		3,022,868		2,861,940
On Saving Accounts		12,556,805		419,964
Fixed Deposits		11,908,533		16,301,054
1. Canara Bank	5,831,191		10,400,000	
2. State Bank Of India	-		145,065	
3. Central Bank Of India	6,077,342		5,755,989	
Current Accounts with Non-Scheduled Banks	Maximum Balance during the year	-	Maximum Balance during the year	-
Remittances in Transit		-		-
Total		27,573,323		19,639,830

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SCHEDULE NO.12

**THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)
SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH,2019
SCHEDULE NO.12, item No. II ASSETS (2) (e)
SHORTTERM LOANS & ADVANCES**

	As at 31st March, 2019		As at 31st March, 2018	
	(Rupees)		(Rupees)	
* Loans & Advances (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	21,121,685		26,707,838	
b) Unsecured considered good	596,383		596,383	
c) Considered doubtful	21,718,068		27,304,221	
Less: Provision for doubtful advances	596,383		596,383	
		21,121,685		26,707,838
2) Deductions on account of Non-refundable deposits, Time Deposit & small Savings				
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	
f) Kopergaon S.S.K.Ltd.	208,520		-	
		4,836,469		4,627,949
3) Sr.Deposits(Security Deposits)		24,191,823		2,221,033
Total		58,179,977		41,586,820
* Loans & Advances includes :(Excluding reserve for doubtful debts)				
Dues from Directors		-		-
Maximum Amount Due		-		-
Dues from Officers		-		-
Maximum Amount Due		-		-

Note:-

- Non refundable deposit represents amounts deducted by Co-op. Sugar Factory from sale proceeds of sugarcane and retained with them, as per bye laws of the Sugar Factory, which is receivable on the termination of membership.
- Management is of the opinion that, the amount of Rs. 80.30 lakh deposited in the Court for obtaining stay against decree awarded (May 2004) in favor of the contractor is recoverable either in cash or kind, therefore the same is considered as secured and shown as " Current Assets, Loans and Advances – secured considered good."
- No confirmations have been obtained from the parties (debtors) and for other debit balance appearing in the Balance Sheet as on 31-03-2019. 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.2,79,35,794/-for less than one Year, Rs.1,04,90,754/- for more than one year and less than three years and Rs.1,97,53,429/- for more than three years.
- MSFC filed a appeal U/s7(7) and Rule 18 of payment of Gratuity Act, 1972 before the Hon'ble Member Industrial Court, Ahamadnagar against the judgement and order passed dated 05-02-2018 in application (PGA) No. 560/2011, 561/2011,562/2011,563/2011, 564/2011. And as per the court order amount of Rs. 2,26,98,500/- deposited in Industrial Court, Ahmednagar and it includes in Sr.Deposits (Security Deposits).

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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, 2019.
SCHEDULE NO.13 ITEM NO. I****INFORMATION IN REGARD TO REVENUE FROM OPERATION BY THE COMPANY**

	2018-2019	2017-2018
	(Rupees)	(Rupees)
Revenue from operation		
a. Joint Cultivation	231,666,528	180,043,052
b. Agroforestry and Horticulture	1,166,280	799,524
Total	232,832,808	180,842,576

Notes:-

- a) Income from joint cultivation activities is accounted for as per the agreements and on accrual basis. During the year 2018-2019 revenue from Joint Cultivation in the current year has increased by Rs.516.23 lac as compared to previous year 2017-2018, because the corporation implemented the new agreements of joint cultivation on farms and 10% increase in joint cultivation amount as per agreements with old joint cultivators .
- b) During the year 2018-2019 revenue from Agroforestry and horticulture is increased by Rs. 3.67 lac as compared to previous year i.e.2017-2018.

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SCHEDULE NO.14**SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2019.
SCHEDULE NO.14 ITEM NO. II****INFORMATION IN REGARD TO REVENUE FROM OTHER INCOME**

	2018-2019	2017-2018
	(Rupees)	(Rupees)
Other Income-		
1. Interest received (Gross)		
1.1. Interest on Current Investment (Tax Deducted at Source Rs.7,36,011/- Previous Year Rs.3,20,883/-)	7,269,215	6,194,789
2. Other interest	1,922,687	2,557,618
3. Revenue from Transfer of Assets	-	345,487,792
4. Profit on sale of (Scrap) Assets	32,882	-
5. Rent	25,164,651	23,840,200
6. Misc.Income	7,304,761	5,961,936
Total	41,694,196	384,042,335

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 during the year 2018-2019 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 Rs. 73,04,761/- includes is as under:-

S.No.	Particulars	2018-2019 (Rs.)
1	Sale of Tender	631,401.00
2	Mahiti Adhikar	2,541.00
3	Interest, Fine/ Penalty/damages/ recovery etc.	53,331.00
4	Coal Bhatti Charges	15,500.00
5	Forfited Joint Cultivation Security Deposits	5,508,957.00
6	Recovery form Enchrocher	638,185.00
7	Pipe Line & Plot road/NOC	127,798.00
8	Other	9,788.00
10	Water Charges /	30,160.00
11	Sale of compost/Murum	102,300.00
12	Grazing Charges/Sale of Grass/Cyafan Charges	184,800.00
	Total	7,304,761.00

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SCHEDULE NO.15**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, 2019
SCHEDULE NO.15 (item No.IV)****INCREASE/ (DECREASE) STOCK IN TRADE**

	2018-2019		2017-2018	
	(Rupees)		(Rupees)	
Increase/(Decrease) in Stock at Commencement				
a)Agro-Forestry (at cost)	11,161,583	11,161,583	33,593,040	33,593,040
Stock At Close				
a) Agro-Forestry (at /Cost)	7,426,557	7,426,557	11,161,583	11,161,583
Increase/(Decrease) in stock		(3,735,026)		(22,431,457)

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SCHEDULE NO.16**SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2019
SCHEDULE NO.16 (item No. 4)****EMPLOYEES BENEFIT EXPENSES**

	2018-2019		2017-2018	
	(Rupees)		(Rupees)	
1) Payment to and Provision for employees				
(i) Salaries & Wages	51,933,301	59,728,977	51,874,959	61,883,942
(ii) Bonus	757,576		646,550	
(iii) Contribution to Provident Fund & Other Funds	3,274,795		3,754,896	
(iv) Employees Welfare Expenses(including Managing Director Rs.30,588/-) (Previous Year Rs. 5,220/-)	982,629		409,438	
(v) Gratuity	2,780,676		5,198,099	
(2) Director's Remuneration & Expenses				
a) Managing Director's Salaries & Allowances	2,112,945		2,076,453	
b) Contribution to Pension & Leave Salary	167,972		483,966	
		2,280,917		2,560,419
Total:-		62,009,894		64,444,361

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SCHEDULE NO.17**THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)****SCHEDULE FORMING PART OF STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2019
SCHEDULE NO.17 (item No. 4)****OTHER EXPENSES**

	2018-2019		2017-2018	
	(Rupees)		(Rupees)	
A) Expenses for Administration & Other				
(I) Repairs & Maintenance				
(a) Agricultural Machinery	21,770		-	
(b) Buildings	217,393		53,302	
(c) Others	615,653		418,831	
		854,816		472,133
(II) Establishment Expenses				
a) Postage, Stationery & Telephone Expenses	399,760		425,127	
b) Travelling Expenses (including Managing Director Rs.1,09,949/-) (Previous Year Rs. 18,648/-)	1,186,189		838,684	
B) Auditors Remuneration & Expenses				
1) Audit Fees	75,000		75,000	
2) Goods Service Tax	803,144		254,647	
C) Other				
1) Insurance	127,240		109,393	
2) Stores Clearing & Forwarding	2,050		150	
3) Rent	210,335		210,335	
4) Rates & Taxes	1,766,015		1,627,888	
5) Legal & Consultancy Charges	1,578,163		640,550	
6) Stores & Spares Consumed	200,786		190,733	
7) Power & Fuel	1,794,144		1,729,912	
8) Misc. Expenses	2,523,285		1,712,100	
		10,666,111		7,814,519
D) Loss on Asset sold/Written Off		-		-
E) Interest Payment to and Provided for Interest on		11,867,699		54,266,051
i) Government Loan	10,984,187		53,382,539	
ii) Occupancy Price of Government Land	395,546		395,546	
iii) Others	487,966		487,966	
Total		23,388,626		62,552,703

Contd.

Note:-

- a) The Government of Maharashtra provided interest bearing loans on repayment basis to the Maharashtra State Farming Corporation (MSFC) Limited, Pune from the year 1963 onwards for meeting their Salary, Establishment and day to day expenses Interest calculated as per Government resolutions. Due to financial losses amount of interest not paid to the Government of Maharashtra. 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.
- b) General expenses Rs. 25,23,285/-includes as under:-**

Sr. No.	Particulars	Amount (Rs.)
1	Revenue / Court Fee/ Other Court Exp/ stamps/Rubber stamps	25,706.00
2	Xerox/Typing Charges /Fax/Cartrage filing/Net charges PF/PT/Computer Expenses/Other	338,379.00
3	Photo/Video charges	33,865.00
4	General Material	66,787.87
5	Puja Exp.	20,033.00
6	Scrap Transportation/Binding	3,810.00
7	7/12 abstract/Map/Valuation	44,142.00
8	Map Exp.	48,923.00
9	Sweeper Charges	169,939.54
10	Other/PF CD & online Submission/tender	3,448.00
11	Quarter Water Operation	30,000.00
12	Advertisement	531,166.20
13	Guest House Expenses	205,005.00
14	Goods & Service Tax 2% TDS	28,378.00
15	Remove encroachment crop/Hired Tractor,JCB	636,258.00
16	Bank Charges	86,217.07
17	Entertainment Exp./Meeting Exp.	179,555.22
18	P.F.Trust Audit Fee/Income Tax Counsultation/ROC Filing Fee	69,824.00
19	License & Renewal fee	1,848.00
	TOTAL	2,523,284.90

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SCHEDULE NO.18**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, 2019
SCHEDULE NO.18****ADJUSTMENT RELATING TO PREVIOUS YEAR**

Head of Account	2018-2019		2017-2018	
	Debit	Credit	Debit	Credit
	(Rupees)		(Rupees)	
1. Gratuity	7,248	-	3,775,569	-
2. General Expenses	200,478	40,160	511,691	6,911
3. Miscellaneous Income, Interest	312,755	1,256,558	42,555	2,003,878
4. Salary & Wages	1,045,604	-	1,305,077	59,493
5. Bonus	-	-	538,126	1,239,291
6. Other /Rates & Taxes	165,308	14,948	4,500	323,219
7. Security Deposits	-	-	6,600	195,833
8. Other Deposits	-	-	66,912	5,550,082
9. Irrigation-Electricity	153,738	-	16,209,457	6,720
10. Joint Cultivation Income	3,333,266	8,039,378	357,900	1,346,594
11. Income Tax	-	-	395,615	-
Total	5,218,397	9,351,044	23,214,002	10,732,021
Net Balance	CR. Rs. 41,32,647/-		DR. Rs. 1,24,81,981/-	

Note:-

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

As per our report attached for
For M. S.Godbole & Associates
Chartered Accountants

Please refer to Financial Notes .Schedule 19

Sd/- (CA Chinmay D. Karande) Membership No.157700 Firm Regn. No.103236W	Sd/- (Smt.Varsha Ladda-Untwal) Secretary / Chief Executive (Admn.)	Sd/- (Raosaheb B.Bhagade,I.A.S) Managing Director	Sd/- (Anil Kawade, I.A.S.) Director
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SCHEDULE NO.19

MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE-16

Significant Accounting Policies and Notes annexed to and forming part of Balance Sheet as at 31st March, 2019 and Profit and Loss Account for the year ended on that date.

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

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

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

(Rs. In lakhs)

Particulars	2018-2019	2017-2018
Contingent Liabilities not provided for		
In respect of assets and materials taken over from ex-management including other charges etc.	21.40	21.40
Interest on outstanding amount arising out of claims of the Joint Stock Sugar Factories	119.98	119.98
Escalation in cost in case of 'C' and 'D' type residential buildings.	1.04	1.04
Disputed Liabilities Not Provided for		
Penal interest on Contribution to Bombay Labor Welfare Fund	3.84	3.84
Ravalgaon Sugar Farm	2.44	2.44
Claims against Corporation not acknowledged as debt. Someshwar S.S.K.40/2006	421.59	421.59
Disputed Assets pending for final valuation [Rs, 35,26,217/-(-) 31,99,537/-]	3.26	3.26

Liabilities not ascertained and hence not provided

- Claim arising out of Legal suits not known to the Company.
- Damages/ interest on delayed payment on Provident Fund and agricultural income tax.
- 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.

CURRENT ASSETS & CURRENT LIABILITIES (Schedule 8)

- 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 as RDD.

PROFIT AND LOSS ACCOUNT

- Employees Welfare expenses include the amount of Rs. 30,588/- (P.Y. Rs. 5,220/-) in respect of medical expenses reimbursed to Managing Director.
- 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.

8. Age-wise analysis of pending legal/arbitration cases, including reason for pendency and existence / effectiveness of monitoring mechanism for expenditure on all legal cases.

Year	High Court	Civil Court	District Court	Criminal Court	Labour & Industrial Court	Revenue Court	Total
2011	0	1	0	0	0	0	1
2012	2	4	1	0	0	0	7
2013	0	20	0	0	0	1	21
2014	14	17	1	0	0	1	33
2015	13	19	1	2	2	1	38
2016	7	16	7	1	6	0	37
2017	11	13	6	0	1	1	32
2018	7	18	12	9	11	7	64
2019	7	24	10	21	16	7	85
2020	2	4	2	9	0	4	21

- a) Some of the Writ Petitions or Appeals are remanded by the Hon'ble High Court to the Hon'ble District Courts. Such matters are being delayed due to Court procedure.
- b) Matters prior to 2011 are 42. Most of these matters are delayed due to service of notices, transfer of Appeals and Civil suits as per procedure of the Courts.

OTHER NOTES

9. There are no huge purchases for agricultural operations/other 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

Signatures to Schedule No.1 to 19

For M. S. Godbole & Associate
Chartered Accountants

Sd/- (CA Chinmay D. Karande) Membership No.157700 Firm Regn. No.103236W	Sd/- (Smt. Varsha Ladda-Untwal) Secretary / Chief Executive (Admn.)	Sd/- (Raosaheb B. Bhagade, I.A.S) Managing Director	Sd/- (Anil Kawade, I.A.S.) Director
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THE MAHARASHTRA STATE FARMING CORPORATION LIMITED, PUNE
(A Government of Maharashtra Undertaking)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

	2018-2019		2017-2018	
		Amount (Rs.)		Amount (Rs.)
1) Cash Flow from Operating Activities				
Profit/ Loss before income Tax		188164127		401666733
Depreciation & amortisation Exp		1361978		1307676
Changes in certain assets & liabilities				
Long Term Liabilities		121008022.00		52879383.00
1. Sundry Creditors for Material Purchases		-	(310)	
2. Security Deposits	71,517,439		23,241,090	
3. Other Advances	48,024,218		27,832,332	
4 Government Dues	775,264		(9,884,807)	
5 Gratuity (Including Ex-Management Share)	-		-	
6. Sundry Creditors for Others	691101		11,691,078	
Other Current Liabilities		468,610		(6,911,859)
a) Employees Benefit Expenses				
1. Salaries & Wages	1,623,190		(708,691)	
2. Unpaid Salaries & Wages	(237,436)		922,952	
3. Bonus	757,576		(4,812,701)	
4 Provident Fund Employees Subscription	(9,615)		(73,330)	
5. Gratuity	101,903		(396,356)	
6. Contribution to Provident Fund	(14,522)		14,284	
7 Employees Medical Expenses	92,459		-	
b) Sundry Creditors Others	(2,533,031)		951,604	
c) Government Dues & Taxes	-		-	
1. Rates & Taxes	(205,290)		(2,907,255)	
2. Vat/Profession Tax	57,794		2,122	
3. Telephone & Trunkcall	812,484		82,819	
4. Electricity & Power	23,098		12,693	
Inventories		3735730	22433093	22433093
Trade Receivables		(10,166,692)	(30,440,612)	(3,040,612)
Advances		(16,593,157)	(5,600,784)	(5,600,784)
Provisions				
1. Gratuity		(8,471,427)	(6,548,708)	(6,548,708)
2. Depreciation		-	-	-
3. Income Tax		(10,499,833)	395615	395,615
Net cash provided by operating activities		269,007,358		456,580,537
2) Cash flows from investing activities				
From Government of Maharashtra				
a) Interest bearing loans		(270,976,000)	(543,543,000)	(543,543,000)
b) Interest accrued and due on above		10984187	53382539	53382539
Investments	0	(495,000)	0	0
2) Net cash used in investing activities		(260,486,813)		(490,160,461)
3) Cash flow from financing activities				
Fixed Assets		(587,052)	610,168	610,168
3) Net cash used in financing activities		(587,052)		610,168
Net increase (decrease) in cash and cash equivalents		7,933,493		(32,969,756)
cash and cash equivalents at the beginning of the year		19,639,830		52,609,586
cash and cash equivalents at the close of the year		27,573,323		19,639,830
Net increase (decrease) in cash and cash equivalents		7,933,493		(32,969,756)

As per our report attached for
For M. S. Godbole & Associate
Chartered Accountants

Signatures to Schedule No.1 to 19

Sd/-	Sd/-	Sd/-	Sd/-
(CA Chinmay D. Karande)	(Smt. Varsha Ladda-Untwal)	(Raosaheb B. Bhagade, I.A.S)	(Anil Kawade, I.A.S)
Membership No.157700	Secretary /	Managing Director	Director
Firm Regn. No.103236W	Chief Executive (Admn.)		



सत्यमेव जयते

104 speed post

महालेखाकार (लेखापरीक्षा)-II, महाराष्ट्र, नागपुर
ACCOUNTANT GENERAL (AUDIT)-II, MAHARASHTRA, NAGPUR



सर्वोच्च न्यायालय
Dedicated to Truth in Public Interest

गोपनीय

डी.पी. सेल (एएमजी-II)/MSFCL, पूणे/18-19/81
दिनांक- 12/03/2021

सेवा में,
प्रबन्ध निदेशक,
महाराष्ट्र राज्य कृषि निगम लिमिटेड
न.270, भाम्बुर्दा, सेनापति बापत मार्ग,
पुणे- 411016

विषय:- 31 मार्च 2019 को समाप्त हुए वर्ष के महाराष्ट्र राज्य कृषि निगम लिमिटेड, पूणे के लेखों पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियां।

महोदय/महोदया,

31 मार्च 2019 को समाप्त हुए वर्ष के महाराष्ट्र राज्य कृषि निगम लिमिटेड, पूणे के लेखों पर कंपनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक का निरंक टिप्पणी प्रमाणपत्र (Nil comment certificate) 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 की तिथि को भी इस कार्यालय को सूचित करें।

संलग्नक-यथोपरि

महाराष्ट्र राज्य लेखी महापंक्त पर्यादित, पुणे
आवक क्रमांक- 300
शासक/निर्देशक
16 MAR 2021
अधिकांक ()
स.अ. ()
व्य.सं.

भवदीया,

Enl

(हेमामुनिर्वंकटप्पा)

महालेखाकार(लेखापरीक्षा) -II

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MAHARASHTRA STATE FARMING CORPORATION LTD , PUNE FOR THE YEAR ENDED 31 MARCH 2019..

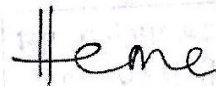
The preparation of financial statements of **Maharashtra State Farming Corporation Ltd, Pune** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors 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 15th October 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Maharashtra State Farming Corporation Ltd, Pune** for the year ended 31 March 2019 under section 143(6)(a) of the Act. 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

For and on behalf of

The Comptroller and Auditor General of India



(Hema Munivenkatappa)

Place: Nagpur

Date: 17-03-21

ACCOUNTANT GENERAL (AUDIT)-II



Indian Audit And Accounts Department
Office of the Accountant General (Audit)II ,Maharashtra , Civil Lines,
Nagpur

MANAGEMENT LETTER

डी.पी.सेल(एमजी-II)/MFSC लिमिटेड,पुणे /2018-19/

दिनांक--03-2021

सेवा में,
प्रबंध निदेशक,
MSFC लिमिटेड,
पुणे 411016

Sub: Deficiencies noticed during accounts audit of MSFC Limited, Pune for the year 2018-19.

Sir/Madam,

The Supplementary Audit under section 143(6)(b) of Companies Act 2013 of the financial statements of **MSFC Limited** for the year 2018-19 was recently undertaken by this Office. The accounts audit highlighted some issues which need the attention of the Management.

1. The other income Rs 7.14 Crore of the company does not include an amount of Rs. 4.96 crore towards interest accrued from a debtor for the FY 2018-19, as per the Court's Order dated 12/05/2010. The Company has filed the petition for executing the Court's decree in 2012 (No.03/2012) and the matter is *sub-judice* till date. As per the Court's decree the Company is entitled to receive interest on the outstanding amount at the rate of 18 *per cent* per annum, compounded annually, till the date of receipt of the dues. Accordingly, and as per the AS 29 *Provisions, Contingent Liabilities and Contingent Assets* the Company made a provision for the interest every year till FY 2015-16. However, despite there being no change in the conditions necessitating the change in the above accountal of the dues and the matter still being *sub judice*, the Company has not made a provision for the outstanding interest of Rs. 4.96 crore for FY 2018-19.

This was in violation of AS 29 *Provisions, Contingent Liabilities and Contingent Assets* and has resulted in the understatement of 'Other Income' and 'Profit' by Rs. 4.96 crore and consequent understatement of the 'Trade Receivables' to that extent.

2. The amount of Rs 4.17 crore in 'Other Income' does not include an amount of Rs. 5.03 lakh being the amount of security deposit forfeited in the current year. The Company terminated an agreement signed with an advertisement agency in February 2019 and forfeited the agency's Security deposit of Rs. 5.03 lakh. However, the Company did not pass the JV entry for transfer of the forfeited security deposit from 'Non-Current Liabilities' to 'Other Income'. This has led to the understatement of 'Other Income' and 'Profit' by Rs. 5.03 lakh and consequent overstatement of 'Non Current Liabilities' to that extent.
3. The amount of Rs 65.48 crore under 'Other Long Term Liabilities' includes. 11.21 lakh shown as payable to a joint cultivator. The Company enters into joint cultivation agreements with the cultivators for a period of ten years and as per the stipulations in the agreement, receives annual advance payment ('Advance Receipt of Income') from the cultivators. One cultivator had not paid the 'Advance Receipt of Income' to the company. Therefore, there was no liability on this account as on the date of Balance Sheet. At the time of passing the JV on 31/03/2019, the company should have adjusted this amount against 'Sundry Debtors' (where the original debit was made while booking the dues). This has resulted in overstatement of 'Other Long term liabilities' and 'Trade receivables' by Rs. 11.21 lakh.
4. As per Section 173 of the Companies Act, 2013, a Company has to hold a minimum number of four meetings of its Board of Directors every year. However, the Company has hold only one meeting during the FY 2018-19, thus violating the above provision of the Act.

The necessary rectification in the next year's accounts may be done.

भवदीय,

12/03/2021
उप.महालेखाकार/ऑडिटमैनेजमेंटग्रुप-II

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

REPLIES TO DEFICIENCIES
NOTICED DURING ACCOUNTS AUDIT FOR THE YEAR 2018-2019

1. The other income Rs. 7.14 Crore of the company does not include an amount of Rs. 4.96 crore towards interest accrued from a debtor for the FY 2018-19, as per the Court's Order dated 12/05/2010. The Company has filled the petition for executing the Court's decree in 2012 (No. 03/2012) and the matter is sub-judice till date. As per the Court's decree the Company is entitled to receive interest on the outstanding amount at the rate of 18 per cent per annum, compounded annually, till the date of receipt of the dues. Accordingly, and as per the AS 29 provisions, Contingent Liabilities and Contingent Assets the company made a provision for the interest every year till FY 2015-16. However, despite there being no change in the conditions necessitating the change in the above account of the dues and the matter still being sub-judice, the Company has not made a provision for the outstanding interest of RS. 4.96 crore for FY 2018-19.

This was in violation of AS 29 Provisions, Contingent Liabilities and Contingent Assets and has resulted in the understatement of 'Other Income' and 'Profit' by Rs. 4.96 crore and consequent understatement of the 'Trade Receivables' to that extent.

REPLY:-

From 2019-2020 the amount of interest will be shown under the "Contingent Assets" in the books of Account.

-
2. The amount of Rs. 4.17 crore in 'Other Income' does not include an amount of Rs. 5.03 lakh being the amount of security deposit forfeited in the current year. The Company terminated an agreement signed with an advertisement agency in February 2019 and forfeited the agency's Security Deposit Rs. 5.03 lakh. However, the Company did not pass the JV entry for transfer of the forfeited security deposit from 'Non-Current Liabilities' to "other Income". This has led to the understatement of 'Other Income' and 'Profit' By Rs 5.03 lakh and consequent overstatement of 'Non Current Liabilities' to that extent.

REPLY:-

Necessary entry will be taken in the Books of Accounts 2019-2020.

-
3. The amount of Rs 65.48 crore under 'Other Long Term Liabilities' includes. 11.21 lakh shown as payable to a joint cultivator. The Company enters into joint cultivation agreements with the cultivators for a period of ten years and as per the stipulations in the agreement, receives annual advance payment ('Advance Receipt of Income') from the cultivators. One cultivator had not paid the 'Advance Receipt of Income' to the company. Therefore, there was no liability on this account as on the date of Balance Sheet. At the time of passing the JV on 31-03-2019, the company should have adjusted this amount against 'Sundry Debtors' (Where the original debit was made while booking the dues). This has resulted in overstatement of 'Other Long term liabilities' and 'Trade receivables' by Rs 11.21 lakh

REPLY:-

Necessary entry will be taken in the Books of Accounts 2019-2020.

-
4. As per section 173 of the Company Act, 2013, a Company has to hold a minimum number of four meetings of its Board of Directors every year. However, the Company has hold only one meeting during the FY 2018-19, thus violating the above provision of the Act.

REPLY:-

Hence forth care will be taken.

Sd/-
Managing Director
Maharashtra State Farming Corporation Ltd., Pune

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

IN A NUTSHELL

(Rs. in lacs)

Sr. No.	Particulars	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
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	579.85	528.41	511.59	492.96	485.76
5	Sales & Other Income	1467.91	2259.18	1873.46	5648.85	2745.27
6	Profit/(Loss)					
	a) Before Taxation	(2682.56)	92.69	94.74	4016.67	1881.64
	b) After Taxation	(2723.09)	49.72	46.04	3969.19	1830.29
7	To State Government					
	a) Dividend	-	-	-	-	-
	b) Agricultural Income Tax	328.16	328.16	328.16	328.16	328.16
8	Salaries to Staff	675.99	614.51	652.58	581.90	574.89
9	Ex-gratia /bonus Payment to staff for accounting year					
	a) Rates	8.33%	8.33%	8.33%	8.33%	8.33%
	b) Amount	4.69	4.82	9.82	6.47	7.58
	Incentive Payment					
10	Staff Welfare	16.96	12.93	4.88	4.09	9.82
11	Staff Gratuity Provision	20.40	68.21	64.89	51.98	27.81
12	Interest on Loan	1107.72	1114.29	822.82	542.66	118.68
13	Price Fluctuation Fund	-	-	-	-	-
14	Amount set aside for	-	-	-	-	-
	A Development Program & replacement of old assets	-	-	-	-	-
	B Rehabilitation of Mechanical	-	-	-	-	-
	C. Farm civil Works	-	-	-	-	-

-----*

IV Performance of Company (Amount in Rs. Thousands)

Turnover							Total Expenditure										
		2	7	4	5	2	7			9	1	4	9	8			
(+)		(-)		Profit/Loss Before Tax					(+)		(-)		Profit/Loss After Tax				
	(+)			1	8	8	1	6	4		(+)	1	8	3	0	2	9

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

Earning Per Share in Rs.							Dividend @ %		
				6	6	5	5	0	%

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

Item Code No.	<input style="width: 100%;" type="text"/>
(ITC Code)	
Product Description	S U G A R C A N E
	<input style="width: 100%;" type="text"/>
	<input style="width: 100%;" type="text"/>
Item Code No.	<input style="width: 100%;" type="text"/>
(ITC Code)	
Product Description	F O O D C R O P S &
	<input style="width: 100%;" type="text"/>
	<input style="width: 100%;" type="text"/>
Item Code No.	<input style="width: 100%;" type="text"/>
(ITC Code)	
Product Description	A G R O F O R E S T R Y &
	H O R T I C U L T U R E
	<input style="width: 100%;" type="text"/>

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

Sd/-
(Smt. Varsha Ladda-Untwal)
Secretary / Chief Executive (Admn.)

Sd/-
(R.B.Bhagade, I.A.S)
Managing Director

Sd/-
(Anil Kawade,I.A.S.)
Director