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List of Directors of Punjab Agro Industries Corporation Limited
as on 31.03.2020

1	Sh. Joginder Singh Mann 92/C, New Model Town, Phagwara, Distt Kapurthala	Chairman
2	Sh. Manpreet Singh Sandhu Kothi No.1657, Sector 7-C, Chandigarh.	Vice Chairman
3	Sh. Manjit Singh Brar, IAS Managing Director, Punjab Agro Industries Corp. Ltd., Chandigarh.	Managing Director
4	Sh. Sibin C, IAS Director, Industries & Commerce, Punjab, Chandigarh.	Director
5	Smt. Surinder Kaur Waraich, IRS Income Tax Advisor Cum OSD (F&A) Department of Finance, Punjab Directorate of Disinvestment, Finance and Planning Bhawan 4th Floor, Sector 33-A, Chandigarh.	Director
6	Sh. P.K. Pandey Director Northern Region Farm machinery Training & Testing Institute, Ministry of Agriculture, Deptt. of Agriculture & Coop., Tractor Nagar, Sirsa Road, Hissar – 125001	Director
7	Sh. Jagroop Singh (Takhtupura) H.No. 1057, Ward No.7, White House, GT Road, Moga	Director
8	Sh. Amar Singh Vill. Bal Nau, Teh. Shahkot, Distt. Jalandhar.	Director
9	Sh. Jagtar Singh Vill. Gosal, Teh. Kalanaur, Distt. Gurdaspur.	Director
10	Sh. Ranjeet Singh Vill. Tarkhan Majra, P.O. Malko Majra, Teh. & Distt. Fatehgarh Sahib.	Director
11	Sh. Kiranjit Singh	Director



NOTICE

Notice is hereby given that the 54th (Adjourned) Annual General Meeting of the Punjab Agro Industries Corporation Limited, Chandigarh will be held on Tuesday the 21st day of September, 2021 at 11.00 A.M. at the registered office of the corporation at 2-A, Sector 28-A, Madhya Marg, Chandigarh to transact the following business: -

Ordinary Business

To consider and if thought fit to pass the following resolution with or without modifications as ordinary resolution.

"Resolved that the Audited Balance Sheet as at 31st March, 2020 and the Profit & Loss Account of Punjab Agro Industries Corporation Limited for the year ending 31.03.2020 together with the Consolidated Financial Statements, Directors Report, Statutory Auditor Report and the comments of the Comptroller and Auditor General of India thereon be and are hereby received and adopted."

All the shareholders are requested to make it convenient to attend the meeting on the said date, time and place.

By order of the Board
For Punjab Agro Industries Corporation Limited

(Rajesh Sood)
(Company Secretary)

NO.PAIC/Sect/54th AGM(Adj)/2021/

Dated :

Note :- A member entitled to vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Corporation. Proxies in order to be effective must be received by the Corporation not less than 48 hours before the meeting.

To

- (1) All the Shareholders (List enclosed).
- (2) All the Directors (List enclosed)

Copy to :- (3) **M/s Shlv K Gupta & Associates,
Chartered Accountants, Statutory Auditors,
SCO 133-135, 3rd Floor, Sector 17-C, Chandigarh.**



Form No. MGT-11

Proxy form

**(Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19(3) of the Companies
{(Management and Administration) Rules, 2014}**

CIN:- U51219CH1966SGC002630

Name of the company: Punjab Agro Industries Corporation Limited

Registered office:- Plot No 2-A, Sector 28-A, Chandigarh

Name of the member (s):

Registered address:

E-mail Id:

Folio No/Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name.....
Address:
E-mail Id:
Signature or failing him

2. Name.....
Address:
E-mail Id:
Signature or failing him

3. Name.....
Address:
E-mail Id:
Signature or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54th (Adjourned) Annual general meeting of the company, to be held on Tuesday the 21st day of September, 2021 at 11.00 a.m. at Plot No 2-A, Sector 28-A, Chandigarh and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.

- 1.....
- 2.....
- 3.....

Signed this.....day of.....20.....

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holders (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



DIRECTORS REPORT

The Members of
Punjab Agro Industries Corporation Limited.

Your Directors have pleasure in presenting the 54th Annual Report together with audited accounts of the Corporation for the year ended on 31st March, 2020.

1. SHARE CAPITAL

During the year under report, the authorized and paid-up capital of the Corporation remained unchanged. The authorized capital of the Corporation is Rs. 7500 lacs. The paid-up capital is Rs. 4920.86 lacs, the break-up of which is as under:-

Punjab Government	Rs. 45,46,36,000
Punjab Rural development Board	Rs. 2,50,00,000
Govt. of India	Rs. 1,24,50,000

2. FINANCIAL RESULTS

Profit/Loss for the year 2019-2020 (+) Rs. 19831495
(before tax)

Profit/Loss for the year 2019-2020 (+) Rs. 14505011
(after tax)

3. RESERVES

During the financial year Rs 1.45 crore is proposed to be carried to the reserves.

4. EXTRACT OF THE ANNUAL RETURN

Extract of the annual return as provided under sub-section (3) of section 92 in form MGT-9 is enclosed as per Annexure-I.

5. NUMBER OF MEETINGS OF THE BOARD

During the financial year 2019-20 Three (3) meetings of the Board of Directors of the Company were held as per the following details:

Sr. No	Date of Meeting
1.	25.07.2019
2.	19.11.2019
3.	08.01.2020

**6. DIVIDEND**

During the year under report, the Directors regret their inability to recommend any dividend.

7. OPERATIONS

Punjab Agro Industries Corporation (PAIC) has been directed to promote agri/food processing infrastructure projects in public sector. Besides, it also facilitates grant of incentives to eligible agri/food processing units under the Fiscal incentive for investment Promotion 2013 Policy of the Punjab Government.

8. DECLARATION OF INDEPENDENCE GIVEN BY INDEPENDENT DIRECTORS

Punjab Agro Industries Corporation Limited, being a State Government Company, and having the status of a Private Limited company, the provisions of Section 149, regarding appointment of Independent Directors are not applicable to the company.

9. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

During the current financial year, the company has 2 subsidiaries namely:

1. Punjab Agro Foodgrains Corporation Limited
2. Punjab Agri Exports Corporation Limited

The details about the performance of the aforesaid subsidiary companies is provided herewith as Annexure- II in the prescribed format AOC-1.

Further, although the company do provide financial assistance and make investments in the capital of several other companies for promoting the activities relating to food, horticulture and agricultural industry by way of induction of share capital, such companies do not in true sense, constitute the associates of Punjab Agro Industries Corporation Limited.

10. COST AUDITOR

The provisions of Section 148 of the Companies Act, 2013, are not applicable to the Company.

11. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178

Punjab Agro Industries Corporation Limited, being a State Government Company, and having the status of a Private Limited company, the provisions of Section 178, regarding composition of a Nomination and Remuneration Committee are not applicable to the company.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188



The company did not enter into any transactions with related parties pursuant to provisions of Section 188 of the Companies Act, 2013 during the period under review.

13. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There were no material changes and commitments affecting the financial position of the company between the end of the financial year on March 31, 2019 to the date of this report. However, the Punjab Government vide notification no. 1/26/PF-2/2018/FP-1/1065 dated 02.07.2019 have withdrawn the procurement activity from Punjab Agro Foodgrains Corporation Limited, subsidiary Company of Punjab Agro Industries Corporation Limited.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a) Conservation of energy:

(i)	the steps taken or impact on conservation of energy	Necessary and appropriate steps have been taken for the conservation of energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy	Company is exploring use of alternate sources of energy.
(iii)	the capital investment on energy conservation equipment's	No specific capital expenditure was done during the year towards energy conservation, although, continuous efforts are on in this direction.

(b) Technology absorption: N.A

(i)	the efforts made towards technology absorption	
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	



- C. **FOREIGN EXCHANGE EARNING AND OUTGO:** During the financial year the company incurred foreign exchange expenditure. NIL

15. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans Given:- NIL

SL No	Year of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time Period for which it is given	Date of BR	Date of SR (if reqd.)	Rate of Interest	Security

Details of Investments done:- Nil

SL	Date of investment	Details of Investee	Amount (in Rs.)	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return

Details of Guarantee / Security Provided: Nil

SL No	Date of providing security/ guarantee	Details of recipient	Amount	Purpose for which the security/guarantee proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Comission

16. **STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY**

The management of the company is dedicated and proactive toward identification of various elements of risks to the business activities of the company. Company's integrated risk management approach comprises prudential norms, structured reporting and controls. This approach conforms to the company's strategic directions and is consistent with stakeholders desired total return and the risk appetite.

17. **DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR**

As per the provisions of Section 135 of the Companies Act, 2013, the company has duly constituted a Corporate Social Responsibility Committee and has laid down the Corporate Social Responsibility Policy of the company. For the Financial Year 2018-19 the company has earned average net profit of Rs. 5,47,62,330/- (Rupees. Five Crore Forty Seven Lacs Sixty Two Thousand

Three hundred Thirty only). Hence Rs. 10,95,250/- (Rupees Ten Lacs Ninety Five Thousand Two Hundred Fifty only) is required to be incurred by the company on any activities as specified under in schedule VII as per the Provisions of Companies Act, 2013 or may remit funds into the common account of the Punjab CSR Authority during the financial year 2019-2020.

As per CSR Policy approved by Board in its meeting held on 08.01.2020 a sum of Rs. 10,95,250/- (Rupees Ten Lacs Ninety Five Thousand Two Hundred Fifty only) has been deposited into the account of the Punjab CSR Authority on 13.03.2020 by the Company.

The provisions of Section 135 of the Companies Act, 2013, regarding Corporate Responsibility Policy are not applicable to the company for the Financial Year 2019-20. The details of the CSR Committee and the Policy of the company are given as per Annexure –III as the Report on CSR Activities.

18. **DEPOSITS**

The company have neither accepted nor renewed any deposits under the provisions of Companies Act, 2013, during the financial year.

Further, there is no non-compliance on the part of the company as per the provisions of Chapter V of Companies Act, 2013.

19. **FORMAL ANNUAL BOARD EVALUATION**

The provisions of Section 134(3)(p) in respect of the formal annual evaluation of the board and the committees are not applicable to the company.

20. **OTHER MATTERS & DISCLOSURES**

1) **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

NIL

2) **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:**

Apart from the companies stated in Point No. 9 above, there were no changes in the subsidiary companies and as stated above, the companies in which the Punjab Agro Industries Corporation Limited makes investments are not the Associate Companies in true sense.

3) **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

No order has so far been passed by any authority.

4) DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has conducted its affairs within the framework of well-defined business plans which have provided appropriate guidance and direction to its employees. Finance & Accounts function is adequately staffed by professionally qualified and experienced personnel. The reporting and monitoring system is elaborate and the same is reviewed time to time while considering quarterly business performance. Policies and procedures have been laid down to provide reasonable assurance that assets are safeguarded from risks of unauthorized use/disposition and transactions are recorded and reported with propriety, accuracy and speed. These aspects of operations are regularly reviewed and verified by the Company's Statutory Auditors.

5) FIXED DEPOSITS

No Fixed deposits were accepted by the Company during the year under review. The company has not accepted any deposits in the past.

21. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The company has in place an Anti-Sexual Harassment Policy in lines with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

22. PERSONNEL

PAIC in the year 2019-20 retained only 33 staff members on its strength directly. The balance staff of the corporation numbering 319 was on deputation to PAFC 171, PAGREXCO 23, PAJL 3, PSWC 60, Markfed 39, PPCB 1 and Punjab Mandi Board 22.

The relations between the management and the employees remained cordial during the period under report.

None of the employee was in receipt of the remuneration over and above the limits prescribed pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

23. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under report Shri. Viswajeet Khanna, IAS, Chairman, Sh. Joginder Singh Mann, Chairman, Sh. Manpreet Singh Sandhu, Vice Chairman, Sh. Manjit Singh Brar, IAS Managing Director, Sh. Sibin. C, IAS, Smt. Surinder Kaur Waraich, IRS, Sh. P.K. Pandey, IAS, Sh. Jagroop Singh, Sh. Amar Singh, Sh. Jagtar Singh, Sh. Ranjeet Singh and Sh. Kiranjit Singh were Directors on the Board of the Corporation for the whole or part of the year.

24. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The provisions of Section 177 of Companies Act, 2013 regarding establishment of Vigil Mechanism are not applicable to the company.

25. DIRECTOR'S RESPONSIBILITY STATEMENT

Statement referred to in clause (c) of sub-section (3) of Section 134 of Companies Act, 2013:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the company being an unlisted company, the provisions regarding internal financial control is not applicable under the clause.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. INFORMATION ON STATUTORY AUDITORS AND ITS REPORT

The Comptroller and Auditors General of India, New Delhi appointed M/s Shiv K Gupta & Associates, Chartered Accountants, Chandigarh as the Statutory Auditors of the Corporation for the financial year 2019-20 The Board of Directors thanks them for their Co-operation.

Comments on Statutory Auditors Report on Annual Accounts

Reply to the observations of Independent Auditors Report of PAIC for the year 2019-20.

- i) Annual Accounts for 2018-19 along with CFS has been adopted in AGM dated 24.11.2020. CFS for 2019-20 has been approved by the Board in meeting dated 31.03.2021 vide resolution no. 248.6.
- ii) Corporation has decided to adopt this method for sale of plots.
- iii) Necessary disclosure has been made vide Note-6(b) of Notes on Accounts.
- iv) As per provisions of financial collaboration agreements (FCA), amount is to be recovered from collaborator and not from promoted Company and necessary action against collaborators has been initiated.
- v) The amount was released to Viticulture Council for further investment as per decision of Project Approval Board, refer Note: 11A. Others also good for recovery.

- vi) In some cases, mainly buildings, being very old, exact dates as well as cost of construction/completion is not available. Otherwise detail of all other fixed assets with date of purchase is available. Depreciation has been changed as per Companies Act 2013
- vii) This is a grant from Punjab Government to PAJL, therefore PAJL is showing in its books grant directly from Punjab Government.
- viii) The expenditure is of capital nature and paid for various studies/data consultancy of projects. In the opinion of the management, amount is good for recovery.
- ix) Corporation has written to Punjab Government to waive off the interest payable along with penal interest.

Emphasis of Matters (PAIC Standalone)

- i. Disclosure has been made vide Note 24: Part B, Point 1(b).
- ii. Disclosure has been made vide Note 24: Part B, Point 2(a).
- iii. Disclosure has been made vide Note 24: Part B, Point 2(b)
- iv. Disclosure has been made vide Note 24: Part B, Point 2(c).
- v. Disclosure has been made vide Note 24: Part B, Point 3.
- vi. Disclosure has been made vide Note 24: Part B, Point 4.
- vii. Disclosure has been made vide Note 24: Part B, Point 5
- viii. Disclosure has been made vide Note 24: Part B, Point 6
- x Amount is payable to PSIEC.
- xi Disclosure has been made vide Note 24: Part B, Point 7
- xii Disclosure has been made vide Note 24: Part B, Point 8

ANNEXURE TO AUDITORS REPORT

The other observations read with relevant notes on accounts forming part of the accounts are self explanatory.

Comments on Comptroller & Auditor General of India Report

- B. In view of NIL comments by CAG ,no information & explanation is required.

Comments on Statutory Auditors Report on Consolidated Financial Statements (CFS) 2019-20.

Reply to the observations of Independent Auditors Report on CFS of PAIC for the year 2019-20.

- i) Necessary disclosure has been given in Other Notes on Accounts Part- C Point 9 in Annual Accounts.
- ii) Necessary disclosure has been given in Other Notes on Accounts Part- B Point 17 in Annual Accounts
- iii) Necessary disclosure has been given in Other Notes on Accounts Part- B Point 18 in Annual Accounts
- iv) Necessary disclosure has been given in Other Notes on Accounts Part- C in Annual Accounts
- v) Necessary disclosure has been given in Other Notes on Accounts Part- B Point 7 in Annual Accounts
- vi) Necessary disclosure has been given in Other Notes on Accounts Part- C

Punjab Agro Industries Corporation Ltd

- (i) The Corporation has decided to adopt this method for sale of Plots.
- (ii) Necessary clarification has been given vide note 17 (a) on Notes on Accounts that Interest earned on such deposits is treated as Income of the company.
- (iii) As per provisions of financial collaboration agreements (FCA), amount due on disinvestment is to be recovered from collaborator and not from promoted Company and necessary actions against collaborators has been initiated
- (iv) The amount was released to Viticulture Council of Punjab for further investment as per decision of Project Approval Board. (Refer Note 13A) Others also good for recovery.
- (v) Depreciation has been charged as per Companies Act, 2013.
- (vi) Disclosure has been made vide Other Notes on Accounts Part- C Point 12
- (vii) The expenditure is of capital nature and paid for various project report/ studies on consultancy of Projects. The non recoverable amount has been written of in next financial year . In the opinion of Management, others are good for recovery.
- (viii) Corporation has written to Punjab Government to waive off the interest payable along with penal interest.
- (ix) Disclosure has been made vide Other Notes on Accounts Part- C Point 18

Punjab Agro Food Grains Corporation Ltd

(i to iii) Regarding (i to iii) The Corporation is consistently following the practice. The Corporation is of the view that amounts are good for recovery. In view of this the interest (claim) has not been booked in the books in F.Y 2016-17

Further Outstanding Cash Credit Accounts (Legacy Accounts) has been squared up by the State Government in March 2017.

- (iv) The position is explained in detail in Other Notes on Accounts Part C point 28. In view of this the interest (claim) has not been booked in the books in F.Y 2016-17
- (v) Efforts are in progress to recover these claims. Management is of the view, that these claims are good for recovery.
- (vi) Same as above, Point no. Xvi
- vii) The position is explained in detail in Other Notes on Accounts Part C point 33.
- viii) The position is explained in detail in Other Notes on Accounts Part C point 33 (d).
- ix) The position is explained in detail in Other Notes on Accounts Part C point 35.
- x) Efforts are in progress to recover these amounts. Management is of the opinion that claims are good for recovery.
- xi) Noted for future compliance.
- xii) The matter is under investigation at various levels. These amounts have not so far been doubtful declared by the corporation.
- xiii) Efforts are in progress to recover these amounts.
- xiv) The matter is under investigation at various levels. These amounts have not so far been doubtful declared by the corporation.
- xv) Efforts are in progress to recover these amounts.
- xvi) The position is explained in detail in Other Notes on Accounts Part C point 42.
- xvii) Management is of the opinion that the amount are good for recovery.
- xviii) Necessary disclosure has been made in Notes on Accounts Part B point 9 regarding companies policy of valuation of inventory.
- xix) Same as above.
- xx) All the employees of the corporation are on deputation from the holding company i.e. PAIC Ltd. and do not have any employee of its own. Actuarial valuation of all employees is being done by PAIC Limited. However PAFCL has paid 11 % LSPC as retirement benefits to the PAIC.

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- xxi) Efforts are in progress to recover these amounts. Management is of the opinion that the amounts are good for recovery
- xxii) The amount was lent by Pungrain from the receivables from FCI of legacy Accounts. The Legacy Accounts had been settled by the State Government in March 2017. Hence, this amount was payable to legacy accounts by Pungrain, which has now been taken up by State Government. So, there is no interest factor payable to Pungrain, rather this amount needs to be paid in the legacy Accounts.
- xxiii) As per AS 22 the company doesn't earn any profit on future VCC, deferred tax asset is not being provided for.
- xxiv) Self explanatory
- xxv) Amount is good for recovery.

Rest of the observations are self explanatory

Emphasis of Matters

Punjab Agro Industries Corporation Ltd

- i) Disclosure has been made vide Note 28-Other Notes on Accounts part C point 9.
- ii) Disclosure has been made vide Note 28-Other Notes on Accounts part C point 10.
- iii) Same as above.
- iv) Same as above
- v) Disclosure has been made vide Note 28-Other Notes on Accounts part C point 11.
- vi) Disclosure has been made vide Note 28-Other Notes on Accounts part C point 12.
- vii) Disclosure has been made vide Note 28-Other Notes on Accounts part C point 13.
- viii) Disclosure has been made vide Note 28-Other Notes on Accounts part C point 14.
- ix) Amount is payable to PSIEC.
- x) Disclosure has been made vide Note 28-Other Notes on Accounts part C point 3
- xi) Disclosure has been made vide Note 28-Other Notes on Accounts part C point 3

Punjab Agro Food Grains Corporation Ltd

(i to vi) Self explanatory

Comments on Comptroller & Auditor General of India Report on CFS 2019-20

In view of Nil comments no information and explanation is required.



27. FRAUDS REPORTED BY STATUTORY AUDITORS

During the financial year under review, the statutory auditors have not reported any frauds for an amount exceeding Rs 1 crores under sub section (12) of Section 143 of the Companies Act, 2013 other than those which were reportable to the Central Government.

28. ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to Banks and other concerned agencies for their continued support and co-operation extended to the Company from time to time.

Your Directors further express their deep appreciation for the contribution made by employees at all levels towards the growth of the Company.

PLACE :- CHANDIGARH
DATED :- 25.08.2021

MANAGING DIRECTOR

CHAIRMAN



Annexure-I

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:

CIN	U51219CH1966SGC002630
Registration Date	11/02/1966
Name of the Company	PUNJAB AGRO INDUSTRIES CORPORATION LIMITED
Category/Sub-category of the Company	Company Limited by shares State Government Company
Address of the Registered office & contact details	Plot No. 2A, Sector 28A, Madhya Marg, Chandigarh.
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A
Email Id of the Company	sectt.agro@punjab.gov.in
Website	www.punjabagro.gov.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated):

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale Trade of Agricultural Produce	4620	100%

III. III.PARTICULARS OF HOLDING/SUBSIDIARY/ ASSOCIATE COMPANIES:

S. No.	Name and address of Companies	CIN	Holding/ Subsidiary/ Associate	%age of shares held	Applicable section
1.	Punjab Agro Foodgrains Corporation limited Plot No. 2A, Sector 28A, Madhya Marg, Chandigarh.	U51229CH2002SGC025256	Subsidiary Company	100%	2(6)
2.	Punjab Agri Export Corporation Limited Plot No. 2A, Sector 28A, Madhya Marg, Chandigarh.	U51909CH1997SGC019321	Subsidiary Company	51%	2(6)



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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian		5	5	0.01		5	5	0.01	--
a) Individual/ HUF									
b) Central Govt		140000	140000	2.83		140000	140000	2.83	--
c) State Govt(s)		4796355	4796355	97.16		4796355	4796355	97.16	--
d) Bodies Corp.		0	0	0		0	0	0	
e) Banks / FI		0	0	0		0	0	0	
f) Any other		0	0	0		0	0	0	
Total shareholding of Promoter (A)		4936360	4936360	100		4936360	4936360	100	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
I) Others (specify)									
Sub-total (B)(1):-									



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	--	4936360	4936360	100	--	4936360	4936360	100	--



B) Shareholding of Promoter-

S No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Governor of Punjab	45,46,355	92.09%		45,46,355	92.09%		0
2	Secretary Punjab Rural Development Board	2,50,000	5.06%		2,50,000	5.06%		0
3	President of India and on his behalf Secretary to Govt. of India, Ministry of Agriculture & cooperation Krishi Bhawan, New Delhi	140000	2.83%		140000	2.83%		
4	Sh. Raj Kamal Chowdhari, IAS, Finance Secy (Expenditru), Pb.	1			0			
5	Sh. Vijay Kumar Namdeorao, IAS, Finance Secy (Expenditru), Pb.	0			1			
6	Sh. Rahul Gupta, PCS Joint Secretary, Govt. of Pb. Deptt of Agriculture	3			3			
7	Sh. Sibin. C., IAS, Managing Director, Punjab Agro Industries Corp. Ltd	1			0			
8	Sh. Manjit Singh Brar, IAS, Managing Director, Punjab Agro Industries Corp. Ltd	0			1			
	Total	4936360	100		4936360	100		



C) Change in Promoters' Shareholding (please specify, if there is no change): N.A

S No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sh. Sibin. C., IAS				
	At the beginning of the year	1		1	
	Date wise Increase / Decrease in Promoters Shareholding during the year Transfer of shares dated 25.07.2019	0		0	
	At the end of the year	0		0	
2	Sh. Manjit Singh Brar, IAS				
	At the beginning of the year	0		0	
	Date wise Increase / Decrease in Promoters Shareholding during the year Transfer of shares dated 25.07.2019	1		1	
	At the end of the year	1		1	
3	Sh. Raj Kamal Chowdhari, IAS				
	At the beginning of the year	1		1	
	Date wise Increase / Decrease in Promoters Shareholding during the year Transfer of shares dated 19.11.2019	0		0	
	At the end of the year	0		0	
4	Sh. Vijay Kumar Namdeorao, IAS				
	At the beginning of the year	0		0	
	Date wise Increase / Decrease in Promoters Shareholding during the year Transfer of shares dated 19.11.2019	1		1	
	At the end of the year	1		1	

D) Shareholding Pattern of top ten Shareholders :(Other than Directors, Promoters and Holders of GDRs and ADRs): N.A

S No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				



E) Shareholding of Directors and Key Managerial Personnel:

S No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sh. Sibin. C., IAS, Managing Director				
	At the beginning of the year	1		1	
	Date wise Increase / Decrease in Promoters Shareholding during the year Transfer of shares dated 25.07.2019	1		0	
	At the end of the year	0		0	
2	Sh. Manjit Singh Brar, IAS				
	At the beginning of the year	0		0	
	Date wise Increase / Decrease in Promoters Shareholding during the year Transfer of shares dated 25.07.2019	1		1	
	At the end of the year	1		1	

V. **INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			-	
I) Principal Amount	5,62,17,580		-	5,62,17,580
ii) Interest due but not paid	-	18,32,76,405	-	18,32,76,405
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,62,17,580	18,32,76,405	-	23,94,93,985
Change in Indebtedness during the financial year				
* Addition	3,77,06,000	-	-	3,77,06,000
* Reduction	53,86,570	-	-	53,86,570
Net Change	3,23,19,430	-	-	3,23,19,430
Indebtedness at the end of the financial year				
I) Principal Amount	8,85,37,010	-	-	8,85,37,010
ii) Interest due but not paid	-	18,32,76,405	-	18,32,76,405
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8,85,37,010	18,32,76,405	-	27,18,13,415



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sh. Manjit Singh Brar, IAS	Sh. K.S. Pannu, IAS	Sh. Sibin C., IAS	
1	Gross salary	2532456	12287	57654	2602397
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option	0	0		
3	Sweat Equity	0	0		
4	Commission - as % of profit - others, specify...	0	0		
5	Telephone And T.A	20965	0		20965
	Total (A)	2553421	12287	57654	26,23,362
	Ceiling as per the Act				

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Sh. Joginder Singh Mann	Sh. Tarlok Singh Bhatt	Sh. Ranjeet Singh	Sh. Amar Singh	
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings			750	750	1500
	Commission					
	Others, please specify	129600(T.A)	96425(Arrear)	648(T.A)	2340(T.A)	2,29,013
	Total (2)					
	Total (B)=(1+2)	129600	96425	1398	3090	2,30,513
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					



C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

SN.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS Mr. Rajesh Sood	CFO	Total
1	Gross salary		9,00,000/-		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		0		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0		
2	Stock Option		0		
3	Sweat Equity		0		
4	Commission		0		
	- as % of profit		0		
	others, specify...		0		
5	Others, please specify		0		
	Total		9,00,000/-		

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

PLACE :- CHANDIGARH
DATED :- 25.08.2021

MANAGING DIRECTOR

CHAIRMAN



Annexure-II

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No. 1	Particulars	Details (Provisional)
1.	Name of the subsidiary	Punjab Agro Foodgrains Corporation Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
4.	Share capital	Rs. 5,00,00,000
5.	Reserves & surplus	(-)9,76,51,44,301
6.	Total assets	78,35,67,43,154
7.	Total Liabilities	78,35,67,43,154
8.	Investments	NIL
9.	Turnover	30,56,78,76,169
10.	Profit before taxation	(-)1,20,47,40,103
11.	Provision for taxation	NIL
12.	Profit after taxation	(-)1,20,47,40,103
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Sl. No. 2	Particulars	Details (Provisional)
1.	Name of the subsidiary	Punjab Agri Export Corporation Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
4.	Share capital	Rs. 5,00,00,000
5.	Reserves & surplus	35,69,14,742
6.	Total assets	44,80,59,345
7.	Total Liabilities	44,80,59,345
8.	Investments	55,00,000
9.	Turnover	7,32,51,573
10.	Profit before taxation	1,15,33,538
11.	Provision for taxation	(-)4,87,272
12.	Profit after taxation	1,20,20,810
13.	Proposed Dividend	NIL
14.	% of shareholding	51%

PLACE :- CHANDIGARH
DATED :- 25.08.2021

MANAGING DIRECTOR

CHAIRMAN

**Details on Corporate Social Responsibility (CSR Policy) for the Financial Year 2019-20**

1. A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and project or programs.

The Board of Directors approved and adopted the CSR policies on 08.01.2020. The CSR Committee was constituted to formulate envisage and oversee the activities to be undertaken by the company as specified in Schedule VII and to monitor the policy from time to time.

Our CSR Vision

The company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'. PAIC's vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioral practices which will contribute to the economic and sustainable development within the company, industry, and society at large. At PAIC, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders. The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

PROJECTS OR PROGRAMMES PROPOSED TO BE UNDERTAKEN

Any activity as provided in the Schedule VII of the Companies Act, 2013 as decided by the CSR Committee as per the CSR Policy of the Company or may remit funds into the common account of the Punjab CSR Authority.

2. The Composition of the CSR Committee

1. Vice Chairman, PAIC
2. Managing Director, PAIC
3. Smt. Surinder Kaur Warraich, Director
4. Sh. Ranjit Singh, Director

3. Average net profit of the company for last three financial years:

For the Financial Year 2019-20, average profit of last three financial years i.e FY 2016-17, 2017-18 and 2018-19 is Rs. 5,47,62,330/- (Rupees Five Crores Forty Seven Lacs Sixty Two Thousand Three Hundred Thirty Only)

4. Prescribed CSR Expenditure for the Financial Year 2018-19 (2 % of the amount as in item 3 above): Rs. 10,95,250/- (Rupees Ten Lacs Ninety Five Thousand Two Hundred Fifty only)**5. Details of CSR spent during the financial year 2019-20.**

- a. Total amount to be spent for the financial year; - Rs. 10,95,250/-
- b. Amount actually spent during the year : Rs. 10,95,250/-
- c. Amount unspent, if any : NIL
- d. Manner in which the amount spent during the financial year is detailed below.



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity Identified.	Sector in which the project is covered	Projects or Programme (1) Local area or other (2) Specify the state and district where Projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
<p>As per CSR Policy approved by Board in its meeting held on 08.01.2020 a sum of Rs. 10,95,250/- (Rupees Ten Lacs Ninety Five Thousand Two Hundred Fifty only) has been deposited into the account of the Punjab CSR Authority on 13.03.2020. The account details are as under HDFC Account No. 50100333026124 IFSC Code HDFC0000213</p>							

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The CSR Committee do hereby certify that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

PLACE :- CHANDIGARH
DATED :- 25.08.2021

MANAGING DIRECTOR

CHAIRMAN



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF PUNJAB AGRO INDUSTRIES CORPORATION LIMITED. FOR THE YEAR ENDED 31 MARCH 2020.

The preparation of financial statements of Punjab Agro Industries Corporation Limited for the year ended 31 March, 2020 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 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 09 November, 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Punjab Agro Industries Corporation Limited for the year ended 31 March 2020. 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on the behalf of the
Comptroller & Auditor General of India**

**(Punam Pandey)
Principal Accountant General (Audit)
Punjab, Chandigarh**

**Place : Chandigarh
Dated : 05/01/2021**

SHIV K GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS

S C O 133-35, SECTOR 17-C
CHANDIGARH-160017
Phone-0172-2706173, 4641135
Email- gupta_skg@yahoo.com

Independent Auditor's Report

To

The Members of Punjab Agro Industries Corporation Limited, Chandigarh

We have audited the accompanying standalone Financial Statements of **PUNJAB AGRO INDUSTRIES CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at **March 31, 2020**, and the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so, the board of directors are also responsible for overseeing the Company's financial reporting process.



-/-

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Basis for Qualified Opinion

- i) The Company has not prepared the Consolidated Financial Statements with its Subsidiaries as per the requirement of Section 129(3) of the Companies Act, 2013.
- ii) Total Project Cost of Mega Food Park has been allocated to the Industrial Plots without factoring various other Cost Centres / Fixed Assets to be created, thereon. This has resulted in overstatement of Cost of Industrial Plots and understatement of Capital Work in Progress. However, we are unable to obtain sufficient appropriate evidence about such amount and impact thereof on the Profitability of the Company.
- iii) Interest earned on unspent amount of various Grant/Assistance except of MOFPI (Mega Food Park Ludhiana) kept in the bank FDR's is treated as Income of the Corporation instead of crediting the same to the respective Grant/Assistance. This has resulted in overstatement of "Other Income" and understatement of "Current Liabilities". However, we are unable to obtain sufficient appropriate evidence about the amount of such Interest.
- iv) The Non-Current Investments of Rs. 281215 thousands representing assistance to Agro Based Industrial Companies in Punjab through equity participation under a buy back arrangement with the collaborators, is shown at Cost though the Share Price /



Net Worth of the quoted / unquoted Companies in which Investments have been made may have fallen, significantly. No provision for diminution in value of such investments has been made which is in contravention to the provisions of AS 13, issued by ICAI. However, we are unable to obtain sufficient appropriate evidence about the amount of provision required.

- v) No provision has been made against Claims Recoverable of Rs. 43885 thousands including Rs. 40000 thousands of Viticulture Council of Punjab, having negligible recovery, since long. This has resulted in over statement of "Long Term Loans & Advances" and "Profit". However, we are unable to obtain sufficient appropriate evidence about the amount of provision required.
- vi) The Depreciation on Fixed Assets has been provided as per Schedule II of the Companies Act, 2013 w.e.f 01.04.2016. The Company has stated that "adjustment on account of sale of assets, if any, have been made by reducing the WDV from the original cost in the absence of original cost and depreciation". As such in the absence of proper records regarding identity and date of purchase/put to use of Fixed Assets, we are unable to obtain sufficient appropriate evidence about the carrying amount of Fixed Assets and Depreciation.
- vii) An amount of Rs. 42500 thousands received from Punjab Rural Development Board and remitted to the Company Punjab Agro Juices Limited was not shown anywhere in the Financial Statements. As per information gathered during the course of audit the amount of Rs. 42500 thousand originally received as loan from Punjab Rural development Board was later converted into grant by Punjab Rural Development Board. The same should have been shown under the head "Grants and assistance" of the corporation and as investment in Punjab Agro Juices Limited.
- viii) Other Non-Current Assets include an amount of Rs. 37505 thousands spent on development expenditure on projects representing payments made for project report/study made 10 to 20 years back. The expenditure was recoverable from prospective promoters but could not be claimed/recovered/adjusted, till date and it is not expected that the amount can be recovered. Since the amount is not recoverable it should have been written off in the books of accounts. This has resulted in overstatement of "Other Non-Current Assets" and Accumulated "Profit" by Rs. 37505 thousands.
- ix) Penal interest of Rs. 12800 thousands payable to Punjab Government for non payment of interest pertaining to earlier years has not been provided. This has resulted into understatement of Interest accrued and due to Punjab Government and overstatement of Reserve Surplus by Rs. 12800 thousands.



The Corporation has not made any provision for corporate social Responsibility (CSR) as per the provision of Section 135 of Companies act, 2013 for the financial year 2019-20. The company has represented that the provisions of Section 135(1) are not applicable to the company for the current year as such no provision is required to be made towards CSR. However as per Section 135(1) read with rule 3(2) of the Companies Act 2013, In our opinion the Company is required to provide for CSR in the books of accounts for the financial year 2019-20. As in our opinion every company which ceases to be a company covered under this section 135(1) of the Act for three consecutive financial years shall not be required to comply with the provisions of the Act, till the Company again falls in the eligibility criteria of CSR. Accordingly the provisions of CSR are applicable to the company for the financial year 2019-20

Further the company neither constituted CSR Committee nor formulated CSR policy as per the requirements of section 135(1) & (3) of Companies act 2013.

We further report that without considering the observations made by us above, the effect of which are not ascertainable and considering the observations made by us above, the balance of Profit & Loss account before exceptional & extraordinary items should have been Rs. (29039) thousands instead of Rs. 22651 thousands Other Current Liability should have been Rs. 1091495 instead of Rs. 1078695 thousands and Short Term Loans & Advances should have been Rs. 144462 thousands instead of Rs. 101962 thousands and Other Non-Current Assets should have been Rs. 124 thousands instead of Rs. 37629 thousands and Balance of Reserve & Surplus should have been 185889 thousand instead of 237574 thousand.

In (000)

S.No	Particulars	Asset	Liability	Reserve & Surplus
	Balances as per Statement of Accounts	19,81,621	17,44,047	2,37,574
1	Provision for claims Recoverable	(43,885)		(43,885)
2	Grant From Punjab Rural development Board	42,500		42,500
3	Development Expenditure	(37,505)		(37,505)
4	Penal Interest		12,800	(12,800)
	Net Balance after the adjustments	19,42,731	17,56,847	1,85,884

Qualified Opinion

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, *subject to our observations above*, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;



- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2020;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the financial statements:

As per the Note 24 Part(B)

- i) Point 1(b) - The government of India (MoFPI) had deducted 1.77 crore as penalty (0.77 crore from 2nd installment released on 26.9.2017 & 1.00 crore from 3rd installment released on 30.09.2019 from Grant in Aid for the Project due to delay in completion.
- ii) Point 2(a) - The Company was declared a Nodal Agency by the Government of Punjab for Progressive Punjab Agriculture Summit - 2014 held during February, 2014 at Mohali. Out of 61100('000) received from various departments 44441('000) were spent on summit whereas 11559('000) were refunded leaving a balance of 5100('000).
- iii) Point 2(b) - The Corporation out of 17425('000) received from Agriculture Department, Punjab for development of Government Seed Farm, Rania, Amritsar in 2013-14, amount received and spent for the development of farm has been kept under the head 'Government Seed Farm, Rania, Amritsar'. However, Rania Farm as well as balance amount has been transferred to Agriculture Department.
- iv) Point 2(c) - The amount unspent in context to Agro Tech 2016 & Agro Tech 2018 shall be utilized in future when any event for the same shall be conducted.
- v) Point 3 - Land measuring 23 acre 2 Kanal 5 Marla of Agriculture Department at village Bara, Sirhind, District Fatehgarh Sahib was transferred in the year 1995 by Government of Punjab to the Company on lease hold basis. The lease deed between Punjab Government & PAIC was executed on 28.11.2006 for a period of 30 years starting from 31.05.1996, extendable by a period of 33 years. The land is being looked after by PAGREXCO, a subsidiary Company, who is also bearing lease money. A part of the land has been subleased to Punjab Agri Food Parks Ltd. for setting up of Food Park
- vi) Point 4 - Punjab Rural Development Board has released a interest free loan amounting Rs. 4.25 crore to PAIC for setting up juice plant at Hoshiarpur & Abohar through Punjab Agro Juices Ltd which were later on declared as Grant and hence shown as Grant in Aid in the books of PAJL.



vii) Point 5 - PAIC owns 12.5 acre (approx.) of land at Salem Tabri, Ludhiana, out of which 2 acre (approx.) has been occupied by Police Department. An amount of ₹2.42 crore has been received from Police Department as advance against said land, pending settlement.

viii) Point 6 - EPF Department at its own has collected the payment of Rs. 1.53 crore from the bank account of the company as EPF dues on the labour component paid to the arhtiyas on procurement of food grains. The case actually pertains to the Punjab Agro Food grains Corporation Ltd., a subsidiary company. Therefore, the amount has been recovered from Punjab Agro Food grains Corporation Ltd. and case against EPF department has been filed.

x) A reference is invited to Note 6B "Other Current Liabilities" Rs. 918467 thousands which include Rs. 662 thousands payable to PSIEC on account of excess amount refunded by the party while refunding the advance.

xi) In the opinion of the Management, Current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the value at which they have been stated in the Balance Sheet. The provisions for all the liabilities are considered adequate and reasonable.

xii) The balance of creditors, claims recoverable, deposits and advances are subject to confirmation. The difference, if any, will be accounted for on final reconciliation. The balances shown are netted against provisions, where included.

x) Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 2013 we further report that:

a) Except for the matters described in the Basis for Qualified Opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;

c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



d) Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant Rule 7 of the Companies (Accounts) Rules 2014,

e) The matters described in the Basis for Qualified Opinion paragraph, in our opinion, may have an adverse effect on the functioning of the Company.

(f) In terms of Extraordinary Gazette of India, Notification No. G.S.R. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, 'the Government Companies are exempted from the provisions of section 164 of the Companies Act.

g) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such Controls, refer to our separate Report in "Annexure-I". Our report expresses a Qualified Opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting.

h) The qualifications relating to the maintenance of accounts and other matters connected thereto are as stated in the Basis for Qualified Opinion paragraph, above.

i) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, we report as under:-

i. The Company has various pending litigations which may impact its financial position against which either necessary disclosures/provisions have been made in the Financial Statements or suitable Qualifications have been given in our Audit Report.

ii. The Company did not have any long-term contracts including derivative contracts on which there are any material foreseeable losses.

iii. There has not been any occasion where the Company has transferred any sum to the Investor Education and Protection Fund;

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 (18 of 2013), we give in the "Annexure-II" a statement on the matters Specified in paragraphs 3 and 4 of the Order.



3. We give in the Annexure III a statement on the matters specified in the directions issued by the C&AG of India under section 143(5) of the Companies Act 2013.

FOR SHIV K GUPTA & ASSOCIATES

Chartered Accountants

FRN-006946N

(Shiv K Gupta)

M.No. 085397

Place: Chandigarh

Date: 09-11-2020

UDIN : 20085397AAAABY8765



Annexure - I

Referred in paragraph 1 (g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of event date.

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

We have audited the internal financial controls over financial reporting of **PUNJAB AGRO INDUSTRIES CORPORATION LIMITED** as of 31.03.2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures .to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment



of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets or the Company;

Provide reasonable assurance that transactions are recorded as necessary to permit.

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Referred in paragraph 2 of our 'Report on others Legal and Regulatory Requirements' of even date to the financial statement of Punjab Agro Industries Corporation Limited for the year ended March 31,2020.

- i(a). The Fixed Asset register is not maintained by the Company.
- (b) As explained to us, fixed assets have been physically verified by the Management at regular intervals and no material discrepancies were noticed on such verification.
- (c) The status of title deeds of immovable properties is as under:

S. No.	Particulars	Remarks
1.	Nagoke Petrol Pump	Only Photocopy of Title Deed is available



- // -

2.	Singawale Petrol Pump Ludhiana	-do-
4.	Sri Hargobinpur	-do-
5.	Nawashaheer	-do-
6.	Chandigarh	-do-
7.	Goindwal	-do-
8.	Sangrur	Only Photocopy of Jamabandi is available.
9.	Ahran Kalan	-do-
10.	Behram	-do-

- ii As explained to us, physical verification of inventories has been conducted by the Management at regular intervals and no material discrepancies were noticed on such verification.
- iii According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- iv According to the information and explanations given to us, the Company has not given any Loans, Investment, Guarantees and security in respect of provision of Section 185 and 186 of Companies Act, 2013.
- v The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii a) According to the information and explanations given to us and based on the records of the Company examined by us. the Company is regular in depositing the undisputed Statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other Statutory dues, as applicable, with the appropriate authorities in India.



- (b) According to the information and explanation given to us and based on the records of the Company examined by there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes,
- viii The Company has not issued any debentures. Also, it has not defaulted in any repayment to NABARD. However, a loan of ₹ 5.50 crores received by the Company during 1996-97 and 1998-99 from Punjab Govt. as long-term loan with no moratorium period was repaid in 2014-15 and the interest amount of ₹ 18.33 crores thereon have not been paid, till date.
- ix Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not raised moneys by way of initial/further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of Order are not applicable to the Company.
- x Based upon the audit procedures performed and the information and explanations given by the Management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi Based upon the audit procedures performed and the information and explanations given by the Management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (of the Order are not applicable to the Company).
- xiii In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.



xv Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

xvi In our Opinion, the company is not required to be registered under section 451A of the Reserve bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the order are not applicable to the company.

FOR SHIV K GUPTA & ASSOCIATES
Chartered Accountants
FRN-006946N



(Shiv K Gupta)
M.No. 085397
Place: Chandigarh
Date: 09-11-2020

Annexure III

Comments on directions of C&AG issued under section 143(5) of the companies Act 2013

1. The company has system in place to process all the accounting transaction through IT systems. No transaction has been observed outside IT system.
2. There is no case of any restricting of an existing loan or waiver /write off of debt/loans/interest etc.
3. The funds received/receivable for specific from Central/State were properly accounted for/utilized as per its terms and conditions.
4. The following are the details of unutilized grant / subsidies kept in the fixed deposit with various banks:
(₹ In '000)

Particulars	As at 31.03.2020
Agri Business Development Fund	86
Grant-in-aid Cotton Development	2893
Grant-in-aid Floriculture	84
Grant-in-aid Horticultural Implements	179
Grant-in-aid Horticulture RDB	995
Grant-in-aid Pre-Cooling	7922
Subsidy Bee Keeping	1500
Central Assistance IInd Push	277130
Grant-in-aid RKVY Scheme	309
Total	291098

5. The Company has earned interest of ₹ 29032 thousands on total fixed deposits of ₹ 435989 thousands, held with the various banks. However, separate interest on unspent Grants is not ascertainable. Also, the Company has received a Grant-in-aid (Including Interest) of ₹ 40.56 Crore from MOFPI, Govt. of India for Mega Food Park. The Project has not been completed, yet and in lieu of the same the government of India (MoFPI) had deducted ₹ 1.77 crore as penalty (₹ 0.77 crore from 2nd installment released on 26.9.2017 & ₹ 1.00 crore from 3rd installment released on 30.09.2019 from Grant in Aid for the Project due to delay in completion. Therefore, the grant has been shown under the head "Current

-15-



Liabilities" and Interest Income earned on the Flexi/ Auto sweep accounts in which the amount of Subsidy is kept is being treated as part of Grant.

6. Examining of pricing policy framed to ensure that all cost components are covered- Not applicable to the Company.

7. Extent of utilization of Plant & Machinery and its obsolescence - Not applicable to the Company.

FOR SHIV K GUPTA & ASSOCIATES

Chartered Accountants

FRN-006946N

(Shiv K Gupta)

M.No. 085397

Place: Chandigarh

Date: 09-11-2020



54th

ANNUAL ACCOUNTS

2019-20

PUNJAB AGRO INDUSTRIES CORPORATION LTD.
2-A, SECTOR 28-A, MADHYA MARG
CHANDIGARH - 160 002

PUNJAB AGRO INDUSTRIES CORPORATION LTD.

PLOT-2A, SECTOR-28A, CHANDIGARH

PART I- BALANCE SHEET AS AT 31.03.2020

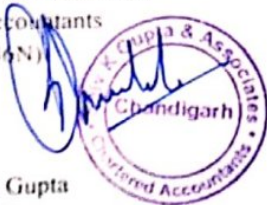
(Amount in '000)

Particulars	Note	As at	
		31st March 2020	31st March 2019
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	492086	492086
(b) Reserves and Surplus	2	237574	210822
2 Non-current Liabilities			
(a) Long-term Borrowings	3	88537	56218
(b) Other Long-term Liabilities		-	0
(c) Long-term Provisions	4	8419	18223
3 Current Liabilities			
(a) Trade Payables	5	1250	1367
(b) Other Current Liabilities	6	1078695	918467
(c) Short-term Provisions	7	75060	17006
		1981621	1714189
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		17552	17406
(ii) Capital Work-in-progress		717217	565273
(b) Non-current Investments	9	356715	366165
(c) Deferred Tax Assets (Net)	10	105	5216
(d) Long-term Loans and Advances	11	132925	146634
(e) Other Non-current Assets	12	37629	55750
2 Current Assets			
(a) Inventory	13	19	19
(b) Trade Receivables	14	1174	73
(c) Cash Equivalents	15	616324	435863
(d) Short-term Loans and Advances	16	101962	121790
		1981621	1714189
Significant Accounting Policies & Other Notes on Accounts	24		

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

As per our report of even date


Shiv K Gupta & Associates
Chartered Accountants
(FRN: 006946N)




Prop. Shiv K Gupta
M No. 085397
Place: Chandigarh

Dated: 09-11-2020
UDIN: 200853AT AAAAB18765


(Ravi Gupta)
Head (F&A)


(Rajesh Sood)
Company Secretary


(Manjit Singh Brar)
Managing Director
DIN: 00942519


(Joginder Singh Mann)
Chairman/ Director
DIN: 08671082

PART-II STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

(Amount in '000)

Particulars	Note	Year ended	Year ended
		31st March 2020	31st March 2019
Revenue from Operation	17	119334	115729
Other Income	18	56315	51603
Total Revenue		175649	167332
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		0	0
Cost of Material Consumed	19	88153	30353
Change in Inventory of Finished Goods, Work-in-Progress & Stock in Trade	20	0	0
Employees Benefit Expenses	21	48371	47931
Depreciation and Amortization Expenses	8	764	780
Other Expenses	22	15711	8637
Total Expenses		152998	87701
Profit before exceptional & extraordinary items		22651	79631
Exceptional items	23	2819	0
Profit before extraordinary items & tax		19831	79631
Extraordinary Items		0	0
Profit Before Tax		19831	79631
Tax Expenses:			
(1) Current Tax		217	16267
(2) Deferred Tax		-5110	-1831
Profit from Continuing Operations		14505	61533
Tax expense of discontinuing operations		0	0
Profit/(Loss) for the period		14505	61533
Earning per Share:			
(1) Basic		2.94	12.47
(2) Diluted		2.94	12.47

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

As per our report of even date

Shiv K Gupta & Associates
Chartered Accountants
(FRN: 006946N)


Prop. Shiv K Gupta
M No. 085397
Place: Chandigarh

Dated: 09-11-2020
UDIN: 20085397AAABY8765




(Ravl Gupta)
Head (F&A)


(Manjit Singh Brar)
Managing Director
DIN: 00942519


(Rajesh Sood)
Company Secretary


(Joginder Singh Mann)
Chairman/ Director
DIN: 08671082

PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Note-1: Share Capital	As at 31st March 2020	As at 31st March 2019
Authorised		
7500000 equity shares of ` 100 each	750000	750000
Issued & Subscribed		
4936360 equity shares of ` 100 each	493636	493636
Paid-up		
4905360 equity shares of ` 100 each fully paid-up	490536	490536
31000 equity shares of ` 100 each	3100	3100
Less: Call-in-arrear	-1550	-1550
31000 equity shares of ` 100 each, ` 50 each has been paid-up		
	492086	492086

Note-1A: Equity Shares	Number	Amount
Shares outstanding at the beginning of the year	4936360	493636
Shares Issued during the year	0	0
Shares bought back during the year	0	0
Shares outstanding at the end of the year	4936360	493636



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

Note-1B: Disclosure (more than 5%)

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Punjab Government	4546360	92%	4546360	92%
Punjab Rural Development Board	250000	5%	250000	5%
	4796360	97%	4796360	97%

Note-1C: Unpaid Calls	No. of Shares
Central Government	31000
Directors	-
Officers	-



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

Note-2: Reserves & Surplus	(Amount in '000)	
	As at 31st March 2020	As at 31st March 2019
a. Capital Reserve		
Opening Balance		
(+) Current year transfer	1	1
(-) Written back in current year	0	0
Closing Balance	0	0
b. General Reserve	1	1
Received from State Government as assistance, invested in equity		
Opening Balance		
(+) Current year transfer (MAT Credit)	59160	120748
(-) Written back in current year	18548	0
Closing Balance	6300	61589
c. Surplus	71408	59159
Opening Balance		
(+) Net Profit for the year	151660	90129
(+) Transfer to reserves	14505	61533
(-) Income Tax Adjustment	0	0
(-) Interim dividend	0	0
(-) Transfer to reserve	0	0
Closing Balance	0	0
	166165	151662
	237574	210822

Out of the total assistance of ₹ 329990('000) received from State Government as assistance for setting up of agriculture/horticulture processing units under scheme Mission Hind Push in Agriculture, a sum of ₹ 52860 ('000) [previous year ₹ 59160('000)] has been invested in equity of agriculture/horticulture based units. This amount, to the extent invested, has been recognised under the head 'Reserve & Surplus' shown as 'Received from State Government as assistance, invested in equity'. During the year 6300('000) was transferred from Reserves and Surplus to Central Assistance Hind Push on account of disinvestment in Glossy Foods.

Note-3: Long Term Borrowings	(Amount in '000)	
	As at 31st March 2020	As at 31st March 2019
Term Loan (secured)		
Loan from NABARD	88537	56218
Against hypothecation of land & other prospective assets of Mega Food Park and State Government guarantee, total loan sanctioned ₹ 271269('000) repayable in seven years in quarterly installments, first two years interest only and next five years interest alongwith principal @ 6.25% pa on 1st installment of ₹ 12 crore received on 29.3.16 and 5.25% pa on 2nd installment of ₹ 10 crore received on 30.3.17 and 3rd installment of Rs 37706000 received on 5.9.19 @ 4.15% p.a		
	88537	56218



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Note-4: Long-term Provisions	As at	As at
	31st March 2020	31st March 2019
Provision for Employee Benefits		
Superannuation (unfunded)		
- Leave Encashment	8419	0
- Gratuity	0	18223
	8419	18223

(Amount in '000)

Note-5: Trade Payables	As at	As at
	31st March 2020	31st March 2019
Sundry Creditors (less than 12 months)	258	376
Sundry Creditors (more than 12 months)	991	991
	1250	1367



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Note-6: Other Current Liabilities	As at 31st March 2020	As at 31st March 2019
Grant and Assistance		
- Agri Business Development Fund	86	86
- Grant-in-aid Cotton Development	2893	2893
- Grant-in-aid Floriculture	84	84
- Grant-in-aid Horticulture Implements (Punjab Mandi Board)	179	179
- Grant-in-aid Horticulture (Rural Development Board)	995	995
- Grant-in-aid Pre Cooling Units	7922	7922
- Subsidy for Bee Keeping	1500	1500
- Central Assistance Hind Push	277130	270830
- Grant-in-aid RKVY Scheme	309	309
- Grant-in-aid Mega Food Park (includes interest)	405620	314955
	696718	599753
Interest accrued and due, Punjab Government*	183276	183277
Expenses Payable (Outstanding Liabilities)	2949	24800
Payable to Staff	3	56
TDS /TDS on GST Payable	373	13
Salary Payable	302	0
GST Payable	38	14
Advance from Parties	196	0
Staff Claim Payable (LIC)	0	200
Cheque issued but not yet presented	802	0
Advance against Disinvestment	41043	28382
Earnest Money and Security Payable	5024	8199
GPF, GIS & Prof. Tax Payable	28	0
Advance for Land Payable (PSIEC)**	662	662
Progressive Punjab Agriculture Summit - 2014	5100	5100
Agro Tech - 2018	913	913
AgroTech - 2016	686	686
Govt Seed Farm, Rania, Amritsar	0	1467
Advance against Land at Ludhiana	44039	44234
Contribution against LSPC	2284	20711
Benevolent Fund	556	0
Advance from Deptt. Of Agri. & Farmer Welfare	82500	0
Amt payable Punjab State warehousing Corp	308	0
Amount recoverable Markfed	727	0
Amount payable to subsidiary PAFC	9842	0
Withheld Amount pending settlement	326	0
	381978	318714
	1078695	918467

***Note- 6A: Interest accrued but not due, Punjab Government**

a) Interest on loan of ₹ 5.50 crore not paid to the Punjab Government since 1996-97.

b) **Period of default:** ₹ 5.50 crore was received during 1996-97 and 1998-99 from Punjab Government as long-term loan in two installments, ₹ 3.00 crore @ 15% and ₹ 2.50 crore @ 16% with no moratorium period under the scheme AP(16.2), loan assistance to Company. ₹ 5.50 crore as principal was paid back to government in 2014-15 but interest thereon has not been paid.

****Note- 6B:** ₹ 662('000) is payable to PSIEC which was excess refunded by the party.



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Note-7: Short-term Provisions	As at	As at
	31st March 2020	31st March 2019
EPF Payable	715	739
Provision for Income Tax	217	16267
Payable against MFP	74129	0
	75060	17006

(Amount in '000)

Note-7A: Contingent Liabilities	As at	As at
	31st March 2020	31st March 2019
Liabilities, if any for pending suits/assessments/appeals		
a) Income Tax	10069	23943
b) Suits filed by the Employees	Unascertainable	Unascertainable
c) Capital Expenditure Commitments (remaining to be executed and not provided for)	123231	238443



Note No. 8- FIXED ASSETS SCHEDULE

(Amount in '000)

Fixed Asset Schedule as per Companies Act 2013

Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	01-Apr-19	Additions	Deletions/ Adjustment	31-Mar-20	01-Apr-19	Deletions/ Adjustment	Dep for the year	31-Mar-20	31-Mar-20	31-Mar-19
Land										
-Freehold	7651	0	0	7651	0	0	0	0	7651	7651
-Freehold (MFP)	1	0	0	1	0	0	0	0	1	1
-Leasehold	3139	0	0	3139	1028	0	33	1061	2078	2111
Building	21984	0	0	21984	15781	0	312	16093	5891	6203
Lab Equipments	393	0	0	393	248	0	36	285	109	145
Furniture & Fixture	164	534	0	698	34	0	94	128	570	130
Plant & Machinery	165	62	0	227	83	0	20	103	124	82
Solar water system	21	0	21	0	20	20	0	0	0	1
Shed	106	0	0	106	84	0	2	86	20	22
computer	154	88	0	242	104	0	45	149	93	51
Vehicle	7077	76	494	6659	6296	469	163	5990	669	780
Water installation	59	103	0	162	56	0	6	62	100	3
Office Equipment	273	3	0	275	176	0	24	200	75	97
AC	119	12	0	131	52	0	19	71	60	67
Electrical Installation	1015	47	0	1062	955	0	8	962	100	61
Generator set	0	12	0	12	0	0	1	1	12	0
Current Year Total (i)	42322	936	515	42743	24917	489	764	25191	17552	17405
(ii) Capital work in Progress	565273	306033	154089	717217	0	0	0	0	717217	565273
Current Year Total (ii)	565273	306033	154089	717217	0	0	0	0	717217	565273
Total Fixed Assets (i + ii)	607595	306969	154604	759960	24917	489	764	25191	734769	582678
Previous Year	542902	99571	34914	607560	24101	0	780	24881	582678	518801

Notes:

1. Conveyance deeds of land of certain locations are not traceable.
2. Adjustment on account of sale of assets, if any, have been made by reducing the WDV from original cost in absence of original cost & depreciation.
3. Assets created out of grant have been taken on a notional value. Therefore, depreciation has not been provided.



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Particulars	As at 31st March 2020	As at 31st March 2019
Part 9: Non Current Investments		
Long Term Trade Investments (at cost), refer A below		
) SUBSIDIARY COMPANIES Investment in equity instruments	75500	75500
) OTHERS Investment in equity instruments	281215	290665
	356715	366165

Particulars	As at 31st March 2020	As at 31st March 2019
Aggregate amount of quoted investments (market value)	13741	3617
Aggregate amount of unquoted investments	337612	299662
Aggregate quoted investments at book value	19103	66503

No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Extent of Holding (%)		(Amount in '000)	
			As at 31 March 2020	As at 31 March 2019		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
i)	Investment in Equity Instruments(at cost) @ 10/- per share otherwise specified (fully paid up)								
	Subsidiary Companies								
	-Punjab Agro Foodgrains Corporation Ltd.	Subsidiary	5000000	5000000	Unquoted	100	100	50000	50000
	-Punjab Agri Export Corporation Ltd	Subsidiary	2550000	2550000	Unquoted	51	51	25500	25500
								75500	75500
j)	Others								
	-Nijjer Agro Foods Ltd	Others	1110004	1110004	Quoted	26	26	11100	11100
	-Krishak Bharti Co-operatives Ltd. (Rs. 1 lac each)	Others	11	11	Unquoted	-	-	1100	1100
	-Punjab Foodkrafts Ltd *	Others	10000	10000	Unquoted	-	-	100	100
	-Sharda Agro Organo Pest Ltd *	Others	35100	35100	Unquoted	-	-	351	351
	-Punjab Breeders Ltd	Others	0	315000	Unquoted	0	50	0	3150
	-Punjab Meats Ltd	Others	4600000	4600000	Unquoted	26	26	46000	46000
	-Honey Bee Natural Products Ltd	Others	210000	210000	Unquoted	50	50	2100	2100
	-Omega Ag Seeds Punjab Ltd	Others	800300	800300	Quoted	26	26	8003	8003
	-Punjab Phytochemicals Ltd	Others	585000	585000	Unquoted	50	50	5850	5850
	-Deol Agro Oils Ltd	Others	1730000	1730000	Unquoted	50	50	17300	17300
	-Punjab Blossoms Ltd	Others	391500	391500	Unquoted	50	50	3915	3915
	-Sukhraj Agro Papers Ltd (Part payment received under OTS scheme)	Others	1030000	1030000	Unquoted	50	50	7210	7210
	-Bajwa Agro Industries Ltd	Others	2180000	2180000	Unquoted	26	26	21800	21800
	-Supenor Genetics (India) Ltd. *	Others	1350000	1350000	Unquoted	26	26	13500	13500
	-Domino Leathers Ltd	Others	2560000	2560000	Unquoted	26	26	25600	25600
	-Punjab Bio-Tech Sugars Ltd	Others	300000	300000	Unquoted	50	50	3000	3000
	-Golden Agro Winery Ltd	Others	187500	187500	Unquoted	50	50	1875	1875
	-A G Foods Ltd	Others	2700000	2700000	Unquoted	26	26	27000	27000
	-Sumer International Ltd	Others	500000	500000	Unquoted	26	26	5000	5000
	-Punjab Milkchem Ltd.	Others	1047600	1047600	Unquoted	26	26	10476	10476
	-Recherche Spice Oils Ltd	Others	927500	927500	Unquoted	50	50	9275	9275
	-Himalayan Frozen Foods Ltd.	Others	780000	780000	Unquoted	26	26	7800	7800
	-Glossy Foods Ltd **	Others	0	567000	Unquoted	0	26	0	6300
	-Green Bagh Foods Ltd **	Others	200000	200000	Unquoted	26	26	2000	2000
	-International Farm Fresh Ltd **#	Others	214800	214800	Unquoted	11	11	2148	2148
	-Punjab Agri Ventures Ltd **#	Others	2141200	2141200	Unquoted	22 28	22 28	21412	21412
	-Satnam Agri Products Ltd **#	Others	2730000	2730000	Unquoted	26	26	27300	27300
	Total							281215	290665
	Grand Total							356715	366165

Notes:
 .. Share application money, pending allotment of physical shares for a long time
 Financial assistance of ₹52860('000) [previous year ₹59160('000)] has been utilized against these investments
 # There is no disinvestment clause as per FCA signed with the promoters.



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

Note-9A:

i) All long-term investments are shown at cost. Out of total investment of ₹ 356715('000) (previous year 366165('000)) a sum of ₹ 241083('000) [(previous year ₹ 238254('000))] is due for disinvestment as on 31.03.2020. The Company has taken legal action in all the cases for recovery of equity from promoters where disinvestment has become due. The liability of the promoter shall be accounted for in the year of final decision of Hon'ble Court/Arbitrator. The detail of the Companies is given below

1	Nijjer Agro Foods Ltd
2	Superior Genetics (India) Ltd.
3	PML Industries Ltd
4	Deol Agro Industries Ltd
5	Punjab Phytochemicals Ltd
6	Honey Bee Natural Products Ltd.
7	Golden Agro Winery Ltd.
8	Sukhraj Agro Papers Ltd.
9	Domino Leathers Ltd
10	Punjab Bio-tech Sugars Ltd
11	Bajwa Agro Industries Ltd.
12	Punjab Milkchem Ltd.
13	Punjab Blossoms Ltd.
14	Recherche Spice Oils Ltd.
15	Sumer International Ltd.
16	Himalayan Frozen Foods Ltd.
17	A G Foods Ltd
18	Green Bagh Foods Ltd.
19	Omega Ag Seeds Ltd.
20	Satnam Agri Products Ltd.
21	Punjab Agri Ventures Ltd.
22	International Farm Fresh Ltd.

b) Disinvested during the year

1	Glossy Foods
2	Punjab Breeders

c) Status of Other Companies

1	Krishak Bharti Co-operatives Ltd.	: Against marketing activity
2	Punjab Foodkrafts Ltd.	: Share application money
3	Sharda Agro Organo Pest. Ltd.	: Share application money
4	International Farm Fresh Ltd.	: No disinvestment clause
5	Punjab Agri Ventures Ltd.	: No disinvestment clause
6	Satnam Agri Products Ltd.	: No disinvestment clause



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

Note-10: Deferred Tax

S No.	Particulars	Amount (₹)	31.3.20 - 26%		31.3.19 - 27.82%	
			Deferred Tax		Deferred Tax	
			Assets	Liabilities	Assets	Liabilities
1	Provision for Doubtful Debts					
	Current Year	1649	429			
	Previous Year	1649			459	
2	Provision for Gratuity					
	Current Year	0	0			
	Previous Year	18223			5070	
3	Difference in WDV of Assets					
	Current Year	1247		324		
	Previous Year	1124				313
	As per Income Tax Act	16305				
	As per Books	17552				
		1247				
			429	324	5528	313
				105		5215
	Net Deferred Expenses			-5110		



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Note-11: Long-term Loans and Advances	As at 31st March 2020	As at 31st March 2019
a. Security Deposits		
Unsecured, considered good		
- Security with others	274	274
- Earnest Money Deposit		
Doubtful		
- Deposit with Court		
Less: Provision for doubtful		
	274	274
b. Other Loans and Advances		
Secured, considered good		
LIC of India - PAIC Group Leave Encashment Scheme	88766	103347
Claims Recoverable		
- Director Food Processing	58	57
- State Government	2234	2234
- A.G. Foods Ltd. (provision)	39	39
- Golden Agro Winery Ltd. (provision)	97	96
- Omega Ag Seeds Ltd. (provision)	153	153
- Punjab Agro Juices Ltd.	1357	655
- Satnam Agri Products Ltd	35	35
- Punjab Bio-tech Sugars Ltd. (provision)	980	980
- Punjab Food Krafts Ltd.	15	15
- Punjab Blossoms Ltd. (provision)	102	102
- Sharda Agro	17	17
- Viticulture Council of Punjab	40000	40000
- Punjab State Mandi Board	113	0
- Punjab Pollution Corp	47	0
- Advisor to Gop	1	0
- Indian Oil corp.	9	0
Less: Provision for doubtful	-1370	-1370
	132651	146360
	132925	146634

Note-11A: ₹ 40000('000) was paid to Viticulture Council of Punjab during 2006-07 for setting up a grape based winery project under the name and style of a new Company. The project could not be setup by the Council. Further, Council of Ministers, Punjab in its meeting dated 26.11.2014 decided to wind up the Council and amount will be decided by Punjab Government.



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Note-12: Other Non-current Assets	As at 31st March 2020	As at 31st March 2019
a) Fixed Deposits with maturity more than 12 months		
- FDs AU Small Finance Bank, Sector 8-C, Chandigarh	0	9900
- FDs OBC, Sector 26-D, Chandigarh (under lien with NABARD)	0	5694
- FDs PNB, Salem Tabri, Ludhiana (against bank guarantee)	124	124
	124	15718
b) Unsecured, considered good		
Misce. Expenditure/ Project Development Exp. (to the extent not written off or adjusted)	37783	40311
Less: Provision for doubtful	-279	-279
	37505	40032
	37629	55750

(Amount in '000)

Note-13: Inventory	As at 31st March 2020	As at 31st March 2019
Consumable Stores	19	19
	19	19

(Amount in '000)

Note-14: Trade Receivables	As at 31st March 2020	As at 31st March 2019
Sundry Debtors (more than 6 months):	73	73
Sundry Debtors (Less than 6 months):	1101	0
	1174	73



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Note-15: Cash and Bank Balances	As at 31st March 2020	As at 31st March 2019
Cash & Cash Equivalents		
Current Accounts		
- HDFC Bank, Sector 8-C, Chandigarh	66	12
- ICICI Bank, Sector 28-D, Chandigarh	156	49
- PNB, Salem Tabri, Ludhiana	1392	104
- IOB, Sector 28-A, Chandigarh	2428	902
- SBI, Sector 17-C, Chandigarh (T-1, Grant-in-aid)	17534	2277
- SBI, Sector 17-C, Chandigarh (T-2, Capital)	38517	32398
- SBI, Sector 17-C, Chandigarh (T-3, Payment & Revenue)	118133	18001
- SBI, Sector 17-C, Chandigarh (T-4, Expenditure Expenses)	772	18
- Indian Bank, Ludhiana	129	0
- Janta Small Bank, Bhatinda	51	0
- PNB 29367 Idh. Wheat seed	1156	0
Deposits Accounts with maturity less than 3 months		
- FDs AU Small Finance Bank, Sector 8-C, Chandigarh	79900	70000
- FDs State Bank of India, Sector 26-D, Chandigarh	0	20000
- FDs ICICI Bank, Sector 28-D, Chandigarh	32500	63000
- FDs HDFC Bank, Sector 8-C, Chandigarh	42511	20000
- FDs HDFC Bank, Sector 27, Chandigarh	44000	0
- FDs Indian Overseas Bank, Sector 28-A, Chandigarh	50000	0
- FDs OBC, Sector 26-D, Chandigarh (under lien with NABARD)	4341	0
- OBC, Sector 26-D, Chandigarh (Flexi A/c)	5640	7128
- OBC, Sector 26-D, Chandigarh (Flexi A/c for Rania Farm, Amritsar)	137	1598
- HDFC Bank, Sector 27-C, Chandigarh (Flexi A/c)	833	145
	440197	235632
Other Bank Balances		
Deposit Accounts with maturity more than 3 months but less than 12 months		
- FDs AU Small Finance Bank, Sector 8-C, Chandigarh	50000	49500
- FDs ICICI Bank, Sector 28-D, Chandigarh	0	82500
- FDs HDFC Bank, Sector 8-C, Chandigarh	0	20000
- FDs Pb State Co-operative Bank, Sector 35-C, Chandigarh	44133	21654
- FDs Indian Overseas Bank, Sector 28-A, Chandigarh	0	26374
- FDs OBC, Sector 26-D, Chandigarh (under lien with NABARD)	1353	0
- FDs IDFC Bank Ltd	30500	0
- FDs Equitas Small Finance Ltd	20000	0
- FDs Yes bank	30000	0
Others		
- Employees Security Deposit with Bank (pledged)	141	203
	176127	200231
	616324	435863



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)		
Note-16: Short-term Loans and Advances	As at 31st March 2020	As at 31st March 2019
a. Loans and Advances to related parties		
Unsecured, considered good		
- Punjab Agri Export Corporation Ltd.	4747	244
- Punjab Agro Foodgrain Corp.	0	19142
	4747	19386
b. Others		
Unsecured, considered good		
-Gratuity claim from LIC		23200
-Advance Income Tax	1356	52280
-Advance Fringe Benefit Tax	3667	166
-Interest accrued but not Due	166	18541
-Pre-paid Expenses	21790	2438
-Staff Advance	1136	104
-Advance to parties	58	7
-Advance against MFP	12	4560
-Earned Leave Encashment Claim from LIC	0	1108
-GST ITC	1666	0
-TDS under GST	125	0
-Staff recoveries- Wheat seed Ldh	22	0
-Income tax refund receivable	76	0
-MAT Credit Entitlement	48593	0
	18548	0
	97214	102404
	101962	121790



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Note-17: Revenue from Operation	Year ended 31st March 2020	Year ended 31st March 2019
Gain from Sale of Investment		
Sale of Land at Ladhawal	4439	68405
Other Operating Income (Wheat Seed)	113611	47324
	1285	0
	119334	115729

(Amount in '000)

Note-18: Other Income	Year ended 31st March 2020	Year ended 31st March 2019
Interest (other than a finance Company)		
Dividend	29032	32177
Gravuty Provision written back	220	198
Excess Provision written back	18223	0
Other non-operating income	1	7471
(net of expenses directly attributable to such income)	8839	11757
	56315	51603

(Amount in '000)

Note-19: Cost of Material Consumed	Year ended 31st March 2020	Year ended 31st March 2019
Opening Balance	19	19
Add: Purchases	0	0
Less: Closing Stock	19	19
Cost of Land at Ladhawal	86835	30353
Cost of Wheat Seed	1318	0
Cost of Material Consumed	88153	30353

(Amount in '000)

Note-20: Change in Inventory of Finished Goods, Work-in-Progress & Stock in Trade	Year ended 31st March 2020	Year ended 31st March 2019
Opening Balance		
Finished Goods	0	0
Less: Closing Balance		
Finished Goods	0	0
Increase/(Decrease) in Inventory	0	0



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Note-21: Employee Benefits Expenses	Year ended 31st March 2020	Year ended 31st March 2019
Salary & incentive		33976
Contribution to provident fund superannuation scheme	31394	3724
Interest on EPF paid to Employee	3251	0
Earned leave encashment	271	10073
Medical	13365	28
Staff Welfare	43	130
	47	
	48371	47931

(Amount in '000)

Note-22: Other Expenses	Year ended 31st March 2020	Year ended 31st March 2019
Bank Charges	6	20
Vehicle Expenses	239	285
Ground Rent	65	102
Office Maintainance	360	379
Repairs:Building	16	307
Insurance	5084	3174
Rates & Taxes	422	56
Legal Fee	334	212
Professional Charges	638	581
Reapir Computer	3	15
Newspapers & Periodicals	15	20
Telephone & Postage	46	84
CSR contribution	1095	0
Advertisement & Publicity	729	709
Printing & Stationery	216	298
Travelling Expense -Directors	148	300
-Staff	77	111
Business Promotion	343	278
GST under RCM	70	63
Property Tax	4671	350
Training Expenses	0	12
Electricity Charges	1030	1175
Water Charges	49	66
Director Fees	2	0
Misc. Expenses/Rounding off	2	0
	15662	8597
Audit Fee		
a. Statutory Audit	25	25
b. Tax Audit	24	15
	49	40
	15711	8637



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in '000)

Note-22A: Payment to Directors on Board	Current Year	Previous Year
Salary & Allowances	2699	1438
Vehicle Expenses		361
Telephone	6	24
Travelling	148	300
Director Sitting Fee	2	0

(Amount in '000)

Note-23: Exceptional Items	31st March 2020	Year ended 31st March 2019
Income/Expenses relating to previous year	291	-
Amount Written off	2528	-
	2819	0



Punjab Agro Industries Corporation Ltd.

Note-24: Other Notes on Accounts

(A) SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation of Financial Statements:

i) General

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act 2013, subject to what is stated herein below, as adopted consistently by the Company.
- b) The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis except for the profit/loss on disinvestment of equity in promoted sector companies, taxes and dividend which are accounted for on cash basis.
- c) The presentation of financial statements is in conformity with the generally accepted accounting principles which require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

ii) Segment Accounting Policies

- a) Based on the guiding principles given in Accounting Standard-17, Segment Reporting, issued by the Institute of Chartered Accountants of India, the Company's primary reporting format is business segment. It consists mainly of bank deposits, long-term investments and sale/lease of land.



- b) Revenue and expenses have been accounted for on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "un-allocable expenses". Assets and liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "un-allocable assets/liabilities".
- c) Un-allocable assets mainly comprise of land & building and other current assets relating to the Company as a whole. Un-allocable liabilities mainly comprise current liabilities relating to the corporate as a whole and segments have been identified considering the nature of services, the nature of related risks and returns and the internal financial reporting system of the Company.

iii) **Taxes on Income**

- a) Tax on income for the current period is determined on the basis of taxable income and applicable tax rate computed in accordance with the provisions of Income Tax Act, 1961.
- b) During the year MAT Credit which available as per previous filled returns has been recognize as asset in the books of accounts on the recommendation of the Auditors
- c) The Company has accounted for deferred tax in accordance with the Accounting Standard-22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India. Accordingly, deferred tax for the year is recognized on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable/virtual certainty of its realization.



Cash Flow Statement:

- a) The statement has been prepared under indirect method except in case of dividend, sale/purchase of investments and taxes which have been considered on the basis of actual movement of cash, with corresponding adjustments in assets and liabilities as set out in the Accounting Standard-3 issued by Institute of Chartered Accountants of India.
- b) Cash Equivalents represent bank balances only.

Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. All costs of bringing the respective assets to working condition for their intended use are capitalized.

Depreciation:

- a) Depreciation on fixed assets is provided on the written down value (WDV) at the rates prescribed in Schedule-II of the Companies Act, 2013. The depreciation on assets acquired/sold/discarded/demolished during the year is provided from/up to the month the asset was commissioned/sold or discarded.
- b) The assets whose WDV is 5% is not depreciated.
- c) Depreciation on car, furniture, LED and AC of Mega Food Park has been charged to Profit & Loss Statement.

Retirement Benefits:

- a) The Company contributes towards provident fund and family pension as per Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- b) Gratuity to the employees has been covered by the master policies taken from LIC of India. It is being provided on the basis of actuarial valuation. There was a surplus as per current year actuarial valuation which has been written back.



- c) Leave encashment to the employees has been covered under the policy taken from LIC of India. It is being provided on the basis of actuarial valuation. There was a deficit as per current year actuarial valuation which has been provided.

Most of the staff is on deputation with PAFCL, PAGREXCO, PAJL & other related Companies and as decided by the Management, from 01.04.2018, gratuity and earned leave to employees (including employees on deputation with subsidiary Companies) is being paid from the funds maintained with LIC of India and 11% of pay drawn as annual contribution in lieu thereof has been recovered from the subsidiary Companies.

Government Subsidy, Grants and Assistance:

- a) The subsidy, grants and assistance, etc. are recognized as and when utilized. A part of assistance received has been utilized for the purpose these have been received and correspondingly reserve has been created.
- b) In case of funds received from the State Government as assistance for setting up of agro/horticulture units, the unspent amount is kept with banks and has been shown under the head Other Current Liabilities. The interest earned on such deposits is treated as income of the Company.
- c) In case of grant received from MOFPI for setting up of Mega Food Park is kept in a separate bank account and accounted for on its utilization. Interest earned on un-utilized amount is treated as grant as per agreement.

Investment/Disinvestment Policy:

- a) Investments are long-term investments and their carrying amount is determined at cost basis. Fluctuations in the net worth or market price of investments whether quoted or not, are considered to be temporary.
- b) The financial collaboration agreements (FCA) entered into with the private entrepreneurs includes a clause for buy back of shares by the promoters on completion of a specified period after the start of commercial production. In some cases, the



collaborators would provide collateral security by way of pledging of his/his associates equity in the Company as is equal to the extent of 25% of the Company's equity contribution in that Company. Accordingly, pledged shares have been received. In other cases disinvestment shall be executed as per FCAs.

- c) As the promoters are not exercising the option of buying the Company's equity, there is uncertainty of realization. The disinvestment is, therefore, being accounted for in the year of actual disinvestment. The Company is following this practice consistently.
 - d) PAIC has been notified under Punjab Public Moneys (Recovery of Dues) Act, 1983 by the State Government for recovery of its dues as arrears of land revenue. Action is being taken under the Act for the recovery of dues from the promoters.
 - e) Investments where there is no clause of buy back of shares, the Company has formulated a policy of determining the price of shares at its own and accordingly further legal action will be taken following the procedure approved by the Board of Directors.
- 8) The borrowing costs are recognized as an expense in the period in which they are incurred.
- 9) The prepaid expenses up to ₹ 2,500 are charged to profit and loss account in the year of payment.

(B) OTHER NOTES ON ACCOUNTS

1. a) Mega Food Park (Work-in-progress)

During 2015-16, Government of India had sanctioned a Mega Food Park to be setup by the Company at Ladhowal, District Ludhiana in Punjab under the Food Processing Scheme. Land for the Park provided by the State Government has been transferred in the name of the Company. Since, no payment has been made by the Company; therefore, half notional value has been taken in Fixed Asset and Current Assets respectively. Funds received for the Park have been kept in separate escrow bank accounts as per guidelines of Government of India. As the project is still in progress and not complete so the expenditure incurred except on the Plots



Leased out has been shown under the head 'Capital Work-in-progress' pending allocations. Also, provision has been made of the pending proportionate expenses relating to the leased out land after considering each and every expenditure incurred on Mega Food Park as integral part of the land to be leased out.

b) The government of India (MoFPI) had deducted ₹ 1.77 crore as penalty (₹ 0.77 crore from 2nd installment released on 26.9.2017 & ₹ 1.00 crore from 3rd installment released on 30.09.2019 from Grant in Aid for the Project due to delay in completion.

c) Depreciation on the assets purchased for Mega Food Park are not exclusively used for Mega Food Park but it also use for the corporation as well so the depreciation on the assets has been charged to PAIC.

a) The company was declared a Nodal Agency by the Government of Punjab for Progressive Punjab Agriculture Summit - 2014 held during February, 2014 at Mohali. Out of ₹ 61100('000) received from various departments ₹ 44441('000) were spent on summit whereas ₹ 11559('000) were refunded leaving a balance of ₹ 5100('000).

b) Out of ₹ 17425('000) received from Agriculture Department, Punjab for development of Government Seed Farm, Rania, Amritsar in 2013-14, amount received and spent for the development of farm has been kept under the head 'Government Seed Farm, Rania, Amritsar'. However, Rania Farm as well as balance amount has been transferred to Agriculture Department.

c) The amount unspent in context to Agro Tech 2016 & Agro Tech 2018 shall be utilized in future when any event for the same shall be conducted.

1. Land measuring 23 acre 2 kanal 5 marla of Agriculture Department at village Bara, Sirhind, District Fatehgarh Sahib was transferred in the year 1995 by Government of Punjab to the Company on lease hold basis. The lease deed between Punjab Government & PAIC was executed on 28.11.2006 for a period of 30 years starting from 31.05.1996, extendable by a



period of 33 years. The land is being looked after by PAGREXCO, a subsidiary Company, who is also bearing lease money. A part of the land has been subleased to Punjab Agri Food Parks Ltd. for setting up of Food Park.

Punjab Rural Development Board has released a interest free loan amounting Rs. 4.25 crore to PAIC for setting up juice plant at Hoshiarpur & Abohar through Punjab Agro Juices Ltd which were later on declared as Grant and hence shown as Grant in Aid in the books of PAJL.

PAIC owns 12.5 acre (approx.) of land at Salem Tabri, Ludhiana, out of which 2 acre (approx.) has been occupied by Police Department. An amount of ₹ 2.42 crore has been received from Police Department as advance against said land, pending settlement.

EPF Department at its own has collected the payment of Rs. 1.53 crore from the bank account of the company as EPF dues on the labour component paid to the arhtiyas on procurement of foodgrains. The case actually pertains to the Punjab Agro Foodgrains Corporation Ltd., a subsidiary company. Therefore, the amount has been recovered from Punjab Agro Foodgrains Corporation Ltd. and case against EPF department has been filed.

In the opinion of the Management, current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the value at which they have been stated in the balance sheet. The provisions for all the liabilities are considered adequate and reasonable.

The balances of creditors, claims recoverable, deposits and advances are subject to confirmation. The difference, if any, will be accounted for on final reconciliation. The balances shown are netted against provisions, where indicated.



The Company has not received any information from any of the suppliers of their being a small-scale industrial unit. Hence, the amount due to small-scale industrial units outstanding as at 31.03.2020 is not ascertainable.

Earning per Share:

	<u>New</u>	<u>Old</u>
(a) Profit(+)/Loss(-) after tax (₹)	14505('000)	61533('000)
(b) Number of Equity Shares	4936360	4936360
(c) Nominal value per Equity Share (₹)	100	100
(d) Basic & Diluted Earnings per Share (₹)	2.94	12.47

The Company has not paid remuneration more than the limit prescribed u/s 217(2A)(9)(1) of the Companies Act, 2013. Computation of Net Profit in accordance with section 349 of the Companies Act, 2013 is enumerated as no Commission is payable.

The Company has not discontinued any operation during the year. Hence, there are no details which need to be disclosed as required under Accounting Standard-24.

The company has transferred the funds towards Punjab CSR Authority account as per section 135 of Companies Act 2013 on account of corporate social responsibility for F.Y 2018-19.



CASH FLOW STATEMENT

(Amount in '000)

Particulars	31.03.2020		31.03.2019	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit before tax and extra ordinary items		19831		79631
Adjustments for:				
- Depreciation	764		780	
- Dividend income	-220		-198	
- Interest income	-29032		-32177	
- (Profit)/loss on sale of fixed assets	-19		0	
- Excess provision w/back	0		0	
- Transfer to reserve	12248		0	
		-16260		-31595
Operating profit before working capital changes		3572		48036
Adjustments for:				
- Trade and other receivable	-1102		-1	
- Inventory	0		0	
- Increase/Decrease in short term loans & advances	19828		-48742	
- Increase/Decrease in miscellaneous expenses				
- Current liabilities	218165	236892	-99228	-147971
Cash generated from operations		240463		-99935
- Direct taxes paid		-217		-16267
Net cash from operating activities		240247		-116202
CASH FLOW FROM INVESTING ACTIVITIES				
- Purchase of fixed assets	-936		-262	
- Capital Work in Progress	-151944		-64395	
- Sale/transfer of fixed assets	45		0	
- Sale/purchase of investments (net)	9450		0	
- Long term loans & advances	13709		3486	
- Other non current Assets	18122		-7668	
- Interest received	29032		32177	
- Dividend received from other investments	220		198	
Net cash used in investing activities		-82302		-36464
CASH FLOW FROM FINANCING ACTIVITIES				
- Proceeds from issue of share capital	0		0	
- Proceeds from short/ long term borrowings	32319		0	
- Other long term borrowings	-9804		-7471	
- Repayment of short/ long term borrowings	0		0	
- Interest paid	0		0	
Net cash used in financing activities		22516		-7471
NET INC / (-) DEC IN CASH & CASH EQUIVALENTS		180460		-160137
CASH & CASH EQUIVALENTS AS AT 1ST APRIL		435863		596000
CASH & CASH EQUIVALENTS AS AT 31ST MARCH		616324		435863

AUDITORS CERTIFICATE

We have examined the attached cash flow statement of Punjab Agro Industries Corporation Ltd which is in agreement with the corresponding Profit & Loss Statement and Balance Sheet of the Company covered by our audit report dated _____ to the members of the company

As per our report of even date

Shiv K Gupta & Associates
Chartered Accountants
(FRN: 006946N)



Prop. Shiv K Gupta
M No. 085397
Place: Chandigarh
Dated:
UDIN:

For and on behalf of the Board

(Ravi Gupta)
Head (F&A)

(Rajesh Sood)
Company Secretary

(Manjit Singh Brar)
Managing Director
DIN: 00942519

(Joginder Singh Mann)
Chairman/ Director
DIN: 08671082

15 SEGMENT REPORTING

(Amount in '000)

Particulars	Current Year	Previous year
(i) Primary Segments		
Revenue		
- External revenue		
Sale of land - Mega Food Park, Ludhiana	113611	47324
Investment	4439	68405
Bank Deposits	29032	32177
	147082	147906
- Inter segment revenue	0	0
- Total revenue	147082	147906
Segment result		
Sale of land - Mega Food Park, Ludhiana	113611	47324
Investment	4439	68405
Bank Deposits	29032	32177
	147082	147906
Add: Unallocable expenses Net of income	(-) 134357	76072
Operating profit	12725	71834
Less: Interest expenses	0	0
Add: Interest income	7107	7796
Profit/(-)Loss before tax	19831	79630
Less: Provision for tax	217	16267
Less: Provision for deferred tax	(-) 5110	1831
Net Profit/(-)Loss	14505	61532
Other information		
Segment assets	807867	773452
Unallocable corporate assets	1173754	940737
TOTAL ASSETS	1981621	1714189
Segment liabilities	696718	599753
Unallocable corporate liabilities	1284904	1114436
TOTAL LIABILITIES	1981621	1714189
Capital Expenditure (unallocable corporate)	936	262
Depreciation (unallocable corporate)	764	780
Non cash expenditure other than depreciation (unallocable corporate)	0	0
(ii) Secondary Segments		
External revenue by location of customers		
-within Punjab	154188	155702
Segment assets		
-within Punjab	807867	773452
Tangible fixed assets acquired during the year		
-within Punjab	936	262
	0	0



16. **Related Party Disclosure**

As per Accounting Standard-18 issued by Institute of Chartered Accountants of India, the Company's related parties are disclosed as under:

- 1) Punjab Agro Foodgrains Corporation Ltd.
(a wholly owned subsidiary Company)
- 2) Punjab Agri Export Corporation Ltd.
(a subsidiary Company)
- 3) Punjab Agro Juices Ltd.
(Managing Director of the Company is the Managing Director of this Company also)

Key Management Personnel

Shri Manjit Singh Brar, IAS	Managing Director
Shri Joginder Singh Mann	Chairman
Shri Manpreet Singh Sandhu	Vice Chairman
Shri Sibin C., IAS	Director
Smt Surinder Kaur Waraich, IRS	Director
Shri P.K.Pandey	Director
Shri Jagroop Singh	Director
Shri Amar Singh	Director
Shri Jagtar Singh	Director
Shri Ranjeet Singh	Director
Shri Kiranjit Singh	Director

Related Party Transactions

<u>Name of the Related Party</u>	<u>Nature of Transactions</u>
Punjab Agro Foodgrains Corporation Ltd.	The Company has contributed ₹ 50000('000) as equity capital. The Company has provided staff on deputation. The balance payable to the said Company as on 31.03.2020 is ₹ 9842('000).



Punjab Agri Export Corporation Ltd. The Company has contributed ₹ 25500('000) as equity capital. The Company has provided staff on deputation. The balance recoverable from the said Company as on 31.03.2020 is ₹ 4747 ('000).

17. Consolidated Financial Statement (CFS):

The Company has its two subsidiaries, namely Punjab Agro Foodgrains Corporation Ltd. (PAFCL) and Punjab Agri Export Corporation Ltd. (PAGREXCO). CFS will be prepared on finalization of accounts of the subsidiary Companies.

18. Figures in brackets are in respect of previous year. The previous year figures have been re-grouped and reclassified including nomenclature to make them correspond with the current year figures. The figures are in rounded off to nearest thousands in financial statements.

19. Notes 1 to 24 annexed to the Balance Sheet and Profit & Loss Statement form an integral part of the accounts.

Shiv K Gupta & Associates
Chartered Accountants

(FRN: 006946N)



Prop. Shiv K Gupta

M No. 085397

Place: Chandigarh


Dated:

UDIN:


Ravi Gupta
Head (F&A)


Rajesh Sood
Company Secretary


Manjit Singh Brar
Managing Director
DIN : 00942519


Joginder Singh Mann
Chairman
DIN : 08671082