

**56<sup>th</sup>**

**ANNUAL ACCOUNTS**

**2021-22**

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

**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

CIN No. U51219CH1966SGC002630

**PART I- BALANCE SHEET AS AT 31.03.2022**

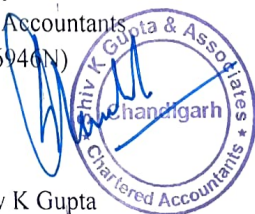
(Amount in lakhs)

Particulars	Note	As at	
		31st March 2022	31st March 2021
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	1	4920.86	4920.86
(b) Reserves and Surplus	2	2684.28	2475.70
<b>2 Non-current Liabilities</b>			
(a) Long-term Borrowings	3	.00	307.73
(b) Other Long-term Liabilities		0.00	0.00
(c) Long-term Provisions	4	0.00	0.00
<b>3 Current Liabilities</b>			
(a) Short term borrowings	5	307.73	187.23
(b) Trade Payables	6	526.11	379.80
(c) Other Current Liabilities	7	13530.98	11568.48
(e) Short-term Provisions	8	532.30	784.29
		<b>22502.26</b>	<b>20624.10</b>
<b>II. ASSETS</b>			
<b>1 Non-current Assets</b>			
Property, Plant & Equipments and Intangible assets	9		
(a) (i) Property, Plant & Equipments		4615.29	1657.20
(ii) Intangible Assets		0.00	0.00
(iii) Capital Work-in-progress		3019.48	5883.93
(b) Non-current Investments	10	3022.52	3155.65
(c) Deferred Tax Assets (Net)	11	-17.45	-1.45
(d) Long-term Loans and Advances	12	1272.44	1208.02
(e) Other Non-current Assets	13	41.50	378.78
<b>2 Current Assets</b>			
(a) Current Investment	10	0.00	0.00
(b) Inventory	14	517.65	458.91
(c) Trade Receivables	15	194.12	135.57
(d) Cash and Cash Equivalents	16	8214.16	6267.46
(e) Short-term Loans and Advances	17	1622.56	1480.02
		<b>22502.26</b>	<b>20624.10</b>
Significant Accounting Policies & Other Notes on Accounts	25		

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)



4  
(Ravi Gupta)  
Head (F&A)

*(Signature)*  
(Rajesh Sood)  
Company Secretary

Prop. Shiv K Gupta  
M No. 085397

Place: Chandigarh

Dated: 21-2-2023

UDIN: 23085397BGYMGH

9096

*(Signature)*  
(Manjit Singh Brar)  
Managing Director  
DIN: 00942519

*(Signature)*  
(Shaminder Singh Khinda)  
Chairman  
DIN: 09765479

**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

CIN No. U51219CH1966SGC002630

**PART-II STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2022**

(Amount in lakhs)

Particulars	Note	Year ended 31st March 2022	Year ended 31st March 2021
Revenue from Operation	18	12122.76	4258.83
Other Income	19	1101.96	702.67
<b>Total Income</b>		<b>13224.71</b>	<b>4961.50</b>
Cost of Material Consumed	20	11253.18	4370.39
Change in Inventory of Finished Goods, Work-in-Progress & Stock in Trade	21	15.45	-392.59
Employees Benefit Expenses	22	383.77	488.06
Depreciation and Amortization Expenses	9	510.43	205.02
Other Expenses	23	407.26	172.11
<b>Total Expenses</b>		<b>12570.09</b>	<b>4842.99</b>
Profit before exceptional & extraordinary items		654.62	118.51
Exceptional items	24	372.94	-2.84
<b>Profit before extraordinary items &amp; tax</b>		<b>281.68</b>	<b>121.35</b>
Extraordinary Items		.00	.00
Profit Before Tax		281.68	121.35
Tax Expenses:			
(1) Current Tax		64.56	20.26
(2) Deferred Tax		15.99	2.50
Profit from Continuing Operations		201.13	98.60
Tax expense of discontinuing operations		.00	.00
<b>Profit/(Loss) for the period</b>		<b>201.13</b>	<b>98.60</b>
<b>Earning per Share (in Rs):</b>			
(1) Basic		4.07	2.00
(2) Diluted		4.07	2.00

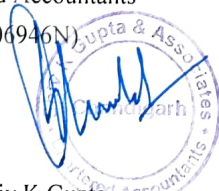
The accompanying notes are an integral part of the financial statements.

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: 21-2-2023

UDIN: 23085397849MGM9096

4

(Ravi Gupta)

Head (F&A)

(Rajesh Sood)

Company Secretary

(Manjit Singh Brar)

Managing Director

DIN: 00942519

(Shaminder Singh Khinda)

Chairman

DIN: 09765479

(Amount in lakhs)

<b>Note-1: Share Capital</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Authorised</b> 7500000 equity shares of ₹ 100 each	7500.00	7500.00
<b>Issued &amp; Subscribed</b> 4936360 equity shares of ₹ 100 each	4936.36	4936.36
<b>Paid-up</b> 4905360 equity shares of ₹ 100 each fully paid-up	4905.36	4905.36
31000 equity shares of ₹ 100 each	31.00	31.00
Less: Call-in-arrear	-15.50	-15.50
31000 equity shares of ₹ 100 each, ₹ 50 each has been paid-up		
	<b>4920.86</b>	<b>4920.86</b>

(Amount in lakhs)

<b>Note-1A: Equity Shares</b>	<b>Number</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	4936360	4936.36
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<b>4936360</b>	<b>4936.36</b>



**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

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

Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Government of Punjab	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	-

**Note 1 D: Details of shares held by promoters**

Promoters Name	As at 31 March 2022		As at 31 March 2021		% change during the year
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Governor of Punjab	4546355	92.10	4546355	92.10	0
Secretary, Punjab rural development Board	250000	5.06	250000	5.06	0
President of India and of his behalf Secretary to Govt. of India, Ministry of Agriculture & Cooperation, Krishi bhawan Delhi	109000	2.21	109000	2.21	0
Central Govt. (unpaid Calls)	31000	0.63	31000	0.63	0
Sh. Vijay Kumar Namdeora, IAS, Special Secy Expenditure (Finance Department), Pb	0	0.00	1	0.00	100
Sh. Mohammad Tayyab, IAS, Special Secy Expenditure (Finance Department), Pb	1	0.00	0	0.00	100
Sh. Rahul Gupta, PCS Joint Secretary, Govt. of Pb. Deptt of Agriculture	3	0.00	3	0.00	0
Sh. Manjit singh Brar, IAS, Managing director, Punjab Agro Industries Corp. Ltd	1	0.00	1	0.00	0



(Amount in lakhs)

Note-2: Reserves & Surplus	As at 31st March 2022	As at 31st March 2021
<b>a. Capital Reserve</b>		
Opening Balance	.01	.01
(+) Current year transfer	-	-
(-) Written back in current year	-	-
Closing Balance	<b>.01</b>	<b>.01</b>
<b>b. General Reserve</b>		
<b>Received from State Government as assistance, invested in equity</b>		
Opening Balance	715.64	714.08
(+) Current year transfer (MAT Credit)	7.45	1.56
(-) Written back in current year	-	-
Closing Balance	<b>723.09</b>	<b>715.64</b>
<b>c. Surplus</b>		
Opening Balance	1760.05	1661.65
(+) Net Profit for the year	201.13	98.60
(-) Transfer from reserve	.00	.19
Closing Balance	<b>1961.18</b>	<b>1760.05</b>
	<b>2684.28</b>	<b>2475.70</b>

Out of the total assistance of ` 3299.90 lakh received from State Government as assistance for setting up of agriculture/horticulture processing units under scheme Mission IInd Push in Agriculture, a sum of ` 714.07 lakh [previous year ` 714.07 lakh] 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.'

(Amount in lakhs)

Note-3: Long Term Borrowings	As at 31st March 2022	As at 31st March 2021
<b>a. Term Loan (secured)</b>		
Loan from NABARD	.00	307.73
Against hypothecation of land & other prospective assets of Mega Food Park and State Government guarantee. Total loan sanctioned ` 2712.69 lakh 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		
	-	-
<b>b. From Related Parties</b>	-	-
<b>c. Loans and Advances from related parties</b>	-	-
<b>d. Other Loans and advances</b>	-	-
	<b>.00</b>	<b>307.73</b>



**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

(Amount in lakhs)

Note-4: Long-term Provisions	As at 31st March 2022	As at 31st March 2021
<b>a. Provision for Employee Benefits</b>		
Superannuation (unfunded)		
- Leave Encashment	-	-
- Gratuity	-	-
<b>b. Others (Specify nature)</b>		
	-	-

(Amount in lakhs)

Note-5: Short Term Borrowings	As at 31st March 2022	As at 31st March 2021
a. Loans repayable on demand	0	-
b. Current maturity of Long term debt	307.73	187.23
c. Loans and advances from related parties	-	-
d. Deposits	-	-
e. Other loans and advances (Specify nature)	-	-
	<b>307.73</b>	<b>187.23</b>

(Amount in lakhs)

Note-6: Trade Payables	As at 31st March 2022	As at 31st March 2021
<b>a. Outstanding Due of micro and small enterprises</b>	0	-
<b>Outstanding Due other than micro and small enterprises</b>	526.11	379.80
	<b>526.11</b>	<b>379.80</b>

\* The information regarding Micro enterprises and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

\*\* Refer Note No. 6A For ageing of Trade Payable



Note no.6 A

## Trade payable ageing schedule

## Outstanding for following periods from due date of payment (2021-22)

S.no	Particulars	Not due	Unbilled amount	< 1 year	1-2 years	2-3 years	> 3 years	Total
10.1	MSME	-	-	-	-	-	-	-
10.2	Others	-	-	217.59	308.53	.00	.00	526.11
10.3	Disputed dues-MSME	-	-	.00	.00	.00	.00	.00
10.4	Disputed dues-Other	-	-	.00	.00	.00	.00	.00
	<b>Total</b>			<b>217.59</b>	<b>308.53</b>	<b>.00</b>	<b>.00</b>	<b>526.11</b>

## Outstanding for following periods from due date of payment (2020-21)

S.no	Particulars	Not due	Unbilled amount	< 1 year	1-2 years	2-3 years	> 3 years	Total
10.1	MSME	-	-	-	-	-	-	-
10.2	Others	-	-	378.39	1.41	-	.00	379.80
10.3	Disputed dues-MSME	-	-	-	-	-	.00	.00
10.4	Disputed dues-Other	-	-	-	-	-	.00	.00
	<b>Total</b>			<b>378.39</b>	<b>1.41</b>	<b>.00</b>	<b>.00</b>	<b>379.80</b>





**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

(Amount in lakhs)

	As at 31st March 2022	As at 31st March 2021
<b>7: Other Current Liabilities</b>		
<b>Grant and Assistance</b>		
- Agri Business Development Fund	.86	.86
- Grant-in-aid Cotton Development	28.93	28.93
- Grant-in-aid Floriculture	.84	.84
- Grant-in-aid Horticulture Implements (Punjab Mandi Board)	1.79	1.79
- Grant-in-aid Horticulture (Rural Development Board)	9.95	9.95
- Grant-in-aid Pre Cooling Units	79.22	79.22
- Subsidy for Bee Keeping	15.00	15.00
- Central Assistance IInd Push	2771.30	2771.30
- Grant-in-aid RKVY Scheme	453.43	3.09
- Grant-in-aid Mega Food Park (includes interest)	3309.03	3700.27
- Subsidy for Jantar and Gypsum	141.87	940.78
- Grant-in-aid Food processing	1533.01	287.46
	<b>8345.21</b>	<b>7839.48</b>
<b>Interest accrued but not due on borrowings</b>	-	-
<b>Interest accrued and due, Punjab Government*</b>	1832.76	1832.76
<b>Interest received in advance</b>	.00	.00
<b>Other payables</b>		
- Expenses Payable (Outstanding Liabilities)	34.23	42.35
- Payable to Staff	11.41	2.43
- OS / TCS/ TDS on GST Payable	40.05	27.60
- Salary Payable	1.20	14.48
- GST Payable	7.76	9.06
- Advance from Parties	59.18	127.35
- Cheque issued but not yet presented	20.41	40.69
- Advance against Disinvestment	168.07	164.24
- Earnest Money and Security Payable	335.55	260.35
- PF, GIS & Prof. Tax Payable	.07	.06
- Advance against Land at Ludhiana	2342.33	693.25
- Contribution against LSPC	226.62	180.14
- Benevolent Fund	.06	.00
- Amount payable to subsidiary PAFC	39.80	262.68
- Withheld Amount pending settlement	.00	3.26
- Promotional Funds	65.86	67.20
- Gratuity payable	.00	.86
- Benevolent Fund Trust	.00	.24
- Group Gratuity Trust	.42	.00
	<b>5185.76</b>	<b>3729.00</b>
	<b>13530.98</b>	<b>11568.48</b>

**Note- 7A: Interest accrued but not due, Punjab Government**

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

) **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

) Company. ` 5.50 crore as principal was paid back to government in 2014-15 but interest thereon has not been paid.



(Amount in lakhs)

note-8: Short-term Provisions	As at 31st March 2022	As at 31st March 2021
Provision for Employee Benefits - EPF Payable		
PF Payable	30.28	22.74
Provision Others		
Provision for Income Tax	64.56	20.26
Payable against MFP	437.46	741.29
	<b>532.30</b>	<b>784.29</b>

(Amount in lakhs)

note-8A: Contingent Liabilities	As at 31st March 2022	As at 31st March 2021
Liabilities, if any for pending suits/assessments/appeals		
a) Income Tax	265.75	100.69
b) Suits filed by the Employees	Unascertainable	Unascertainable
c) Capital Expenditure Commitments (remaining to be executed and not provided for)	412.53	689.95
d) Suits filled by IPL	52.27	



**PUNJAB AGRO INDUSTRIES CORPORATION LIMITED CHANDIGARH**

Note No. 9- Property, Plant & Equipments and Intangible assets

(Amount in lakhs)

Name of the Asset	Fixed Asset Schedule as per Companies Act 2013									
	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	01-Apr-21	Additions	31-Mar-22	Deletions/ Adjustment	01-Apr-21	Deletions/ Adjustment	Dep for the year	31-Mar-22	31-Mar-21	
Land										
-Freehold (MFP)	76.51		76.51		.00			.00	76.51	76.51
-Freehold (MFP)	.01		.01		.00			.00	.01	.01
-Leasehold	26.06		26.06		10.86			10.86	15.21	15.21
Building	884.73	1919.45	2804.18		194.51		155.37	349.88	2454.29	690.21
Lab Equipments	3.93	.00	3.93		3.12		.20	3.32	.61	.81
Furniture & Fixture	8.07	42.92	50.99		2.82		1.44	4.25	46.74	5.25
Plant & Machinery	860.69	1373.19	2233.88		142.21		306.52	448.73	1785.14	718.47
Shed	1.06	48.25	49.31		.88		2.25	3.13	46.18	.18
computer	2.77	.01	2.77		2.16		.35	2.51	.27	.61
Vehicle	61.07	16.37	77.09	.35	36.04		11.87	47.90	29.19	25.03
Water installation	1.62	1.22	2.83		.79		.30	1.10	1.74	.82
Office Equipment	4.10	3.26	7.36		2.27		1.63	3.90	3.45	1.83
AC	1.31	3.61	4.92		.86		.93	1.79	3.13	.45
Electrical Installation	10.95	14.95	25.90		9.80		2.21	12.02	13.89	1.14
Generator set	146.11	45.63	191.74		25.44		27.35	52.80	138.94	120.66
<b>Current Year Total (i)</b>	<b>2088.97</b>	<b>3468.85</b>	<b>5557.48</b>	<b>.35</b>	<b>431.77</b>		<b>510.43</b>	<b>942.20</b>	<b>4615.29</b>	<b>1657.20</b>
(ii) Capital work in Progress	5883.93	467.05	3019.48		.00		.00	.00	3019.48	5883.93
<b>Current Year Total (ii)</b>	<b>5883.93</b>	<b>467.05</b>	<b>3019.48</b>		<b>.00</b>		<b>.00</b>	<b>.00</b>	<b>3019.48</b>	<b>5883.93</b>
<b>Total Fixed Assets (i + ii)</b>	<b>7972.91</b>	<b>3935.90</b>	<b>8576.96</b>		<b>431.77</b>		<b>510.43</b>	<b>942.20</b>	<b>7634.76</b>	<b>7541.14</b>
Previous Year	7599.60	2352.76	7972.91		251.91		205.02	431.77	7541.14	7347.69

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. Land MFP created out of grant have been taken on a notional value.

**CWIP/Intangible assets under development aging schedule**

CWIP	Amount (in lakhs) in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress				3019.48	3019.48
Projects temporarily suspended					



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

(Amount in lakhs.)

Note-10: Non Current Investments	As at 31st March 2022	As at 31st March 2021
Long Term Trade Investments (at cost) refer A below		
a) <b>SUBSIDIARY COMPANIES</b> Investment in equity instruments	755.00	755.00
b) <b>OTHERS</b> Investment in equity instruments	2267.52	2400.65 00
	<b>3022.52</b>	<b>3155.65</b>

(Amount in lakhs.)

	As at 31st March 2022	As at 31st March 2021
Aggregate amount of quoted investments (market value)	101.23	137.41
Aggregate amount of unquoted investments	2911.52	2964.62
Aggregate quoted investments Book value	111.00	191.03

Details of Trade Investments									
Sr. No.	Name of the Body Corporate	Subsy./ Asso./ JV/ Controlled Entity/Other	No. of Shares / Units		Quoted / Unquoted	Extent of Holding (%)		(Amount in lakhs.)	
			As at 31 March 2022	As at 31 March 2021		As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(a)	Investment in Equity Instruments (at cost)								
	@ 10/- per share otherwise specified (fully paid up)								
	<b>Subsidiary Companies</b>								
	-Punjab Agro Foodgrains Corporation Ltd.	Subsidiary	5000000	5000000	Unquote	100	100	500.00	500.00
	-Punjab Agri Export Corporation Ltd.	Subsidiary	2550000	2550000	Unquote	51	51	255.00	255.00
								<b>755.00</b>	<b>755.00</b>
(b)	<b>Others</b>								
	-Nijer Agro Foods Ltd	Others	1110004	1110004	Quoted	26	26	111.00	111.00
	-Krishak Bharti Co-operatives Ltd. (Rs.1 lac each share)	Others	11	11	Unquote	1	1	11.00	11.00
	-Punjab Foodkrafts Ltd.*	Others	10000	10000	Unquote	-	-	1.00	1.00
	-Sharda Agro Organo Pest. Ltd.*	Others	35100	35100	Unquote	-	-	3.51	3.51
	-Punjab Meats Ltd.	Others	4600000	4600000	Unquote	26	26	460.00	460.00
	-Honey Bee Natural Products Ltd.	Others	210000	210000	Unquote	50	50	21.00	21.00
	-Omega Ag Seeds Punjab Ltd.	Others	0	800300	Quoted	0	26	.00	80.03
	-Punjab Phytochemicals Ltd.	Others	0	0	Unquote	0	0	.00	.00
	-Deoli Agro Oils Ltd.	Others	1730000	1730000	Unquote	50	50	173.00	173.00
	-Punjab Blossoms Ltd	Others	391500	391500	Unquote	50	50	39.15	39.15
	-Sukhraj Agro Papers Ltd	Others	0	1030000	Unquote	0	50	.00	72.10
	-Bajwa Agro Industries Ltd.	Others	0	0	Unquote	0	0	.00	.00
	-Superior Genetics (India) Ltd.*	Others	0	0	Unquote	0	0	.00	.00
	-Domino Leathers Ltd.	Others	2560000	2560000	Unquote	26	26	256.00	256.00
	-Punjab Bio-Tech Sugars Ltd.	Others	0	300000	Unquote	0	50	.00	30.00
	-Golden Agro Winery Ltd.	Others	187500	187500	Unquote	50	50	18.75	18.75
	-A.G. Foods Ltd.	Others	2700000	2700000	Unquote	26	26	270.00	270.00
	-Sumer International Ltd.	Others	500000	500000	Unquote	26	26	50.00	50.00
	-Punjab Milkchem Ltd.	Others	1047600	1047600	Unquote	26	26	104.76	104.76
	-Recherche Spice Oils Ltd.	Others	927500	927500	Unquote	50	50	92.75	92.75
	-Himalayan Frozen Foods Ltd.	Others	780000	780000	Unquote	26	26	78.00	78.00
	-Green Bagh Foods Ltd.**	Others	200000	200000	Unquote	26	26	20.00	20.00
	-International Farm Fresh Ltd.**#	Others	214800	214800	Unquote	11	11	21.48	21.48
	-Punjab Agri Ventures Ltd.**#	Others	2141200	2141200	Unquote	22.28	22.28	214.12	214.12
	-Satnam Agri Products Ltd.**#	Others	2730000	2730000	Unquote	26	26	273.00	273.00
	-PUGMARK	Others	490000	0	Unquote	10	0	49.00	.00
	<b>Total</b>							<b>2267.52</b>	<b>2400.65</b>
	<b>Grand Total</b>							<b>3022.52</b>	<b>3155.65</b>

Notes:

\* Share application money, pending allotment of physical shares for a long time

\*\* Financial assistance of ₹714.07 lakhs [previous year ₹714.07 lakhs] has been utilized against these investments.

# There is no disinvestment clause as per FCA signed with the promoters.



**Note-10A:**

All long-term investments are shown at cost. Out of total investment of ₹ 3022.52 lakhs [previous year ₹ 3155.65 lakhs], a sum of ₹ 2204.74 lakhs [(previous year ₹ 2346.22 lakhs)] is due for disinvestment as on 31.03.2022. 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:

- Nijjer Agro Foods Ltd.
- PML Industries Ltd.
- Deol Agro Industries Ltd.
- Honey Bee Natural Products Ltd.
- Golden Agro Winery Ltd.
- Domino Leathers Ltd.
- Punjab Milkchem Ltd.
- Punjab Blossoms Ltd.
- Recherche Spice Oils Ltd.
- Sumer International Ltd.
- Himalayan Frozen Foods Ltd.
- A.G. Foods Ltd.
- Green Bagh Foods Ltd.
- Satnam Agri Products Ltd.
- Punjab Agri Ventures Ltd.
- International Farm Fresh Ltd.

**Disinvested/ Sale during the year**

- Sukhraj Agro Papers Ltd.
- Punjab Bio-tech Sugars Ltd.
- Omega Ag Seeds Ltd.

**Status of Other Companies**

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



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

Note-11: Deferred Tax

Deferred Tax calculation 31.03.2022

(Amount in lakhs)

S No.	Particulars	Amount ( <sup>-</sup> )	31.3.22 - 26%		31.3.21 - 26%	
			Deferred Tax		Deferred Tax	
			Assets	Liabilities	Assets	Liabilities
1	Provision for Doubtful Debts					
	Current Year	14.96	3.89			
	Previous Year	16.49		4.29		
2	Difference in WDV of Assets					
	Current Year	82.07		21.34		
	Previous Year	22.08				5.74
	As per Income Tax Act	4533.22				
	As per Books	4615.29				
		82.07				
			3.89	21.34	4.29	5.74
				-17.45		-1.45
	<b>Net Deferred Expenses</b>			<b>-15.99</b>		



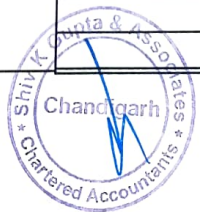
**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

(Amount in lakhs)

	As at 31st March 2022	As at 31st March 2021
<b>Note-12: Long-term Loans and Advances</b>		
- Capital Advances	-	-
- Loans and advances to related parties	-	-
- Other Loans and Advances	.00	.00
<b>Secured, considered good</b>	845.73	781.62
- Government of India - PAIC Group Leave Encashment Scheme	25.80	25.80
<b>Claims Recoverable</b>		
- State Government	.39	.39
- A.G. Foods Ltd. (provision)	.97	.97
- Golden Agro Winery Ltd. (provision)	.00	1.47
- Omega Ag Seeds Ltd. (provision)	.35	.35
- Satnam Agri Products Ltd	9.80	9.80
- Punjab Bio-tech Sugars Ltd. (provision)	.15	.15
- Punjab Food Krafts Ltd.	1.02	1.02
- Punjab Blossoms Ltd. (provision)	.17	.17
- Sharda Agro	400.00	400.00
- Viticulture Council of Punjab	.26	.00
- Subsidy on E-Scooter	-12.17	-13.70
Less: Provision for doubtful	<b>1272.44</b>	<b>1208.02</b>
	<b>1272.44</b>	<b>1208.02</b>

**Note-12A:** 400.00 lakh 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.

	As at 31st March 2022	As at 31st March 2021
<b>Note-13: Other Non-current Assets</b>		
<b>a) Fixed Deposits with maturity more than 12 months</b>		
- FDs PNB, Salem Tabri, Ludhiana (against bank guarantee)	1.00	1.00
	<b>1.00</b>	<b>1.00</b>
<b>b) Security Deposits</b>		
<b>Unsecured, considered good</b>	2.92	2.74
- Security deposits with others	.00	.00
- Earnest Money Deposit		
<b>Doubtful</b>		
- Security deposit with others	.00	.00
Less: Provision for doubtful	.00	.00
<b>Unsecured, considered good</b>	40.36	377.83
Misce. Expenditure/ Project Development Exp. (to the extent not written off or adjusted)		
Less: Provision for doubtful	-2.79	-2.79
	<b>40.50</b>	<b>377.78</b>
	<b>41.50</b>	<b>378.78</b>



**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

(Amount in lakhs)

Note-14: Inventory	As at 31st March 2022	As at 31st March 2021
Consumable Stores		
<b>Non Trading items (consumables)</b>		
-Plastic Pallets	48.53	55.58
-Plastic Sheets	.22	.50
-Tarpaulins	.35	.76
-Film Rolls and net Rolls	86.10	.00
-Decomposer Kit and Inoculents	2.60	2.87
-Fumigation Cover	.00	.37
-Gunny Bags Jute Hessain and HDPE Bags	2.46	5.94
-Others	.07	.00
<b>Trading items</b>		
-HSD	95.61	85.87
-MS	91.00	71.32
-Oils & Lubricants	6.77	6.24
-Wheat Seed	.00	43.37
-Paddy Seed (CS/FS)	2.96	6.56
-Fertilizers	.00	.00
-Dhaincha/Jantar Seeds	61.95	172.28
-Gypsum	118.63	6.95
-Silge	.22	.00
-Others	.19	.29
	<b>517.65</b>	<b>458.91</b>

(Amount in lakhs)

Note-15: Trade Receivables	As at 31st March 2022	As at 31st March 2021
<b>a. Secured, Considered good</b>		
-With related parties	-	-
-With others	194.12	135.57
<b>b. Unsecured, Considered good</b>		
-With related parties	-	-
-With others	-	-
<b>c. Doubtful</b>		
-With related parties	-	-
-With others	-	-
	<b>194.12</b>	<b>135.57</b>

\* Refer Note no. 15 A for ageing of Trade Receivables





Note no.15 A

## Trade receivable ageing schedule

## Outstanding for following periods from due date of payment (2021-22)

S.no	Particulars	Not due	Unbilled amount	< 6 months	6month-1 years	1-2 years	2-3 years	> 3 years	Total
	Undisputed Trade Receivables – considered good	-	-	166.53	7.99	19.60	.00	.00	194.12
	Undisputed Trade Receivables – considered doubtful	-	-			.00	.00	.00	.00
	Disputed Trade Receivables – considered good	-	-	.00	.00	.00	.00	.00	.00
	Disputed Trade Receivables – considered doubtful	-	-	.00	.00	.00	.00	.00	.00
	<b>Total</b>	-	-	166.53	7.99	19.60	.00	.00	194.12

## Outstanding for following periods from due date of payment (2020-21)

S.no	Particulars	Not due	Unbilled amount	< 6 months	6month-1 years	1-2 years	2-3 years	> 3 years	Total
	Undisputed Trade Receivables – considered good	-	-	120.67	14.90	.00	.00	.00	135.57
	Undisputed Trade Receivables – considered doubtful	-	-	.00	.00	.00	.00	.00	.00
	Disputed Trade Receivables – considered good	-	-	.00	.00	.00	.00	.00	.00
	Disputed Trade Receivables – considered doubtful	-	-	.00	.00	.00	.00	.00	.00
	<b>Total</b>	-	-	120.67	14.90	.00	.00	.00	135.57



Note-16: Cash and Cash Equivalents	As at	As at
	31st March 2022	31st March 2021
<b>Cash &amp; Bank Balance</b>	5.78	.00
<b>Cash in Hand</b>		
<b>Current Accounts</b>		
- Current Account H.O	1596.16	37.15
- Current Account MEP	2369.27	1118.33
- Current Account Agri Services	85.51	11.01
- Current Accounts PP	95.74	.00
- DD Cheque in transit	.55	.00
<b>Deposits Accounts with maturity less than 3 months</b>		
- FDs AU Small Finance Bank, Sector 8-C, Chandigarh	191.15	915.92
- FDs Equitas Small Finance Bank	100.00	.00
- FDs ICICI Bank, Sector 28-D, Chandigarh	107.15	334.68
- FDs HDFC Bank, Sector 8-C, Chandigarh	.00	113.23
- FDs HDFC Bank, Sector 27, Chandigarh	494.12	470.20
- FDs Yes bank	300.00	.00
- FDs Indian Overseas Bank, Sector 28-A, Chandigarh	193.49	527.63
- FDs OBC, Sector 26-D, Chandigarh (under lien with NABARD)	51.87	49.20
- OBC, Sector 26-D, Chandigarh (Flexi A/c)	6.92	26.44
- OBC, Sector 26-D, Chandigarh (Flexi A/c for Rania Farm, Amritsar)	.00	1.41
- HDFC Bank, Sector 27-C, Chandigarh (Flexi A/c)	.00	11.54
- FDs Pb State Co-operative Bank, Sector 35-C, Chandigarh	513.23	.00
- FDs IDFC Bank Ltd	.00	215.00
	<b>6110.93</b>	<b>3831.76</b>
<b>Other Bank Balances</b>		
<b>Deposit Accounts with maturity more than 3 months but less than 12 months</b>		
- FDs AU Small Finance Bank, Sector 8-C, Chandigarh	450.00	500.00
- FDs Pb State Co-operative Bank, Sector 35-C, Chandigarh	785.79	127.93
- FDs Indian Overseas Bank, Sector 28-A, Chandigarh	300.25	302.54
- FDs OBC, Sector 26-D, Chandigarh (under lien with NABARD)	15.27	15.27
- FDs IDFC Bank Ltd	.00	214.17
- FDs Pb. State Co-operative bank ltd	100.00	.00
- FDs Yes bank	.00	487.53
- FDs HDFC Bank	190.58	175.00
- FDs Indusind Bank	261.34	411.84
- IDBI Bank	.00	200.00
<b>Others</b>		
- Employees Security Deposit with Bank (pledged)	.00	1.41
	<b>2103.23</b>	<b>2435.70</b>
	<b>8214.16</b>	<b>6267.46</b>



**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

(Amount in lakhs)

**Note-17: Short-term Loans and Advances**

**1. Loans and Advances to related parties**

**Unsecured, considered good**

- Punjab Agri Export Corporation Ltd.

22.09

15.42

22.09

15.42

**2. Others**

**Unsecured, considered good**

-TDS Advance Income Tax/TCS

-Advance Fringe Benefit Tax

-Interest accrued but not Due

-Pre-paid Expenses

-Staff Advance & staff recovery

-Advance to parties

-Amount recoverable APEDA

-Amount recoverable UNATI

-GST ITC

-TDS under GST

-Shortage Pending under Investigation

-Income tax refund receivable

- MAT Credit Entitlement

- Amount recoverable from parties MFP

- Securities with other departments

48.32

35.17

1.66

1.66

142.69

162.23

9.78

17.59

6.73

2.39

470.34

379.39

.23

.00

.02

.00

6.71

4.31

.14

.06

6.91

500.37

520.08

194.49

187.04

66.07

15.89

1.44

.12

20.23

14.84

.75

.75

7.60

.09

11.22

4.45

.04

.03

.01

.00

.00

46.03

.09

.09

30.88

30.58

.45

.45

.00

.45

.92

.60

1.60

.37

63.05

34.56

4.17

5.38

.00

.00

2.76

.00

.78

.00

1600.46

1464.60

**1622.56**

**1480.02**



<b>Note-18: Revenue from Operation</b>	(Amount in lakhs)	
	<b>Year ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
Gain from Sale of Investment	26.51	32.11
Sale of Petroleum Product (Oil & Lubricants)	3932.25	.00
Mega Food Park (Ldh-Ladhowal)		
-Sale of Land	80.35	.00
-Profit on sale of plot	174.35	.00
-Sale of services at MFP	99.19	48.88
-Rental income MFP	83.96	92.00
Sale of Agri products		
-Wheat Seed (CS/FS/Breeder)	227.51	220.50
-Fertilizers	6568.38	3591.90
-Dhaincha/Jantar Seeds	700.73	184.72
-Gypsum	998.40	87.72
-Paddy Breeder seed	.06	.91
-Paddy Seed (CS/FS)	5.94	.07
-Silage Sale	135.12	.00
	<b>12122.76</b>	<b>4258.83</b>

<b>Note-19: Other Income</b>	(Amount in lakhs)	
	<b>Year ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
Interest (other than a finance Company)	295.07	320.88
Dividend	2.20	1.65
Excess Provision written back	1.53	84.19
PMFME income	.00	13.81
Income from Grant	421.92	196.58
Other operating Income		
-Rental Income at Chd HO	26.87	.00
-Income from Petrol pumps	23.38	.00
Other non-operating income	330.99	85.56
(net of expenses directly attributable to such income)		
	<b>1101.96</b>	<b>702.67</b>



**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

(Amount in lakhs)

<b>Note-20: Purchases/ Cost of Material</b>	<b>Year ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
<b>Cost of Land at Ludhowal</b>	45.07	.00
<b>Purchases:-</b>		
-HSD, MS & Lubricants	3840.54	163.43
-Wheat Seed (CS/FS/HD)	118.69	174.56
-Paddy Seed (CS/FS)	1.02	6.63
-Fertilizers	5571.83	3545.55
-Dhaincha Jantar Seeds	546.46	344.33
-Gypsum	1014.92	84.40
-Paddy Breeder Seed	.06	.91
-Silage Purchase	46.24	.00
<b>Cost of material consumed (consumables)</b>		
-Consumable stores (G.bags/Al. ph/ Melathine)	34.02	18.54
-Depriciation on consumable items	8.05	4.13
-Loading & Processing Charges	5.91	5.44
- Trade Discount (Dealer Margin)	6.80	.00
-Incentive to Farmers	13.57	22.47
<b>Total purchase/Cost of Material</b>	<b>11253.18</b>	<b>4370.39</b>

(Amount in lakhs)

<b>Note-21: Change in Inventory of Finished Goods, Work-in-Progress &amp; Stock in Trade</b>	<b>Year ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
<b>Opening Balance (Trading Items)</b>		
-HSD, MS & Lubricants	163.43	.00
-Wheat Seed (CS/FS/HD)	43.37	.00
-Paddy Seed	6.56	.00
-Fertilizers	.00	.00
-Dhaincha/Jantar Seeds	172.28	.00
-Gypsum	6.95	.00
<b>Total Opening Stock</b>	<b>392.59</b>	<b>.00</b>
<b>Less: Closing Balance (Trading items)</b>		
-HSD, MS & Lubricants	193.38	163.43
-Wheat Seed (CS/FS/HD)	.00	43.37
-Paddy Seed (CS)	2.96	6.56
-Fertilizers	.00	.00
-Dhaincha/Jantar Seeds	61.95	172.28
-Gypsum	118.63	6.95
Silage	.22	
<b>Total Closing Stock</b>	<b>377.14</b>	<b>392.59</b>
<b>Increase/(Decrease) in Inventory</b>	<b>15.45</b>	<b>-392.59</b>



**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

(Amount in lakhs)

<b>Note-22: Employee Benefits Expenses</b>	<b>Year ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
Salary & incentive	287.05	267.80
Contribution to provident fund superannuation scheme	21.04	23.15
Gratuity & Exgratia to Employee	14.64	1.00
Earned leave encashment	56.56	194.93
Medical	3.38	.00
Staff Welfare	1.10	1.18
	<b>383.77</b>	<b>488.06</b>

(Amount in lakhs)

<b>Note-23: Other Expenses</b>	<b>Year ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
Bank Charges/ Finance Cost	2.94	7.75
Vehicle running & maint.	32.41	3.47
Rent (Ground rent)	6.08	.75
Office/General maint.	4.97	8.94
Repairs:Building	13.94	.66
Insurance	35.12	13.66
Rates, Fees & Taxes	15.26	6.81
Legal Fee	1.23	3.25
Professional Charges	28.53	10.49
Computer & Software exp	1.66	3.82
Repair -Machinery	3.18	1.37
Newspapers & Periodicals	.78	.07
Telephone & Postage & Internet	1.99	.71
CSR contribution	.00	.00
Advertisement & Publicity	23.65	10.64
Printing & Stationery	3.24	2.57
Travelling Expense-		
-Director/Chairman	4.07	5.53
-Staff & others	4.01	1.77
Business Promotion	5.90	1.80
GST under RCM	.87	1.10
Property Tax	6.93	6.00
Training Expenses	1.67	.12
Power & Fuel Charges	37.37	22.76
Water Charges	22.07	.53
Director Fees	.08	.08
Housekeeping Exp	5.90	6.22
Silage project expense	1.94	6.71
Misc. Expenses/Rounding off	1.00	1.98
Continue.....		



**PUNJAB AGRO INDUSTRIES CORPORATION LTD.**

Continue.....

Loading/unloading & Transportation	30.32	12.49
Inspection, Grading & Packaging expenses	3.66	.10
Common Effluent Treatment Plan (CEPT) Charges	15.02	18.62
Annual Maintenance charges (MPS)	8.25	9.00
Horticulture & Landscaping Charges	1.73	.00
Operation & Maint.	5.19	.00
Discounts & Loss Silage	2.43	.00
Labour Charges/ Fumigation	1.25	1.11
Loss on Disinvestment of Equity	72.03	.00
	<b>406.67</b>	<b>170.88</b>
<b>Audit Fee</b>		
a. Statutory Audit	.59	1.00
b. Tax Audit	.00	.24
	<b>.59</b>	<b>1.24</b>
	<b>407.26</b>	<b>172.11</b>

(Amount in lakhs)

<b>Note-23A: Payment to Directors on Board</b>	<b>Current Year 31st March 2022</b>	<b>Previous Year 31st March 2021</b>
Salary & Allowances	41.75	37.81
Telephone	.21	.26
Travelling	4.07	5.53
Director Sitting Fee	.08	.08

(Amount in lakhs)

<b>Note-24: Exceptional Items</b>	<b>Year ended 31st March 2022</b>	<b>Year ended 31st March 2021</b>
Income/Expenses relating to previous year	1.67	-2.84
Amount Written off	371.27	.00
	<b>372.94</b>	<b>-2.84</b>



## Punjab Agro Industries Corporation Ltd.

### Note-25: Other Notes on Accounts

#### (A) Corporate Information

Punjab Agro Industries Corporation Limited is a State Government Company, having a status of a Private limited company was incorporated in 1966 with the objective to provide quality agri Inputs viz, fertilizer , Pesticides and tractors to farmers. Now the company is engage into the business of trading/ services of silage, fertilizer, wheat /Paddy seed, Jantar/Gypsum, Petrol Pumps and providing basic enabling & Core Processing Infrastructure to the food Processing Sector at Mega Food Park, Ludhiana

#### (B) 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 long-term investments, sale/lease of Plots, trading/manufacturing of silage, fertilizers, wheat seed, jantar/Gypsum, Petrol/Diesel and bank deposits.
- 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) MAT credit is recognized as an asset when and to the extent there is convincing evidence that the company will pay normal tax during the specified period. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal tax during the specified period.



- 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.

### 2) 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 cash in hand and bank balances.
- c) Cash flow from regular revenue generating, investing and financing activities of the company are segregated.

### 3) Fixed Assets: Property Plants and Equipments

- Fixed Assets comprising Property Plant and Equipments (PPE) are stated at cost less accumulated depreciation. All costs of bringing the respective assets to working condition for their intended use are capitalized.
- The company capitalizes all costs relating to acquisition and installation of Fixed Assets. Borrowing costs on qualifying assets are capitalized as part of cost of PPE.



- Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
- Advances paid towards the acquisition of fixed assets outstanding at balance sheet date are disclosed as "Advances to parties" under Note No. 17.

### Depreciation:

- 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.
- The assets whose WDV is 5% is not depreciated.
- Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is de-recognized.

### 5) Retirement Benefits:

- The Company contributes towards provident fund and family pension as per Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- 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. As per Actuarial Valuation total amount payable is Rs. 905.94 lakhs whereas fund size is Rs. 952.72 lakhs. Hence, there was a surplus as per current year actuarial valuation so no provision has been created for the current year.



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. As per actuarial valuation total amount payable is Rs. 822.79 lakhs whereas fund size is Rs. 845.72 lakhs. Hence, there was a surplus as per current year actuarial valuation so no provision has been created for the current year. The leave encashment disbursed to employees during the year is recognized as an expense when the employees retired from services.

d) 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) 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. The amortization of assets capitalized out of grants of Mega Food Park has been treated as income from grant in head "other income" of profit & Loss A/c out of the total depreciation charged to Profit and Loss in compliance to AS -12.

#### **7) 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, wherever applicable and in respect to struck off companies, these amounts are recoverable from the promoters and corporation can recover the same whenever it found information on any property of the promoter.
- 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). **Borrowing Cost:**

The borrowing costs are recognized as an expense in the period in which they are incurred. Borrowing costs directly attributable to the acquisition, construction or production of an



asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### **Revenue Recognition:**

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

### **Sale of Goods**

Revenue from sale of goods is recognized in the statement of profit and loss account when the significant risk and reward of ownership have been transferred to the buyer. The Company collects GST and VAT wherever applicable on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

### **Income from Services**

Income from sale of services is recognized in the statement of profit and loss account as and when accrues and there is certainty of collection of the consideration.

### **Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

### **Other Income**

Other income is recognized on accrual basis.

### 10). **Expenditure:**

Expenditure is accounted on accrual basis and provision is made for all known losses and liabilities.

### 11). **Inventory:**

The finished goods are valued at lower of cost or net realizable value in accordance with Accounting Standard. Cost of work-in-process and finished stocks are determined by



considering material cost and appropriation of factory and related overheads. Raw material, Stores and spares, packing material and work in progress are valued at cost.

### **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognized, but are disclosed in the notes. In respect to income tax cases contingent liability are disclosed to the extent demand raised by income tax department whereas refund is due against these assessment years in books of accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

### **Operating Cycle:**

Based on the nature of products/activitiy of the company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

14) 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, 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 completed so the expenditure incurred except on the Plots Leased



out has been shown under the head 'Capital Work-in-progress'. Some revenue generating assets which have been handed over to PAIC on completion has been recognized as fixed Assets out of WIP. 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 2<sup>nd</sup> installment released on 26.9.2017 & ₹1.00 crore from 3<sup>rd</sup> installment released on 30.09.2019 from Grant in Aid for the Project due to delay in completion.

c) Depreciation on some of 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.

d) During the year, the corporation has reduced the approved project cost from 123.83 crore to 117.61 crore with the approval of BOD. Hence income due to reduction in cost is recognized during the year as profit on sale of Plot as the same has been claimed as cost of plot with the former project cost.

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) which were transferred in Promotional fund account along with the amount unspent in context to Agro Tech 2016 & Agro Tech 2018 as per minutes of Audit Committee meeting held on dated 28.10.2020 and afterwards all the expenditure for trade fairs are incurred out of this fund.

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.

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 4.84 crore has been received from Police Department against said land, pending for settlement as interest is still recoverable from Police Department and under suit with Distt. Court, Ludhiana.

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 and pending for arguments with PAFC.

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 31.03.2022 is not ascertainable and disclosures relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

10. Earning per Share:

	<u>New</u>	<u>Old</u>
(a) Profit(+)/Loss(-) after tax ( ` )	201 ('00000)	98 ('00000)
(b) Number of Equity Shares	4936360	4936360
(c) Nominal value per Equity Share ( ` )	100	100
(d) Basic & Diluted Earnings per Share ( ` )	4.07	2.00

11. The company has not paid remuneration more than the limit prescribed u/s 197 read with schedule V of the companies Act, 2013 during the accounting period. Computation of net profit in accordance with section 198 of companies Act, 2013 has not enumerated as no commission is payable.

12. 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.



PUNJAB AGRO INDUSTRIES CORPORATION LTD.

CASH FLOW STATEMENT

Particulars	31.03.2022		31.03.2021	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit before tax and extra ordinary items		281.68		121.35
Adjustments for:				
- Depreciation	510.43		205.02	
- Dividend income	-2.20		-1.65	
- Interest income	-295.07		-320.88	
- (Profit) loss on sale of fixed assets	-0.66		-4.23	
- Transfer to reserve	7.45		1.36	
Operating profit before working capital changes		219.95		-120.39
Adjustments for:				
- Trade and other receivable	-58.55		-123.82	
- Inventory	-58.74		-458.72	
- Increase/Decrease in short term loans & advances	-142.53		-460.41	
- Increase/Decrease in miscellaneous expenses				
- Current liabilities	1977.33	1717.50	1182.52	139.57
Cash generated from operations		2219.13		140.54
- Direct taxes paid		-64.56		-20.26
Net cash from operating activities		2154.56		120.28
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
- Purchase of fixed assets	-3468.85		-1693.35	
- Capital Work in Progress	2864.46		1288.24	
- Sale transfer of fixed assets	1.01		10.88	
- Sale purchase of investments (net)	133.13		411.50	
- Long term loans & advances	-64.42		118.49	
- Other non current Assets	337.29		24	
- Interest received	295.07		320.88	
- Dividend received from other investments	2.20		1.65	
Net cash used in investing activities		99.87		458.54
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
- Proceeds from issue of share capital	.00		.00	
- Proceeds from short/ long term borrowings	-307.73		-390.41	
- Other long term borrowings	.00		-84.19	
- Repayment of short/ long term borrowings	.00		.00	
- Interest paid	.00		.00	
Net cash used in financing activities		-307.73		-474.60
NET INC / (-) DEC IN CASH & CASH EQUIVALENTS		1946.70		104.22
CASH & CASH EQUIVALENTS AS AT 1ST APRIL		6267.46		6163.24
CASH & CASH EQUIVALENTS AS AT 31ST MARCH		8214.16		6267.46

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

For and on behalf of the Board

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



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

Dated: 21-02-2023  
UDIN: 2308539784YMGH9096

(Ravi Gupta)  
Head (F&A)

(Manjit Singh Brar)  
Managing Director  
DIN: 00942519

(Rajesh Sood)  
Company Secretary

(Shaminder Singh Khinda)  
Chairman  
DIN: 09765479

**PUNJAB AGRO INDUSTRIES CORPORATION LTD**  
**14 SEGMENT REPORTING**

Particulars	(Amount in lakhs)	
	Current Year	Previous year
<b>(i) Primary Segments</b>		
<b>Revenue</b>		
- External revenue		
Sale of land - Mega Food Park, Ludhiana	80.35	.00
Sale of services- Mega Food Park, Ludhiana	99.19	48.88
Rental Income- Mega Food Park, Ludhiana	83.96	92.00
Sale of Plot- Mega Food Park, Ludhiana	174.35	.00
Sale of Agri Products-		
Wheat Seed and Paddy seed	233.52	221.49
Fertilizers	5658.38	3591.90
Dhancha Seed	700.73	184.72
Gypsum	998.40	87.72
Silage	135.12	.00
Petrol Pump	3932.25	.00
Others	321.58	353.00
	12417.82	4579.71
- Inter segment revenue	.00	.00
- Total revenue	12417.82	4579.71
<b>Segment result</b>		
Sale of land - Mega Food Park, Ludhiana	35.28	.00
Sale of services- Mega Food Park, Ludhiana	99.19	48.88
Rental Income- Mega Food Park, Ludhiana	83.96	92.00
Sale of Plot- Mega Food Park, Ludhiana	174.35	
Sale of Agri Products-		
Wheat Seed and Paddy seed	66.77	89.32
Fertilizers	86.55	46.35
Dhancha Seed	43.94	12.67
Gypsum	95.17	10.27
Silage	89.09	.00
Petrol Pump	121.66	.00
Others	321.58	353.00
	1217.54	652.49
Add: Unallocable expenses Net of income	1230.91	852.02
Operating profit	-13.38	-199.53
Less: Interest expenses	.00	.00
Add: Interest income	295.07	320.88
Profit/(-)Loss before tax	281.69	121.36
Less: Provision for tax	64.56	20.26
Less: Provision for deferred tax	15.99	2.50
Net Profit/(-)Loss	201.13	98.60
<b>Other information</b>		
Segment assets	6920.20	8379.04
Unallocable corporate assets	15582.07	12245.06
<b>TOTAL ASSETS</b>	22502.26	20624.10
Segment liabilities	8345.21	7839.48
Unallocable corporate liabilities	14157.05	12784.61
<b>TOTAL LIABILITIES</b>	22502.26	20624.10
Capital Expenditure (unallocable corporate)	3468.85	1693.35
Depreciation (unallocable corporate)	510.43	205.02
Non cash expenditure other than depreciation (unallocable corporate)	.00	.00
<b>(ii) Secondary Segments</b>		
External revenue by location of customers		
-within Punjab	12712.89	4637.23
Segment assets		
-within Punjab	6920.20	8379.04
Tangible fixed assets acquired during the year	3468.85	1693.35
-within Punjab	.00	.00



## 15. 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 Rajiv Sehgal	Vice Chairman
Shri Sibin C., IAS	Director
Sh. Yashanjit Singh I.R.T.S,	Director
Shri Mukesh Jain	Director
Shri Ranjeet Singh	Director
Shri Kiranjit Singh Mittha	Director
Smt. Nirmala Devi	Director
Shri Karnail singh	Director
Shri Balwinder Singh	Director

### Related Party Transactions

#### Name of the Related Party

#### Nature of Transactions

Punjab Agro Foodgrains  
Corporation Ltd.

The Company has contributed ₹ 500 (₹00000) as equity capital. The Company has provided staff on deputation. The balance payable to the said Company as on 31.03.2022 is ₹ 39 (₹00000).



Punjab Agri Export Corporation Ltd. The Company has contributed ₹255(₹00000) as equity capital. The Company has provided staff on deputation. The balance recoverable from the said Company as on 31.03.2022 is ₹22(₹00000).

#### 16. Consolidated Financial Statement (CFS):

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

#### 17. Corporate Social responsibility:

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 2021-22, the immediately preceding year profit is Rs 98, 59,691/- i.e., in F.Y 2020-21, and as per current financial year i.e., 2021-22 profit is Rs. 2,01,12,648/- So there is no applicability as per section 135 of Companies Act 2013, of CSR expenditure 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 2021-22.

#### 18. Additional Regulatory Information

- i) The Title deeds of the land are held in the name of corporation except the land of Petrol Pumps which are on lease of 100 years and the corporation has not revalued any of its assets.
- ii) Details of Benami property held: The corporation does not hold any Benami property.
- iii) Details where corporation is a willful defaulter. The corporation is not a willful defaulter.
- iv) The physical verification of stocks is conducted at reasonable intervals by the corporation and significant variations, if any, are analyzed and properly dealt.
- v) Registration of charges or satisfaction with registrar of companies: No charge pending to be registered.



- vi) Disclosure regarding undisclosed Income: The corporation has no undisclosed Income.
- vii) Disclosure regarding details of Crypto currency or Virtual currency: The Corporation did not trade nor holds any virtual currency.
- viii) The corporation has not give any loans and advances to promoters, directors , KMP's and to related parties.
- ix) The Corporation has complied with the no. of layers of the corporation as per section 186 of the companies Act, 2013.

### 19. Disclosure Regarding Ratios

Ratio	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio	0.72	0.66	10.35	NA
Debt-equity ratio	0.04	0.07	-39.53	Repayment of NABARD Loan during the year.
Debt service coverage ratio	3.22	1.20	167.65	Company has strong DSCR i.e Corporation has earned enough operating income during the FY to repay the debt.
Return on equity ratio	0.04	0.02	106.37	Corporation has PAT 2.03Cr as compared to previous year PAT amounting Rs. .99 Cr
Inventory turnover ratio	23.08	17.33	33.18	A high inventory turnover ratio suggests strong sales instead of maintaining excessive inventory. As compared to previous FY, in current FY corporation has lower stock of trading goods.
Trade receivables turnover ratio	73.38	57.38	27.87	A high receivables turnover ratio can indicate that a company's collection of accounts receivable is efficient and that it has a high proportion of quality customers who pay their debts quickly. A high receivables turnover ratio might also indicate that a company operates on a cash basis. During FY company operates multiple petrol pumps which have high cash sales.
Trade payables turnover ratio	24.76	22.02	12.42	NA
Net capital turnover ratio	1.62	0.58	178.75	The reason for such high variance is on account of increase in sale from 42.58 Cr. To 121.22 Cr during current financial year.
Net profit ratio	1.68	2.32	37.93	Net profit during last year was around .99Cr against turnover of Rs. 42.59 Cr whereas net profit for current year is 2.03 Cr against turnover of Rs. 1.21 Cr. Variance is on account of increase in cost.
Return on capital employed	0.04	0.02	131.49	Corporation has PAT 2.03Cr as compared to previous year PAT amounting Rs..99 Cr



20. Figures in Financial Statement are mentioned in Lakhs except where specifically mentioned otherwise.
21. 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 lakhs in financial statements.
22. Notes 1 to 25 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

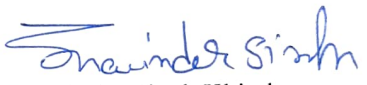
Dated: 21-02-2023

UDIN: 2308539784YM4H9096

  
(Ravi Gupta)  
Head (F&A)

  
(Manjit Singh Brar)  
Managing Director  
DIN: 00942519

  
(Rajesh Sood)  
Company Secretary

  
Shaminder Singh Khinda  
Chairman  
DIN: 09765479



**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, 2022**, 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.

**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**, 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 31<sup>st</sup>, 2022;
- 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.

**Basis for Qualified Opinion**

i) 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.

ii) 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.

iii) The Non-Current Investments of Rs. 2267.52 (Lacs) 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.

iv) No provision has been made against Claims Recoverable of Rs. 426.71 (lacs) including Rs. 400 (lacs) 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.

v) Under Claims Recoverable (Note-12), provision of Rs 12.17 (lacs) has been made from claims recoverable for the earlier years. The provision on account of claims recoverable has been adjusted during the year against disinvestments made.

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) Other Non-Current Assets include an amount of Rs. 40.36 (lacs) spent on development expenditure on projects representing payments made for project report/study made about 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. 40.36 (lacs).

viii) Penal interest of Rs. 128 (lacs) 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 and Surplus by Rs. 128 (lacs).

ix) Non current Investments include quoted investments in Nijjer Agro Foods Limited amounting to 111 lacs. The said investments has been stated at cost, whereas the quoted investments should represent the market value of quoted securities as at last trading day of financial year. The above company was delisted on 13-09-2007 and the value of investment should have been disclosed by way of note on the basis of current market value based on last traded price.



x) Section 129 of Companies Act 2013, provides for preparation of financial statements, which provides that the financial statements shall be prepared in the form provided in new schedule III. Following are the inconsistencies that were observed in the Balance sheet for the year 2021-22.

- Other Current assets have been wrongly grouped under the head Short term loans and advances. Further, other current assets should include the amounts which are recoverable within next 12 months from the close of financial year. It has however been observed that the amounts reflected under the head short term loans and advances include various amounts which are non-current in nature like income tax refund receivable, Mat credit entitlement etc. and have not been reflected as per the requirements of Schedule III of Companies Act, 2013.

-Transactions with related parties in terms of Section 177 and 188 have not been disclosed in the annual accounts.

xi) The Company has followed the provisions of Schedule II of the Companies Act, 2013 while computing the depreciation over Property, Plant and Equipment; however, in case of 'Effluent Treatment Plant' the useful life of the asset has been taken as 15 years instead of 8 years.

Following are the impacts made by above observations over financial statements:

S.No	Particulars	In (lacs)		
		Asset	Liability	Reserve & Surplus
	Balances as per Statement of Accounts	22502.26	19817.98	2684.28
1	Provision for claims Recoverable	(426.71)		(426.71)
2	Development Expenditure	(40.36)		(40.36)
3	Penal Interest		128.00	(128.00)
	<b>Net Balance after the adjustments</b>	<b>22035.19</b>	<b>19945.98</b>	<b>2089.21</b>

### Emphasis of Matters

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

As per the Note 25 Part(B) -(OTHER NOTES ON ACCOUNTS)

- 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 of project.
- 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 611(lacs) received from various departments 444.41(lacs) were spent on summit whereas 115.59(lacs) were refunded leaving a balance of 51(lacs) which were transferred in Promotional fund account along with the amount unspent in context to Agro Tech 2016 and Agro Tech 2018 as per minutes of Audit Committee meeting held on dated 28-10-2020 and afterwards all the expenditure for trade fairs are incurred out of this fund.

- iii. Point 2(b) - The Corporation out of 174.25(lacs) 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 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
- v. 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.
- vi. 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 4.84 crore has been received from Police Department as advance against said land, pending for settlement as interest is still recoverable from Police Department and under suit with Distt. Court Ludhiana.
- vii. 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 and pending for arguments with PAFC.
- viii. Point 7-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.
- ix. Point 8-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 indicated.



- x. Point 9- 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 31-03-2022 is not ascertainable and disclosure relating to amount unpaid as at the year- end together with interest paid/payable under this Act have not been given.

Our opinion is not modified in respect of these matters.

### **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.



**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.



### 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, 2020 ("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 Companies Act, 2013.

**FOR SHIV K GUPTA & ASSOCIATES**

**Chartered Accountants**

**FRN-006946N**

**(Shiv K Gupta)**

**M.No. 085397**

**Place: Chandigarh**

**Date: 21-02-2023**

**UDIN- 23085397BGYMGH9096**



## 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 31.03.2022 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**

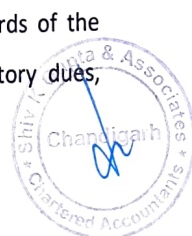
Because of the inherent limitations of internal financial controls over financial including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial 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.



## Annexure II

### 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 31,2022.

- i. (a) Property Plant & equipment details have been maintained in computerized form in respect of assets purchased after 01.04.2016. The details are yet to be updated in respect of assets acquired prior to 01.04.2016.
- b) As explained to us Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
- The Title deeds of the land are held in the name of corporation except the land of Petrol Pumps which are on lease of 100 years
- c) The corporation has not revalued any of its assets.
- d) Details of Benami property held: The Corporation does not hold any Benami property.
- ii. a. The physical verification of stocks is conducted at reasonable intervals by the corporation and significant variations, if any, are analyzed and properly dealt.
- b. The company does not have sanctioned working capital limits in excess of five crore rupees ( at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3 (ii) of the order are not applicable.
- iii. According to the information explanation provided to us, the Company has not granted any loans secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Cover 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 provisions of Section 185 and 186 of companies Act.
- v. The company has not accepted ant deposits from the public and hence directives issued by the RBI 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, ESIC, Income Tax, Sales Tax, wealth tax, service tax and any 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 Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes. However in case of Income tax, following is the schedule of demand raised against the corporation.

Financial Year	Assessment Year	Amount of IT Demand as per income tax department (Rs)	Demand under VSV	Net amount of Demand
2004-05	2005-06	6495809	8033945	8033945
2005-06	2006-07	13873691	11294460	11294460
2007-08	2008-09	1155724		1155724
2008-09	2009-10	1139725		1139725
2009-10	2010-11	1277720		1277720
2010-11	2011-12		3672932	3672932
<b>Total</b>		<b>23942669</b>	<b>23001337</b>	<b>26574506</b>

- viii. According to the information and explanation given to us, the company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the income tax act,1961 (43 of 1961).
- ix. a) The company has not issued any debentures. Also, it has not defaulted in any repayment of any loan or other borrowing. However, a loan of Rs. 5.50 crore 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 Rs. 18.33 crores thereon have not been paid, till date.
- b) The company has not been declared a wilful defaulter.
- c) The company has not raised any long term/ short term loans during the year.
- x. Based upon the audit procedure performed and the information and explanations given by the management, the company has not raised money by way of Initial public offer/further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of orders are not applicable to the company.
- xi. 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.



- 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, the transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 but the details have not been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. We have considered internal audit reports issued by the internal auditors during our audit.
- 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 them. 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 RBI act,1934 and accordingly, the provisions of clause 3 (xvi) of the order are not applicable to the company.
- xvii. According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the order are not applicable to the company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realization of financial assets and payment of liabilities, other information accompanying the standalone1 financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. The provisions of section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3 (xx) of the order is not applicable.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the company. Accordingly, no comment has been included in respect of said clause under this report.

FOR SHIV K GUPTA & ASSOCIATES

**Chartered Accountants**

**FRN-006946N**

**(Shiv K Gupta)**

**M.No. 085397**

**Place: Chandigarh**

**Date: 21-02-2023**



### 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:

Grant and Assistance	(Amount in lakhs)
- Agri Business Development Fund	.86
- Grant-in-aid Cotton Development	28.93
- Grant-in-aid Floriculture	.84
- Grant-in-aid Horticulture Implements (Punjab Mandi Board)	1.79
- Grant-in-aid Horticulture (Rural Development Board)	9.95
- Grant-in-aid Pre Cooling Units	79.22
- Subsidy for Bee Keeping	15.00
- Central Assistance IInd Push	2771.30

5. The Company has earned interest of ₹ 295.07 lakhs on total fixed deposits of ₹ 4061.16 lakhs, 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 ₹ 4058.86 lakhs from MOFPI, Govt. of India for Mega Food Park. The Project is under impmentation and 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. The grant has been shown under the head "Current 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: 21-02-2023**

