



# **RAGHUVANSH AGROFARMS LIMITED**

**ANNUAL REPORT 2015-16**

*TWENTIETH ANNUAL REPORT 2015-16*



## LETTER TO THE SHAREHOLDERS

Dear Shareholders,

We take immense Pleasure by sharing with you about the performance of your Company and present the Annual Report for the financial year 2015-16.

We would like to state that your company is progressing to achieve new milestones in its journey towards sustainable growth through total excellence. Raghuvansh Agro Farms Limited has pursued business excellence through passion, Perseverance and expansion projects successfully thereby improved its cost competitiveness and profitability.

As per estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) was 15.35 per cent of the Gross Value Added (GVA) during 2015-16 at 2011-12 prices. In present scenario there is a huge opportunity in an agricultural sector that's why Government has planned various schemes for the sustainable development of this sector.

There is always demand of agricultural products, dairy products and organic manures. Apart from that there is always incremental demand of power. So Company's existing business is assured to be on demand whether there are agricultural products, dairy products, organic manure or power generation through biogas power plant. Company is consistently stepping up for its expansion in its respective business sectors as determined.

We would like to assure that we will continuously seek the opportunities and make our best efforts to contribute towards the growth and success of the organization.

We extend our sincere appreciation to our colleagues on the Board for their wise and matured counsel for the smooth functioning of the Company. We would like to express our profound gratitude to all our stakeholders, our customers, business associates, employees, bankers, vendors and shareholders who have reposed their trust in us and given us constant support.

With warm regards,

Yours sincerely,

Subodh Agarwal

(Managing Director)

**Raghuvansh Agro Farms Limited**



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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Vishal Maheshwari - **Chairman (Non Executive & Independent Director)**  
Mr. Subodh Agarwal - **Managing Director**  
Mrs. Renu Agarwal- **Executive Director**  
Mr. Niranjana Swaroop Goel- **Non Executive & Independent (Additional) Director**  
Mr. Rajesh Kumar- **Non Executive & Independent Director**

### **CHIEF FINANCIAL OFFICER**

Mr. Devendra Pratap Singh

### **COMPANY SECRETARY**

Mr. Rajit Verma

### **BANKERS**

Union Bank of India  
Yes Bank Limited  
Kotak Mahindra Bank Limited

### **AUDITORS**

M/s. Naval Kapur & Co., Chartered Accountants  
10/49, Civil Lines, Mc Roberts' Ganj,  
Kanpur-208001

### **REGISTRAR/SHARE TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-1 53 A, 1<sup>st</sup> Floor, Okhla Industrial Area,  
Phase-1, New Delhi-110020,

### **REGISTERED OFFICE**

201-202, Namdhari Chambers,  
Karol Bagh, New Delhi-110005

### **CORPORATE OFFICE**

16/19-A, Civil Lines  
Kanpur-208001, Uttar Pradesh

**Email id:** raghuvanshagro@gmail.com, rafl666@rediffmail.com

**Website:** www.raghuvanshagro.com

**Tele. No.:** 0512-3071470-71



## DIRECTOR'S REPORT TO SHARE HOLDERS

The Board of Directors has pleasure in presenting the Twentieth Annual Report along with the Audited Accounts for the year ended on 31st March, 2016

### FINANCIAL RESULTS (STANDALONE & CONSOLIDATED)

During the year under review, performance of your company as under:

Particulars	<b>Amount (in Rs.)</b>	
	Year ended 31st March 2016	Year ended 31st March 2015
Turnover	20437756	17925287
Profit/(Loss) before taxation	6079453	2766445
Less : Tax Expense	500000	250000
Less : Deferred Tax	182826	(1072245)
Profit/(Loss) after tax	5396627	3588690

The consolidated performance of the group as per consolidated financial statements is as under:

Particulars	<b>Amount (in Rs.)</b>	
	Year ended 31st March 2016	Year ended 31st March 2015
Turnover	63291080	35770789
Profit/(Loss) before taxation	14582282	3965348
Less : Tax Expense	1552000	414946
Less : Deferred Tax	(96513)	(1176869)
Profit/(Loss) after tax	13126795	4727271

### STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company is engaged in agriculture operations. The Company is broadly engaged in cultivation of Organic Vegetables, Organic Grains and Cereals. We have an integrated facility for cultivation, processing and distribution of agricultural produce. Apart from the above, the Company is also engaged in dairy farming and production and distribution of dairy products.

Recently the Company has ventured into the field of renewable energy. The Company has been successfully running a Bio Gas Power Plant on pilot basis at its Kapli Farms. The said plant has been operational for a period of more than 02 years. Apart from that, the Company has commissioned a 1000 M3 capacity Bio Gas Plant for Power Generation at the factory premises of its subsidiary, M/s Sanjeevani Fertilizers and Chemicals Private Limited.

### CHANGE IN THE NATURE OF BUSINESS IF ANY

During the year under review there is no change in the nature of the business of the company.

### DIVIDEND

However with the view to conserve the resources of company the directors are not recommending any dividend.

### INCREASE IN ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL

During the year, there is no change is the share capital of the Company.

## TRANSFER TO RESERVES IN TERMS OF SECTION 134(3)(J) OF THE COMPANIES ACT, 2013

For the financial year ended on March 31, 2016, the Company has not transferred any amount to Balance Sheet under the head "General Reserve Account".

## EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT -9, for the Financial Year 2015-16 has been enclosed with this report as an annexure- 3.

## NUMBER OF MEETINGS OF THE BOARD

During the year only 05 Meetings of the Board of Directors held, the intervening gap between meetings was within the period prescribed under the Companies Act, 2013.

Sl. No.	Date of the Meeting
1	14.05.2015
2	27.05.2015
3	18.08.2015
4	10.11.2015
5	01.02.2016

### (a) Composition

- The Board of Directors Comprises of five directors, one of them is Managing Director.
- The office of Managing Director is held by the Mr. Subodh Agarwal one of the Promoter of the company.

### (b) Attendance of each director at the Board meetings and the last AGM.

Name	DIN	Category of Directorship	No. of Board Meeting Attended	Attendance at last AGM
Mr. Subodh Agarwal	00122844	Managing Director- ED	05	Yes
Mrs. Renu Agarwal	01767959	ED	05	No
Mr. Vishal Maheshwari	06766258	NED-I	05	Yes
Mr. Subhash Ghosh*	02195056	NED	04	No
Mr. Rajesh Kumar	06703566	NED-I	05	No

**ED** – Executive Director

**NED – I** – Non-Executive – Independent Director

**\*Note:** On 01<sup>st</sup> of February 2016 Mr. Subhash Ghosh had resigned from the post of Directorship of the Company.

### (c) Number of other Companies or Committees the Director of the Company is a Director/ Member/Chairman: -

Name of Director	No. of Directorships in other Boards	No. of Memberships in other Board Committees	No. of Chairmanships in other Board Committees
Mr. Subodh Agarwal	04	02	Nil
Mrs. Renu Agarwal	Nil	Nil	Nil
Mr. Vishal Maheshwari	Nil	01	02
Mr. Subhash Ghosh	03	01	Nil
Mr. Rajesh Kumar	02	02	01



Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

Details of Loans and Investments covered under provision of section 186 of the Companies Act, 2013 are stated in the notes of financial statements.

### **RELATED PARTY TRANSACTION**

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-5** in Form AOC-2 and the same forms part of this report.

Transactions with related parties entered into by the Company are in the normal course of business on arm's length basis and do not have potential conflicts with the Company.

### **SUBSIDIARY**

There are two subsidiaries of Raghuvansh Agro farms Limited:

#### **1. Sanjeevani Fertilizers and Chemicals Private Limited(SFCPL)**

Sanjeevani Fertilizers and Chemicals Pvt. Ltd. is unlisted material subsidiary of the Raghuvansh Agro farms Limited which holds 51.00% of the total equity share capital of the SFCPL. SFCPL is primarily engaged in cultivation of fruits. Sanjeevani has orchards of Pomegranate, Guava and Banana etc. The Orchards of SFCPL span across 1.888 hectares of farm land located at Village Gaur Pathak, Thesil Pokhrayan, District Ramabai Nagar (Old Kanpur Dehat). The said farm land is owned by SFCPL. The gross revenue of the company stood at Rs.71,41,143/- (previous year Rs. 1,27,18,141/-). Profit after Tax stood Rs. 29,81,790/- (Previous year Rs. 6,29,547/-).

#### **2. Kanpur Organics Private Limited(KOPL)**

Kanpur Organics Private Limited is unlisted subsidiary of the Raghuvansh Agro farms Limited as it holds 94.78% of total equity Shares of the Company. The gross revenue of the company stood at Rs.3,73,09,241/-[Previous year Rs. 66,43,201/-]. Profit after Tax Rs. 47,48,378/- (Previous year Rs. 5,09,035/-).

The details of financial performance of Subsidiaries are furnished in annexure-4 and attached to this report.

### **RISK MANAGEMENT**

Adverse weather conditions, future climate changes, Increases in labor, personnel and benefits costs, may adversely affect our business operations, as well as our operating results.

To mitigate such risk the management is always vigilant to overcome the aforesaid problem by applying appropriate technology, employing deserving executives, proper reporting and recording of data, timely evaluation and best decisions making.



## **CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Renu Agarwal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for reappointment as apart from her there is one Managing Director and rest of the Directors are Independent Directors and hence not liable to retire by rotation.

During the financial year under review, Mr. Subhash Ghosh (DIN: 02195056) Non-executive Non Independent Director has resigned from the office of the Directorship w.e.f. 01.02.2016 and on 30<sup>th</sup> April, 2016 Board has appointed Mr. Niranjana Swaroop Goel (DIN: 02325340) as an additional (Non Executive & Independent) Director in the Board of the Company

Except as above there was no change has taken place in the positions' of Directors and KMPs held by them.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the Year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## **PUBLIC DEPOSITS**

As on March 31, 2016, there are no public deposits. There are no deposits that remain unclaimed. The company has not renewed/ accepted fixed deposits and therefore there is no information is required to be furnished in respect of outstanding deposits.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 :-

- Mr. Vishal Maheshwari
- Mr. Rajesh Kumar
- Mr. Niranjana Swaroop Goel

## **SECRETARIAL AUDITOR**

The Board has appointed M/s. JCA & CO. , Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as annexure-1 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.



### **AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Vishal Maheshwari (Chairman), Mr. Subodh Agarwal (Member), Mr. Rajesh Kumar (Member). All the recommendations made by audit committee were accepted by Board.

Details of the Committee along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations along with other rules and regulations applicable, if any, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

### **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is explained in the Corporate Governance Report.

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company.

### **PARTICULARS OF EMPLOYEES**

The particulars as required to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this report as an annexure-6 and none of the employee is drawing remuneration of Rs.5,00,000/- or more per month if employed for a part of the year or Rs.60,00,000/- if employed throughout the period.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors of the Company hereby confirms that the provisions of Section 135(1) of the Companies Act, 2013 is not applicable to our company.



## **AUDITORS' REPORT**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report which is annexed hereto and forms part of the Annual Report does not contain any qualification, reservation or adverse remark.

## **STATUTORY AUDITORS**

M/s Naval Kapur & Co., Chartered Accountants (Firm Registration No. [005851C], the Statutory Auditors of the Company who is to hold office from the conclusion of the 18<sup>th</sup> Annual General Meeting until the conclusion of the 23<sup>rd</sup> Annual General Meeting of the Company subject to ratification in every Annual General Meeting, be and is hereby ratified.

## **CORPORATE GOVERNANCE**

The Company has complied with the Corporate Governance practices as stipulated under listing agreement with the Stock Exchange and rules set out by SEBI. A separate section on Corporate Governance under the Listing Agreement forms the part of this Annual Report. And the certificate from the Practicing Company Secretary, confirming the Compliances, is annexed as an annexure-2.

**Note:** - Members please note that SEBI vide its Notification dated September 02, 2015 makes the regulations known as "SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" which shall be effective from 01st December, 2015 thereby replacing the "Listing Agreement" entered by the company with BSE Ltd. Hence, the company was required to follow the said regulations

instead of "Listing Agreement" requirements from 01st December, 2015 and according to the said regulations the company (being **Listed on a SME Platform of BSE Ltd**) is exempted from the corporate Governance Requirements provided under regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V.

## **SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT, 2013)**

There were no complaints received during the financial year 2015-16 and hence no complaint is outstanding as on 31.03.2016 for redressal. Further Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace and made the necessary policies for safe and secure environment for women employee.

## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Regulation 33 of the SEBI (LODR) Regulations, 2015 the Consolidated Audited Financial Statements and Consolidated Cash Flow Statement for the year ended March 31, 2016 are provided in the Annual Report.

A statement containing the salient features of the financial statements of each of the subsidiary in the prescribed Form AOC-1 are annexed (Annexure-4).



## **MATERIAL CHANGES SUBSEQUENT TO THE CLOSE OF THE YEAR**

No material changes have been occurred between Balance Sheet date and the date on which the financial statement are approved by the Board of Directors.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## **BUSINESS RESPONSIBILITY REPORT**

The Board of Directors of the Company hereby confirms that, according to the provisions of Regulation 34(2)(f) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation 2015, report known as Business Responsibility Report (BRR) is not mandatorily applicable to our company, hence not annexed with Annual Report.

## **CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has ventured into the field of renewable energy. The Company has been successfully running a Bio Gas Power Plant on pilot basis at its Kapli Farms. The said plant has been operational for a period of more than 2 years. Apart from that, the Company is in process of commissioning a 1000 M3 capacity Bio Gas Plant for Power Generation at the factory premises of its subsidiary, M/s Sanjeevani Fertilizers and Chemicals Private Limited and has entered into Memorandum of Understanding.

There was no foreign exchange inflow or Outflow during the year under review.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors hereby confirm that:

- i. In the preparation of the annual accounts for financial year ended on March 31, 2016, the applicable accounting standards have been followed.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2016 and of the profit of the Company for the year ended on that date.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the annual accounts for financial year ended on March 31, 2016 on a 'going concern' basis.
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.



vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **OTHER DETAILS**

The company has adopted number of codes and policies to comply with the provisions of various applicable rules, regulations and act and uploaded the same on the website of the company if required by the concerned law. i.e.

1. Code of conduct to regulate, monitor and report trading by insiders,
2. Policy for determination of materiality of any event/information,
3. Code of Practices and Procedures for fair disclosure of unpublished price sensitive information.

### **ACKNOWLEDGEMENT**

We thank our customers, business associates, bankers and government authorities for their continued support during the last year.

We wish to convey our deep appreciation to the suppliers/vendors for their valuable support. We also place on record our sincere appreciation for the enthusiasm and commitment of Company's employees for the growth of the Company and look forward to their continued involvement and support.

Place: Kanpur  
Date: 20.08.2016

By order of the Board of Directors  
For Raghuvansh Agro Farms Limited

-Sd-  
(Subodh Agarwal)  
Managing Director  
DIN: 00122844

-Sd-  
(Renu Agarwal)  
Director  
DIN: 01767959

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **INTRODUCTION**

Since its inception, the Company is engaged in agriculture operations. The Company is broadly engaged in cultivation of Organic Vegetables, Organic Grains and Cereals. We have an integrated facility for cultivation, processing and distribution of agricultural produce. Apart from the above, the Company is also engaged in dairy farming, production, distribution of dairy products and manufacturing of organic manure.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

As per the land use statistics 2010-11, the total geographical area of the country is 328.7 million hectares, of which 141.6 million hectares is the net sown area. The gross cropped area is 198.9 million hectares with a cropping intensity of 140.5%. The net irrigated area is 63.6 million hectares.

In India, agriculture is a traditional business which is being advanced with the use of scientific techniques, tools, equipments and machineries. The agriculture produce consumed in native place as well as exported to other countries.

Biomass has always been an important energy source for the country considering the benefits it offers. It is renewable, widely available, carbon-neutral and has the potential to provide significant employment in the rural areas. Biomass is also capable of providing firm



energy. About 32% of the total primary energy use in the country is still derived from biomass and more than 70% of the country's population depends upon it for its energy needs.

The current availability of biomass in India is estimated at about 500 million metric tons per year. Studies sponsored by the Ministry have estimated surplus biomass availability at about 120 – 150 million metric tons per annum covering agricultural and forestry residues corresponding to a potential of about 18,000 MW. This apart, about 5000 MW additional power could be generated through bagasse based cogeneration in the country's 550 Sugar mills, if these sugar mills were to adopt technically and economically optimal levels of cogeneration for extracting power from the bagasse produced by them.

### **OPPORTUNITIES AND THREATS**

There is always demand of agricultural products, dairy products and organic manures. Apart from that there is always incremental demand of power. So Company's existing business is assured to be on demand whether there are agricultural, dairy products, organic manure or power generated through biogas power plant. Company is getting ahead for its expansion in its respective business sector as determined by its board.

Though company is operating in profit making sectors still its growth dependent on climate, government policies, availability of labors, and other factors.

### **SEGMENTWISE PERFORMANCE**

Company's business activity primarily falls within a single business and geographical segment, during the year under review agro and related products worth Rs. 2,04,37,756/- were sold.

### **OUTLOOK**

The Company expects that the situation will ameliorate due to favorable changes in climatic condition and government policies. The market of agricultural and dairy product is expected to grow and would be on demand.

Company is making constant efforts to improve operational efficiency to increase the earnings and making value addition in their operational activities.

### **RISKS & CONCERNS THE MANAGEMENT PERCEIVE**

Unfavorable climactic condition and uncertainty in economic growth which are not favorable presently in agricultural related activity is expected to impact the growth rate in India and consequently the Company's operations.

The growth in the industrial sector depends on government policies, better infrastructure, favorable climate, availability of labor, open market and growth in agricultural sector.

### **INTERNAL CONTROL SYSTEM & THEIR ADEQUACY**

Internal Control Systems are implemented:-

- To safeguard the Company's assets from loss or damage.
- To keep constant check on cost structure.



- To provide adequate financial and accounting controls and implement accounting standards.

The system is improved and modified continuously to meet with changes in business condition, statutory and accounting requirements. Internal controls are adequately supported by Internal Audit and periodic review by the management.

The Audit Committee meets periodically to review –

- Financial statements, with the management and statutory auditors;
- Adequacy/scope of internal audit function, significant findings and follow up thereon of any abnormal nature, with the internal auditors.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL EFFICIENCY**

The details of the financial performance of the Company appear in the Balance Sheet, Statement of Profit and Loss and other financial statements appearing separately. Please refer the Directors' Report for highlights.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS**

The human resources received consistent attention during the year considering the growth of the organization and the need arising there from. The relation at all levels was cordial throughout the year and the Company has initiated many programs on enhancing the skills of its men power.

As an ongoing exercise, the Company has continued to look at, identify, create and execute seamlessly, initiatives which enhance productivity and efficiency.

The Company continues to invest in people, required machines and equipments which enable the work force to meet the production requirements and challenges related thereto and to infuse positive enthusiasm towards the organization.

There are 07 employees on roll in an organization as on 31<sup>st</sup> March, 2016

### **CAUTION**

This report is based on the experience and information available to the Company in the agricultural, dairy business, manufacturing of manures and assumption in regard to domestic and global economic conditions, and government regulations etc.

The performance of the Company is dependent on these factors. It may be materially influenced by the changes therein beyond the Company's control, affecting the views expressed in or perceived from this report.

On behalf of the Board of Directors  
For Raghuvansh Agro farms Limited

-Sd-  
**(Subodh Agarwal)**  
Managing Director  
DIN: 00122844



## Annexure-1

### **Form No. MR-3** **SECRETARIAL AUDIT REPORT**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

### **SECRETARIAL AUDIT REPORT** FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016

To,  
The Members,  
**M/s. Raghuvansh Agrofarm's Limited**  
201-202, Namdahari Chambers, New Delhi-110005

Dear Sirs/Madam,

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Raghuvansh Agrofarm's Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on our verification of the Raghuvansh Agrofarm's Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

we have examined the books, papers, minute books, forms and returns filed and other records maintained by Raghuvansh Agrofarm's Limited ("the Company") as given in for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **( Not Applicable to Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - I. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- II. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- III. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- IV. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

(vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreements entered into by the Company with **BSE Limited** Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.



**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: 18.07.2016

Place: Jaipur

FOR JCA & CO.  
COMPANY SECRETARIES

-Sd-

AMIT DEEDWANIA

Partner

ACS No. : A36549

C.P. No.:13588

## Annexure-2

### CERTIFICATE OF CORPORATE GOVERNANCE

To,  
The Members,  
Raghuvansh AgroFarms Limited  
201-202, Namdhari Chambers,  
Karol Bagh, New Delhi-110005

We have examined the compliance of conditions of Corporate Governance by Raghuvansh AgroFarms Limited for the financial years ended March 31, 2016 as stipulated in clause 52 of the Listing Agreement of the said Company with the Stock Exchange for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 01<sup>st</sup> December 2015 to 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 15.07.2016

Place: Jaipur

For JCA & CO.

-Sd-

(Amit Deedwania)

Partner

Mem. No.: A36549

C.P. No.:13588



**Annexure-3**

**Form No.MGT-9**

**EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31/03/2016  
Of  
RAGHUVANSH AGROFARMS LIMITED**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L40300DL1996PLC258176
2.	Registration Date	19.12.1996
3.	Name of the Company	Raghuvansh Agro farms Limited
4.	Category/Sub-Category of the Company	Listed Public Company
5.	Address of the registered office and contact details	201-202, Namdhari Chambers, Karol Bagh, New Delhi, 110005. Tel.: +91-11-23634461
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	SKYLINE FINANCIAL SERVICES PVT. LTD D-1 53 A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Tele.; 011-26812682-83

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Agricultural Product	0111/0112/0113/0119/0122/0123/0125/0130	41.35
2	Dairy Products	01412	38.28
3	Organic Manure	20121	20.37

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/As sociate	% of Shares Held	Applicable Section
1	Sanjeevani Fertilizers and Chemicals Pvt. Ltd.	U74120UP2010PTC041812	Subsidiary	51.00	2(87)
2	Kanpur Organics Pvt. Ltd.	U24110UP2007PTC032815	Subsidiary	94.78	2(87)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1015300	-	1015300	8.52	1015300	-	1015300	8.52	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1500000		1500000	12.59	1500000		1500000	12.59	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	2515300		2515300	21.11	2515300		2515300	21.11	-
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	2515300	-	2515300	21.11	2515300	-	2515300	21.11	-
<b>B. Public</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-

c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	160000	24100	184100	1.54	100000	24100	124100	1.04	(0.50)
i) Indian	-	-	-	-	-	-	-	-	
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals	-	-	-	-	-	-	-	-	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2277600	224300	2501900	20.99	2322600	209300	2531900	21.25	0.26
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5130500	105000	5235500	43.93	5160500	105000	5265500	44.18	0.25
c) Others (HUF)	1445750	35000	1480750	12.42	1445750	35000	1480750	12.42	-
<b>Sub-total (B)(2):-</b>	9013850	388400	9402250	78.89	9028850	373400	9402250	78.89	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	9013850	388400	9402250	78.89	9028850	373400	9402250	78.89	-

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>11529150</b>	<b>388400</b>	<b>11917550</b>	<b>100</b>	<b>11544150</b>	<b>373400</b>	<b>11917550</b>	<b>100</b>	<b>-</b>

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Subodh Agarwal HUF	33750	0.28	0	33750	0.28	0	0
2.	Subodh Agarwal	981550	8.24	0	981550	8.24	0	0
3.	Litmus Investments Limited	500000	4.20	0	500000	4.20	0	0
4.	Model Kings Safetywear Ltd	1000000	8.39	0	1000000	8.39	0	0
	<b>Total</b>	<b>2515300</b>	<b>21.11</b>	<b>0</b>	<b>2515300</b>	<b>21.11</b>	<b>0</b>	<b>0</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Share holding at the beginning of the year		Change in Shareholding			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of Shares	Increase	Date	No. of shares	% of total shares of the company
01	Subodh Agarwal HUF	33750	0.28	--	--	--	33750	0.28
02	Subodh Agarwal	981550	8.24	--	--	--	981550	8.24
03	Litmus Investments Limited	500000	4.20	--	--	--	500000	4.20
04	Model Kings Safetywear Ltd	1000000	8.39	--	--	--	1000000	8.39

\* There is no change in shareholding of promoters.

**(iv) Shareholding Pattern of top ten Shareholders other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year		Transaction Details			Cumulative Shareholding during the year		Reason
		No. of shares	%of total shares of the company	Sale	Purchase	Date	No. of shares	%of total shares of the company	
1	Parth Agarwal	200000	1.68	0	0	0	200000	1.68	--
2	Rajendra Raj Singh HUF	115000	0.96	0	0	0	115000	0.96	--
3	Santosh Kumar Agrawal	100000	0.84	0	0	0	100000	0.84	--
4	Abhishek Agrawal	100000	0.84	0	0	0	100000	0.84	--
5	Anurag Agrawal	100000	0.84	0	0	0	100000	0.84	--
6	Manish Agarwal	100000	0.84	0	0	0	100000	0.84	--
7	Ketan Chandulal Thakkar	100000	0.84	0	0	0	100000	0.84	--
8	Adit Nitin kumar Thakkar	100000	0.84	0	0	0	100000	0.84	--
9	Ravi Patodia	80000	0.67	0	0	0	80000	0.67	--
10	Payal Gupta	75000	0.63	0	0	0	75000	0.63	--
11	Ajit Kumar Gupta	75000	0.63	0	0	0	75000	0.63	--
12	Mohit Jain	75000	0.63	0	0	0	75000	0.63	--
13	Om Prakash Gupta	75000	0.63	0	0	0	75000	0.63	--

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No .of shares	% of total shares of the	No. of shares	%of total shares of the
1.	Mr. Subodh Agarwal	Managing Director	981550	8.24	981550	8.24
2.	Mrs. Renu Agarwal	Director	0	0	0	0
3.	Mr. Vishal Maheshwari	Director	0	0	0	0
4.	Mr. Subhash Ghosh	Director	0	0	0	0
5.	Mr. Rajesh Kumar	Director	0	0	0	0
6.	Mr. Devendra Pratap Singh	CFO	0	0	0	0
7.	Mr. Rajit Verma	CS	0	0	0	0

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total( i+ ii + iii )</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
- Addition	-	-	-	-
- Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD	Name of WTD	Total Amount
		Mr. Subodh Agarwal	Ms. Renu Agarwal	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,80,000	3,60,000	8,40,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	4,80,000	3,60,000	8,40,000
	Ceiling as per the Act	-	-	-

**B .Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors	-	-	--	-	-
	· Fee for attending board committee meetings	-	-	-	-	-
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	4. Other Non-Executive Directors	-	-	-	-	-
	· Fee for attending board committee meetings	-	-	-	-	-
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,40,000	1,80,000	4,20,000
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	2,40,000	1,80,000	4,20,000

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES: NONE**

### Distribution of Shareholding as At 31<sup>ST</sup> MARCH, 2016

No. of Equity Share Holdings	No. of Shareholders	Percentage	No. of Shares	Percentage %
0001-5000	44	8.48	200800	1.68
5001-10000	278	53.56	2746500	23.05
10001-20000	71	13.68	1254250	10.52
20001-30000	52	10.02	1433200	12.03
30001-40000	35	6.74	1343750	11.28
40001-50000	21	4.05	1042500	8.75
50001-100000	13	2.50	1100000	9.23
100001-500000	3	0.58	815000	6.84
500001-1000000	2	0.39	1981550	16.63
<b>TOTAL</b>	<b>519</b>	<b>100.00</b>	<b>11917550</b>	<b>100</b>

#### Annexure-4

#### Form AOC-1

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

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

Part "A": Subsidiaries

S. No.	Particulars	Sl. No.- 01	Sl.No.- 02
01	Name	Sanjeevani Fertilizers and Chemicals Pvt. Ltd.	Kanpur Organics Pvt. Ltd.
02	Reporting Period	01.04.2015-31.03.2016	01.04.2015-31.03.2016
03	Reporting Currency	Rupees	Rupees
04	Share Capital	22,00,000	19,15,000
05	Reserves & Surplus	5,67,70,238	1,09,37,654
06	Total Assets	10,08,60,134	4,34,12,672
07	Total Liabilities	10,08,60,134	4,34,12,672
08	Investments	7,50,000	76,37,888
09	Turnover	71,41,143	3,73,09,241
10	Profit before Taxation	29,81,790	55,21,039
11	Provision for Taxation	00	7,72,661
12	Profit after Taxation	29,81,790	47,48,378
13	Proposed Dividend	Nil	Nil
14	% of Shareholding	51.00 %	94.78 %



Annexure:-5

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:  
No Such Transactions taken place during the year under review.**

- |  |      |
|--|------|
| (a) Name(s) of the related party and nature of relationship:   | - NA |
| (b) Nature of contracts/arrangements/transactions:   | - NA |
| (c) Duration of the contracts / arrangements/transactions:   | - NA |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any:                        | - NA |
| (e) Justification for entering into such contracts or arrangements or transactions                                     | - NA |
| (f) Date(s) of approval by the Board:  | - NA |
| (g) Amount paid as advances, if any:   | - NA |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: | - NA |

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

- |   |      |
|---|------|
| (a) Name(s) of the related party and nature of relationship:                                    | - NA |
| (b) Nature of contracts/arrangements/transactions:  | - NA |
| (c) Duration of the contracts / arrangements/transactions:                                      | - NA |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | - NA |
| (e) Date(s) of approval by the Board, if any:   | - NA |
| (f) Amount paid as advances, if any:  | - NA |

On behalf of the Board of Directors  
**For Raghuvansh Agro Farms Limited**

-Sd-  
**(Subodh Agarwal)**  
Managing Director

**PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH  
RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL  
PERSONNEL) RULES, 2014**

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A) Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

<b>Sl. No.</b>	<b>Requirement of Rule 5(1)</b>	<b>Disclosure</b>
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Mr. Subodh Agarwal(Managing Director)- 6.15 Ms. Renu Agarwal (Director) -4.61
2	Percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year	Percentage increase in remuneration of:- a) Directors -20.00% b) MD – 66.67 % c) CFO -Nil d) CEO -NA e) Company Secretary -Nil f) Manager -NA
3	The percentage increase in the median remuneration of employees in the financial year	% increase in the median remuneration of the Employees in the financial year. <b>Nil</b>
4	The number of permanent employees on the rolls of the company	There were 07 employees on permanent roll of the company as on March 31, 2016.
5	The explanation on the relationship between average increase in remuneration and company performance	While the average increase in the remuneration is 66.67%, the company has made a profit of Rs. 53,96,627/- as compared to last year's profit of Rs.35,88,690/- thereby increment in the profit of the Company is 50.38%.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The total remuneration paid to KMP's (MD, CFO and CS) was approx 16.68 % of the net profit for the FY 2015-16 which was based on the terms of the service contract which must be paid for availing there services.
7	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	Variations in the market capitalization: Rs. Market Capitalization as on 31-03-2015=Rs. 37.00 Crores 31-03-2016=Rs. 48.74 Crores  Price Earnings Ratio (Price/EPS): - As on 31-03-2015-Rs. 0.40 As on 31-03-2016-Rs. 0.45  363.36 % hike in the share price since last IPO price of Rs. 11/- p/s of the company.
8	Average percentile increase already made in the salaries of employees <i>other than</i> the managerial personnel in the last financial year i.e. 2015-16 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	During the year there is no increment in the salaries of the employees other than managerial Personnel in the last financial year.

9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: - MD- 8.89 % (of the Net Profit) CFO- 3.33 % (of the Net Profit) CS- 4.45 % (of the Net Profit)
10	The key parameters for any variable component of remuneration availed by the directors	The Company was not paying variable component of Remuneration to any director during the year.
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	NA
12	Affirmation that the remuneration is as per the remuneration policy of the company	We affirm that the remuneration paid to employees and KMP's was based on the remuneration policy.

B) Details of the every employee of the Company as required pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

- Drawing salary of 60 Lakhs or above for the year if employed throughout the year -Nil
- Drawing salary of 5 Lakhs p/m or above for a month if employed for part of the year -Nil
- Drawing salary more than the salary of MD and having 2% stake in the company -Nil

C) No Managing Director or Whole-time Director of the Company is receiving any commission from the Company as well as from the Holding Company or Subsidiary Company of the Company.

On behalf of the Board of Directors  
**For Raghuvansh Agro Farms Limited**

-Sd-  
**(Subodh Agarwal)**  
Managing Director



## REPORT ON CORPORATE GOVERNANCE

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enable Companies to maximize shareholder's value by attracting financial and human capital and efficient performance. The Company has been diligently developing best practices to ensure its responsibility to the shareholders.

As a part of the compliances of the Clause 52 of the Listing Agreement for the period 01-04-2015 to 30-11-2015 and SEBI (LODR) Regulations, 2015 as applicable to the company for the remaining period, the Company presents hereunder the required disclosures in the form of a report for information of all the stakeholders.

Your Directors are pleased to present the Corporate Governance Report for the Financial Year 2015-16.

### 1. Company's Philosophy of Corporate Governance

The Company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced and accountable manner.

### 2. Board of Directors

#### (a) Composition

The Board of Directors has an optimum combination of Executive and Non – Executive Directors along with one woman director. The Chairman, Mr. Vishal Maheshwari is a non –Executive Independent Director, more than one third of the Board comprises of independent Directors. The Independent Directors comply with the requirements of Listing Agreement/LODR Regulations for being independent and have also furnished declarations for compliance with the criteria of independence as per provisions of companies Act, 2013 and SEBI (LODR) Regulations, 2015.

- The Board of Directors Comprises of five directors, one of them is Managing Director.
- The office of Managing Director is held by the Mr. Subodh Agarwal one of the Promoter of the company.

#### (b) Attendance of each director at the Board meetings and the last AGM.

Name	DIN	Category of Directorship	No. of Board Meeting Attended	Attendance at last AGM
Mr. Subodh Agarwal	00122844	Managing Director- ED	05	Yes
Mrs. Renu Agarwal	01767959	ED	05	No
Mr. Vishal Maheshwari	06766258	NED-I	05	Yes
Mr. Subhash Ghosh*	02195056	NED	04	No
Mr. Rajesh Kumar	06703566	NED-I	05	No

**ED** – Executive Director

**NED – I** – Non-Executive – Independent Director

**\*Note:** On 01<sup>st</sup> of February 2016 Mr. Subhash Ghosh had resigned from the post of Directorship of the Company.

**(c) Number of other Companies or Committees the Director of the Company is a Director/ Member/Chairman: -**

Name of Director	No. of Directorships in other Boards	No. of Memberships in other Board Committees	No. of Chairmanships in other Board Committees
Mr. Subodh Agarwal	04	02	Nil
Mrs. Renu Agarwal	Nil	Nil	Nil
Mr. Vishal Maheshwari	Nil	01	02
Mr. Subhash Ghosh	03	01	Nil
Mr. Rajesh Kumar	02	02	01

**(d) Details of Board Meeting held during the period under review:**

Sl. No.	Date of the Meeting
1	14.05.2015
2	27.05.2015
3	18.08.2015
4	10.11.2015
5	01.02.2016

**3. COMMITTEES OF THE BOARD**

During the year, in accordance with the Companies Act, 2013, there is no change in the constitution of Committees. Presently there are three Committees of the Board, as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

**\*Note:** Mr. Niranjana Swaroop Goel has been appointed in Nomination and Remuneration Committee as a member on 30<sup>th</sup> April, 2016 as Mr. Subhash Ghosh has resigned from the directorship of the company on 01<sup>st</sup> Feb., 2016.

**I. AUDIT COMMITTEE**

i. Terms of Reference: The terms of reference of this Committee are wide enough covering the matters specified under the SEBI (LODR) Regulations 2015 and the Companies Act, 2013.

ii. Composition, Name of Members and Chairperson

Name	Designation	No. of Meetings Attended
Mr. Vishal Maheshwari	Chairman	04
Mr. Subodh Agarwal	Member	04
Mr. Rajesh Kumar	Member	04

iii. Details of Audit Committee Meetings held during the year under review:

Sr. No.	Date
1.	27.05.2015
2.	18.08.2015
3.	10.11.2015
4.	02.02.2016

Note: The Company Secretary of the Company acts as the Secretary to the Committee.

## II. Nomination and Remuneration Committee

### i. Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the SEBI (LODR) Regulations 2015 and the Companies Act, 2013.

### ii. Composition, Name of Members and Chairperson

Name	Designation	No. of Meetings Attended
Mr. Rajesh Kumar	Chairman	01
Mr. Subhash Ghosh	Member	01
Mr. Vishal Maheshwari	Member	01

The meeting of the Committee was held on 30.07.2015 which was attended by all the members.

### iii. Remuneration Policy

Remuneration policy of the Company aims at recommending and reviewing the remuneration to Managing Director, Non-executive Directors, Executive Directors and Key Managerial Personnel of the Company based on evaluation criteria such as industry benchmarks, company's annual performance & its strategy, expertise, talent and meritocracy.

Directors express their satisfaction with the evaluation process.

### Details of remuneration paid to Managing Director for the year under review:

Name of the Director	Salary	Commission	Performance linked bonus	Perquisites and Contribution to Provident Fund	Terms of appointment
Mr. Subodh Agarwal	4,80,000	-	-	-	05 Years, (From 01/04/2014 To 31/03/2019)

## III. Stakeholders Relationship Committee

### i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the SEBI (LODR) Regulations 2015 and the Companies Act, 2013.

### ii. Composition, Name of Members and Chairperson

Name	Designation	No. of Meetings Attended
Mr. Vishal Maheshwari (Non-Executive Director)	Chairman	01
Mr. Subodh Agarwal	Member	01
Mr. Rajesh Kumar	Member	01

The meeting of the Committee was held on 08.04.2015 which was attended by all the members.



Note-1: The Company Secretary of the Company acts as the Secretary to the Committee.

Note-2: There was no complaint received from the shareholder during the period under review as per the report provided by the Registrar and Transfer Agent, hence there is no pending Complaints.

#### 4. General Body Meetings

(i) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Venue
2012-13	28.09.2013	11.00 AM	201-202,Namdhari Chambers Karol Bagh, New Delhi - 05
2013-14	04.08.2014	11.00 AM	201-202,Namdhari Chambers Karol Bagh, New Delhi - 05
2014-15	25.09.2015	01:30 AM	201-202,Namdhari Chambers Karol Bagh, New Delhi - 05

(ii) Special Resolution passed in the previous three Annual General Meetings

Financial Year	Special Resolution	Details
2012-13	Yes	1.For preferential allotment of Equity Shares
2013-14	Yes	1.Issue of Equity Shares; 2. For Borrowing of Money; 3. For creation of Mortgage/Charge/Hypothecation; 4. Alteration Memorandum of Association.
2014-15	No	None

#### 5. DISCLOSURE

**I.** Related Party Transaction: Details of transaction with Related Party have been reported in the Notes to Accounts. All the transactions with the related party are at arm's length basis and there are no materially significant related party transactions which may have potential conflict with the company at large.

**II.** Compliances: There was no instance of non compliance by Companies or penalties or strictures imposed on the company by the stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**III.** Whistle Blower Policy: The Company has in place an employee concern (Whistle Blower) which is available on the website of the Company. No personnel have been denied access to the Audit Committee to lodge their grievance.

**IV.** The Company has complied with the mandatory requirements of SEBI(LODR) Regulations, 2015.

#### 6. MEANS OF COMMUNICATION

Shareholding Patterns, Corporate Governance Report and Financial results are electronically transmitted to the stock Exchange and the documents which are required to be uploaded on the website of the company as per SEBI (LODR) Regulations, 2015 and other applicable regulations, are also uploaded on the website "[www.raghuvanshagro.com](http://www.raghuvanshagro.com)" of the company.



The Company's news releases are displayed on the Company's website as per the requirement of SEBI (LODR) Regulations, 2015 and other applicable rules and regulations.

## 6. GENERAL SHAREHOLDER INFORMATION

AGM : Date, Time & Venue	On 24th September, 2016 at 01:30 PM, At Reg. Office: 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005
Financial year	The Financial year under the review covers the following period from 01.04.2015 to 31.03.2016
Date of Book Closure	17.09.2016 to 24.09.2016
Dividend Payment Date	NIL
Listing on Stock Exchange	BSE Limited
Stock Code	BSE : 538921 ISIN: INE865P01016
Market Price Date: High, Low during last Financial Year	Please see Annexure -7
Registrar and Transfer Agent	Skyline Financial Services Pvt. Ltd.
Share Transfer System	All the transfers received are processed by the Registrar and Transfer Agent.
Distribution of Shareholding and Shareholding Pattern as on 31.03.2016	Please see Annexure-3
Dematerialization of Shares and Liquidity	96.87 % of the paid capital are dematerialized as on March 31, 2016
Outstanding GDRs/ADRs/ Warrants or any Convertible instruments conversion date and likely impact on equity	Not Issued
Plant Locations	1. Gram Kapli, Tehsil Kanpur, Zila Kanpur Nagar 2. Village Gaur Pathak, Thesil Pokhrayan, District Ramabai Nagar (Old Kanpur Dehat).
Address for correspondence	Corp. Office: 16/19-A, Civil Lines, Kanpur-208001, Uttar Pradesh Email Id. : raghuvanshagro@gmail.com Tele. : 0512-3071470-71

## B. NON-MANDATORY REQUIREMENTS

**a. THE BOARD** – Re: Non-executive Chairman–Maintenance of office at Company's expense

The Company does not maintain a separate office for the non – executive Chairman.

**b. SHAREHOLDERS RIGHTS** – Re: half yearly results

A half-yearly declaration of financial performance including summary of the significant events in last six-months is uploaded on the website of the Company.

**c. AUDIT QUALIFICATIONS**

The financial statements of the Company are unqualified.



#### **d. EVALUATION OF THE BOARD'S PERFORMANCE**

The details of the evaluation of the Board's Performance forms part of the Director's Report.

#### **e. WHISTLE BLOWER POLICY**

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company.

On behalf of the Board of Directors  
For Raghuvansh Agro farms Limited

-Sd-  
(Subodh Agarwal)  
Managing Director

#### **Annexure-7**

#### **SHARE PRICE DATA**

<b>Month</b>	<b>High (Rs.)</b>	<b>Low(Rs.)</b>	<b>Volume (Nos.)</b>
10 <sup>th</sup> April, 2015	32.60	32.60	30,000
13 <sup>th</sup> April, 2015	34.20	34.20	10,000
17 <sup>th</sup> April, 2015	32.60	32.50	20,000
21 <sup>st</sup> April, 2015	34.10	34.10	10,000
15 <sup>th</sup> June, 2015	40.90	40.90	05,000

**Note:** Company got listed on BSE SME Platform on January 28, 2015.

#### **DECLARATION REGARDING CODE OF CONDUCT**

I, Subodh Agarwal (DIN:00122844), Managing Director of the Raghuvansh Agro farms Limited, hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

**For Raghuvansh Agro farms Limited**

Date: 20.08.2016  
Place: Kanpur

-Sd-  
**(Subodh Agarwal)**  
**Managing Director**



## CEO/CFO CERTIFICATION

To,  
The Board of Directors,  
Raghuvansh Agro Farms Limited

We have reviewed the financial statements and the cash flow statement of Raghuvansh Agro Farms Limited for the year ended 31<sup>ST</sup> March, 2016 and that to the best of our knowledge and belief, we state that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year.
  - (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kanpur  
Date: 30.05.2016

-Sd-  
(Devendra Pratap Singh)  
**Chief Financial Officer**

-Sd-  
(Subodh Agarwal)  
**Managing Director**



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF RAGHUVANSH AGROFARMS LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **RAGHUVANSH AGROFARMS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information,

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matters**

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

- i) Para No. 4 pertaining to Related Party Disclosure. And
- ii) Para No. 8 pertaining to Disclosure in Two Subsidiary Companies.

Our opinion is not modified in respect of these matters.

### **Other Matter: NIL**

Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

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

(a) 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) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us].

(e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the 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 A".

(h) With respect to the 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:



- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note XX to the financial statements; [or the Company does not have any pending litigations which would impact its financial position]
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For Naval Kapur & Co.**  
Chartered Accountants  
(FRN:05851C)

CA Naval Kapur  
(Partner)  
(Membership No.074587)

**Place:** Kanpur  
**Date:** 30/05/2016

**Report under Companies (Auditors' Report) Order, 2016**  
**RAGHUVANSH AGROFARMS LIMITED**  
**CIN: U40300DL1996PLC258176**

**Annexure A to the Auditors' Report**

The Annexure referred to in our report to the members of **RAGHUVANSH AGROFARMS LIMITED** for the year ended on March 31' 2016.

**We report that:**

**Clause (i):**

**(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets?**

**Auditors' Remarks:**

Yes. Proper records have been maintained by the company showing full particulars including quantitative details of Fixed Assets.

**(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account?**

**Auditors' Remarks:**

Yes. The management has been verifying the fixed assets physically at reasonable intervals and no material discrepancies were noticed on such verifications.

**(c) Whether all the immovable properties in the name of company?**

**Auditors' Remarks :**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, following immovable properties are in the possession of the company:-

LESSOR	ADDRESS OF PROPERTY	AGREEMENT DATE	REMARK
Sanjeevani Fertilizers and chemicals (P) Ltd.	Village- Gaur Pathak, The Pokhrayan District-Ramabai Nagar- Bhoginpur- Old Kanpur	01.10.2014	This property is on lease and the lease agreement is the name of company
MP Audyogik Kendra Vikas Nigam (Indore) Limited	Free Press House , 1 <sup>st</sup> Floor,3/54 Press Complex, Agra-Mumbai Marg Indore(M.P)-452008	02.05.2015	This property is on lease and the lease agreement is the name of company.

None of the properties as mentioned above have actually been acquired by the company. They are on lease. However, the lease agreements for both the properties are in the company.

**Clause (ii):**

**(a) Whether physical verification of inventory has been conducted at reasonable intervals by the management?**

**Auditors' Remarks:**

Yes. The management has conducted physical verification of inventories at reasonable intervals and no discrepancies were noticed on such verifications.

**(b) Are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business? If not, the inadequacies in such procedures should be reported.**

**Auditors' Remarks:**

Yes. In our opinion the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company.

**(c) Whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;**

**Auditors' Remarks:**

Yes. Proper records of inventory have been maintained by the company and no material discrepancies have been noticed on its physical verification.

**Clause (iii): Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,**

**(a) Whether receipt of the principal amount and interest accrued also regular; and**

**Auditors' Remarks:**

Yes. The company has given loans to two of its subsidiaries as below:-

Loan To	Repayment Start Date	Amount of Loan (Rs.)	Rate OF Interest
Kanpur Organics (P) Ltd	01.07.2018	20113500.00	Non-Interest Bearing
Sanjeevani Fertilizers (P) Ltd	01.07.2018	41365000.00	Non-Interest Bearing

The company has not yet started receiving the principal amount of such loans as the repayment starting date , according to the Loan Agreements in both the cases is 01.07.2018.

**(b) If overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;**

**Auditors' Remarks:**

As repayment starting date is 01.07.2018 therefore, there is no overdue amount towards the principal.

**Clause (IV): Whether in respect of loans and advances, the Company has complied with the provisions of Sections 185 and 186 of the Act**

**Auditors' Remarks:**

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans and investments made.

**Clause (V): In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?**

**Auditors' Remarks:**

Company has not accepted any deposit from the public during the year.

**Clause (VI): Where maintenance of cost records has been specified by the Central Government under subsection(1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained?**

**Auditors' Remarks:**

Maintenance of cost records has not been specified Central Government under subsection (1) of section 148 of the Companies Act.

**Clause (VII): Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated.**

**Auditors' Remarks:**

Yes. The company is regular in depositing all such undisputed statutory dues with the appropriate authorities.

**(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on**

account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).

**Auditors' Remarks:**

There are no such disputed dues.

**Clause (VIII): Whether the company has defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders? If yes, the period and the amount of default to be reported. (In case of defaults to banks, financial institutions, and government, lender wise details to be provided).**

**Auditors' Remarks:**

The Company does not have loans and borrowings from financial institution, bank, and government during the year. Therefore, this clause of order is not applicable.

**Clause (IX): Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which those were raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported.**

**Auditors' Remarks:**

The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans during the year. Therefore, this clause is not applicable.

**Clause (X): Whether any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year. If yes, the nature and the amount involved is to be indicated.**

**Auditors' Remarks:**

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

**Clause (XI): Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same; Whether term loans were applied for the purpose for which the loans were obtained?**

**Auditors' Remarks:**

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**Clause (XII): Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.**

**Auditors' Remarks:**

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

**Clause (XIII): Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;**

**Auditors' Remarks:**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

**Clause (XIV): Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of noncompliance;**

**Auditors' Remarks:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

**Clause(XV)**

**Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with.**

**Auditors' Remarks:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

**Clause(XVI):Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.**

**Auditors' Remarks:**

The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For Naval Kapur & Co.  
Chartered Accountants  
FRN:005851C**

**CA Naval Kapur  
Chartered Accountant  
Membership No.:074587**

**Place:Kanpur  
Date:-30/05/2016**



## **Annexure B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **RAGHUVANSH AGROFARMS LIMITED** ('the Company') as of 31 March 2016 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 ('ICAI'). 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 the 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 were 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 auditors' 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 purposes in accordance with generally



accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) 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 reporting, 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.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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.

**For Naval Kapur & Co.  
Chartered Accountants  
FRN:005851C**

**CA Naval Kapur  
Chartered Accountant  
Membership No.:074587**

**Place:Kanpur  
Date:-30/05/2016**



**RAGHUVANSH AGROFARMS LIMITED**  
**BALANCE SHEET AS ON 31.03.2016**

Particulars	Note No	Amount (Rs.)	
		2015-16	2014-15
<b>EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	119175500	119175500
(b) Reserve & Surplus	2	97340725	91944098
(c) Money Received against share warrants		0	0
(d) Minority Interest		0	0
<b>(2) Share application money pending allotment</b>		0	0
<b>(3) Non- Current Liabilities</b>			
(a) Long Term borrowings	3	0	0
(b) Deferred tax liabilities		0	0
(c) Other long term liabilities	3	0	0
(d) Long term provisions	4	0	18000
<b>(4) Current liabilities</b>			
(a) Short term borrowings	3	0	55357
(b) Trade payable	3	187761	342161
(c) Other current Liabilities	3	0	190000
(d) Short Term provisions	4	959064	579066
<b>TOTAL</b>		<b>217663050</b>	<b>212304182</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	5	53408770	30710296
(ii) Intangible assets	5	0	0
(iii) Capital work in progress	5	0	18452167
(iv) Intangible assets under development		0	0
(b) Non- current investments	6	75340026	75340026
(c) Deferred Tax Assets (net)	0	1096115	1278941
(d) Long term loans & advances	11	0	0
(e) Other non-current assets	10,11	61478500	51454383
<b>(2). Current assets</b>			
(a) Current investment	7	0	0
(b) Inventories	8	2106622	2735138
(c) Trade Receivables	10	7581052	2041327
(d) Cash & cash equivalents	9	720128	23712939
(e) Short term loans and advances	11	15931837	6578965
(f) Other current assets	11	0	0
<b>TOTAL</b>		<b>217663050</b>	<b>212304182</b>

**Notes to Accounts - 18**

Figures have been rounded of to the nearest rupee

"As per our report of even date attached".

**For M/S Naval Kapur & Co.**

Chartered Accountants,

(CA. Naval Kapur)  
Partner  
M.N.- 074587.  
FRN-005851C

Place: Kanpur  
Date : 30.05.2016

**For Raghuvansh Agro farms Limited**

Subodh Agarwal  
(Managing Director)

Renu Agarwal  
(Director)

Devendra Pratap Singh  
(Chief Financial Officer)

Rajit Verma  
(Company Secretary)



**RAGHUVANSH AGROFARMS LIMITED**  
**Profit and Loss statement for the year ended 31st March 2016**

		Amount(Rs.)	
Particulars	Note No.	2015-16	2014-15
I. Revenue from operations	12	20437756	17925287
II. Other Income	13	0	211111
<b>III.Total Revenue(I+II)</b>		<b>20437756</b>	<b>18136398</b>
<b>IV. EXPENSES:</b>			
Cost of material consumed	14	4743981	3282836
Purchase of Stock- in-Trade		0	0
Changes in inventories of finished goods, work in progress and stock-in- Trade		724516	-297857
Employee benefit expense	15	1026600	1112742
Financial Cost	16	24094	28342
Depreciation and amortization expense	5	1216628	1717927
Other Expenses	17	6622484	9525963
<b>IV.Total Expenses</b>		<b>14358303</b>	<b>15369953</b>
V. Profit before exceptional and extarordinary items and tax	(III-IV)	6079453	2766445
VI.Exceptional Items		0	0
VII. Profit before extraordinary items and tax	(V-VI)	6079453	2766445
VIII. Extraordinary Items		0	0
IX. Profit before tax	(VII-VIII)	<b>6079453</b>	<b>2766445</b>
X. Tax Expense:			
(1) Current Tax		500000	250000
(2) Deferred Tax		182826	-1072245
XI. Profit(Loss) from the period continuing operations	(IX-X)	5396627	3588690
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of disconting operations		0	0
XIV. Profit/(Loss) from discontinuing operations	(XII-XIII)	0	0
XV. Profit/(loss) for the period	(XI+ XIV)	5396627	3588690
XVI. Share of results of Associates		0	0
XVII. Minority Interest		0	0
XVIII. Profit/(loss) for the period (XV+XVI+XVII)		<b>5396627</b>	<b>3588690</b>
XIX. Earning per equity share:			
(1) Basic		0.45	0.43
(2) Adjusted		0.45	0.40
(3) Dilluted		0.45	0.43

**Notes to Accounts - 18**

Figures have been rounded of to the nearest rupee  
 "As per our report of even date attached".

**For M/S Naval Kapur & Co.**

Chartered Accountants,

(CA. Naval Kapur)  
 Partner  
 M.N.- 074587.  
 FRN-005851C

Place: Kanpur  
 Date : 30.05.2016

**For Raghuvansh Agro farms Limited**

Subodh Agarwal  
 (Managing Director)

Renu Agarwal  
 ( Director)

Devendra Pratap Singh  
 (Chief Financial Officer)

Rajit Verma  
 (Company Secretary)



**RAGHUVANSH AGROFARMS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars		As at 31st March, 2016	As at 31st March, 2015
<b>A.</b>	<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
	Net Profit Before Tax	6,079,453	2,766,445
	<b>Add/(Less) Adjustment for :</b>		
	Depreciation	1,216,628	1,717,927
	Provision for Standard assets	-	-
	<b>Operating Profit Before Working Capital Changes</b>	<b>7,296,081</b>	<b>4,484,372</b>
	<b>Add/(Less): Adjustments for Working Capital changes :</b>		
	Trade and other Receivables	(5,539,725)	(2,041,327)
	loan and advances	(9,352,872)	9,759,737
	Inventories	628,516	215,277
	Trade Payable & Other Liabilities	17,598	755,410
	Other Current Assets	-	-
	Cash generated Form Operations	(6,950,402)	13,173,469
	Tax Paid (Net)	(500,000)	(393,946)
	<b>Net Cash Flow From Operating Activities</b>	<b>(7,450,402)</b>	<b>12,779,523</b>
<b>B.</b>	<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
	Purchase of Fixed Assets	(5,462,935)	(31,016,409)
	Loan Refund Received	(10,024,117)	(2,359,706)
	Issue of shares	-	36,000,000
	Investment in Shares and Chit Funds	-	(18,252,000)
	<b>Net Cash Flow from Investing Activities</b>	<b>(15,487,052)</b>	<b>(15,628,115)</b>
<b>C.</b>	<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
	Increase/(Decrease) in Secured Loans	(55,357)	(204,294)
	Securities Premium	-	3,600,000
	Increase/(Decrease) in Unsecured Loans	-	-
	<b>Net Cash Flow from Financing Activities</b>	<b>(55,357)</b>	<b>3,395,706</b>
	Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(22,992,811)	547,114
	<b>Opening Cash &amp; Cash Equivalent:</b>	<b>23,712,939</b>	<b>23,165,825</b>
	<b>Closing Cash &amp; Cash Equivalent:</b>	<b>720,128</b>	<b>23,712,939</b>

For M/S Naval Kapur & Co.

Chartered Accountants,

(CA. Naval Kapur)  
Partner  
M.N.- 074587.  
FRN-005851C

Place: Kanpur  
Date : 30.05.2016

For Raghuvansh Agrofarms Limited

Subodh Agarwal  
(Managing Director)

Renu Agarwal  
(Director)

Devendra Pratap Singh  
(Chief Financial Officer)

Rajit Verma  
(Company Secretary)

**Notes Forming Part of the Financial Statement**

**NOTE-1**

**Share Capital**

PARTICULAR	2015-16	2014-15
<b>Authorised Capital</b> 12300000 Shares @ Rs.10/- each (Previous Year 12300000 shares of Rs.10/-each)	<b>12,30,00,000</b>	<b>12,30,00,000</b>
<b>Issued, Subscribed &amp; fully paid up Capital</b> 11917550 shares of Rs.10/-each (Previous Year 11917550 shares of Rs.10/-each)	119175500	119175500
	119175500	119175500

**Share Capital Schedule (No. of shares Outstanding)**

Particulars	31-Mar-16		31-Mar-15	
	Nos.	Amount	Nos.	Amount
Opening number of Shares Outstanding	11917550	119175500	8317550	83175500
Add: Allotment during the year	0	0	3600000	36000000
Less: buyback/cancellation of shares	0	0	0	0
<b>Outstanding shares at the end of the period</b>	<b>11917550</b>	<b>119175500</b>	<b>11917550</b>	<b>119175500</b>

**Detail of Shareholders Holding more than 5 percent Shares**

Name of the Shareholders	No.of shares	% Shareholding
Subodh Agarwal	981550	8.24
Model kings Safetywear Ltd.	1000000	8.39

<b>Note 2:- Reserve &amp; surplus</b>		<b>2015-16</b>	<b>2014-15</b>
<b>(A)</b>	<b>Securities Premium</b>		
	As per last Balance sheet	86135500	82535500
	Add: Received During the year	0	3600000
	less: utilised during the year	0	0
		<b>86135500</b>	<b>86135500</b>
<b>(b)</b>	<b>General Reserve</b>		
	As per last Balance Sheet	2265185	2409075
	Add: Profit/(loss) for the year	0	0
	less: Income tax paid adjusted	0	143890
		<b>2265185</b>	<b>2265185</b>
<b>(c)</b>	<b>Foreign Currency Transalation Reserve</b>	<b>0</b>	<b>0</b>
<b>(d)</b>	<b>Surplus in the statement of Profit &amp; Loss Account</b>		
	As per last Balance Sheet	3543413	0
	Add: Profit for the year	5396627	3588690
	Less: Appropriations	0	0
	less:Assets w/o	0	45277
	Proposed Dividend	0	0
	Tax on dividened	0	0
	Transfer to general reserve	0	0
	<b>Net surplus in the statement of profit and loss account</b>	<b>8940040</b>	<b>3543413</b>
	<b>Total Resesrve &amp; Surplus</b>	<b>97340725</b>	<b>91944098</b>

Note 3	Current		Non-Current	
	2015-16	2014-15	2015-16	2014-15
<b>Liabilities</b>				
<b>a) Borrowings</b>				
<b>Secured</b>				
i. Loans				
-From banks;	0	55357	0	0
-From other parties	0	0	0	0
ii. Loans and advances from related Parties	0	0	0	0
iii. Deposits	0	0	0	0
iv. Other Loans and advances	0	0	0	0
	<b>0</b>	<b>55357</b>	<b>0</b>	<b>0</b>
<b>Unsecured</b>				
i. Loans				
-From banks;	0	0	0	0
-From other parties	0	0	0	0
ii. Loans and advances from related Parties	0	0	0	0
iii. Deposits	0	0	0	0
iv. Other Loans and advances	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>b) Trade payables</b>	187761	342161	0	0
<b>c) Other Liabilities</b>				
Unpaid Dividends	0	0	0	0
Other Payables	0	190000	0	0
	<b>0</b>	<b>190000</b>	<b>0</b>	<b>0</b>
<b>Note 4</b>				
<b>Provisions</b>				
Tds payable	23432	165017	0	0
Audit Fees payable	52500	29214	0	18000
Income tax payable	634835	384835	0	0
Other Payable	248297	0	0	0
	<b>959064</b>	<b>579066</b>	<b>0</b>	<b>18000</b>

**RAGHUVANSH AGROFARMS LTD**  
**DEPRECIATION CHART 2015-16**

**Note 5**  
**TANGIBLE AND INTANGIBLE ASSETS:**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	01.04.15	ADDITION	DELETION/ADJ.	Total	01.04.15	During Yr.	ADJ.	Total	31.03.16	31.03.15
<b>A) Intangibles:</b>										
Goodwill	0	0	0	0	0	0	0	0	0	0
Software	0	0	0	0	0	0	0	0	0	0
Trademark	0	0	0	0	0	0	0	0	0	0
<b>B) Tangibles</b>										
<b>CAPITAL WORK IN PROGRESS</b>										
Bio gas plant	0	0	0	0	0	0	0	0	0	0
Bio gas plant (Bhognipur)	8224979	3947142	0	12172121	0	0	0	0	12172121	8224979
Iron & Iron structure	6552264	0	0	6552264	0	0	0	0	6552264	6552264
shed construction	3674924	0	0	3674924	0	0	0	0	3674924	3674924
<b>TOTAL (A)</b>	<b>18452167</b>	<b>3947142</b>	<b>0</b>	<b>22399309</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22399309</b>	<b>18452167</b>
Agriculture Implement	132041	0	0	132041	83766	10133	0	93899	38142	48275
Air Conditioner	244813	0	0	244813	232572	0	0	232572	12241	12241
Bio gas plant car	2574735	0	0	2574735	466027	381676	0	847703	1727032	2108708
Computer	3152018	0	0	3152018	1201014	640123	0	1841137	1310881	1951004
Diesel Engine	98687	165000	0	263687	62330	83407	0	145737	117950	36357
Furniture & Fixtures	40250	0	0	40250	25064	3057	0	28121	12129	15186
Live Stock (Cattle)	160583	0	0	160583	61777	19937	0	81714	78869	98806
Loader	15336000	0	0	15336000	0	0	0	0	15336000	15336000
Motorcycle	187000	0	0	187000	172583	1429	0	174012	12988	14417
Office Equipment	45555	46350	0	91905	21985	9453	0	31438	60467	23570
Plant & Machinery	0	86500	0	86500	0	6908	0	6908	79592	0
Property (MP)	247276	0	0	247276	115830	31592	0	147422	99854	131446
Pump Set	10841880	1100743	0	11942623	0	0	0	0	11942623	10841880
Tractor	85644	117200	0	202844	31879	15555	0	47434	155410	53765
	428100	0	0	428100	389459	13358	0	402817	25283	38641
<b>TOTAL (B)</b>	<b>33574582</b>	<b>1515793</b>	<b>0</b>	<b>35090375</b>	<b>2864286</b>	<b>1216628</b>	<b>0</b>	<b>4080914</b>	<b>31009461</b>	<b>30710296</b>
<b>Grand Total (A+B)</b>	<b>52026749</b>	<b>5462935</b>	<b>0</b>	<b>57489684</b>	<b>2864286</b>	<b>1216628</b>	<b>0</b>	<b>4080914</b>	<b>53408770</b>	<b>49162463</b>
Previous Year	21171271	33591145	2735667	52026749	1262013	1717927	115655	2864286	49162463	19909257

**Note 6**

<b>Non Current Investments</b>	<b>2015-16</b>	<b>2014-15</b>
a) Investment Property	0	0
b) Investments in Equity Instruments	0	0
Quoted Investments		
Other unquoted investments	75340026	75340026
	<b>75340026</b>	<b>75340026</b>

Aggregate amount of quoted investment(Market Value)	0	0
Aggregate amount of Unquoted investment	75340026	75340026
Value of Investment Property	0	0

**Note 7**

<b>Current Investments</b>	<b>2015-16</b>	<b>2014-15</b>
a) Investment Property	0	0
b) Investments in Equity Instruments		
<b>Quoted Investments</b>	0	0
<b>other unquoted investments</b>	0	0
	<b>0</b>	<b>0</b>

Aggregate amount of quoted investment(Market Value)	0.00	0.00
Aggregate amount of Unquoted investment	0.00	0.00

**Note 8**

Inventories	Current		Non- Current	
	2015-16	2014-15	2015-16	2014-15
a) Raw Materials	0	0	0	0
b) Work- in progress	0	0	0	0
c) Finished goods	0	0	0	0
d) Stock in trade	2106622	2735138	0	0
e) Stores & Spares	0	0	0	0
f) Loose Tools	0	0	0	0
<b>TOTAL</b>	<b>2106622</b>	<b>2735138</b>	<b>0</b>	<b>0</b>

**Note 9**

Cash & Cash Equivalents	Current		Non- Current	
	2015-16	2014-15	2015-16	2014-15
<b>a) Balances with Banks</b>				
On current accounts	655626	21197362	0	0
On Margin Money	0	0	0	0
On unpaid dividend account	0	0	0	0
Deposits with banks maturity less than 12 months	0	0	0	0
	<b>655626</b>	<b>21197362</b>	<b>0</b>	<b>0</b>
<b>b) Cheques, drafts on hands</b>	0	0	0	0
<b>c) Cash on Hand</b>	64502	2515577	0	0
	<b>720128</b>	<b>23712939</b>	<b>0</b>	<b>0</b>

**Note 10**

Trade Receivable	Current		Non- Current	
	2015-16	2014-15	2015-16	2014-15
Unsecured considered good	7581052	2041327	0	0
Outstanding exceeding six months				
Others	0	0	0	0
	7581052	2041327	0	0
Less: Provision for doubtful debts	0	0	0	0
<b>TOTAL</b>	<b>7581052</b>	<b>2041327</b>	<b>0</b>	<b>0</b>

**Note 11**

Loans & Advances	Current		Non-current	
	2015-16	2014-15	2015-16	2014-15
<b>a) Loans &amp; Advances to Related parties</b>	0	0	61478500	44283500
<b>b) Other Advances</b>				
Loans	0	0	0	0
Advances, secured considered good	0	0	0	0
Advances, unsecured considered good	15431837	6554342	0	6529446
Less: Provision for doubtful advance	0	0	0	0
Advance income tax	500000	24623	0	44437
Advance Indirect Taxes	0	0	0	0
<b>Other Receivables</b>				
Unsecured considered good	0	0	0	0
Outstanding exceeding six months				
Other Non Current Assets	0	0	0	0
Capital Advances	0	0	0	0
Deposits secured, considered good	0	0	0	0
Deposits unsecured, considered good	0	0	0	597000
<b>TOTAL</b>	<b>15931837</b>	<b>6578965</b>	<b>61478500</b>	<b>51454383</b>

**NOTE-12**  
**Revenue From Operations**

Particulars	2015-16	2014-15
Sale	20437756	17925287
Less :-Taxes	0	0
	<b>20437756</b>	<b>17925287</b>

**NOTE-13**  
**Other Income**

Particulars	2015-16	2014-15
Interest Income	0	210888
Dividend	0	0
Balances Written Back	0	223
	<b>0</b>	<b>211111</b>

**NOTE-14**  
**Cost Of Material Consumed**

Particulars	2015-16	2014-15
Opening Stock	110000	623134
Add- Purchase During the Year	4839981	2769702
Less:-Closing Stock	206000	110000
	<b>4743981</b>	<b>3282836</b>

**NOTE-15**  
**Employee Benefit Exp**

Particulars	2015-16	2014-15
Salary & Wages	1026600	1112742
Staff welfare	0	0
	<b>1026600</b>	<b>1112742</b>

**NOTE-16**  
**Finance Cost**

Particulars	2015-16	2014-15
Bank Charges	23062	9402
Interest Exp	1032	18940
	<b>24094</b>	<b>28342</b>

**NOTE-17**

**Other Expenses**

Particulars	2015-16	2014-15
Advertisement Exp	2287	25000
Audit Fee	57500	29214
Business Promotion Exp	5000	54434
Conveyance Exp	87647	184994
Depository Charges	108724	22472
Director Salary	840000	360000
Donation	11201	5295
Electricity Exp	27385	26715
Insurance Exp	42498	73960
Listing Exps	41577	0
Misc.Exp	118730	97541
Agriculture Expenses	1362703	404101
Manure Expenses	507943	607357
Milk Sale Expenses	957445	2398660
Power & Fuel	251108	261947
Patent and trademarks exp	0	28000
Printing & Stationery	15165	90391
Professional Exp	116754	87532
Rent & Taxes	526100	544063
ROC Filing fees	6300	190148
Repair and maintenance	140526	43324
Radiation (BRIT)	0	100000
Share Issue Exp	0	3495062
Telephone Exp	35831	38343
TDS Interest	5356	5410
Travelling Expenses:		
Inland	683099	352000
Foreign	660421	0
Website Maintenance Charges	11184	0
	<b>6622484</b>	<b>9525963</b>



**RAGHUVANSH AGROFARMS LIMITED**  
**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**Corporate Information**

Raghuvansh AgroFarms Limited is a Limited Company in India and incorporated under the provisions of the Companies Act, 1956. It came into existence on 19.12.1996. The company is primarily engaged in manufacturing and trading of agro products.

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Preparation**

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material aspects, with the Accounting Standards notified under the Companies relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy, if any.

**2. Uses of Estimates**

The preparation of the Financial Statements in conformity with Indian GAAP requires Management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods.

**3. 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.

Income is accounted for on accrual basis in accordance with the Accounting Standards (AS) 9- "Revenue Recognition".

Insurance and other claims are recognized in accounts on lodgment to the extent these are measurable with reasonable certainty of acceptance. Excess/ shortfall is adjusted in the year of receipt.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**4. Inventories**

Inventories are valued at cost, computed on a First-in-First-out (FIFO) basis, and estimated net realizable value whichever is lower. In respect of finished goods and work in process, appropriate overheads are loaded.

**5. Tangible Fixed Assets**

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Capital work- in- progress is stated at cost.

Livestocks are valued at cost. They are also acquired from cattle markets in exchange of existing livestock. In such cases cost of acquisition is taken as net consideration paid.



## **6. Depreciation**

Depreciation on assets is provided on the rates arrived at, based on the useful life estimated by the management/prescribed under the Schedule II of the Companies Act, 2013.

Depreciation on fixed assets added/disposed off during the year/period is provided on pro-rata basis with reference to the date of addition/disposal.

## **7. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized and expensed off in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

## **8. Borrowing Cost**

Borrowing cost includes interest. Such 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.

## **9. Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect*



of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

## **10. Employee Benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

**Defined contribution plan:** Company's contribution towards provident fund is recognized in the profit and loss account.

## **11. Investment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in values is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## **12. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

## **13. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

## **14. Provisions, Liabilities & Contingent Assets**

### **a. Provisions**

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### **b. Contingent Liabilities**

A Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

## **15. Leases**

### **Where the company is Lessee**

Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the statement of profit and loss account.

Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

### **Where the company is Lessor**

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and Loss as revenue from operation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**NOTES TO ACCOUNTS AS AT 31.03.2016**

**1. TERMS/ RIGHT ATTACHED TO EQUITY SHARES**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2. Capital Commitment (net of advances) Rs. nil (Previous year Rs. nil).
3. As per the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro, Small and Medium Enterprises and pay them interest on amounts overdue beyond the specified period irrespective of the terms agreed with them.

S. No.	Particulars	As at 31.03.2012	As at 31.03.2013	As at 31.03.2014	As at 31.03.2015	As at 31.03.2016
A	Principal amount remaining unpaid	NIL	NIL	NIL	NIL	NIL
B	Interest due thereon	NIL	NIL	NIL	NIL	NIL
C	Interest paid by the Company in term of Section 16	NIL	NIL	NIL	NIL	NIL
D	Interest due and payable for the period of delay in payment	NIL	NIL	NIL	NIL	NIL
E	Interest accrued and remaining unpaid	NIL	NIL	NIL	NIL	NIL
F	Interest remaining due and payable even in succeeding years	NIL	NIL	NIL	NIL	NIL

4. The balances of creditors/Trade payables and debtors/ Trade receivables appearing in the balance sheet are subject to balance confirmation/ reconciliation at the year end. The management is in the process of obtaining the respective confirmations in the due course. However, the reconciliation of these balances is not expected to result in any material adjustments in the stated balances.

**5. Related Party Disclosures for the period ended 31<sup>st</sup> March, 2016 (Standalone) in accordance with AS - 18 issued by The ICAI**
**a) List of related parties & relationships, where control exists.**

<b>Sr. No.</b>	<b>Nature of Relationship</b>	<b>Name of Parties</b>
1	Holding Company	Nil
2	Subsidiary Company	Kanpur Organics Pvt. Ltd. Sanjeevani Fertilizers and Chemicals Pvt. Ltd.
3	Associates	Nil
4	Key Management Personnel	Mr. Subodh Agarwal (Managing Director) Mr. Rajit Verma (Company Secretary) Mr. Devendra Pratap Singh (Chief Financial Officer)
5	Relatives of Key Management Personnel	Nil
6	Enterprises where Significant Influence exist by Key Management Personnel	Nil

**b) Transactions with Related Parties (Amount in Rs.)**

<b>Sr. No.</b>	<b>Transactions</b>	<b>Holding Company</b>	<b>Subsidiary Company</b>	<b>Associates</b>	<b>Key Management Personnel / Individuals</b>	<b>Relatives of Key Management Personnel</b>	<b>Enterprises where Significant Influence exist by Key Management Personnel</b>
1	Remuneration	Nil (Nil)	Nil (Nil)	Nil (Nil)	8,40,000 (3,60,000)	Nil (Nil)	Nil (Nil)
2	Purchase of Finished Material	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
3	Purchase of Raw Material	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (1,00,000)	Nil (Nil)	Nil (Nil)
4	Purchase of Capital Items	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
5	Purchase of Shares	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
6	Repairing & Machining	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
7	Rent	Nil (Nil)	60,000 (50,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8	Revenue (Travelling exp.)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
9	Sale	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
10	Share Capital	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
11	Loan	Nil (Nil)	2,22,40,000 (54,86,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

12	<b><u>Outstanding as on 31.03.2016</u></b>						
a) Amount Receivable	Nil (Nil)	6,14,78,500 (4,42,83,500)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
b) Amount Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
c) Share Application Money	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
d) Guarantee given	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
e) Guarantee taken	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

**Note:**

- a) Figures in bracket represent previous year/Period amounts.  
 b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.

**6. Taxation**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with provisions of the Income tax Act, 1961.

**7.** Loans to Related Party presented under Note 11 to Financial Statements are on interest free basis. Repayment will commence from Financial Year 2018-19.

**8.** During the Period, company has maintained 94.78% shareholding in 'Kanpur Organics Private Limited' which is engaged in manufacturing of Organic Fertilizers and Crude Wax from Sugarcane Press Mud and The company also holds 51% shares in 'Sanjeevani Fertilizers and Chemicals Private Limited' which will start the manufacturing of Refined Wax from Crude Wax from the next financial year.

**9. Remuneration to Auditors**

**Amount in (Rs.)**

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Audit Fee	12,000	12,000	12,000	29,214	57,500
Other Matters	Nil	Nil	Nil	Nil	Nil

**10. Segment Reporting**

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

**For Naval Kapur & Co**  
**Chartered Accountants**  
**FRN 005851C**

**For Raghuvansh Agro Farms Ltd.**

**(Naval Kapur)**  
**Partner**  
**Membership No. 074587**

**(Managing Director) (Director)**

**Date: 30-05- 2016**

**Place: Kanpur**



## **AUDITOR'S REPORT**

**To,  
The Members,  
RAGHUVANSH AGROFARMS LIMITED  
Kanpur**

### **Report on the consolidated financial statements**

1. We have audited the accompanying Consolidated Financial Statements of **RAGHUVANSH AGROFARMS LIMITED** ( hereinafter referred to as the Holding Company ) and its subsidiaries ( the holding company and its subsidiaries together referred to as the Group) **SANJEEVANI FERTILIZERS AND CHEMICALS PVT. LTD** and **KANPUR ORGANICS PVT. LTD.** comprising of consolidated balance sheet as at 31<sup>st</sup> march 2016, the consolidated statement of Profit and Loss Account and also the consolidated cash flow statement for the year then ended, and the summary of significant accounting policies and other explanatory information prepared based on the relevant records (herein after referred to as the Consolidated Financial Statements).

### **Management's responsibility for the consolidated financial statements.**

2. The holding company's board of directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, 2013(hereinafter referred to as 'the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors are responsible for 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 frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the holding company, as aforesaid.

### **Auditors Responsibility**

3. Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion.**

7. In our opinion and to the best of our information and according to the explanation given to us ,the

aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the company, as at March 31 2016, and their Consolidated Profit and their Consolidated Cash Flows for the year ended on that date.

**Other matter.**

8. We did not audit the financial statement / financial information of two subsidiaries whose financial information's reflect total assets of **Rs. 96113731.00** and net assets of **Rs. 85283285.00** as at 31<sup>st</sup> March 2016. Total revenue of **Rs.44450384.00** net profit of **Rs.7730168.00** and net cash flows amounting to **Rs.1792718.00** for the year ended on that date, as considered in the consolidated financial statements. These financial statement / financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosure included in respect of these subsidiaries and our report in terms of sub sections 3 and 11 of section 143 of that insofar as it relate to the aforesaid subsidiary is based solely on the reports of the other auditors our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in the above matters with respect to our reliance on the work done and report of the auditors.

**Report on other legal and regulatory requirements**

9. As required by sub-section 3 of section 143 of the Act, we report, to the extent applicable, that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the consolidated statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 .
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31<sup>st</sup> 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31 2016 from being appointed as a director of that company in terms of sub-section 2 of section 164 of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in Annexure A; and
- g) With respect to the 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 to the explanation given to us :
  - (i) The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group.
  - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivate contracts as at 31<sup>st</sup> March 2016.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor's Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

**For Naval Kapur & Co.**

Chartered Accountants  
FRN: 05851C

**CA Naval Kapur**

[Partner]  
[Mem. No.-074587]

Place : Kanpur  
Date : 30/05/2016



**Consolidated Report under Companies (Auditors' Report) Order, 2016**

**RAGHUVANSH AGROFARMS LIMITED**

**(Holding Company- CIN: U40300DL1996PLC258176)**

**SANJEEVANI FERTILIZERS AND CHEMICALS PVT.LTD.**

**(Subsidiary Company – CIN: U74120UP2010PTC041812)**

**KANPUR ORGANICS PVT.LTD.**

**(Subsidiary Company – CIN: U24110UP2007PTC032815)**

**Annexure to the Consolidated Auditors' Report**

The Annexure referred to in our report to the members of **RAGHUVANSH AGROFARMS LIMITED, SANJEEVANI FERTILIZERS AND CHEMICALS PVT. LTD., KANPUR ORGANICS PVT. LTD.**(collectively referred as **GROUP COMPANIES**)for the year ended on March 31, 2016.

**Report on the Internal Financial Controls under Clause (i) of sub-section 143 of the Companies Act, 2013 ('the Act')**

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March, 2016, We have audited the internal Financial Controls over Financial reporting of RaghuvanshAgrofarms Limited('the Holding Company') and its subsidiary companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary Companies, which are incorporated in India, are 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 ('ICAI'). 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 the 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 were 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 auditors' 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 purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) 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 reporting, 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.

### **Opinion**

In our opinion, the Holding Company and its subsidiary Companies, Which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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.

**For Naval Kapur & Co.  
Chartered Accountants  
FRN:005851C**

**CA Naval Kapur  
Chartered Accountant  
Membership No.:074587**

**Place: Kanpur  
Date: 30.05.2016**



**RAGHUVANSH AGROFARMS LIMITED**  
Consolidated BALANCE SHEET AS ON 31.03.2016

Particulars	Note No	Amount (Rs.)	
		2015-16	2014-15
<b>EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	119175500	119175500
(b) Reserve & Surplus	2	104195945	92778186
(c) Money Received against share warrants		0	0
(d) Minority Interest		29566581	27857544
<b>(2) Share application money pending allotment</b>		0	0
<b>(3) Non- Current Liabilities</b>			
(a) Long Term borrowings	3	0	5040000
(b) Deferred tax liabilities		0	0
(c) Other long term liabilities	3	0	24000
(d) Long term provisions	4	0	18000
<b>(4) Current liabilities</b>			
(a) Short term borrowings	3	5946464	1957526
(b) Trade payable	3	3424869	2259501
(c) Other current Liabilities	3	772889	190000
(d) Short Term provisions	4	1974017	812696
<b>TOTAL</b>		<b>265056265</b>	<b>250112953</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	5	138692055	105405958
(ii) Intangible assets	5	1120909	1120909
(iii) Capital work in progress	5	0	29003160
(iv) Intangible assets under development		0	0
(b) Non- current investments	6	46455914	45939386
(c) Deferred Tax Assets (net)		1657406	1560893
(d) Long term loans & advances	11	0	0
(e) Other non-current assets	10,11	3190524	7217694
<b>(2). Current assets</b>			
(a) Current investment	7	750000	750000
(b) Inventories	8	13552942	8475238
(c) Trade Receivables	10	15116968	5196957
(d) Cash & cash equivalents	9	9324061	28605054
(e) Short term loans and advances	11	35195486	16837704
(f) Other current assets	11	0	0
<b>TOTAL</b>		<b>265056265</b>	<b>250112953</b>

**Notes to Accounts - 18**

Figures have been rounded off to the nearest rupee  
"As per our report of even date attached".

**For M/S Naval Kapur & Co.**

Chartered Accountants,

(CA. Naval Kapur)  
Partner  
M.N.- 074587.  
FRN-005851C

Place: Kanpur  
Date : 30.05.2016

**For Raghuvansh Agro Farms Limited**

Subodh Agarwal  
(Managing Director)

Renu Agarwal  
(Director)

Devendra Pratap Singh  
(Chief Financial Officer)

Rajit Verma  
(Company Secretary)



**RAGHUVANSH AGROFARMS LIMITED**  
**Consolidated Profit and Loss statement for the year ended 31st March 2016**

Particulars	Note No.	Amount(Rs.)	
		2015-16	2014-15
I. Revenue from operations	12	63291080	35770789
II. Other Income	13	1537060	1676951
<b>III.Total Revenue(I+II)</b>		<b>64828140</b>	<b>37447740</b>
<b>IV. EXPENSES:</b>			
Cost of material consumed	14	5525044	3635836
Purchase of Stock- in-Trade		11797557	9418671
Changes in inventories of finished goods, work in progress and stock-in- Trade		-2092296	1251477
Employee benefit expense	15	3676024	2352042
Financial Cost	16	588783	866410
Depreciation and amortization expense	5	5830204	5646344
Other Expenses	17	24920542	10311612
<b>IV.Total Expenses</b>		<b>50245858</b>	<b>33482392</b>
V. Profit before exceptional and extarordinary items and tax	(III-IV)	14582282	3965348
VI.Exceptional Items		0	
VII. Profit before extraordinary items and tax	(V-VI)	14582282	3965348
VIII. Extraordinary Items		0	0
IX. Profit before tax	(VII-VIII)	<b>14582282</b>	<b>3965348</b>
X. Tax Expense:			
(1) Current Tax		1552000	414946
(2) Deferred Tax		-96513	-1176869
XI. Profit(Loss) from the period continuing operations	(IX-X)	13126795	4727271
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of disconting operations		0	0
XIV. Profit/(Loss) from discontinuing operations	(XII-XIII)	0	0
XV. Profit/(loss) for the period	(XI+ XIV)	13126795	4727271
XVI. Share of results of Associates		0	0
XVII. Minority Interest		0	0
XVIII. Profit/(loss) for the period	(XV+XVI+XVII)	<b>13126795</b>	<b>4727271</b>
XIX. Earning per equity share:			
(1) Basic		0.96	0.36
(2) Dilluted		0.96	0.26

**Notes to Accounts - 18**

Figures have been rounded of to the nearest rupee  
 "As per our report of even date attached".

**For M/S Naval Kapur & Co.**  
 Chartered Accountants,

**For Raghuvansh Agro farms Limited**

(CA. Naval Kapur)  
 Partner  
 M.N.- 074587.  
 FRN-005851C

Subodh Agarwal  
 (Managing Director)

Renu Agarwal  
 ( Director)

Place: Kanpur  
 Date : 30.05.2016

Devendra Pratap Singh  
 (Chief Financial Officer)

Rajit Verma  
 (Company Secretary)



**RAGHUVANSH AGROFARMS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars		As at 31st March, 2016	As at 31st March, 2015
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax	14,582,282	3,965,348
	<b>Add/(Less) Adjustment for :</b>		
	Depreciation	5,830,204	5,646,344
	<b>Operating Profit Before Working Capital Changes</b>	<b>20,412,486</b>	<b>9,611,692</b>
	<b>Add/(Less): Adjustments for Working Capital changes :</b>		
	Trade and other Receivables	(9,920,011)	1,729,389
	Inventories	(5,077,704)	1,764,611
	Loan and Advances	(18,357,782)	11,238,738
	Trade Payable & Other Liabilities	6,898,516	(9,257,824)
	Interest and financial cost	588,783	-
	Other Current Assets	-	-
	<b>Cash generated Form Operations</b>	<b>(5,455,712)</b>	<b>15,086,606</b>
	Tax Paid (Net)	(1,552,000)	(611,515)
	<b>Net Cash Flow From Operating Activities</b>	<b>(7,007,712)</b>	<b>14,475,091</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>B.</b>	Purchase of Fixed Assets	(10,113,140)	(35,669,108)
	Loan Refund Received	-	4,417,084
	Issue of shares	-	36,000,000
	own shares in subsidiary	-	-
	Investment in minority	-	-
	Investment in Shares and Chit Funds	(516,528)	(18,842,760)
	<b>Net Cash Flow from Investing Activities</b>	<b>(10,629,668)</b>	<b>(14,094,784)</b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>C.</b>	Securities Premium	-	3,600,000
	Other Non current Assets	4,027,170	-
	Interest and financial cost	(588,783)	-
	Other Non current Liability	(42,000)	-
	Increase/(Decrease) in Secured Loans	(5,040,000)	314,227
	Increase/(Decrease) in Unsecured Loans	-	-
	<b>Net Cash Flow from Financing Activities</b>	<b>(1,643,613)</b>	<b>3,914,227</b>
	Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(19,280,993)	4,294,534
	<b>Opening Cash &amp; Cash Equivalent:</b>	<b>28,605,054</b>	<b>24,310,520</b>
	<b>Closing Cash &amp; Cash Equivalent:</b>	<b>9,324,061</b>	<b>28,605,054</b>

For M/S Naval Kapur & Co.  
Chartered Accountants,

For Raghuvansh Agro farms Limited

(CA. Naval Kapur)  
Partner  
M.N.- 074587.  
FRN-005851C

Subodh Agarwal  
(Managing Director)

Renu Agarwal  
(Director)

Place: Kanpur  
Date : 30.05.2016

Devendra Pratap Singh  
(Chief Financial Officer)

Rajit Verma  
(Company Secretary)

**Notes Forming Part of the Financial Statement**

**NOTE-1**

**Share Capital**

PARTICULAR	2015-16	2014-15
<b>Authorised Capital</b> 12300000 Shares @ Rs.10/- each (Previous Year 12300000 shares of Rs.10/-each)	<b>12,30,00,000</b>	<b>12,30,00,000</b>
<b>Issued, Subscribed &amp; fully paid up Capital</b> 11917550 shares of Rs.10/-each (Previous Year 11917550 shares of Rs.10/-each)	119175500	119175500
	119175500	119175500

**Share Capital Schedule (No. of shares Outstanding)**

Particulars	31-Mar-16		31-Mar-15	
	Nos.	Amount	Nos.	Amount
Opening number of Shares Outstanding	11917550	119175500	8317550	83175500
Add: Allotment during the year	0	0	3600000	36000000
Less: buyback/cancellation of shares	0	0	0	0
		0		
<b>Outstanding shares at the end of the period</b>	<b>11917550</b>	<b>119175500</b>	<b>11917550</b>	<b>119175500</b>

Note 2:- Reserve & surplus		2015-16	2014-15
<b>(A) Securities Premium</b>			
As per last Balance sheet		144910500	141310500
Add: Received During the year		0	3600000
less: utilised during the year		0	0
		<b>144910500</b>	<b>144910500</b>
<b>(b) General Reserve</b>			
As per last Balance Sheet		2329090	2480564
Add: Profit/(loss) for the year		0	0
less: Income tax paid adjusted		0	151474
		<b>2329090</b>	<b>2329090</b>
<b>(c) Foreign Currency Transalation Reserve</b>		<b>0</b>	<b>0</b>
<b>(d) Surplus in the statement of Profit &amp; Loss A/C</b>			
As per last Balance Sheet		4682231	0
Add: Profit for the year		13126795	4727271
Less: Appropriations			45040
Proposed Dividend		0	0
Tax on dividened		0	0
Transfer to general reserve		0	0
<b>Net surplus in the statement of profit and loss account</b>		<b>17809026</b>	<b>4682231</b>
<b>less:-</b>			
own share in Kanpur Organics Pvt Ltd. (capital part)		-5353172	(5353172)
Minority interest in Kanpur Organics		-571164	(323204)
own share in Sanjeevani. (capital part)		-27110919	(27110919)
Minority interest in Sanjeevani		-27817416	(26356340)
			0
<b>Total Resesrve &amp; Surplus</b>		<b>104195945</b>	<b>92778186</b>

**Note- 2A**

**Minority Interest**

	Holding	2015-16	Minority Interest	2014-15	Minority Interest
<b>Sanjeevani Fertilizers and Chemicals Pvt Ltd.</b>					
Capital	49%	2200000	1078000	2200000	1078000
Reserve & Surplus	49%	56770238	27817417	53788448	26356340
<b>Kanpur Organics Private Ltd.</b>					
Capital	5.22%	1915000	100000	1915000	100000
Reserve & Surplus	5.22%	10937654	571164	6189276	323204
<b>Total</b>		<b>71822892</b>	<b>29566581</b>	<b>64092724</b>	<b>27857544</b>

**Note 3**

Liabilities	Current		Non-Current	
	2015-16	2014-15	2015-16	2014-15
<b>a) Borrowings</b>				
<b>Secured</b>				
i. Loans				
-From banks;	5946464	1957526	0	5040000
-From other parties	0	0	0	0
ii. Loans and advances from related Parties	0	0	0	0
Loans and advances from related Parties				
iii. Deposits	0	0	0	0
iv. Other Loans and advances	0	0	0	0
	<b>5946464</b>	<b>1957526</b>	<b>0</b>	<b>5040000</b>
<b>Un-Secured</b>				
i. Loans				
-From banks;	0	0	0	0
-From other parties	0	0	0	0
ii. Loans and advances from related Parties	0	0	0	0
Loans and advances from related Parties				
iii. Deposits	0	0	0	0
iv. Other Loans and advances	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>5946464</b>	<b>1957526</b>	<b>0</b>	<b>5040000</b>
<b>b) Trade payables</b>	3424869	2259501	0	0
<b>c) Other Liabilities</b>				
Unpaid Dividends	0	0	0	0
Other Payables	772889	190000		24000
	<b>772889</b>	<b>190000</b>	<b>0</b>	<b>24000</b>
<b>Note 4</b>				
<b>Provisions</b>				
Tds payable	23432	165017		
Legal Fess Payable				
Audit Fees payable	101000	48714		18000
Income tax payable	1849585	598965	0	0
	<b>1974017</b>	<b>812696</b>	<b>0</b>	<b>18000</b>

**RAGHUVANSH AGROFARMS LTD  
DEPRECIATION CHART 2015-16**

**Note 5  
TANGIBLE AND INTANGIBLE ASSETS:**

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	01.04.15	ADDITION	DELETION/ADJ.	Total	01.04.15	During Yr.	ADJ.	Total	31.03.16	31.03.15
<b>A) Intangibles:</b>										
Goodwill	0	0	0	0	0	0	0	0	0	0
Software	0	0	0	0	0	0	0	0	0	0
Trademark	0	0	0	0	0	0	0	0	0	0
<b>B) Tangibles</b>										
<b>CAPITAL WORK IN PROGRESS</b>										
Bio gas plant	0.00	0	0.00	0	0	0	0	0	0	0
Bio gas plant (Bhognipur)	8224979.00	3947142	0	12172121	0	0	0	0	12172121	8224979
Building	3125000.00	0	3125000	0	0	0	0	0	0	3125000
Iron & Iron structure	6552264.00	0	0	6552264	0	0	0	0	6552264	6552264
Plant & Machinery	10550993.00	1506605	0	12057598	0	0	0	0	12057598	10550993
shed construction	3674924.00	0	0	3674924	0	0	0	0	3674924	3674924
<b>TOTAL (A)</b>	<b>31218160</b>	<b>5453747</b>	<b>3125000</b>	<b>34456907</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34456907</b>	<b>32128160</b>
Agriculture Implement	132041	0	0	132041	83766	10133	0	93899	38142	48275
Air Conditioner	244813	0	0	244813	232572	0	0	232572	12241	12241
Bio gas plant	2574735	0.00	0	2574735	466027	381676	0	847703	1727032	2108708
Building	954380	3125000.00	0	4079380	90666	343303	0	433969	3645411	863714
car	5145887	0	0	5145587	1899263	1046913	0	2946176	2199411	3246324
Computer	98687	165000	0	263687	62330	83407	0	145737	117950	36357
Diesel Engine	40250	0	0	40250	25064	3057	0	28121	12129	15186
Electric Installation	113861	0	0	113961	66669	13568	0	80237	33724	47292
Furniture & Fixtures	170823	0	0	170823	70412	20524	0	90936	79887	100411
Generator	191189	0	0	191189	83361	20390	0	103751	87438	107828
Irrigation equipments	1078140	157200	0	1235340	463579	127785	0	591364	643976	614561
JCB Machine	1929000	0	0	1929000	1421999	122086	0	1544085	384915	507001
Live Stock (Cattle)	15336000	0	0	15336000	0	0	0	0	15336000	15336000
Loader	187000	0	0	187000	172583	1429	0	174012	12988	14417
Motorcycle	45655	46350	0	91905	21985	9453	0	31438	60467	23570
Office Equipment	0	86500	0	86500	0	6908	0	6908	79592	0
Plant & Machinery	19142646	4550500	1919100	21774046	2780781	3373419	0	6154200	15619846	16361865
Property	61987626	1700743	0	63088369	0	0	0	0	63088369	61987626
Pump Set	85644	117200	0	202844	31879	15565	0	47434	155410	53765
Tools	170869	0	0	170969	87919	24882	0	112801	58168	83050
Tractor	1225600	365000	0	1580600	838555	165048	0	1003603	576997	387045
Trolley	160000	0	0	160000	28960	23718	0	52678	107322	131040
Weighing Machine	347469	0	0	347469	152788	36950	0	189738	157731	194681
<b>TOTAL (B)</b>	<b>111362115</b>	<b>9708493</b>	<b>1919100</b>	<b>119146508</b>	<b>9081158</b>	<b>5830204</b>	<b>0</b>	<b>14911362</b>	<b>104235148</b>	<b>102280957</b>
<b>Grand Total (A+B)</b>	<b>143490275</b>	<b>15157240</b>	<b>5044100</b>	<b>153603415</b>	<b>9081158</b>	<b>5830204</b>	<b>0</b>	<b>14911362</b>	<b>138692055</b>	<b>134409117</b>
Previous Year	107936822	58022771	22469318	143490275	3550468	5646343	115655	9081157	134409119	46116353

**Note 6**

<b>Non Current Investments</b>	<b>2015-16</b>	<b>2014-15</b>
a) Investment Property	0	0
b) Investments in Equity Instruments	0	0
Quoted Investments	0	
<b>unquoted investments</b>	75340026	75340026
less- Investment in Susidiary (SFCL)	(28942000)	(28942000)
Investment in Susidiary (KOPL)	(7580000)	(7580000)
C) FDR with bank	7637888	7121360
	<b>46455914</b>	<b>45939386</b>

Aggregate amount of quoted investment(Market Value)	0	0
Aggregate amount of Unquoted investment	111862026	111862026
Value of Investment Property	7637888	7121360

**Note 7**

<b>Current Investments</b>	<b>2015-16</b>	<b>2014-15</b>
a) Investment Property	0	0
b) Investments in Equity Instruments		
<b>Quoted Investments</b>	0	0
<b>other unquoted investments</b>	750000	750000
	<b>750000</b>	<b>750000</b>

Aggregate amount of quoted investment(Market Value)	0	0
Aggregate amount of Unquoted investment	750000	750000

**Note 8**

<b>Inventories</b>	<b>Current</b>		<b>Non- Current</b>	
	<b>2015-16</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2014-15</b>
a) Raw Materials	0	0	0	0
b) Work- in progress	0	0	0	0
c) Finished goods	0	0	0	0
d) Stock in trade	13552942	8475238	0	0
e) Stores & Spares	0	0	0	0
f) Loose Tools	0	0	0	0
<b>TOTAL</b>	<b>13552942</b>	<b>8475238</b>	<b>0</b>	<b>0</b>

**Note 9**

<b>Cash &amp; Cash Equivalents</b>	<b>Current</b>		<b>Non- Current</b>	
	<b>2014-15</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2013-14</b>
<b>a) Balances with Banks</b>				
On current accounts	2689285	21660085	0	0
On Margin Money	0	0	0	0
On unpaid dividend account	0	0	0	0
Deposits with banks maturity less than 12 months	0	0	0	0
	<b>2689285</b>	<b>21660085</b>	<b>0</b>	<b>0</b>
<b>b) Cheques, drafts on hands</b>	0	0	0	0
<b>c) Cash on Hand</b>	6634776	6944969	0	0
	<b>9324061</b>	<b>28605054</b>	<b>0</b>	<b>0</b>

**Note 10**

Trade Receivable	Current		Non- Current	
	2015-16	2014-15	2015-16	2014-15
Unsecured considered good	15116968	5196957	0	0
Outstanding exceeding six months				
Others	0	0	3190524	0
	15116968	5196957	3190524	0
Less: Provision for doubtful debts	0	0	0	0
<b>TOTAL</b>	<b>15116968</b>	<b>5196957</b>	<b>3190524</b>	<b>0</b>

**Note 11**

Loans & Advances	Current		Non-current	
	2015-16	2014-15	2015-16	2014-15
<b>a) Loans &amp; Advances to Related parties</b>	0	0	61478500	44283500
<b>SFCL</b>			(41365000)	(26710000)
<b>KOPL</b>			(20113500)	(17573500)
<b>b) Other Advances</b>				
Loans	0	0	0	0
Advances, secured considered good	0	0	0	0
Advances, usecured considered good	32627648	15818466	0	6529446
Less: Provision for doubtful advance	0	0	0	0
Advance income tax	1538027	57613	0	44437
Advance Indirect Taxes	651390	583204	0	46811
<b>Other Receivables</b>				
Unsecured considered good	0	0	0	0
Outstanding exceeding six months				
Other Non Current Assets	0	0	0	0
Other Current Assets	378421	378421	0	0
Deposits secured, considered good	0	0	0	0
Deposits unsecured, considered good	0	0	0	597000
<b>TOTAL</b>	<b>35195486</b>	<b>16837704</b>	<b>0</b>	<b>7217694</b>

**NOTE-12**  
**Revenue From Operations**

Particulars	2015-16	2014-15
Sale	63291080	17925287
other operating revenue	0	17845502
	<b>63291080</b>	<b>35770789</b>

**NOTE-13**  
**Other Income**

Particulars	2015-16	2014-15
Interest Income	639560	801648
Commission	0	0
Rent	60000	50000
Less : Mutual Owing	-60000	-50000
Balances Written Back	0	303
Misc.Income	897500	875000
	<b>1537060</b>	<b>1676951</b>

**NOTE-14**  
**Cost Of Material Consumed**

Particulars	2015-16	2014-15
Opening.Stock	110000	623134
Add- Purchase During the Year	8510452	3122702
Less:-Closing Stock	3095408	110000
	<b>5525044</b>	<b>3635836</b>

**NOTE-15**  
**Employee Benefit Exp**

Particulars	2015-16	2014-15
Salary & Wages	3520600	2332342
Staff welfare	155424	19700
	<b>3676024</b>	<b>2352042</b>

**NOTE-16**  
**Finance Cost**

Particulars	2015-16	2014-15
Bank Charges	27051	64331
Interest Exp	561732	802079
	<b>588783</b>	<b>866410</b>

**NOTE-17**  
**Other Expenses**

Particulars	2015-16	2014-15
Advertisement Exp	2348723	25000
Agricultural Expense	1362703	404101
Audit Fee	82000	53714
Business Promotion Exp	5000	54434
Conveyance Exp	129465	48357
Depository Charges	108724	22472
Director Salary	840000	360000
Donation	11201	5295
Electricity Exp	27385	26715
Freight & Cartage	7719030	13990
Insurance Exp	42498	73960
Hire Charges (JCB)	405000	0
Listing Expense	41577	0
Misc.Exp	1096269	139661
Membership Fees	107000	0
Manure Processing Expenses	4128068	607357
Milk Sale Expenses	957445	2398660
Power & Fuel	1030926	780663
Patent and trademarks exp	0	28000
Packing Material expenses	306144	0
Printing & Stationery	28747	119181
Professional Exp	466304	96232
Rent & Taxes	766100	579480
Less : Mutual Owing	-60000	-50000
ROC Filing fees	6300	190148
Repair and maintenance	266672	104215
Radiation (BRIT)	0	100000
Round off	19	0
Share Issue Exp	0	3495062
Telephone Exp	85151	61723
TDS Interest	5356	5410
Travelling Expenses Inland	1886445	352000
Travelling Expenses Foreign	660421	0
Vehicle Running & Maintenance	48685	215782
Website Maintenance	11184	0
	<b>24920542</b>	<b>10311612</b>



**RAGHUVANSH AGROFARMS LIMITED AND ITS SUBSIDIARIES (KANPUR ORGANICS PRIVATE LIMITED & SANJEEVANI FERTILIZERS AND CHEMICALS PRIVATE LIMITED)**

**CONSOLIDATED ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**Corporate Information**

RaghuvanshAgrofarms Limited is a Limited Company in India and incorporated under the provisions of the Companies Act, 1956. It came into existence on 19.12.1996. The company is primarily engaged in manufacturing and trading of agro products.

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Preparation**

The Consolidated Financial Statements of theRaghuvanshAgrofarms Limited and its Subsidiaries (Kanpur Organics Private Limited &Sanjeevani Fertilizers and Chemicals Private Limited) have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Consolidated Financial Statements to comply in all material aspects, with the Accounting Standards notified under the Companies relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of Consolidated Financial Statements are consistent with those of previous year except for the change in accounting policy, if any.

**2. Principal of Consolidation**

The financial statements of the holding company and subsidiary companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra- group balances, intra- group transactions and the unrealized profits.

The financial statements of the holding company and the subsidiary companies have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances except where otherwise stated.

**3. Uses of Estimates**

The preparation of the Consolidated Financial Statements in conformity with Indian GAAP requires Management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods.

**4. 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.Income is accounted for on accrual basis in accordance with the Accounting Standards (AS) 9- "Revenue Recognition".

Insurance and other claims are recognized in accounts on lodgment to the extent these are measurable with reasonable certainty of acceptance. Excess/ shortfall is adjusted in the year of receipt.

Interest is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

## **5. Inventories**

Inventories are valued at cost, computed on a First-in-First-out (FIFO) basis, and estimated net realizable value whichever is lower. In respect of finished goods and work in process, appropriate overheads are loaded.

## **6. Tangible Fixed Assets**

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Capital work- in- progress is stated at cost.

Livestocks are valued at cost. They are also acquired from cattle markets in exchange of existing livestock. In such cases cost of acquisition is taken as net consideration paid.

## **7. Depreciation**

Depreciation on assets is provided on the rates arrived at, based on the useful life estimated by the management/prescribed under the Schedule II of the Companies Act, 2013.

Depreciation on fixed assets added/disposed off during the year/period is provided on pro-rata basis with reference to the date of addition/disposal.

## **8. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized and expensed off in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

## **9. Borrowing Cost**

Borrowing cost includes interest. Such 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.

## **10. Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date.



Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961*, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the sufficient period.

### **11. Employee Benefits**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

**Defined contribution plan:** Company's contribution towards provident fund is recognized in the profit and loss account.

### **12. Investment**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in values is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **13. Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

#### **14. Impairment of Assets**

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

#### **15. Provisions, Liabilities & Contingent Assets**

##### **a. Provisions**

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate can be made of amount of the obligation. Provisions are not discounted at their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

##### **b. Contingent Liabilities**

A Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

#### **16. Leases**

##### **Where the company is Lessee**

Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the statement of profit and loss account.

Assets acquired under leases where all the risks and rewards of ownership are substantially transferred to company are classified as finance leases. Such leases are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

##### **Where the company is Lessor**

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the company apportions lease rentals between the principal repayment and interest income so as to achieve a

constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and Loss as revenue from operation. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

## **NOTES TO ACCOUNTS AS ON 31.03.2016**

### **1. TERMS/ RIGHT ATTACHED TO EQUITY SHARES**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2. Capital Commitment (net of advances) Rs. nil.

3.As per the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro, Small and Medium Enterprises and pay them interest on amounts overdue beyond the specified period irrespective of the terms agreed with them.

<b>S. No.</b>	<b>Particulars</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2016</b>
a.	Principal amount remaining unpaid	NIL	NIL
b.	Interest due thereon	NIL	NIL
c.	Interest paid by the Company in term of Section 16	NIL	NIL
d.	Interest due and payable for the period of delay in payment	NIL	NIL
e.	Interest accrued and remaining unpaid	NIL	NIL
f.	Interest remaining due and payable even in succeeding years	NIL	NIL

5. The balances of creditors/Trade payables and debtors/ Trade receivables appearing in the balance sheet are subject to balance confirmation/ reconciliation at the year end. The management is in the process of obtaining the respective confirmations in the due course. However, the reconciliation of these balances is not expected to result in any material adjustments in the stated balances.

**5 .Related Party Disclosures for the period ended 31<sup>st</sup> March,2016 (Consolidated) in accordance with AS - 18 issued by The ICAI**

**a) List of related parties & relationships, where control exists.**

Sr. No.	Nature of Relationship	Name of Parties
1	Holding Company	N.A
2	Subsidiary Company	Kanpur organics Pvt.Ltd. Sanjeevani Fertilizers and Chemicals Pvt.Ltd.
3	Associates	Nil
4	Key Management Personnel during the year	Mr. Subodh Agarwal (Managing Director) Mr. DevendraPratap Singh (Chief Financial Officer) Mr. RajitVerma (Company Secretary)
5	Relatives of Key Management Personnel	N.A
6	Enterprises where Significant Influence exist by Key Management Personnel	N.A

**b) Transactions with Related Parties (Amount in `)**

Sr. No.	Transactions	Holding Company	Subsidiary Company	Associates	Key Management Personnel / Individuals	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel
1	Remuneration	NIL (NIL)	NIL (NIL)	NIL (NIL)	8,40,000 (3,60,000)	NIL (NIL)	NIL (NIL)
2	Purchase of Finished Material	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
3	Purchase of Raw Material	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (1,00,000)	NIL (NIL)	NIL (NIL)
4	Purchase of Capital Items	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
5	Purchase of Consumables	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
6	Purchase of shares	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
7	Repairing & Machining	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
8	Rent	NIL (NIL)	60,000 (50,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
9	Revenue (Travelling exp)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
10	Share Capital	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
11.	Loan given	NIL (NIL)	2,22,40,000 (54,86,000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
12	<b>Outstanding as on 31.03.2016</b>						
	a) Amount Receivable	NIL (NIL)	6,14,78,500 (4,42,83,500)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	b) Amount Payable	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	c) Share Application Money	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	d) Guarantee given	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
	e) Guarantee taken	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

**Note:**

- a) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.  
 b) Figures in bracket represent previous year /period amounts.

**6. Taxation**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with provisions of the Income tax act, 1961.

7. Loans to Related Party presented under Note 11 to Financial Statements are on interest free basis. Repayment will commence from Financial Year 2018-19.

**8. Remuneration to Auditors Amount in (Rs.)**

Particulars	2014-15	2015-16
Audit Fee	53,714	82,000
Tax Audit Fee	Nil	Nil
Other Matters	Nil	Nil

**9. Segment Reporting**

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard – 17 Segment Reporting.

10. The financial statements of the holding company and subsidiary companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating intra- group balances, intra- group transactions and the unrealized profits. The financial statements of the holding company and the subsidiary companies have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances except where otherwise stated.

**11. The details of subsidiaries are given below:**

- a. Name of the Subsidiary- Kanpur Organics Pvt. Ltd.  
 Country of Incorporation- India  
 Percentage of ownership as at 31.03.2016- 94.78%  
 Business carried on by the subsidiary- Organic Manure Manufacturing  
 Date of Becoming subsidiary- 06.01.2014  
 Period of consolidation from 31.03.2014
- b. Name of the Subsidiary- Sanjeevani Fertilizers & Chemicals Pvt. Ltd.  
 Country of Incorporation- India  
 Percentage of ownership as at 31.03.2016- 51%  
 Business carried on by the subsidiary- Trading  
 Date of Becoming subsidiary- 31.03.2014  
 Period of consolidation from 31.03.2014

**For Naval Kapur & Co.  
 Chartered Accountants  
 FRN 005851C**

**For Raghuvansh Agrofarms Ltd.**

**(Naval Kapur)  
 Membership No. 074587**

**(Managing Director) (Director)**

**Date: 30-05-2016  
 Place: Kanpur**



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Twentieth Annual General Meeting of Members of Raghuvansh Agro Farms Limited will be held on Saturday the 24<sup>th</sup> September, 2016 at 01:30 P.M. at the Registered office of the Company at 201-202, Namdhari Chambers, Karol Bagh, New Delhi - 110005 to transact the following businesses.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited financial statements (including consolidated Audited Financial Statements) of the Company for the year ended on 31st March 2016 including the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Renu Agarwal who retires by rotation and being eligible, offers herself for reappointment.
3. To ratify the appointment of the Statutory Auditors of the Company and if thought fit, to pass, with or without modification/s, the following resolution as on ordinary resolution.

**"RESOLVED THAT**, pursuant to the first proviso to Section 139(1) of the Companies Act, 2013, read with the first proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Naval Kapur & Co., Chartered Accountants (Firm Registration No. 005851C), who were appointed as the auditors of the Company from the conclusion of the 18th Annual General Meeting until the conclusion of the 23rd Annual General Meeting of the Company and whose office was subject to ratification at this annual general meeting be and is hereby ratified by the shareholders of the Company."

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification/s, the following resolution as on ordinary resolution

**"RESOLVED THAT** pursuant to Section 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Niranjn Swroop Goel (DIN: 02325340), who was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> April, 2016 by the Board of Directors and who holds office upto the date of this Annual General Meeting pursuant to section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice from a member proposing his candidature for the office of Director under section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for five (5) consecutive years."

**"RESOLVED FURTHER THAT** Mr. Rajit Verma, Company Secretary of the Company be and is hereby authorized to take all actions and steps expedient or desirable to give effect to this aforesaid resolution."

**Date:** 20.08.2016

**Place:** Kanpur

By the order of the Board  
For Raghuvansh Agro Farms Limited

-Sd-

**Rajit Verma**  
**(Company Secretary)**

**Notes:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be valid must be received by the company not less than 48 hours before the meeting.

A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

2. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members / Proxies / Authorized Representatives should bring the enclosed Attendance Slip, duly filled in, for attending the Meeting.
5. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of this Notice
6. Pursuant to the provisions of Section of 91 of The Companies Act, 2013 and listing agreement, The Register of Members and Share Transfer Book will remain closed from 17.09.2016 to 24.09.2016 (both days inclusive).
7. SEBI & the Ministry of Corporate Affairs encourage paperless communication as a contribution to greener environment.

Members holding shares in physical mode are requested to register their e-mail ID's with the Skyline Financial Services Pvt. Ltd., the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

8. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made there under the copy of the Annual Report including Financial statements, Board's report etc. and this Notice are being sent by electronic mode, to those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to [raghuvanshagro@gmail.com](mailto:raghuvanshagro@gmail.com) mentioning your Folio/DP ID & Client ID.

9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Skyline Financial Services Pvt. Ltd.
10. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
11. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in demat / electronic form, the nomination form may be filed with the respective Depository Participant.
12. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of the 20<sup>th</sup> Annual General Meeting of the Company.
13. With reference to Rule 20 of the Companies (Management and Administration) Amendment Rules 2015, your company is listed on SME of Platform of BSE under the regulation of chapter XB of the SEBI( Issue of Capital and Disclosure Requirement) Regulations, 2009, is not required to provide the e-voting process for the consideration of resolutions, proposed at the General Meeting.

#### **EXPLANATORY STATEMENT**

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item No. 4 of the accompanying Notice dated 20.08.2016.

#### **Item – 4**

The Board of Directors has, its meeting held on 30<sup>th</sup> April, 2016, appointed Mr. Niranjana Swaroop Goel as an (Additional Director) in the Board of the Company.

The Board of Directors of the Company had appointed Mr. Niranjana Swaroop Goel as an Additional (Non –Executive & Independent) Director w.e.f. April 30<sup>th</sup>, 2016 pursuant to Section 161 of the Companies Act, 2013. He holds office upto conclusion of this Annual General Meeting.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. Niranjana Swaroop Goel for the office of Independent Director, to be appointed as such under the provisions of Section 149 and other applicable provisions of the Companies Act, 2013.

The Company has received a declaration from Mr. Niranjana Swaroop Goel in writing to the effect that he meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.



The resolution seeks the approval of members for the appointment of Mr. Niranjn Swaroop Goel as an Independent Director of the Company for a period of 05 years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under and he shall not be liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Niranjn Swaroop Goel, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and he is independent of the Management. Accordingly Board of Directors recommends the passing of the Ordinary Resolution as set out in the Item no. 4 of the Notice.

No Director, Key Managerial personnel or their relatives, except Mr. Niranjn Swaroop Goel, to whom the resolution relates, is interested or concerned in the resolution.

Date: Kanpur  
Place: 20.08.2016

By the order of the Board  
For Raghuvansh Agro Farms Limited

-Sd-  
Rajit Verma  
(Company Secretary)

### **Annexure to the Item No.-2 & Item No.-4 of the Notice**

Details of Directors seeking appointment and reappointment at the forthcoming Annual General Meeting. In pursuance of Regulation 36(3) of SEBI (LODR) Regulations, 2015:

<b>Name of the Director</b>	<b>Mrs. Renu Agarwal</b>	<b>Mr. Niranjn Swaroop Goel</b>
Date of Birth	04/12/1976	30/12/1945
Nationality	Indian	Indian
Date of appointment on the Board	01/07/2014	30/04/2016
Qualifications	Under Graduate	Graduate
Expertise	In Business	In Business
No. of Shares held in the company	Nil	Nil
List of the directorship held in other Company	Nil	Nil
Chairman/Member in the committees of the board of other companies in which he/she is director	<b>Chairman-Nil</b> <b>Member-Nil</b>	<b>Chairman-Nil</b> <b>Member-Nomination &amp; Remuneration Committee</b>
Relationship, if any, between director's inter se	Wife of Mr. Subodh Agarwal	No
* Directorships includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stake holders' Relationship Committee of Public Limited Company (whether Listed or not); * Other required details are stated in Corporate Governance Report.		



**RAGHUVANSH AGROFARMS LIMITED**

**CIN:** L40300DL1996PLC258176

**Reg. Office:** 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005

**Corp. Office:** 16/19-A, Civil Lines, Kanpur -208001, Uttar Pradesh

**Tel. :** 0512-3071470, 3071471

**Email:** raghuvanshagro@gmail.com, rafl666@rediffmail.com

**Website:** www.raghuvanshagro.com

**Form No. MGT-11 (PROXY FORM)**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

Name :	
Address:	
	E-mail Id:
Signature: _____, or failing him	

Name :	
Address:	
	E-mail Id:
Signature: _____, or failing him	

Name :	
Address:	
	E-mail Id:
Signature: _____, or failing him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, the 24th September, 2016 at 01:30 P.M. at the registered office of the Company at 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

Sl. No.	Resolution(s)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2016		
2.	Re-appointment of Mrs. Renu Agarwal as director, retiring by rotation		
3.	Ratification of appointment of Auditor		
4.	Appointment of Mr. Niranjan Swaroop Goal as an Independent Director of the Company		



Affix  
Revenue  
Stamp

Signed this.....day of.....2016

Signature of the shareholder  
across Revenue Stamp

Signature of Shareholder.....Signature of Proxy holder.....

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.

-----**Please tear here**-----

**RAGHUVANSH AGROFARMS LIMITED**

**CIN:** L40300DL1996PLC258176

**Reg. Office:** 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005

**Corp. Office:** 16/19-A, Civil Lines, Kanpur -208001, Uttar Pradesh

Tel.: 0512-3071470, 3071471

**Email:** raghuvanshagro@gmail.com, rafl666@rediffmail.com

**Website:** www.raghuvanshagro.com

ATTENDANCE SLIP

(To be presented at the entrance)

Reg. Folio No.	DP id.	Client id.	No. of Shares held

Name of the Reg. Shareholder-----

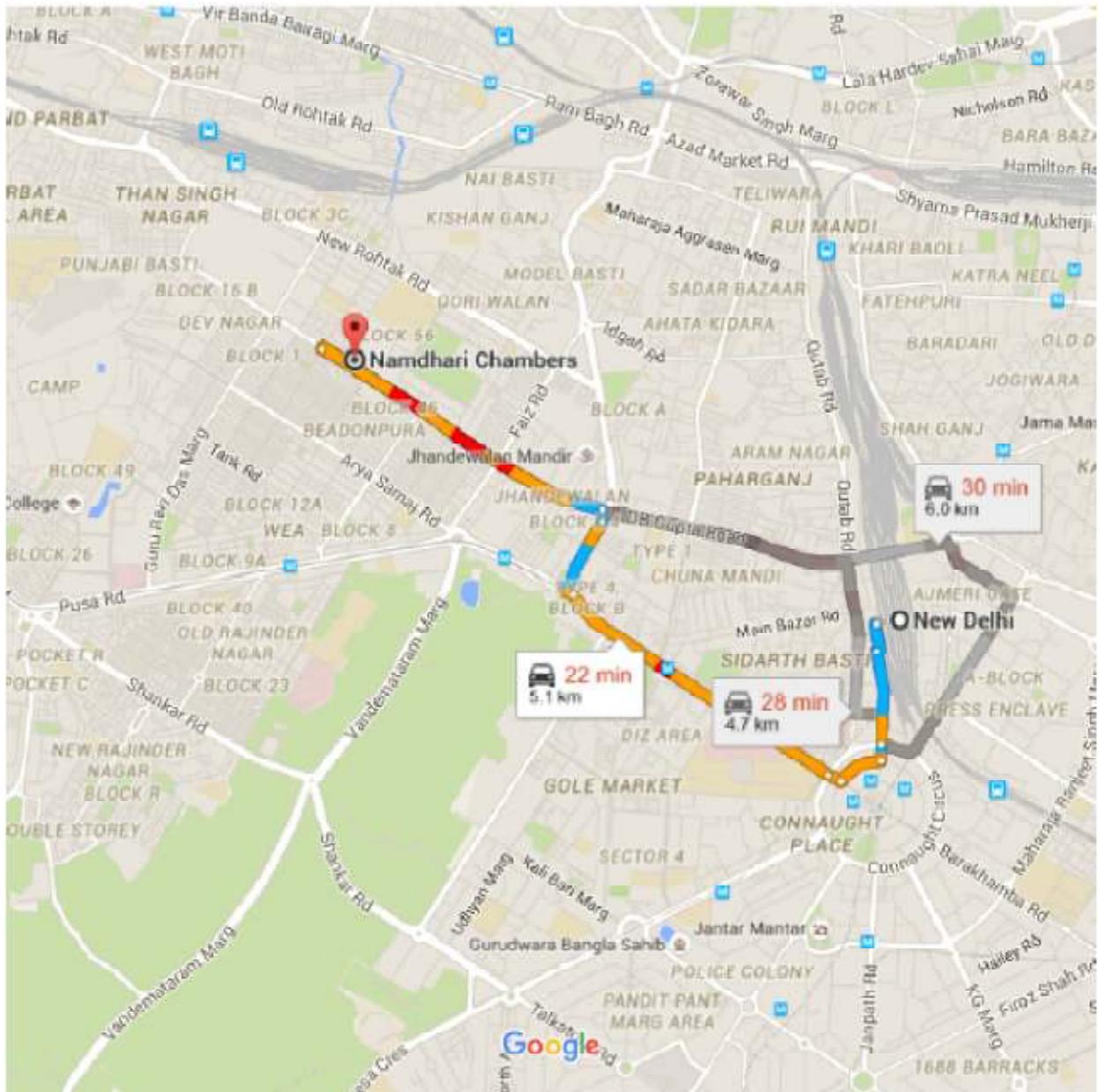
I, being the registered shareholder/Proxy for the registered shareholder of the company hereby record my presence at the 20<sup>th</sup>Annual General Meeting of the Company held on saturday, the 24<sup>th</sup> September, 2016 at 01:30 P.M. at the registered office of the Company at 201-202, Namdhari Chambers, Karol Bagh, New Delhi-110005.

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Member's/Proxy's name in Block Letters

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Member's/Proxy's Signature

**NOTE:** Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting. Members/Proxy Holders are requested to bring their copies of the Annual Report to the meeting.

**Route map of the Venue of the Annual General Meeting**



**20<sup>th</sup> Annual General Meeting Venue**

**Reg. Office:** 201-202, Namdhari Chambers,  
Karol Bagh, New Delhi-110005