

No. R-11017/83/2017-L&M
Ministry of Agriculture and Farmers' Welfare
Department of Agriculture, Cooperation and Farmers' Welfare
(Office of Central Registrar of Cooperative Societies)

Krishi Bhawan, New Delhi
Dated 20th December, 2017

To

The Managing Director
Krishak Bharati Cooperative Ltd. (KRIBHCO)
A-10, Sector-I, NOIDA-201301,
District Gautambuddha Nagar
Uttar Pradesh.

Subject: **Providing of information about subsidiary companies floated by KRIBHCO - reg.**

Sir,

I am directed to refer to above subject and to enclose the following three complaints received from Shri Upendrasing. V. Rathva, President, ST Wing of Choryasi Taluka, BJP, Surat, Gujarat :-

- i) Letter dated 15.11.2017 addressed to the Hon'ble Prime Minister and a copy endorsed to the Central Registrar regarding allegations against diversion of funds by way of loan by KRIBHCO to the joint venture namely M/s Anya Polytech & Fertilizers Ltd. promoted by the subsidiary of KRIL of KRIBHCO;
- ii) Letter dated 29.11.2017 addressed to the Hon'ble Prime Minister received through Prime Minister's Office regarding allegations against diversion of funds by way of loan by KRIBHCO to the joint venture namely M/s Anya Polytech & Fertilizers Ltd. promoted by the subsidiary of KRIL of KRIBHCO;
- iii) E-mail dated 12.12.2017 addressed to the Central Registrar regarding allegations against KRIBHCO regarding allegations against diversion of funds by way of loan by KRIBHCO to the joint venture namely M/s Anya Polytech & Fertilizers Ltd. promoted by the subsidiary of KRIL of KRIBHCO;

2. In the above references, Shri U.V. Rathva has made specifically the following allegations against KRIBHCO :-

- a) KRIBHCO is having one wholly owned subsidiary company called KRIL and this subsidiary company is running with huge financial loss. In both these companies Dr. Chandrapal Yadav is holding the position of Chairman. KRIL has set up joint venture company with son of Dr. Chandrapal Yadav namely M/s Anya Ploytech & Fertilizers Ltd. Noida. M/s Anya Ploytech is supplying HDPE bags to KRIBHCO & Kribhco Fertilizers Ltd.. When KRIL is in having huge economic loss, why KRIL has taken equity partnership with M/s Anya Polytech and whether M/s Anya Polytech has paid any dividend to KRIL, these points are to be asked.
- b) It has also come in light that KRIBHCO has illegally diverted four crore rupees (Rs. 400 lakh) to M/s Anya Ploytech in month of October 2017 as advance cum loan, but it is a question mark that when Kribhco is taking huge loan from various banks as working capital then how Kribhco diverted this huge money to M/s Anya Ploytech (company managed by son of Kribhco chairman). This is violation of section 66 of MSCS Act, 2002. The Central Government may register criminal case against responsible higher officials of Kribhco.

- c) KRIBHCO & KRIL (wholly owned subsidiary of KRIBHCO) is currently chaired by Shri Chandrapal Singh Yadav. KRIL had made a joint venture with son of Shri Chandrapal Singh (name Mr. Yashpal Yadav) M/s Anya Polytech Fertilizers Pvt. Ltd. On 10.10.2017 a note was approved in a single day to provide advance-cum-loan of Rs. 4.00 crore from KRIBHCO. When KRIBHCO is taking huge bank loan for its working capital, then how KRIBHCO can provide advance and if Anya Polytech default in payment or not supplying raw materials to KRIBHCO, this is very serious fraud and culprits officials should be punished severely. Further, the financial report submitted by KRIL to companies of Registrar for the financial year end 31.03.2016. According to this report, investment made by KRIL is hugely eroded compared to initial investment of KRIL, despite that they have given advance-cum-loan; it is a really serious crime.
- d) The joint venture agreement between KRIL (51% shareholding) & Anya Agro & Fertilizer Pvt. Ltd (49% shareholding). As per this agreement, clause 4.13, AAFPL shall give to KRIL an interest free security deposit of Rs. 2,50,000/- and the joint venture shall pay to KRIL Rs.11,00,000/- per annum with annual escalation of 7% towards rent charges to KRIL as M/s Anya Polytech is currently using the land and other infrastructure facilities of KRIL but till date no payments and no security deposit paid by M/s Anya. The annual reports of KRIL got from Registrar of Companies, in which there is no mention about the payment details in balance sheet of KRIL.
- e) The balance sheet of M/s Anya Polytech for the year 2014-15 reveals that it is running in loss and the stake of KRIL has been reduced to 32.07% and equity of M/s Anya Polytech is increased up to 67.93%. Now, equity of KRIL in M/s Anya Polytech is 27.64%. The questions need to be investigated that in a very short time equity of KRIL has been reduced and simultaneously Anya Polytech is increased and what are the reasons and at what price? Even a look at the available balance sheet of M/s Anya, they have taken huge loan from banks and due to interest burden, M/s Anya is in loss so deliberately the book value is shown in reduced price.
- f) The balance sheets of KRIL for the last three financial years, at the prima-facie there is no mention about rent income from M/s Anya Polytech or about security deposit.
- g) As per Form 23AC, there is no mention about directors of KRIL on Board of M/s Anya Polytech but e-mail communication from KRIL about resignation of directorship from M/s Anya Polytech. It seems that no rules or regulations are followed by KRIL/M/s Anya Polytech.
- h) Since inception, M/s Anya Polytech is running in losses and financial net worth is eroded, ultimately net worth of KRIL & KRIBHCO is also eroded. Despite that, KRIBHCO directors are paying loan to M/s Anya Polytech which is a serious breach of crime.
3. KRIBHCO is therefore requested to provide point-wise comments on the above allegations within next ten days positively.

This issues with the approval of the Joint Secretary (C&C) & Central Registrar of Cooperative Societies.

Encl.: As above

Yours faithfully,

P. Sampath

(P. Sampath)

Addl. Commissioner (Cooperation)

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