

41ST ANNUAL REPORT 2018 - 19



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ODISHA STATE SEEDS CORPORATION LIMITED
(A GOVERNMENT UNDERTAKING)

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HEAD OFFICE

Odisha State Seeds Corporation Ltd
Santarapur, Bhubaneswar-751002

ZONAL OFFICES

Zonal Manager OSSC Ltd, Bargarh,
At -Seed Processing Plant, Ekamra Chhak,
Via-Tora, Po-Sarsara, Dist-Bargarh-768040.
(Mobile No 9438918520)
E-Mail ID

Zonal Manager OSSC Ltd, Bhubaneswar,
At-DRG Seed Store, CNI Complex,
Near KIIT, Bhubaneswar,-751024
(Mobile No.9438918552/)
E-Mail ID

Zonal Manager OSSC Ltd, Balasore,
At Industrial Estate,
In front of ITI field,
AT/Po-Angargadia, Balasore-756001
(Mobile No 9438918526)
E-Mail ID

Zonal Manager OSSC Ltd, Boudh,
At-Satyam Vihar, Butupali,
Boudh-762014
(Mobile No. 9438918564
E-Mail ID

Zonal Manager OSSC Ltd, Berhampur,
AT-RITE Campus, Rangeilunda,
Near Berhampur University,
Dist-Ganjam-760001.
(Mobile No9438918531)
E-Mail ID

Zonal Manager OSSC Ltd, Cuttack,
At-Govt. Cold Storage Campus,
Canal Road, Ranihat,
College Square, Cuttack-753003
(Mobile No. 9438918552)
E-Mail I.D

Zonal Manager OSSC Ltd, Bhawanipatna,
At-Arkabahali Agriculture Farm,
Bhawanipatna,
Dist-Kalahandi, Pin-766001
(Mobile No.9438918546)
E-Mail ID

Zonal Manager OSSC Ltd, Jeypore
At-Gandhi Chhak,
Near DCB Bank, Jeypore,
Dist-Koraput-764001.
(Mobile No.9438918540)
E-Mail I.D



ACTIVITIES OF ODISHA STATE SEEDS CORPORATION LTD

*Seed is the basic and primary input for Agriculture Production. The Odisha State Seeds Corporation Limited came into existence and incorporated on 24th February, 1978 under the Companies Act, 1956 with main objective to produce, multiply, procure, process and supply Breeder, Foundation and Certified seeds to improve production and productivity in the State. OSSC is the Nodal Agency catering to the need of farming organization through Debtor organizations like Director of Agriculture and Food Production Odisha, Director of Horticulture, Departmental Farms and Private firms engaged in Seed utilization. OSSC procures Breeder Seeds which is allocated by Govt. of India in Agriculture Co-operation Department (Seed division) as the breeder seed is the most precious resource of the farmers and farming community. Supply, production, procurement, processing, reservation and promotion of seed developmental activities take a major role in Agricultural scenario. Good seed of improved varieties is one of the most important agricultural inputs for obtaining increased crop production and giving economic benefit to the farmers. The OSSC Ltd has been implementing the “Seed Village Programme” as “**Mo Bihana Yojana**” for production of certified paddy and non-paddy seeds through seed growers Besides procuring seeds from the Growers under the Seed Village Programme, the OSSC procures certified seeds from Govt. Farms, OUAT, MOU farms, National Seeds Corporation and other National/State level Seeds Corporations for meeting farmers need for quality seeds The Certified seeds of different varieties of paddy, pulses and oil seeds etc, are sold to the farmers of the State through authorized Private dealers of OSSC and PACS/LAMPS through DBT implemented by Government of Odisha from kharif -2016 .*



MANDATE

OSSC Ltd is working with the following mandates:

- Timely supply of quality seeds in each season i.e. Kharif and Rabi in different Chief District Agriculture Officer (CDAO) through PACs and Private Dealers network of OSSC as per the indent of the Director of Agriculture & Food Production, Odisha through DBT mode.
- To arrange and supply vegetable seeds.
- To take up Production and demonstration Programmes in the Growers's field.
- To produce Foundation & Certified seeds for the State's requirements.
- To make the State self sufficient in the field of production and distribution of quality seeds.
- Processing of raw seeds available under seed production programme.
- Install and operate required processing plants as per State policy and requirement of OSSC Ltd.
- Construction of flat ventilated seed store for storage of seed scientifically to ensure proper germination.



LIST OF THE BOARD OF DIRECTORS OF OSSC LTD.FOR THE YEAR 2018 -19

Sl	Name of the Director	Designation
1.	Sri Arabinda Dhali	Chairman
2.	Sri Vijay Arora, IAS, Principal Secretary to Govt Public Enterprises Deptt., Odisha, Bhubaneswar	Director
3.	Dr. M. Muthukumar, IAS, DA.& FP, Odisha, BBSR	Director
4.	Sri B.K.Upadhyay, IAS Director of Horticulture, Odisha, Bhubaneswar	Director
5.	Sri S. B. Rout, Joint Secretary to Govt, Finance Deptt, Odisha, Bhubaneswar	Director
6.	Dr.L.M.Gadanayak Dean of Research, OUAT, Bhubaneswar	Director
7.	Sri S.N.Mishra, Director, OSSOPCA, Bhubaneswar	Director
8.	Sri Pradosh Kumar Samal, Agriculturist, Agriculture Deptt, Odisha	Director
9.	Sri P.K Pattnaik, Regional Manager, NSC Ltd, Kolkata	Director
10.	Sri Ashok Kumar Baral, Grower Shareholder Representative	Director
11.	Sri Kiran Bihari Swain, Independent Director	Director
12.	Sri BN Rao Pattnaik, Independent Director	Director
13.	Sri Jyoti Ranjan Mishra, OAS(SB) Managing Director, OSSC Ltd	Managing Director



◀ OBJECTIVES OF OSSC LTD ▶

- ▶ To implement National Seed Programme for State Seed Project
- ▶ To undertake the production of Certified seeds of all these kinds and varieties coming under the purview of the Seed Act, and quality seeds of other kinds of varieties.
- ▶ To process Certified seeds on Scientific and Commercial lines.
- ▶ To install, manage and operate processing plants and seed storage facilities.
- ▶ To make arrangements for supply of foundation seeds to grower shareholders through the arrangement with N.S.C, O.U.A.T, C.R.R.I, etc
&
- ▶ To undertake distribution of seeds to the farmers at reasonable price both through Government agencies as well as own outlets and to supply sufficient quantity of seeds to support agricultural production programme



L.No.3241
Dt.7.07.2021

NOTICE

Notice is hereby given that the Adjourned 41st Adjourned Annual General Meeting of the shareholders of the Company will be held on 30.07.2021 at 12.00 P.M in the Registered Office of the Company at Santarapur, Bhubaneswar-751002 to transact the following business:

“TO RECEIVE, CONSIDER AND ADOPT THE DIRECTORS’ REPORT, PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDING ON 31.03.2019, THE BALANCE SHEET AS ON THAT DATE, THE AUDITORS REPORT THEREON TOGETHER WITH COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.”

ANY OTHER ITEM WITH PERMISSION OF THE CHAIR.

BY ORDER OF THE BOARD OF DIRECTORS.
Sd/-S.K.Mishra
COMPANY SECRETARY.

- Note:**
1. The above meeting is scheduled to be held on 30.07.2021 in virtual mode in view of procedural compliance under section 96,101,102 of the Companies Act,2013.
 2. The Share Holders are requested to register their E-mail I.D with the nearest Zonal Manager of OSSC Ltd for participation in the meeting through Electronic/OVAM Mode.

To

All the members of the Board of Directors / All the Shareholders of OSSC Ltd / M/S. J.Prusty & Associates, Chartered Accountants, Bhubaneswar / Registrar of Companies ,Odisha ,Cuttack.



DIRECTORS' REPORT

To

The Share-holders,
Odisha State Seeds Corporation Ltd.,
Bhubaneswar.

The Board of Directors have pleasure in presenting the Directors Report of the Company together with the Financial Statements ,Auditors Report and the Report of the C& AG of India for the year ended March-31,2019

1. Financial Results:

The working results for the year under report along with that of the previous year are as follows:

Sl. No	Particulars	Figures for the financial year 2018-19 (in Rs.)	Figures for the financial year 2017-18(in Rs.)
I	Revenue from operation	1440483327.00	1587321288.00
II	Other Income	79528959.00	36326616.00
	Increase/Decrease in stock	173889049.00	-337484934.00
III	Total Revenue	1693901335.00	1286162970.00
	Purchase	1311108509.00	1020979242.00
IV	Employee Benefit Expenses	91602915.00	74958354.00
	Financial costs	1078285.00	2751728.00
	Depreciation and Amortization Expenses	11767272.00	9465541.00
	Other Administrative Expenses	218119679.00	175656701.00
	Total Expenses	1633676660.00	1283811566.00
V	Profit before exceptional and extraordinary items & tax (III-IV)	60224675.00	2351404.00
VI	Profit/ Loss before extraordinary items and tax	60224675.00	2351404.00
VII	Profit before Tax	60224675.00	2351404.00
VIII	Profit after tax	60224675.00	2351404.00
IX	Profit (+)/Loss(-)Transferred to Reserve & Surplus	60224675.00	2351404.00

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement. This is the Profit & Loss Statement referred to in our Report of even date.



2. Operational Performance:

The Corporation earned a profit of Rs.6,02,24,675.00 in the financial year 2018-19 as compared to profit of Rs.23,51,404.00 in 2017-18. The gross profit ratio to sales increased to 4.18% in 2018-19 from 0.15 % in the financial year 2017-18.

3. CAPITAL STRUCTURE.

	(Rs. In Lakh)	
	<u>2018 -19</u>	<u>2017-18</u>
Authorised Capital	1000.00	1000.00
Paid up Capital	263.38	263.38

4. DIVIDEND

No amount has been recommended for payment of dividend.

5. BRIEF DESCRIPTION OF THE COMPANY'S STATE OF AFFAIRS

Your Company has achieved a turnover of Rs.144,04,83,327.00 on sale of 401054.00 qtls of different crop/ varieties of both standard and sub-standard seeds during this year as against the turnover of Rs.158,73,21,288.00.00 during the previous year. This is due to implementation of Seed DBT (Direct Benefit Transfer) system in sale of seeds by the Government in Agriculture and Farmers Empowerment Department Odisha. The Dealers and PACS did not lift the required seeds from the go-down locations of the corporation for onward sale to the farmers having farmers ID through SEED DBT...

(Quantity in quintals)

Sl.	Crop	2018 -19		2017-18	
		Purchase	Sale	Purchase	Sale
1.	Paddy	386848	338118	314989	550186
2.	Wheat	0	0	0	2
3.	Pulses	28439	28759	31192	30713
4.	Oil Seeds	23623	23476	18844	19161
5.	Dhanicha	9475	9475	4501	4553
6.	Others	1226	1226	692	796
		449611	401054	370218	605411



6. PRODUCTION

During the financial year 2018-19 the Corporation has taken up production programme of Certified seeds successfully. The quantity of certified seeds produced is given below.

(Quantity in quintals)

Sl.	Crop	2018-19	2017-18
1.	Paddy	287607	262329
2.	Pulses	8714	13518
3.	Oil Seeds	9145	6908
4	Others	516	0
	Total:	305982	282755

7- PROCESSING & STORAGE

Processing of different seeds produced under Seed Production Programme has been done successfully in the Processing Plants of the Corporation. At present, the processing & Storage capacity created by OSSC Ltd. is given below. Plant capacity calculated for single shift/working hour/120 days of processing

SEED PROCESSING PLANTS

Sl	Plant	Capacity in Qtls	Capacity Utilisation	Sl	Plant	Capacity in Qtls	Capacity Utilisation
1	Balasore	16800	21600.8	19	Sonepur	0	
2	Bhadrak	33600	11884	20	Anugul	8400	1294
3	Keonjhar	16800	1325	21	Bargarh	50400	23847
4	Gohira	8400	4307	22	Barikel	16800	4858
5	Shyamakhunta	16800	8668	23	Sundargarh	16800	11856
6	Cuttack	16800	9772	24	Sambalpur	16800	2453
7	Nimakana	16800	4329	25	Deogarh	8400	943
8	Kendrapara	16800	5633	26	Kuchinda	16800	1344
9	Jajpur	16800	7456	27	Bolangir	16800	11697
10	Dhenkanal	16800	5421	28	Bhawanipatna	33600	18236
11	Satasankha	16800	8889	29	Nuapara	16800	4537
12	Santarapur	16800	17042	30	Randapali	33600	10675
13	Patia	8400	12114.5	31	Kotpad	8400	3419
14	Nayagarh	0	2892	32	Rayagada	16800	3434
15	Rangeilunda	16800	13460	33	Dabugaon	16800	3680
16	Babanpur	16800	19988.5	34	Umerkote	8400	6180
17	Parlakhemundi	33600	6035	35	Mathili	8400	4416
18	Boudh	16800	7518		Total Capacity	302400	281203.00



SEED STORAGE GODOWNS

Sl	District	Godown Area	Storing Capacity in Qtls	Sl	District	Godown Area	Storing Capacity in Qtls
1	Anugul	6300	4200	16	Kendrapara	8700	5800
2	Balasore	18950	12633	17	Keonjhar	12600	8400
3	Bargarh	58764	39176	18	Khurda	50944	33963
4	Bhadrak	16920	11280	19	Koraput	23920	15947
5	Bolangir	16920	11280	20	Malkanagiri	4320	2880
6	Boudh	12600	8400	21	Mayurbhanja	18900	12600
7	Cuttack	27875	18583	22	Nawarangpur	13920	9280
8	Deogarh	4320	2880	23	Nayagarh	12540	8360
9	Dhenkanal	6300	4200	24	Nuapara	11300	7553
10	Gajapati	8400	5600	25	Phulbani	6300	4200
11	Ganjam	50580	33720	26	Puri	20840	13893
12	Jagatsinghpur	10620	7080	27	Rayagada	7800	5200
13	Jajpur	12360	8240	28	Sambalpur	25240	18826
14	Jharsuguda	0	0	29	Sonepur	18900	12600
15	Kalahandi	21900	14600	30	Sundargarh	18000	12000
		272809	181873			254224	171502
		Total			Area in sft	527033	
					Qty in Qtls	353375	

STATUTORY COMPLIANCE UNDER COMPANIES ACT-2013

8. DEPOSIT:

The Company has neither accepted nor renewed any deposits during the year under review

9. Loans, Guarantees and investment by the Company

Your Company had not granted any loans, whether directly or indirectly nor had it given any guarantee or provided any security covered under section 186 of Companies Act, 2013. During the year, your Company had not made any investment covered under section 186 of Companies Act, 2013.



10. Related Party Transactions:

As per the provision of Section 188 of the Companies Act-2013 the same were not attracted as there are no materially significant related party transactions made by the Company during the year under review with promoters, Directors or other designated persons which have a potential conflict with the interest of the company at large. Thus the disclosure in Form AOC-2 is not required.

11. Conservation of energy, Technology absorption and Foreign exchange inflow and out-go etc:

Conservation of energy:

Energy conservation measures taken - The Company has continued its energy conservation measures particularly at Processing Unit level as per detailed below

1. (a) Fuel: laid down on limits of consumption of petrol/diesel per vehicle per month 140 ltrs.
(b) For better and more economical service the following measures are taken. For every 5000 kms, change of engine oil ,lubricants& oil filters are being taken.

2. Equipment:

Maintenance is being done regularly.

3. Electrical Appliances:

All lights, fans, ACs, Water Coolers, electrical appliances etc are being strictly used only as and when they are essentially required.

RESEARCH & DEVELOPMENT (R&D)

The Odisha State Seeds Corporation Ltd does not have a regular R&D Section/Division in its structure.

1. Specific areas where R&D is carried out by the Corporation :NIL
2. Benefits derived : NIL
 - b) Additional investment and proposals - Need based additional investments are made as and when required.
 - c) Impact of measures- In a) & b) above resulted in avoidance of wastages thereby achieved reduction of power consumption.

**Technology absorption:**

The Company is engaged in the production and distribution of seeds to the farmers. The Company has adopted Inventory Management Software as technology absorption initiatives during the year. Foreign exchange inflow and out-go etc:

During the year under consideration there were no *foreign exchange earnings and outgo*.

12. Internal Financial Control:

Your Company has in place adequate internal financial controls commensurate with the size and nature of its business. The Company has an Internal Audit and Vigilance Division which conducts the internal audit of the operations of the Company through the external professional firms and ensures compliance with the policies, procedures and statutory requirements. The Management duly considers the recommendations of the Internal Auditors, Statutory Auditors and Government Auditors. The effective internal controls ensure that the Company's assets and interests are safeguarded.

13. Corporate Social Responsibility Policy:

The Company meets the eligibility criteria defined under the provisions of Section 135 of the Companies Act, 2013 and hence Corporate Social Responsibility Policy has been approved by the Board.

14. Auditors:**Statutory Auditors:**

M/s Jitendra Prusty & Associates, Chartered Accountants, Bhubaneswar, were appointed as Statutory Auditors by the Comptroller and Auditor General of India (C&AG), for the year 2018-19. They have audited the accounts and submitted the report. Their report and replies of the Management thereto are attached which form part of this report.

Further Comptroller and Auditor General of India (C&AG) have appointed M/s. Jitendra Prusty & Associates, Chartered Accountants, Bhubaneswar as Statutory Auditors for the financial year 2019-20.



**OFFICE OF THE ACCOUNTANT GENERAL(AUDIT-1)
ODISHA, BHUBANESWER**

Letter No.AMG-1(Tech)/Accounts/OSSCL/2018-19/38

Dt.16.6.2021

To

The Managing Director,
Odisha State Seeds Corporation Limited.
Samantarapur, Bhubaneswer-751002

Sub- Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act.2013 on the financial statements of Odisha State seeds Corporation Limited for the year ended 31st March 2019.

Sir,

I forward herewith the Comments of Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act .2013 on Financial statements of Odisha state Seeds Corporation Limited for the year ended 31st March Three copies of Annual Reports for the year 2018-19 placed before the Annual General Body Meeting of the Company may please be furnished to this office indicating the date of meeting.

Yours faithfully

Sd/-

Deputy Accountant General(AMG-1)

Sub : Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act.2013 on the financial statements of Odisha State seeds Corporation Limited for the year ended 31st March 2019.

The preparation of financial statements of Odisha State seeds Corporation Limited for the year ended 31st March 2019 in accordance with financial reporting framework prescribed under the Companies Act .2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by Comptroller & Auditor General of India under section139(5) of the Act,is responsible for expressing opinion on the financial statements under section143of the Act, based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act.This is stated to have been done by them vide their Audit Report 20th February 2021.

I, on behalf of the Comptroller & Auditor General of India ,have conducted a Supplementary Audit of the financial statements of Odisha State Seeds Corporation Limited for the financial year ended 31st March 2019 under section 143(6)(a) of the Act. This Supplementary Audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquires of the statutory auditor and company personnel and aselective examination of some of the accounting records.

Based on my supplementary audit ,I would like to highlight the following significant matters under section 143(6)(b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.



Sl. No	Comments of Comptroller & Auditor General of India	Reply of the Management
1.	<p>A.COMMENTS ON PROFITABILITY PROFIT AND LOSS STATEMENT OTHER INCOME (SCHEDULE-19) INTEREST ON (FIXED & SAVINGS) DEPOSIT: Rs.18684743.00.</p> <p>The above includes Rs.156.51 lakh towards interest earned on on the Corpus Fund kept under ESCROW(Revolving) account.</p> <p>The Government of Odisha in Agriculture Department had constituted (14th May 2015) a corpus fund for Odisha State seeds Corporation Limited and had sanctioned Rs.60.00 crore for that purpose, para 6(xi) of the Government notification regarding constitution of corpus fund stipulates that interest accruing from this corpus fund would also form a part of the fund and it should be available exclusively for the seeds/quality planting materials business.</p> <p>Hence the interest of rs.156.51 lakh earned on the corpus fund (Rs.60.00 crore) should not have been considered as income of the corporation. This resulted in over statement of other income as well as profit by 156.51 lakh and understatement of short term borrowings to that extent</p>	<p>The interest earned from ESCROW(Revolving) fund account though accounted under other income but kept in ESCROW(Revolving) fund account and utilized for procurement of seeds from the growers and other seed supplying agencies.</p> <p>However the observation of audit regarding interest on ESCROW (Revolving Fund) not to treat as corporation income will be taken care from Financial year 2019-20.</p>
2.	<p>B. COMMENTS ON FINANCIAL POSITION-BALANCE SHEET-ASSET NON-CURRENT ASSETS FIXED ASSETS (SCHEDULE-8) NET BLOCK Rs.299250543.00</p> <p>The internal Road at Barpali farm was capitalized during 2014-15 on which depreciation of Rs.0.10lakh has been charged annually @1.63% which was not in compliance with rate 19% as prescribed under part"C" of schedule-II of the Companies Act, 2013. Thus calculation of depreciation at a lower rate resulted in overstatement of fixed Asset block and profit by 5.42 lakh and corresponding understatement of expenditure to same extent</p>	<p>Necessary rectification entry has been made during the financial year 2019.20 vide JV No.231/31.3.20</p>
3.	<p>C. Comments on Disclosure</p> <p>946 quintals of paddy seeds were stolen from the Kotpad godown on 11.5.2017 for which FIR was lodged on 11.3.18 .Police treated it as a false case under 457/380 IPC and the matter is sub-judice before JMFC,Kotpad (case No.GR.82 of 2017.This should have been suitably disclosed in the notes on Accounts forming part of financial statements.The notes on accounts is deficient.</p>	<p>The theft of Qtl.946.20 paddy sub-standard seeds from Kotpad godown under Jeypore Zone on 9.5.17 ,same has been disclosed in the Notes on Accounts forming part of Accounts in Point No.20.but due to oversight the information of lodging of FIR in Kotpad Police Station and also filing of case in JMFC court Kotpad has not been reported. The observation of audit noted for future guidance.</p>



CORPORATE GOVERNANCE

15. Directors and Key Managerial Personnel

15.1 Directors:

CHANGES IN MANAGEMENT.

The Directors wish to place on record their warm appreciation for the valuable services rendered by the Directors, Sri Jogendra Tripathy, Ex-Chairman, Sri S.N Samal I.A.S Director of Horticulture , Sri SC Biswal Director OSSOPCA and R.C Patra Dean of research OUAT , during their tenure in the Board of OSSC Ltd.

16. Number of Meetings of the Board:

During the financial year 2018-19 three meetings of the Board of Directors were held on 10.7.2018, 12.10.2018, 11.2.2019

17. Board Committees:

The Board has constituted four Sub Committees with specific mandates and are playing the role and performing the functions of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The reconstitution of the existing Sub Committees is made in conformity with the applicable provisions of the Companies Act, 2013. The Sub-committees are named as below.

1. Committee for Stakeholders Relationship;
2. Committee for Purchase/ Fixation of Procurement and Selling Rates/ Disposal of Seeds for non-Seed Purpose etc;
3. Committee for Audit;
4. Committee for Departmental Promotion

18. Declaration by Independent Directors:

During the financial year 201/8-19 two Independent Directors are continuing in the Board of Directors of the Corporation pursuant to the Notification No.21291/Ag dt.22.12.2014.



19. Formal Annual Evaluation:

Your company is a State Public Sector Enterprise governed by the Government of Odisha. The MCA vide notification dated 05/06/2015, has exempted the Government Company from the formal annual evaluation by the Board on its own performance pursuant to Section 134 (3) (p) of the Companies Act, 2013.

20. Risk Management Policy:

The major challenges your Company facing are severe competition from the private seed Companies, frequent changes in the cropping pattern and seasonal conditions. Your Company has been able to evolve strategies for mitigating the risks through better management and operational practices.

21. Directors' Responsibility Statement:

In compliance with the provisions of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, your Directors hereby state that:

- a) In the preparation of the annual accounts for the year ended 31-03-2018, all the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b) They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit and loss of the Company for the period ended on that date;
- c) The Company had taken proper and due care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities;
- d) They had prepared the annual accounts on going concern basis; and
- e) They had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively



22. Compliance of Sexual Harassment of Women at Workplace (Prevention, Prohibition on and Redressal) Act, 2013

The Company is committed to provide a safe and conducive work environment to its employees during the year under review. Further, during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

23. Key Managerial Personnel:

There were Managing Director, DGM(Finance) and the Company Secretary as the Key Managerial personnel of the Company as per Section 203 of the Companies Act-2013.

24. Subsidiaries, joint ventures and associate companies :

The Company does not have any Subsidiary, Joint venture or Associated Company

25. Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors, practicing company secretary and CAG in their reports

The observations made by the Auditors of the Company in their report read with the Notes of Accounts and clarification thereon are part of the Directors Report.

26. Material changes and commitments affecting financial position between the end of financial year and date of report:

There is no occurrence of material change and commitment made between the end of financial year and date of this report which has affected the financial position of the Company.

27. Significant and material orders passed by the regulators or courts:

The Arbitration Tribunal has passed orders vide ARBP-17 and ARBP-18 of 2015 which would impact the going concern status of the Company and its future operations. The Corporation has filed appeal before the Hon'ble High court of Odisha as against the orders passed by the District Judge Court, Khurdha and presently the matter is sub-judice in the Hon'ble High court of Odisha.



28. Shares :

Buyback of Shares

The Company has not bought back any equity shares during the current year.

Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

Bonus Shares

No Bonus Shares were issued during the year under review.

Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees.

29. Development of infrastructure:

29.1 Construction of Projects under RKVY

OSSC had taken up execution of projects for Construction of Seed Storage Godowns, Strengthening of Seed Processing Plant and Modernizations of Seed Processing Plant out of the grants sanctioned under RKVY during the year-2018-19

30. Future Outlooks :

The Corporation has planned to phase out the varieties of seeds more than ten years old and to replace with new released high yielding varieties for adoption of the same by the Farmers inside the State. More of the varieties are of stress tolerant varieties.

31. PARTICULARS OF EMPLOYEES.

The total number of employees in all categories as on dt.31.03.2019 was 113 as against 109 nos during the year 2017-18 The Directors wish to place on record their warm appreciation for dedicated and sincere efforts of employees of the Corporation at all level.

32. ACKNOWLEDGEMENT.

The Directors express their sincere gratitude to Government of India, State Government, Principal Secretary to Govt, Agriculture & Farmers' Empowerment Department, Directorate of Agriculture



& Food Production, Odisha, National Seeds Corporation Ltd, New Delhi, Odisha University of Agriculture & Technology, Bhubaneswar, other State Seeds Corporations, Odisha State Seed Organic Product Certification Agency, Bhubaneswar and Central Rice Research Institute, Cuttack for their continued co-operation and support to the Odisha State Seeds Corporation Ltd. The Directors acknowledges with thanks the support and co-operation received from State Bank of India., The Directors are grateful to the Comptroller & Auditor General of India, Accountant General, Odisha and M/s. Jitendra .Prusty & Associates, Chartered Accountants, Bhubaneswar for their valuable co-operation, guidance and assistance.

Sd/-
Managing Director
OSSC LTD

Sd/-
Chairman
OSSC LTD



THE REPLIES OF THE MANAGEMENT TO THE AUDITOR'S REPORT TO THE MEMBERS OF THE ACCOUNTS OF ODISHA STATE SEEDS CORPORATION LTD. FOR THE YEAR ENDED 31.3.2019

Annexure-A to the Auditors Report

i. Fixed Assets :

- (a) No Comments
- (b) Physical verification of fixed assets are being made in regular intervals. No material discrepancies are reported during the time of verification. However the observation of audit is noted for future guidance.
- (c) Lease Deed has been executed for purchase of two(2) Nos of sheds from IDCO at Balesore at a cost of Rs.1107 lakh on 1.3.2001 and in case of Jeypore ,process is in progress for execution of lease deed.
(b)&(c) & (d) -Necessary steps will be taken for execution of lease deed.
- (ii) Inventories:-In case of discrepancies found in seed stock are being dealt properly taken in to account after due enquires.
- (iii) No Comments.
- (iv) No Comments
- (v) No Comments
- (vi) No Comments
- (vii) Deposit of Statutory Dues
- (a) Necessary steps will be taken to deposit labour cess & royalty deducted from the bills of civil contractors.
(a)(1)&(2) & (3) Necessary step will be taken to deposit the statutory dues such as professional tax, GPF,& EPF within the stipulated time.
- (b) (i) No Comments
(ii) No Comments
(iii) No Comments
(v) No Comments
- (c) Noted for future guidance.
- viii. No Comments
- ix. No Comments
- x. No Comments
- xi. No Comments
- xii. No Comments
- xiii. No Comments
- xiv. No Comments
- xv. No Comments
- xvi. No Comments

Annexure-B to the Auditors Report



1.

- (i) Provision of leave encashment liability is made on actual basis for deputation employees as per the authority slip received from AG(Odisha) for the relevant year. Provision of leave encashment for corporation employees is not made and payment is calculated at the time of retirement on actual basis i.e last pay drawn.
- (ii) Provision of gratuity is made as per the gratuity Act.1972 and calculation is made on the last pay drawn i.e salary drawn on in the month of March of the accounting year 2019.
- (iii) The system is being followed consistently.
- (iv) Noted for future guidance

2. Action taken on the comments of C& AG of India on the accounts of 2017-18 (1) to (10) No comments

3. No Comments.

A. Balance Sheet

- (i) Short Term loans and advances (schedule-16)-Rs.225760697.00
- (i) (a) Advance & other dues with staff.Rs.31562059.00
Advance outstanding against the present staff are recovered from their salary and arrear DA. An amount of Rs.6688611.00 has been provided as doubtful advance. Steps are being taken to reconcile the old outstanding advance.
- (b) Advance to Growers (ISOPOM incentive on Oil seeds) –Rs.20471775.00
No Comments
- (c) Rs.9309753.00 deposited with Sales Tax Department against VAT claim of Rs.13.96 Crore has been challenged by OSSC Ltd. and appeal has been filed in the court of Commissioner Commercial Tax. The appeal has been finalized with Commissioner Commercial Tax and the amount will be refunded to OSSC. Regarding other deposits like sales tax refundable & sales tax deposit steps will be taken to finalize after detail scrutiny.
- (d) TDS of Rs.994.00 deducted by WESCO utility Executive Engineer has been accounted during 2019-20. Rs.2549.00 and Rs.52000.00 credited to OSSC A/c during 2019-20 towards TDS by National Seeds Corporation Ltd. and Bhubaneswer Municipal Corporation has been accounted during 2020-21 after verification.
- (ii) (a) No Comments



- b) The quantitative details as per point No.21 are given below

Opening Balance	Qtl. 182813.00
Purchases	Qtl. 449511.00
Total Receipt	Qtl. 632324.00
Less- Sale	Qtl. 401054.00
Book Balance	Qtl. 231270.00
Less-Physical Balance	Qtl. 230714.00
Shortage Qty.	Qtl. 556.00
Growers fail	Qtl. 10547.00

Valuation of growers fail stock not taken for closing stock valuation though OSSC Ltd. is the custodian of the growers fail stock as on 31.3.19. The stock will return back by the grower on depositing the initial seed cost paid, cost of packing material, cost processing charge.

- c) The procurement /arrangement of seeds is being made by the Corporation as per the seed of Director of Agriculture and Food Production, (DA & FP) Odisha. Seeds are distributed to the farmers through dealers & PACS. During the year 2018-19 due to implementation of Seed DBT system by Government of Odisha which is continuing from 2016-17. The seeds procured by the Corporation could not be disposed off due to less quantity lifted by Dealers/PACS/LAMPS resulting standard seeds remain unsold at the end of season. The left over seeds disposed off by OSSC Ltd. as substandard seeds causing huge loss to the Corporation. The Corporation has reduced its programme for the above reason.
- e) The Corporation has implemented the Inventory management system through NIC for smooth management of seed stock.

(iii) Trade Receivable (Schedule-14) Rs.780292453.00

The reconciliation with DA & FP (Odisha) towards outstanding claim of OSSC Ltd. is in progress. Necessary provision will be made after completion of reconciliation and also due approval of the Board of directors.

(iv) Other Current Assets (Schedule-17) Rs.7774069.00

Necessary step will be taken to prepare the year wise break-up of sundry dues realizable of Rs.2588162.00 which relates to dues receivable from Govt. accounted under Other Current Assets. Interest receivable for the financial year 2018-19 on fixed deposit accounted under other current assets.



- (v) The Corporation has maintained different Bank accounts both in Head office as well as at unit offices. Out of the total No of Bank accounts operated by Bargarh Zone before 2011-12 seven no bank accounts remain un-reconciled. In the mean time during 2018-19 A.N Lenka & Associates, Chartered Accountant ,Bhubaneswer was entrusted the work of Bank reconciliation including the above un-reconciled Bank accounts. The report yet to be received from the chartered firm.

The un-reconciled Bank balance of Rs.14938021.00 is accounted under Reserve & Surplus.

The reconciliation of SBI Cash Credit & SBI(OT)ESCROW a/c are under reconciliation . The reconciliation statement will produced to audit after it completed.

The Bank statement of Andhrabank, lewis Road, Bhubaneswer bearing A/c No.083811011000141 is in-operative since 2011-12.The balance as on 31.3.2016 was Rs.5221.51 and the statement has been produced audit.

Fixed Deposit of Rs.38830348.00 is in SBI(OT) ,Bhubaneswer. The balance confirmation statement has been produced before audit for verification.

- (vi) Fixed assets (schedule-8) Rs.92,92,50,543.00

Construction of storage godown at Bhadrak of 1000 MT kept under Capital Work-in-progress and transferred to fixed assets account after completion of the godown.

- (vii) Trade Payable (Schedule-05) Rs.49,88,72,437.00

Reconciliation of Sundry creditors account is under reconciliation. The reconciled figures will provided to audit after is completed.

- (viii) Other Current liabilities(Schedule-06) Rs.247164209.00

The detail statement of Earnest Money Deposit, Security Deposit as on 31.3.19 has been provided to audit for verification. Details of other current liabilities like liabilities for expenses, unpaid salary & allowances ,Liabilities for construction are under reconciliation and same will be provided to audit after reconciliation is completed.

Steps are taken to deposit the royalty of Rs.509726.00 and labour cess of Rs.831760.00 in Government account.



(ix) Short Term Provision(Schedule-7)Rs.99544757.00

Rs.19394.00 under provision for Bonus will be transferred to proper head after proper scrutiny.

Rs.460277.00 under provision for dividend and Rs.460277.00 under provision for dividend Tax will be transferred to respective account after proper scrutiny.

(x) Long Term borrowings (schedule-3) Rs.19835373.00

It is the interest on short term loan received by corporation from state government..The Corporation received Rs.14.71 crores from state government for procurement of seeds .The corporation has already paid Rs.8.66 crore as interest on above principal amount. The corporation has requested state government for wave out of above balance interest amount.

vi) **B. Statement of Profit and loss**

i) Interest on (fixed & saving)deposit under the head other income(schedule-19) Rs.18684743..00

Interest on security deposit made by the corporation with WESCO received during 2018-19 of Rs.9931.00 has been accounted during the year 2019-20.

ii) Gratuity of Rs.9312109.00 has been calculated as per the gratuity Act.1972 and provided in account.

(iii) Professional Tax payable by the Corporation
Necessary rectification entry will be made after verification

C. Other Observation

- i) Noted for future guidance
- ii) Others
 - 1) (a) Noted for future guidance
 - 1) (b)(i) Noted for future guidance
 - (b)(ii) Noted for future guidance
 - 2. (a) No Comment.
 - (b) Noted for future guidance.
 - (c) No Comments
 - (d) No Comments



3. No Comments
4. No Comments
5. No comments
6. Noted for future guidance.

AUDIT REPORT UNDER SECTION 143 OF THE COMPANIES ACT-2013

Directions under section-142(5) of the companies Act.2013 forming an integral part Audit Report (Refer to Paragraph of Auditor,s Report of even date.

1. (i) Lease deed has been executed on four no of sheds purchase from IDCO during 1990-91 of Rs.11.07 & Rs.2.48 at Balesore & Jeypore two each respectively.
(ii) Noted for future guidance
(iii) Noted for future guidance
(iv) Noted for future guidance
2. No Comments
3. No Comments

Sub Direction

1. No comments
2. Standing crops as on 31.3.2019 of OSSC farms has been valued as per the procurement price.
3. Closing stocks are valued as per the physical verification of stock as on 31.3.2019.Valuation of both standard & sub-standard stock are valued as per the policy of the corporation. Valuation is not made for unused/once used packing materials.
4. All the agricultural produce procured are properly stored and insured .No claims has been rejected during the year 2019.
5. Not applicable
6. Grants and subsidies received during the year are accounted properly.
7. No comments
8. No comments
9. No comments
10. No Comments
11. No Comments
12. Not applicable
13. Not applicable
14. Not applicable
15. Not applicable
16. Not applicable.



INDEPENDENT AUDITORS' REPORT

To
The Members/ Shareholders,
ODISHA STATE SEEDS CORPORATION LIMITED,
BHUBANESWAR.

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **ODISHA STATE SEED CORPORATION LIMITED**, which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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 March 31, 2019, its Statement of Profit and Loss and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, are of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. Read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes 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; 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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



to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on other legal and regulatory requirement

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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) There is no report on the accounts of any Branch Office of the Company audited under sub-section-8 by a person other than the Company's Auditor has been sent to us under the Provision to that sub-section.



- (d) 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;
- (e) In our opinion, the aforesaid 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) There are some observations or comments on financial transaction or matter which have any adverse effect on the functioning of the Company, the details of which have been given in our Annexure - B;
- (g) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) Any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected there which has been reported under various para in our report.
- (i) 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-B. Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (j) 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;
- a. The Company has disclosed the impact of pending litigations on its financial position on its financial position in the financial statements vide note no 1(b)(g).17. and 18-;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There were pending amount which is required to be transferred, to the Investor Education and Protection Fund by the Company.

3. In terms of sub section (5) of section 143 of the companies act 2013 we give in the annexure C a statement of the direction issued under the aforesaid section by the Comptroller and Auditor General of India.

Place: Bhubaneswar
Date: 20.02.2021

For Jitendra Prusty & Associates
Chartered Accountants
FRN. 0323262E

CA J. N. Prusty, FCA
Partner
Membership No. 057826
UDIN : 21057826AAAAAY9879



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ODISHA STATE SEEDS CORPORATION LIMITED.

Reports on the Financial Controls under clause 3 (i) of sub section 3 of 143 of the Companies Act, 2013 (The Act)

We have audited the internal financial controls over financial Reporting of Odisha State Seeds Corporation Limited (The Company) as of 31st March, 2019 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's 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 Guidance Note on Audit of internal financial controls over financial reporting ("The Guidance Notes") and the standards on Auditing to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls are operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls 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 assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statement 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting.

The Company's Internal Financial Controls over Financial Reporting is a process design 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 this policies and procedures that :

1. Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflects the transactions and dispositions of 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 authorisations of managements and Directors of the company and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised 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 to be detected. Also, projection of any evaluation of internal financial controls over financial reporting to future periods are subject to risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.



Qualified Opinion

1. According to information and explanations given to us and based on our audits the following materials weaknesses have been identified as on 31.3.2019.
 - (a) The Company did not have an appropriate internal control system regarding preparation of Bank reconciliation statement and maintenance of Bank transactions records in its Books of accounts.
 - (b) The Company did not have an appropriate internal control system regarding obtaining of bank statement.
 - (c) The company did not have an appropriate internal control system against deposit of various statutory dues (Professional Tax, EPF, TDS and labour cess) and the unit failed to deposit the dues in time.
 - (d) The Company did not have any appropriate internal control system for conducting physical verification of fixed assets.
 - (e) The Company did not have an appropriate internal control system for reconciliation and confirmation of balances shown under creditors , debtors claims recoverable, other liabilities including various tax liabilities advances to suppliers and contractors, deposits unidentified /unconfirmed balances carried forward since long.
 - (f) The Company did not have an appropriate internal control for payment, adjustment and reconciliation of Advance to staff account which was carried forward since long.
 - (g) The company did not have an appropriate internal control for compliance of internal audit report for financial year 2018-19.
 - (h) . The company has not complied on the following points of statutory audit report for financial year 2018-19..
 - i. Physical verification of fixed asset.
 - ii. Short/Excess deduction of professional tax.
 - iii. Disputed advance amount to Rs.2,36,15,078 with staff.
 - iv. Advance to Growers (ISOPOM incentive on Oilseeds) Rs.2,04,71,775.00 lying more than three years is need adjustment after proper verification.
 - v. Reconciliation of Trade Receivable.
 - vi. An amount of Rs.25,88,162.00 in the Head of Sundry dues realisable under other current asset, which has been continuing since long need reconciliation.
2. According to the information and explanations given to us and based on our or audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal financial controls over financial reporting as at March 31,2019.



The company's internal control system for creation of appropriate provision for pending bills from suppliers were not operating effectively which could potentially result in timely booking of capital as well as revenue expenditure.

A 'material weakness' is a deficiency or a combination of deficiencies, internal financial control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim Financial statements will not be prevented or detected on a timely basis.

In our opinion except for the effects / possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria the company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31,2019 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March31,2019 Financial statements of the com

Place: Bhubaneswar
Date: 20.02.2021

For Jitendra Prusty & Associates
Chartered Accountants
FRN. 0323262E

CA J. N. Prusty, FCA
Partner
Membership No. 057826
UDIN : 21057826AAAAAY9879



ANNEXURE A TO THE AUDITORS' REPORT

(Refer to in paragraph-1 "Other Legal & Regulatory Requirement" of our Report of even date)

In respect of Fixed Assets:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information. But in certain cases date wise item wise and quantity details has not been maintained.
- (b) As explained to us, fixed assets have been physically verified by the Seeds Production Officer of concerned unit. As discussed and document produced by the management there are no regular physical verification of the fixed assets. The organisation should reconcile the book balance with reference to the physical balance. In the absence of which the material discrepancies, if any could not be verified and ascertained. Hence, no provision has been made in the books of accounts for material discrepancies.
- (c) The title deeds of immovable properties are held in the name of the company except.
 - a) 4 nos. of leasehold industrial sheds at Balasore and Jeypore at a cost of Rs.11.07 lakh and Rs.2.48 lakh respectively from IDCO during the year 1990-91 remains in physical custody of the corporations in respect of which lease deeds are yet to be executed. (Note-4).
 - b) Likewise the title deed of land at Keonjhar, Dhenkanal, Mayurbhanja and Sundargarh has not been executed in favour of the Corporation. (Note-5).
 - c) In case of 8 nos. of storage godown taken from DA&FP Odisha as part of NSP-III against Grant-in-Aid, the transfer deed of the same is yet to be executed. (Note-6).
 - d) In case of possession of 12 processing plants taken from DA&FP, (O) as part of NSP-III against Grant-in-Aid to be provided by Govt. of Odisha the transfer deed of the same is yet to be executed. (Note-7).

ii. In respect of Inventories:

As explained to us, the physical verification of inventories/stores and spares has been done by the management at reasonable intervals. The discrepancies found were properly deal with in the books of accounts.

- iii. The company has not granted any loans, secured or unsecured to any companies. Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of the above it not applicable to this company.
- iv. According to information and explanation given to us there are no such loan, investment, guarantees and security has been given by the corporation for which there has been no violation of section 185 and 186 of the companies Act 2013.



- v. In our opinion and according to the information and explanation given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the companies Act and the rules framed there under where applicable.
- vi. We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act and are of the opinion that prima facie the prescribed cost records have been maintained regarding inventories. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues :
- (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, VAT, Service Tax, other material statutory dues, as applicable, with the appropriate authorities in India. However, the Corporation has not yet deposited the Labour cess amounting to Rs.8,31,760.00 and Royalty amounting to Rs. 5,09,726.00 relating as on 31.03.2019. In the following cases the corporation deposited Professional Tax, GPF and EPF after due dates.

(1) During the financial year 2018-19, the deposit of professional tax for 9 months was delay as detailed below.

Sl No.	Month	Amount (Rs.)	Due date	Paid date	Days of delay
1	Apr	18625.00	20.05.18	28.05.18	08
2	May	18900.00	20.06.18	28.06.18	08
3	Jun	19000.00	20.07.18	04.08.18	14
4	Jul	18900.00	20.08.18	30.08.18	10
5	Aug & Sep	38850.00	20.09.18	02.11.18	43
6			20.10.18	02.11.18	13
7	Dec	20275.00	20.01.19	31.01.19	11
8	Jan	22150.00	20.02.19	25.02.19	05
9	Mar	27650.00	20.04.19	30.04.19	10



(2) *During the financial year 2018-19, the deposit of GPF for 7 months was delay as detailed below.*

SI No.	Month	Amount (Rs.)	Due date	Paid date	Days of delay
1	Apr	305311.00	20.05.18	28.05.18	08
2	May	299311.00	20.06.18	28.06.18	08
3	Jun	256571.00	20.07.18	18.08.18	29
4	Jul	256166.00	20.08.18	30.08.18	10
5	Aug	520332.00	20.09.18	02.11.18	43
6	Jan	295166.00	20.02.19	25.02.19	05
7	Mar	270166.00	20.04.19	30.04.19	10

(3) *During the financial year 2018-19, the deposit of EPF for 2 months was delay as detailed below.*

SI No.	Month	Amount (Rs.)	Due date	Paid date	Days of delay
1	Mar	681074.00	15.09.18	11.10.18	26
2	May	687130.00	15.04.19	18.05.19	33

(b) According to the information and explanations given to us and based on the records of the company examined by us, there are certain dues towards income tax, sales tax, wealth tax, service tax etc as at 31st March, 2019 have been deposited. As per the information and explanations given to us, and as has been disclosed by the company vide note no.1 there are certain appeal cases on statutory dues preferred by the company and those are pending at various appellate authorities. However, company has unable to produce the documents related to same. Following are the details related to same.

- Demand of employees State Insurance Corporation of Rs.3,82,413/- up to the end of March, 2002 has been disputed by the corporation and appeal is pending with Hon'ble High Court.
- Sales Tax: Sales Tax assessment has been completed up to 2003-04. Sales tax authorities have demanded Rs.55,02,643.00 towards sales tax for different years up to the year 2000-01 which is disputed by the corporation and appeals have been filed against the above demand which are still pending. An amount of Rs.38,75,403.00 has been paid against the above demand as demand tax.
- A sum of Rs.4,68,86,167.00 has been paid by the Corporation to the Income Tax authorities during the year 2004-05, 2005-06 and 2008-09 and kept in Income tax Deposit A/c. The Corporation have filed appeal with ITAT against orders of CIT Appeal. The ITAT while disposing



the appeal directed to approach CBDT to exercise the powers u/s 119(2)(b) to condone delay in filing return and allow to carry forward losses and depreciation. The Corporation has moved CBDT to allow carry forward the business loss and depreciation for the Assessment year 1991-92-96-97. The matter is pending with CBDT for which no provision has been made towards Income tax for aforesaid amount.

- The Income Tax authorities have raised demand on the Corporation to the tune of RS.9,87,318.00 against which the Corporation has gone on appeal and the matter is under sub-judice. As against the aforesaid demand the Corporation has deposited a sum of Rs.8,65,695.00 and the amount has been shown as Income Tax Deposit under Schedule-16 Short Term Loans and Advances.
- c) There are certain amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the companies Act 1956(1 of 1956) (now Companies Act 2013) and rules made there under has not been transferred to such fund during the year.
- viii. According to information and explanation given to us, the company has not defaulted in repayment of loans and borrowings to financial institution, bank, Govt during the period under audit. The company has not raised funds from issue of debentures.
 - ix. To the best of our knowledge and belief and according to information explanation given to us in our opinion the loans raised were prima facie used for the purpose for which they were raised. There is no such money raised by way of initial public offer or further public offer (including debt instruments).
 - x. To the best of our knowledge and belief and according to the information and explanations given to us no material fraud on or by the company was noticed or reported during the year.
 - xi. Based upon the audit procedures performed and the information and explanation given by the management the managerial remuneration has been paid or provided in accordance with the requisite approval mandated by the provision of section 197 read with Schedule V to the Companies Act
 - xii. In our opinion, the company is not a Nidhi company. Therefore the provisions of clause 4 (xii) of the order are not applicable to the company.
 - xiii. In our opinion and according to the information explanations given to us there is no such transactions with the related parties as explained in section-177 and 188 of companies Act-2013
 - xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. According to the provision of Section 42 of the companies Act, 2013 are not applicable to the company and hence not commented upon.



- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any noncash transaction with Directors or persons connected with him. Accordingly the provisions of section 192 of the companies Act 2013 are not applicable to the company and hence not commented upon.
- Xvi. In our opinion the company is not required to be registered under section 45 IA of the Reserve Bank of India Act 1934 and accordingly the provision of clause 3 (xvi) of the order are not applicable to the company and hence not commented upon..

Place: Bhubaneswar
Date: 20.02.2021

For JitendraPrusty & Associates
Chartered Accountants
FRN. 0323262E

CA J. N. Prusty, FCA
Partner
Membership No. 057826
UDIN : 21057826AAAAAY9879



ANNEXTURE-B TO THE INDEPENDENT AUDITORS REPORT

1. The impact of the followings is not ascertainable in the current financial statement.

- i. The provision of leave encashment liability based on actuarial valuation as required by Accounting Standard-15 issued by the Institute of Chartered Accountants of India has not been made.
- ii. The liability on account of gratuity has been provided during the year on adhoc basis which has not been determined actuarially as required by Accounting standard-15. Hence, the quantum of excess/short provision if any made for the year as well as on accumulative basis has not been ascertained.
- iii. As per the Accounting Standard-3(Cash Flow Statement) cash equivalent only includes highly liquid investment having maturity less than three months. But the company has taken fixed deposit whose maturity period is more than three months as cash & Cash equivalent for preparation of Cash Flow statement which includes the fixed deposit of Rs.388.30lakhs.
- iv. The balance confirmation of Sundry Debtors, Sundry Creditors, Advance to Suppliers and in some cases bank account are pending in absence of which it is not possible to comment on the correctness of such balances as reflected in the financial statements.

2. Action taken on the comments of C& AG of India on the accounts of 2017-18

Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act -2013 on the Financial Statement of Odisha State Seeds Corporation Ltd for the year ended 31st.March 2018:-

“The preparation of financial statement of Odisha State Seeds Corporation Ltd. for the year ended 31stMarch 2017 in accordance with the financial reporting framework prescribed under the Companies Act 2013 is the responsibility of the Management of the Company. The statutory Auditors appointed by the Comptroller and Auditor General India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statement under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their audit report dt. 26th June 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statement of Odisha State Seeds Corporation Ltd, for the year ended 31stMarch 2018 and as such no comments to make under Section 143(6) (b) of the Act.



The following deficiencies drawn by Office of the principal Accountant General, Odisha, during audit of annual accounts of Odisha State Seeds Corporation Limited for the financial year 2017-18.

1. The Trade Payable (Schedule-5) includes Rs.12.90 Crores as opening debit balances which has arisen due to the non-reconciliation of the Sundry Creditors with the Government.
2. The Trade Receivable (Schedule-14) includes Rs.13.68 Crores as opening Credit balance which has arisen due to non-reconciliation of debtors with the Government.
3. The Board in its 151st meeting held on 30.12.2017 approved for reconciliation of Cash Book Balance and Bank Balance for the rectification of the excess amount shown under the Cash and Bank Balance in the accounts for the year 2013-14. The Management, in non-compliance of the Board decision, has shown Rs.1,49,38,021.00 in excess of the pass book balance in the account.
4. In the Profit and loss statement, the other expenses head has been written as other administrative expenses which is not in accordance to the format prescribed under Companies Act, 2013.
5. Incidental charges incurred procuring seeds has been wrongly included under the head operational expenses rather than purchase cost of seeds (Rs.102.20 crore).
6. The Management has not filed Income Tax Returns for the Financial Year 2014-15 and 2015-16 though this was pointed out earlier, no action has been taken.
7. The Company has taken 10 percent of total purchase of stores and spares during the year 2017-18 as closing stock without considering actual consumption of stores and spares during the year.
8. Under Schedule-8, Fixed Assets, no depreciation has been charges on Books and Library resulting in unchanged written down value of the same as on 31st March 2018.
9. The training expenditure amounting to Rs.33.59 lakh reimbursement from GOI has been shown under Other Income (Schedule-19) which has been adjusted against the funds received during the year 2014-15 from Director of Agriculture and Food production (DA&FP), Odisha under "Sub Mission on seeds and planting materials". The total fund of Rs.1630.78 lakh received under the head has been exhausted up to 2017-18 and for the first time the fund was utilize for utilization of the fund for training purpose could not be established.
10. As per Schedule-III of Companies Act, 2013, the Company has not shown Earning per Equity in the Profit and Loss statement."

Since the Comptroller and Auditor General of India did not conduct the supplementary audit of the financial statement of Odisha State Seeds Corporation for the year 31st.March 2018 and no comments have been given by them, hence no action on the same matter has been taken by the organisation."



3. Comments on Financial Statements.

The financial statements of 2018-19 was authenticated on 31.08.2020 in the 161st meeting of Board of Directors.

During conduct of the audit, we came to know that the organisation has incurred profit of Rs.602.24 Lakhs during the financial year 2018-19.

A. Balance sheet.

i) Short terms loans and advances (Schedule -16) Rs.22,57,60,697.00

Loans and Advances includes some advances either disputed or outstanding since long without any adjustment or recovery. Neither any provision nor recovery against these doubtful advances have been made during the year 2018-19. Further, the party wise details may be prepared and after due approval by the Board necessary provision may be made.

a) **Advance and other dues with staff Rs. 3,15,62,059.00**

As explained to us there are some disputed advances which have been continuing since long without any recovery /adjustment.

b) **Advance to growers (ISOPOM incentive on Oilseeds) Rs.2,04,71,775.00**

The amounts relates to more than four years is need adjustment after proper verification and approval.

c) In addition to the above there are certain deposits like sales tax refundable, sales tax deposits and demand tax (VAT) amounting to Rs.1,35,26,636.00 which have been continuing as such since long without any adjustment. Out of the above amount the record relating to payment of Rs.93,09,753.00 only could be made available . In case of any loan and advances has not been adjusted or settled within one year should be categorised as long term instead of short term.

d) **Income Tax deposit Rs.9,83,61,168.00**

During the year an amount of Rs.18,52,979/- has been added towards tax deducted at source on interest income. TDS receivable amount of Rs.2549.00 deducted by National Seeds Corp. Ltd, Rs.30,302.00 deducted by Bhubaneswar Municipal Corporation, Rs.994.00 deducted by WESCO Utility Executive Engineer and Rs.52,000.00 deducted by Deputy Director Agriculture (reflected in Form 26AS f.y. 2018-19), not taken into account by the Corporation during fy 2018-19

ii) Inventories (Schedule -13) Rs.59,94,28,851.00.

- During the verification and as per the data provided to us for calculation of inventory it is found that the closing stock of seeds of both standard and substandard has been duly accounted for and valued properly.
- As per the Point No.21 of notes on account the quantitative details are given below after verification of stock account.

Opening balance	qtls	182813.00
Add purchases	qtls	449511.00
Total receipt	qtls	632324.00
Less sale	qtls	401054.00
Book Balance	qtls	231270.00
Less physical	qtls	230714.00
Balance	qtls	556.00
Shortage qty.	qtls	556.00
Growers fail stock	qtls	10547.00

It is to mention here that closing stock is valued only on the standard and substandard stock available. No valuation is made for failed stock available on 31st March though OSSC is custodian of the stock.

- The procurement was not in accordance with the disposal of the seeds. It has been clarified by the Management that due to the implementation of Seed DBT by the Govt, of Odisha during the year 2016-17 the seeds procured by the Corporation could not be disposed off due to change in modalities of sale. The left over seeds was disposed off by the Management on receipt of SSTL report after closure of sowing (sale) period through tender process at lower of cost or realised value.
- The Corporation has designed and implemented inventory Management software with the help of NIC, Bhubaneswar for proper management of inventory in the Corporation. However, though the Corporation is dealing with huge quantity of seed no third party verification was made.

iii) Trade receivable (schedule-14) Rs.78,02,92,453.00

Balance of trade receivable accounts have not been confirmed and not reconciled. The provision made should be accounted for after taking approval from the Board of Director

iv) Other current assets (schedule 17) Rs.77,74,069.00

Above includes a sum of Rs.25,88,162.00 in the Head of Sundry dues realisable which has been continuing since long. The year wise break up of Rs.25,88,162.00 could not be produced by the Corporation in absence of which it is



difficult to comment on the correctness of the amount so reflected in the financial statement. Rs.51,85,907/- accounted under interest receivable.

v) Cash and cash equivalents (schedule 15) Rs.45,68,51,789.00

- The Corporation has maintained various nos. of bank account at Head Office as well as in Branch offices. Out of the same the Corporation was unable to reconcile 7 nos. of Bank accounts the details of which has been disclosed vide note no.14. The unreconciled difference of current accounts amounting to Rs.1,49,38,021.00 is adjusted against reserve and surplus during the year 2017-18. While discussing with the management of the Corporation it was stated that as per decision of board the same was done and after completion of BRS the amount charged to reserve and surplus. Hence it is difficult to comment on the correctness of the balances in respect above 7 nos. of bank accounts as accounted for.
- The organisation has not prepared bank reconciliation statement of SBI cash credit account and SBI OT(BBSR) GEM, due to which we are unable to comments on the same correctly .The organisation has failed to provide bank reconciliation statement relating to SBI(OT) ESCRO ,revolving fund and SBI(OT)BBSR, Dealer Subsidy due to which we are unable to comments on the transaction related to this accounts.
- During the course of audit we found that organisation has not obtained bank statement related to Andhra Bank, Lewis Road Branch, BBSR current account no. 083811011000141 and not available for verification. The organisation has carried forward previous figure of this two nos accounts.
- **Fixed deposit-Rs.3,88,30,346.00**
The organisation has shown total fixed deposit amounting to Rs.3,88,30,346/- has been reflected in the accounts. Balance confirmation from bank not available for verification.

vi) Fixed assets (schedule 8) Rs.29,92,50,543.00

During the course of audit it is found that Rs.67,11,291/- has been transferred from capital work –in –progress to fixed assets towards Construction of 1000MT godown at Bhadrak(II)

vii) Trade payable (Schedule -05) Rs.49,88,72,437.00

Balance of trade payable (sundry creditor for goods has not been confirmed and reconciled. The amount under this head as on 31.3.2019 has been accumulated from year to year. Further in absence of balance confirmation letters from concerned creditors the correctness of balance as reflected in the financial statement can not be ascertained properly.

viii) Other current liability (Schedule-6) Rs.24,71,64,209.00

The above amount comprising of earnest money /security deposit /liability for expenses /unpaid salary and allowances/liability for construction for which party/year wise details as well as confirmation at 31st March 2019 could not be made available to us. Hence we are unable to express our opinion as to whether the above requires any adjustment or not.

In case of royalty (contractor) of Rs.5,09,726/- and labour cess of Rs.8,31,760/- is not deposited in Govt. account during 2018-19.

ix) Short term provision(schedule 7) Rs.9,95,44,757.00

The provision for bonus of Rs.19,394.00, provision of dividend of Rs.4,60,277/- and provision for dividend tax of Rs.4,60,277.00 need proper treatment since the amount relates to very old period. As per rules if there any short term provision created the same to be adjusted in near future otherwise the provision becomes long terms instead of short term. The Corporation should treat the amount under proper head as per schedule III of companies act 2013.

x) Long term borrowings (schedule 3) Rs.1,98,35,373.00

The organisation has reported Interest Accrued & due on Short Loan from State Govt amount to Rs.1,98,35,373.00' since long without any adjustment.

B. Statement of Profit and loss

- i) Interest on (fixed and saving) deposit under the head other income.(Schedule 19)Rs.1,86,84,743.00.
It include the interest on fixed deposit / security deposit made by the Corporation but does not include amount of Rs.9,931.00 towards interest received on security deposit made with WESCO, Bargarh.
- ii) Gratuity under the head Employees benefits expenses (Schedule-20) Rs.93,12,109.00
The calculation of gratuity for the year 2018-19 has been made and accordingly Rs. 93,12,109/- has been charged to profit loss accounts.
- iii) Professional tax payable by the Corporation.
As per the Odisha State tax on profession, Trades, callings and employment act-2000 the Corporation should deposit the State tax on trade every year @ Rs.2500/- but the Corporation has not paid or provided this expenditure for the year 2018-19 . Hence the profit has been overstated by Rs.2500/- for the year 2018-19.



Ultimately above amount effect the profit of the company-

Item no.	Understatement (Rs.)	Overstatement (Rs.)
3(B)iii	—	2500.00
3(B)i	9931.00	—

Hence the corporation has under stated the profit by Rs.7431.00.

C. Other observation.

- i) As reported by the Corporation Management, plants situated in various units of Corporation are operated in double shift basis. Complete details are not available to us for which double shift depreciation rate applied.
 - ii) **Others**
1. (The company has not made the following disclosures required under Chapter VI of the Companies Act-2013.
 - a) Due to Small Scale Industries as defined under the Industrial and Regulation Act-1951 exceeding Rs.1.00 lakh and outstanding for more than 30 days.
 - b) Quantitative details required under respective schedules in respect of the following
 - i) Licensed capacity as on the last date of the financial year.
 - ii) Install Capacity as on last date of the Financial year.
 2. The Corporation has not complied with the provisions of Income Tax act-1961
 - a) The Corporation has not made any provision for deferred tax Assets/Liabilities for the financial year 2018-19.
 - b) As per the provision of Income Tax TDS should be deducted on due or payment which ever is earlier basis. The Corporation has deducted the same on payment basis only.



- c) The corporation made provision of Rs.59000.00 towards compilation of account expenses but TDS has not been deducted.
 - d) There are certain cases of delayed deposit of taxes for which the corporation should be cautious for avoidance of future irregularity.
 - ii) Install Capacity as on last date of the Financial year.
3. There is no mention of Schedule-9 to 12 in the financial statement for the period.
 4. As per the section 173(1) of the Companies Act, 2013, every company shall hold a minimum number of four meetings of its Board of Directors every year. But the company had held only three meetings of its Board of Directors during the f.y. 2018-19.
 5. As per Schedule-III of Companies Act, 2013, the Company has not shown Earning per Equity Share in the Profit and Loss statement.
 6. The corporation should properly disclose the information liked details of Director, Charge creation, proper address and filling up of Annual Returns MCA21 portal for public Information.
- ii) Install Capacity as on last date of the Financial year.

Place: Bhubaneswar
Date: 20.02.2021

For Jitendra Prusty & Associates
Chartered Accountants
FRN. 0323262E

CA J. N. Prusty, FCA
Partner
Membership No. 057826
UDIN : 21057826AAAAAY9879



ANNEXURE-C

AUDIT REPORT UNDER SECTION 143 OF THE COMPANIES ACT-2013

Directions under section-143(5) of the Companies Act-2013 forming an integral part of Audit Report.(Refer to Pargaraph of our Report of even date)

1. Whether the Company has clear title/lease deeds for free hold and lease hold respectively. If not please take the area of free hold and lease hold land for which title /lease deeds are not available.
There are certain freehold and leasehold property where clear title/ease deeds could not be found. The details are given as follows:-
 - 4 nos of leasehold industrial sheds at Balasore and Jeypore at a cost of Rs.11.07 lakh and Rs.2.48 lakh resoectively from IDCO during the year 1990-91 remains in physical custody of the Corporation in respect of which lease deeds are yet to be executed{Note-04}
 - Likewise the title deed of land at Keonjhar,Dhenkanal,Mayurbhanj and Sundargarh has not been executed in favour of the Corporation[Note-5]
 - In case of 8 nos of storage godown taken from DA&FP(O) as part of NSP-III against Grant-in-Aid, the transfer deed of the same is yet to be executed [Note-6]
 - In case of possession of 12 Processing Plants taken from DA&FP(O) as part of NSP-III against Grant-in-Aid to be provided by Govt. of Odisha the transfer deed of the same is yet to be executed[Note-7]
2. Whether there are any cases of waiver/write-off of debts/loans/interest etc., if yes, the reasons there for and amount involved.
No such cases of waiver/write off of debts/loans/interest etc. Have been found during the year.
3. Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from the Government or other authorities.
No such cases found during the year.

Sub Direction.

1. Whether the land owned by the Company is encroached under litigation, not put to use or declared surplus?
According to explanation given to us there is no encroachment and litigation over the land owned by the Company.



2. Whether physical verification and valuation standing crops/trees was done at the end of the financial year in accordance with the standard industry practices.
Not applicable
3. Whether the stock of seeds packing/certification materials and other items has been taken on basis of stock records after adjustment of shortage/excess found on physical verification and whether due consideration has been given for deterioration in the quality of old stocks which ,may result in to over valuation of stock?
As per explanation given to us the stock of seed packing/certification materials are taken on basis of stock records verified by concern SPO and supervisor and due consideration are given to relevant adjustment.
4. Whether all the agriculture produce procured are properly stores and adequately insured. If any insurance claims are rejected, the details may be reported
Based on records examined by us agriculture produce produced are properly stored and insurance are adequately taken. We have not noticed any case of rejection of insurance claim during the period.
5. Whether the Company has an effective mechanism for disbursement of loan/subsidies/agro input and agriculture machineries to beneficiaries and recovery thereof(loans) along with interest, if any, from beneficiaries?
Not applicable
6. The grant/subsidies received for implementation various schemes are accounted for as per the accounting standards and utilized for indented purpose.
As per information and explanation given to us Grant/subsidies received from Government are solely utilized for the indented purpose during the period.
7. Whether the cost incurred on abandoned project has been written off?
As informed to us no project was abandoned during the period.
8. Report the cases of diversion of grants/subsidies received from Central/State Govt. or their agencies for performing certain activities.
No such cases of diversification were found.
9. Cases of wrong accounting of interest earned on account of non utilization of amounts received for certain projects/schemes may be reported.
No such cases were found.



2. Whether physical verification and valuation standing crops/trees was done at the end of the financial year in accordance with the standard industry practices.
10. Examine pricing policy framed by the Company to ensure that all cost components are covered.
As explanation to us the Marketing department of the Company is responsible for framing the pricing policy with approval of management and appropriate authority.
11. Report on the extent of utilisation of plant and machinery and its obsolescence, if applicable.
As informed to us all processing plant and machinery are utilized during the year.
12. Examine and report the cases of levy of penalty for mismatch of stock of food grains with cash credit limit availed.
The Corporation is dealing with seeds only for which the above is not applicable
13. Examine and report the system for timely lodging of claims(covering all cost incidents) in respect of delivery of food grains against central and State schemes.
Not applicable
14. Examine and report on the deficiencies in the system for assessing the health of stock and for valuation of damaged food grains.
Not applicable
15. Examine and report the system of reconciliation of amount recoverable/payable, in respect of gunny bags, with miller and other procuring agencies.
Not applicable
16. Examine the system to check the authenticity of claims shown as recoverable from FCI/State Govt.
Not applicable

Place: Bhubaneswar
Date: 20.02.2021

For Jitendra Prusty & Associates
Chartered Accountants
FRN. 0323262E

CA J. N. Prusty, FCA
Partner
Membership No. 057826
UDIN : 21057826AAAAAY9879



COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of Odisha State Seeds Corporation Ltd for the year ended 31st.March,2019 in accordance with the direction/sub-direction issued by the Comptroller & Auditor General of India under Section-143(5) of the Companies Act,2013 and certify that we have complied with all the directions/sub-directions issued to us.

Place: Bhubaneswar
Date: 20.02.2021

For JitendraPrusty & Associates
Chartered Accountants
FRN. 0323262E

CA J. N. Prusty, FCA
Partner
Membership No. 057826
UDIN : 21057826AAAAAY9879



**OFFICE OF THE ACCOUNTANT GENERAL(AUDIT-1)
ODISHA, BHUBANESWER**

Letter No.AMG-1(Tech)/Accounts/OSSCL/2018-19/38

Dt.16.6.2021

To

The Managing Director,
Odisha State Seeds Corporation Limited.
Samantarapur, Bhubaneswer-751002

Sub:- Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act.2013 on the financial statements of Odisha State seeds Corporation Limited for the year ended 31st March 2019.

Sir,

I forward herewith the Comments of Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act .2013 on Financial statements of Odisha state Seeds Corporation Limited for the year ended 31st March 2019.

Three copies of Annual Reports for the year 2018-19 placed before the Annual General Body Meeting of the Company may please be furnished to this office indicating the date of meeting.

Yours faithfully

Sd/-

Deputy Accountant General(AMG-1)

Sub:- Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act.2013 on the financial statements of Odisha State seeds Corporation Limited for the year ended 31st March 2019.

The preparation of financial statements of Odisha State seeds Corporation Limited for the year ended 31st March 2019 in accordance with financial reporting framework prescribed under the Companies Act .2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by Comptroller & Auditor General of India under section 139(5) of the Act, is responsible for expressing opinion on the financial statements under section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report 20th February 2021.

I, on behalf of the Comptroller & Auditor General of India, have conducted a Supplementary Audit of the financial statements of Odisha State Seeds Corporation Limited for the financial year ended 31st March 2019 under section 143(6)(a) of the Act. This Supplementary Audit has been carried out



independently without access to the working papers of the statutory auditors and is limited primarily to inquires of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

Sl. No	Comments of Comptroller & Auditor General of India	Reply of the Management
1.	<p>A. COMMENTS ON PROFITABILITY PROFIT AND LOSS STATEMENT OTHER INCOME(SCHEDULE-19) INTEREST ON(FIXED & SAVINGS)DEPOSIT: Rs.18684743.00</p> <p>The above includes Rs.156.51 lakh towards interest earned on on the Corpus Fund kept under ESCROW(Revolving) account.</p> <p>The Government of Odisha in Agriculture Department had constituted (14th May 2015) a corpus fund for Odisha State seeds Corporation Limited and had sanctioned Rs.60.00 crore for that purpose, para 6(xi) of the Government notification regarding constitution of corpus fund stipulates that interest accruing from this corpus fund would also form a part of the fund and it should be available exclusively for the seeds/quality planting materials business. Hence the interest of rs.156.51 lakh earned on the corpus fund (Rs.60.00 crore) should not have been considered as income of the corporation. This resulted in over statement of other income as well as profit by 156.51 lakh and under statement of short term borrowings to that extent.</p>	<p>The interest earned from ESCROW(Revolving) fund account though accounted under other income but kept in ESCROW(Revolving) fund account and utilized for procurement of seeds from the growers and other seed supplying agencies.</p> <p>However the observation of audit regarding interest on ESCROW (Revolving Fund) not to treat as corporation income will be taken care from Financial year 2019-20.</p>
2.	<p>B.COMMENTS ON FINANCIAL POSITION – BALANCE SHEET-ASSET NON-CURRENT ASSETS FIXED ASSETS(SCHEDULE-8) NET BLOCK Rs.299250543.00</p> <p>The internal Road at Barpali farm was capitalized during 2014-15 on which depreciation of Rs.0.10lakh has been charged annually @1.63% which was not in compliance with rate 19% as prescribed under part“C” of schedule-II of the Companies Act.2013. Thus calculation of depreciation at a lower rate resulted in overstatement of fixed Asset block and profit by 5.42 lakh and corresponding understatement of expenditure to same extent</p>	<p>Necessary rectification entry has been made during the financial year 2019.20 vide JV No.231/31.3.20</p>
3.	<p>C. Comments on Disclosure</p> <p>946 quintals of paddy seeds were stolen from the Kotpad godown on 11.5.2017 for which FIR was lodged on 11.3.18 .Police treated it as a false case under 457/380 IPC and the matter is sub-judice before JMFC,Kotpad (case No.GR.82 of 2017.This should have been suitably disclosed in the notes on Accounts forming part of financial statements.The notes on accounts is deficient.</p>	<p>The theft of Qtl.946.20 paddy sub-standard seeds from Kotpad godown under Jeypore Zone on 9.5.17, same has been disclosed in the Notes on Accounts forming part of Accounts in Point No.20.but due to oversight the information of lodging of FIR in Kotpad Police Station and also filing of case in JMFC court Kotpad has not been reported. The observation of audit noted for future guidance.</p>



ODISHA STATE SEEDS CORPORATION LIMITED
(A GOVERNMENT UNDERTAKING)
SANTRAPUR, BHUBANESWAR-751002

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Sch. No.	Figures as at the end of Current reporting period	Figures as at the end of Previous reporting period
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	2,63,38,010.00	2,63,38,010.00
(b) Reserves and Surplus	2	75,12,83,553.00	69,41,74,316.00
(2) Share Application money pending allotment			
(a) Share Deposit		4,61,918.00	4,60,918.00
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	1,98,35,373.00	1,98,35,373.00
(4) Short Term Borrowings			
	4	73,73,88,931.00	71,90,58,461.00
(4) Current Liabilities			
(b) Trade Payables	5	49,88,72,437.00	52,05,60,472.00
(c) Other Current Liabilities	6	24,71,64,209.00	20,27,91,676.00
(d) Short-Term Provisions	7	9,95,44,757.00	9,70,89,654.00
Total Equity & Liabilities		2,38,08,89,188.00	2,28,03,08,880.00
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	8		
(i) Gross Block		41,72,57,350.00	39,68,80,780.00
(ii) Depreciation		11,80,06,807.00	10,62,39,535.00
(iii) Net Block		29,92,50,543.00	29,06,41,245.00
(f) Capital-Work-in-Progress		1,15,30,786.00	76,51,816.00
(2) Current Assets			
(b) Inventories	13	59,94,28,851.00	42,66,12,417.00
(c) Trade receivables	14	78,02,92,453.00	92,93,72,813.00
(d) Cash and cash equivalents	15	45,68,51,789.00	41,46,59,004.00
(e) Short-term loans and advances	16	22,57,60,697.00	20,60,15,463.00
(f) Other current assets	17	77,74,069.00	53,56,122.00
Total Assets		2,38,08,89,188.00	2,28,03,08,880.00
NOTES TO ACCOUNTS			
Schedules referred to above and notes attached there to form an integral part of Balance Sheet			
This is the Balance Sheet referred to in our Report of even date			



ODISHA STATE SEEDS CORPORATION LIMITED
(A GOVERNMENT UNDERTAKING)
SANTRAPUR, BHUBANESWAR-751002

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2019

Sr. No	Particulars	Sch. No.	Figures as at the end of Current reporting period	Figures as at the end of Previous reporting period
I	Revenue from operations	18	1,44,04,83,327.00	1587321288.00
II	Other Income	19	7,95,28,959.00	36326616.00
	Increase/Decrease In Stock		17,38,89,049.00	-337484934.00
III	III. Total Revenue (I +II)		1,69,39,01,335.00	1286162970.00
IV	Expenses:			
	Purchase		1,31,11,08,509.00	1020979242.00
	Employee Benefit Expense	20	9,16,02,915.00	74958354.00
	Financial Costs	21	10,78,285.00	2751728.00
	Depreciation and Amortization Expense	22	1,17,67,272.00	9465541.00
	Other Administrative Expenses	23	21,81,19,679.00	175656701.00
	Total Expenses (IV)		1,63,36,76,660.00	1283811566.00
V	Profit before exceptional and extraordinary items and tax (III - IV)		6,02,24,675.00	2351404.00
VII	Profit/Loss before extraordinary items and tax (V - VI)		6,02,24,675.00	2351404.00
IX	Profit before tax (VII - VIII)		6,02,24,675.00	2351404.00
	Tax expense:			
X	(1) Current tax			
XI	Profit/(Loss) for the period from continuing operations (IX-X)			
	Dividend on 11% Cumulative Pref. Shares			
	Profit after Tax		6,02,24,675.00	2351404.00
XVII	Profit(+)/Loss(-) transferred to Reserve and Surplus		6,02,24,675.00	2351404.00
Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement This is the Profit & Loss Statement referred to in our Report of even date				



ORISSA STATE SEEDS CORPORATION LIMITED

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2019

Schedule : 1 Share Capital

Sr. No	Particulars	Current Year	Previous Year
1	AUTHORIZED CAPITAL		
	750,000 Equity Shares of Rs. 100/- each.	7,50,00,000.00	7,50,00,000.00
	250,000 11%cumulative preference share of Rs.100/-each.	2,50,00,000.00	2,50,00,000.00
		10,00,00,000.00	10,00,00,000.00
2	ISSUED		
	270,000 Equity Shares of Rs. 100/- each.	2,70,00,000.00	2,70,00,000.00
	90,000 11%cumulative preference share of Rs.100/-each.	90,00,000.00	90,00,000.00
		3,60,00,000.00	3,60,00,000.00
3	SUBSCRIBED AND CALLED UP		
	200300(2017-18 1982299)Equity shares of Rs.100/-each.	2,00,30,000.00	2,00,30,000.00
	66432 (2018-19: 66432) 11% cumulative preference shares of Rs. 100/-each.	66,43,200.00	66,43,200.00
	2,66,73,200.00		2,66,73,200.00
4	LESS CALLS UNPAID		
	332 shares of Rs 50/- each.	16,600.00	16,600.00
	128 shares ofRs.25/- each.	3,200.00	3,200.00
	40 shares of Rs.30/- each.	1,200.00	1,200.00
	3065 shares of Rs.90/-each.	2,75,800.00	2,75,850.00
	639 shares of Rs.60/- each.	38,340.00	38,340.00
		3,35,140.00	3,35,190.00
	PAIDUP SHARE CAPITAL		
5	QIITY SHARES		
	196096(2017-18)196096 shares of Rs.100 each	1,96,09,600.00	1,96,09,600.00
	332 shares of Rs 50/- each.	16,600.00	16,600.00
	128 shares ofRs.75/- each	9,600.00	9,600.00
	40 shares of Rs.70/- each.	2,800.00	2,800.00
	639 shares of Rs.40/- each.	25,560.00	25,560.00
	3065 shares of Rs.10/-each.	30,650.00	30,650.00
		1,96,94,810.00	1,96,94,810.00
6	PREFERENCE SHARES		
	11% CUMULATIVE PREFERENCE SHARES		
	66432 (2010-11);66432) shares of Rs.100 each	66,43,200.00	66,43,200.00
	66,43,200.00		66,43,200.00
	Total in	2,63,38,010.00	2,63,38,010.00

*Schedule : 2 Reserve & Surplus*

Sr. No	Particulars	Current Year	Previous Year
1	Capital Reserve	8,00,00,000.00	8,00,00,000.00
8	Other Reserve		
(a)	Grant-in-Aid (Reserve)	34,47,02,278.00	33,95,19,613.00
	Grant-in-Aid(RKVY)	32,64,94,897.00	34,02,93,000.00
(b)	Grant-in-Aid(SMSP)	55,00,000.00	
9	Surplus (Profit & Loss Account)		
	Balance brought forward from previous year	-5,07,00,276.00	-5,30,51,680.00
	Add: Profit transferred from Profit & Loss A/c 2018-19	6,02,24,675.00	23,51,404.00
	Less-Transfer from Current Account of Banks	-1,49,38,021.00	-1,49,38,021.00
	Total in	75,12,83,553.00	69,41,74,316.00

Schedule : 3 Long Term Borrowings

Sr. No	Particulars	Current Year	Previous Year
	Unsecured loan		
	Interest Accrued & due on Short Loan from State Govt.	1,98,35,373.00	1,98,35,373.00
	Total in	1,98,35,373.00	1,98,35,373.00

Schedule : 4 Short Term Borrowings

Sr. No	Particulars	Current Year	Previous Year
	Secured loan		
	Cash Credit(State Bank of India)		
	(On Hypothecation of stock of raw materials and stock in process)	13,73,88,931.00	11,90,58,461.00
1	Loan Repayable on Demand		
	Interest Free Loan received from State Govt.	60,00,00,000.00	60,00,00,000.00
	Total in	73,73,88,931.00	71,90,58,461.00

*Schedule : 5 Trades Payable*

Sr. No	Particulars	Current Year	Previous year
1	Creditors for goods	49,88,72,437.00	52,05,60,472.00
	Balance c/d	49,88,72,437.00	52,05,60,472.00

Schedule : 6 Other Current Liabilities

1	Liabilities for Construction	94,036.00	94,036.00
2	Liabilities for expenses	8,54,80,758.00	5,74,82,599.00
3	Sales tax payable	45,71,802.00	43,15,351.00
4	Security deposit	2,64,11,551.00	2,43,43,763.00
5	Earnest money deposit	3,62,17,317.00	3,75,19,946.00
6	Recovery from staff to be deposited	56,99,635.00	42,99,691.00
7	Unpaid salary & allowances	6,43,29,756.00	4,74,92,836.00
8	Advance from customers	2,24,58,021.00	2,57,71,971.00
9	Dues payable to staff received from govt.	79,153.00	79,153.00
10	Royalty(contractor)	5,09,726.00	3,41,400.00
	Labour CESS	8,31,760.00	6,52,037.00
11	Unpaid dividend	5,338.00	5,338.00
12	Advance from OUAT for construction of seed store	1,646.00	1,646.00
13	Tax deducted at source	4,73,531.00	3,91,731.00
14	Advance for construction of seed testing laboratory	179.00	178.00
	Total in	24,71,64,209.00	20,27,91,676.00

Schedule : 7 Short Term Provisions

Sr. No	Particulars	Current Year	Previous year
1	Provision For Employees Benefit		
	Gratuity Payable	4,32,63,505.00	4,08,08,402.00
	Provision For bonus	19,394.00	19,394.00
2	Others		
	Dividend on 11% cumulative preference shares	2,26,521.00	2,26,521.00
	Provision For Income tax	5,55,75,060.00	5,55,75,060.00
	Provision for Dividend Tax	4,60,277.00	4,60,277.00
	Total in	9,95,44,757.00	9,70,89,654.00



Schedules forming integral part of Balance sheet as at 31st March-2019
Schedule : 8 Fixed Asset As Per Companies Act 2013

Sr. No	Particulars	Gross Block			Depreciation			Net Block WDV		
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	WDV 31.3.19	WDV 31.03.18
	Tangible Assets									
	Land (Lease hold)	19,00,704			19,00,704	2,92,878	19,199	3,12,077	15,88,627	16,07,826
	Building- Leasehold	18,56,558			18,56,558	5,50,361	22,640	5,73,001	12,83,557	13,06,197
	Building-Free hold	20,46,30,394	89,90,890		21,36,21,284	3,26,20,732	33,39,372.	3,59,60,104	17,76,61,180	17,20,09,662
	Plant & Machinery	9,74,16,463	52,90,590		10,27,07,053	4,52,40,759	37,76,517	4,90,17,276	5,36,89,777	5,21,75,704
	Computer	72,77,506	2,89,582		75,67,088	59,82,326	4,07,682.	63,90,008	11,77,080	1295180
	Office Equipments	13,28,908	2,00,112.		15,29,020.	7,26,123	66,993	7,93,116	7,35,904	602785
	Books & Library	1,21,766			1,21,766	1,15,678		1,15,678	6,088	6088
	Tent Tarpoline & Durry	1,50,856	12,744		1,63,600	1,50,856	6,372.	1,57,228	6,372	
	Furniture Fixture	6,52,52,266	48,15,316.		7,00,67,582	54,20,731	40,29,770	94,50,501	6,06,17,081	59831535
	Farm Equipment	15,71,600			15,71,600	5,34,020.	74,651	6,08,671	9,62,929	1037580
	Bi-cycle	10,706			10,706	10,171		10,171	535	535
	Vehicle	1,53,63,053	7,77,336		1,61,40,389	1,45,94,900	24,076.00	1,46,18,976	15,21,413	768153
	SUB TOTAL (A)	39,68,80,780	2,03,76,570		41,72,57,350	10,62,39,535	1,17,67,272	11,80,06,807	29,92,50,543	290641245
	Previous Year	33,56,17,953	6,17,34,664	4,71,837.00	39,68,80,780	9,67,73,994	94,65,541.00	10,62,39,535	29,06,41,245	238843959



Schedule : 13 Inventories			
Sr. No	Particulars	Current Year	Previous Year
1	Raw Material		
2	Work-in-Progress		
3	Finished Goods		
4	Stock-in-Trade		
	Seeds (at cost.)	54,85,10,216.00	35,48,88,548.00
	Condemned seeds (at lower of cost or realisable value)	96,88,889.00	2,80,82,019.00
	Standing crops (at cost)	4,12,657.00	17,52,146.00
		55,86,11,762.00	8,47,22,713.00
5	Stores & Spares		1,38,051.00
	Seed Treating Chemical	1,45,78,823.00	2,25,77,395.00
	Packing Materials	2,62,38,266.00	1,90,74,320.00
	Printing & Stationary		99,938.00
	Total in	4,08,17,089.00	4,18,89,704.00
		59,94,28,851.00	42,66,12,417.00
Schedule : 14 Trade Recievables			
Sr. No	Particulars	Current Year	Previous Yea
1	Outstanding for more than six months		
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	55,44,58,921.00	59,12,96,145.00
	c) Doubtful	3,57,62,856.00	3,57,62,856.00
2	Others	59,02,21,777.00	62,70,59,001.00
	a) Secured, Considered Good :		
	b) Unsecured, Considered Good :	22,58,33,532.00	33,80,76,668.00
	Total	81,60,55,309.00	96,51,35,669.00
	Less : Provision for Doubtful Debt	3,57,62,856.00	3,57,62,856.00
	Total in	78,02,92,453.00	92,93,72,813.00



Schedule:15 Cash & Cash Equivalent

Sr. No	Particulars	Current Year	Previous Year
1	Cash-in-Hand		
	Cash Balance	7,18,294.00	6,99,845.00
	Sub Total (A)	7,18,294.00	6,99,845.00
2	Bank Balance		
	Balance in Schedule Banks		
	Current account	21,73,072.00	28,67,043.00
	Saving Bank Account	25,22,56,814.00	36,15,68,467.00
(A)		25,44,29,886.00	36,44,35,510.00
	Postal saving bank account		100.00
(B)			100.00
(C)	Fixed Deposit in SBI (OT) towards		
	Margin Money for availing Cash Credit Loan	3,88,30,346.00	3,88,30,346.00
(D)	SBI(OT) ESCRO ,Revolving Fund	12,71,63,483.00	98,68,956.00
	OSCB, Main Branch	2,20,87,209.00	
(E)	SBI(OT)BBSR,Dividend A/c	8,22,316.00	8,24,247.00
	SBI(OT)BBSR,Dealer Subsidy	1,21,00,255.00	
	SBI(OT)BBSR GEM	7,00,000.00	
	Total in	45,68,51,789.00	41,46,59,004.00

Schedule :16 Short Terms Loans and Advances

Sr. No	Particulars	Current Year	Previous Year
1	Loans & Advances from related parties		
2	Others		
	Advance Recoverable in cash or in kind or for value to be considered good		
	Advance against purchase of goods	2,90,59,124.00	2,81,65,755.00
	Advance to Growers (ISOPOM Incentive on Oil Seeds)	2,04,71,775.00	2,04,71,775.00
	Advance to Growers(Payment against Fail Stock)	2,95,71,589.00	2,11,61,004.00
	Advance and other dues with staff	3,15,62,059.00	2,36,15,078.00
	Prepaid expenses	61,092.00	62,089.00
	Sales Tax Refundable	3,41,480.00	5,92,336.00
	Sales Tax Deposit	38,75,403.00	38,75,403.00
	Income Tax Deposit	9,83,61,168.00	9,65,08,189.00
	Demand Tax(VAT)	93,09,753.00	93,09,753.00
	Deposits	31,47,254.00	22,54,081.00
	Total in	22,57,60,697.00	20,60,15,463.00

**Schedule :17 Other Current Assets**

Sr. No	Particulars	Current Year	Previous Year
1	Interest Receivable	51,85,907.00	27,67,960.00
2	Sundry dues realisable	25,88,162.00	25,88,162.00
	Total in	77,74,069.00	53,56,122.00

Schedule : 18 Revenue from Operations

Sr. No	Particulars	Current Year	Previous Year
1	Income From Sale of Seed	1,44,04,83,327.00	1,58,73,21,288.00
2	Total	1,44,04,83,327.00	1,58,73,21,288.00

Schedule : 19 Other Income

Sr. No	Particulars	Current Year	Previous Year
1	Interest on (Fixed & Savings) Deposit	1,86,84,743.00	58,99,579.00
	Processing Charges	50,87,453.00	65,94,454.00
	Sale of Tender Paper	4,67,475.00	10,19,739.00
	House Rent	77,218.00	33,144.00
	Office Rent(BMC)	6,06,048.00	
	Shortaget Reovery	28,46,750.00	20,19,073.00
	Miscellaneous Receipts	3,89,762.00	14,62,440.00
	Sale of Gunny Bags	7,50,242.00	42,00,009.00
	Insrance Claim	36,400.00	
	State Seed Reserve	19,04,102.00	
	Production Incentive(OSSC Share)	1,54,90,856.00	
	Reimbushment of Breeder Seed Cost	2,23,43,741.00	
	Recovery of Interest & Godown Rent on Sale of Sub-standard Seeds	22,28,731.00	
	Reimburshment of Seed Bank Maintenance Cost.		52,37,050.00
	Traing Expenditure Reimburshable under GOI		33,59,074.00
	Depreciation on Fixed Assets Purchased out of Grant in aid	86,15,438.00	65,02,054.00
	Total in	7,95,28,959.00	3,63,26,616.00

**Schedule : 20 Employment Benefit Expenses**

Sr. No	Particulars	Current Year	Previous Year
1	Salaries, Wages(administrative), Unutilized leave, Subsistence Allowence	7,55,65,378.00	6,44,07,310.00
2	Leave salary & pension contribution	11,63,587.00	8,67,269.00
3	Contribution to provident fund	52,14,464.00	46,25,108.00
4	Contribution to GIS/EDLI	1,03,545.00	30,140.00
5	Administrative charges for PF	2,43,832.00	3,29,255.00
6	Gratuity	93,12,109.00	46,99,272.00
	Total in	9,16,02,915.00	7,49,58,354.00

Schedule :21 Financial Cost

Sr. No	Particulars	Current Year	Previous Year
1	Interest on Cash Credit Facility	10,78,285.00	27,51,728.00
	Total in	27,51,728.00	10,78,285.00

Schedule :22 Depreciation & Amortization

Sr. No	Particulars	Current Year	Previous Year
1	Depreciation	1,17,67,272.00	94,65,541.00
	Total in	1,17,67,272.00	94,65,541.00

Schedule : 23 Other Administrative Expenses

Sr. No	Particulars	Current Year	Previous Year
	OPERATIONAL EXPENSES		
	Transport & Carriage	2,36,03,189.00	94,77,890.00
	Electricity & Water charges	45,22,904.00	46,53,886.00
	Wages	1,35,79,463.00	2,06,12,105.00
	Consumable Stores	8,61,495.00	10,79,153.00
	Packing Materials	2,67,47,461.00	2,26,31,321.00
	Custom Processing Charges		99,282.00



Sr. No	Particulars	Current Year	Previous Year
	Repair & Maintenance to Plant & Machinery	11,93,840.00	14,07,485.00
	Generator Running Expenses	5,63,492.00	13,88,880.00
	Truck Running Expenses	29,91,918.00	32,52,971.00
	Truck Repair & Maintenance	8,41,106.00	7,27,260.00
	Toll Tax	1,52,710.00	1,15,310.00
	Fertilizer & Pesticide	1,99,604.00	2,03,783.00
	Tractor Running Expenses	19,256.00	68,369.00
	Hier charges of Tractor	1,46,810.00	4,14,095.00
	Tractor Repair & Maintenance	93,897.00	1,80,039.00
	Seed Certification Expenses	1,19,96,834.00	62,84,043.00
	Seed Treating Chemicals	3,11,79,122.00	1,98,70,141.00
		11,86,93,101.00	9,24,66,013.00
	ADMINISTRATIVE EXPENSES		
	Audit Fees	1,18,000.00	1,18,000.00
	Auditors TA & Other expenses	87,727.00	91,909.00
	Avertisement Expenses	5,08,284.00	8,91,888.00
	Bank Commission	7,207.00	26,885.00
	Conveyance	7,690.00	2,020.00
	Compilation of Accounts Expenses	59,000.00	
	Consultancy charges	47,200.00	59,000.00
	Directors sitting fees	75,000.00	87,000.00
	Entertainment Expenses	21,205.00	28,905.00
	Insurance	6,81,364.00	5,84,717.00
	Legal Expenses	6,18,235.00	4,25,227.00
	Krushi Mohatsav		2,07,720.00
	Miscellaneous Expenses	1,42,985.00	42,682.00
	News paper & Periodicals	17,066.00	17,981.00



Sr. No	Particulars	Current Year	Previous Year
	Postage & Telegram	58,533.00	65,614.00
	Printing & Stationary	5,38,228.00	5,65,442.00
	Rates & Taxes	3,08,466.00	3,43,134.00
	Rent	1,46,110.00	1,85,521.00
	Repair & Maintenance to building	12,47,858.00	21,69,470.00
	Repair & Maintenance(General)	6,73,482.00	6,74,066.00
	Repair & Maintenance Computer	1,16,275.00	1,32,994.00
	Seminar & Meeting Expenses/Training	5,20,485.00	1,83,198.00
	Tax Audit Fees	17,000.00	17,700.00
	VAT Audit/GST	17,700.00	17,700.00
	Telephone Expenses	3,98,184.00	3,32,447.00
	Travelling Expenses	2,58,676.00	63,854.00
	Hier Charges of vehicle	21,18,534.00	16,58,064.00
	Vehicle Repair & maintenance	1,18,774.00	1,67,578.00
	Vehicle Running charges	6,88,210.00	9,38,293.00
		96,17,478.00	1,00,99,009.00
	SELLING EXPENSES		
	Compensation	19,985.00	5,560.00
	Dealer commission	6,72,69,314.00	5,31,92,746.00
	Transport & carriage	1,91,46,132.00	1,40,58,999.00
	Storage & warehousing	33,73,669.00	58,34,374.00
		8,98,09,100.00	7,30,91,679.00
	Total in	21,81,19,679.00	17,56,56,701.00



CASH FLOW STATEMENT AS PER AS 3

Cash Flow From Operational Activities	Current Year 2018-19	Previous Year 2017-18
(a) Net Profit(+)/Loss(-) Before Tax	6,02,24,675.00	23,51,404.00
Adjustment for		
Depreciation ¹ ,	17,67,272.00	94,65,541.00
Interest Paid	10,78,285.00	27,51,728.00
Interest Received	-1,86,84,743.00	-58,99,579.00
Prior Period Expenditure(-)/Income(+)		.
Adjustment to P/L(Reserve) against difference in Unreconciled Banks		
Operating Profit before Working Capital changes	5,43,85,489.00	86,69,094.00
Adjustment for:		
Inventories	-17,28,16,434.00	34,32,81,092.00
Sundry Debtors	14,90,80,360.00	-14,85,89,763.00
Other Assets	-24,17,947.00	4,60,764.00
Loans and Advances	-1,97,45,234.00	5,39,667.00
Liabilities & Provisions	2,51,39,601.00 -	2,49,88,172.00
Cash Generated from Operations	33,62,58,35.00	17,93,72,682.00
Income Tax Provision	-	-
Net Cash Flow from Operating Activities	33,62,58,35.00	17,93,72,682.00
(b) Cash Flow from Investing Activities		
Purchase of Fixed Assets	-2,03,76,570.00	-6,12,62,827.00
Capital-Work-in-Progress -	38,78,970.00	-27,25,300.00
Interest Received	1,86,84,743.00	58,99,579.00
Increase in Share Deposit	1,000.00	29,400.00
(c) Net Cash Flow from Investing Activities -	55,69,797.00	-5,80,59,148.00
Cash Flow from Financial Activities		
Share Capital		
Grants Received/Returned	-31,15,438.00	25,66,20,946.00
Proceeds/Return of long Term Loan	-	-
Repayment/Generation of Secured Loan	1,83,30,470.00	-22,46,08,207.00
Interest Paid	-10,78,285.00	-27,51,728.00
Net Cash Flow from Financial Activities	1,41,36,747.00	2,92,61,011.00
Net increase in cash and cash equivalent Activities(a+b+c)	4,21,92,785.00	15,05,74,545.00
Add-Opening Balance of Cash and Cash Equivalents	41,46,59,004.00	26,40,84,459.00
Closing Balance of Cash and Cash Equivalents	45,68,51,789.00	41,46,59,004.00
Earning Per Share		
Net Profit after Tax available for equity Share Holders		
Weighted average number of equity shares of Rs.100/-each outstanding the year.	1,96,096.00	1,96,096.00
Earning Per Share	316.81	11.99



CONTINGENT LIABILITIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR 2018-19

Contingent Liabilities

- 01(a) I) Dividend of Rs.2837274/- on 11% Preference Share and also on Equity Shares has been paid on the profit of 2010-11 and the same has been Accounted for in 2011-12 as per the decision in 131st.Meeting of the Board of Directors held on 07.09.2012 and paid during 2012-13.
- II) Dividend on 11% Cumulative Preference Shares amounting to Rs.21467014/-up 2018-19 not provided in account during 2018-19 except 2010-11.
- b) Employees State Insurance Corporation has claimed Rs.382413.00 up to end of March-2002 towards ESI dues in respect of Cold Storage, Cuttack & Bhubaneswar. The Corporation applied for the exemption of the applicability of the ESI Act to Corporation but Govt. has expressed its inability to exempt the Corporation from the purview of the ESI Act. The Corporation has obtained a stay order from the Hon'ble High Court vide OJC No.2166/97 on 10.2.97 directing the ESI authorities not to take any coercive action until further orders. Liability has been provided for Rs382413/-and Rs137208/- has been paid up to March -2003 against the above demand and has been kept in Deposit Account till finalization of the ESI matter.
- c) Sales Tax Assessment has been completed up to 2003-04. Sales tax authorities have demanded Rs. 55,02,643/- towards sales tax for different years up to the year 2000-2001 which is disputed by the Corporation and appeals have been filed against the above demand which are still pending. An amount of Rs.38,75, 403/-has been paid against the above demand as demand tax.
- d) The Sales Tax Assessment for the year 2004-05 has been completed by the Sales Tax Authorities and the Corporation has paid Rs.426862/- as per the assessment order received on 19th.November,2008.
- e) During the year 2011-12 an amount of Rs.9309753/ has been paid to Sales Tax Department against the demand of VAT tax by Sales Tax Authorities from 2005-06 to 2008-09 against the demand of Rs13.96.Crore. and accounted under Loans Advances (Sch-16)



- f) The income tax authorities have demanded Rs.4,82,14,334.00 towards income tax and surcharge for assessment years 1998-99 and 1999-2000. The details of which are given below.

Particulars	Assessment Years		Total
	1998-99	1999-2000	
Tax & surcharge	1,23,95,236	1,14,46,414	2,38,41,650
Interest u/s 234(A)	6,19,760	5,72,320	11,92,080
Interest u/s 234(B)	1,34,79,780	97,00,824	2,31,80,604
Total Demand	2,64,94,776	2,17,19,558	4,82,14,334

- g. A sum of Rs. 46886167.00 has been paid by the Corporation to the Income Tax authorities during the year 2004-05 , 2005-06 & 2008-09 and kept in Income Tax Deposit A/c. The Corporation have filed appeal with ITAT against orders of CIT-Appeal. The ITAT while disposing the appeal directed to approach CBDT to exercise the power U/s 119(2)(b) to condone delay in filing return and allow to carry forward losses and depreciation. The Corporation has moved CBDT to allow carry forward the business loss and depreciation for the Assessment Year 1991-1992-96-97. The matter is pending with CBDT for which no provision has been made towards Income Tax for the aforesaid amount.
- h. The Income tax authorities have raised demand on the Corporation to the tune of Rs.9,87,318/- against which the Corporation has gone on appeal and the matter is under sub-judice. As against the aforesaid demand the Corporation has deposited a sum of Rs.8,65,695/- and the amount has been shown as Income tax Deposit under Schedule-16 -Short Term Loans & Advances..
- i) The Income Tax Authorities have assessed of Rs.1290969/- for the Assessment Year 2005-06 towards Income Tax. The Income Tax liability on the profit for the year has been calculated at Rs.1055354/-. The balance amount of Rs.225615/- has been accounted for during 2005-06 under Prior Period Adjustment account. An amount of Rs.490000/- has been paid as advance tax.
- i) The Income Tax Authorities have assessed Rs.1528124/-for the Assessment year 2006-07 against which Rs.1461000/- has been deposited as advance tax. An amount of Rs.1123995/- has been provided in accounts as Income Tax provision during the year 2005-06 and balance amount of Rs.404529/- has been provided in the account of 2008-09.
- k. The Income Tax Assessment for the Assessment year 2009-10 has not been completed by Income Tax Authorities. However an amount of Rs.2948507/- has been provided in for the year 2008-09. An amount of Rs.5777011/- has been paid as advance income tax during 2008-09 & Rs.3500000/- paid during the financial year 2009-10).



The Income Tax Assessment for the Assessment year 2010-11 has not been completed by the Income Tax authorities. However, an amount of Rs.3606440/- has been provided in the accounts. An amount of Rs.7000000/-has been paid as advance tax

- m) The Income Tax Assessment for the Assessment year 2011-12 has not been completed by the Income Tax Authorities. However, an amount of Rs.7281420/-has been provided in account. An amount of Rs.3000000/- has been paid as advance tax.
- n) The Income Tax Assessment for the Assessment year 2012-13 has not been completed by the Income Tax Authorities. However, an amount of Rs.4630437/-has been provided in account . during the year 2012-13 No advance tax has been paid against the above demand.
- o) The Income Tax Assessment for the Assessment Year 2013-14 has not been completed by the Income Tax Authorities .An amount of Rs.2246273/-has been provided in account during the Financial Year 2012-13 towards Income tax. Rs.5000000/-has been paid as advance income Tax
- p) The Income Tax Assessment for the Assessment Year 2014-15 has not been completed by the Income Tax Authorities .An amount of Rs.2246273/-has been provided in account during the Financial Year 2013-14 towards Income tax. Rs.519135/- has been paid as advance income Tax.
- q) The income tax Assessment for the Assessment Year 2015-16 has not been completed by the Income Tax Authorities An amount of Rs.1563094/- has been provided in Account.Rs.334143/- has been paid as Income Tax.
- r) The income tax Assessment for the Assessment Year 2016-17 has not been completed by the Income Tax Authorities An amount of Rs.1307925/- has been provided in Account.Rs.1190027/- has been paid as advance Income Tax.
- s) The income tax provision for the Assessment year 2017-18 has not been provided due to business loss of Rs.260166271.00 .The Assessment for the Assessment year 2017-18 has been completed. On 26.11.2019..The Income Tax Authority has finalized the Assessment and accepted the loss Rs.157028574.00
- t) The Income Tax Provision for the Assessment year 2018-19 has not provided in accounts for the financial year 2017-18 as the business loss of the Assessment year 2017-18 will be carry forward for next seven years.
- u) The Income Tax Provision for the Assessment year 2019-20 has not provided in accounts for the financial year 2018-19 as the business loss of the Assessment year 2017-18 will be carry forward for next seven years.



02. The Corporation accepted Assets, Stores and Spares transferred by State Govt. at Rs.6002051/. Out of the above a sum of Rs.60.02 lakh has been allotted towards equity shares against the assets transferred. The balance amount of Rs.51.00 has been treated as share deposit. The transfer deed in respect of immovable property has not been executed.
03. The OSSC took possession of four nos. of Govt. Agriculture farms located at Bargarh, Barikel, Parmanpur and Babanpur of Bargarh & Ganjam district with effect from 1.6.91. Similarly, the Corporation took possession of the Govt. Agriculture Farm at Barpalli of Bargarh district on 1.6.92. The assets and stores of the above mentioned farms transferred by Government have not been valued till date. The depreciation has not been charged on the assets of the farms transferred by the Govt. The transfer deed is yet to be executed.
04. The Corporation purchased 4 nos. of leasehold industrial sheds at Balasore and Jeypore at a cost of Rs.11.07 lakh and Rs.2.48 lakh respectively from IDCO during the year 1990-91. The lease hold deed of the same has not been executed.
05. The Corporation has constructed storage godown at a cost of Rs.422516.00 at Keonjhar, Dhenkanal, Mayurbhanja and Sundergarh on land provided by the State Govt. The title deed of the land has not been executed in favour of the Corporation
06. The Corporation has taken possession of eight storage godowns at a cost of Rs.56.00 lakhs from D A & FP (O) as part of NSP-III implementation against Grant-in-Aid of Rs.238/- lakhs to be provided by Govt. of Orissa. The Storage godowns treated as assets created out of Grant-in-aid and treated accordingly following the policy of govt. grant for Fixed assets.. The transfer deed of the same is yet to be executed.
07. The Corporation has taken possession of twelve processing plants at a cost of Rs.60.00 lakhs from D A & FP (O) as part of NSP-III implementation against Grant of Rs.238/- lakhs to be provided by Govt. of Orissa. The Processing plants treated as assets created out of grant in aid and treated accordingly following the policy of govt. grant for Fixed assets. The transfer deed of the same is yet to be executed.
08. Audit fee of Statutory Auditors has been provided at Rs.50,000.00/- plus service tax on the basis of the recommendations of the Board of Directors to the Comptroller and Auditor General of India
09. Balance in the accounts of Sundry Debtors, Sundry Creditors , Loans and Advances to the staff are subject to confirmation.
10. During the year an amount of Rs71302213/- has been paid towards Salary & Allowances for the year 2018-19 as per Schedule-23



11. Grant in Aid either in the nature of capital or revenue are taken in to account only on receipt basis. During the year 2017-18 amount of Rs5500000/- received towards Capital Grant-in-Aid and accounted under Reserve & Surplus. The details of Opening Balance of Reserve & Surplus, Addition during the year ,amount utilized during the year and closing balance as on 31.3.19 are as below.

Reserve Surplus					
Sl No	Particulars	Opening Balance as on 1.4.18	Addition During the Year	Deduction of Depreciation on assets purchased out of Grant-in-Aid	Balance as on 31.3.19
1	Capital Reserve	80000000.00			80000000.00
2	Grant-in Aid Reserve	339519613.00	13798103.00	8615438.00	344702278.00
3	Grant-in-Aid (RKVY)	340293000.00		13798103.00	326494897.00
4	Grant –in-Aid (SMSP)		5500000.00		5500000.00
5	Balance Brought forward from Previous Year	-50700276.00	60224675.00		9524399.00
6	Less- Transferred from Current A/c un-reconciled difference	-14938021.00			14938021.00
		694174316.0	79522778.00	22413541.00	751283553.00



12. An amount of Rs.6711291.00/-has been transferred from Capital Work-in-Progress to fixed assets during 2018-19towards Freehold Building as per details given below.

SI No	Particulars of Capital-Work-in-Progress	Opening Balance as on 1.4.18	Addition during the year	TOTAL	Transferred to Fixed Assets	Balance Capital-Work-in-Progress as on 31.3.19
1	Construction Of 1000MT godown at Bhadrak(II)	4873842.00	1837449.00	6711291.00	6711291.00	
2	Construction of 1000MT godown at Baripada -3	2777974.00		2777974.00		2777974.00
3	Construction of Seed Storage Godown,BBSR (RKVY-2015-16)		6586093.00	6586093.00		
4	Construction of Seed Storage Godown at Jeypore		2166719.00	2166719.00		2166719.00
	TOTAL	7651816.00	10590261.00	18242077.00	6711291.00	11530786.00

13. Qtl.1433.71 of both Paddy and non-paddy seeds found shortage during 2013 -14 in Bolangir Processin Plant under the jurisdiction of SPO Bhawanipatna , The value of above shortage quantity comes to Rs.3463111/- .The Managing Director ordered for inquiry of above shortage. The inquiry is under progress and the accounting treatment will be made after receive of the inquiry report.
14. The un-reconciled difference of 7(seven)no. of Banks amounting to Rs.14938021/- will be reconciled in subsequent years and the amount has been accounted under Reserve & Surplus during 2018-19. The detail Bank Balances in Current A/c and Savings A/c are given hearwith in the next page.



Sl No	Name of the Bank	Name of the Unit	Balance as per Ledger	Balance as per PassBook	Difference trans ferred to Reserve Surplus A/c
Current Account					
1	SBI,Bhanjavihar	BMR	475252.20	475252.20	
2	Allahabad Bank,	BGH	5718027.00	0	5718027.00
3	BAGB Barplli	BGH	2179555.00	0	2179555.00
4	BAGB,Padampur	BGH	1268659.00	0	1268659.00
5	SBI Attabira	BGH	3772270.80	0	3772270.80
6	SBI,Bargarh	BGH	908066.76	0	908066.76
7	Union Bank of India Sambalpur	BGH	486924.20	0	486924.20
8	SBI Nuapada	BGH	604518.24		604518.24
9	SBI Balesore	BLS	139877.52	139877.52	
10	SBI Bapujinagar	HO	1407849.94	1407849.94	
11	SBI Butupali	Boudh	144870.36	144870.36	
13	Andhra Bank	Ho	5221.51	5221.51	
			17111092.53	2173071.53	14938021.00
Savings Account					
1	SBI Bargarh Savings A/c	BGH	121356.04	121356.04	
3	Axis Bank Savings A/c	HO	335434.40	335434.40	
4	SBI,Bhawanipatna (Savings)	BPT	190758.98	190758.98	
5	SBI,Cuttack Savings A/c	CTC	770837.5	770837.5	
6	SBI Jeypore Savings A/c	Jyp	150540.83	150540.83	
7	SBI KIT(SPO BBSR)	BBSR	204135.12	204135.12	
8	SBI Khandagiri	BBSR	78280.50	78280.50	
9	SBI Nayagarh	BBSR	13087.50	13087.50	
10	SBI (Old Town) RKVY A/c	HO	220259132.00	220259132.00	
11	SBI(OT) Breeder & Foundation	HO	7948962.90	7918962.90	
12	Canara Bank	HO	22184288.44	22184288.44	
			252256814.21	252256814.21	



15. An amount of Rs.2228731/- recovered from M/s Trinatheswer Agro Products towards interest and Godown Rent towards sale of Sub-standard seeds during 2016-17 & 2017-18 accounted under Indirect Income during 2018-19.
16. An amount of Rs.13522941/- received from DA & FP(O) towards re-imbursment of Breeder seed cost for the year 2016-17 & 2017-18 received during 2018-19 and not accounted in respective year now accounted during.2018-19.
17. Production Incentive on production of Certified & Foundation Oilseeds & Pulses during 2015-16,2016-17 & 2017-18 of Rs.4546449/-received during 2018-19 and not accounted during respective year accounted during 2018-19.
18. The Corporation filed application under Section 34 of the Arbitration and Conciliation Act.1996 before the District Judge ,Khurda for stay of the arbitral award passed by the Hon"ble Arbitrator in the Administration Proceedings No.17/2015and 18/2015 .By the order of the District Judge the Arbitral Award was stayed .The matter is under subjudice.
19. The financial implication as per the award passed by the Hon"ble Arbitrator in case of ARBP-18/2015(presently ARBP 32/2017) comes to Rs.15,55,21,482/- .Similarly the financial implication as per the award passed by the Hon"ble Arbitrator in case of ARBP 17/2015(presently ARBP 31/2017) comes to Rs.2,12,98,766/-,which has been challenged in District Judge ,Khorda.
20. Insurance Claim of Rs.1030788/-against damage of Qtl.2331.80 Paddy Sub-standard seeds at Haldidiha godown under SPO Balesore Zone on 30.5.16 damaged due to storm and rain vide Insurance Claim No.273085 & Policy No.448452 .The Insurance Company M/s SBI General Insurance Company Ltd. settled the claim of Rs.361616/- which is not acceptable to Corporation. The Corporation has filed the Consumer case against the Insurance Companyin District Consumer Dispute Redressal Court,Khorda vide Case No.160/25.5.19. Similarly Insurance Claim of Rs.1217050/- against theft of Qtl.946.20 of paddy sub-standard seeds in K.A.R.Raju godown at Kotpad under SPO Jeypore Zone on 9.5.17 against Insurance Claim No.397765. The Insurance Company M/s SBI General Insurance Company Ltd. has not settled the issue. The Corporation has filed the Consumer Case against the Insurance Company in District Consumer Dispute Redressal Court ,Khorda vide Case No.161/30.5.19.



21. Information required pursuant to the provisions of Paragraph 3 and 4 Part II of Schedule VI of the Companies Act.

Class of Goods-Seeds		2018-19	2017-18
Purchases	(Qty in Qtls)	449511.00	370218.00
	(Value in Rs.)	1311108509.00	1020979242.00
Opening stock	(Qty in Qtls)	182813.00	426117.00
	(Value in Rs.)	382970567	720260114.00
Closing stock	(Qty in Qtls)	230714.00	182813.00
	(Value in Rs.)	558199104.00	382970567.00
Turnover	(Qty in Qtls)	401054.00	605411.00
	(Value in Rs.)	1440483327.00	1587321288.00

Purchase Value excludes the cost of 3267.00.00quintals (Previous year:-2761.00Qtls) of processed seeds produced in Corporation's own farm. Similarly24.00 quintals of processed seeds (Previous year16.00 Quintals) utilized in Corporation's own farm is excluded from the turnover value. closing stock and opening stock exclude standing crop. . Shortages of Qtl.556.00 will be accounted for after due inquiry.

Packing materials		2018-19	2017-18
Purchases	(Qty in Nos.)	2727900	1380930
	(Value in Rs.)	33900019.00	13981000.00
Opening stock	(Qty in Nos.)	1619826	2083571
	(Value in Rs.)	19074320.00	27642153.00
Closing stock	(Qty in Nos.)	2094746	1619826
	(Value in Rs.)	26238266.00	19074320.00
Consumption	(Qty in Nos.)	2252980	1844675
	(Value in Rs.)	26736073.00	22548833.00

IV. Expenditure in foreign currency

Nil

© Figures pertaining to the previous year have been re-grouped and rearranged wherever necessary and rounded to the nearest rupees.



SCHEDULE -T

ACCOUNTING POLICIES FORMING PART OF ACCOUNTS PURCHASES

The Corporation makes purchases the processed seeds from the growers i.e., a.Purchases of processed seeds
unprocessed seeds are received from the registered growers in Corporation plants for processing. Processed and passed seeds are only taken into account for purchases.

SALES

1. All stock of seeds those are delivered against store delivery challans / cash Memo till last day of the accounting year are accounted for as sales.
2. Free supplies and own consumption of seeds are not evaluated.

CLOSING INVENTORY

1. Stock of processed seeds and substandard seeds are valued at lower of cost or market value. The cost component consists of procurement price , cost of processing ,Seed Treating Chemicals, packing , Certification charges., Internal Transport & godown Rent for valuing standard closing seed stock at the end of the year..
2. Standing crops are valued on the basis of estimated cost of procurement of seeds.
3. Farm produces included in closing stock of seeds are not distinguished and valued at 1 and 2 above.
4. Shortages found on physical verification of stock will be accounted after due investigation.
5. Packing materials are valued at weighted average cost. No valuation is done for unserviceable, once used HDPE Gunny bag and damaged packing material

STORES & SPARES

Actual consumption of consumable stores and printing stationary during the year 2018-19 accounted for

GRATUITY

Gratuity is provided in accordance with the Provision of Gratuity Act, 1972. Acturial valuation of the gratuity and other retirement benefits have not been made.



FIXED ASSETS

1. Fixed assets are accounted for on historical cost less depreciation. Depreciation is charged on straight line method as prescribed under section 123 of the Companies Act, 2013 (Previously 1956). The rates of depreciation on fixed assets are as per rates prescribed in Schedule-XIV of the Companies Act with effect from the year 1987-88. Up to the year 1986-87 the rates of depreciation were as per Income tax Rule.
2. Building includes factory building and depreciation is charged at the prescribed rate under the Companies Act 2013 for the factory building and other buildings.
3. Value of tarpauline, durry and coir-mats are written off at 50% rate assuming life of these at two years.
4. Cost of capital assets created out of Grant in aid has been credited to Grant in aid Reserve a/c. Depreciation on those assets is also charged against those reserves.
5. Premium in respect of lease hold land and lease hold building paid at the time of purchase is written off on the basis of the period of lease.



STATEMENT PURSUANT TO PART-IV OF SCHEDULE TO THE COMPANIES ACT, 2013

Balance sheet abstract and Company's General Business Profile

Registration details

Registration No. 757 State Code: 15
Balance Sheet Date 31.3.2019

Capital raised during the year (Rupees)

Public Issue NIL Rights issue NIL
Bonus issue NIL Private Placement NIL

Position of mobilization and deployment of Funds (Rupees)

Total Liabilities 2380889188.00	Total Assets 238889188.00
Source of Funds	
Paid up capital- 26798928.00	Reserve & Surplus- 751283553.00
Secured Loans- 137388931.00	Unsecured Loans -619835373.00
Accumulated Loss -5413622.00	
Application of funds	
Net fixed Assets - 310781329.00	Investment NIL
	Misc. Expenditure NIL
Net Current Assets-1324071213.00	
Performance of Company	
Turnover- 1440483327.00	Total Expenditure- 1633676660.00
Profit before Tax- 60224675.00	Profit after tax -60224675.00
Earning per share -316.81	Dividend per share -Not yet declared
Generic names of product service of the Company	
Item Code No. NA	
Product description NA	



Use

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ODISHA STATE SEEDS CORPORATION LIMITED
(A GOVERNMENT UNDERTAKING)

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