

महाबीज®



**41<sup>st</sup>**

**Annual Report  
2017-2018**



**Maharashtra State Seeds Corporation Ltd., Akola**

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**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

<b>EXISTING BOARD OF DIRECTORS</b>	:	Shri. Eknath Dawale, IAS	Chairman
		Shri.Omprakash Deshmukh, IAS	Managing Director
		Shri.Sachindra Pratap Singh, IAS	Director
		Shri.Sanjay S.Dhotre, M.P.	Director
		Shri.Vallabhrao T.Deshmukh	Director
		Shri.V.K.Gaur	Director
		Shri.Vishwanathan .Mohan	Director
		Dr.Vijay Karahne	Director
		Dr.Anita B Chorey,	Independent Women Director

<b>AUDITORS</b>	M/s.TACS & Co., Chartered Accountants, Nagpur
	M/s.Ram Thakkar & Associates, Secretarial Auditors,Akola

<b>BANKERS</b>	Bank of Maharashtra
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<b>REGISTERED OFFICE</b>	"Mahabeej Bhawan", Krishi Nagar, Akola- 444 104
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<b>EXECUTIVES</b>	Shri.S.M.Pundkar	General Manager (Prodn.)
	Shri.S.G.Thakrar	General Manager (Finance)
	Shri.R.G.Nake	General Manager (Mktg.)
	Shri.P.S.Lahane	General Manager (Q.C.& Admin.)
	Shri.A.T.Chopade	I/c.General Manager (P & E)
	ShriVinay H.Verma	Company Secretary & Dy.G.M.(I.A.)



MAHARASHTRA STATE SEEDS CORPORATION LIMITED

# Maharashtra State Seeds Corporations Limited

Regd.Off.: 'Mahabeej Bhavan' Krishinagar, Akola 444 104

CIN:-U01200MH1976SGC018990

## NOTICE

To,  
The All Members,  
M.S.S.C. Ltd.,

Notice is hereby given that the Forty-first (41st) Annual General Meeting of the members of Maharashtra State Seeds Corporation Limited will be held on Friday, the 28 th December 2018 at 1.00 P.M. at "Dr.K.R.Thakare Auditorium of Dr. Panjabrao Deshmukh Krishi Vidyapeeth, Krishinagar,Akola" to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the audited Financial Statement as at 31st March, 2018 with the Auditor's Report and Secretariat Auditor's Report.
2. To consider declaration of Dividend on Equity Shares @ 10.00%.

### SPECIAL BUSINESS

3. Noting of appointment of Shri-Sanjay Shamrao Dhotre, as Director of the Company, with effect from this meeting who has been re-elected representative of farmer shareholders on dated 20th January 2018 from Vidarbha constituency.
4. Noting of appointment of Shri-Vallabhrao Tejrao Deshmukh, as Director of the Company with effect from this meeting who has been re-elected representative of farmer shareholders on dated 20th January 2018 from Rest of Maharashtra constituency.

By the Order of Board of Directors,  
M.S.S.C. Ltd.

( Vinay Verma )  
Company Secretary

Place :- Akola.  
Date – 05/12/2018



**NOTES :-**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
2. Proxy appointed by the member is entitled to vote only. He is not entitled to raise any point and take part in the discussions during the meeting.
3. Copies of Annual Report have been sent to the all shareholder at their registered address, the proxy form also attached, to nominate the proxy, please affix Re.1 revenue stamp and sign the same. Proxies in order to be valid must be received by the Company at its registered office, not less than 48 hours before the commencement of the meeting.
4. Copies of attendance slips has been enclosed to facilitate the shareholders, They are requested to kindly sign and submit and the same while attending AGM.
5. MSSCL has declared dividend for the year 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016 and 2016-17, however some dividend lying with company which are unclaimed. Shareholders are again requested to contact to the office of the Company Secretary MSSCL, Akola for obtaining extension in date. As per Companies Act 2013 section No.124, The unclaimed dividend pertaining to F.Y. 2010-2011 will be transferred to Investor Education and Protection Fund, New Delhi and after that no rights to shareholders shall be considered requiring payment of said dividend.
6. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office quoting their folio number.
7. Shareholders/proxy holders/representatives are requested to bring their copies of Annual Report to the Annual General Meeting.
8. Nomination form is enclosed with Marathi Annual Report the shareholders who want to nominate their nominee may fill the form and send the original copy duly filled and signed at our H.O. To, Company Secretary, MSSCL "Mahabeej Bhawan" Krishinagar, Akola-444 104 India.
9. As per green initiative of Ministry of Corporate affairs, Shareholders may obtain copy of annual report through e-mail, requesting shareholders to provide the requisition to e-mail address hocs@mahabeej.com.



10. Corporate members/Universities intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution/Authority letter authorizing their representative to attend and vote on their behalf at the Meeting.
11. KYC Form is enclosed with Marathi Annual Report and also uploaded on Mahabeej website in Investor corner, Shareholder is requested to fillup the form and send to H.O.
12. Legal heirs of diseased shareholder, if any, are requested to complete the process of Transmission of Shares
13. Time of Registration will be 9.00 AM to 13.00 PM on the day of meeting.
14. An Explanatory statement pursuant to section No.102 (1) of the Companies Act 2013, relating to the special Business to be transacted at the Meeting is annexed hereto;-

**EXPLANATORY STATEMENT AS REQUIRED U/S 102 OF THE COMPANIES ACT,2013 FOR APPOINTMENT OF DIRECTORS :-**

**ITEM No. 3 :**

As laid down in Clause (c) of the Article 125 of the Articles of Association of the Company, appointment of directors is required to be made once in three years. The tenure of the directors elected from farmer shareholders constituency was expired on 29th December 2017. Accordingly Election Programme for election of Directors by farmer shareholders under Postal Ballot Scheme was placed before the Board in 188th meeting for its approval.

The Board Approved the same and election were scheduled between 27th November, 2017 to 20th January, 2018 and postal ballots were called and accepted till 13th January, 2018. After that counting of valid postal ballots was done and Shri Sanjay Shamrao Dhotre has been re-elected representative of farmer shareholders on dated 20th January 2018 from Vidarbha constituency.

As per the MSSCL Director Appointment rules the elected candidate shall be appointed for tenure of three years from the date of next Annual General Meeting.

Hence the agenda has been placed for noting and approval of shareholder. The board recommends the same to be passed as ordinary resolution.

**ITEM No. 4 :**

As laid down in Clause (c) of the Article 125 of the Articles of Association of the Company, appointment of directors is required to be made once in three years. The tenure of the directors elected from farmer shareholders constituency was expired on 29th December 2017. Accordingly Election Programme for election of Directors by farmer shareholders under Postal Ballot Scheme was placed before the Board in 188th meeting for its approval.



The Board approved the same and elections were scheduled between 27th November, 2017 to 20th January, 2018. The last date of submission of nomination was 7th December, 2017 and withdrawal of nomination was 14th December, 2018. Accordingly four nominations were received for Rest of Maharashtra Constituency. However three nominations were withdrawn and only single candidate remained for Rest of Maharashtra constituency who was declared to be elected unopposed on 20th January, 2018 from rest of Maharashtra constituency.

As per the MSSCL Director Appointment rules the elected candidate shall be appointed for tenure of three years from the date of next Annual General Meeting.

Hence the agenda has been placed for noting and approval of shareholder. The board recommends the same to be passed as ordinary resolution.

## Boards' Report

To the Members,

The Directors have pleasure in submitting their 41st Annual Report of your Company together with the Audited Statements of Accounts for the year ended on 31st of March, 2018.

### 1. FINANCIAL RESULTS

#### IMPLEMENTATION OF IND AS (IAS) AND SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2017. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements"). The figures for the previous year ended 31st March, 2017 and Opening Balance sheet as on 1st April, 2017 have also been reinstated by the Management as per the requirements of Ind AS.

The Company's financial performance for the year under review along with previous year figures is given hereunder:

Particulars	31/03/2018 (in Rs.)	31/03/2017 (in Rs.)
Revenue from Operations	5698069548	7200834724
Other Income	175161836	214457526
<b>Total Income</b>	<b>5873231384</b>	<b>7415292250</b>
Less Total Expenses	5557981361	6734188738
<b>Profit before extraordinary items and tax</b>	<b>315250023</b>	<b>681103512</b>
Current tax expense	(112700000)	(245000000)
Deferred tax expense/Liability	1943551	(1796274)
Taxation related to earlier year	0	9316070
<b>Profit/Loss for the year</b>	<b>204493574</b>	<b>443623308</b>
Basic earnings per equity share	503	1099
Diluted earnings per equity share	503	1099

### 2. DIVIDEND

The Board recommends payment of dividend of Rs. 10 per equity share (i.e 10% of Rs. 100/-) net of taxes for the financial year 2017-18. The dividend, if approved by the members at the Annual General Meeting ("AGM"), will result in a cash outflow of Rs. 50.36 Lakhs including dividend tax.

### 3. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of Business operations done during the year under review:

#### **PRODUCTION OF SEEDS:**

Your company has produced 8,95,772 quintals Certified/Truthful seed and 75,954 quintals Foundation seed including vegetable crops, from an area of 84,102 hectares and 9,606 hectares respectively from growers/TSFs. Out of total production, the quantum of Certified seed in Cereals 1,64,897 qtls, Pulses 2,48,157 Qtls, Oil seeds 4,54,693 qtls, Cotton and Fibers 2,555 qtls, Green Manuring 7,000 qtls. Fodder 16,000 qtls. and Vegetables Crop 2,471 qtls. your company is also producing Hybrid Papaya Seedlings to fulfill the requirement of the farmers in Maharashtra. So as to organize seed production area in the compact block in a village under "Seed Village Programme", your Company has introduced special schemes of 100%, 75%, & 50% rebate in Seed Certification Agency Inspection fee on the basis of area organized in a village. This scheme is also separately implemented for Paddy, Tur, Jute & Vegetable crops. The seed growers have been benefited under these schemes and the response is very encouraging.

Your company has also introduced the scheme of awarding the villages producing more than 3000 qtl Certified seed in a village. Under the "Seed Quality Improvement Campaign", the MSSCL has introduced special seed quality incentives for production of minimum low-grade lots as well as higher germinability seed in Soybean, Tur, Moog, Udid & Paddy etc. crops. Because of additional quality incentives over & above the procurement policy, the seed grower's response is increasing for tendering less low-grade percent raw seed having higher germinability of seed.

Considering the demand of certified seed in Pulses & Cereals under National Food Security Mission, your company has produced record certified seed of Udid & Gram varieties in Pulses and Paddy, Rabi Jowar in Cereal crops for distribution under this scheme, which has helped to increase the SRR in these crops. Your Company has also produced sizeable certified seed of the new varieties in Cereal, Pulses & Oil seed Crops for its promotion on large scale amongst the farmers in Maharashtra for boosting their productivity.

#### **PRODUCTION OF NEW PRODUCT**

Your Company has undertaken the production programme of Imp. Bajra Dhanshakti, ABPC-4-3, Paddy RTN-5, Karjat-8, Karjat-9, Hy. Paddy Sahyadri-3, Sahyadri-4, Sahyadri-5. Tur PKV-Tara, BDN-711, BDN-716, Moog BM-2003-2, Utkarsha, Soybean MAUS-162, MACS-1188, Phule Agrani, MAUS-158, JS-95-60, JS-20-29, Sesamum JLT-408, PKV-NT-11, Wheat MACS-6222, MACS-6478, Netravati, AKW-4627, Phule Samadhan, Phule Sardar, Rabi Jowar Parbhani Jyoti, Phule Vasudha, Phule Revati, Phule Anuradha, Safflower PKV-PINK, PBNS-12, AKS-207 & Gram Jaki-9218,

Digvijay, Raj Vijay-202, Raj Vijay-203, PKV Kabuli-4, Kripa, Phule Vikram etc. new varieties developed by agricultural Universities.

### **SEED PROCESSING AND ENGINEERING**

Processing of huge quantum of raw seed in order to make quality seeds available for marketing at appropriate time has always been challenging job for Mahabeej. During the year under report, the processing of 11, 89,398 quintals raw seed in Kharif, Rabi and summer seasons has been done timely and quality seeds were placed in the market for the farmers.

Your Company has completed construction work and installation of solar panels for solar operated cold storage at S.P.P. Vegetable Seed Processing Plant, MIDC, Akola, having capacity of 10,000 qtls. This project is under RKVY with Govt. grant of Rs.1.80 Crores & MSSCL contribution Rs.1.80 Crores. This Solar Power Operated Air Conditioning and Dehumidified project is already approved under RKVY. This project will be completed upto March 2019.

### **SEED MARKETING**

Your Company has sold 4,98,299 quintal seeds during Kharif 2017 marketing season. The percentage of sale in comparison to availability of seed comes to 83%, during Rabi -2017 seasons your company has sold 2, 49,263 quintal seeds, during summer 2017-18 seasons, 17,667 quintal seeds and 23,364 quintal seeds of Vegetable, Fodder & Green Manuring crops worth Rs 14.53 crores sold during the Year. Out of this 11,423 quintal Fodder crops seeds and 8,251 qtl Green Manuring and 3690 qtl Vegetable crops seeds have been sold under various Government schemes and General Marketing. Your company has achieved good sales due to proper planning, timely availability of seed & reasonable pricing. During the year 2017-18 your company has sold total 7, 88,593 qtl seeds.

The Government of India is implementing "National Food Security Mission "to increase productivity of Wheat, Rice, and Pulses in selected districts in the State. Your Company has supplied 12,211 quintal seeds of Rice. Tur, Moog & Udid in Kharif - 2017 season and 1,18,642 quintal seeds of Wheat & Gram in Rabi -2017 season . Under NMOOP scheme your company has supplied 78,634 qtl Soyabean seed in Kharif- 2017 season and 220 qtl Safflower seed in Rabi -2017 season. Under National Food Security Mission - Bharaddhanya your company has sold 769 quintal seed in Kharif- 2017 and 2,515 quintal Rabi Jowar seed in Rabi 2017 season.

### **QUALITY CONTROL**

During the year under review total 1, 14,397 samples have been taken for testing in quality control laboratory out of which 46,270 samples of various Seeds/Tissues were taken for seed purity test and 1990 samples were taken for Genetic purity test in Maharashtra and other states.



To minimize the germination complaints of soyabean crop, your company had started Field Emergence Test of Soyabean seeds from summer 2012, during the year total 14053 FET were taken. Your Company is always committed to supply best quality seeds to the farmers and it can be assured by carrying FET at MSSCL farms.

Recently we have received permanent registration by the Central Insecticide Board (CIB), Faridabad for production of Trichoderma veride which include Biofertilizers- Rhizobium, Azobacter, Azospirillum, Phosphorus Solubilizing Bacteria (PSB), Potash Mobilizing Bacteria (KMB) consortia of NPK and various Bio pesticides and during the year we have received positive response from the farmer to 'Mahabeej Bio' products.

**4. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT**

There was no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of the report.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given as under:

**CONSERVATION OF ENERGY**

The Board of Directors always takes all endeavors to save the power and MSSCL is using LED lights and Solar Street Lights at various plants and location to promote green energy. Taking one more step towards green energy we have installed Solar Panels at Head Office and Construction Work of Solar power operated cold storage at SPP Vegetable, MIDC, Akola is completed. The main business of the company is seed processing and accordingly whatever the new energy saving automation and moderation needs to be done for saving the power has been thoroughly studied and implemented accordingly.

**TECHNOLGY ABSORPOTION, ADAPTION, INNOVATION & RESEARCH**

The research and development wing of your company is effectively engaged in developing new market oriented Hybrid Cotton, cereal crops, pulses and vegetable, recently we have got approval for commercial cultivation of two BGII cotton verities i.e. NHH44 and PKV HY 2 BGII for whole Maharashtra. Further we are in process to get



approval of Mahabeej-124 BGII from DAC, ICAR, Delhi, MSSCL research variety Hybrid Tur Mahabeej-10-5 and Tur MPV-106 has been sent for AICRP test which has been promoted from IHP to AHP and IVT to AVT respectively in AICRP trials and we hope to get notified both varieties in near future. Taking one step more towards research and development your company have made agreement with ICRISAT and CIMMYT, Hyderabad for developing new Hybrid and research varieties of Maize and other crops.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

- |    |                                |   |         |
|----|--------------------------------|---|---------|
| 1. | Total Foreign Exchange earning | : | Rs. NIL |
| 2. | Total Foreign Exchange outgo   | : | Rs. NIL |

**6. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

Examining the possible risk and preparation of Risk Management Policy is under process; however elements of risk threatening the Company's existence are very minimal.

**7. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has developed Corporate Social Responsibility policy and board is taking initiatives for implementation of CSR activities effectively. The details of CSR Activities during financial year 2017-18 is enclosed in Annexure-I.

**8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of Loans, guarantees or investments made under Section 186 are already reported in the financial statement.

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 are annexed in form AOC-2.

**10. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

Explanation & comments on the qualifications, reservation by the statutory auditors and practicing company secretary is given as an **addendum to the Director's Report**.

**11. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and accordingly the

committee has been formed, however the Ministry of Corporate Affairs, Government of India vide its notification dated 5th June, 2015 granted exemption to the government companies from provisions of section 178(2), (3) & (4) except appointment of senior management and other employees. Hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration and other related matters as provided under Section 178(3) of the Companies Act, 2013. The committee will become functional after appointment of another Independent Directors for which nomination already has been sent to State Government for their views and suggestions.

**12. ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure II** and attached to this Report.

**13. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The details of Board and Committee meeting of Board of Directors is furnished in **Annexure III** and attached to this Report.

**14. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement for the financial year 2017-18:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company is an Associate Company of National Seeds Corporation Limited who holds 35.44% of the Total Equity of the Company and there is no change in shareholding during the financial year 2017-18

**16. DEPOSITS**

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



**17. DECLARATION OF INDEPENDENT DIRECTORS**

The Company has received necessary declaration from Woman independent director under Section 149(7) of the Companies Act, 2013, that she meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

**18. TRANSFER OF UNCLAIMED DIVIDEND TO IEPF**

During the year 2017-18, Rs.4,07,940/- have been transferred to Investor Education and Protection Fund on account of unpaid/unclaimed dividend for F.Y. 2009-10.

**19. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Board has approved the composition of Audit Committee under provisions of Section 177 of the Companies Act, 2013; however the committee will become functional after appointment of Independent Directors for which nomination already has been sent to State Government for their views and suggestions.

**20. SHARES**

**Buy Back of Shares**

The Company has not bought back any shares during the year under review.

**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.

**21. INTERNAL FINANCIAL CONTROLS**

The internal financial controls (IFC) framework at MSSCL encompasses internal controls over financial reporting (ICOFR) as well as operational controls that have been put in place across all key business processes of the Company. Further management has designed internal controls to facilitate and support the achievement of the Company's business objectives and such controls do enable the Company to adapt to changing and operating environment, to mitigate risks to acceptable levels and to support sound decision making and good governance.

**Details in respect of adequacy of internal financial controls with reference to the financial statements are briefly iterated below:**

- a. The Company has appointed internal auditors to examine the internal controls, whether the workflow of the organization is being done through the approved policies of the Company.
- b. The company is doing stock verification on regular intervals and



## MAHARASHTRA STATE SEEDS CORPORATION LIMITED

- c. The Board of Directors of the Company has adopted various policies such as related party transactions policy, whistle blower policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

### 22. DISCLOSURE UNDER SHWW ACT, 2013

Your Directors states that during the year under review, there were no cases filed in company pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### ACKNOWLEDGEMENTS

The Company places on record its deep and sincere appreciation for the devoted services of its workers, staff and the executives of the Company who have contributed to improve performance and the Company's inherent strength. Grateful thanks are also due to:

- \* The Govt. of India, Govt. of Maharashtra for their continued support and guidance.
- \* The State Seeds Certification Agency.
- \* The National Seeds Corporation and other State Seeds Corporations and all Agriculture Universities of India
- \* ICAR, ICRISAT for their valuable support.
- \* Past and present colleagues in the Board for their valuable support and guidance.
- \* Bankers to the Company.
- \* The Auditors and Lawyers for their contribution.
- \* The Seed Growers, Seed Dealers and our Seed Brand patrons who have always remained a constant source of strength to the Company.
- \* The shareholders for their continued support and confidence reposed by them in the Company and their appreciation of the managements' efforts at the General Meetings of the Company providing a great fillip to strive for better performance year after year

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

(EKNATH DAWALE, IAS)  
CHAIRMAN

Place: Mumbai

Date: 29th October, 2018

**ANNEXURE  
ADDENDUM TO THE DIRECTORS REPORT**

**Replies on the Report of the Statutory Auditors to the shareholders  
F.Y. 2017-18**

Observation No.	Reply
1	Unidentifiable Credit into bank accounts pertains to untraceable Name of the Growers/ parties for which bankers are being pursued for clarification
2	Last year balance was Rs. 1.72 crores and this has been reduced to Rs. 1.19 crores during this financial year. We will further reconcile/write off/ pass necessary accounting entries, as suggested, in current financial year. In order to avoid recurrence of such instances, the management has already started payment through RTGS system.
3	This old amount pertains to Truthful seed production programme and hence the amount is not payable to Certification Agency. Therefore, it has been treated other income.
4	Noted. Pending bank reconciliation will be done immediately in current financial year.
5	During Financial Year 2017-18, MSSCL has carried out CSR activities for a amount of Rs. 1.09 crores, as per CSR policy approved by the management. The CSR policy has been finalized taking into consideration the larger interest of the farmers community and rural development.
6	The Company has lodged FIR against defaulter and Departmental Enquiry is in progress. However, major amount has been recovered.
7	Contents are noted. Necessary action has been initiated by the management in this regard.

**(Sanjay Thakrar)**  
General Manager (Finance)

**(Omprakash Deshmukh, IAS)**  
Managing Director

**( Eknath Dawale, IAS)**  
Chairman



**Declaration of Independent women Director  
DR. ANITA BHAGWANTRAO CHOREY**

Date: 06.10.2018

The Board of Directors  
Maharashtra State Seed Corporation Limited

**Sub: Compliance of section 149(7) of the Companies Act, 2013**

I, Anita Bhagwantrao Chorey, hereby certify that I am a Non-executive Director of Maharashtra State Seed Corporation Limited and comply with all the criteria of independent director envisaged in various provisions of Companies Act, 2013. I hereby certify that:

- \* Apart from receiving sitting fees, I do not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its holding company, subsidiaries and associates;
- \* I am not related to promoters or persons occupying management positions at the board level or at one level below the board;
- \* I have not been an executive of the company in the immediately preceding three financial years;
- \* I am not a partner or an executive or was not partner or an executive during the preceding three years, of the Statutory Audit Firm(s), Internal Audit Firm(s), Legal Firm(s) and Consulting Firm(s) that have a material association with the Company;
- \* I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- \* I am not a substantial shareholder of the company i.e. owning two percent or more of the block of voting shares;

**Anita B. Chorey**  
(Woman Independent Director)

## ANNEXURE I

Maharashtra State Seeds Corporation Limited (MSSCL) is committed actively to contribute to the social and economic development of society, a brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken given as below. Rural Development, Promoting Farming Skills, Promoting education, health care, eradicating hunger, poverty & malnutrition, making available safe drinking water, environmental sustainability, ecological balance etc. are main CSR activities in which MSSCL concentrate.

### 1. The Composition of CSR Committee

- |    |                             |                            |
|----|-----------------------------|----------------------------|
| 1. | Dr. Anita B. Chorey         | Woman Independent Director |
| 2. | Shri Sanjay S. Dhotre       | Member                     |
| 3. | Shri Vallabhrao T. Deshmukh | Member                     |

\*Letter has been forwarded to Government of Maharashtra for their opinion on appointment of Independent Director, opinion is still awaited.

- 2. Average net profit of the company for last three financial years - Rs.5415 lacs**
- 3. Prescribed CSR Expenditure (2% of the amount as in item 2 above)- Rs.108.30 lacs**
- 4. Details of CSR spent during the financial year**

- (a)** Total amount spent for the financial year- During the period under review, your Company has contributed a sum of Rs. 1, 09, 47,985/- towards its CSR commitment.
- (b)** Amount unspent, if any during 2017-18 - NIL
- (c)** Manner in which the amount spent during the financial year 2017-18 is detailed below :-

1	CSR project or activity identified	Distribution of Spiral separator @ 50% discount on purchase price to Farmers
2	Sector in which the Project is covered	Creating vocational skill for better farm management and capacity building of farmers/ seed growers.
3	Projects or programs	Local Area or other Specify the state where projects or program was undertaken
4	Amount outlay(budget) projects programs wise	State of Maharashtra for the year 2015-2016 Rs. 1,10,00,000 /- for the year 2016-2017 Rs. 1,04,00,000/- And for the year 2017-2018 Rs. 1,08,30,000/-

5	Amount spent on the projects or programs Subheads (1) Direct expenditure on projects or program (2) Overheads	In the F.Y.2015-2016 Rs. 20,36,714/-Directly In the F.Y.2016-2017 Rs. 90,98,042/-Directly In the F.Y.2017-2018 Rs. 1,09,47,985 Directly																									
6	Cumulative expenditure unspent upto the reporting period	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">For 2015-2016</td> <td style="text-align: right;">Rs.1,10,00,000 /-</td> </tr> <tr> <td></td> <td style="text-align: right;">(-) Rs. 20,36,714/-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">Unspent Rs. 89,63,286 /-</td> </tr> <tr> <td>For 2016-2017</td> <td style="text-align: right;">Rs.1,04,00,000 /-</td> </tr> <tr> <td></td> <td style="text-align: right;">(-) Rs. 90,98,048/-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">Unspent Rs. 13,01,952 /-</td> </tr> <tr> <td></td> <td style="text-align: right;">(-) Spent in 17-18 Rs 1,17,985/-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">Unspent Rs. 11,83,967 /-</td> </tr> <tr> <td>For 2017-2018</td> <td style="text-align: right;">Rs.1,08,30,000 /-</td> </tr> <tr> <td></td> <td style="text-align: right;">(-) Rs.1,09,47,985/-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">Unspent Rs. NIL</td> </tr> <tr> <td colspan="2"></td> <td style="text-align: right;">*1,17,985 Spent against Unspent amount of 2016-17</td> </tr> </table>	For 2015-2016	Rs.1,10,00,000 /-		(-) Rs. 20,36,714/-		Unspent Rs. 89,63,286 /-	For 2016-2017	Rs.1,04,00,000 /-		(-) Rs. 90,98,048/-		Unspent Rs. 13,01,952 /-		(-) Spent in 17-18 Rs 1,17,985/-		Unspent Rs. 11,83,967 /-	For 2017-2018	Rs.1,08,30,000 /-		(-) Rs.1,09,47,985/-		Unspent Rs. NIL			*1,17,985 Spent against Unspent amount of 2016-17
For 2015-2016	Rs.1,10,00,000 /-																										
	(-) Rs. 20,36,714/-																										
	Unspent Rs. 89,63,286 /-																										
For 2016-2017	Rs.1,04,00,000 /-																										
	(-) Rs. 90,98,048/-																										
	Unspent Rs. 13,01,952 /-																										
	(-) Spent in 17-18 Rs 1,17,985/-																										
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For 2017-2018	Rs.1,08,30,000 /-																										
	(-) Rs.1,09,47,985/-																										
	Unspent Rs. NIL																										
		*1,17,985 Spent against Unspent amount of 2016-17																									
7	Amount spent :Direct or through implementing agency	In the F.Y.2017-2018 Rs. 1,09,47,985 Directly																									

**5. Explanation on Under Spending**

The company has already expended targeted amount of CSR in various CSR activities.

6. We hereby confirm that the implementation and monitoring of CSR Policy, is in Compliance with CSR Objectives and Policy of the Company.



**ANNEXURE II**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

**of MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

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

**I. REGISTRATION AND OTHER DETAILS:**

1. CIN	U01200MH1976SGC018990
2. Registration Date	28TH April, 1976
3. Name of the Company	Maharashtra State Seeds Corporation Limited
4. Category/Sub-Category of the Company	State Government Company
5. Address of the Registered office and contact details	"Mahabeej Bhavan", Krishi Nagar, Akola-444104
6. Whether listed company	No
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

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

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

Sl.No.	Name and Description of main products/services	NIC Code of the Product/Service	% of total turnover of the company
1	Production, Processing and marketing of Seeds	6810	100%

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

Sl.No.	Name & Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of Shares held by Associate	Applicable Section
1	National Seeds Corporation Limited (NSC)	U74899DL1963GOI003913	*	35.44%	

\* NSC is holding 35.44 % of Total subscribed Equity shares capital in MSSCL

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**
**IV. SHARE HOLDING PATTERN** (Equity Share Capital Breakup as percentage of Total Equity)

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-								NA
b) Central Govt./Central PSU	-	148330	148330	35.44	-	148330	148330	35.44	NA
c) State Govt(s)/State PSU	-	205000	205000	49.00	-	205000	205000	49.00	NA
d) Bodies Corp. other than b) & c)	-	0	0	0	-	0	0	0	NA
e) Banks / FI	-	0	0	0	-	0	0	0	NA
f) Any Other	-								NA
<b>Sub Total (A) (1) :-</b>	<b>-</b>	<b>353330</b>	<b>353330</b>	<b>84.44</b>	<b>-</b>	<b>353330</b>	<b>353330</b>	<b>84.44</b>	<b>NA</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	0	0	0	-	0	0	0	NA
b) Other Individuals	-	0	0	0	-	0	0	0	NA
c) Bodies Corp	-	0	0	0	-	0	0	0	NA
d) Banks / FI	-	0	0	0	-	0	0	0	NA
f) Any Other	-	0	0	0	-	0	0	0	NA
<b>Sub Total (A) (2) :-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>
<b>Total shareholding of promoter (A) = (A)(1) + (A)(2)</b>	<b>-</b>	<b>353330</b>	<b>353330</b>	<b>84.44</b>	<b>-</b>	<b>353330</b>	<b>353330</b>	<b>84.44</b>	<b>NA</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	0	0	0	-	0	0	0	NA
b) Banks/FI	-	0	0	0	-	0	0	0	NA
c) Central Govt	-	0	0	0	-	0	0	0	NA
d) State Govt(s)	-	0	0	0	-	0	0	0	NA
e) Venture Capital	-	0	0	0	-	0	0	0	NA

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year	
<b>Funds</b>								
f) Insurance Companies	-	0	0	0-	0	0	0	NA
g) FIIs	-	0	0	0-	0	0	0	NA
h) Foreign Venture Capital Funds	-	0	0	0-	0	0	0	NA
Others (Specify)	-	0	0	0-	0	0	0	NA
<b>Sub Total (B) (1) :-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>
<b>2. Non-Institutions</b>								
<b>a) Bodies Corporate</b>								
i) Indian	-	0	0	0-	0	0	0	NA
ii) Overseas	-	0	0	0-	0	0	0	NA
<b>b) Individuals</b>								
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	53112	53112	12.70-	53112	53112	12.70	NA
ii) Individual shareholders holding nominal share capital in excess of 1 lakh	-	0	0	0-	0	0	0	NA
<b>c) Others</b>	<b>-</b>	<b>12003</b>	<b>12003</b>	<b>2.86-</b>	<b>12003</b>	<b>12003</b>	<b>2.86</b>	<b>NA</b>
<b>Sub Total (B) (2) :-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2) :-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>
<b>Grand Total (A) + (B) + (C)</b>	<b>-</b>	<b>418445</b>	<b>418445</b>	<b>100.00-</b>	<b>418445</b>	<b>418445</b>	<b>100.00</b>	<b>NA</b>

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**
**(ii) Shareholding**

Sl. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. Of Shares	% of total Shares of the company	% of shares Pledged / encumbered to total shares	No. Of Shares	% of total Shares of the company	% of shares Pledged / encumbered to total shares	
1	Government of Maharashtra	205000	49.00	Not Applicable	205000	49.00	Not Applicable	NIL
2	National Seeds Corporation Limited	148330	35.44	Not Applicable	148330	35.44	Not Applicable	NIL
3	Agriculture Universities	12003	2.86	Not Applicable	12003	2.86	Not Applicable	NIL
4	Farmer Shareholders	53112	12.70	Not Applicable	53112	12.70	Not Applicable	NIL
	Total	418445	100.00		418445	100.00		NA

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

Sl No.	Date	Remarks	No. of Shares	Cumulative shareholding during the year	
				Total no. of Shares	% of total shares of Company
--- NIL ---					

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

Sl No.	Date	Remarks	No. of Shares	Cumulative shareholding during the year	
				Total no. of shares	% of total shares of Company
1		Dr. Punjabrao Deshmukh Agriculture University	4001	4001	0.95
2		Mahatma Phule Krishi Vidyapeeth, Rahuri	4001	4001	0.95
3		Vasantrao Naik Marathwada Agriculture University	4001	4001	0.95
4		Shri Diwakar Shamrao Dhotre	83	83	0.01
5		Shri Shivaji Raghuttamrao Deshmukh	70	70	0.01
6		Shri Rohan Prakashrao Kakad	70	70	0.01
7		Shri Vinod Ramkrishna Ingle	60	60	0.01
8		Shri Babaraho Yashwantrao Vikhe	53	53	0.01
9		Shri Umesh Hari Patil	52	52	0.01
10		Smt. Vimal Damodhar Raut	50	50	0.01

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

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

S. No.	Name	No. of Shares	Cumulative shareholding during the year	
			Total No. of shares	% of total shares of Company
1	#Shri Sanjay Shamrao Dhotre	25	25	0.001
2	Shri Vallabhrao Tejrao Deshmukh	3	3	0.001
#During the year 10 shares in the name of Late Shakuntalabai Shamrao Dhotre was transmitted in favor of Shri Sanjay Shamrao Dhotre				

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	248275909	NIL	NIL	248275909
ii. Interest due but not paid				
iii. Interest accrued but not due				
<b>Total (i + ii + iii)</b>	248275909	NIL	NIL	248275909
<b>Change in Indebtedness during the financial year</b>				
• Addition	248275909	NIL	NIL	248275909
• Reduction				
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	NIL	NIL	NIL	NIL
ii. Interest due but not paid				
iii. Interest accrued but not due				
<b>Total (i + ii + iii)</b>	NIL	NIL	NIL	NIL

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

Sl. No	Particulars of remuneration	Name of MD/ WTD/ Manager	Total Amount (Rs.)
1	Gross salary	Shri R.V.Game, IAS	2,88,716
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961, including Value of perquisites u/s 17(2) Income-tax Act, 1961 and Profits in lieu of salary under section 17(3) Income tax Act, 1961	Shri Om Prakash Bakoria, IAS	1,09,773
		Shri Omprakash Deshmukh, IAS	14,69,656
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify	--	--
	<b>Total (A)</b>	--	<b>18,68,145</b>
	<b>Ceiling as per the Act</b>	--	--

**B. Remuneration to other Directors:**

Sl. No	Particulars of remuneration	Name of Directors	Total Amount (Rs.)
1	Independent Directors <ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	Dr. Anita B. Chorey	2500
	Total (1)		2500
2	Other Non-Executive Directors <ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> </ul>	Shri Sanjay S. Dhotre Shri V. T. Deshmukh	4000 8000
	Total (2)		12000
	Total (B) = (1+2)		14500
	Total Managerial Remuneration		<b>14500</b>
	Overall Ceiling as per the Act		Within the limit of the Act

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

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

Sl. No	Particulars of remuneration	Name of Directors/KMP	Total Amount
1	Salary	Vinay Verma-Company Secretary	9,76,300

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other Officers in Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

\*\*\*\*\*

**ANNEXURE III**  
**INFORMATION REGARDING BOARD & THEIR MEETINGS**  
**DRAFT DIRECTORS' REPORT**

**Directors Report of CS Section**
**BOARD OF DIRECTORS :**

The Board of Directors presently comprises 09 members.

During the year, following director has retired and your Company wishes to place its sincere gratitude for their valuable support, guidance, and services rendered by them for the progress of the company –

Sr. No.	Name of the Directors	Post held	Date of Appointment	Date of Retirement
1	Shri.R.V.Game, IAS	M.D.	06/06/2016	02/05/2017
2	Shri.Om Prakash Bakoriya, IAS	M.D.	02/05/2017	29/05/2017
3	Shri S.B. Khatal	Director	27/02/2014	30/11/2017
4	Shri V.V. Deshmukh, IAS	Director	14/03/2015	15/05/2017
5	Shri S.M. Kendrekar, IAS	Director	15/05/2017	31/08/2017
6	Shri.Sanjay S.Dhotre	Director	29/12/2014	29/12/2017
7	V.T.Deshmukh	Director	29/12/2014	29/12/2017

**APPOINTMENT OF DIRECTOR IN THE FINANCIAL YEAR 2017-2018**

Sr. No.	Name of the Directors	Post held	Date of Appointment
1	Shri Omprakash Deshmukh,IAS	MD	29/05/2017
2	Shri Sachindra Pratap Singh, IAS	Director	31/08/2017
3	Dr. Anita B.Chorey	Independent Women Director	04/10/2017
4	Shri Sanjay S.Dhotre *	Director	20/01/2018
5	Shri V.T.Deshmukh *	Director	20/01/2018

\* Will be appointed as regular director w.e.f. 41<sup>st</sup> AGM

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

**BOARD MEETING:**

During the year 2017-2018, the Board could meet Four times as follows:

Sr. No.	Board Meeting No.	Date	Venue
1	187 <sup>th</sup>	30 <sup>th</sup> June 2017	Mumbai
2	188 <sup>th</sup>	05 <sup>th</sup> August 2017	Mumbai
3	189 <sup>th</sup>	30 <sup>th</sup> November 2017	Mumbai
4	190 <sup>th</sup>	24 <sup>th</sup> March 2018	Mumbai

**ATTENDANCE OF DIRECTORS TO THE MEETINGS:**

Sr No	Name of Directors	Board Meetings	Sub-Committee Meetings	Attendance in last 40 <sup>th</sup> AGM (4 <sup>th</sup> Oct.2017)
		Total-4	Total-12	Total-1
		Attended	Attended	Attended
1	Shri.Bijay Kumar, IAS	4	N.A	No
2	Omprakash Bakoria, IAS	0	2	N.A.
3	Shri.Sachindra Pratap Singh, IAS	0	N.A	Yes
4	Shri.Omprakash Deshmukh, IAS	4	10	Yes
5	Shri. S.M. Kendrekar	0	N.A.	N.A.
6	Shri.Sanjay S.Dhotre	4	3	Yes
7	Shri.V.T.Deshmukh	4	11	Yes
8	Shri.V.K.Gaur	0	N.A	No
9	Shri.S.B.Khatal	1	N.A	No
10	Shri.V.Mohan	1	N.A	No
11	Shri.Sanjay K.Mehta	4	7	Yes
12	Smt.Anita B.Chorey	3	1	Yes

N.A. = Not applicable,

\*\*\*\*\*



**FORM NO. AOC -2**

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis. NIL
2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Shri V.T. Deshmukh – Director Shri B. V. Deshmukh – Son of V.T. Deshmukh Shri D. V. Deshmukh – Son of V.T. Deshmukh Mrs S. B. Deshmukh – Daughter in Law Mrs P. D. Deshmukh -- Daughter in Law
2	Nature of contracts/arrangements/transaction	Purchase of Seeds
3	Duration of the contracts/arrangements/transaction	One Year
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of seed of Rs. 11.58 Lakhs during 2017-18
5	Date of approval by the Board	N.A.
6	Amount paid as advances, if any	N.A.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**(EKNATH DAWALE, IAS)  
CHAIRMAN**

Date: 29<sup>th</sup> October, 2018

Place: Mumbai



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2018

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

To,  
**The Members,**  
**Maharashtra State Seeds Corporation Limited**

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Maharashtra State Seeds Corporation Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Maharashtra State Seeds Corporation Limited for the financial year ended on 31st March, 2018 according to the provisions of:

We have also examined the compliances of the provisions of the following other laws applicable specifically to the company wherein we have also relied on the information provided by the head of the respective departments in addition to the checks carried out by us.

- (i) The Companies Act, 2013 (the Act) and the rules made there under;  
(ii) Other laws specifically applicable like

- ❖ The Payment of Gratuity Act, 1972.
- ❖ Employees Provident Fund and Misc. Provisions Act, 1952.
- ❖ Seed Act, 1962
- ❖ The Factories Act, 1948
- ❖ Water (Prevention & Control of Pollution) Act 1974 and rules there under
- ❖ Air (Prevention & Control of Pollution) Act 1981 and rules there under
- ❖ Trade Mark Act 1999
- ❖ Legal Metrology Act
- ❖ Industrial Dispute Act
- ❖ Sexual Harassment of women at work place (prevention, prohibition and Redressal) Act



## MAHARASHTRA STATE SEEDS CORPORATION LIMITED

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. During the year The Board has approved the composition of Audit Committee under provisions of Section 177 of the Companies Act, 2013; however the committee will become functional only after appointment of one Independent Directors for which nominations have already sent to State Government for their views and suggestions and the same is awaited.
2. During the year the Board has approved the formation Nomination and Remuneration Committee as required U/s 178 of the Companies Act 2013 however the committee will become functional only after appointment of one Independent Directors for which nominations have already sent to State Government for their views and suggestions and the same is awaited.
3. During the year the company has not provided voting through electronic means as required u/s 108 of the Companies Act 2013.
4. During the year on appointment of one Director who was appointed in ex-officio capacity as per Articles of Association, the appointee has not provided the DIN no, thus compliance of provision of section 153 and 170 remained to be done.
5. The company has got many factory units at different places, where registration under the factories Act is applicable, out which few of the registration were yet to be done.

### RECOMMENDATIONS AS A MATTER OF BEST PRACTICE :

In the course of our audit, we have made certain recommendations for adequate systems and processes to monitor and ensure compliance with applicable laws, rules, regulations and guidelines good corporate practices, separately placed before the Board, for its necessary consideration and implementation by the Company

I/we further report that

The composition of the Board of Directors is constituted as per Articles of Association which has provision about ex-officio appointment the company is following the same. Further the appointment of one Independent Directors is pending as nomination has already sent to State Government (Maharashtra), for their views and suggestions and the same is awaited. The changes in the composition of the Board of Directors that took place during the period under review were carried out as per the provision of Articles and Association and except as stated above needful compliances about the reporting of the same was done under the provisions of the Act.

Adequate notices are given to all directors of the Board Meetings including agenda and detailed notes on agenda were sent at least seven days by post as well as by email and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.



**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

I further report that, about the system and processes in the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, we opine that the same has segregated at different levels of authorities and departments which further needs to be strengthened by having a centralized system, process & dedicated authority be assigned to ensure that compliances at all the different levels of authorities.

I further report that during the audit period the company has no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For Ram Thakkar & Associates**

**Ram C. Thakkar  
FCS No. 7452  
C P No.: 4903**

**Place: Akola  
Date: 26/10/2018**



## Independent Auditors' Report

TO,  
THE MEMBERS OF MAHARASHTRA STATE SEED CORPORATION LIMITED,  
AKOLA.

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MAHARASHTRA STATE SEED CORPORATION LIMITED, which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) in the case of the Statement of Profit and Loss, of the profit and total comprehensive income for the year ended on that date;
- c) in the case of the Statement of Changes in Equity, of the changes in equity for the year ended on that date; and
- d) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matters**

**We draw attention to the following matters:**

#### **Unidentified Credits by Bank:**

We find that MSSCL is passing entries in its books for erroneous Credits by Bank. Total Net Credit in this account is Rs. 55.14 Lacs. In case of such erroneous entries being passed by Bank, the same should be stated in the Bank Reconciliation statements. Entries should not be passed in the books for the same. As informed by management major part of this amount pertains to deposit by growers at various banks across the State. MSSCL is unable to identify individual depositor where such deposit is received. This should be reconciled at the earliest and balance should be transferred to grower's accounts.



**Cheque Date Bar Account / RTGS Cancellation Account:**

The company has a policy of crediting cheque date bar account / RTGS Cancellation with amount of stale cheques / returned RTGS instead of reversal of the expense or the payment to which it is related. The Company should write off all entries older than three years at the earliest. Financial Impact upon settlement of these entries remains unascertainable. Total balance is Rs. 119.23 Lacs.

**Inspection/Application/Registration Fees:**

Credit balance of Rs. 52.76 Lacs was observed under the head "Other Income" This amount is collected from growers and remitted to certifying agency. This account has some old pending entries; MSSCL has written off such credit balances.

**Bank Reconciliation:**

We observe that there is difference in Bank Account (Green) at Thane Unit of Rs. 0.92 Lacs as per Bank Statement and Reconciliation prepared by the Unit. This should be reconciled at the earliest. We observe that there are few debit entries totaling to Rs. 25.32 Lacs in Unidentified Credit / Debit by Bank Account at Buldhana Unit. As informed there were accounting mistakes in booking the receipts so these debit entries have been passed to reconcile the bank. MSSCL should get these balance reconciled by adjusting correct grower balances, the financial effect remains unascertained as of now.

**Expense on Corporate Social Responsibility:**

The Company has not made the requisite expenditure as stipulated under CSR in earlier financial years. ***The Company has not calculated & carried forward such amount of shortfall in subsequent years.***

MSSCL has undertaken CSR Expenses mostly related to Agricultural Activity which is indirectly related to the main activity of Seed Business of the Company. As per Companies (Corporate Social Responsibility Policy) Rules 2014, MSSCL should contribute under other sectors which are not related to main business of the company.

**Our opinion is not modified in respect of these matters.**

**Report on other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the ***Annexure "A"*** a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

**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 appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us



**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

- c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account and the returns received from the branches not visited by us
- d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standard) Rules, 2015.
- e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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.
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to our best of our information and according to the explanations given to us :
1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note related to Contingent Liabilities to the financial statements / notes to accounts;
  2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date: 29th October, 2018  
Place: Nagpur

For, TACS & Co.  
Chartered Accountants

(CA Chithra Ranjith)  
Partner  
M. No. 104145  
FRN - 115064W



**Annexure " A " referred to in paragraph 6 (related to Legal and Regulatory Requirements ) of Our Report of even date to the members of MAHARASHTRA STATE SEED CORPORATION LIMITED on the accounts of the company for the year ended 31st March, 2018**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
  - (c) The title deeds of immovable properties are held in the name of the company.
2.
  - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
3. The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the company has not made any such transactions which need to comply with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act

7

- (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Goods & Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India ;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty and Goods & Service Tax which have not been deposited on account of any disputes except the following:

Name of the Statute	Nature of Dues	Disputed Amount (in Rs.)	Period	Forum where dispute is Pending
MP Entry Tax	Penalty u/s 52	12,77,651.00	2008-2009	Appellate Tribunal

- 8. According to the records of the company examined by us and as per the information and explanations given to us, except for the following, the company has not availed of any loans from any financial institution or banks and has not issued debentures:

The Company has taken loan against its STDRs at different points of time during the period under audit. Balance outstanding against the same as at 31st March, 2018 is Rs. Nil.

- 9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10. Based upon the audit procedures performed and the information and explanations given by the management, we report that following fraud on the company by its officers or employees has been noticed / reported during the year:

Fraud by District Manager was detected at Thane District office in following areas:

- a. Huge shortage of seeds worth Rs.22.88 Lacs was found.
- b. Recoveries from farmers of Rs. 4.71 Lacs cash not deposited with the company.
- c. Violation of financial norms.
- d. Billing at lesser rate, payment without approval for seeds, purchase of seeds and other items without approval of Head Quarter amounting to Rs. 32.00 Lacs.



**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

e. As informed by the management, total amount involved in this is fraud Rs. 60.36 Lacs, out of this company has recovered 55.86 Lacs upto 24/10/2018 and the balance is yet to be recovered.

As informed by management FIR and departmental enquiry is in progress.

11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12. 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.

13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

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

16. 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 provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For, TACS & Co.  
Chartered Accountants

Date: 29th October, 2018  
Place: Nagpur

(CA Chithra Ranjith)  
Partner  
M. No. 104145  
FRN - 115064W

**Annexure-B to independent auditor's report of even date on the financial statements of Maharashtra State Seed Corporation Ltd.****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

1. We have audited the internal financial controls over financial reporting of Maharashtra State Seed Corporation Ltd. as at 31st March 2018 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**

2. The Management of the Company 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

**Auditor's Responsibility**

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

**Meaning of Internal Financial Controls Over Financial Reporting**

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, an inadequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were not operating effectively as on 31st March 2018, 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 issued by the ICAI.

**The details of lacuna in internal financial controls are given below:**

1. During the year; out of 30 Financial Units, Internal Audit was conducted only at 9 Financial Units of the Company (During Aug. 2018 & Oct. 2018). So the day to day transaction of the company was not subjected to any type of Checks. Thus there remains a chance that later any financial issues might crop up due to lack of internal control and review of business transactions of the company.
2. Out of above 9 audited units, compliance has been received from 2 of the units, while compliances of 7 units are still pending.
3. During the year the Company has migrated from Old Accounting Software to New ERP Software, there are certain lacuna in these new software as listed below:
  - a) Entries made can later be modified or even deleted and no audit trail or log for the same is available at users end.



**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

- b) Back dated entries are possible with no audit trail or log for the same
  - c) In the absence of user specific log in, it is not possible to generate user wise log so as to fix specific responsibility for accounting entries done.
  - d) Many times the system does not capture the financial heads properly and at times differences in Trial Balance or Blank Ledger Heads were noticed.
  - e) System does not log off user automatically in case the system is idle even for long duration, this may result in misuse of the weakness of software and any authorized person may make entries in case the system remains unattended for long time.
  - f) Details of changes made to masters and other parameters are not maintained.
4. Company has prepared IFC Manual but there are no specific reports on records evidencing that such controls were actually in operation during the year.

Date: 29th October, 2018  
Place: Nagpur

For, TACS & Co.  
Chartered Accountants

(CA Chithra Ranjith)  
Partner  
M. No. 104145  
FRN - 115064W

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**
**Balance sheet as at 31st March 2018**

(Amt. in Rs.)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
1	2	3	4	5
<b>(1) ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	3	<b>402967030</b>	426130119	433099513.3
(b) Capital work-in-progress	4	<b>33169866</b>	19072170	9004693
(c) Other Intangible assets	5	<b>3047700</b>	1523850	1499100
(d) Other non-current assets	6	<b>20333540</b>	19354311	15434464
<b>(2) Current assets</b>				
(a) Inventories	7	<b>1249100000</b>	1023800000	1350300000
(b) Biological Assets other than bearer plants	8	<b>1000000</b>	3200000	1400000
(c) Financial Assets				
(i) Trade receivables	9	<b>246013424</b>	751534089	379174474
(ii) Cash and cash equivalents	10	<b>162858</b>	134544	104072
(iii) Bank balances other than (ii) above	11	<b>2023714368</b>	1711892135	1987888630
(iv) Others (Prior period receivables)	Reconciliation note 4	<b>0</b>	0	9967831
(d) Current Tax Assets (Net)	12	<b>123778759</b>	7855748	21788758
(e) Other current assets	13	<b>2024709738</b>	1889436972	1647853864
<b>Total Assets</b>		<b>6127997282</b>	<b>5853933938</b>	5857515399
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	14	<b>41844500</b>	41844500	41844500
(b) Other Equity	15	<b>3158472839</b>	2966760428	2520925848
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Capital Grants	16	<b>400153097</b>	434096925	533292997
(b) Revolving Fund from State Government	17	<b>50000000</b>	50000000	50000000
(c) Deferred tax liabilities (Net)	42	<b>4544181</b>	6487732	4691458
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	18	<b>0</b>	248275909	303480884
(ii) Trade payables	19	<b>342089778</b>	576430549	743046597
(iii) Other financial liabilities (Prior period payables)	Reconciliation note 4	<b>0</b>	0	5471401
(b) Other current liabilities	20	<b>2005446663</b>	1520117304	1605339403
(c) Provisions	21	<b>12746223</b>	9920591	15110813
(d) Current Tax Liabilities (Net)	22	<b>112700000</b>	0	34311498
<b>Total Equity and Liabilities</b>		<b>6127997282</b>	<b>5853933938</b>	5857515399

See accompanying notes to the financial statements 1 to 46

 In terms of our report attached  
 For TACS & Co,  
 Chartered Accountants

For and on behalf of the Board of Directors

**Chithra Ranjith**  
 Partner  
 Membership No.104145

**Omprakash Deshmukh**  
 IAS  
 Managing Director  
 DIN NO.07836473

**Eknath Dawale**  
 IAS  
 Chairman  
 DIN NO. 06656860

**Vinay Verma**  
 Company Secretary

**Sanjay Thakrar**  
 General Manager (Finance)

Nagpur , 30th October, 2018

 Mumbai , 29<sup>th</sup> October 2018

# MAHARASHTRA STATE SEEDS CORPORATION LIMITED

## Statement of Profit and Loss for the Year ended 31st March 2018

(Amt. in Rs.)

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
I Revenue From Operations	23	5698069548	7200834724
II Other Income	24	175161836	214457526
III Total Income (I+II)		5873231384	7415292250
IV <b>EXPENSES</b>			
Cost of materials consumed	25	120648338	145710589
Purchases of Stock-in-Trade	26	4735858853	5389201248
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	-199400000	328800000
Employee benefits expense	28	361682224	365635567
Finance costs	29	7444330	5134287
Depreciation and amortization expense	3	54457995	53406356
Other expenses	30	477289621	446300691
Total expenses (IV)		5557981361	6734188738
V Profit/(loss) before exceptional items and tax (I - IV)		315250023	681103512
VI Exceptional Items		0	0
VII Profit/(loss) before tax (V-VI)		315250023	681103512
VIII Tax expense:			
(1) Current tax		112700000	245000000
(2) Deferred tax	42	-1943551	1796274
(3) Earlier Year Tax		0	(9316070)
Total Tax Expenses		110756449	237480204
IX Profit (Loss) for the period from continuing operations (VII-VIII)		204493574	443623308
X Profit/(loss) from discontinued operations		0	0
XI Tax expense of discontinued operations		0	0
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		0	0
XIII Profit/(loss) for the period (IX+XII)		204493574	443623308
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(Remeasurement losses on defined benefit plans)	28	6160170	16345619
XV Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		210653744	459968927
XVI Earnings per equity share (for continuing operation):			
(1) Basic	47	503	1099
(2) Diluted			
XVII Earnings per equity share (for discontinued operation):			
(1) Basic		0	0
(2) Diluted			
XVIII Earnings per equity share (for discontinued & continuing operations)			
(1) Basic		503	1099
(2) Diluted			

See accompanying notes to the financial statements 1 to 46

In terms of our report attached

For TACS & Co,  
Chartered Accountants

**Chithra Ranjith**  
Partner  
Membership No.104145

Nagpur, 30th October, 2018

For and on behalf of the Board of Directors

**Omprakash Deshmukh**  
IAS  
Managing Director  
DIN NO.07836473

**Vinay Verma**  
Company Secretary

**Eknath Dawale**  
IAS  
Chairman  
DIN NO. 06656860

**Sanjay Thakrar**  
General Manager (Finance)

Mumbai, 29<sup>th</sup> October 2018



# MAHARASHTRA STATE SEEDS CORPORATION LIMITED

## Statement of Cash flow for the year ended March 31,2018

(Amt. in Rs.)

Perticulers	For the Year ended 31st March 2018	For the Year ended 31st March 2017
<b>A. Cash Flow from Operating Activities</b>		
Profit for the year	315250023	681103512
<b>Adjustments for :-</b>		
Depreciation	54457995	53406356
Interest Income	-105470505	-138901035
Income Tax expences	110756449	237480204
Adjustments to Capital Grant	-36954107	-43015074
Finance Cost	7444330	5134287
<b>Previous Year Adjustment</b>	-1695259	223617
<b>Profit sale of assets</b>	0	-99357
<b>Lease Rent Written off</b>	207196	207196
<b>Operating Profit before changes in operating assets &amp; liabilities</b>	<b>343996122</b>	<b>795539706</b>
<b>Adjustment for:-</b>		
Decrease / (Increase) in biological Assests	2200000	0
Decrease / (Increase) in Inventories	-225300000	324700000
Decrease / (Increase) in Trade & Other Receivable	505520665	-372359615
Decrease / (Increase) in Other Assets	-248949995	-245502955
(Decrease) / Increase in trade payables, Other payables & Provisions	255767680	-494508573
Effect of Remeasurement of Defined benefits Plan - OCI	6160170	16345619
	<b>295398520</b>	<b>-771325524</b>
<b>Cash generated from operation</b>	<b>639394642</b>	<b>24214182</b>
Income Tax Paid	-115923011	-256062418
<b>CSR Expenses</b>	-10947985	-9098042
<b>Utilization of Grant</b>	-10043520	-70435998
<b>Total Cash generated from Operating Activities</b>	<b>502480126</b>	<b>-311382276</b>
<b>B. Cash Flow From Investing Activities</b>		
Sale/Disposal of Property	0	271102
Purchase of Property, plant and equipments's & Other intangible assets	-47123647	-52635317
Capital Work-in-Progress		
Interest Receivable	105470505	138901035
<b>Net Cash used in Investing Activities</b>	<b>58346858</b>	<b>86536820</b>
<b>C. Cash Flow From Financing Activities</b>		
Dividend Paid (including Tax on Dividend)	-6295413	-5036305
Finance Cost	7444430	5134287
Borrowing/(Repayment) of Loans	-248275909	-55204975
<b>Capital Grant</b>	13039315	14255000
<b>Net Cash generated from Financing Activities</b>	<b>-248976437</b>	<b>-51120567</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	311850547	-275966023
Opening Cash & Cash Equivalents	1712026679	1987992702
<b>Closing Cash &amp; Cash Equivalents</b>	<b>2023877226</b>	<b>1712026679</b>
<b>Reconciliation of Cash &amp; Cash Equivalents</b>	311850547	-275966023
<b>Cash and Cash Equivalent Comprises of</b>		
Cash on Hand	162858	134544
Balance with banks		
- On current accounts	433754381	421178729
- cheques, drafts and stamps on hand		
- Fixed Deposite	1589959987	1290713406
- Secured Cash Credit		
<b>Cash and Cash Balances as per Balance Sheet</b>	<b>2023877226</b>	<b>1712026679</b>

### Notes:

1. the Statement of Cash Flow has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement issued by the Institute of Chartered Accountants of India

2. Previous year's figures are reclassified/regrouped to confirm and make them comparable with those of the current year.

**In terms of our report attached**

**For TACS & Co,  
Chartered Accountants**

**Chithra Ranjith  
Partner  
Membership No.104145  
F.R.N. No. 115064 W**

**Nagpur, 30th October, 2018**

**For and on behalf of the Board of Directors**

**Omprakash Deshmukh  
IAS  
Managing Director  
DIN NO 07836473**

**Ek Nath Dawale  
IAS  
Chairman  
DIN NO 06656860**

**Vinay Verma  
Company Secretary**

**Sanjay Thakrar  
General Manager(Finance)**

**Mumbai, 29<sup>th</sup> October, 2018**

## MAHARASHTRA STATE SEEDS CORPORATION LIMITED

### Statement of Changes in Equity for the period ended 31st March 2018

A. Equity Share Capital	(Amt. in Rs.)		
	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
<b>Balance as at 1st April 2016</b>	41844500	0	41844500
<b>Balance as at 31st March 2017</b>	41844500	0	41844500
<b>Balance as at 31st March 2018</b>	41844500	0	41844500

### B. Other Equity

Other Equity	Reserves and Surplus				Total
	Capital Reserve	Research Reserve	General Reserve	Retained Earnings	
<b>Balance as at 1st April 2016</b>					
Balance at the beginning of the reporting period	1429705	78568600	59352179	2068126263	<b>2207476747</b>
Changes in accounting policy or prior period errors	0	0	0	9532735	<b>9532735</b>
Restated balance at the beginning of the reporting period	1429705	78568600	59352179	2077658998	<b>2217009482</b>
Total Comprehensive Income for the year	0	0	0	311004596	<b>311004596</b>
Dividends	0	0	0	(5051516)	<b>(5051516)</b>
Transfer to retained earnings	0	0	0	0	<b>0</b>
Transferred from Retained Earnings	0	10000000	8000000	(18000000)	<b>0</b>
CSR Expenses	0	0	0	(2036714)	<b>(2036714)</b>
Balance at the end of the reporting period	<b>1429705</b>	<b>88568600</b>	<b>67352179</b>	<b>2363575364</b>	<b>2520925848</b>
<b>Balance as at 31st March 2017</b>					
Balance at the beginning of the reporting period	1429705	88568600	67352179	2363575364	<b>2520925848</b>
Changes in accounting policy or prior period errors	0	0	0	0	<b>0</b>
Restated balance at the beginning of the reporting period	1429705	88568600	67352179	2363575364	<b>2520925848</b>
Total Comprehensive Income for the year	0	0	0	459968927	<b>459968927</b>
Dividends	0	0	0	(5036305)	<b>(5036305)</b>
Transfer to retained earnings	0	0	0	0	<b>0</b>
Transferred from Retained Earnings	0	13950000	11312700	(25262700)	<b>0</b>
CSR Expenses	0	0	0	(9098042)	<b>(9098042)</b>
Balance at the end of the reporting period	<b>1429705</b>	<b>102518600</b>	<b>78664879</b>	<b>2784147244</b>	<b>2966760428</b>
<b>Balance as at 31st March 2018</b>					
Balance at the beginning of the reporting period	1429705	102518600	78664879	2784147244	<b>2966760428</b>
Changes in accounting policy or prior period errors	0	0	0	(1695259)	<b>(1695259)</b>
Restated balance at the beginning of the reporting period	1429705	102518600	78664879	2782451985	<b>2965065169</b>
Total Comprehensive Income for the year	0	0	0	210653744	<b>210653744</b>
Dividends	0	0	0	(6298089)	<b>(6298089)</b>
Transfer to retained earnings	0	0	0	0	<b>0</b>
Transferred from Retained Earnings	0	4213075	5266344	(9479418)	<b>0</b>
CSR Expenses	0	0	0	(10947985)	<b>(10947985)</b>
Balance at the end of the reporting period	<b>1429705</b>	<b>106731675</b>	<b>83931223</b>	<b>2966380237</b>	<b>3158472839</b>

In terms of our report attached  
For TACS & Co,  
Chartered Accountants

**Chithra Ranjith**  
Partner  
Membership No.104145

Nagpur, 30th October, 2018

For and on behalf of the Board of Directors

**Omprakash Deshmukh**  
IAS  
Managing Director  
DIN NO.07836473

**Vinay Verma**  
Company Secretary

**Eknath Dawale**  
IAS  
Chairman  
DIN NO. 06656860

**Sanjay Thakrar**  
General Manager (Finance)

Mumbai, 29<sup>th</sup> October 2018



## Notes on Financial Statements for the year ended 31st March, 2018

### 1 CORPORATE INFORMATION:

Maharashtra State Seeds Corporation Limited (MSSC Ltd) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the corporation is located at Mahabeej Bhavan, Krishinagar, Murtijapur Road, Akola, 444104. The operations have commenced from 28th April, 1976. Maharashtra State Seeds Corporation Limited has its head office at Akola and 26 Districts offices, 7 Regional offices and 21 Seed Processing plants in Maharashtra and also have 4 Out State Offices in India. The shares are held by Govt. of Maharashtra, NSCLtd. , Seeds Growers and Agriculture Universities.

The Corporation is headed by an Ex-officio Chairman, the Principle Secretary, IAS of the Department of Agriculture, Govt. of Maharashtra. The day to day management is executed by an independent Managing Director, IAS. The board of Directors comprises of representative of farmer share holders, Government of Maharashtra and National Seeds Corporation Limited. MSSC Ltd is carrying on business of Seed production and distribution. The Brand image of MSSCL as a company and its products for their qualities are known, accepted and recalled through its apt name " Mahabeej" - Your faithful Seeds.

MSSCL plays key role in the implementation of various scheme of the Govt. of Maharashtra and Govt. of India. Like "National Mission on Oil seeds and Oil Palm" (NMOOP), National Food Security Mission (NFSM) Seed Village Scheme (SVS) and others schemes.

### 2 SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of preparation

##### a) Statement Of Compliance:

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, and the relevant provisions of the Companies Act, 2013 ('the Act').

Upto the year ended 31st March 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2017.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2017. Accordingly, the Company has prepared these Financial Statements which comprise

the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements"). The figures for the previous year ended 31st March, 2017 and Opening Balancesheet as on 1st April, 2017 have also been reinstated by the Management as per the requirements of Ind AS.

**b) Basis of measurement**

The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

**c) Use of estimates**

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets & liabilities at the date of the financial statement and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Management is of the view that the estimates used in the preparation of financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

**d) All financial information presented in Indian rupees except where otherwise stated.**

**2.2 Summary of Significant Accounting Policies**

**I. Cash Flow Statement**

The Cash flow statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard 7. As per Ind AS 7, Cash and cash equivalents comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**II. Functional and presentation currency**

The financial statements are presented in Indian Rupee (INR), which is functional as well as presentation currency of Corporation.

- a) Transactions in foreign currency are recorded at the rate of exchange prevailing at the time of transactions are affected Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.
- b) Monetary items denominated in foreign currency are converted into Indian rupees using the exchange rate prevailing at the date of the Balance Sheet and the resulting exchange difference is recognized in the Statement of Profit and Loss

**III. Property, Plant and equipment**

1. Property, plant and equipment are stated at cost, less accumulated depreciation/ amortization and impairment loss, if any.
2. Cost includes all direct costs attributable to the acquisition and installation of fixed assets, including taxes, duty, freight and incidental cost and expenses directly attributable to bringing the asset to its working condition for its intended use.
3. Premium paid on acquisition of leasehold land, is treated as cost.
4. Capital work-in-progress is carried at cost, comprising direct cost, related incidental expenses and interest on borrowing extent attributed to them.
5. All expenditure incurred during construction/implementation stage of the project as shown under the head Project and Pre-operative expenditure has been capitalized on pro-rate basis to the cost of various Fixed Assets on commissioning of the Project.
6. Cost of replacement, major inspection, repair of significant parts and borrowings costs for long-term construction projects are capitalized if the recognition criteria are met.
7. Upon sale of assets cost and accumulated depreciation are eliminated from the financial statements and the resultant gains or losses are recognized in the statement of profit and loss.

**IV. Intangible Assets**

An intangible Asset is recognized where it is probable that the future economic benefits attributable to the assets will flow to the Corporation and cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

**V. Provisioning / Write-off of assets**

The Management has done 100% provision on some Trade Receivable and Other Short term Assets, where the probability of recovery was doubtful.

**VI. Revenue Recognition:**

As per section 128(1) of the Companies Act, 2013, the Company shall maintain books of Accounts on accrual basis and according to the double entry system of accounting. The Company shall maintain books of Accounts on accrual basis except the following for which cash system of accounting is followed:

- a. Gratuity and leave with wages payable to daily-wages workers.
- b. Re-grading, re-sampling and testing charges recovered from growers.
- c. Insurance claims received from the Insurance Company.
- d. Reimbursement of expenses from Government under various schemes.
- e. Service charges recovered on sale of grower's low grade/failed seed.
- f. Taxes of owned and hired properties.

**VII. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments or receipts are recognized as an expense or income in the statement of profit and loss on a straight line basis over the lease term except where lease payments or receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

**VIII. Depreciation & Amortization  
Property, Plant and Equipment**

- a) Depreciation on property, plant and equipments is provided on Written down value method (WDV) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.
- b) Depreciation on assets purchased/sold during the year is charged on prorata basis as per Companies Act, 2013.
- c) The residual value of all assets, whose useful life has been exhausted as on 31.3.2014 following scheduled-II of the Companies Act, 2013 and the carrying amount is below 5% of the new cost, has been carried at carrying amount. In case of all other assets, the residual value is kept at 5% of the original cost of assets.

The estimated useful life of assets for current and comparative period of significant items of property, plant and equipments are as follows -

<b>Particulars</b>	<b>Useful life</b>
Plant and Machinery	8-15 years
Computers	3-6 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Vehicles	8-10 years

- (d) Leasehold improvements are mortised over the lower of estimated useful life as computed under schedule-II and lease term from the year in which such improvements are capitalized.
- (e) Depreciation methods, useful lives and residual values are reviewed at each reporting date.
- (f) Premium on leasehold land, other than on perpetual lease, is amortized over the period of the lease.

**Intangible Assets**

Intangible assets are amortized over their respective estimated useful lives on a straight-line basis from the date that they are available for use.

The estimated useful life of intangibles are as follows :

Intangible Assets	Useful Life	Internally generated or self-generated
Software	(1-5 years)	Acquired

Amortization methods, useful lives and residual values are reviewed at each reporting date.

**(IX) Impairment of non-financial assets**

- (a) In accordance with Ind AS-36 Impairment of Assets, the carrying amount of Corporation's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment
- (b) An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- (c) At each reporting date Corporation assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting period(s) is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss

**(X) Inventories:**

- a. Stock of seeds, processing material, other material is taken into account on the basis of physical verification and as certified by the Management.

The stocks of Foundation seed, certified seed is valued at cost (calculated on season's weighted average basis) or net realizable value whichever is lower. Cost includes procurement, processing material and processing cost.

As the nature of the business of the Company is seasonal, the processing cost per qtl. applied for valuation is a average cost per qtl. of the earlier season.

Processing material is valued at weighted average cost excluding direct expenses and overheads.

- b. The closing stock of carry-over seeds, the validity period of which has expired, is either offered for revalidation or subsequently sold as non-seed, as the results are declared after 31st March, the expected certified seed is valued as per the policy (a) above. In respect of expected failed seed, non-seed, low grade the same is valued at net estimated realizable value.
- c. The valuation of fresh under process stock including result-awaited stock is done as under:

**i) In case of stock belonging to Company:**

At procurement cost plus cost of gunny bags and cloth bags utilized for good seed and result awaited seed. Value of seeds failed subsequent to 31st March is not excluded from the value of stock.

**ii) In case of stock belonging to Growers:**

At cost of gunny bags and cloth bags utilized for result awaited seed.

- d. In case of revalidated seed stock, cost of reprocessing is not considered as a part of cost, reprocessing cost being treated as replacement cost.

**(XI) Biological Assets**

1. Biological assets represent growing plants which are measured at the fair value less cost to sell at the end of each reporting period. Corporation classifies gain and losses from re-measuring biological assets to fair value for biological assets within cost of goods.

2. Rabi standing crops and inventory of nursery is valued at the fair value less cost of sale i.e. after making allowance for the expenses yet to be incurred to make the crop/nursery marketable and after providing for risks associated with the agricultural operations. The pre-Kharif is valued at cost when it approximates its fair value and recognized under the head biological asset.
3. The commercial trees grown on waste land/boundaries or otherwise including out lived plantation trees for which either the permission of appropriate authority for its disposal is not required or where it is required, such permission has been obtained for disposal, are valued on fair value of standing trees under the head Biological Assets. The Fair value for standing trees is based on rates fixed by forest department applied on girth in cubic meters.

**(XII) Borrowing Cost**

1. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale.
2. All other borrowing costs, as incurred, are charged to the Statement of Profit and Loss.

**(XIII) Governments Grants:**

In accordance with the requirements of Ind AS 20 relating to accounting for government grant;

- a. Working Capital Grants received from the Government are recognized as income over the periods necessary to match them with related costs which they are intended to compensate, on a systematic basis.
- b. Grant received towards specific project are recognized in balance sheet as by setting up the grant as deferred income. The grant set up as deferred income is recognized in profit and loss on a systematic basis over the useful life of the asset.
- c. Grants in the nature of revenue are credited to Statement of Profit & Loss Account to the extent of utilized.

**(XIV) Employee Benefits:****a. Short Term Employee Benefits**

Short Term Employees Benefits are recognized as expenses at the un-discounted amount in the statement of Profit & Loss Account of the year in which the related service is rendered.

**b. Post Employment Benefits****i. Provident Fund**

The Company contributes monthly at a determined rate. These contributions are remitted to the Employees' Provident Fund Organization, India for this purpose and are charged to the statement of Profit and Loss Statement on accrual basis.

**ii. Gratuity**

The Company provides for gratuity (a defined benefit retirement plan) to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an equivalent

to 15 days salary payable for each completed year of service. Vesting occurs on completion of five years of service or on death while in employment. The company opened a policy with LIC for gratuity fund. LIC determine the Liability in respect of gratuity using the projected unit credit method with actuarial valuations as on the balance sheet date. The company contribute the amount to LIC to the extent to liability as determined and informed by LIC. The amount contributed to LIC is recognized / provided immediately in the statement of profit and loss account.

**iii. Leave Encashment**

The company is having a policy with LIC for Leave Encashment. LIC determine the Liability in respect of Leave Encashment using the projected unit credit method with actuarial valuations as on the balance sheet date. The company contribute the amount to LIC to the extent to liability as determined and informed by LIC. The amount contributed to LIC is recognized / provided immediately in the statement of profit and loss account.

**(XV) Taxes**

**Current income tax**

- i) Tax expense for the year comprises of current income tax and deferred tax.
- ii) Current tax is measured at the amount expected to be paid to the tax authorities using the applicable tax rates.
- iii) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Corporation operates and generates taxable income.
- iv) Current tax related to OCI items is recognized Other Comprehensive Income (OCI).

**Deferred tax**

In accordance with the Indian Accounting Standard (Ind-AS 12)"Income Taxes" issued by the Institute of Chartered Accountants of India.

- i) Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- ii) Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- iii) The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
- iv) Deferred tax related to OCI items are recognized in Other Comprehensive Income (OCI)

**(XVI) Earnings Per Share**

1. Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue and share split.
2. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.

**(XVII) Contingent Liabilities and contingent Assets**

- (a) Contingent Liabilities are disclosed in either of the following cases-
  - (i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation or
  - (ii) A reliable estimate of the present obligation cannot be made; or
  - (iii) A possible obligation, unless the probability of outflow of resource is remote
- (b) Contingent assets is disclosed where an inflow of economic benefits is probable.
- (c) Contingent Liability and Contingent Assets are reviewed at each Reporting date.
- (d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

**(XVIII) Dividend to equity holders**

Dividend paid/payable is recognized in the year in which the related dividends are approved by shareholders or Board of Directors as appropriate.

**(XIX) Research & Development Expenses**

In compliance of Ind AS-38 "Intangible Assets" the revenue/capital expenditure incurred by the Company on account of research work carried out for development of new varieties is charged to Profit & Loss Account in the same year, in which it is incurred.

MAHARASHTRA STATE SEEDS CORPORATION LIMITED AKOLA

PROPERTY PLANT AND EQUIPMENTS (2017-18)

Assets	Gross Block				Depreciation				Net Block			
	As At 01/04/2017	Additions Own Funds	Grants	Grant IND AS 2017 Transition	Sales/Adj Out of grants	Total 31/03/2018	As At 01/04/2017	For the year Sales	IND AS 2017 Transition	Total 31/03/2018	As At 31/03/2018	As At 31/03/2017
<b>3 Property Plant and Equipment</b>												
Free Hold Land	5668311	9090000	0	0	0	14758311	0	0	0	0	14758311	5668311
Lease Hold Land	18725117	0	0	0	207196	18517921	0	0	0	0	18517921	18725117
Buildings	494562403	7982996	0	0	0	502545399	231557026	25935373	0	257492398	245053001	71951683
Plant & machinery	332354681	1318290	0	0	0	333672971	213929932	20515083	0	234445015	99227956	6445640
Electric Installation	24423366	7832580	0	0	0	32255946	20064887	1665858	0	21730745	10525201	4358479
Furniture & Fixture	22051380	1136499	0	0	0	23187879	17749022	1055898	0	18804920	4382959	4302358
Office Equipments	8522667	742422	0	0	0	9265089	7141936	668386	0	7810322	1454767	1380731
Vehicles	11024592	0	0	0	0	11024592	4382082	2081023	0	6463105	4561487	6642510
Computers	26824161	3399314	39315	0	0	30262790	23201674	2536374	0	25738048	4485427	3622487
<b>Total tangible assets</b>	<b>944156678</b>	<b>31502101</b>	<b>39315</b>	<b>0</b>	<b>207196</b>	<b>975490898</b>	<b>518026559</b>	<b>54457995</b>	<b>0</b>	<b>572484553</b>	<b>402967030</b>	<b>123097316</b>
<b>5 Intangible Assets</b>												
Software Development	1523850	1523850	0	0	3047700	3047700	0	0	0	0	3047700	1523850
<b>4 Capital work in progress</b>												
Work in progress	19072170	17155154	0	0	3057458	33169866	0	0	0	0	33169866	19072170
<b>Total Fixed Assets</b>	<b>964752698</b>	<b>50181105</b>	<b>39315</b>	<b>0</b>	<b>3264654</b>	<b>1011708464</b>	<b>518026559</b>	<b>54457995</b>	<b>0</b>	<b>572484553</b>	<b>439184596</b>	<b>143693336</b>
Total Previous Year	914183685	72014529	0	0	29327895	964752698	470580379	10391282	5960176	518026559	446726139	105645004

MAHARASHTRA STATE SEEDS CORPORATION LIMITED AKOLA

PROPERTY PLANT AND EQUIPMENTS (2016-17)

Assets	GROSS BLOCK						DEPRECIATION					NET BLOCK	
	As At	Additions		Grant	Withdrawal	Total	As At	For the year	Sales	IND AS Transition	Total	As At	As At
	01/04/2016	Own Funds	Grants	IND AS Transition	Sales/Adj	31/03/2017	01/04/2016				31/03/2017	31/03/2017	31/03/2016
<b>3 Property Plant and Equipment</b>													
Free hold land	5668311	0	0	0	0	5668311	0	0	0	0	0	5668311	5668311
Lease hold land	1892313	0	0		207196**	1872517	0	0	0	0	0	1872517	18932313
Buildings	469581301	24981102	0	0	0	494562403	205571479	5930186	0	20055360	231557026	263005377	52900767
Plant & Machinery	328892810	3461871	0	8089575	8089575	332354681	194621343	621688	4272813	22959714	2139229932	118424749	7422219
Electrical Installation	22473267	1950099	0		0	24423366	19391513	673374	0		20064887	4358479	3081754
Furniture & Fixture	19847014	2204366	0	0	0	22051380	17093394	655628	0		17749022	4302358	2753620
Office Equipment	7830248	692419	0	0	0	852667	6781569	360367	0		7141936	1380731	1046679
Vehicles	6800168	6083532	0	1859108		11024592	4801245	1268200	1587363		4382082	6642510	1998923
Computers	23654460	3169701	0	0	0	26824161	22319835	881839	0		23201674	3622487	1334625
<b>Total tangible assets</b>	<b>903679692</b>	<b>42543090</b>	<b>0</b>	<b>9946683</b>	<b>0</b>	<b>944156678</b>	<b>470580379</b>	<b>10391282</b>	<b>5960176</b>	<b>43015074</b>	<b>518026559</b>	<b>426130119</b>	<b>95141211</b>
<b>5 Intangible Assets</b>													
Software Development	1499100	24750				1523850					0	1523850	1499100
<b>4 Capital work in progress</b>													
Work in progress	9004693	29446689			19379212	19072170						19072170	9004693
<b>Total Fixed Assets</b>	<b>914183685</b>	<b>72014529</b>	<b>0</b>	<b>29327895</b>	<b>0</b>	<b>964752698</b>	<b>470580379</b>	<b>10391282</b>	<b>5960176</b>		<b>518026559</b>	<b>446726139</b>	<b>105645004</b>
Total Previous year :	429813805	9404243	61985859	0	207196	905178992	328318294	10362247	0	131899838	338680541	434598613	101495511

\*\* Current Year Lease Rent of Rs. 207196 shown as withdrawal

MAHARASHTRA STATE SEEDS CORPORATION LIMITED AKOLA

PROPERTY PLANT AND  
EQUIPMENTS (2015-16)

a) Tangible Assets	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	As At 01/04/2015	Own Funds	Grants	Grant IND AS Transition	Withdrawal Out of grants	Total 31/03/2016	As At 01/04/2015	For the year	Sales	IND AS Transition	Total 31/03/2016	As At 31/03/2016	As At 31/03/2015	
<b>3 Property Plant and Equipment</b>														
Free hold Land	5668311					5668311	0	0	0	0	5668311	5668311		
Leasehold land	19139509				207196	18932313	0	0	0	0	18932313	19139509		
Buildings	219363865	1011244	61985859	252896192	65675859	469581301	157468154	6316188	41787137	205571479	26409822	61895711		
Plant & Machinery	108566752	3364110		216961948		328892810	103653557	855086	90112700	194621343	134271467	4913195		
Electrical Installation	21184645	1288622				22473267	18819797	571716		19391513	3081754	2364848		
Furniture & Fixture	18583552	1263462				19847014	16605149	488245		17093394	2753620	1978403		
Office Equipment	7467093	363155				7830248	6350927	430642		6781569	1048679	1116166		
Vehicles	6800168					6800168	3847238	954007		4801245	1998923	2952930		
Computers	23039910	614550				23654460	21573472	746563		22319835	1334625	1456438		
<b>Total tangible assets</b>	<b>429813805</b>	<b>7905143</b>	<b>61985859</b>		<b>207196</b>	<b>903679892</b>	<b>328318294</b>	<b>10362247</b>	<b>0</b>	<b>338680541</b>	<b>433099513</b>	<b>101495511</b>		
<b>5 Intangible Assets</b>														
<b>Software Development</b>		<b>1499100</b>				<b>1499100</b>				<b>0</b>	<b>1499100</b>			
<b>4 Capital work in progress</b>														
<b>Work in progress</b>						<b>0</b>					<b>0</b>			
<b>Total Fixed Assets</b>	<b>429813805</b>	<b>9404243</b>	<b>61985859</b>		<b>207196</b>	<b>905178992</b>	<b>328318294</b>	<b>10362247</b>	<b>0</b>	<b>338680541</b>	<b>434598613</b>	<b>101495511</b>		
Total Previous year :	424874522	10073480	79916106		5134197	429813805	319723298	11935036	3340040	328318294	101495511	105151224		

\*\* Current Year Lease Rent of Rs. 207196 shown as withdrawal

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amt. in Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>6 OTHER NON-CURRENT ASSETS</b>			
(Unsecured considered good unless and otherwise stated)			
Security and other deposits	3486940	3729173	3873086
Deposits with Govt. Authorities	16846600	15625138	11561378
	<b>20333540</b>	<b>19354311</b>	<b>15434464</b>
<b>7 INVENTORIES.</b>			
[As valued and certified by the Management ,at cost or net realizable value whichever is less unless and otherwise specified]			
Finished Goods	814300000	888900000	1172500000
Unservicable Seeds	337400000	61200000	108200000
Packing Material	97400000	73700000	69600000
	<b>1249100000</b>	<b>1023800000</b>	<b>1350300000</b>
<b>7.1 Finished Goods</b>			
Foundation ,Breeder Seed	3300000	7300000	5500000
Certified ,Truthful & Raw-Seed	812000000	884800000	1168400000
	<b>815300000</b>	<b>892100000</b>	<b>1173900000</b>
<b>7.2 Unservicable Seeds</b>			
Low Grade , Fail Seed & Non Seed	337400000	61200000	108200000
	<b>97400000</b>	<b>73700000</b>	<b>69600000</b>
<b>7.3 Processing ,Packing Materials</b>			
	<b>1000000</b>	<b>3200000</b>	<b>1400000</b>
<b>8 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS</b>			
<b>9 TRADE RECEIVABLES</b>			
<b>Unsecured</b>			
<b>Receivables outstanding for a period Exceeding Six Months</b>			
Considered Good	169478936	97124351	48736688
Considered Doubtful	25815866	25815866	25815866
	<b>195294802</b>	<b>122940217</b>	<b>74552554</b>
<b>Others</b>			
Considered Good	76534488	654409738	330437786
Considered Doubtful	232000	232000	232000
	<b>76766488</b>	<b>654641738</b>	<b>330669786</b>
	<b>272061290</b>	<b>777581955</b>	<b>405222340</b>
Less : Provision for Doubtful Debts	26047866	26047866	26047866
	<b>246013424</b>	<b>751534089</b>	<b>379174474</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amt. i

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>10 CASH &amp; CASH EQUIVALENTS</b>			
Cash on Hand	<b>162858</b>	134544	104072
<b>11 BANK BALANCES OTHER THAN ABOVE</b>			
On Current Account	<b>433754381</b>	421178729	390775385
On Fixed Deposit Account	<b>1589959987</b>	1290713406	1597113245
	<b>2023714368</b>	1711892135	1987888630
<b>12 CURRENT TAX ASSETS</b>	<b>123778759</b>	7855748	21788758
<b>13 OTHER CURRENT ASSETS</b> (Unsecured considered good unless and otherwise stated)			
<b>13.1 Advance to Customers</b>			
Considered Good	<b>1989507478</b>	1835020258	1564741686
Considered Doubtful	<b>50698698</b>	50503365	50503365
<b>13.2 Advances to Employees</b>			
Considered Good	<b>3061165</b>	5032686	4093569
<b>13.3 Advances to Others</b>			
Considered Good	<b>134783</b>	1943289	953186
Considered Doubtful	<b>104667</b>	300000	300000
	<b>2043506791</b>	1892799598	1620591806
Less : Provision for Doubtful Advances	<b>50803365</b>	50803365	50803365
	<b>1992703426</b>	1841996233	1569788441
<b>13.4 Other Current Assets.</b>			
Interest accrued but not due on F.D.R.	<b>30453987</b>	45857458	76491934
Prepaid Expenses	<b>1552325</b>	1583281	1573489
	<b>32006312</b>	<b>47440739</b>	<b>78065423</b>
	<b>2024709738</b>	<b>1889436972</b>	<b>1647853864</b>

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amt. in Rs.)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016	
<b>14 EQUITY SHARE CAPITAL</b>				
<b>AUTHORIZED :</b>				
10,00,000 Equity Share of Rs.100/- each	<b>100000000</b>	100000000	100000000	
	<b>100000000</b>	100000000	100000000	
<b>ISSUED :</b>				
5,00,000 Equity Shares of Rs.100/- each ( Previous Year 5,00,000 Equity Shares)	<b>50000000</b>	50000000	50000000	
	<b>50000000</b>	50000000	50000000	
<b>SUBSCRIBED &amp; PAID UP :</b>				
4,18,445 Equity Shares of Rs.100/- each fully paid up .(Previous year 4,18,445 Equity Shares.)	<b>41844500</b>	41844500	41844500	
	<b>41844500</b>	41844500	41844500	
<b>Note 1 A Movement no.of Shares &amp; share capital</b>				
	<b>No.of Shares</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>
Shares as on April-1	418445	41844500	41844500	41844500
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares as on March 31</b>	<b>418445</b>	<b>41844500</b>	41844500	41844500
<b>Note 1 B List of Shareholders holding more than 5 % of Shares</b>				
	<b>% of Holding</b>	<b>As at Mar 31 2018 No.of Shares</b>	<b>As at Mar 31 2017 No.of Shares</b>	<b>As at Apr 1 2016 No.of Shares</b>
Government of Maharashtra	48.99 %	<b>205000</b>	<b>205000</b>	<b>205000</b>
National Seeds Corporation	35.44 %	<b>148330</b>	<b>148330</b>	<b>148330</b>

<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>			
	(Amt. in Rs.)		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>15 OTHER EQUITY</b>			
<b>a) Surplus in Statement of Profit and Loss</b>			
Balance at the beginning of the year	<b>2784147244</b>	2363575364	2068126263
Add: Profit during the year	<b>210653744</b>	459968927	311004596
Prior Period Adjustment IND AS 2016			4496430
Proposed Dividend & Distribution Tax IND AS 2017		6298089	5036305
DTA / DTL Effect of IND AS 2017 Adjustments			
Prior Period Adjustment for Current Year NET	<b>(1695259)</b>		
Less : Transferred to General Reserve	<b>(5266344)</b>	(11312700)	(8000000)
Transferred to Reserch Reserve	<b>(4213075)</b>	(13950000)	(10000000)
Proposed Dividend & Distribution Tax IND AS 2017	<b>0</b>	(6298089)	(5051516)
Proposed Dividend & Distribution Tax	<b>(6298089)</b>	(5036305)	
Expenses on CSR	<b>(10947985)</b>	(9098042)	(2036714)
	<b>(a) 2966380237</b>	2784147244	2363575364
<b>b) General Reserve</b>			
Balance at the beginning of the year	<b>78664879</b>	67352179	59352179
Add: Addition during the year	<b>5266344</b>	11312700	8000000
	<b>(b) 83931223</b>	78664879	67352179
<b>c) Research Reserve</b>			
Balance at the beginning of the year	<b>102518600</b>	88568600	78568600
Add: Addition during the year	<b>4213075</b>	13950000	10000000
	<b>(c) 106731675</b>	102518600	88568600
<b>d) Capital Reserve</b>			
Balance at the beginning of the year	<b>1429705</b>	1429705	1429705
Add: Addition during the year	<b>0</b>	0	0
	<b>(d) 1429705</b>	1429705	1429705
Balance at the end of the year (a+b+c+d)	<b>3158472839</b>	2966760428	2520925848

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amt. in Rs.)

**16. CAPITAL GRANTS**

	As at 1st April 2017	Addition	Withdrawn	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Working/Capital Grants under NSP-III	80602761	0	0	<b>80602761</b>	80602761	80602761
Research & Development. under NSP-III	3425953	0	3425953	<b>0</b>	3425953	3425953
Seed Bank: Revolving Fund	6433000	0	0	<b>6433000</b>	6433000	6433000
Seed Bank Revolving Fund : NSR	9082000	0	0	<b>9082000</b>	9082000	9082000
Cotton Delinting.Plant	10114919	0	0	<b>10114919</b>	10114919	18204494
Packaging Machine	154000	0	154000	<b>0</b>	154000	154000
Strengthening of Processing & Storage facility	2500000	0	0	<b>2500000</b>	2500000	2500000
Seed Bank: Construction.of Godown	841489	0	0	<b>841489</b>	841489	841489
RKVY Grant (Solar Power)	17910000	0	5968755	<b>11941245</b>	17910000	8955000
RKVY Grant (Bt.Cotton)	0	0	0	<b>0</b>	0	4880887
RKVY Grant (Productionr)	0	0	0	<b>0</b>	0	60255111
Grant:Strengthening of seed quality control la	0	13000000	455497	<b>12544503</b>	0	0
Capital Grant for Fixed Assets IND AS	303032803	39315	36978938	<b>266093180</b>	303032803	337958302
<b>TOTAL :</b>	<b>434096925</b>	<b>13039315</b>	<b>46983143</b>	<b>400153097</b>	<b>434096925</b>	<b>533292997</b>
<b>17 REVOLVING FUND FROM STATE GOVERNMENT</b>						
Revolving fund Loans from State Govt.	50000000	0	0	<b>50000000</b>	50000000	50000000
<b>TOTAL</b>	<b>50000000</b>	<b>0</b>	<b>0</b>	<b>50000000</b>	<b>50000000</b>	<b>50000000</b>

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>			
	(Amt. in Rs.)		
	As at <b>31st March 2018</b>	As at 31st March 2017	As at 1st April 2016
<b>18 <u>BORROWINGS</u></b>			
Loan from Banks	<b>0</b>	248275909	303480884
	<b>0</b>	248275909	303480884
<b>19 <u>TRADE PAYABLES</u></b>			
For Seeds Due to others	<b>177839783</b>	398340116	571594678
For Supplies & Expenses due to MSME	<b>13674594</b>	8458007	0
For Supplies & Expenses	<b>150575401</b>	169632426	171451919
	<b>342089778</b>	576430549	743046597
<b>20 <u>OTHER CURRENT LIABILITIES</u></b>			
Advance Received from Customers	<b>1691384059</b>	1038855521	1103119805
Unclaimed dividend	<b>2566915</b>	2529222	2263694
Trade / Security Deposits	<b>233181145</b>	266151955	198980538
Employees accounts	<b>9913737</b>	9291337	5749470
Government Accounts	<b>6454850</b>	22130746	8791775
Statutory remittances	<b>3171969</b>	3951297	5413125
For Others	<b>58773989</b>	177207226	281020996
	<b>2005446663</b>	<b>1520117304</b>	<b>1605339403</b>
<b>21 <u>PROVISIONS</u></b>			
<b>Provision for Employee Benefits</b>			
Group Gratuity	1510078	3861797	10188042
Leave Encasment	11236145	6058794	4922771
	<b>12746223</b>	<b>9920591</b>	<b>15110813</b>
<b>22 <u>CURRENT TAX LIABILITIES (Net)</u></b>	<b>112700000</b>	0	34311498
	<b>112700000</b>	<b>0</b>	<b>34311498</b>

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amt. in Rs.)

	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>23 REVENUE FROM OPERATIONS</b>		
Sale of Goods	5208476024	7013891191
Sale of Processing Material	5243772	7519928
Other Operating Income	484349752	179423605
	<b>5698069548</b>	<b>7200834724</b>
<b>23.1 Sale of goods</b>		
Foundation ,Breeder Seed	393751191	513117972
Certified ,Truthful Seed	4453956030	6333786213
Low-Grade,Fail Seed & Non-Seed etc.	350532800	143016087
Nursery ,T.C Plants & Landscaping	10236003	23970919
	<b>5208476024</b>	<b>7013891191</b>
<b>23.2 Sale of processing material</b>		
Processing Materials	1200277	1929105
Old Processing Material	4043495	5590823
	<b>5243772</b>	<b>7519928</b>
<b>23.3 Other operating revenues</b>		
Reimbursement of Expenses	460573139	169261168
Sales Return & Processing Charges	6005731	7830709
Liabilities in respect of earlier years written back (net)	17770882	2331728
	<b>484349752</b>	<b>179423605</b>
<b>24 OTHER INCOME</b>		
Interest	105470505	138901035
[Tax Deducted at Source Rs 10923011 (Previous Year Rs.13140085)]		
<b>Other non operating income</b>		
Miscellaneous Receipts	32712393	32442060
Profit on sale of Assets	0	99357
Capital Grant Income Recognition A/C	36978938	43015074
	<b>175161836</b>	<b>214457526</b>

<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>		(Amt. in Rs.)	
	<b>For the year ended 31st March 2018</b>	For the year ended 31st March 2017	
<b>25 <u>COST OF MATERIALS CONSUMED</u></b>			
Opening Stock	<b>73700000</b>	69600000	
Add: Purchases	<b>144348338</b>	149810589	
	<b>218048338</b>	219410589	
Less: Closing Stock	<b>97400000</b>	73700000	
	<b>120648338</b>	145710589	
<b>26 <u>PURCHASES OF STOCK-IN-TRADE</u></b>			
Foundation Seed	<b>334685106</b>	332715903	
Certified ,Truthful & Raw-Seed	<b>4397014235</b>	5044766723	
Nursery/T.C Plants & Landscaping	<b>4159512</b>	11718622	
	<b>4735858853</b>	5389201248	
<b>27 <u>CHANGES IN INVENTORIES OF FINISHED GOODS STOCK-IN -TRADE AND WORK-IN-PROGRESS</u></b>			
<b><u>Opening Stock</u></b>			
Finished Goods & Stock in Trade	<b>953300000</b>	1282100000	
<b><u>Closing Stock</u></b>			
Finished Goods & Stock in Trade	<b>1152700000</b>	953300000	
Increase/(Decrease) in stock	<b>(199400000)</b>	<b>328800000</b>	
<b>27.1 <u>Opening Stock</u></b>			
Foundation ,Breeder Seed	<b>7300000</b>	5500000	
Certified ,Truthful & Raw-Seed	<b>884800000</b>	1168400000	
Low-grade,Fail Seed & Non Seed	<b>61200000</b>	108200000	
	<b>953300000</b>	1282100000	
<b>27.2 <u>Closing Stock</u></b>			
Foundation ,Breeder Seed	<b>3300000</b>	7300000	
Certified ,Truthful & Raw-Seed	<b>812000000</b>	884800000	
Low-grade,Fail Seed & Non Seed	<b>337400000</b>	61200000	
	<b>1152700000</b>	953300000	

<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>		(Amt. in Rs.)
	<b>For the year ended 31st March 2018</b>	For the year ended 31st March 2017
<b>28 EMPLOYEES BENEFITS EXPENSE</b>		
Salaries , Allowances & Other benefits	<b>307596066</b>	300551318
Leave Encashment	<b>11236145</b>	6349410
Measurement of Employee Benefit as per IND AS	<b>6160170</b>	16345619
Contribution to Providend Fund & etc	<b>32609769</b>	34081041
Staff Welfare Expenses	<b>1188662</b>	584585
Gratuity	<b>2891412</b>	7723594
	<b>361682224</b>	365635567
<b>29 FINANCIAL COSTS</b>		
Interest	<b>6125753</b>	3456400
Bank Charges	<b>1318576</b>	1677887
	<b>7444330</b>	5134287

<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>		(Amt. in Rs.)	
	<b>For the year ended 31st March 2018</b>	<b>For the year ended 31st March 2017</b>	
<b>30 OTHER EXPENSES</b>			
a) <b>PROCESSING &amp; OTHER EXPENSES</b>			
Handling	<b>25733505</b>	22660702	
Watch & Ward Expenses	<b>28733265</b>	22566551	
Bonus to Workers	<b>2421142</b>	1788371	
Processing Charges to Contractors	<b>50410114</b>	40770488	
Electricity & Power	<b>11150741</b>	10832826	
Fuel ,Oil & Lubricants	<b>2766292</b>	2643996	
Insurance of Seed	<b>4870610</b>	3365547	
Wages	<b>33646831</b>	27376424	
Contribution to Provident Fund	<b>3791193</b>	3289292	
Certification Expenses	<b>97815268</b>	87268795	
Transportation & Octroi	<b>16741767</b>	21943582	
Rent of Plants & Godowns	<b>9028716</b>	4091736	
Miscellaneous Expenses	<b>9844554</b>	6715888	
Repairs & Maint. : Plant & Machinery	<b>1325638</b>	4556365	
	<b>(a) 298279635</b>	<b>259870563</b>	
b) <b>ADMINISTRATION EXPENSES</b>			
Recruitment & Training Expenses	<b>40000</b>	3855200	
Vehicle Running Charges	<b>1142004</b>	987430	
Printing & Stationery	<b>2838569</b>	4661985	
Advertisement (General)	<b>4721397</b>	1947475	
Lease Rent	<b>413639</b>	207196	
Rent	<b>2221465</b>	1947178	
Rates & Taxes	<b>3087653</b>	3159681	
<b>Payment to Auditors</b>			
Audit Fees	<b>150000</b>	150000	
Tax Audit Fee	<b>22500</b>	22500	
Out of Pocket Expenses	<b>3869</b>	3767	
Director Sitting Fees	<b>16000</b>	13000	
Travelling & Conveyance : Staff	<b>16402013</b>	17686962	
Travelling & Conveyance : Directors	<b>750142</b>	934396	
Insurance	<b>1222655</b>	1193937	
Postage,Telegram & Telephone	<b>4061094</b>	4628883	
<b>Repairs &amp; Maintenance to</b>			
Building	<b>4751778</b>	3477203	
Vehicle	<b>1028747</b>	891840	
Other Assets	<b>6663338</b>	4261584	
Office & Other Expenses	<b>17726009</b>	18655799	
	<b>(b) 67262872</b>	<b>68686016</b>	

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amt. in Rs.)

	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>c) SELLING &amp; DISTRIBUTION EXPENSES</b>		
Transportation ,Octroi & Handling	<b>87720486</b>	80444658
Godown Rent & Storage Charges	<b>6573919</b>	14186715
Advertisement & Publicity	<b>12934321</b>	14149131
Crop Compensation	<b>-3007991</b>	3001928
Interest to Others	<b>1129496</b>	1376601
(c)	<b>105350232</b>	113159033
<b>d) RESEARCH &amp; DEVELOPMENT EXPENSES</b>		
QCL Expenses	<b>2163580</b>	2442106
Research & Development Expenses	<b>4233303</b>	2142973
(d)	<b>6396883</b>	4585079
<b>Total Other Expenses ( a+b+c+d)</b>	<b>477289621</b>	446300691
Prior Period items ( Net)	<b>(1695259)</b>	4496430
	<b>-1695259</b>	4496430

**31. CONTINGENT LIABILITIES:**

- a) Claims against the Company not acknowledged as debts
- i. Sales Tax for the financial year 2008-09 for Madhya Pradesh Rs. 12,77,651/- for which the appeal is pending with Appellate Authority [Previous Year Rs. 12,77,651/-(gross) MP & MS].
  - ii. Various cases lodged against the Company by contractors, growers and customers, Rs. 2,58,36,701/- (Previous Year Rs 2,42,96,142/-)
  - iii. Cases filed by laborers and employees against the Company, amount not ascertainable.
  - iv. Agriculture Produce Market Committee fees on sale of low grade, failed seed and non-seed, amount not ascertainable.
  - v. Interest on Revolving Fund Loan, communication awaited from the State Government., amount not ascertainable hence not provided.
  - vi. Application filed by one organizer of Madhya Pradesh with the arbitrator and the proceedings is going on. Rates & Taxes Rs.8579939/- (Previous Year Rs 74,44,119/-).
32. Estimated balance amount of contract remaining to be executed on Capital Account Rs 1,56,04,901/- (Previous year Rs. 3,73,93,959/-).
33. On the basis of information available with the Company regarding the status of suppliers, there were no payments exceeding Rs. One lac. overdue for a period of 30 days and remaining unpaid to any small scale and/or Ancillary Industrial Suppliers on account of principal and/or interest as at the close of the year.
34. As per Section 135 (1) of the Companies Act, 2013, during the year the Company has formed a CSR Committee. The area for CSR activities are as per Schedule VII of the Companies Act, 2013. Further as per section 135 (5) of the Companies Act, 2013, the Company was required to spend, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility. During the Year, the Company has spent Rs.10947985/- on CSR activities.
35. Employee benefit expenses include remuneration to the Managing Director as under

	( Amt. in Rs.)	
	2017-18	2016-17
<b>i ) Salary &amp; Allowances</b>	1868145	1685219.00
<b>ii) Leave Salary Contribution</b>	-	78584.00
<b>TOTAL</b>	<b>1868145</b>	<b>17,63,803</b>

36. With respect to balances of Trade receivable & Trade payable and Advances/deposits received from the customers as per books of Accounts, Confirmations of balances are awaited and adjustments if any will be required to be made in the books on receipt of confirmations.
37. Previous year's figures have been re-arranged/re-grouped wherever necessary, to confirm to this year's classification and are given in nearest of Rupee.
38. The company has taken lease hold land MIDC/Government at 15 locations for 99 years lease and accounted proportionate lease rent of Rs. 2, 07,196.00 in profit and loss account.
39. The company has been regular in depositing with appropriate authorities undisputed amount of Provident Fund Investor Education Protection Fund, Group Insurance, Income-tax, Sales tax, Service tax and any other statutory dues applicable.
40. **Compliances with Indian Accounting Standards issued by The Institute of Chartered Accountants of India:**

## MAHARASHTRA STATE SEEDS CORPORATION LIMITED

### I. Employees Benefits:

The details of employee benefits are as given below:

#### Provident Fund:

Retirement benefits in the form of Provident Fund are defined contribution schemes and the contributions are charged to the Statement of Profit & Loss Account of the year when the contributions to the respective funds are due.

#### Gratuity:

The company operates gratuity plan wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending upon the date of joining. The same is payable on death, separation from service, or retirement, whichever is earlier. The benefit vests after five years of continuous service or on death.

The following Table sets out the status of Gratuity Scheme Plans as at 31 March 2018.

(Amt. in Rs.)

Particulars	GRATUITY SCHEME		
	31/03/2018	31/03/2017	31/03/2016
<b>1.Assumption</b>			
Discount Rate	8.00%	8.00%	8.00%
Salary Escalation	9.00%	8.00%	8.00%
<b>2.Table Showing changes in present value of Obligation</b>			
Present value of obligations as at beginning of year	212535315.00	235089602.00	228502287.00
Interest cost	17002825.00	18807168.00	18280183.00
Current Service Cost	4294158.00	5125176.00	5493816.00
Benefits Paid	36474144.00	31224584.00	23616015.00
Actuarial (gain)/ loss on obligations	7696260.00	15262047.00	6429331.00
Present value of obligations as at end of year	205054414.00	212535315.00	235089602.00
<b>3.Table showing changes in the fair value of plan assets</b>			
Fair value of plan assets at beginning of year	254217007.00	255274364.00	253642751.00
Expected return on plan assets	18183831.89	19979128.00	20122452.00
Contributions	263736.14	10188100.00	5125176.00
Benefits Paid	36474144.00	31224584.00	23616015.00
Actuarial gain/(loss) on Plan assets	NIL	NIL	NIL
Fair value of plan assets at the end of year	236190431.03	254217007.00	255274364.00
<b>4.Table showing fair value of plan assets</b>			
Fair value of plan assets at beginning of year	254217007.00	255274364.00	253642751.00
Actual return on plan assets	18183831.89	19979128.00	20122452.00
Contributions	263736.14	10188100.00	5125176.00
Benefits Paid	36474144.00	31224584.00	23616015.00
Fair value of plan assets at the end of year	236190431.03	254217007.00	255274364.00
Funded status	31136017.03	41681692.00	20184762.00
Excess of Actual over estimated return on plan assets	NIL	NIL	NIL
(Actual rate of return = Estimated rate of return as ARD falls on ARD 31 March)			
<b>5.Actuarial Gain/Loss recognized</b>			

( Amt. in Rs.)

Particulars	GRATUITY SCHEME		
	31/03/2018	31/03/2017	31/03/2016
Actuarial (gain)/ loss on obligations	7696260.00	15262047.00	6429331.00
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL	NIL
Actuarial (gain)/ loss on obligations	7696260.00	15262047.00	6429331.00
Actuarial (gain)/ loss recognized in the year	7696260.00	15262047.00	6429331.00
<b>6.The amounts to be recognized in the balance sheet and statements of Profit and Loss</b>			
Present value of obligations as at the end of year	205054414.00	212535315.00	235089602.00
Fair value of plan assets as at the end of the year	236190431.03	254217007.00	255274364.00
Funded status	31136017.03	41681692.00	20184762.00
Net asset/(liability) recognized in balance sheet	31136017.03	41681692.00	20184762.00
<b>7.Expenses Recognised in statement of Profit and loss</b>			
Current Service cost	4294158.00	5125176.00	5993816.00
Interest Cost	17002825.00	18807168.00	18280183.00
Expected return on plan assets	18183831.89	19979128.00	20122452.00
Net Actuarial (gain)/ loss recognized in the year	7696260.00	15262047.00	6429331.00
<b>Expenses recognised in statement of Profit and loss</b>	<b>10809411.00</b>	<b>11308831.00</b>	<b>10080878.00</b>

### Leave Encashment

The following Table sets out the status of Leave Encashment as at 31 March 2018.

( Amt. in Rs.)

Particulars	LEAVE ENCASHMENT SCHEME		
	31/03/2018	31/03/2017	31/03/2016
<b>1.Assumption</b>			
Discount Rate	8.00%	8.00%	8.00%
Salary Escalation	9.00%	9.00%	9.00%
<b>2.Table Showing changes in present value of Obligation</b>			
Present value of obligations as at beginning of year	185048717.00	178405672.00	178047478.00
Interest cost	14803897.00	14272454.00	14243798.00
Current Service Cost	684076.00	1128686.00	976010.00
Benefits Paid	22364392.00	19019976.00	14162727.00
Actuarial (gain)/ loss on obligations	5287246.00	10261881.00	8837856.00
Present value of obligations as at end of year	172885052.00	185048717.00	178405672.00
<b>3.Table showing changes in the fair value of plan assets</b>			42430.00
Fair value of plan assets at beginning of year	184639850.00	184277586.00	178181894.00
Expected return on plan assets	13496711.38	14459661.00	14531276.00
Contributions	2726329.49	4922579.00	5727143.00
Benefits Paid	22364392.00	19019976.00	14162727.00
Actuarial gain/(loss) on Plan assets	NIL	NIL	NIL
Fair value of plan assets at the end of year	178498498.87	184639850.00	184277586.00

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

( Amt. in Rs.)

Particulars	LEAVE ENCASHMENT SCHEME		
	31/03/2018	31/03/2017	31/03/2016
<b>4. Table showing fair value of plan assets</b>			
Fair value of plan assets at beginning of year	184639850.00	184277586.00	178181894.00
Actual return on plan assets	13496711.38	14459661.00	14531276.00
Contributions	2726329.49	4922579.00	5727143.00
Benefits Paid	22364392.00	19019976.00	14162727.00
Fair value of plan assets at the end of year	178498498.87	184639850.00	184277586.00
Funded status	5613446.87	408867.00	5871914.00
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on ARD 31 March)	NIL	NIL	NIL
<b>5. Actuarial Gain/Loss recognized</b>			
Actuarial (gain)/ loss on obligations	5287246.00	10261881.00	8837856.00
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL	NIL
Actuarial (gain)/ loss on obligations	5287246.00	10261881.00	8837856.00
Actuarial (gain)/ loss recognized in the year	5287246.00	10261881.00	8837856.00
<b>6. The amounts to be recognized in the balance sheet and statements of Profit and Loss</b>			
Present value of obligations as at the end of year	172885052.00	185048717.00	178405672.00
Fair value of plan assets as at the end of the year	178498498.87	184639850.00	184277586.00
Funded status	5613446.87	408867.00	5871914.00
Net asset/(liability) recognized in balance sheet	5613446.87	408867.00	5871914.00
<b>7. Expenses Recognised in statement of Profit and loss</b>			
Current Service cost	684076.00	1128686.00	976010.00
Interest Cost	14803897.00	14272454.00	14243798.00
Expected return on plan assets	13496711.38	14459661.00	14531276.00
Net Actuarial (gain)/ loss recognized in the year	5287246.00	10261881.00	8837856.00
<b>Expenses recognised in statement of Profit and loss</b>	<b>3295984.00</b>	<b>11203360.00</b>	<b>10010560.00</b>

**41. Earning per Shares**

( Amt. in Rs.)

PARTICULARS	2017-18	2016-2017	2015-2016
<b>Basic Earnings per share has been computed as under</b>			
<b>Net Profit attributable to Equity shareholders</b>	<b>21,06,53,744</b>	<b>45,89,09,481</b>	<b>31,10,04,596</b>
<b>Weighted number of equity shares outstanding</b>	<b>4,18,445</b>	<b>4,18,445</b>	<b>4,18,445</b>
<b>Basic Earnings per share in ( Face value Rs. 100/- per share) (a) / (b)</b>	<b>503</b>	<b>1097</b>	<b>743</b>

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**
**42. Deferred Tax Liability / Asset.**

The position of deferred tax assets and liabilities computed in accordance with the requirement of Ind AS-12 on "Accounting for Taxes on Income" by the Institute of Chartered Accountants of India is as stated below:

( Amt. in Rs.)

(Rs.) Net Deferred Tax	As at 31st March 2018		As at 31st March 2017		As at 01st April 2016	
	Assets	Liability	Assets	Liability	Assets	Liability
Opening Balance as per Balance Sheet	-	64,87,732.00	-	120,43,608.00	-	46,91,458.00
Remeasurement of Loss of defined benefit plan IND AS (31/03/2017) <b>Rs.1,63,45,619.00</b>	-	-	55,55,876.00	-	-	-
Depreciation Companies Act <b>Rs. 1,75,03,888.00</b> Depreciation as per IT Act <b>Rs. 1,43,09,131.00</b> Diff. of Dep <b>Rs. 31,94,757.00</b>	11,05,641.00	-	-	-	-	-
Bonus payable and other item <b>Rs.24,21,142.00</b>	8,37,910.00	-	-	-	-	-
Total	19,43,551.00	-	55,55,876.00	-	-	-
<b>Net Closing Liability</b>	-	<b>45,44,181.00</b>	-	<b>64,87,732.00</b>	-	<b>46,91,458.00</b>

**43. Segment Reporting**

The Corporation's business activity falls within a single primary business segment viz. seeds and operates in single geographical segment and therefore there are no separate reportable segments as per the Accounting Standard-17 issued by the Institute of Chartered Accountants of India.

**44. Related party disclosures**
**a. Relationship:**
Key Management Personnel & Relatives:

- |                                   |   |                   |
|-----------------------------------|---|-------------------|
| 1. Shri Omprakash N. Deshmukh, IA | - | Managing Director |
| 2. Shri R.V. Game, IAS            | - | Managing Director |
| 3. Shri Omprakash Bakoriya, IAS   | - | Managing Director |
| 4. Shri Sanjay S. Dhotre          | - | Director          |
| 5. Mrs. Anita B.Chorey            | - | Director          |
| 6. Shri V.T. Deshmukh             | - | Director          |
| 7. Shri B.V. Deshmukh             | - | Son               |
| 8. Shri D.V. Deshmukh             | - | Son               |
| 9. Mrs. S.B.Deshmukh              | - | Daughter in-law   |
| 10. Mrs. P.D.Deshmukh             | - | Daughter in-law   |

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

b. Transactions during the year with related parties in normal course of business:

Sr.No	Name	Rupees (In Lacs)	Particulars
1.	Shri Omprakash Deshmukh, IAS	14,69,656	Remuneration
2.	Shri R.V.Game, IAS	2,88,716	Remuneration
3.	Shri Omprakash Bakoriya, IAS	1,09,773	Remuneration
4.	Shri S.S. Dhotre	4,000	Sitting Fee
5.	Mrs. Anita B.Chorey, Director	2,500	Sitting Fee
6.	Shri V.T. Deshmukh	8,000	Sitting Fee
		5,60,023	Seed purchase
7.	Shri B.V. Deshmukh	3,78,840	Seed purchase
8.	Shri D.V. Deshmukh	1,48,388	Seed purchase
9.	Mrs. S.B.Deshmukh	38,250	Seed Purchase
10.	Mrs. P.D.Deshmukh	32,596	Seed Purchase

**Details of Purchases, Sales & Stock**

( Amt. in Rs.)

	Details	2017-2018		2016-2017	
		Quantity (Qtls)	Value (Rs)	Quantity (Qtls)	Value (Rs)
<b>a)</b>	<b>Foundation Seed :</b>				
	Opening Stock	1,495	73,00,000	993	55,00,000
	Purchases	107967	33,46,85,106	80,818	33,27,15,903
	Sales	69,725	39,37,51,191	72,859	51,31,17,972
	Closing Stock	8,913	33,00,000	1,495	73,00,000
<b>b)</b>	<b>Certified, Raw &amp; Truthful Seed :</b>				
	Opening Stock				
	Purchases	2,31,725	88,48,00,000	2,43,399	1,16,84,00,000
	Sales	9,73,202	4,39,70,14,235	9,18,127	5,04,47,66,723
	Closing Stock	8,04,951	4,45,39,56,030	8,81,933	6,33,37,86,213
		1,92,547	81,20,00,000	2,31,725	88,48,00,000

**NOTES:** Closing stock excludes 238253 quintals (Previous Year 55325 quintals) on account of non seed, low grade failed seeds, processing losses and other shortages.

## MAHARASHTRA STATE SEEDS CORPORATION LIMITED

### 46.1

#### Reconciliation of Equity as at 1st April 2016 (at the date of Transition)\*

The following table represents the reconciliation from previous Indian GAAP to IND-AS

(Amt. in Rs.)

Particulars	Note No.	Previous Indian GAAP	Adjustments	IND AS
1	2	3	4	5
<b>(1) ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	9	95,141,211.00	337,958,302.00	433,099,513.00
(b) Capital work-in-progress		9,004,693.00	0.00	9,004,693.00
(c) Investment Property		0.00	0.00	0.00
(d) Goodwill		0.00	0.00	0.00
(e) Other Intangible assets		1,499,100.00	0.00	1,499,100.00
(f) Intangible assets under development		0.00	0.00	0.00
(g) Biological Assets other than bearer plants		0.00	0.00	0.00
(h) Financial Assets				
(i) Investments		0.00	0.00	0.00
(ii) Trade receivables		0.00	0.00	0.00
(iii) Loans		0.00	0.00	0.00
(iv) Others (to be specified)		0.00	0.00	0.00
(i) Deferred tax assets (net)		0.00	0.00	0.00
(j) Other non-current assets		15,434,464.00	0.00	15,434,464.00
		<b>121,079,468.00</b>	<b>337,958,302.00</b>	<b>459,037,770.00</b>
<b>(2) Current assets</b>				
(a) Inventories	1	1,351,700,000.00	(1,400,000.00)	1,350,300,000.00
(b) Biological Assets other than bearer plants	1	0.00	1,400,000.00	1,400,000.00
(c) Financial Assets				
(i) Investments		0.00	0.00	0.00
(ii) Trade receivables		379,174,474.00	0.00	379,174,474.00
(iii) Cash and cash equivalents		104,072.00	0.00	104,072.00
(iv) Bank balances other than (iii) above		1,987,888,630.00	0.00	1,987,888,630.00
(v) Loans		0.00	0.00	0.00
(vi) Others Financial Assets	4	0.00	9,967,831.00	9,967,831.00
(d) Current Tax Assets (Net)	3	21,788,758.00	0.00	21,788,758.00
(e) Other current assets	3	1,647,853,864.00	0.00	1,647,853,864.00
		<b>5,388,509,798.00</b>	<b>9,967,831.00</b>	<b>5,398,477,629.00</b>
<b>Total Assets</b>		<b>5,509,589,266.00</b>	<b>347,926,133.00</b>	<b>5,857,515,399.00</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		41,844,500.00	0.00	41,844,500.00
(b) Other Equity	2, 4 & 7	2,511,393,113.00	9,532,735.00	2,520,925,848.00
		<b>2,553,237,613.00</b>	<b>9,532,735.00</b>	<b>2,562,770,348.00</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Capital Grants	9	195,334,695.00	337,958,302.00	533,292,997.00
(b) Revolving Fund Loan from State Government		50,000,000.00	0.00	50,000,000.00
(c) Financial Liabilities				
(i) Borrowings		0.00	0.00	0.00
(ii) Trade payables		0.00	0.00	0.00
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		0.00	0.00	0.00
(d) Provisions		0.00	0.00	0.00
(e) Deferred tax liabilities (Net)		4,691,458.00	0.00	4,691,458.00
(f) Other non-current liabilities		0.00	0.00	0.00
		<b>250,026,153.00</b>	<b>337,958,302.00</b>	<b>587,984,455.00</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		303,480,884.00	0.00	303,480,884.00
(ii) Trade payables		743,046,597.00	0.00	743,046,597.00
(iii) Other financial liabilities (other than those specified in item (c))	4	0.00	5,471,401.00	5,471,401.00
(b) Other current liabilities		1,605,339,403.00	0.00	1,605,339,403.00
(c) Provisions	2	20,147,118.00	(5,036,305.00)	15,110,813.00
(d) Current Tax Liabilities (Net)	3	34,311,498.00	0.00	34,311,498.00
		<b>2,706,325,500.00</b>	<b>435,096.00</b>	<b>2,706,760,596.00</b>
<b>Total Equity and Liabilities</b>		<b>5,509,589,266.00</b>	<b>347,926,133.00</b>	<b>5,857,515,399.00</b>

See accompanying notes to the statements

\* Previous year Indian GAAP figures have been reclassified to confirm to IND AS presentation requirement for the purpose of this note.

## MAHARASHTRA STATE SEEDS CORPORATION LIMITED

### 46.2

#### Reconciliation of Equity as at 31st March 2017

The following table represents the reconciliation from previous Indian GAAP to IND-AS

(Amt. in Rs.)

Particulars	Note No.	Previous Indian GAAP	Adjustments	IND AS
1	2	3	4	5
<b>(1) ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	9	123,097,316.00	303,032,803.00	426,130,119.00
(b) Capital work-in-progress		19,072,170.00	0.00	19,072,170.00
(c) Investment Property		0.00	0.00	0.00
(d) Goodwill		0.00	0.00	0.00
(e) Other Intangible assets		1,523,850.00	0.00	1,523,850.00
(f) Intangible assets under development		0.00	0.00	0.00
(g) Biological Assets other than bearer plants		0.00	0.00	0.00
(h) Financial Assets				
(i) Investments		0.00	0.00	0.00
(ii) Trade receivables		0.00	0.00	0.00
(iii) Loans		0.00	0.00	0.00
(iv) Others (to be specified)		0.00	0.00	0.00
(i) Deferred tax assets (net)		0.00	0.00	0.00
(j) Other non-current assets		19,354,311.00	0.00	19,354,311.00
		<b>163,047,647.00</b>	<b>303,032,803.00</b>	<b>466,080,450.00</b>
<b>(2) Current assets</b>				
(a) Inventories	1	1,027,000,000.00	(3,200,000.00)	1,023,800,000.00
(b) Biological Assets other than bearer plants	1	0.00	3,200,000.00	3,200,000.00
(c) Financial Assets				
(i) Investments		0.00	0.00	0.00
(ii) Trade receivables		751,534,089.00	0.00	751,534,089.00
(iii) Cash and cash equivalents		134,544.00	0.00	134,544.00
(iv) Bank balances other than (iii) above		1,711,892,135.00	0.00	1,711,892,135.00
(v) Loans		0.00	0.00	0.00
(vi) Others Financial Assets	4	0.00	0.00	0.00
(d) Current Tax Assets (Net)	3	7,855,748.00	0.00	7,855,748.00
(e) Other current assets	3	1,889,436,972.00	0.00	1,889,436,972.00
		<b>5,387,853,488.00</b>	<b>0.00</b>	<b>5,387,853,488.00</b>
<b>Total Assets</b>		<b>5,550,901,135.00</b>	<b>303,032,803.00</b>	<b>5,853,933,938.00</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		41,844,500.00	0.00	41,844,500.00
(b) Other Equity	2, 4, 5 & 7	2,954,906,463.00	11,853,965.00	2,966,760,428.00
		<b>2,996,750,963.00</b>	<b>11,853,965.00</b>	<b>3,008,604,928.00</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Capital Grants	9	131,064,122.00	303,032,803.00	434,096,925.00
(b) Revolving Fund Loan from State Government		50,000,000.00	0.00	50,000,000.00
(c) Financial Liabilities				
(i) Borrowings		0.00	0.00	0.00
(ii) Trade payables		0.00	0.00	0.00
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		0.00	0.00	0.00
(d) Provisions		0.00	0.00	0.00
(e) Deferred tax liabilities (Net)	5	12,043,608.00	(5,555,876.00)	6,487,732.00
(f) Other non-current liabilities		0.00	0.00	0.00
		<b>193,107,730.00</b>	<b>297,476,927.00</b>	<b>490,584,657.00</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		248,275,909.00	0.00	248,275,909.00
(ii) Trade payables		576,430,549.00	0.00	576,430,549.00
(iii) Other financial liabilities (other than those specified in item (c))		0.00	0.00	0.00
(b) Other current liabilities		1,520,117,304.00	0.00	1,520,117,304.00
(c) Provisions	2	16,218,680.00	(6,298,089.00)	9,920,591.00
(d) Current Tax Liabilities (Net)	3	0.00	0.00	0.00
		<b>2,361,042,442.00</b>	<b>(6,298,089.00)</b>	<b>2,354,744,353.00</b>
<b>Total Equity and Liabilities</b>		<b>5,550,901,135.00</b>	<b>303,032,803.00</b>	<b>5,853,933,938.00</b>

See accompanying notes to the statements

\* Previous year Indian GAAP figures have been reclassified to confirm to IND AS presentation requirement for the purpose of this note.

## MAHARASHTRA STATE SEEDS CORPORATION LIMITED

### 46.3 Reconciliation of total comprehensive income for the year ended 31st March 2017\*

The following table represents the reconciliation from previous Indian GAAP to IND-AS

(Amt. in Rs.)

1	Particulars	Note No.	Previous Indian GAAP	Adjustments	IND AS
2	3	4	5	6	7
I	Revenue From Operations		7,200,834,724.00	0.00	7,200,834,724.00
II	Other Income	9	171,442,452.00	43,015,074.00	214,457,526.00
<b>III</b>	<b>Total Income (I+II)</b>		<b>7,372,277,176.00</b>	<b>43,015,074.00</b>	<b>7,415,292,250.00</b>
<b>IV</b>	<b>EXPENSES</b>				
	Cost of materials consumed		145,710,589.00	0.00	145,710,589.00
	Purchases of Stock-in-Trade		5,389,201,248.00	0.00	5,389,201,248.00
	Changes in inventories of biological assets finished goods, Stock-in-Trade and work-in-progress	1	328,800,000.00	0.00	328,800,000.00
	Employee benefits expense	5	349,289,948.00	16,345,619.00	365,635,567.00
	Finance costs		5,134,287.00	0.00	5,134,287.00
	Depreciation and amortization expense	9	10,391,282.00	43,015,074.00	53,406,356.00
	Other expenses		446,300,691.00	0.00	446,300,691.00
	<b>Total expenses (IV)</b>		<b>6,674,828,045.00</b>	<b>59,360,693.00</b>	<b>6,734,188,738.00</b>
<b>V</b>	<b>Profit/(loss) before exceptional items and tax (I-IV)</b>		<b>697,449,131.00</b>	<b>(16,345,619.00)</b>	<b>681,103,512.00</b>
VI	Exceptional Items		0.00	0.00	0.00
	Prior Period Items	4	4,496,430.00	(4,496,430.00)	0.00
<b>VII</b>	<b>Profit/(loss) before tax (V-VI)</b>		<b>701,945,561.00</b>	<b>(20,842,049.00)</b>	<b>681,103,512.00</b>
VIII	Tax expense:				
	(1) Current tax		245,000,000.00	0.00	245,000,000.00
	(2) Earlier year tax		(9,316,070.00)	0.00	(9,316,070.00)
	(3) Deferred tax	5	7,352,150.00	(5,555,876.00)	1,796,274.00
	Total Tax Expenses		243,036,080.00	(5,555,876.00)	237,480,204.00
<b>IX</b>	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>458,909,481.00</b>	<b>(15,286,173.00)</b>	<b>443,623,308.00</b>
X	Profit/(loss) from discontinued operations		0.00	0.00	0.00
XI	Tax expense of discontinued operations		0.00	0.00	0.00
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		0.00	0.00	0.00
<b>XIII</b>	<b>Profit/(loss) for the period (IX+XII)</b>		<b>458,909,481.00</b>	<b>(15,286,173.00)</b>	<b>443,623,308.00</b>
<b>XIV</b>	<b>Other Comprehensive Income</b>				
	A (i) Items that will not be reclassified to profit or loss				
	Remeasurement losses on defined benefit plan	5	0.00	16,345,619.00	16,345,619.00
	Income Tax effect	5	0.00	(5,555,876.00)	(5,555,876.00)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00	0.00
	B (i) Items that will be reclassified to profit or loss		0.00	0.00	0.00
	(ii) Income tax relating to items that will be reclassified to profit or loss		0.00	0.00	0.00
	<b>Total Other Comprehensive Income</b>		<b>0.00</b>	<b>10,789,743.00</b>	<b>10,789,743.00</b>
<b>XV</b>	<b>Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	8	<b>458,909,481.00</b>	<b>(4,496,430.00)</b>	<b>454,413,051.00</b>
<b>XVI</b>	<b>Earnings per equity share (for continuing operation):</b>				
	(1) Basic		1,097.00		1,086.00
	(2) Diluted		1,097.00		1,086.00
<b>XVII</b>	<b>Earnings per equity share (for discontinued operation):</b>				
	(1) Basic		0.00		0.00
	(2) Diluted		0.00		0.00
<b>XVIII</b>	<b>Earnings per equity share (for discontinued &amp; continuing operations)</b>				
	(1) Basic		1,097.00		1,086.00
	(2) Diluted		1,097.00		1,086.00

See accompanying notes to the statements

\* Previous year Indian GAAP figures have been reclassified to confirm to IND AS presentation requirement for the purpose of this note.

**MAHARASHTRA STATE SEEDS CORPORATION LIMITED**
**46.4**
**Reconciliation of Total Equity as at 31st March 2017 and 1st April 2016**

(Amt. in Rs.)

Particulars	Note No.	31st March 2017	1st April 2016
<b>Total Equity (Shareholder's Fund) as per previous Indian GAAP</b>		2,996,750,963.00	2,553,237,613.00
<b>Adjustments</b>			
Prior Period Adjustments	4	0.00	4,496,430.00
Proposed Dividend & Dividend Distribution Tax (1st April 2016 as per IND AS)	2	5,036,305.00	
Proposed Dividend & Dividend Distribution Tax	2	6,298,089.00	5,036,305.00
Dividend & Dividend Distribution Tax		(5,036,305.00)	0.00
Deferred Tax Liability on Remeasurement of Post Employment Benefits	5	5,555,876.00	0.00
<b>Total Equity (Shareholder's Fund) as per previous Indian GAAP</b>		3,008,604,928.00	2,562,770,348.00

**46.5**
**Reconciliation of Total Comprehensive Income for the year ended 31st March 2017**

(Amt. in Rs.)

Particulars	Note No.	31st March 2017
<b>Profit after tax as per previous Indian GAAP</b>		458,909,481.00
<b>Adjustments</b>		
Remeasurement of Post Employment benefit obligations	5	(16,345,619.00)
Tax effect on Remeasurement of Post Employment benefit obligations	5	5,555,876.00
Prior Period Adjustment	4	(4,496,430.00)
<b>Profit after tax as per IND-AS</b>		443,623,308.00
<b>Other Comprehensive Income</b>		
Remeasurement of Post Employment benefit obligations (Net of Tax)	5	10,789,743.00
<b>Total Comprehensive Income as per IND AS</b>		454,413,051.00



## MAHARASHTRA STATE SEEDS CORPORATION LIMITED

### **Notes to Reconciliations:**

#### **1. Biological Assets**

Under previous GAAP standing crops, trees and Nursery other than bearer plant were recognized as Inventory, As per IND AS 41 Trees & Nursery are covered under the definition of Biological asset, therefore company has recognized Trees & Nursery as Biological asset. Consequently, total Inventory has decreased by Rs. 32.00 Lacs (1st April 2016 14.00 Lacs and Current biological assets increased by Rs. 32.00 Lacs as on 31st March 2017 ( 1st. April 2016 Rs. 14.00 Lacs) There is no impact on the total equity or profit as a result of this adjustment.

#### **2. Proposed Dividend & Dividend Distribution Tax**

Under the previous Indian GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as a liability. Under Ind ASs 101 & 37, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (Including dividend distribution Tax) of Rs. 62.98 Lacs 31st March 2017 (1st April 2016 Rs. 50.36 Lacs) included under provisions has been reversed with corresponding adjustment to retained earnings and provided in the financial year in which it is declared or paid under Ind AS. This has resulted in increase in equity and decrease in provisions by corresponding amount.

#### **3. Current Tax Assets / Liabilities**

As per Schedule III notified by MCA, current tax Assets and Liability will be shown as separate line item on the face of financial statements. Consequently Current Tax Assets has increased by Rs 78.55 Lacs (1st April 2016 Rs. 217.89 Lacs) and current assets decreased by corresponding amount. Similarly Current Tax Liability has increased by Rs Nil (1st April 2016 Rs. 343.11) and current liabilities decreased by corresponding amount

#### **4. Prior Period Adjustment**

Ind AS 101 provides that items related to prior period are required to be adjusted retrospectively, therefore company has recognized prior period expenses in retained earnings for 01-04-2016. Consequent to this, retained earning has increased by Rs. 44.96 Lacs as on 01st April 2016 and other current financial liability has increased by Rs. 54.71 Lacs and current financial assets increased by Rs. 99.67 Lacs corresponding amount. Further, comprehensive income for Financial Year 2016-17 has increased by Rs. 44.96 Lacs.

#### **5. Measurements of defined benefit obligations**

Both under previous GAAP and Ind AS, the Company recognizes costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind ASs 101 & 19, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is increased by Rs. 163.45 Lacs (net of Tax is Rs. 107.89 Lacs) and re-measurement gains/losses on defined benefit plans has been recognized in the OCI net of tax.

#### **6. Effect of IND-AS adoption on the statement of cash flows for the year ended 31<sup>st</sup> March, 2017**

The transition from Indian GAAP to Ind AS has not had a material impact on statement of cash flows.

#### **7. Retained earnings**

Retained earnings as at April 1, 2016 has been adjusted consequent to the Ind AS transition adjustments described in this note.



### **8. Other comprehensive income**

Under IndAS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes Remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

### **9. Accounting for Government Grant & Disclosure of Government Assistance (IND AS 20)**

Under the previous GAAP, the Company has been adjusting the assets related Government grants with the cost of the related assets to arrive at their book value. As per Ind AS 20, assets related grant has to be presented in the balance sheet by setting up the grants as deferred income. Accordingly, the Company has recognized Government grants relating to its depreciable assets by setting up those grants as deferred income to be recognized in the statement of profit and loss in proportions in which depreciation expense on those assets is recognized. As a consequence, the amount of unamortized deferred income aggregating Rs 3379.58 lacs as at the date of the transition (1<sup>st</sup> April 2016) and Rs 80.90 lacs as at 31<sup>st</sup> March 2017, in accordance with paragraph 10 of Ind AS 101, has been recognized with the corresponding addition made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact). There is no impact on the total equity and profits due to the said change.

Government grants related to assets are presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income Rs. 430.15 lacs (P&L 2016-17) is recognized in profit or loss on a systematic basis over the useful life of the asset.

In terms of our report attachedFor and on behalf of the Board of Directors  
For TACS & Co,  
Chartered Accountants

**Omprakash Deshmukh**  
IAS  
Managing Director  
DIN No. 07836473

**EknathDawale**  
IAS  
Chairman  
DIN No. 06656860

**Chithra Ranjith**  
Partner  
Membership No. 104145

**Vinay Verma**  
Company Secretary

**Sanjay Thakrar**  
General Manager (Finance)

**Nagpur, 30th October, 2018**

**Mumbai, 29<sup>th</sup> October, 2018**



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF MAHARASHTRA STATE SEEDS CORPORATION LIMITED,  
AKOLA FOR THE YEAR ENDED 31ST MARCH 2018**

The preparation of Financial Statements of Maharashtra State Seeds Corporation Limited, Akola for the year ended 31st March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with 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 dated 29 October 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit of the Financial Statements of Maharashtra State Seeds Corporation Limited, Akola for the year ended 31 March 2018 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 inquiries of the Statutory Auditors 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:

**Comment on Profitability**

**Statement of Profit and Loss**

**Other Expenses: (Note No.30) Rs. 47.73 Crore**

This does not include Rs. 109.48 lakh being expenditure on CSR activities in 2017-18. The Company included the same under Other Equity by way of a deduction from the Retained Earnings in the Balance Sheet.

As per ICAI's Guidance note [(GN (A)34)] on 'Accounting for CSR Activities' – all expenditure on CSR activities should be recognized as separate line item as 'CSR expenditure' in the statement of profit and loss.

This resulted in understatement of expenses and overstatement of profit by Rs. 1.09 crore and consequent understatement of Other equity to that extent.

For and on behalf of  
The Comptroller and Auditor General of India

Place : Mumbai  
Date : 04 December 2018

(S.K. Jaipuridar)  
Principal Accountant General  
(Audit)-III