

# **BIHAR RAJYA BEEJ NIGAM LIMITED**

**CIN: U01111BR1977SGC001294**

3<sup>rd</sup> Floor, Krishi Bhawan, Mithapur, Agriculture Farm, Patna-800 001

## **STATUTORY AUDIT REPORT UNDER COMPANIES ACT 1956**

**BALANCE SHEET** \_\_\_\_\_ **AS AT 31<sup>ST</sup> MARCH 2009**

**PROFIT & LOSS ACCOUNT** **FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

**OTHERS** \_\_\_\_\_

**NRBAID® & Co.**  
**CHARTERED ACCOUNTANTS**  
SINCE 1971

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## **AUDITORS' REPORT**

To,  
**The Members,**  
**BIHAR RAJYA BEEJ NIGAM LIMITED.,**  
**Patna.**

1. We have audited the attached Balance Sheet of **Bihar Rajya Beej Nigam Limited.,** ("the Corporation") as at 31<sup>st</sup> March, 2009 and the statement of Profit & Loss Account for the year ended on that date and summary of significant accounting policies annexed thereto. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Standards on Auditing generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant accounting estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of books and records as we considered appropriate and the information and explanations given to us during the course of our audit, we annex hereto (Annexure - 'A') the statement on the matters specified in paragraph 4 and 5 of the said order.
4. Our observations and comments on the accounts of the Corporation are given in Annexure - 'B' which is attached as a part of this report.
5. In addition to our observations and comments in Annexure - 'A' and 'B' referred to above, we state that:
  - a. We have not been provided the information and explanations, which were necessary for the purpose of our audit.

In the absent of proper books of accounts, as required to be kept by law by the Corporation, we are unable to comment on the same. The accounts of the Corporation have been maintained on mercantile system. The Loss of ₹ 2,49,26,283.79 as stated in Profit & Loss Account for the year and accumulated loss at the end of the year ₹ 81,72,94,268.79 would have been higher/lower so also the Assets and Liabilities would have higher/lower by the corresponding amount. In absence of proper and absolute information we are unable to quantify the incidence thereof on Loss and Assets and Liabilities as in various cases the impact is unascertainable

- b. In absence of the books of accounts, we are unable to comment whether the Balance Sheet and the Statement of Profit & Loss Account dealt with by this Report are in agreement with the entries in the books of accounts.





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- c. As per General circular No.8/2002 dated 22.03.2002 issued by Department of Corporation Affairs the Nominee directors appointed by Central / State Government are exempt from provisions of Section 274 (1) (g) of the Companies Act, 1956.
- d. In our opinion, the Balance Sheet and Profit & Loss Account do not comply with all the Accounting Standards referred to in Sub-section 3(c) of Section 211 of the Companies Act, 1956. Deviations from prescribed Accounting Standards observed in AS-3, AS-6, AS-9, AS-12, AS-13 & AS-22 the financial impact of which being non-ascertainable could not be reported.
- e. In view of our comments as above on the reported loss for the year as well as on the reported assets and liabilities as on 31<sup>st</sup> March, 2009, we issue a disclaimer of opinion on the said accounts as required by the Companies Act, 1956: -
- In the case of Balance Sheet, of the state of affairs of the Corporation as at 31<sup>st</sup> March, 2009 and
  - In the case of Statement of Profit & Loss Account, of the Loss of the Corporation for the year ended on that date.

**UDIN:22301513AJINOL3104**

Place: Patna

Date: 20<sup>th</sup> May 2022



**For N. R. Baid & Co.**

Firm Registration No. 002104C

Chartered Accountants

**(CA. M. KUMAR)**

Partner

**Membership No. 301513**





**ANNEXURE – 'A'**

**Annexure: A**

Referred to in paragraph 3 of our report of even date

- |   |  |
|---|--|
| (i) (a) Whether the Corporation is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.   | The Corporation has not provided us any records to show full particulars including quantitative details and location of Fixed Assets. These fixed assets have not been physically verified by the management during the year.  |
| (b) Whether any of the fixed assets have been revalued during the year? If so, the basis of revaluation should be indicated   | None of the Fixed assets have been revalued during the year  |
| (c) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account. | Physical verification report was not made available for our verification.  |
| (c) If a substantial part of fixed assets has been disposed off during the year, whether it has affected the going concern.   | The Corporation has not disposed of a substantial part of fixed assets during the year and the going concern status of the Corporation is not affected.  |
| (ii) (a) Whether physical verification of inventory has been conducted at reasonable intervals by the management.   | As informed to us stock of seeds, packing materials, the items and chemicals have been physically verified by the management during the year but no verification report was made available to us as such we are unable to express our opinion on procedures of verification. |
| (b) Are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the Corporation and the nature of its business? If not, the inadequacies in such procedures should be reported.      | Physical verification report was not made available for our verification so we are unable to comment upon the same.  |
| (c) Whether the Corporation is maintaining proper records of inventory and whether any material   | In the absence of any records, we are unable to comment whether the Corporation is maintaining proper records  |





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discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account.

of inventory. The discrepancies, if any, between physical stock and the book records has not been ascertained. Non consideration of physical stock may have material impact of the Profit & Loss Account of the Corporation.

(iii) (a) Has the Corporation has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and amount involved in the transactions.

In the absence of books of accounts, we are unable to comment whether the Corporation has granted any Loans or Advances in the nature of Loan.

(b) Whether the rate of interest and other terms and conditions of loans given or taken by the Corporation, secured or unsecured, are prima facie prejudicial to the interest of the Corporation.

In absence of records to verify the stipulations we are unable to comment upon the rate of interest and other terms and conditions of loans given or taken by the Corporation.

(c) Whether the payment of principal amount and interest are also regular.

In absence of records to verify the stipulations we are unable to comment upon the regularity of repayment of advance or adjustment thereof.

(d) If overdue amount is more than one lakh, whether reasonable steps have been taken by the Corporation for recovery/payment of the principal and interest.

In absence of records to verify the stipulations, we are unable to comment whether reasonable steps have been taken by the Corporation for recovery/payment of the principal and interest.

(e) Has the Corporation taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act? If so, give the number of parties and the amount involved in the transactions; and

In the absence of books of accounts and necessary records to verify the stipulations, we are unable to comment upon the same. However, on the basis of the signed financial statements provided to us for audit, prime facie it appears that the Corporation has not taken any loan from parties except amounts received from Deptt. Of Agriculture, Govt. of Bihar against Sale of Seeds on their permits. Register maintained under 301 (I) of the Companies Act, 1956 were not made available for our verification.

(f) Whether the rate of interest and other terms and conditions of loans taken by the Corporation, secured or unsecured; are prima facie prejudicial to the

In absence of documents and records, we are unable to verify and/or comment upon the same.





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- interest of the Corporation; and
- (g) Whether payment of the principal amount and the interest are also regular
- (iv) Is there an adequate internal control procedure commensurate with the size of the Corporation and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods? Whether there is a continuing failure to correct major weaknesses in internal control.
- (v) (a) Whether transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
- (b) Whether each of these transactions has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In case the Corporation has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under, where applicable, have been complied with. If not, the nature of contraventions should be stated; if an order has been passed by Corporation Law Board or National Corporation Law Tribunal or Reserve Bank of India or any other Tribunal whether the same has been complied with or not?
- (vii) In the case of listed companies and/or other companies having a paid-up capital and reserves exceeding Rs. 50 lakhs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crores rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the Corporation has an internal audit
- In absence of documents and records, we are unable to verify and/or comment upon the same.
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- In absence of documents and records, we are unable to verify and/or comment upon the same.
- In absence of books of accounts and records necessary to verify the same, we are unable to comment upon this. However, on the basis of signed Financial Statements provided to us for audit, prima facie it appears that the Corporation has not accepted deposits from the public within the meaning of Section 58A of the companies Act, 1956 and the rules framed there under.
- Internal audit has been conducted by a firm of Chartered Accountants after expiry of financial year. No follow up has been done on the observations made by internal auditors. Internal audit system is not adequate.





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system commensurate with its size and nature of its business.

- (viii) Where maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of Section 209 (1) (d) of the Act, whether such accounts and records have been made and maintained.
- (ix) (a) Is the Corporation regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.
- (b) In case dues of sales tax/income tax/custom tax/wealth tax/excise duty/cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending may please be mentioned.
- (x) Whether in case of a corporation which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the financial year immediately preceding such financial year also.
- (xi) Whether the Corporation has defaulted in repayment of dues to a financial
- As explained by the management, the maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
- In absence of books of accounts and records, we are unable to comment upon the same. We are also unable to quantify the arrears of dues, if any.
- In absence of adequate information and explanation, the undisputed amounts payable in respect of income Tax. Wealth Tax, Sales Tax, Excise Duty, and Customs Duty outstanding as at the last day of the financial year for a period of more than six months from the date they become payable cannot be quantified.
- The Corporation has accumulated losses of ₹ 81,72,94,268.79 as at the end of the year, (Previous Year ₹ 89,92,82,206.00). The Corporation has incurred cash losses during the current financial year ₹ 241.64 Lakhs (Previous Year ₹ 40.25 Lacs) [Current year Loss less depreciation and Prior period adjustments].
- Not Applicable to the Corporation





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institution or bank or debenture holders? If yes, the period and amount of default to be reported.

- (xii) Whether adequate documents and records are maintained in cases where the Corporation has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; If not, the deficiencies to be pointed out. Not Applicable to the Corporation.
- (xiii) Whether the provisions of any special statue applicable to chit fund have been duly complied with? Not Applicable to the Corporation.
- (xiv) If the Corporation is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also, whether the shares, securities, debentures and other securities have been held by the Corporation, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act. Not Applicable to the Corporation.
- (xv) Whether the Corporation has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Corporation. As informed to us and on the basis of explanation provided to us, the Corporation has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Whether the term loans were applied for the purpose for which the loans were obtained. Not Applicable to the Corporation.





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- (xvii) Whether the funds raised on short-term basis have been used for long-term investment and vice-versa. If yes, the nature and amount is to be indicated. On the basis of an overall examination of the Balance Sheet of the Corporation, we have observed that funds raised on short term basis have not been used long term investment and vice-versa.
- (xviii) Whether the Corporation has made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act, and if so whether the price at which shares have been issued is prejudicial to the interest of the Corporation. On the basis of examination of the Balance Sheet and Schedule 'A' of the Final Accounts provided before us for audit, it appears prima facie that the Corporation has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) Whether securities or charge have been created in respect of debentures issued? Not Applicable to the Corporation.
- (xx) Whether the management has disclosed on the end use of money by public issues and the same has been verified. Not Applicable to the Corporation.
- (xxi) Whether any fraud on or by the Corporation has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated. According to the information and explanation given to us and during the course of our audit conducted in accordance with generally accepted auditing standards in India, we have observed that there was no fraud on or by the Corporation noticed or reported during the year under review.



Place: Patna

Date: 20<sup>th</sup> May 2022

For N. R. Baid & Co.  
Firm Registration No. 002104C  
Chartered Accountants

(CA. M. KUMAR)

Partner

Membership No. 301513



**ANNEXURE – 'B'**

Auditors' special observation and comments attached to and forming part of the Auditors' Report to the member of the **Bihar Rajya Beej Nigam Limited.**, on the accounts for the year ended 31<sup>st</sup> March, 2009:

**1. Share Capital : ₹ 3,71,48,409.20 (Previous year ₹ 3,71,48,409.00)**

- 1.1. The Corporation has not followed the terms and conditions of letter dated 10.09.1981 of the Controller of Capital Issues in connection with their consent for issue of Shares by the Corporation. As per the said letter, period allowed for the issue of capital was extended till 09.04.1985 with condition that no further extension beyond 09.04.1985 will be considered. Further extension, if any, has not been shown to us. The Corporation has, not complied with the law related to Capital Issue.
- 1.2. Paid up capital of the Corporation is also not in conformity with the Article 7(b) of the Article of Association of the Corporation regarding ratio of shareholding among different class of shareholders.
- 1.3. As per information / documents provided to us during the course of audit in 83<sup>rd</sup> Board Meeting held on 03.01.1998 Bihar Rajya Beej Nigam Limited has approved allotment of 3326 Equity Share and 2304 Preference Share to NSC. Relevant letter of National Seeds Corporation Limited regarding payment towards share capital deposit were not available for our Verification. The Share certificates are yet to be issued by the corporation.
- 1.4. No detail of share Capital deposits from growers was available for our verification.
- 1.5. As indicated in Note 2.1 of Schedule 'V' to the accounts the subscribed Equity Capital of the Corporation is Rs. 2,32,05,100/- whereas issued capital is only Rs. 2,25,00,000/-, thereby subscribed capital exceeds the issued capital by Rs.7,05,100/-
- 1.6. As indicated in Note 2.2 of Schedule 'V' to the accounts the Corporation has received a sum of Rs. 31,97,000/- from State Government which was refundable with interest as soon as the Corporation receives money from growers. However, no provision for liability, on account of interest has been made by the Corporation. Moreover, out of the above, a sum of Rs. 27,00,000/- has been transferred to share Capital Account for allotment of 27,000/- Equity shares of Rs. 100/- each to Governor of Bihar in terms of Board's Resolution (49/18) dated 15.02.1988. No confirmation from Govt. of Bihar could be made available for our verification.
- 1.7. As indicated in Note 12 of Schedule 'V' to the accounts, no provision for Dividend on Cumulative Preference Shares has been made in these accounts.
- 1.8. We are informed that the Corporation has seven registers of members, out of which one register (Vol-II) has been misplaced and is not available with the Corporation. The list of shareholders and shares held by them is as follows:

Sr. No.	Name of Shareholder	No. of Equity	No of Preference
1.	Government of Bihar	133500	36160
2.	Rajendra Agriculture University	5000	0
3.	National Seeds Corporation	63829	37021
4.	Progressive Farmers	29692	0
	<b>Total</b>	<b>232021</b>	<b>73181</b>







- 1.9. During financial year 2006-07 a sum of Rs. 64000/- was received from Growers of Share Deposit for which shares are yet to be issued. Further, earlier amount of share deposits also stands unallotted.
- 1.10. In the absence of any records or books of accounts, we could not verify any of the Share Capital. All the observation given are as per Internal Auditor's report provided to us and on the basis of our examination of the financial statements.

**2. Reserve & Surplus: ₹ 31,14,000.00 (Previous year ₹ 31,14,000.00)**

A sum of Rs. 31,14,000.00 has been shown as Capital Subsidy received from Govt. of Bihar for setting up seed Processing Plant in Tribal area. The treatment of Govt. grant in the Balance sheet is contrary to the treatment suggested under AS-12, "Accounting for Government Grants" issued by the Institute of Chartered Accountants of India. In absence of proper details regarding assets against which subsidy has been received the depreciation charged by the Corporation on the value of subsidy could not be ascertained. Consequently, loss has been overstated by an amount which can be quantified.

**3. Unsecured Loans : ₹ 72,70,75,103.00 (Previous year ₹ 72,65,51,333.00)**

- 3.1. Letters of the Department of Agriculture, Govt. of Bihar, containing terms and conditions of the loans were not available to verify the amount of interest payable thereon, As indicated on Note 3 of Schedule 'V' to the accounts, a sum of Rs. 3,97,45,021/- has been adjusted on account of cost of seeds supplied in earlier year against permit. The said adjustment is subject to approval of the Department of the Govt. concerned. Balance is also unconfirmed. Interest has been calculated on the net amount which has resulted in under charging of interest as well as understatement of loss to that extent.
- 3.2. As indicated in Note 2.2 Schedule 'V' out of Rs. 31,97,000/- a sum of Rs. 4,97,000/- is still outstanding as unsecured loan from Govt. of Bihar. No interest has been provided on this amount.
- 3.3. In the absence of any records or books of accounts, we could not verify any of the Unsecured Loans and any interest calculation thereon. All the observations given are as per Internal Auditor's report provided to us and on the basis of our examination of the financial statements.
- 3.4. In the absence of any records or books of accounts, we could not verify any of the Unsecured Loans and any interest calculation thereon. All the observations given are as per Internal Auditor's report provided to us and on the basis of our examination of the financial statements.

**4. Grant from Director (Agriculture): ₹ 21,10,52,925.50 (P. Y. ₹ 13,46,37,335.00)**

- 4.1. Rs. 1,32,86,000/-, was received in financial year 2006-07 from Director (Agriculture), Govt. of Bihar as Grant. Out of this, a sum of Rs. 83 lakhs have been received from Sone Command while entire amount has been shown as received from Director Agriculture.
- 4.2. As per Note-20.1 of Schedule-'V' of the accounts, a Revenue Grant of Rs. 371.78 lakhs were received from Agriculture Dept., Govt. of Bihar vide L No. -3792 (Secretary) dt 10/08/2007. This has been shown under Schedule- 'D1' as Grant from Director (Agri.). Govt. of Bihar/ Govt. of India.





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- 4.3. As per Note-20.2 of Schedule- 'V' Also, A sum of Rs. 69,00,000/- received during F. Y. 2007-08 through 6 different district, Agriculture Officers from Govt. of Bihar for the purpose of mobile processing plants. Since no expenditure was incurred thereon up to the end of the year the said amount is shown as current liabilities. However, it is observed that the same is shown under loans in the financial statements.
- 4.4. As per Note-20.3 of Schedule- 'V' Grant from Govt. of India, Ministry of Agriculture and Corporation being Rs. 3,69,18,520/- was received during the year for construction of seed processing plants, and miscellaneous work.
- 4.5. The Corporation has not provided us with details of Rs. 7,75,32,835 received during F. Y. 2007-08 and Rs. 1,00,00,000 during F. Y. 2008-09 from CEO, B. S. F. A. B. C. mention as Grant for Production Program. Schedule 'D1' is mentioned in the Corporation's Annual Report.
- 4.6. As per internal Audit Report Grant from Govt. of India, Ministry of Agriculture and Corporation being Rs. 9,05,09,520/- was received up to 31<sup>st</sup> March, 2009 for construction of seed processing plants and miscellaneous work of Godowns. However, total grant as per schedule 'D1' received during the year is Rs. 18,64,15,584/-.
- 4.7. Upon review of utilization certificate provided to us, we are unable to ascertain the correctness of the accounting treatment of these transactions with respect to AS-12 "Accounting for Government Grants" issued by the Institute of Chartered Accountants of India.

## 5. **Fixed Assets (Gross): ₹ 3,82,29,179.00 (Previous year ₹ 3,57,99,976.00)**

- 5.1. No adjustment has been made of fixed assets already in use and non-provision of depreciation thereon.
- 5.2. There is no adjustment of cost of land on which processing plant at Kudra has been set up pending determination of cost.
- 5.3. There are additions of Vehicle, Furniture & Fixture, Computer and Tools & Equipment totaling Rs. 24,29,203/- observed during the year but no bills/ vouchers relevant to the addition provided for verification to us.
- 5.4. There is no adjustment of short depreciation charged in earlier years.
- 5.5. Depreciation has not been provided at rates and method specified in schedule XIV and also depreciation has not been provided in the manner as specified in the Companies Act, 1956. In absence of detailed calculation of correct amount of depreciation, the amount short / excess provided could not be quantified.
- 5.6. In view of above, the amount of fixed assets is overstated/understated to the extent not quantifiable.
- 5.7. In the absence of Fixed Assets register and any records, verification of balances could not be done and all the above observations have been provided as per Internal Auditor's report provided to us.
- 5.8. A plot of 25 acres of land was provided by the Government of Bihar for setting up a processing plant complex at Kurda (Kaimur). The terms and condition as regard transfer of land including its price consideration are yet to be finalized and in absence thereof neither cost of land nor liabilities for payment have been exhibited in the accounts.







**6. Capital Work in Progress – ₹ 5,62,93,535.41 (Previous year ₹ 3,93,20,730.00) and Advance against Capital Expenditure – ₹ 43,75,818.00 (Previous year ₹ 43,75,818.00)**

- 6.1. Non adjustment of the amounts shown under the head of Capital work in progress and advances against Capital Expenditure. As informed to us, till the date of this report the said work in progress has not been completed and therefore does not represent investment in and asset of utility. Further, in comment upon the value shown in the books of accounts.
- 6.2. Adjustment of Civil Construction work till 1984-85 carried out by PWD, Bihar has not been made on the basis of audited statement which was to be made available by them in terms of agreement entered into with the Corporation. Moreover, expenses incurred are in excess of the sanctioned amount for which approval of the Board of Directors of the Corporation is yet to be obtained. No compliance as yet has been shown to us.
- 6.3. In absence of any documentary evidence the actual amount of addition in work in progress and building under construction could not be verified.
- 6.4. Amount of Capital-Work-in-Progress is Rs. 3,93,20,730.21 in Schedule "F" to the accounts where is Rs. 3,93,20,730/- on the face of the Balance Sheet.
- 6.5. Most of the grants were partly utilized during the year and partly remaining to be utilized in the next year. The expenses incurred during the year out of the grant made available for assets creation is shown as capital work in progress in Balance Sheet pending completion of the work. Construction of godowns and stores was being done by the corporation departmentally and not by engaging outside agencies.
- 6.6. In the absence of Fixed Assets register and any records, verification of balances could not be done and all the above observations have been provided as per Internal Auditor's report provided to us on the basis of our examination of the financial statements.

**7. Inventories: ₹ 9,06,35,757.03 (Previous year ₹ 5,91,48,191.00)**

- 7.1. As mentioned in notes 14.1, 14.2, 14.3, 15.1 and 15.2 of Schedule 'V' to the accounts, stock of seeds, packing/certification materials and other items have not been taken on the basis of stock records after adjustment of shortage/excess found on physical verification. No due consideration has been given for deterioration in the quality of old stocks resulting into over valuation of stock. Moreover, for valuation of stock of seeds cost plus rates have been applied as mentioned in Note 14.4 of schedule 'V' to the accounts even in cases where rates differ from one variety to other as variety-wise break-up of stock was not available.
- 7.2. Depreciated value of loose tools has not been shown in the account resulting in over statement of its value
- 7.3. Inventory includes stock of spares for Rs. 1,45,965.00 and Loose Tools for Rs. 71,623.00 carried forward since long Based on actual position consumption is required to be booked and actual stock, if any should only be shown as stock.
- 7.4. As mentioned in Note 14.4 of Schedule 'V' to the accounts, the valuation of seeds is not at lower of cost or net realization value. Further, the valuation system adopted by the Corporation has not been strictly followed.







7.5. In view of above, the stock in trade shown does not state correctly neither the quantity of stock held by the Corporation nor valuation of stock. The closing stock is overstated and extent of which could not be quantified.

7.6. In our opinion, the internal control procedure of the Corporation relating to purchase, sales and inter-unit transfers of stock are not commensurate with the nature and size of the business of the Corporation resulting changes of transaction and stocks in transit or stock lying in passion with others remain to be recorded in the books and reflected in the final account. No internal control was found for realization of value of goods sold or to be debit the account of particular person from whom amount is recoverable resulting substantial amount lying under the heads of sales center/sales in charge etc. and even in case of supplies to Government Departments no receipted challans were found in records as mentioned in most of internal audit reports of various offices of the Corporation. Internal control procedure for purchase of packing materials, chemicals, Plant & Equipment and other assets are also not commensurate with the size and nature of business of the Corporation.

7.7. In the absence of Stock Statement register and any records, verification of balances could not be done and all the above observations have been provided as per Internal Auditor's report provided to us on the basis of our examination of the financial statements.

**8. Sundry Debtors: ₹ 23,12,40,255.30 (Previous year ₹ 11,20,92,238.00)**

8.1. In absence of evidence in shape of receipted Challan or similar document as regard goods supplied to the various parties, credit sales booked with corresponding debits in the name of such parties could not be verified.

8.2. It includes substantial amount receivable from Govt. Of Bihar on account of subsidy. In absence of the details of claims submitted in respect to subsidy and any communication regarding approval of the competent authority, we are unable to comment upon the recoverability or otherwise of the amount. Amount received from Director of Agriculture; Govt of Bihar has been adjusted against such dues. Communications with such remittance have not been shown to us to verify such adjustments.

8.3. It also includes substantial amount receivable from "BISCOMAUN" who have disputed the dues on various grounds including non-receipt of substantial quantities of seeds shown as supplied by the Corporation. Pending settlement of the matter, the management, however, has considered the entire debts as good and recoverable which in our opinion does not appear appropriate.

8.4. It also includes substantial amounts being net balance of amounts sold by various sales centers and remittance there against pending preparation of party-wise list. As it also includes amount related to cash sales such balances are receivable from respective sales centers/recoverable from sales in charge. As no sales centre/in chare-wise list at any stage is available, there is possibility that the Corporation may not be in position to recover substantial amount.

8.5. Credit Sales are subject to approval of competent authority.







- 8.6. As stated in Note no.6.4 of schedule 'V' to the accounts sundry debtors includes Rs. 120.84 Lacs receivable from service agents of the Corporation and is outstanding since long and it appears doubtful of recovery. No adequate provision has been made against the same.
- 8.7. Net Credit balance under the head of Debtors Government has been shown as advance against sales.
- 8.8. Net debit balance of Rs. 11,94,605.50 of Growers Account has been shown as Sundry Debtors. In absence of party-wise details it was not possible to ascertain the amount of total debts and the amount of liabilities as at 31st March, 2009, therefore liability and advances both are understated.
- 8.9. In view of the facts mentioned above as neither provision has been made nor there are sufficient records to quantify the provision amounts the sundry debtors' figures is heavily overstated in terms of realization to the extent not quantifiable.
- 8.10. In absence of party-wise details, we are unable to verify the age-wise classification of debts.
- 8.11. Identification of Bad & Doubtful Debtors has not been done by the Corporation.
- 8.12. All accounts and Balances are subject to reconciliation and confirmation. In the absence of any details and explanations, any of the amounts could not be verified.
- 8.13. Credit Balance of Rs.4,81,92,352.80 is lying under the head of "Liability for Purchase" since long which has been shown as sundry Creditors pending adjustment. In case such balance is related to purchase of seeds, the debit balance of Growers accounts is overstated resulting overstatement of Sundry Debtors with corresponding overstatement of Sundry Creditors. A Sum of Rs. 91.86 lakhs related to Security Money from dealers etc. is also lying unadjusted resulting overstatement of Sundry Debtors with corresponding overstatement of other liabilities by the amount unadjusted.
- 8.14. The debtors have increased during the year by Rs. 11,91,48,017.69 out of these a sum of Rs. 7,62,44,823/- is outstanding from the year 2007-08.
- 8.15. In the absence of Party-wise details summary and any records, verification of balances could not be done and all the above observations have been provided as per Internal Auditor's report provided to us on the basis of our examination of the financial statements.

**9. Cash & Bank Balances: ₹ 8,79,99,420.90 (Previous year ₹ 3,31,46,941.00)**

- 9.1. None of the Cash Books, Bank Books, Bank Statements, Reconciliation Statements, etc. have been made available to us for our review, hence, we have drawn observation towards the Internal Auditor's report made available to us during the course of Audit.
- 9.2. Most of the Bank accounts, operated at various units of the Corporation, remain unreconciled and some of them were not operated since many years. Even in cases where accounts are reconciled, there are substantial amounts outstanding since long including cases of amounts debited/credited by bank but not recorded in the books.





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of the Corporation, non-adjustment of which may materially affected the Bank Accounts. In many cases Bank Statements/confirmations were not available.

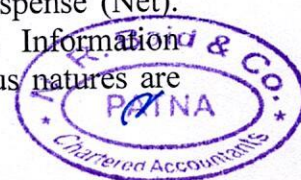
- 9.3. In absence of cash statement related to imprest with units the balance of Rs. 6,75,677.00 could not be certified. It also includes old imprest balance which is outstanding since long. Cash & Bank balances related to imprest has not been shown separately.
- 9.4. No details of drafts in hand which includes old branches is available. Such items need to be excluded from this head on its scrutiny and transferred to proper head.
- 9.5. Confirmation related to balance of Rs.19,45,028.00 shown in public Ledger Account No. 8414 was not available
- 9.6. Draft in Hand Rs. 60,833/- is appearing as same since the earlier years and pending for adjustment. No details made available to us in this regard.
- 9.7. In the absence of Cash Book, Book and any records, verification of balances could not be done and all the above observations have been provided as per Internal Auditor's report provided to us on the basis of our examination of the financial statements.

## **10. Other Current Assets: ₹ 2,74,07,702.00 (Previous year ₹ 3,70,653.00)**

- 10.1. Other Current Assets includes Rs. 2,70,36,165/- receivable from C. E. O. BESEABC details of which is not provided for our verification.
- 10.2. No details of remittance-in-transit amounting to Rs. 3,70,653/- were available out of which Rs. 2,02,653/- is outstanding since long. We are not in a position to comment up on the correctness of the amount shown under this head. This amount reflecting for long should be written off.

## **11. Loans & Advances: ₹ 8,67,50,254.29 (Previous year ₹ 5,96,35,893.00)**

- 11.1. Advances recoverable in cash or in kind includes a stagnant sum of Rs. 55,832.73 under the head "Disallowed Expenditure". No details of the same was available. No effort appears to have been made for recovery/adjustment of the same. Further, no provision has been made in the books of account due to which the loss of the Corporation is understated by such amount.
- 11.2. It also includes Rs. 1,84,661.00 recoverable from Bihar State Electricity Board. No effort appears to have been made by the Corporation to get refund of this amount.
- 11.3. It also includes Rs. 4,17,280.00 being excess subsidy paid in earlier years but no recovery has yet been made. No information is this context made available to us.
- 11.4. It also includes substantial amount of advance for expenses and Travelling Advance to staff which indicated lack of effort in adjustment of bills and/or recoverable from person concerned. It also includes advances to directors' amount of which (in absence of detail) has not been separately shown with maximum amount due at any time during the year as required by Schedule VI of Companies Act, 1956.
- 11.5. A sum of Rs. 26,59,170.00 has been shown under the head of suspense (Net). This also includes Un-reconciled balances of inter unit transactions. Information as regards last reconciliation was not available. Amounts of various natures are





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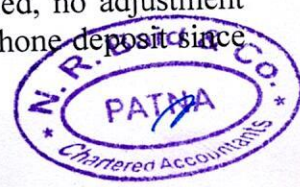
outstanding since long, which needs to be scrutinized and adjusted as it may have effect on Profit & Loss.

- 11.6. Loans & Advances Recoverable in cash or kind includes several items of payments made in earlier years against which supplies are reported to have been received in past or advance has been made on the basis of Performa invoices for which no proper adjustment was made and the items are being wrongly shown under the aforesaid head of account. Out of this some old items, which came to our notice and noted by us are shown below: -

Srl.	Name of the party	Amount shown in Loans & Advances Recoverable
1	A. P. State Seed Development Corporation	2,14,819.32
2	Bombay Tyre International	1,81,079.09
3	Bihar State Food & Civil Supply Corporation	3,03,750.00
4	Bihar State Fruit Vegetable Corporation	2,00,000.00
5	Central Potato Research Station	1,29,000.00
6	Central Potato Research Station, Patna	1,99,735.00
7	Girijesh Kumar Singh, Kudra	1,62,645.76
8	Hindustan Petroleum Corp.	1,19,842.88
9	Indian Agri. Research Institute	1,02,630.00
10	Krishna Beej Pvt. Ltd., Delhi	7,09,475.75
11	Lawly Sen & Co.	1,56,564.24
12	Masina Beej Pvt. Ltd., Delhi	7,69,492.00
13	M. K. Rahman	1,42,147.34
14	National Jute Mfg. Corp. Kolkata	4,76,419.50
15	National Jute Mfg. Corp. Ltd.	13,17,658.52
16	Sardar Ajit Singh, Kudra	1,65,563.32
17	Sardar Surrender Singh, Kudra	3,76,340.46
18	Seed Loans to Farmers	1,40,555.84
19	Sukhadia Uni. Mach. Ag. Farm, Kota	1,90,950.00
20	Swadeshi Tripal Industries	1,96,638.40
21	Advance to Transporters	3,84,476.45
22	Avinash Kumar	4,31,000.00
23	Bihar State Seed Certification Agency	15,41,425.25
24	Guru Nanak Transport	4,82,980.75
25	K. M. Enterprises	1,02,457.50
26	Munna Carrier	2,74,911.70
27	Nand Bihari Singh	5,52,966.70
28	UP Seed & Tarai Development Corporation	38,841.92

- 11.7. It would also not be out of place to mention that substantial amounts are lying under the group of Sundry Creditors (Others) without detail (under account heads 'Liability for purchase, creditor for purchase etc.) in such case, balance under adjusted. The extent to which such adjustments on analysis or linking of balances will affect the profit or other accounts could not be determined.

- 11.8. Although most of the telephone connections have been installed, no adjustment has been made against the sum of Rs. 38,222/- shown as Telephone deposit since long.





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- 11.9. A sum of Rs. 25,000/- has been shown as Advance Income Tax since long. No information regarding Income Tax Assessment were made available to us.
- 11.10. No party-wise details of advances to staff were prepared hence the same remains Unscrutinised.
- 11.11. A sum of Rs. 56,17,031.00 (previous year Rs. 56,17,031.00) is lying under the head "Farms Taken over Account" for the reason indicated in Note 9.3 of schedule 'V' to the accounts. We are unable to express or opinion on reliability or otherwise of the sum in view of non-availability of related details. In our opinion this may ultimately prove to be un-booked loss to be adjusted in Corporation's accounts, against which no provision is being made by the Corporation in view of details explained in the said Note 9.3 of schedule 'V'.
- 11.12. As mentioned in Note 9.1 of schedule 'V' to the accounts no provision has been made for doubtful advances amounting to Rs.15,67,795.00 besides the amount substantial amounts are lying unadjusted/unrecovered since long for which adequate provision required.
- 11.13. The RPF Commissioner Seized a sum of Rs.12 lakhs approx. in earlier year 2004-05 lying in various Bank Accounts against outstanding Employees and Employer's contribution to Provident Fund. This amount has not been shown as advance on Assets side of the Balance Sheet.
- 11.14. Beside this, the rent receivable from FCI & Forest Department is also been taken by the RPF Commissioner towards their liability which has also been treated as advance.
- 11.15. It also includes Rs. 1,08,03,289.49 as advance for expenses and Rs. 1,00,150/- as Travelling Advances to Staff which indicate lack of efforts in adjustment of bills and/ or recoveries from persons concerned.
- 11.16. There is various sale center against whom sale proceeds of the year were found Outstanding as on 31.03.2009 and stated under loans & advances Rs. 7,36,267.80. Absence of Sale center records and documents we are unable to comment upon the same.
- 11.17. Party-wise as well as age-wise details of the loans & advances together with documentary evidence of advances made to them not made available to us for our review.
- 11.18. In the absence of any records or books of accounts, we could not verify any of the Loans and Advances. All the observation given above are as per the Internal Auditor's report provided to us and on the basis of our examination of the financial statements.

## **12. Current Liabilities : ₹ 42,93,17,277.97 (Previous year ₹ 30,99,46,577.00)**

- 12.1. Net amount of balance under the account Debtors-Govt. has been shown as advance against sales. In absence of different agency-wise details it was not possible to ascertain the amount of total liability and the amounts of advances made to growers remaining unadjusted as at 31st March, 2009. Therefore, Liabilities and advances are unadjusted.





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- 12.2. Attention is invited to Para 8.13 and 11.1 to 11.5 above regarding substantial amount lying under this head which may be adjusted from advances.
- 12.3. Rs. Nil/- shown as interest payable to Govt. of Bihar and National Seeds Corporation Limited does not appear to be payable in absence of any formal demand from them. Also, this amount is continuing as it is since past various years.
- 12.4. A sum of Rs. 3,78,778/- (Previous year Rs. 3,78,778/-) has been shown as "Inter Unit Accounts". No effort has been made to reconcile the same.
- 12.5. A sum of Rs. 1,62,00,000/- has been shown as received from Department of Agriculture, Govt. of Bihar. This amount being carried forward from the previous year. The amount of this amount was not explained.
- 12.6. As mentioned in significant Accounting Policies (Para 1.1.b) in Schedule 'V' to the accounts, Liabilities on account of purchase/sales tax has not been ascertained. As explained, this is booked on completion of assessment. Relevant files were not available to ascertain total liabilities based on assessment so far made and amounts so far adjusted i.e., the books of accounts.
- 12.7. Party-wise as well as age-wise details of sundry creditors together with the documents of purchase made/services availed from them not made available for our review.
- 12.8. It was observed that opening balance of the units are kept at H.O and no information about opening balance was given to the unit. In absence of proper information, no entry for any error / omission in the preparation of accounts were noticed by the units in case of outstanding liabilities and these are still continuing in the accounts. Further, no details of outstanding liabilities were made available to us, so we are unable to express on the adequacy of outstanding liabilities.
- 12.9. Credit Balance of Rs. 4,81,92,352.80 is lying under the head of "Liability for Purchase" since long which has been shown as sundry Creditors pending adjustment. In case such balance is related to purchase of seeds, the debit balance of Growers accounts is overstated resulting overstatement of Sundry Debtors with corresponding overstatement of Sundry Creditors. A Sum of Rs. 91.86 lakhs related to Security Money from dealers etc. is also lying unadjusted resulting overstatement of Sundry Debtors with corresponding overstatement of other liabilities by the amount unadjusted.
- 12.10. National Seeds Corporation Limited, New Delhi, consultant of the Corporation was entrusted with commissioning of the Plant. They had incurred expenses on behalf of the company out of their own fund and have claimed interest on such advances. Pending decision, no provision for interest so claimed has been made in the account.
- 12.11. The Sundry Creditors have increased during the year by Rs. 5,26,57,531.74 out of these a sum of Rs. 7,93,31,545.95 is outstanding from the year 2007-08
- 12.12. In the absence of any records or books of accounts, we could not verify any of the Loans and Advances. All the observation given above are as per the Internal







Auditor's report provided to us and on the basis of our examination of the financial statements.

**13. Profit & Loss Accounts:**

**13.1. Production/Purchase/Sale of Seeds:**

- (i.) For the reasons indicated in notes 14.1, 14.2 and 14.3 of Schedule 'V' to the accounts, productions, purchase and sales of seeds as shown in the account cannot be said as showing the figures of production, purchases and sales based on actual processing, receipts and issue of seeds as per stock books.
- (ii.) The different units of the Corporation have dispatched certified seeds to various destinations throughout the state on instruction of the Govt. of Bihar for sales of such seeds by various Govt. offices at block or other levels. Such dispatches should have been made through Material transfer Notes and based on the statement of sales by respective Govt. office sales should have been booked. The units have credited the sales account debiting various Govt. office based on such dispatches without getting information whether such seeds have been sold by them or are still lying at those places at the end of the year. In such situation, where seeds are still lying with the Govt. Offices, Sales and Sundry Debtors are overstated and inventories are understated. This may also affect the Profit & Loss of the Corporation
- (iii.) In case of some units of the Corporation sales of seeds has been booked in the accounts without obtaining proper information regarding sales by debiting the account head "Sales Center " / "Sales In-Charge" etc. and no realization of value of goods sold are forthcoming. Further, in some cases stock has been sold but it was not recorded as sales and stock has been shown as lying in the possession of the unit and included in the inventory.
- (iv.) Rates of auction sales could not be verified in absence of relevant office orders/files. In some cases, rates of sales of other seeds were also not verified in absence of price list / approved rates.
- (v.) Seeds have been sold at rates lower than the rates fixed by the Corporation. No formal approval of the competent authority was shown.

**13.2. Consumption of Packing materials / Chemicals & Store:**

- (i.) For the reasons indicated in notes 15.1, 15.2, and 15.3 of schedule 'V' to the accounts, purchases and consumptions shown in the account cannot be said as showing the figures of purchases and consumption based on actual receipts and issue of such goods as per stock books.
- (ii.) There is no system of reconciling inter-unit transfer of goods in the financial books, maintaining a list of sales centers along with remittances there against regularly and its timely verification resulting recording of transactions, stocks and debtors on the basis of incomplete information as mentioned in notes 14 of schedule 'V' to the Accounts. No step seems to have been taken to improve the situation.

**13.3. Registration and seed certification charges:**







It has not been booked on the basis of bill submitted by the Bihar State Seed Certificate Agency. It could not be explained whether the same has been verified with the records, if any maintained by the Production Department of the Corporation.

**13.4. Purchase incidental / transport and handling**

(i.) There is no system in existence as to whether dispatching point should book the transportation charges or the receiving point. In absence thereof, there is no reconciliation of transport charge paid with the goods transported.

(ii.) The Purchase rates of raw seeds were not verified in absence of office order.

**13.5. Employer Contribution to PF/DLI/Adm.Charges:**

Expenses booked under such heads are subject to conformation from the returns filed with Provident Fund Commissioner.

**13.6. Depreciation: Attention is invited to Note 1.2 and 4 of Schedule 'V' to the Accounts regarding:**

a) Non-provision of Extra Shift Depreciation.

b) Non-provision of Depreciation on assets installed and put to use but not adjusted in books for want of relevant information, and

c) Non-ascertainment of quantum of arrears of depreciation and its disclosure in the account

**13.7. Services tax payable on audit fees including internal Audit has not been considered resulting into short booking of expense. P.F. Audit fee is accounted on cash basis.**

**13.8. In absence of any records containing list of premises taken on rent by the Corporation with rate of rent and the period of occupation, no reconciliation of expenses booked under this head has been made with the actual liability.**

**13.9. The Corporation has incurred substantial amount on legal expenses in earlier years. In absence of any details of pending case filed by / against the Corporation it was not possible to ascertain the contingent liability, if any, which should have been disclosed.**

**13.10. Expenses of selling commission has not been reconciled with sales and commission paid at various rates.**

**13.11. No provision has been made for Guarantee Fee Payable to Govt. of Bihar. Further, information regarding waiver of Guarantee fee, if any, was not made available to us.**

**13.12. In the absence of any records and books of accounts, we were unable to verify any item of profit and loss a/c. All the observations are on the basis of Internal Auditor's report made available to us on the basis of our examination of the financial statements.**

**14. Others:**

- 14.1. The Corporation has purchased seeds exceeding Rs. 50000/- value for each type thereof from Agriculture University in which directors of the Corporation are interested. As explained to us, the Corporation is required to produce foundation seeds mainly from them in terms of National Seeds Program. In absence of any other supplier, we are unable to comment upon the reasonability of the price for the same.







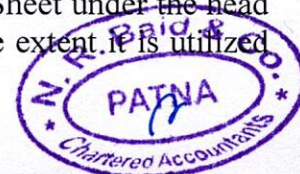
- 14.2. Consolidation working of financial statements consisting of Head Office and Regional Offices balances of Ledgers not made available to us for our verification.
- 14.3. In the absence of books of accounts, opening balances could not be verified with the previous year audited figures.
- 14.4. Rs. 10,69,34,000/- being earlier years Grant-in-Aid has been recognized and treated as Prior Period Income (Below the line) as the same was left for accounting in earlier year.
- 14.5. In most of the cases, the comments/suggestions of the previous auditors have not been considered and the mistakes have not been rectified.
- 14.6. The Corporation has not provided us General Ledger, Journal Book, Fixed Assets Register, Cash Vouchers and Individual Account of Regions Office and its Consolidated Account soft copy for our verification.
- 14.7. Apart from 14.5 above, the following were also sought from the Corporation time and again but was not provided to us: -
- Self-attested Trial Balance in detailed format of head office along with Regional Office (RO) Bhagalpur, RO Hajipur, RO Muzaffarpur, RO Kudra, Plant Kudra, RO Ranchi, RO Bettiah, RO Begusarai, RO Biharsharif (Bodh Gaya).
  - Letter of Controller of capital dated 10.09.1981 relating to terms and conditions for issue of shares.
  - Boards Resolution no 49/18 dated 15.02.1988 regarding allotment of equity shares.
  - Letters of department of agriculture Govt. of Bihar containing terms and conditions of loan provide alongwith details of interest and repayments, etc.
  - Statement of total quantities of closing stock of various RO's and plants (of all spares, seeds, packing materials etc.).
  - Bank Statement and Bank Reconciliation Statement (BRS) of all bank accounts as on 31.03.2008 alongwith balance confirmation from all banks.
  - Cash Balance certificate as on 31.03.2008
  - Details of draft in hands and reason for non-adjustment.
  - Interunit reconciliation statement and reason for non-adjustment.
  - PF and ESI returns and challans of all months of the year.
  - Sales Tax/ Income Tax/ Central Tax/ State Excise Tax etc. Files.
  - Unsecured Loans Balance confirmation from all parties.
  - Fixed Assets Register, Certificate of Fixed Assets verification.
  - Details of remittances in transit as at 31.03.2008
  - List of sundry creditors as at 31.03.2008 with balance confirmation and contact details.
  - Loans and advances breakup Party-wise.
  - Breakup of liabilities
  - Submission and communications file with State/ Central Govt. Department.
  - Salary Registers and Pay Sheets in support of salary and wages paid during the year.
  - Expense vouchers in support of all expenditure.
  - Interest paid certificates from lenders.
  - Details of amount standing in suspense a/c.
  - Approved budget for the year
  - Files and details of pending court case.
- 14.8. Reporting according to sector specific observation as per revised directions issued by the office of PAG (Audit) Patna on 14/06/2018 are not being done as they relate to period on or after financial year 2014-15.







- 14.9. This report is being a disclaimer of opinion, situation and status of current Net-worth, return on Investment, return of capital employed and net present value of Government Investments in State PSU are not being given.
- 14.10. As appearing in the financial statements, there are no outstanding secured loans at the end of the Financial Year.
- 14.11. The Corporation has not prepared Cash Flow statement. This is not in conformity with AS-3.
- 14.12. As referred in para 1.1 (a) of Accounting Policy (Schedule-V), the Accounts have been prepared on the Going concern assumption. In view of the huge accumulated losses, the Corporation's ability to continue as a going concern is depend on availability of substantial finance from Government of Bihar as well as future production performance and profitability etc. Further, the State Bank of India filed a suit against the Corporation for recovery of their Cash Credit Loan Debt Recovery Tribunal on 20.10.2000. The tribunal ordered for Recovery Certificate for Rs. 2,02,50,554.69 with cost and interest against all moveable and immovable property of the Corporation, which has been liquidated in the year 2004-05.
- 14.13. In absence of any details related to the outstanding commitments if any, the actual amount of contingent liability could not be ascertained. Further, in absence of disclosure by the management, we are unable to comment on any contingencies which are likely to result in a loss and which therefore require adjustment of assets or liabilities.
- 14.14. The corporation has neither provided for any Deferred Tax Assets/ Liabilities nor any disclosures in this regard. This is not in conformity with AS-22. The management contends that AS-22 is not applicable to the Corporation as the Corporation avails benefit of exemption u/s 10(26BB) of the Income Tax Act, 1961.
- 14.15. It was observed that opening balances of the units are kept at H.O. and no information about opening balance was given to the units. In absence of proper information, no entry for any error/omission in the preparation of accounts were noticed by the units in case of liabilities and assets are still continuing in accounts. Further, no details of liabilities and assets were made available to us, so we are unable to express any opinion on the adequacy of assets and liabilities.
- 14.16. As required by Schedule VI Part II of The Companies Act, 1956, the Corporation has not properly disclosed the amount due and the maximum amount due at any time during the financial year from the Chairman and Managing Director under the Loans & Advances.
- 14.17. The interest payable and details of outstanding relating to Small Scale Industries have not been properly disclosed
- 14.18. We have not been provided copy of the extract of minute of the meeting in which authorized signatories have been assigned to authenticate the financial statements on behalf of the Board.
- 14.19. A revenue Grant of Rs. 371.78 lakhs was received from Agriculture Department Govt. of Bihar (Ref. note no.-20.1 of Schedule 'V'). This amount along with previous year's grant has been shown as liability in Balance Sheet under the head "Loans Fund". This should have been taken as income to the extent it is utilized as per terms of Grants Sanctioning Memo.





# **N. R. Baid & Co.**

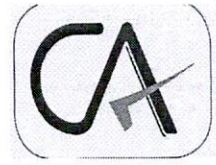
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- 14.20. In the absence of any records and documents to verify the stipulation, we are unable to comment whether any personal expenses are debited to the profit & loss account.
- 14.21. The Cash Book and Journal Vouchers furnished to us were in mutilated and unhygienic conditions with most of the files/ records being damaged/worn out/ eaten by termites/ torn/ faded. As such, the authenticity and relevance of the record could not be established by us.
- 14.22. Various sheets of Schedules to Financial Statements are not visible properly hence, could not be reviewed adequately.
- 14.23. The Annual Accounts for the year ended 31<sup>st</sup> March, 2008 has not been adopted by the Corporation in AGM up to the conducting of this audit.
- 14.24. As per information available with us, the supplementary audit for FY 2007-08 by CAG is not conducted up to finalization of this report for this year.

**For N. R. Baid & Co.**

Firm Registration No. 002104C

Chartered Accountants

*M. M. Kumar*

**(CA. M. KUMAR)**

Partner

**Membership No. 301513**



Place: Patna

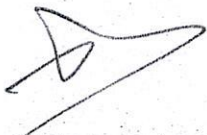
Date: 20<sup>th</sup> May 2022




**BIHAR RAJYA BEEJ NIGHAM LIMITED**  
 Reg. office- Mithapur Agril. Farm, Patna  
**BALANCE SHEET AS AT 31ST MARCH, 2009**

Particulars	Schedule	As at 31.03.2009	As at 31.03.2008
		Rs. P	Rs. P
<b>SOURCES OF FUNDS:</b>			
Shareholders 'Funds'			
Capital	A	3,71,48,409.20	3,71,48,409.00
Reserve & Surplus	B	31,14,000.00	31,14,000.00
		4,02,62,409.20	40,262,409.00
<b>Loan Funds</b>			
secured Loans	C	-	-
Unsecured Loans	D	72,70,75,103.00	72,65,51,333.00
Grant from Director (Agriculture) Govt. of Bihar	D1	21,10,52,925.50	13,46,37,335.00
<b>Total</b>		<b>97,83,90,437.70</b>	<b>90,14,51,077.00</b>
<b>Application of Funds</b>			
Fixes Assets	E		
Gross Block		3,82,29,179.00	3,57,99,976.00
Less Depreciation		3,25,18,475.05	3,17,74,995.00
Net Block:		57,10,703.95	40,24,981.00
Capital work-in-progress	F	5,62,93,535.41	3,93,20,730.00
Advance against Capital Expenditure			
		43,75,818.00	43,75,818.00
<b>Total</b>		<b>6,63,80,057.36</b>	<b>4,77,21,529.00</b>
<b>Current Assets, Loans &amp; Advances:</b>			
Inventories	G	9,06,35,757.03	5,91,48,191.00
Sundry Debtors	H	23,12,40,255.30	11,20,92,238.00
Cash & Bank Balances	I	8,79,99,420.90	3,31,46,941.00
Other Current Assets	J	2,74,07,702.00	3,70,653.00
Loans & Advances	K	8,67,50,254.29	5,96,35,893.00
		52,40,33,389.52	26,43,93,916.00
Less: Current Liabilities and Provisions	L	42,93,17,277.97	30,99,46,577.00
Net Current Assets		9,47,16,111.55	(4,55,52,661.00)
Profit & Loss Account (As per account annexed)		(81,72,94,268.79)	89,92,82,206.00
<b>Total</b>		<b>97,83,90,437.70</b>	<b>90,14,51,077.00</b>

Schedule 'A' to 'L' and schedule 'V' are the integral parts of the Balance Sheet.

  
**Sunil Kumar Pankaj**  
 (Director)

  
**BIJAY KUMAR**  
 (Managing Director)

**For N.R. Baid & Co.**  
 Chartered Accountants

*Musar Kumar*  
**(CA M. KUMAR)**  
 Partner

FRN: 0021041

MRN: 301513





BIHAR RAJYA BEEJ NIGAM LIMITED  
Reg. Office- Mithapur Agril. Farm, Patna  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**


Particulars	schedule	As at <u>31.03.2009</u>		As at <u>31.03.2008</u>	
		Rs	p	Rs	p
<u>INCOME</u>					
Sales	M	19,77,38,949.40	✓	5,90,20,489.00	✓
Others Income	N	2,05,96,093.30	✓	4,35,301.00	✓
Increase/(Decrease) in Stock	O	3,64,98,478.03	✓	4,77,27,574.00	✓
	TOTAL	<u>25,48,33,520.73</u>	✓	<u>10,71,83,364.00</u>	✓
<u>EXPENDITURE</u>					
Purchase	P	19,33,66,736.60	✓	6,91,77,563.00	✓
Processing & Procurement	Q	2,25,93,850.15	✓	94,70,176.00	✓
Personnel	R	3,56,01,674.50	✓	1,78,01,872.00	✓
Establishment	S	86,10,894.87	✓	87,76,159.00	✓
Selling & Distribution	T	1,85,81,283.35	✓	63,29,358.00	✓
Interest	U	2,61,885.00	✓		
Depreciation		7,43,480.05	✓	3,53,118.00	✓
	TOTAL	<u>27,97,59,804.52</u>	✓	<u>11,19,08,246.00</u>	✓
Loss for the Year		(2,49,26,283.79)	✓	(47,24,882.00)	✓
Prior Period Adjustment(Debit)		10,69,34,000.00	✓		
-----Tax		(19,779.00)	✓	-	
-----Adjustment(Debit)				(3,46,881.00)	✓
Loss upto previous year		(89,92,82,206.00)	✓	(89,42,10,443.00)	✓
Total Loss carried to Balance Sheet		(81,72,94,268.79)	✓	(89,92,82,206.00)	✓


**Notes on Account**

V

Schedule 'M' to 'V' are integral parts of the profit and Loss Account

  
**Sunil Kumar Pankaj**  
 (Director)

  
**BIJAY KUMAR**  
 (Managing Director)

For N.R. Baid & Co.  
 Chartered Accountants  
  
 (CA M. KUMAR)  
 Partner

FRN: 1002104C  
 MCD: 301513





# BIHAR RAJYA BEEJ NIGAM LIMITED

Reg. Office- Mithapur Agril. Farm, Patna

## SCHEDULE ANNEXED TO AND FORMING PARTS OF ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

		<u>As at</u> <u>31.03.2009</u>	<u>As at</u> <u>31.03.2008</u>
		Rs. P.	Rs. P.
<b>SCHEDULE 'A'</b>			
<b>SHARE CAPITAL:</b>			
<b>Authorized:</b>			
1000 Equity Shares of Rs. 100/- each		37,500,000.00	37,500,000.00
1000 11% Redeemable cumulative preference shares of Rs. 100/- each		12,500,000.00	12,500,000.00
		<u>50,000,000.00</u>	<u>50,000,000.00</u>
<b>Issued:</b>			
1000 Equity shares of Rs. 100/- each		22,500,000.00	22,500,000.00
1000 11% Redeemable cumulative preference shares of Rs. 100/- each		7,500,000.00	7,500,000.00
		<u>30,000,000.00</u>	<u>30,000,000.00</u>
<b>Subscribed and Paid-Up:</b>			
<b>Subscribed:</b>			
12015 Equity shares of Rs. 100/- each		23,205,100.00	23,205,100.00
1100 11% Redeemable cumulative preference shares of Rs. 100/- each		7,318,100.00	7,318,100.00
		<u>30,523,200.00</u>	<u>30,523,200.00</u>
<b>Paid-Up:</b>			
18697 Equity shares of Rs. 100/- fully Paid Up in cash	22569700.00		
1000 Unpaid Calls by Growers 30 Shares	<u>480.00</u>	22,569,220.00	22,569,220.00
124 Equity shares of Rs. 100/- each Rs. 40 per share paid up in cash		252,960.00	252,960.00
181 11% Redeemable cumulative preference shares of Rs. 100/- each fully paid in cash		7,318,100.00	7,318,100.00
<b>Sub Total (A)</b>		<u>30,140,280.00</u>	<u>30,140,280.00</u>
<b>Share Capital Deposit:</b>			
From Growers of the project area (including Calls in advance 7200 previous year 7200)		244,129.20	244,129.20
From Government of Bihar		6,520,000.00	6,520,000.00
From National Seeds Corporation Ltd.		180,000.00	180,000.00
From Growers of the Project area - F/Y 2007-08		64,000.00	64,000.00
<b>Sub Total (B)</b>		<u>7,008,129.20</u>	<u>7,008,129.20</u>
<b>Total (A+B)</b>		<u>37,148,409.20</u>	<u>37,148,309.20</u>



**Sunil Kumar Pankaj**  
Director

**BIJAY KUMAR**  
Managing Director





**SCHEDULE: 'B'**  
 Fund and Surplus  
 Fund Reserve  
 for last account

TOTAL

**SCHEDULE: 'C'**

Secured Loans  
 Credit:  
 Bank of India, J.C. Road, Patna  
 secured against hypothecation of stocks)

TOTAL

**SCHEDULE: 'D'**

Secured Loans  
 Department of Agriculture,  
 Govt. of Bihar  
 - STC Loan  
 Interest accrued and due on above.

TOTAL

Adjustment against seeds supplied  
 on STC Permits as on date

TOTAL

from Govt. of Bihar  
 Interest accrued and due on above

TOTAL

**SCHEDULE: 'F'**

**CAPITAL WORK-IN- PROGRESS**

Building under Construction  
 Consultancy Charge to NSE  
 Interest on Term Loan  
 Commission for L/C & Others  
 Plant & Machinery under Installation  
 spares  
 Installation Expenses  
 Electrical Installation  
 Electrical Sub-Station  
 Refrigeration Machinery  
 Shed & Drying Floor  
 Building Materials  
 Boundary Wall at Ranchi Plant  
 Seed Godown  
 Processing Plant  
 Seed Godown, Sipaya  
 Seed Godown, Arrah  
 Seed Godown, Buxar  
 Seed Godown, Sasaram  
 Seed Godown, Bhagalpur  
 Seed Godown, Begusarai  
 Capital W.I.P.-Godown Sipaya

TOTAL:-

As at 31.03.2009		As at 31.03.2008	
Rs.	P.	Rs.	P.

3,114,000.00	3,114,000.00
3,114,000.00	3,114,000.00

319,000,000.00	319,000,000.00
423,748,644.00	423,748,644.00
742,748,644.00	742,748,644.00

39,745,021.00	39,745,021.00
703,003,623.00	703,003,623.00
22,762,055.00	22,762,055.00
1,309,425.00	785,655.00
24,071,480.00	23,547,710.00
727,075,103.00	726,551,333.00

21,829,878.00	21,829,878.00
929,541.00	929,541.00
2,787,554.00	2,787,554.00
171,242.00	171,242.00
341,391.61	341,391.61
12,222.00	12,222.00
55,884.00	55,884.00
1,481,706.00	1,481,706.00
954,075.00	954,075.00
1,005,757.00	1,005,757.00
88,495.00	88,495.00
19,800.00	19,800.00
91,729.60	91,729.60
4,802,449.00	4,802,449.00
3,384,804.00	3,384,804.00
1,364,202.00	1,364,202.00
2,499,102.00	-
2,499,958.00	-
2,500,000.00	-
6,565,717.70	-
1,781,537.00	-
1,126,490.50	-
56,293,535.41	39,320,730.21



**Sunil Kumar Pankaj**  
 Director

**BIJAY KUMAR**  
 Managing Director





DETAILS OF GRANT

Sl NO	PARTICULAR	2006-07	2007-08	2008-09	GRANT RECEIVED FROM SEAFARC CONSORTIUM	TOTAL	UTLISED (2008-09)	UTLISED IN (FARLIER YR)	TOTAL UTLISED	BALANCE
1	GRANT FOR CONSTRUCTION OF SEED GODOWN	0	19700000	0	19700000	19700000	0	0	19700000	0
2	GRANT FOR SEED DISTRIBUTION	0	2288520	0	2288520	2288520	0	0	2288520	0
3	GRANT FOR SEED PROCESSING PLANT / BUILDING	0	7800000	17040000	24840000	24840000	0	0	24840000	0
4	GRANT FOR SEED STORAGE BIN	0	5750000	0	5750000	5750000	0	0	5750000	0
5	GRANT FOR CONSTRUCTION OF SEED GODOWN	0	0	12800000	12800000	12800000	0	0	12800000	0
6	GRANT FOR FARMER TRAINING	0	1380000	0	1380000	1380000	0	0	1380000	0
7	GRANT FOR MAINTAINENCE OF FINANCE SEED BANK (GOI)	0	0	3787625	3787625	3787625	0	0	3787625	0
8	GRANT FROM DIR. AGRIL. BIHAR, PATNA. (GOB)	0	0	0	0	0	0	0	0	0
9	GRANT FOR FARMER TRAINING (GOB)	0	0	20731000	20731000	20731000	0	0	20731000	0
10	GRANT FOR PRODUCTION PROGRAM (GOI)	13286000	77532835	10000000	27036165	127855000	20456000	106934000	127390000	4650000
11	GRANT FOR MOBILE PROCESSING PLANT	0	6900000	10350000	17250000	17250000	0	0	17250000	0
12	GRANT FOR SEED STORAGE GODOWN	0	0	40000000	40000000	40000000	0	0	40000000	0
13	GRANT FOR KISAN PANCHAYAT (GOI)	0	0	195959	195959	195959	0	0	195959	0
14	GRANT FOR MUKHYA MANTRI TIARA VIKAS YOJNA (GOB)	0	0	71511000	71511000	71511000	9646179	0	9646179	6186487
	TOTAL	13286000	121351355	186415584	27036165	348899104	30102179	106934000	137036179	211052926

NOTE :-

BREAK-UP OF SUBSIDY UTILISED:

PROFIT & LOSS A/C	20456000.00
PROFIT & LOSS A/C	106934000.00
OTHER CURRENT ASSETS	9555698.50
SUNDRY DEBTOR (BALANCE SHOWN)	90480.00
TOTAL	137036178.50

BREAK-UP OF PROFIT & LOSS A/C (2006-07,2007-08):

SALARY	57504000.00
PRODUCTION	49430000.00
TOTAL	106934000.00



Sunil Kumar Pankaj  
Director

BIJAY KUMAR  
Managing Director





# BIHAR RAJYA BEEJ NIGAM LTD, PATNA

## SCHEDULE 'E' OF FIXED ASSETS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2009

SL NO	PARTICULARS	RATE OF DEP.	GROSS BLOCK			DEPRECIATION			NET BLOCK	
			AS AT 1/4/2008	ADDITION DURING THE YEAR	TOTAL AS AT 31/3/2009	AS ON 31/3/2008	DURING THE YEAR	AS ON 31/3/2009	AS AT 31/3/2009	AS AT 31/3/2009
1	BUILDING-- FACTORY	10%	3139798	0.00	3139798	2910218	✓22958.00	2933176.00	206623.00	2733176.00
	OTHERS	5%	9962707	0.00	9962707	7174566	✓139407.05	7313973.05	2648733.95	2733176.00
2	PLANT & MACHINERY	13.91%	17253031	1911773.00	19164804	16761538	297663.68	17059201.68	2105602.32	19164804
3	OFFICE EQUIPMENTS	13.91%	372850	145600.00	518450	359577	21030.13	380607.13	137842.87	518450
4	FURNITURE & FIXTURE	18.10%	763221	54430.00	817651	635938	27498.22	663436.22	154214.78	817651
5	VEHICLE	25.89%	2896620	81980.00	2978600	2773477	52815.72	2826292.72	152307.28	2978600
6	ELECTRICAL INSTALLATION	13.91%	83679	0.00	83679	81988	235.23	82223.23	1455.77	83679
7	COMPUTER	40%	416760	235420.00	652180	181125	179489.81	360614.81	291365.19	652180
8	PALLATES & OTHERS									
	STORING ASSETS	20%	901483	0.00	901483	896038	1089.00	897127.00	4356.00	901483
9	TOOLS & EQUIPMENT	13.91%	9827	0.00	9827	530	1293.21	1823.21	8003.79	9827
	TOTAL		35799976	2429203.00	38229179	31774995	743480.05	32518475.05	5710703.95	4024981



Sunil Kumar Pankaj  
Director

80060

BIJAY KUMAR  
Managing Director





# **SCHEDULE 'D'**

Inventory  
Raw Material  
Semi-finished  
Finished Goods  
Stores and processing Materials  
Spares & Other Stores  
Fuel & Oil

TOTAL:-

# **SCHEDULE 'H'**

Debtors  
Debtors (considered good)  
Debtors outstanding for a period  
exceeding six months & within six month also

TOTAL:-

# **SCHEDULE 'I'**

Bank Balances  
Cash  
Savings Bank  
Current Accounts  
P.L. A/C -8414  
Fixed Deposit

TOTAL:-

# **SCHEDULE 'J'**

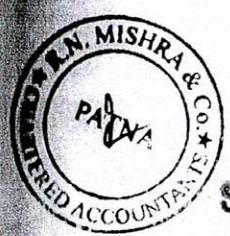
Current Assets  
Advance in Transit

TOTAL:-

# **SCHEDULE 'K'**

Advances  
Advances (Considered good,  
otherwise stated- refer  
to Schedule 'V')  
Advances recoverable in cash or kind  
Advance (Net)  
Advance Income Tax  
Security Deposit with B.S.E.B.  
Security Deposit for Telephone  
Security Deposit Gas Cylinder  
Advance Taken over Account  
Salary & Wages Advance  
Advance (Tour)  
Advance for Exp  
SECURITY MONEY-GENERATOR  
SECURITY MONEY-TELEPHONE  
SECURITY MONEY-MOISTURE METER  
Other Advances

TOTAL:-



**Sunil Kumar Pankaj**  
Director

As on 31.03.2009		As on 31.03.2008	
Rs.	P.	Rs.	P.
	71,623.00		71,623.00
	145,965.00		145,965.00
	90,418,169.03		53,919,691.00
			4,900,149.00
			27,654.00
			83,109.00
	<b>90,635,757.03</b>		<b>59,148,191.00</b>

231,240,255.30	112,092,237.61
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<b>231,240,255.30</b>	<b>112,092,237.61</b>
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10,456,571.79	154,460.44
675,677.00	675,677.00

74,861,321.11	30,310,952.24
1,945,028.00	1,945,028.00
60,823.00	60,823.00

<b>87,998,420.90</b>	<b>33,146,940.68</b>
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27,037,049.00	
370,653.00	370,653.00

<b>27,407,702.00</b>	<b>370,653.00</b>
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24,270,007.00	24,270,007.00
2,659,170.00	2,659,170.00
25,000.00	25,000.00
184,661.00	184,661.00
38,222.00	38,222.00
500.00	500.00
5,617,031.00	5,617,031.00
22,619,601.00	22,619,601.00
100,150.00	59,484.00
10,903,289.49	4,170,216.59
42,188.00	
65,527.00	
35,000.00	
20,258,907.80	

<b>86,750,254.29</b>	<b>59,635,892.53</b>
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**BIJAY KUMAR**  
Managing Director





**SCHEDULE: 'A'**  
 Current Liabilities and Provision:  
 Current Liabilities:  
 Creditors (other) •  
 Creditors •  
 Amount payable to Govt. of Bihar and  
 Bihar Seeds Corporation Ltd.  
 Amount against Sales •  
 Government of Agriculture, Govt. of Bihar  
 (Capital Expenditure) •  
 Unit Account •  
 (Against Salary) •  
 Amount to Provident Fund Commissioner •

TOTAL:-

As on 31.03.2009		As on 31.03.2008	
Rs.	P.	Rs.	P.
14,27,03,128.50		9,00,45,596.76	
18,00,05,918.20		11,31,49,515.00	
-		1,43,234.00	
6,45,56,203.00		6,45,56,203.00	
1,62,00,000.00		1,62,00,000.00	
3,78,778.00		3,78,778.00	
2,17,55,128.00		2,17,55,128.00	
37,18,122.27		37,18,122.27	
<b>42,93,17,277.97</b>		<b>30,99,46,577.03</b>	

**SCHEDULE: 'B'**  
 Current Assets:  
 Cash and Bank Balances  
 Debtors / Under size Seeds  
 Creditors  
 Debtors (processed)  
 Current seed

TOTAL:-

10,14,62,852.60	4,71,01,436.80
2,20,82,186.00	25,64,803.75
7,20,62,019.80	92,28,247.80
1,94,393.00	1,26,000.00
19,37,498.00	-
<b>19,77,38,949.40</b>	<b>5,90,20,488.35</b>

**SCHEDULE: 'C'**  
 Current Liabilities:  
 Scrap Material  
 Tender Paper  
 Miscellaneous Receipt  
 Old Gunny Bags  
 Unseed

TOTAL:-

-	1,64,114.00
63,900.00	40,300.00
76,193.30	14,593.25
-	2,16,294.00
2,04,56,000.00	-
<b>2,05,96,093.30</b>	<b>4,35,301.25</b>

**SCHEDULE: 'D'**  
 Opening Stock  
 Closing Stock  
 Processed Seed  
 Foundation Seeds  
 Certified Seeds  
 Under size / Non Seeds  
 Raw Paddy Seeds

TOTAL:-A

42,51,799.70	1,920.00
5,82,79,300.68	2,15,63,520.00
-	13,40,548.00
2,78,87,068.65	3,10,13,703.00
<b>9,04,18,169.03</b>	<b>5,39,19,691.00</b>

Opening Stock  
 Certified Seeds  
 Under Size / Non Seeds  
 Raw Seeds  
 Foundation Seeds

TOTAL:-B

2,15,63,520.00	-
13,40,548.00	24,16,317.00
3,10,13,703.00	37,75,800.00
1,920.00	-
<b>5,39,19,691.00</b>	<b>61,92,117.00</b>
<b>3,64,98,478.03</b>	<b>4,77,27,574.00</b>

Increase / Decrease in stock

(A-B)

**SCHEDULE: 'P'**  
 Purchases:  
 Certified Seed  
 Chemical & Pesticides  
 Raw seed  
 Foundation Seeds  
 Breeder Seeds (processed)

TOTAL :-

38,57,293.00	2,30,39,835.00
31,93,731.00	4,15,84,976.00
16,29,27,964.75	4,38,990.00
2,33,86,747.85	41,13,762.00
1,000.00	-
<b>19,33,66,736.60</b>	<b>6,91,77,563.00</b>



Sumil Kumar Pankaj  
 Director

BIJAY KUMAR  
 Managing Director





**MODULE 'C'****Leasing & Procurement**

Leasing Expenses

Leasing Material Consumed

Leasing Charges (Plant)

Leasing &amp; Needs Certification Charges

Leasing &amp; Collage

Leasing Consumed (Diesel Oil &amp; Other Stores)

**TOTAL :-****MODULE 'R'**

Leasing

Leasing &amp; Allowance

Leasing Contribution to Provident Fund

Leasing Link Insurance

Leasing and Inspection Charges on Provident Fund

Leasing Expenses

Leasing Contribution to Pension Fund

**TOTAL :-**As on 31.03.2009Rs. P.As on 31.03.2008Rs. P.

2,077,960.50

909,088.20

4,327,756.40

1,200,997.40

14,011,408.75

7,001,838.00

55,516.00

1,718,652.00

298,993.00

347,309.50

3,744.00

110,763.00

22,593,850.159,470,176.60

27,065,169.50

14,390,425.00

885,810.00

1,937,808.00

51,792.00

120,617.00

107,538.00

265,567.00

15,126.00


129,658.00

6,624,590.00

851,649.00

957,797.00

35,601,674.5017,801,872.00

  
**Sunil Kumar Pankaj**  
 Director

  
**BIJAY KUMAR**  
 Managing Director





**TOTAL :-**



TOTAL :-

MAILED 11

**Loan**  
**of Bihar (Agriculture)**

TOTAL :-



Sunil Kumar Pankaj  
Director

As on 31.03.2009

Rs.      p.

As on 31.03.2008

Rs.      p.

2,485.00

4.690 00

352.966.00

2,121,485.70

176.754.05

375,237.40

12.694,271.50

3.827.944.50

7,102.00

631,377.00

32,237.90

4,684,089.90

18,581,283.35

6,329,357.60

261,885.00

261,885.00

**BIJAY KUMAR**  
Managing Director





**BIHAR RAJYA BEEJ NIGAM LIMITED****NOTES ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009****Accounting Policies :****Mode of preparation of financial Statement:**

The financial statements have been prepared under the historical cost convention as a going concern and are generally in accordance with the generally accepted Accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company, unless otherwise stated.

The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis except in following cases :

- Interest on advance to staff (wherever applicable).
- Leave Salary & Pension Contribution
- Leave Encashment
- Liability, if any, in respect of sales tax including purchase tax on sales/purchases of seeds other than certified seeds is accounted for on payment basis on completion of sales tax assessment.
- Revenue Grant /Assistance is recognised as Income.

**Fixed Assets :**

Written Down Value of Fixed Assets represents cost of acquisition/purchases after deduction of depreciation on Written Down Value Method at rates prescribed in Schedule XIV of the Companies Act, 1956 with following exceptions:

- Depreciation on wooden pallets and other storing assets, for which no rate has been prescribed in Schedule XIV, has been charged at 20% on W.D.V Method.
- No provision for extra -shift depreciation on plant & Machinery are made in view of the nature of the business. Quantum of extra-shift depreciation, as not conveniently ascertainable, is not ascertained for disclosure in the account.

**1.3 Inventories :**

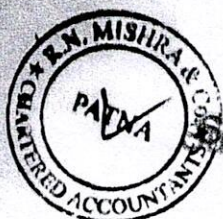
Inventories as existing at the year end, are valued as follows:

Loose Tools	- as cost
Spares	- as cost
Stock in Trade (Seeds)	- as cost
Packing and Processing Materials	- as cost

(Attention, however, is invited to Notes 14 and 15 below)

**1.4.0 Employee Retirement Benefits :**

1.4.1 The Company has subscribed to the group gratuity Scheme of Life Insurance



*[Signature]*  
Sunil Kumar Pankaj  
Director

*[Signature]*  
BIJAY KUMAR  
Managing Director





Corporation of India. Provision towards premium outstanding for the period upto this year has been made on pro-rata basis based on the letter of the LIC received in the F.Y. 2010-11

1.4.2 No Provision for Leave Salary Encashment has been made due to non-availability of information for estimation of leave encashment.

**1.5 Government Grants:**

- i Grants received towards specific project is reduced from the project cost.
- ii Grants in the nature of revenue are credited to Profit & Loss Account.

**1.6 Purchases:**

- i The purchases of stores and spares are treated as consumed and debited to Profit & Loss Account.
- ii Purchase of Raw Seed is booked under "Raw Seed".

**1.7 Subsidy:**

Subsidy received in the nature of CAPITAL WORK has been treated as "RESERVE & SURPLUS".

**2. Share Capital :**

In case of equity shares subscribed capital is Rs. 2,32,05,100/- whereas capital is only Rs. 2,25,00,000/- thereby subscribed capital exceeds by Rs. 7,05,100/- than the issued capital. Steps should be taken to regularise the same.

2.2 A sum of Rs. 31,97,000/- was received from the state Govt. to meet the shortfall of Shares subscribed by the growers of the project area. This amount, in terms of the Letter of Govt. was refundable with interest as soon as the company received money from growers. In view of above out of the sum so received Rs. 4,97,000/- has been shown un-secured loan from State Govt. However, no interest has been provided in the account. Moreover, in terms of Board's Resolution (49/18) dated 15.02.88 27,000 Equity shares of Rs. 100/- each has been allotted to Governor, Bihar, out of above receipt.

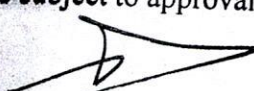
**3. Unsecured Loans :**

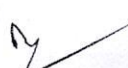
Under this head Rs. 72,70,75,103/- standing as credit balance as on 31.03.2009 being Accured principal loan plus Interest & due thereon has been shown. No interest is being charged in the light of the Board's decision in the meeting held on 10.06.2008 for Conversion of loan into Equity although the Govt. of Bihar decision is still awaited. After receipt of Govt.-approval, the same will be transferred to Equity Capital.

**4. Fixed Assets:**

Pending receipt of audited statement from PWD in respect of civil work carried out by them in terms of agreement entered into with the company adjustment of civil work was made till 1984-85 based on copies of the running bills of contractors made available to the company by PWD. The expenses so adjusted exceeds the amounts sanctioned in some cases which is subject to approval of the Board of Directors after obtaining



  
**Sunil Kumar Pankaj** <sup>2</sup> -  
Director

  
**BIJAY KUMAR**  
Managing Director





justification of increase in costs from PWD. In absence of further bills no adjustment could be made thereafter.

- 4.2 For want of relevant details from the parties concerned the other items of fixed assets also remains unadjusted resulting overstatement of capital work in progress and advance against capital expenditure with corresponding understatement of fixed assets.
- 4.3 Non-adjustment of fixed assets already in use as mentioned above has resulted in non-provision of depreciation on such fixed assets. In absence of relevant details impact on the loss of the year as well as total loss as on date, impact on the disclosed figure of fixed assets, capital work in progress and advance against capital expenditure could not be quantified.
- 4.4 During the previous year on the land of Govt of Bihar at 12 places construction of Godown and at 3 places construction of processing plant was started which was under construction during the year. The work of construction was being done by the Corporation itself. The amount incurred thereon is being shown as capital work-in-progress. The Capital commitment on that account is taken as nil.
- 4.5 A Plot of 25 acres of land was provided by the Government of Bihar for setting up a Processing plant complex at Kudra (kaimur). The terms and condition as regard transfer of land including its price consideration are yet to be finalized and in absence thereof neither cost of land nor liabilities for payment have been exhibited in the accounts.
- 4.6 Depreciation on account of amount charged in earlier years at rates other than rates Prescribed in Schedule XIV of the Companies Act, 1956 remains to be ascertained and adjusted. During the year, in absence of break-up of vehicle depreciation on heavy vehicles has been calculated on the amount indicated in the last audit report and on balance amount @ 25.89% has been applied although it includes amounts (related to Bicycle) for which rate of depreciation is 20%.

5

**Inventories:**

Attention is invited to para 14 and 15 below.

6

**Sundry Debtors:**

- 6.1 Sundry Debtors have been classified as per available information and net balance has been arrived at after adjustment of receipts on this account pending preparation of party wise details. Net credit balance of Debtors (Government) had, however, been shown as advance against sale. This also includes net debit balance of Growers Account. No details of Growers account is available.
- 6.2 A Sum of Rs. 41.16 lakhs due from BISCAMAN has been disputed on the ground of Being low germination/supply after the season was over and has not been acknowledged as debt by them.



Sunil Kumar Pankaj  
Director

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BIJAY KUMAR  
Managing Director





6.3 Agewise classification of sundry debtors has not been made.

6.4 Sundry debtors includes Rs. 120.84 lakhs due from service agents for more than fourteen years for which no provision has been made. Matters related to provision for bad debt, if any, will be considered after identification of doubtful debts based on partly-wise detail as indicated in para 6.1 above.

6.5 Identification of Bad & Doubtful Debts has not been made.

**Cash and Bank Balance:**

7.1 Bank accounts at units of the company and H.O. are mostly reconciled.

7.2 Some old balances under the head of imprest with units are under scrutiny for proper adjustment.

**Remittance in Transit :**

Reconciliation of Remittance in Transit is yet to be completed.

**Loans and Advances :**

9.1 Advances includes Rs. 15,67,795/- (Previous year Rs. 15,67,795/-) shown as doubtful for which no provision has been made.

9.2 Pending completion of scrutiny of amounts shown under the head of suspense Rs. 26,59,170.00 (Previous Year Rs. 26,59,170.00) could not be adjusted.


9.3 Loans and Advances includes Rs. 56.17 lakhs (Previous year Rs. 56.17 lakhs) on account of Govt. Farm taken over in view of the fact mentioned below.

In the year 1988-89 Department of Agriculture, Govt. of Bihar had decided to transfer 56 State Agriculture Farms to the company on ownership which remained with the Government after cutting of the standing paddy crop on certain terms and conditions. As per decision the company had also to take over liability of two years of such agriculture farms. However, such liability in respect of 31 farms, which the company actually took over, has not been ascertained and to that extent there is a contingent liability of the company. Further, certain expenditure has been incurred on such 31 farms taken over by the company. In absence of details of expenditure incurred by most of such farms, the cost of seeds produced by them as well as cost of foundation and breeder seeds transferred to such farms have been debited/credited to such farms pending adjustment.

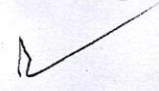
9.4 Matter related to provision for unrecoverable advances, if any, will be considered after identification of doubtful advances based on partly-wise detail.

9.5 Advances (include Traveling) advanced to the Chairman and the Managing Director.



  
Sunil Kumar Pankaj  
Director

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BIJAY KUMAR  
Managing Director





pending preparation of details could not be quantified.

10 **Current Liabilities :**

10.1 Pending preparation of person-wise detail of Sundry Creditors, other Liabilities and Advances against Orders balances shown under these heads remain to be scrutinised for the purpose of adjustment.

10.2 Pending completion of scrutiny amount shown under the heads of inter-unit account Rs. 3,78,778.00 (Previous year 3,78,778.00) could not be adjusted.

11 Preparation of person-wise detail of debtors, advances, security deposit, sundry creditors, expenses payable, Liabilities for expenses and other heads are in progress.

12 Arrear of dividend on Redeemable Cumulative Preference shares since its issue till 31<sup>st</sup> March, 2009 amounts to Rs. 2, 11, 18,956/- (Previous year Rs. 2, 03, 13,965/-).

13 National Seeds Corporation Limited, New Delhi, consultant of the company was entrusted with commissioning of the plant. They had incurred expenses on behalf of the company out of their own fund and have claimed interest on such advance. Pending decision, no provision for interest so claimed has been made in the account.

14 **Sales, Purchases and Stocks of Seeds :**

14.1 Purchases and sales of Seeds have been booked on the basis of statement of accounts of Accounting unit of the company. The Quantities of seeds processed have been taken on the basis of statement of Plant and Regional offices. Similarly, Sale of different classes of seeds have been booked on the basis of statement of Accounts submitted by accounting centres of the company.

14.2 The quantities of closing stock has been arrived at on actual basis as per the statement furnished by the field offices. However, the previous year's adjustment as regard advance for sale and debtors is still to be ascertained and accounted for in the light of previous year's transactions.

14.3 Stock of Non-Seeds has been arrived on actual basis.

14.4 As realizable value of seeds are not conveniently ascertained The company has been following the policy of valuation of stock of various seeds at cost plus processing and incidental charges directly related thereto. Accordingly, stocks of seeds have been valued as follows:

- Certified seeds at cost
- raw seeds except under size/non seeds at cost plus 5%
- under size/non seeds at estimated realizable value (lower of previous year rate and current year selling rate).



Sunil Kumar Pankaj - 5 -  
Director

BIJAY KUMAR  
Managing Director





**15. Purchase, Consumption and Stocks of Packing Certification Materials and Chemicals:**

15.1 Consumption of packing and other materials is not based on actual consumption as per stock records but on the basis of estimated consumption. Purchases of cloth bags, chemicals and threads have been treated as consumed.

15.2 Balancing figures of opening stocks, purchases and consumption have been taken as Closing stocks.

16. Pending approval of the management no provision for bonus has been made.

17. Previous year's figures has been re-arranged /re-grouped wherever necessary.

**18. Additional Information :**

**1. Particulars of capacity and production :**

	<u>2008-09</u>	<u>2007-08</u>
Licensed Capacity	Not applicable	Not applicable
Installed Capacity	Not applicable	Not applicable
Actual Production (Quintals)		
Out of raw seeds consumed		

**2. Raw Materials Consumed (Raw Seeds)**

	<u>2007-08</u>		
	<u>WHEAT</u>	<u>PADDY</u>	<u>RAI</u>
Opening Stock	NIL	NIL	NIL
Purchases	24103.74	51866.74	4.01
Inter-class Transfer	C/S- 20146.00 U/S- 862.13	C/S13477.20	3.50
Closing Stock Consumed	NIL	R/S-34459.67 U/S- 3351.37	NIL
Processing Loss	3095.64	577.9	0.51
	<u>2008-09</u>		
	<u>WHEAT</u>	<u>PADDY</u>	<u>RAI</u>
Opening Stock	NIL	19105.78	NIL
Purchases	59074.65	59421.55	1243.75
Inter-class Transfer	57807.20	50949.44	807.97
Closing Stock Consumed	Nil	25607.17	415.61
Processing Loss	1267.45	1970.71	20.17



**Sunil Kumar Pankaj**  
Director

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**BIJAY KUMAR**  
Managing Director





3. Particulars in respect of purchases, sales, opening and closing stock of seeds:  
Seeds other than raw seeds

	<u>2007-08</u>		
	<u>Qtls.</u>		
	<u>WHEAT</u>	<u>PADDY</u>	<u>RAI</u>
Opening Stock	NIL	NIL	NIL
Purchases	NIL	11461.79	NIL
Inter-class Transfer	C/S 20146.00 U/S- 862.13	C/S-13477.20	3.50
Production (Out of raw seeds)			
Sales	21008.13	11461.79	3.50
Closing Stock	NIL	13477.20	NIL
Loss due to damage & rottage			

	<u>2008-09</u>		
	<u>Qtls.</u>		
	<u>WHEAT</u>	<u>PADDY</u>	<u>RAI</u>
Opening Stock	290.40	38165.00	2.06
Purchases	74991.90	69808.35	1295.58
Inter-class Transfer	28726.71 U/S- 1886.60	26138.11	286.22
Production (Out of raw seeds)			
Sales	43635.10	28749.56	767.84
Closing Stock	1033.89	53007.22	154.83
Loss due to damage & rottage	NIL	78.06	88.75

20.1A Recognition of Govt. Grant as Income:-

(a) Following Grants-in-Aid / Assistance received / receivable during the year has been recognized as income:

For Salary & other Expenses Rs. 20,456,000.00

(b) Following Grants-in-Aid received in earlier years have been recognized as Income and treated as prior period Income (Grant-in-Aid)

For Salary & Others Rs. 1,06,93,4000.00

(c) Subsidy on CM Tibra Beej Vistar Yojna utilized during the year 2008-09 Rs. 96,46,178.50



*[Signature]*  
Sunil Kumar Pankaj  
Director

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*[Signature]*  
BIJAY KUMAR  
Managing Director





- 20.1B Grant-in Aid received through Bihar Small Farms Agriculture Business Consortium is recognized to the extent sanctioned to the Corporation and Rs. 2,68,71,165.00 has been shown as receivable from the Consortium.
- 20.2 A sum of Rs. 69,00,000/- received in the year 2007-08 through 6 different district Agriculture officers from Govt. of Bihar for the purpose of mobile. Processing plants which is shown as current liabilities. This is because no expenditure was incurred thereon upto the end of the of the year.
- 20.3 Grant from Govt. of India, Ministry of Agriculture and Corporation being Rs. 9,05,09,520 was received upto 31<sup>st</sup> March, 2009 for construction of seed processing Plants, and miscellaneous work Godowns as per details below:-

HEAD	AMOUNT
Seed Godown	197,00,000/-
Seed Distribution	22,88,520/-
Farmers Training	2,07,31,000/-
Seed Storage Bin	57,50,000/-
3 nos. Seed Processing Plant Building	2,48,40,000/-
Seed Storage Godown	1,72,00,000/-
<b>Total:-</b>	<b>9,05,09,520/-</b>

21. On the basis of information available with the company regarding the status of suppliers, there was no payment 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.
22. The company has not received any intimation from "Suppliers" regarding their status under Micro Small & Medium Enterprises Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been given.
23. Balances of Sundry Debtor, Sundry Creditors, Loans & Advances and Deposits are subject to Confirmations.

  
**Sunil Kumar Pankaj**  
 (Director)

  
**BIJAY KUMAR**  
 (Managing Director)

