

DIRECTOR'S REPORT

To,

**The Members
Bihar Rajya Beej Nigam Ltd.**

Your Directors have the immense pleasure in presenting the 23rd Annual Report of the company along with audited financial statement including Balance Sheet as at 31.03.2000 Profit and Loss Account for the year ended on 31.03.2000 on the business and operation of the company together with Statutory Auditor Report for the year ended 31st March, 2000.

1. FINANCIAL RESULTS & PERFORMANCE:

Financial performance of the company for the financial year ended 31st March 2000 is summarized below:

Financial Results:

Amount in Rs.

Particulars	Year ended 31 March 2000	Year ended 31 March 1999
Total Revenue	5435128.50	19087357.90
Total Expenditure (Processing & Administrative part)	55315340.07	74822276.33
Profit / (Loss) for the period after tax	(49880211.57)	(55734918.43)

During the period under review, the company has incurred loss of Rs 4.9880 crores as compared to loss of Rs 5.5734 crores during the previous year. The company was virtually non-functional during the said year and sales plunged to lowest level. The company was revived back in the year 2006-07 with the support of the state government.

2. DIVIDEND:

The company has incurred loss during the year under review. Hence your directors do not recommend any dividend for the financial year ending 31st March 2000.

3. APPROPRIATIONS:

The Directors wish to inform that there were no transfer / appropriations to any kind of specific or General Reserves of the Company during the year under review.

4. CAPITAL EXPENDITURE:

During the year under review, the Company did not incur any capital expenditure.

5. AUDITORS' REPORT:

The notes to accounts referred to in the Auditors' Report are self-explanatory and do not call for any further clarifications under Section 217(3) of the Companies Act, 1956.

6. MATERIAL CHANGES, IF ANY, BETWEEN BALANCE SHEET DATE AND DATE OF DIRECTORS' REPORT:

There are no material changes to be reported between date of the Balance Sheet and date of the Directors' Report.

7. PARTICULARS OF EMPLOYEES:

There are no employees covered by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) rules, 1975.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT, EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) The activities of the Company are not energy intensive as the Company is not engaged in any manufacturing activity and is not included under the list of industries which should furnish information in Form A (Rule 2) of Companies (Disclosure of Particulars in Reporting Board of Directors) Rules, 1988.
- b) No technology has been developed and / or imported by way of foreign collaboration.
- c) During the year, the Company has had "NIL" foreign exchange earnings and outgo.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed to the extent applicable and there has been no material departure;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the loss of your Company for that year;
- iii. The Directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the Annual Accounts on a going concern basis.

10. AUDITORS:

The Comptroller & Auditor General of India appointed M/s. Agrawal Anil & Associates, Chartered Accountants as Statutory Auditor for the financial year 1999-2000 up to 2004-05.

11. DIRECTORS:

As on date, the Board consists of 10 nos. of directors as per the list given below:

S.No.	Ex-Officio position	Designation
1.	Agriculture Production Commissioner / Dev. Commissioner, Govt. of Bihar	Chairman
2.	Vice Chancellor, Bihar Agriculture University, Sabour Secretary, Agriculture, Govt. of Bihar, Patna	Director
3.	Director, Agriculture, Govt. of Bihar, Patna	Director
4.	Pr. Secretary/ Secretary Finance or his Nominee not below the rank of Jt. Secretary	Director
5.	Managing Director, Bihar Rajya Beej Nigam Ltd.	Managing Director
6.	CMD, National Seeds Corporation	Director
7.	Regional Manager, NSC, Patna.	Director
9.	Jt. Director, Crops and Farm, Govt. of Bihar, Patna	Director
10	Director, Bihar State Seed and Organic Certification Agency, BSSOCA, Patna	Director

12. The report from the Comptroller and Auditor General of India on the Annual Accounts of the Company for the year ended 31st March 2000 along with reply to the comments of will be placed in the AGM as an addendum to the Board report.

ACKNOWLEDGEMENTS:

The Board place on record its gratitude to acknowledge the co-operation extended to the company by the State Government and its agencies, Auditors, Bankers and all the others concerned employees, consultants and further workers of the company for their cooperation.

**For and on behalf of the Board of Directors
Bihar Rajya Beej Nigam Limited**

Sd/-
Director

Sd/-
Director

Dated:10.06.2020

Place: Patna

AGRAWAL ANIL & ASSOCIATES
CHARTERED ACCOUNTANTS

'Achal', Justice Narain Path, Nageshwar Colony, Boring Road, Patna-800001
Phone: 0612-2524020/2527242/6412980 Fax: 0612-2527242 Cell: 9431881950
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To,
The Shareholders
BIHAR RAJYA BEEJ NIGAM LIMITED
PATNA

We have audited the attached Balance sheet of **BIHAR RAJYA BEEJ NIGAM LIMITED** as at **31st March 2000** and also the Profit & Loss Account of the Company for the year ended on that date. These financial statements are the responsibility of the management. Our responsibility is to express our opinion on these financial statements based on audit conducted by us.

We conducted our Audit in accordance with Auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosure in the financial statements. And audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation, we believe that our audit provides reasonable basis for our opinion.

We report that,

- 1.1. 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 company's ability to continue as a going concern is dependent 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 company 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 company, which has been liquidated in the year 2004-05.
- 1.2. Complete Accounting records of some of the offices/units could not be made available to us as the management could not locate the same and produce before us for our audit and verification. Also, vouchers and working sheets of the manuscripts of consolidation record, although produced, were found incomplete in some of the cases.
2. **Share Capital**
 - 2.1 The company 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 Company. 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



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not been shown to us. The company has, not complied with the law related to Capital Issue.

7. [Paid up capital of the company is also not in conformity with the Article 7(b) of the Article of Association of the company regarding ratio of shareholding among different class of shareholders.] ???
- 2.2 Relevant letter of National Seeds Corporation Limited regarding payment towards share capital deposit were not available for our verification.
- 2.3 No detail of Share Capital deposits from growers was available for our verification.
- 2.4 As indicated in Note 2.1 of Schedule 'V' to the accounts the subscribed Equity Capital of the company is Rs. 2,32,05,100/- whereas issued capital is only Rs. 2,25,00,000/-.
- 2.5 As indicated in note 2.2 of Schedule 'V' to the accounts the company has received a sum of Rs. 31,97,000/- from State Government which was refundable with interest as soon as the company receives money from growers. However, no provision for liability, on account of interest has been made by the company. 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.
- 2.6 As indicated in Note 12 of Schedule 'V' to the accounts, no provision for Dividend on Cumulative Preference Shares have been made.
3. **Reserve & Surplus**
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 Company on the value of subsidy could not be ascertained. Consequently loss has been overstated by an amount which can be quantified.
4. **Secured Loan**
Bank Reconciliation of cash Credit Account with SBI, J.C. Road, Patna has not been produced for verification.
5. **Unsecured Loan**
- 5.1 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 under statement of loss to that extent.
- 5.2 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. No interest has been provided on this amount.
6. **Fixed Assets**
Attention is invited to Note 4 of Schedule 'V' to the Accounts regarding:-



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- 6.1 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 company. Moreover, expenses incurred are in excess of the sanctioned amount for which approval of the Board of Directors of the Company is yet to be obtained. No compliance as yet has been shown to us.
- 6.2 Non adjustment of fixed assets already in use and non provision of depreciation thereon.
- 6.3 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 absence of any policy regarding writing off of capital work in progress we cannot comment upon the value shown in the books of accounts.
- 6.4 Non adjustment of cost of land on which processing plant at Kudra has been set up pending determination of cost.
- 6.5 Non adjustment of short depreciation charged in earlier years.
- 6.6 In view of above, the fixed assets. Figure is overstated to the extent not quantifiable.

7. Inventories

- 7.1 As mentioned in notes 14.2, 14.3, 15.2, and 15.4 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.1,45,964.63 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 the valuation of seeds are not at lower of cost or net realization value. Further, the valuation system adopted by the company 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 company nor valuation of stock. The closing stock is overstate to and extent which could not be quantified.

8. Sundry Debtors

- 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 correctness of the amount receivable on this account. In absence of confirmation of balance and / or reconciliation of account at any stage, 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 company. Pending settlement of the matter 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 centre and therefore, this should have been shown as cash at sales centers/recoverable from sales in charge. As no sales centre / in charge-wise list at any stage is available, there is possibility that the company 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 company and is outstanding since long and it appears doubtful of recovery. No adequate provision has been made against the same.
- 8.7 Net debit balance of Rs. 2,20,77,597.90 of Growers Account has been shown as Sundry Debtors. During the previous year net debit balance of such account amounting to Rs. 1,15,88,320.28 was shown as Sundry Debtors (Growers Account). 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 2000, therefore liability and advances both are understated.
- 8.8 In view of the facts mentioned above as neither provision has been made nor there is sufficient records to quantify the provision amount the sundry debtors figures is heavily overstated in terms of realization to the extent not quantifiable.
- 8.9 In absence of party-wise details, we are unable to verify the age-wise classification of debts.

9. **Cash and Bank Balance**


- 9.1 Most of the Bank accounts , operated at various units of the company, 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 of the company , Non-adjustment of which may materially affected the Bank Accounts. In many cases Bank Statements/ confirmations were not available.
- 9.2 In absence of cash statement related to Imprest with units the balance of Rs. 676811.42 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.
- 9.3 No details of drafts in hand which includes old balances is available. Such items needs to be exclude from this head on its scrutiny and transferred to proper head.
- 9.4 Confirmation related to balance of Rs. 1945028.29 shown in Public Ledger Account No. 8414 was not available.

10. **Other Current Assets**

No details of remittance-in-transit amounting to Rs. 184652.60 was available with information as regards it adjustment in the next year. This amount includes old outstanding. Therefore, we are not in position to comment upon correctness and true nature of the amount shown under this head.

11. **Loans and Advances**

- 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


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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 company is understated by such amount.

It also includes Rs. 1,29,610.65 recoverable from Bihar State Electricity Board No effort appears to have been made by the company to get refund of this amount.

It also includes Rs. 4,17,280.00 being excess subsidy paid in earlier years but no recovery has yet been made.

It also includes substantial amount of as advance for expenses and as Travelling Advance to staff which indicated lack of effort in adjustment of bills and /or recoverable from person concerned.

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 pericrma 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:-

Name of the party	Amount shown in Lonss & Advances Recoverable
1. A.P.State Seed Develop.Corp.	2,14,819.32
2. Bombay Tyre International	1,81,079.00
3. Bihar State Food & Civil Supply Corporation	3,03,750.00
4. Bihar State Vegetable Corp.	2,00,000.00
5. Central Potato Research Station	1,29,000.00
6. Central Potato Research Station, Patna	1,99,735.30
7. Girijesh kumar Singh, Kudra	1,62,645.76
8. Hindustan Petroleum Corp.	1,19,842.88
9. Indian Agr. 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.	13,17,653.52
16. Sardar Ajit Singh	1,65,653.32
17. Sardar Surendra 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



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It should 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, creditors for purchase etc.) in such case, balance under Current Liabilities and Loans & Advances have not been analyzed /linked and adjusted. The extent to which such adjustments on analysis or linking of balances will affect the profit or other accounts could not be determined.

- 11.2 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.
- 11.3 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.
- 11.4 A sum of Rs. 27,39,511.47 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 outstanding since long, which needs to be scrutinized and adjusted as it may have effect on Profit & Loss.
- 11.5 No party-wise details of advances to staff was prepared hence the same remains Unscrutinised.
- 11.6 A sum of Rs. 30.31 Lacs (previous year Rs. 59.33 Lacs) 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 our opinion on realisability or otherwise of this 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 company's accounts, against which no provision is being made by the company in view of details explained in the said Note 9.3 of schedule 'V'.
- 11.7 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/- Besides this amount substantial amounts are lying unadjusted / unrecovered since long for which adequate provision is required.

12. Current Liabilities

- 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 amount of advances made to growers remaining unadjusted as at 31st March, 2000. Therefore, Liabilities and advances are unadjusted.
- 12.2 Attention is invited to Para 11.1 above regarding substantial amount lying under this head which may be adjusted from advances.
- 12.3 A sum of Rs. 5,228.17 (Previous year Rs. 5,228.17) has been shown as "Inter Unit Accounts". No serious effort has been made to reconcile the same.
- 12.4 As mentioned in significant Accounting Policies (Para 1.1.b) 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.
- 12.5 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 our opinion on the adequacy of outstanding liabilities.

13. Production / Purchases / Sales of Seeds



- 11.1 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.
- 13.2 The different units of the company have dispatched certified seeds to various destinations throughout the state on instruction of the Govt. of Bihar for sale 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 Company.
- 13.3 In case of some units of the company sale of seeds has been booked in the accounts without obtaining proper information regarding sales by debiting the account head "Sale Centre" / "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.
- 13.4 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.
- 13.5 Seeds have been sold at rates lower than the rates fixed by the company. No formal approval of the competent authority was shown.
14. **Consumption of Packing materials / Chemicals & Store**
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.
15. 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.
16. **Purchase incidental / transport and handling**
- 16.1 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.
- 16.2 The purchase rates of raw seeds were not verified in case of some units in absence of office order.
17. **Registration and seed certification charges**
It has 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 company.
18. 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.



10. In absence of any records containing list of premises taken on rent by the company with rate of rent and the period of occupation, no reconciliation of expenses booked under this head has been made with the actual liability.
20. During the year the company has incurred substantial amount on legal expenses. In absence of any details of pending case filed by / against the company it was not possible to ascertain the contingent liability, if any, which should have been disclosed.
21. Expenses of selling commission has not been reconciled with sales and commission paid at various rates.
22. No provision of interest payable to National Seeds Corporation Limited has been made for the reasons indicated in Notes 13 of Schedule 'V' to the Accounts.
23. 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.
24. **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.
25. Employer's contribution PF / DLI / Adm. Charges Expenses booked under these heads are subject to confirmation from the Provident Fund Trust and returns filed with Provident Fund Commissioner. Contribution to Provident Fund represents amount (excluding contribution towards family pension fund) contributed to Provident Fund Trust constituted by the Company which is yet to be recognized by appropriate authorities viz. Provident Fund Commissioner and Income Tax commissioner. For Computation of Income Tax to be deducted at source from Salary, employee's contribution to Provident Fund Trust as mentioned in above has been treated as contribution to recognized Provident Fund in anticipation of the approval from Income Tax Authority which is yet to be obtained. Therefore, company may be held responsible for not deducting Income Tax at source in accordance with the Income Tax Act, 1961 attracting penalty. Moreover, short fall, if any, in the interest payable on P.F. accumulation to be compensated by the company has not been ascertained and provide in the accounts.
26. Balance of creditors, debtors, loans, deposits and advances are unconfirmed.
27. As mentioned in Note 1.1 (b) of Schedule 'V' to the Accounts expenses on account of leave salary and pension contribution have been maintained on cash basis.
28. Physical verification reports related to stock of seeds / packing materials chemicals & stores , other goods and Fixed Assets were not available for our verification.
29. Installed capacity of the plants has not been shown in the accounts.



As required by Schedule VI Part II of The Companies Act, 1956, the company 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 and Advances.

31. The interest payable and details of outstanding relating to Small Scale Industries have not been properly disclosed.
32. As mentioned in Note 17 of Schedule 'V' to the accounts, no details of prior period adjustment could be given for want of relevant details.

As required by the Manufacturing and the companies (Auditor's Report) order. 1988 is issued by the Ventral Government and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :

- I.
 - a. The company has not maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - b. Fixed Assets has been only partly physically verified by the management. Material discrepancies have not been ascertained/reported.
- II. The fixed assets of the Company have not been re-valued during the year.
- III. 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. The discrepancies, if any, between physical stock and the book records has not been ascertained. Non consideration of physical stock may have material impact on the Profit & Loss Account of the company. In our opinion subject to our observation in Para 6 and 11.5 above the valuation of stock of seeds, packing materials and other items has been fair and proper in accordance with the normally accepted accounting principles and is on same basis as in previous year.
- IV. The company has not taken any loan from parties except amounts received from the Deptt. Of Agriculture, Govt. of Bihar against sale of seeds on their permits. Register maintained under section 301(I) of the Companies Act, 1956 were not available for our verification.
- V. Advances including interest free advance were given to employees and sundry parties against supplies. In absence of any stipulation we are unable to comment upon the regularity of repayment.
- VI. In our opinion , the internal control procedure of the company relating to purchases, sales and inter-unit transfers of stock are not commensurate with the nature and size of the business of the company resulting changes of transactions and stocks in transit or stock lying in possession 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 debit the account of particular person from whom amount is recoverable resulting substantial amounts lying under the heads of 'sales centre/sales in charge etc. and even in case of supplies to Government Departments no receipted challans were found in record as mentioned in most of the internal audit reports of various offices of the company.



- Internal control procedure for purchase of packing materials, chemicals, Plant & Machinery, equipment and other assets are also not commensurate with the size and nature of the business of the Company.
- VII. The company has purchased seeds exceeding or Rs.50000/- value for each type thereof from Agriculture University in which directors of the company are interested. As explained to us, the company is required to procure foundation seeds mainly from them in terms of National seeds Programme. In absence of any other supplier we are unable to comment upon the reasonability of the price for the same.
- VIII. Unserviceable or damaged stock of seeds and packing materials etc. does not seem to have been determined to make adequate provision of loss.
- IX. The company has not accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules framed thereunder.
- X. The Company has no by-product.
- XI. Internal audit has been conducted by different firms of Chartered Accountant after expiry of financial year. No follow up has been done on the observations made by internal auditors. Internal audit system is not adequate.
- XII. As explained to us by the Management, the Central Government has not prescribed maintenance of Cost records under section 209(l)(d) of the Companies Act, 1956 for any of the products of the Company.
- XIII. Delays have been noticed in depositing provident fund dues with the appropriate authorities. In some cases certain amounts have not been deposited since long.
- XIV. In absence of adequate information and explanation given to us, 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 can not be quantified.
- XV. During the course of our examination of the books of accounts, carried out in accordance with the generally accepted auditing practices, reliance has been placed by us on the Internal control system, the report of internal auditors and the system of authorizing expenses by the management prevailing in the company, we have not come across any personal expenses other than those payable under contractual obligation and/or in accordance with generally accepted business practice and company's need and exigencies, which have been charged to Profit & Loss Account, not have been informed of any such case by the Management.
- XVI. The clause (o) of sub-clause (1) of Section 3 of Sick Industrial Companies (Special provisions) Act, 1988 does not apply to the Company.
- XVII. The other paragraphs of the order are not applicable to the company.

Subject to above, we further report that:-

- a. In our opinion proper books of account, as required by law, have been kept by the Company in so far as appears from our examination of such books. However, consolidation / compilation of different audited statements of accounts for different units and Head Office has been carried through Computer Programme.
- b. The Balance Sheet and Profit & Loss Account are in agreement with the books of accounts.
- c. In our opinion, the Balance Sheet and Profit & Loss Account have been prepared by the company in compliance with the accounting standards referred to in section 211 (3C) of the Companies Act.



A 21

1956 except as stated elsewhere and in schedule 'V' of the Accounts.

- d. As per General circular No.8/2002 dated 22.03 2002 issued by Department of Company Affairs the Nominee directors appointed by Central / State Government are exempt from provisions of Section 274 (1) (g) of the Companies Act, 1956.
- e. In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the companies Act, 1956 in the manner so "required and give a true and fair view in conformity with the accounting principles generally accepted in India
 - i. in the case of the Balance Sheet of the State of affairs of the Company as at 31st March. 2000, and
 - ii. in the case of the Profit & Loss account of the Loss for the year ended on that date.

For AGRAWAL ANIL & ASSOCIATES
CHARTERED ACCOUNTANTS


(A. K. AGRAWAL)
PARTNER

Place : Patna
Date : 24 JUL 2013



BIHAR RAJYA BEEJ NIGAM LIMITED
Balance Sheet As at 31st March, 2000

PARTICULARS	SCHEDULE	CURRENT YEAR		PREVIOUS YEAR
		AMOUNT		AMOUNT
SOURCE OF FUNDS				
Shareholders Funds				
Capital	A	37084409.20	37084409.20	
Reserve & Surplus	B	3114000.00	40198409.20	40198409.20
Other Funds				
Secured Loans	C	18906772.77	18408216.34	
Unsecured Loans	D	533579302.24	552486075.01	527713044.58
			592684484.21	567911453.78
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	35226430.62	35231120.62	
Less: Depreciation		28666408.40	28078884.64	
		6560022.22	7152235.98	
Net Block				
Capital Work - in- Progress	F	29769275.21	29769275.21	
Advance against Capital Expenditure		4375817.49	40705114.92	41297328.68
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	G	56592374.47	70614514.47	
Sundry Debtors	H	73440717.24	68095182.78	
Cash & Bank Balance	I	4587406.13	5131837.72	
Other Current Assets	J	184652.60	331582.60	
Loans & Advances	K	32575142.65	31436228.74	
		167380293.09	175609346.31	
Less: Current Liabilities and Provision	L	199868767.46	(32488474.37)	(7873253.99)
Profit and Loss A/c (As per account annexed)			584467843.66	534487379.09
			592684484.2	567911453.8

Notes on Accounts

V

Schedules "M" to "V" are integral parts of Balance Sheet.

In terms of our report of even date
 For AGRAWAL ANIL & ASSOCIATES
 CHARTERED ACCOUNTANTS



(A. K. Agrawal)
 PARTNER

PATNA, Dated: 24 JUL 2003

Chief of Finance
 BIHAR RAJYA BEEJ NIGAM LTD.
 PATNA

Managing Director
 Bihar Rajya Beej Nigam Limited
 Patna

आर० के० र०म/ R. K. Ram
 क्षेत्रीय प्रबंधक/Regional Manager
 बिहार एवं झारखंड/Bihar & Jharkhand
 नेशनल सीड्स कारपोरेशन लि०
 National Seeds Corporation Ltd.
 शेखपुरा/Sheikhpura
 पटना/Patna-14



BIHAR RAJYA BEEJ NIGAM LIMITED**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000**

PARTICULARS	SCHE DULE	CURRENT YEAR AMOUNT	PREVIOUS YEAR AMOUNT
INCOME			
Other Income	M	18923191.49	53285563.75
Increase / Decrease in Stock	N	396226.01	376457.15
	O	(13884289.00)	(34574663.00)
		<u>5435128.50</u>	<u>19087357.90</u>
EXPENDITURE			
Purchase	P	2740990.33	17015209.17
Processing & Procurement	Q	667089.81	3685644.80
Personnel	R	21505571.50	19793037.65
Establishment	S	1936920.52	3102207.96
Selling & Distribution	T	425276.76	2808703.18
Interest	U	27443252.83	27743994.20
Deperciation		596238.32	673479.37
		<u>55315340.07</u>	<u>74822276.33</u>
Loss for the year		49880211.57	55734918.43
Prior Period Adjustment (Note 17 Schedule 'V')		100253.00	-123999.25
		<u>49980464.57</u>	<u>55610919.18</u>
Loss up to Previous Year		534487379.09	478876459.91
Total Loss Carried to Balance Sheet		<u>584467843.66</u>	<u>534487379.09</u>

Notes to Accounts

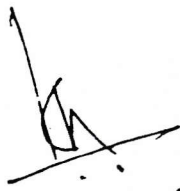
V

Schdule "M" to "V" are integral parts of the Profit and Loss Account.

In terms of our report of even date
For AGRAWAL ANIL & ASSOCIATES
CHARTERED ACCOUNTANTS


(A. K. AGRAWAL)
PARTNER

PATNA,
Dated: 24 JUL 2013


Chief of Finance
BIHAR RAJYA BEEJ NIGAM LTD.
PATNA


Managing Director
Bihar Rajya Beej Nigam Limited
Patna


आर० के० र०म/R. K. Ram
क्षेत्रीय प्रबंधक/Regional Manager
बिहार एवं झारखंड/Bihar & Jharkhand
नेशनल सीड्स कारपोरेशन लि०
National Seeds Corporation Ltd.
शेखपुरा/Sheikhpura
पटना/Patna-14

BIHAR RAJYA BEEJ NIGAM LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 2000

	As at 31.03.2000	As at 31.03.1999
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised		
375000 Equity Shares of Rs. 100/- each	37500000.00	37500000.00
125000 11% Redeemable cumulative preference shares of Rs. 100/- each	12500000.00	12500000.00
	<u>50000000.00</u>	<u>50000000.00</u>
Issued		
225000 Equity Shares of Rs. 100/- each	22500000.00 ?	22500000.00
75000 11% Redeemable cumulative preference shares of Rs. 100/- each	7500000.00	7500000.00
	<u>30000000.00</u>	<u>30000000.00</u>
SUBSCRIBED AND PAID-UP		
Subscribed		
232051 Equity Shares of Rs. 100/- each	23205100.00 ?	23205100.00
73181 11% Redeemable cumulative preference shares of Rs. 100/- each	7318100.00	7318100.00
	<u>30523200.00</u>	<u>30523200.00</u>
Paid-up		
225697 Equity Shares of Rs. 100/- each fully paid up in cash	22569700.00	22569700.00
Less: Unpaid Calls by Growers 30 Shares	480.00	480.00
	<u>22569220.00</u>	<u>22569220.00</u>
6324 Equity Shares of Rs. 100/- each Rs.40 per share paid up in cash	252960.00	252960.00
73181 11% Redeemable cumulative preference shares of Rs.100/- each fully paid up in cash	7318100.00	7318100.00
Sub Total (A)	<u>✓ 30140280.00</u>	<u>30140280.00</u>
SHARE CAPITAL DEPOSIT		
From Growers of the project Area (Including calls in advance 7200 previous year 7200)	244129.20	244129.20
From Government of Bihar	6520000.00	6520000.00
From National Seeds Corporation Ltd.	180000.00	180000.00
Sub Total (B)	<u>6944129.20 ✓</u>	<u>6944129.20</u>
Total (A+B)	<u>✓ 37084409.20</u>	<u>37084409.20</u>

Notes: 11% Redeemable cumulative preference shares are redeemable at par after 12 years but before the expiry of 15 years from the date of allotment.



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	As at 31.03.2000	As at 31.03.1999
SCHEDULE : 'B'		
Reserve and Surplus		
Capital Reserve (As per last account)	3114000.00	3114000.00
SCHEDULE : 'C'		
Secured Loans		
Cash Credit		
State Bank of India, J.C.Road, Patna (Secured against hypothecation of stocks)	18906772.77	18408216.34
SCHEDULE : 'D'		
Unsecured Loans		
From Department of Agriculture, Govt. of Bihar		
STC Loan	319000000.00	319000000.00
Interest accrued and due on above	253827323.51	229552849.51
	572827323.51	548552849.51
Less : Adjustment against Seeds Supplied on STC Permits as on date	39745021.27	39745021.27
	533082302.24	508307828.24
Loan from Govt. of Bihar	497000.00	497000.00
	533579302.24	509304828.24

Note: Unsecured Loans are repayable within 12 months. However, STC Loans are repayable within 6 months.



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BIHAR RAJYA BEEJ NIGAM LIMITED

SCHEDULE : ' E '

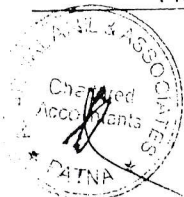
FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK			DEPERCIATION		NET BLOCK		
		As on 01.04.1999	Add/Less during the year	As at 31.03.2000	Upto 31.03.1999	For the year	As at 31.03.2000	As at 31.03.2000	As at 31.03.1999
1	Buildings- Factory	3139798.00	0.00	3139798.00	2547213.12	59258.49	2606471.61	533326.39	592584.88
	- Others	9962707.00	0.00	9962707.00	5538836.53	221193.52	5760030.05	4202676.95	4423870.47
2	Plant & Machinery	17253031.43	0.00	17253031.43	15353012.48	264292.50	15617305.98	1635725.45	1900017.95
3	Office Equipements	371020.25	1830.00	372850.25	319710.37	8967.20	328677.57	44172.68	51309.88
4	Furniture & Fixtures	644370.55	2280.00	646650.55	570279.29	15690.52	585969.81	60680.74	74091.26
5	Vehicles	2770964.18	(8800.00)	2762164.18	2710742.04	16599.01	2718626.49	43537.69	60222.14
6	Electrical Installations	83678.76	0.00	83678.76	77142.25	909.23	78051.48	5627.28	6536.51
7	Computer	104067.00	0.00	104067.00	101030.63	1214.55	102245.18	1821.82	3036.37
8	Pallets & Other storing Asset:	901483.45	0.00	901483.45	860916.93	8113.30	869030.23	32453.22	40566.52
	Total:	35231120.62	(4690.00)	35226430.62	28078884.64	596238.32	28666408.40	6560022.22	7152235.98
	Previous Year:	35224224.62	6896.00	35231120.62	27405405.27	673479.37	28078884.64	7152235.98	7818819.35

SCHEDULE : ' F '

CAPITAL WORK IN PROGRESS

Sl. No.	PARTICULARS	As on 01.04.1999	Additions during the year	As at 31.03.2000
1	Building under construction	21829878.00	0.00	21829878.00
2	Consultancy Charges to NSC	929541.00	0.00	929541.00
3	Interest on Term Loan	2787554.00	0.00	2787554.00
4	Commission for L/C & Others	171242.00	0.00	171242.00
5	Plant & Machinery under Installation	341391.61	0.00	341391.61
6	Spares	12222.00	0.00	12222.00
7	Installation Expenses	55884.00	0.00	55884.00
8	Electrical Installation	1481706.00	0.00	1481706.00
9	Electrical Sub-Station	954075.00	0.00	954075.00
10	Refrigeration Machinery	1005757.00	0.00	1005757.00
11	Shed & Drying Floor	88495.00	0.00	88495.00
12	Building Materials	19800.00	0.00	19800.00
13	Boundry Wall at Ranchi Plant	91729.60	0.00	91729.60
	Total:	29769275.21	0.00	29769275.21
	Previous Year:	29769275.21	0.00	29769275.21



	As at 31.03.2000	As at 31.03.1999
<u>SCHEDULE : 'G'</u>		
<u>INVENTORIES</u>		
Loose Tools	71622.84	71622.84
Stock of Spares	145964.63	145964.63
Stock of Seeds	55342206.00	69226495.00
Packing and processing materials	1032581.00	1170432.00
	<u>56592374.47</u>	<u>70614514.47</u>
<u>SCHEDULE : 'H'</u>		
<u>SUNDRY DEBTORS</u>		
(Unsecured, considered good)		
Debt outstanding for a period exceeding six months	73440717.24	68095182.78
<u>SCHEDULE : 'I'</u>		
<u>CASH AND BANK BALANCE</u>		
Cash in Hand	222662.79	278940.66
Imprest with Units	676811.42	670280.42
Balance with Scheduled Banks (In current account)	1682070.67	2176755.39
Balance with P.L. A/c - 8414	1945028.29	1945028.29
Drafts in Hand	60832.96	60832.96
	<u>4587406.13</u>	<u>5131837.72</u>
<u>SCHEDULE : 'J'</u>		
<u>OTHER CURRENT ASSETS</u>		
Remittance in Transit	184652.60	331582.60
<u>SCHEDULE : 'K'</u>		
<u>LOANS AND ADVANCES</u>		
(Unsecured, considered good, unless otherwise stated - refer Note 9 of schedule "V")		
Advance recoverable in Cash or Kind	23710756.43	22655877.94
Suspence (Net)	2739511.47	2739506.55
Advance Income Tax	25000.00	25000.00
Security Deposit with B.S.E.B	12695.00	12695.00
Security Deposit for Telephone	38222.00	38222.00
Security Deposit Gas Cylinder	500.00	500.00
Farms Taken Over Account	6031161.20	5932637.70
Prepaid Insurance	17296.55	31789.55
	<u>32575142.65</u>	<u>31436228.74</u>



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	As at 31.03.2000	As at 31.03.1999
SCHEDULE : 'L'		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors (others)	77455937.5	77256154.58
Other Liabilities	42554413.23	26806044.62
Interest Payable to Govt.of Bihar and National seeds Corporation Ltd.	143234.00	143234.00
Advance against sales	63509954.56	63071938.93
Department of Agriculture, Govt.of Bihar (For Capital Expenditure)	16200000.00	16200000.00
Inter - Unit Account	5228.17	5228.17
	199868767.46	183482600.30

SCHEDULE : 'M'

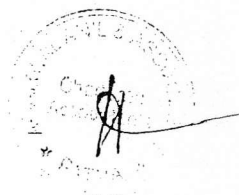
SALES

Certified seeds	3009086.62	23420003.56
C/S-1 Seeds	785107.80	792179.00
Foundation seeds	528160.50	3058974.23
Breeder Seeds	295343.25	127567.00
Non Seeds/TL/ Under size Seeds	14305493.32	25886839.96
	19923191.49	53285563.75

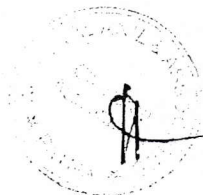
SCHEDULE : 'N'

OTHER INCOME

Sales of Tender Paper	5500.00	8250.00
Sales of Old Bags	99550.95	138944.75
Guest House Charges	1309.00	525.00
Profit on Sale of Fixed Assets	4314.56	0.00
Miscellaneous Sale	312.00	9850.00
Sale of Rice	223703.00	118727.50
Certification Charges realised	61536.50	95681.40
Miscellaneous Receipts	0.00	4478.50
	396226.01	376457.15

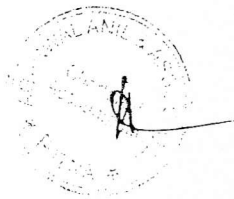


	<u>As at</u> <u>31.03.2000</u>	<u>As at</u> <u>31.03.1999</u>
SCHEDULE : 'O'		
Increase in Stock		
(a) Closing Stock		
Certified seeds	1031305.00	5263632.00
Foundation seeds	95025.00	997812.00
Breeder Seeds	13776.00	57896.00
Under Size / Non Seeds	53763654.00	61868456.00
Raw Seeds	438446.00	1038699.00
	<u>55342206.00</u>	<u>69226495.00</u>
(b) Opening Stocks		
Certified seeds	5263632.00	15248234.00
Foundation seeds	997812.00	1537456.00
Breeder Seeds	57896.00	142918.00
Under Size / Non Seeds	61868456.00	65336214.00
Raw Seeds	1038699.00	21536336.00
	<u>69226495.00</u>	<u>103801158.00</u>
Increase / (Decrease) in stock (a-b) / (b-a)	<u>(13884289.00)</u>	<u>(34574663.00)</u>
SCHEDULE : 'P'		
PURCHASES		
Raw Seeds	1491610.33	8205548.00
Certified seeds	780746.00	7114151.50
Foundation seeds	180140.00	1554824.57
Breeder Seeds	298494.00	140585.10
	<u>2740990.33</u>	<u>17015209.17</u>
SCHEDULE : 'Q'		
PROCESSING & PROCUREMENT		
Seeds Incidental	20095.55	306353.95
Power and Fuel	26167.00	549008.00
Processing Expenses	10466.70	42909.45
Packing Materials Consumed	137969.00	1834545.00
Chemicals & Stores Consumed	12895.81	132433.40
Cold Storage Charges	222749.50	213420.00
Registration & Seeds certification charges	236746.25	606975.00
	<u>667089.81</u>	<u>3685644.80</u>
SCHEDULE : 'R'		
PERSONNEL		
Salary , Weges & Allowance	19139359.60	17464059.20
Employer's contribution to Provident Fund	1561354.00	1485886.00
Deposit Linke Insurance	78023.00	74586.00
Administrative and Inspection Charges of P.F	173249.00	127833.00
Exgratia	6000.00	
Staff welfare Expenses	15385.90	62150.45
Gratuity	532200.00	578523.00
	<u>21505571.50</u>	<u>19793037.65</u>



d. S.

	As at <u>31.03.2000</u>	As at <u>31.03.1999</u>
SCHEDULE : 'S'		
<u>ESTABLISHMENT</u>		
Rent	712887.90	899785.20
Travelling & Conveyance	123357.50	267294.25
Telephone	138169.50	353718.81
Printing & Stationery	55969.95	115569.95
Vehicle Running Expenses	232821.53	361923.17
<u>Repairs & Maintenance</u>		
Buildings	0.00	2153.00
Plant & Machinery	5041.85	31014.10
Vehicles	103922.19	241095.29
Others	39952.20	50617.30
Postate, Telegrams & Courier	18306.10	20085.00
Newspaper & Periodicals	21012.00	29967.80
Electercity Charges	6119.00	30226.50
Electercal Expenses	1342.50	4549.00
Legal & rofessional Charges	68443.00	69999.50
Auditors Remuneration (Statuory Audit Fees)	17632.00	17632.00
Internal Auditors Remuneration	128276.00	128276.00
Rates & Taxes	59496.80	44496.30
Filing Fee	1200.00	240.00
Insurance	99882.00	144882.00
Bank Charge	29999.50	99873.30
Entertainment	11667.80	30870.50
Advertisement	32421.40	53350.00
Meeting Expenses	3930.15	19518.40
Vehicle Hire Charges	2590.00	15028.50
Miscelianeous Expenses	32479.65	70042.09
	<u>1936920.52</u>	<u>3107207.96</u>
SCHEDULE : 'T'		
<u>SELLING, DISTRIBUTION & TRANSPORTATION</u>		
Sales Permotion	39929.00	3459.00
Selling Commission	148744.75	1124735.10
Road Subsidy	4126.50	14533.19
Handling & Transportation	232476.51	1665975.89
	<u>425276.76</u>	<u>2808703.18</u>
SCHEDULE : 'U'		
<u>INTEREST</u>		
On S.T.C. Loan	24274474.00	24274474.00
On Cash Credit	3168778.83	3469520.20
	<u>27443252.83</u>	<u>27743994.20</u>



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BIHAR RAJYA BEEJ NIGAM LIMITED

SCHEDULE – 'V'

Notes on Accounts

1. Major Accounting Policies

1.1. Basis of preparation of Financial Statements :

- (a) 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.
- (b) 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.

1.2. 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 is 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	- at cost
Spares	- at cost
Stock in Trade (Seeds)	- at cost
Packing and Processing Materials	- at or below cost.

(Attention, however, is invited to Note No. 14 and 15 below)

1.4. Employees Retirement Benefits

The Company has subscribed to the group gratuity scheme of Life Insurance Corporation of India.

2. Share Capital

- 2.1. In case of equity shares subscribed capital is Rs 2,32,05,100/- whereas issued capital is only Rs. 2,25,00,000 thereby subscribed Capital exceeds by Rs. 7,05,100/- than the issued capital. Steps will be taken to regularize the same.
- 2.2. A sum of Rs. 3197000.00 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 receives money from growers. In view of above, out of the sum so received Rs. 497000.00 has been shown under unsecured loan from State Govt. However, no interest has been providing in the account. Moreover, in terms of Board's resolution (49/18) dated 15.02.88, 27000 Equity Shares of Rs. 150/- each has been allotted to Governor, Bihar, out of above receipt.

3. Unsecured Loans

The Company has received advances from Department of Agriculture, Govt. of Bihar against sale of seeds on their permits. On that account Rs. 3,97,45,021.27 is yet to be adjusted pending confirmation of adjustment by the concerned Department. Interest has been provided on advance after deducting the unadjusted amount of Rs 3,97,45,021.27. Interest on such unadjusted amount for the year is Rs. 32,06,775.00.



Attention is invited to para 2.2 above regarding loan of Rs. 497000.00 from Govt. of Bihar.

4. Fixed Assets

- 4.1. 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 expense so adjusted exceeds the amounts sanctioned in some cases which is subject to approval of the Board of Directors after obtaining justification of increase in costs from PWD. In absence of further bills no adjustment could be made thereafter.

For want of relevant details from the parties concerned other items for fixed assets also remains unadjusted resulting overstatement of capital work in progress and advance against capital expenditure with corresponding understatement of fixed assets.

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 figures of fixed assets, capital work in progress and advance against capital expenditure could not be quantified.

- 4.2. 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 conditions as regards 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.
- 4.3. 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 vehicles depreciation on heavy vehicles has been calculated on the amount indicated in the last audit report and on balance amount rate @ 25.89% has been applied although it includes amounts (related to Bicycles) 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 detail. Net credit balance of Debtors (Government) has, however, been shown as advance against sale. This also includes net debit balance of Growers Account. No details of Growers accounts are available.
- 6.2. A sum of Rs. 41.16 lakhs due from BISCOAUN 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.
- 6.3. Age wise classification of sundry debtors has been made on the basis of available information pending preparation of subsidiary ledgers.
- 6.4. Sundry Debtors includes Rs. 120.84 lakhs due from service agents for more than eight years for which no provision has been made as suggested by auditors. Matter related to provision for bad debt, if any will be considered after identification of doubtful debts based on party wise detail as indicated in para 6.1 above.

7. Cash and bank Balance

- 7.1. Bank Accounts at some units of the company remain unreconciled.
- 7.2. Some old balances under the head of imprest with units are under scrutiny for proper adjustment.

8. Remittance in Transit

- 8.1. Reconciliation of Remittance in Transit is yet to be completed.

9. Loans and Advances

- 9.1. Advance includes Rs. 1567795/- (previous year Rs. 1567795/-) shown as doubtful for which no provision has been made.
- 9.2. Pending completion of scrutiny amounts shown under the head of Suspense Rs. 27,39,511.47 (Previous year Rs.27,39,506.55) could not be adjusted.
- 9.3. Loans and Advances include Rs. 60,31,161.00 (previous year Rs. 59,32,638.00) on account of Govt. Farm taken over account 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 ownership of which remained with the Government after cutting of the standing paddy crop on certain terms and conditions. As per the decision the company had



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also to taken over liability of two years of such agricultural farms. However, such liabilities in respect of 31 farms, which the company actually took over, have 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 party-wise detail.

9.5. **Advanced include Travelling Advances to Chairman and Managing Director.** Pending preparation of detail amount could not be quantified.

10. Current Liabilities

10.1 Pending preparation of person-wise detail of Sundry Creditors, others Liabilities and Advances against orders balances shown under these heads remain to be scrutinized for the purpose of adjustment wherever required.

10.2 Pending completion of scrutiny amounts shown under the heads of Inter-unit Account Rs. 5228.17 (previous year Rs. 5228.17) could not be adjusted.

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

12. Arrear of dividend on Redeemable cumulative Preference Share since its issue till 31st March, 2000 (Subject to deduction of Tax) is Rs. 1,36,74,037.00 (previous year Rs. 1,28,69,046.00).

13. National Seeds Corporation Limited, New Delhi, consultant of the company was entrusted with commissioning of the plant. They have 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, Purchase and Stocks of Seeds

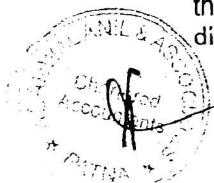
14.1 Purchases and Sales of Seeds have been booked on the basis of statement of accounts of accounting centers of the company duly audited by respective Internal Auditors.

- Purchases of breeder, foundation seeds and certified have been booked on the basis of invoices of suppliers available at head office and other offices. Purchases of raw seeds have been booked on the basis of information received from Processing Plants and Regional Offices of the Company.
- Quantities of seeds processed have been taken on the basis of statement audited by Internal Auditors.
- Sale of different classes of seeds has been booked on the basis of statement audited by internal Auditors.

14.2 Pending reconciliation of inter-unit transfer of Stock, quantities of closing stock, as per practice followed, have been arrived at after deducting quantities of sales and shortage/losses, wherever ascertained, from the total of opening stock and purchases/ production. As reported by Internal Auditors quantities of closing stock so arrived at substantially differ from the quantities of closing stocks shown by various offices of the company. As such material difference (approximate value Rs. 500.00 lacs) are coming since last several years (mostly prior to 1993-94), records of related years will be scrutinized to ascertain the reason (including short booking of sales at Regional Offices / Plants, if any) for proper adjustment in the account. In case it is because of non-booking of sales to Government Departments, there will be no effect on the working result of the company as advance against sale will decrease with corresponding decrease in stock.

14.3 Actual shortages/losses remain to be adjusted due to non-completion of reconciliation of purchases and sales with the stock records and comparison of book balances with the actual stock based on physical verification.

14.4 As realizable value of seeds are not conveniently ascertainable 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:



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- Certified seeds at cost plus 15%
- Raw seeds at cost plus 0%
- Other 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)

15. Purchases, Consumption and Stocks of Packing/ Certification Materials and Chemicals

- 15.1 Purchase have been booked, based on invoices available at the Head Office of the Company. Reconciliation with the stock records is yet to be completed.
- 15.2 Consumption of packing and other materials is not based on actual consumption as per stock records. It is on the basis of estimated consumption, Purchase of cloth bags, chemicals and treads have been treated as consumed.
- 15.3 Opening figures of opening stocks, purchases and consumption have been taken as closing figures.
- 15.4 Actual shortage/losses remains to be adjusted due to non-completion of reconciliation of purchases and consumption with the stock records and comparison of book balances with the actual stock based on physical verification.

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

17. Additional information

17.1. Particulars of capacity and production

Particulars	1999 - 2000	1998 - 1999
Licensed Capacity	Not applicable	Not applicable
Installed Capacity	Not ascertained	Not ascertained
Actual Production (quintals) (Out of raw seeds consumed)	2624	39761

17.2. Raw Materials Consumed (Raw Seeds)

PARTICULARS	1999 - 2000		1998 - 1999	
	Qntls.	Rs.	Qntls.	Rs.
Opening Stock	1678	1038699	42190	21535336
Purchases	2472	1481610	12968	8205548
Inter - class transfers	(601)		(10944)	
	3549	2520309	44214	29741884
Less: Closing Stock	726	438446	1678	1038699
Consumed	2823	2081863	42536	28703185
Processing Loss	199		2775	

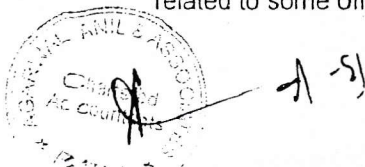
Note: Amount of consumption is short/excess by the value of inter class transfer and cost of sales (amount not ascertained).

17.3. Particulars in respect of purchase, sales, opening and closing stock of Seeds: (Seeds (Other than raw seeds))

PARTICULARS	1999 - 2000		1998 - 1999	
	Qntls.	Rs.	Qntls.	Rs.
Opening Stock	164271	68187796	186819	82264822
Purchases	2205	1259381	9734	8809661
Inter - class transfers	601		10944	
Production (out of raw Seeds)	2624		39761	
Sales	31435	18923191	81314	53285564
Closing Stock	137114	54903760	164271	68187796
Loss due to damage & rottage	1152		1673	

18. Prior Period Adjustment Accounts

Details of Prior Period Adjustment Rs. 1,00,253.00 (Net Dr) have not been disclosed in absence of detail related to some offices.



19. Information under part IV of Schedule VI of the Companies Act, 1956.
BALANCE SHEET AND COMPANY'S GENERAL BUSINESS PROFILE

Details			
No.	03 - 001294	State Code	03
Report Date	31.03.2000		
Raised During the year (Amount in Rs. Thousand)			
Issue	NIL	Right Issue	NIL
Issue	NIL	Private Placement	NIL
Position of Mobilization and Deployment of Funds (Amount in Rs. Thousand)			
Liabilities	792553	Total Assets	792553
Source of Funds		Application of Funds	
Paid – up Capital	37084	Net Fixed Assets	40705
Reserve & Surplus	3114	Net Current Assets	(32488)
Secured Loans	18907	Investments	NIL
Unsecured Loans	533579	Misc. Expenditure	NIL
		Accumulated Losses	584467
IV. Performance of Company (Amount in Rs. Thousand)			
Turnover(Including other Income)	19319	Total Expenditure	69299
Profit Before Tax (+ for Profit,- for loss)	(-) 49980	Profit After Tax (Refer note)	(-) 49980
Earnings per Shares	Loss	Dividend Rate %	NIL
V. Generic Name of Three Principal Products/Services of Company (As per monetary terms)			
Seeds			

20. Previous years figures have been re-arranged/ re-grouped wherever necessary.

In terms of our report of even date
 For AGRAWAL ANIL & ASSOCITES
 CHARTERED ACCOUNTANTS

PALCE: PATNA
 DATED:

24 JUL 2013


 (A. K. AGRAWAL)
 PARTNER



13-10

आ0प्र0सू-ले0 एवं डी0पी0 (बा0) / बा0ले0-1999-2000 / 467

भारतीय लेखा सभा लेखा परीक्षण विभाग
कार्यालय, महालेखाकार (लेखापरीक्षा) बिहार
रिज्यू प्रमोशन मार्ग, पटना-800 021

Indian Audit & Accounts Department
Office of the Comptroller General (Audit-Bihar)
Rizyu Promotion Marg, Patna-800 021

दिनांक: 10/03/2001

सेवा में,

प्रबंध निदेशक,
बिहार राज्य बीज निगम लिमिटेड,
कृषि फार्म कैम्पस, मीठापुर फार्म एरिया,
पटना -1

विषय:- 31 मार्च 2000 को समाप्त हुए वर्ष के लिए बिहार राज्य बीज निगम लिमिटेड के लेखाओं पर कम्पनी अधिनियम, 1956 की धारा 619 (4) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणी।

महाशय,

31 मार्च 2000 को समाप्त हुए वर्ष के लिए बिहार राज्य बीज निगम लिमिटेड, के लेखाओं पर कम्पनी अधिनियम, 1956 की धारा 619 (4) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की नॉन-रिव्यु प्रमाणपत्र संलग्न की जा रही है। इसे कम्पनी के वार्षिक आम सभा में प्रस्तुत करें एवं प्रस्तुतीकरण की तिथि एवं सभा की कार्यवाही की प्रति इस कार्यालय को भेजने की कृपा करें। वार्षिक प्रतिवेदन की मुद्रित प्रति भी इस कार्यालय को अभिलेख हेतु भेजे।

अनुलग्नक : यथापरि

विश्वासभाजन

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उप महालेखाकार (आ0 प्र0)

फ/Phone-2221226, 2228325, 2223194, 2221941

फ/ Fax : 0612-2506223

ई.मेल/ E-mail-agaubihar@cag.gov.in

ई.पी.ए.बी.एक्स./EPBAX-2223757, 2228320

पो0 बॉक्स/P.B.No. -47

**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE
ACCOUNTS OF BIHAR RAJYA BEEJ NIGAM LIMITED FOR THE YEAR
ENDED 31 MARCH 2000.**

The preparation of financial statements of Bihar Rajya Beej Nigam Limited for the year ended 31 March 2000 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller & Auditor General of India under section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 24 July 2013.

I on behalf of the Comptroller & Auditor General of India have decided not to review the report of the Statutory Auditors' on the accounts of Bihar Rajya Beej Nigam Limited for the year ended 31 March 2000 and as such have no comments to make under section 619 (4) of the Companies Act, 1956.

**For and on behalf of the
Comptroller & Auditor General of India**

**Place : Patna
Date : 27-11-2013**

**sd/-
(P. K. Singh)
Accountant General (Audit),
Bihar.**