

DIRECTOR'S REPORT

To,

The Members
Bihar Rajya Beej Nigam Ltd.

Your Directors have the immense pleasure in presenting the 26th Annual Report of the company along with audited financial statement including Balance Sheet as at 31.03.2003 Profit and Loss Account for the year ended on 31.03.2003 on the business and operation of the company together with Statutory Auditor Report for the year ended 31st March, 2003.

1. FINANCIAL RESULTS & PERFORMANCE:

Financial performance of the company for the financial year ended 31st March 2003 is summarized below:

Financial Results:

Amount in Rs.

Particulars	Year ended 31 March 2003	Year ended 31 March 2002
Total Revenue	(6993164.15)	(12815584.80)
Total Expenditure (Processing & Administrative Part)	37939823.10	41852173.85
Profit / (Loss) for the period after tax	(44932987.25)	(54667758.65)

During the period under review, the company has incurred loss of Rs 4.49329 crores. 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 2003.

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 2002-2003 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 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 2003 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
E- mail: agrawalaka@sify.com

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 2003** 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 responsible 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. The Annual Accounts for the year ended 31st March, 2002 has not been adopted by the Corporation in the Annual General Meeting held for that year. However, as per circular No. 36-CAII/o-Ordn/Actionable claim of 2008-09/7/2009 dated 27.01.2009; we are releasing the audit report for the year ended 31st March, 2003 without previous year's account being approved in the Annual General Meeting of the Corporation.
- 1.2. 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.
- 1.3. 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.



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

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 out 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 has 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



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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:-

- 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, 15.1, 15.2, and 15.3 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 overstated and extent of 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.



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- 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 Credit balance under the head of Debtors Government has been shown as advance against sales.
- 8.8 Net debit balance of Rs. 2,44,98,068.50 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 2003, therefore liability and advances both are understated.
- 8.9 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.
- 8.10 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. 675677.42 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 excluding 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.



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10. **Other Current Assets**

No details of remittance-in-transit amounting to Rs. 184652.60 were available which is outstanding since long. We are not in a position to comment upon the correctness 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 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 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.

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:-

Name of the party

**Amount shown in
Loans & Advances
Recoverable**

1.	A. P. State Seed Development Corporation.	214819.32
2.	Bombay Tyre International	181079.09
3.	Bihar State Food & Civil Supply Corporation	303750.00
4.	Bihar State Fruit Vegetable Corporation	200000.00
5.	Central Potato Research Station	129000.00
6.	Central Potato Research Station, Patna	199735.30
7.	Girijesh kumar Singh, Kudra	162645.76
8.	Hindustan Petroleum Corp.	119842.88
9.	Indian Agri. Research Institute	102630.00
10.	Krishna Beej Pvt.Ltd. Delhi	709475.75
11.	Lawly Sen & Co.	156564.24
12.	Masina Beej Pvt.Ltd. Delhi	769492.00
13.	M.K.Rahman	142147.34
14.	National Jute Mfg. Corp., Kolkata	476419.50
15.	National Jute Mfg. Corp. Ltd.	1317658.52
16.	Sardar Ajit Singh, Kudra	165563.32
17.	Sardar Surrender Singh, Kudra	376340.46
18.	Seed Loans to Farmers	140555.84
19.	Sukhadia Uni. Mach. Ag. Farm, Kota	190950.00
20.	Swadeshi Tripal Industries	196638.40



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21.	Advance to Transporters	384476.45
22.	Avinash Kumar	431000.00
23.	Bihar State Seed Certification Agency	1541425.25
24.	Guru Nanak Transport	482980.75
25.	K. M. Enterprises	102457.50
26.	Munna Carrier	274911.70
27.	Nand Bihari Singh	552966.70
28.	UP Seed & Tarai Development Corporation	38841.92

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. 2739140.34 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 were prepared hence the same remains Unscrutinised.
- 11.6 A sum of Rs. 5617031.20 (previous year Rs. 5617031.20) 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 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. 15,67,795.00 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, 2003. 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



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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 on the adequacy of outstanding liabilities.

13. Production / Purchases / Sales of Seeds

- 13.1 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.


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- 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.
19. 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. The company has incurred substantial amount on legal expenses in earlier years. 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.


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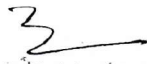
26. Balance of creditors, debtors, loans, deposits and advances are unconfirmed.
27. As mentioned in Note 1.1 (b) of Schedule 'V' to the Accounts expenses on account of leave salary and pension contribution have been maintained on cash basis.
28. Physical verification reports related to stock of seeds / 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.
30. 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.


Company Secretary
 BIHAR RAJYA BEEJ NIGAM LTD.




Managing Director
 Bihar Rajya Beej Nigam Limited
 Patna

- 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 there of 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 there under.
- X. The Company have 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.


Company Secretary
Bihar Beej Nigam Ltd.




Managing Director
Bihar Beej Nigam Ltd.

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, 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, 2003, 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 : 17 JUN 2019



Company Secretary
BIHAR RAJYA BEEJ NIGAM LTD.



Managing Director
Bihar Rajya Beej Nigam Limited
Patna

BIHAR RAJYA BEEJ NIGAM LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2003

PARTICULARS	SCHEDULE	CURRENT YEAR AMOUNT		PREVIOUS YEAR AMOUNT
SOURCES OF FUNDS				
<u>Shareholders Funds</u>				
Capital	A	37084409.20		37084409.20
Reserve & Surplus	B	3114000.00	40198409.20	3114000.00
<u>Loan Funds</u>				
Secured Loans	C	19698166.12		19849135.12
Unsecured Loans	D	606402724.24	626100890.36	582128250.24
			<u>666299299.56</u>	<u>642175794.56</u>
APPLICATION OF FUNDS				
<u>Fixed Assets</u>				
Gross Block	E	35226430.62		35226430.62
Less: Depreciation		30092332.48		29667819.24
		<u>5134098.14</u>		<u>5558611.38</u>
Net Block				
Capital Work - in- Progress	F	29769275.21		29769275.21
Advance against Capital Expenditure		4375817.49	39279190.84	4375817.49
				39703704.08
<u>CURRENT ASSETS, LOANS & ADVANCES</u>				
Inventories	G	5393083.47		14525660.47
Sundry Debtors	H	73553964.11		73529044.11
Cash & Bank Balance	I	4900126.76		4480095.54
Other Current Assets	J	184652.60		364652.60
Loans & Advances	K	32579335.17		32452358.37
		<u>116611162.11</u>		<u>125351811.09</u>
Less: Current Liabilities and Provision	L	245630989.25	(12901927.14)	233986669.22
				(108634858.13)
Profit and Loss A/c (As per account annexed)			<u>756039935.86</u>	<u>711106948.61</u>
			<u>666299299.56</u>	<u>642175794.56</u>
Notes on Accounts	V		0.00	0.00

Schedules "A" to "L" and "V" are integral parts of Balance Sheet.

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



(A. K. AGRWAL)
PARTNER

PATNA;
Dated :

17 JUN 2019




Company Secretary
BIHAR RAJYA BEEJ NIGAM LTD.
PATNA


Managing Director
Bihar Rajya Beej Nigam Limited
Patna

BIHAR RAJYA BEEJ NIGAM LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003

PARTICULARS	SCHE DULE	CURRENT YEAR AMOUNT	PREVIOUS YEAR AMOUNT
INCOME			
Sales	M	1089729.55	853350.00
Other Income	N	1048674.30	378177.20
Increase / Decrease in Stock	O	(9131568.00)	(14047112.00)
		<u>(6993164.15)</u>	<u>(12815584.80)</u>
EXPENDITURE			
Purchase	P	587206.60	0.00
Processing & Procurement	Q	84305.59	49283.45
Personnel	R	12073915.00	16400745.50
Establishment	S	375635.82	595726.10
Selling & Distribution	T	119722.85	56898.35
Interest	U	24274474.00	24274474.00
Deperciation	E	424513.24	475046.45
		<u>37939823.10</u>	<u>41852173.85</u>
Loss for the year		44932987.25	54667758.65
Prior Period Adjustment (Note 20 Schedule 'V')		0.00	19522.25
		<u>44932987.25</u>	<u>54687280.90</u>
Loss up to Previous Year		711106948.61	656419667.71
Total Loss Carried to Balance Sheet		<u>756039935.86</u>	<u>711106948.61</u>

Schedules "M" to "U" and "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. AGRWAL)
PARTNER

PATNA;
Dated : 17 JUN 2019




Company Secretary
BIHAR RAJYA BEEJ NIGAM LTD.


Managing Director
Bihar Rajya Beej Nigam Limited
Patna

	As at 31.03.2003	As at 31.03.2002
SCHEDULE : 'A' : SHARE CAPITAL		
<u>Authorised</u>		
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>
<u>ISSUED</u>		
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>
<u>SUBSCRIBED AND PAID-UP</u>		
<u>Subscribed</u>		
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>
<u>Paid-up</u>		
225697 Equity share 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 share 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>
<u>SHARE CAPITAL DEPOSIT</u>		
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>

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

SCHEDULE : 'B' : RESERVE AND SURPLUS

Capital Reserve (As per last account)	3114000.00	3114000.00
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SCHEDULE : 'C' : SECURED LOANS

Cash Credit

State Bank of India, J.C.Road,Patna (Secured against hypothecation of stocks)	19698166.12	19849135.12
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SCHEDULE : 'D' : UNSECURED LOANS

From Department of Agriculture, Govt.of Bihar (STC Loan)	319000000.00	319000000.00
Interest accrued and due on above	326650745.51	302376271.51
	645650745.51	621376271.51
Less : Adjustment against Seeds Supplied on STC permits as on date	39745021.27	39745021.27
	605905724.24	581631250.24
Loan from Govt.of Bihar	497000.00	497000.00
	<u>606402724.24</u>	<u>582128250.24</u>

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


Company Secretary
 BIHAR RAJA BEEJ NIGAM LTD.




Managing Director
BIHAR RAJA BEEJ NIGAM LIMITED
Patna

BIHAR RAJYA BEEJ NIGAM LIMITED

SCHEDULE : ' E ' : FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK			DEPERCIATION			NET BLOCK	
		As on 01.04.2002	Add/Less during the year	As at 31.03.2003	As on 01.04.2002	For the year	As at 31.03.2003	As on 31.03.2003	As at 31.03.2002
1	Buildings- Factory	3139798.00	0.00	3139798.00	2707803.62	43199.44	2751003.06	388794.94	431994.38
	- Others	9962707.00	0.00	9962707.00	6169791.05	189645.80	6359436.85	3603270.15	3792915.95
2	Plant & Machinery	17253031.43	0.00	17253031.43	16040715.46	168633.15	16209348.61	1043682.82	1212315.97
3	Office Equipments	372850.25	0.00	372850.25	340111.72	4553.93	344665.65	28184.60	32738.53
4	Furniture & Fixtures	646650.55	0.00	646650.55	605948.27	7367.11	613315.38	33335.17	40702.28
5	Vehicles	2762164.18	0.00	2762164.18	2739815.73	6117.29	2745934.02	16230.16	22347.45
6	Electrical Installations	83678.76	0.00	83678.76	79507.85	580.17	80088.02	3590.74	4170.91
7	Computer	104067.00	0.00	104067.00	103411.15	262.34	103673.49	393.51	655.85
8	Pallets & Other storing Assets	901483.45	0.00	901483.45	880713.39	4154.01	884867.40	16616.05	20770.06
	Total:	35226430.62	0.00	35226430.62	29667819.24	424513.24	30092332.48	5134098.14	5558611.38
	Previous Year:	35226430.62	0.00	35226430.62	29192772.79	475046.45	29667819.24	5558611.38	6033657.83

SCHEDULE : ' F ' : CAPITAL WORK IN PROGRESS


Sl. No.	PARTICULARS	As on 01.04.2002	Additions 2002-03	As at 31.03.2003
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

Company Secretary
BIHAR RAJYA BEEJ NIGAM LTD.



Managing Director
Bihar Raiva Baji Nigam Limited

	As at 31.03.2003	As at 31.03.2002
<u>SCHEDULE : 'G' : INVENTORIES</u>		
Loose Tools	71622.84	71622.84
Stock of Spares	145964.63	145964.63
Stock of Seeds	4211386.00	13342954.00
Packing and processing materials	964110.00	965119.00
	<u>5393083.47</u>	<u>14525660.47</u>
<u>SCHEDULE : 'H' : SUNDRY DEBTORS</u>		
(Unsecured, considered good)		
Debt outstanding for a period exceeding six months	<u>73553964.11</u>	<u>73529044.11</u>
<u>SCHEDULE : 'I' : CASH AND BANK BALANCE</u>		
Cash in Hand	302416.82	211914.80
Imprest with Units	675677.42	675453.42
Balance with Scheduled Banks (In current account)	1916171.27	1570366.07
Balance with P.L. A/c - 8414	1945028.29	1945028.29
Drafts in Hand	60832.96	77332.96
	<u>4900126.76</u>	<u>4480095.54</u>
<u>SCHEDULE : 'J' OTHER CURRENT ASSETS</u>		
Remittance in Transit	<u>184652.60</u>	<u>364652.60</u>
<u>SCHEDULE : 'K' : LOANS AND ADVANCES</u>		
(Unsecured, considered good, unless otherwise stated - refer Note 9 of schedule 'V')		
Advance recoverable in Cash or Kind	24146746.63	24019769.83
Suspence (Net)	2739140.34	2739140.34
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	5617031.20	5617031.20
Prepaid Insurance	0.00	0.00
	<u>32579335.17</u>	<u>32452358.37</u>
<u>SCHEDULE : 'L' : CURRENT LIABILITIES AND PROVISIONS</u>		
<u>Current Liabilities</u>		
Sundry Creditors (others)	77596867.85	77537599.35
Other Liabilities	87972856.67	76442530.14
Interest Payable to Govt. of Bihar and National seeds Corporation Ltd.	143234.00	143234.00
Advance against sales	63712802.56	63658077.56
Department of Agriculture, Govt. of Bihar (For Capital Expenditure)	16200000.00	16200000.00
Inter - Unit Account	5228.17	5228.17
	<u>245630989.25</u>	<u>233986669.22</u>
<u>SCHEDULE : 'M' : SALES</u>		
Certified seeds	1067778.00	853350.00
Foundation seeds	0.00	0.00
Non Seeds/TL/Under size Seeds	21951.55	0.00
	<u>1089729.55</u>	<u>853350.00</u>


 Managing Director
 Bihar Rajya Seed Nigam Limited
 Patna


 Company Secretary
 BIHAR RAJYA SEED NIGAM LTD.



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003

SCHEDULE : 'N' : OTHER INCOME	As at 31.03.2003	As at 31.03.2002
Sale of Rice	0.00	40092.00
Certification Charges realised	0.00	675.00
Miscellaneous Receipts	1048674.30	337410.20
Recovery of slary - BPDP Programme	0.00	0.00
	1048674.30	378177.20

SCHEDULE : 'O' : INCREASE IN STOCK

<u>Closing Stock</u>		
Certified seeds	6357.00	53555.00
Under Size / Non Seeds	4205029.00	13289399.00
Raw Seeds	0.00	0.00
<u>Opening Stocks</u>	4211386.00	13342954.00
Certified seeds	53555.00	122430.00
Foundation seeds	0.00	0.00
Breeder Seeds	0.00	0.00
Under Size / Non Seeds	13289399.00	26570882.00
Raw Seeds	0.00	696754.00
	13342954.00	27390066.00
Increase / Decrease in stock (a-b) / (b-a)	(9131568.00)	(14047112.00)

SCHEDULE : 'P' : PURCHASES

Raw Seeds	587206.60	0.00
Breeder Seeds	0.00	0.00
	587206.60	0.00

SCHEDULE : 'Q' : PROCESSING & PROCUREMENT

Seeds incidental	2105.80	0.00
Processing Expenses	27307.12	7183.90
Packing Materials Consumed	54165.67	39598.05
Chemicals & Stores Consumed	67.00	2474.50
Registration & Seeds certificatin charges	660.00	27.00
	84305.59	49283.45

SCHEDULE : 'R' : PERSONNEL

Salary , Weges & Allowance	11000633.00	14964301.00
Employer's contribution to Provident Fund	921593.00	1257438.00
Deposit Linke Insurance	46002.00	62776.00
Administrative and Inspection Charges of P.F	102297.00	114523.00
Exgratia	0.00	0.00
Staff welfare Expenses	3390.00	1707.50
Gratuity	0.00	0.00
	12073915.00	16400745.50



[Signature]
Company Secretary
ICCI NIGAM LTD.

[Signature]
Member of the Board
Vihar Rajya Udal Nigam Limited
Patna

	As at 31.03.2003	As at 31.03.2002
<u>SCHEDULE : 'S' : ESTABLISHMENT</u>		
Rent	158520.00	416357.50
Travelling & Conveyance	33150.50	9251.00
Telephone	18732.12	19044.43
Printing & Stationery	4966.23	8948.34
Vehicle Running Expenses	11743.09	2475.22
<u>Repairs & Maintenance</u>		
Buildings	0.00	0.00
Plant & Machinery	1973.73	500.00
Vehicles	853.40	724.00
Others	4363.50	1157.00
Postate, Telegrams & Courier	4655.25	2775.00
Newspaper & Periodicals	0.00	0.00
Electricity Charges	2097.00	21706.51
Electercal Expenses	0.00	60.00
Legal & rofessional Charges	37038.00	12889.00
Auditors Remuneration/Statuory Audit Fees	17632.00	17632.00
Internal Auditors Remuneration	35804.00	35804.00
Rates & Taxes	50.00	953.00
Filing Fee	20500.00	0.00
Insurance	0.00	6937.55
Bank Charge	5326.00	5299.50
Entertainment	658.50	1390.50
Advertisement	0.00	7774.00
Meeting Expenses	181.00	21139.25
Vehicle Hire Charges	0.00	0.00
Miscellaneous Expenses	17441.50	2908.30
	<u>375685.82</u>	<u>595726.10</u>

SCHEDULE : 'T' : SELLING, DISTRIBUTION & TRANSPORTATION

Sales Permotion	40.00	500.00
Selling Commission	81917.60	28937.00
Road Subsidy	538.00	1025.60
Handling & Transportation	37227.25	26435.75
	<u>119722.85</u>	<u>56898.35</u>

SCHEDULE : 'U' : INTEREST

On S.T.C. Loan	24274474.00	24274474.00
On Cash Credit	0.00	0.00
	<u>24274474.00</u>	<u>24274474.00</u>


Company Secretary
BHAR RAJA BEEJ NIGAM LTD.




Managing Director
Bihar Raja Beej Nigam Limited
Patna

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

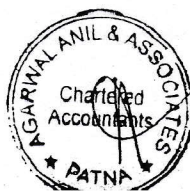
- 2.1. In case of equity shares subscribed capital is Rs.2,32,05,100/- whereas issued capital is only Rs. 2,25,00,000 thereby subscribed Capital exceeds by Rs. 7,05,100/- than the issued capital. Steps will be taken to regularize the same.
- 2.2. A sum of Rs. 31,97,000.00 was received from the State 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. 4,97,000.00 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. 100/- each has been allotted to Governor, Bihar, out of above receipt.

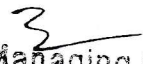
3. Unsecured Loans

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 are 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. 4,97,000.00 from Govt. of Bihar.


Company Secretary
BIHAR RAJYA BEEJ NIGAM LTD.




Managing Director
Bihar Rajya Beej Nigam Limited
Patna

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 BISCO MAUN 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

Reconciliation of Remittance in Transit is yet to be completed.

9. Loans and Advances

- 9.1. Advance 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 amounts shown under the head of Suspense Rs. 2739140.34 (Previous year Rs.27,39,140.34) could not be adjusted.
- 9.3. Loans and Advances include Rs. 5617031.20 (previous year Rs. 5677456.20) 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 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

 Secretary




3
Managing Director
Bihar Rajya Beej Nigam Limited

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 costs 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, 2003 (Subject to deduction of Tax) is **Rs. 16289010.00** (previous year **Rs. 15484019.00**).
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.
- 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 since long, 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. However, 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 as estimated in 1998-99 based on realizable rate of non seeds) 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, prior period adjustment account will be credited (for the amount of such sale value at rates applicable to related accounting year) with corresponding debit to related Government Accounts (having credit balance at the moment) shown as advance against sale.
- 14.3 Pending adjustment of actual shortages/losses based on completion of reconciliation of purchases and sales with the stock records of earlier years as mention in para 14.2 above and comparison of book balances with the actual stock based on physical verification, value of non seeds has been taken at 50% of its value (keeping the quantities unchanged) arrived at on the basis indicated in para 14.4 below.
- 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:
- Certified seeds at cost plus 15%
 - Raw seeds at cost plus 8%


Company Secretary




Managing Director
Bihar Rajya Sasi Nigam Limited

- 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 Consumption of packing and other materials is not based on actual consumption as per stock records but on the basis of estimated consumption, Purchase of cloth bags, chemicals and treads have been treated as consumed.
- 15.2 Balancing figures of opening stocks, purchases and consumption have been taken as closing stocks.
- 15.3 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. As no payment of premium on account of group Gratuity has been made to LIC and there is no proposal of revival of the policy on payment with interest, no provision for liability (amount not quantifiable) on account of Gratuity has been made.
18. As per practice, value of stock of rice (not significant) has not been accounted for in the account.

19. Additional Information

19.1. Particulars of capacity and production

<u>Particulars</u>	<u>2002 – 2003</u>	<u>2001 – 2002</u>
Licensed Capacity	Not applicable	Not applicable
Installed Capacity	Not ascertained	Not ascertained
Actual Production (quintals) (Out of raw seeds consumed)	1072	0840

19.2. Raw Materials Consumed (Raw Seeds)

<u>PARTICULARS</u>	<u>2002 – 2003</u>		<u>2001 – 2002</u>	
	<u>Qntls.</u>	<u>Rs.</u>	<u>Qntls.</u>	<u>Rs.</u>
Opening Stock	-	-	1193	696754
Purchases	1108	587207	-	-
Inter – class transfers	-	-	(303)	-
	1108	587207	890	696754
Less: Closing Stock	-	-	-	-
Consumed	1108	587207	890	696754
Processing Loss	36	-	50	-

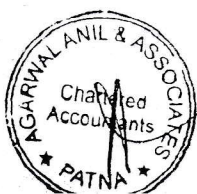
Note: Amount of consumption is short/excess by the value of inter class transfer and cost of sales (amount not ascertained).


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

<u>PARTICULARS</u>	<u>2002 – 2003</u>		<u>2001 – 2002</u>	
	<u>Qntls.</u>	<u>Rs.</u>	<u>Qntls.</u>	<u>Rs.</u>
Opening Stock	134730	13342954	134260	26693312
Purchases	-	-	-	-
Inter – class transfers	-	-	303	-
Production (out of raw Seeds)	1072	-	840	-
Sales	1119	1089730	673	853350
Issued for rice	-	-	-	-
Closing Stock	134677	4211386	134730	13342954
Loss due to damage & rottage	6	-	-	-

- Includes issue for rice


Company Secretary




Managing Director
Bihar Rajya Bael Nigam Limited

20. No interest on cash credit account with State Bank of India was applied by the bank treating this account as NPA (Non Performing Asset). In view of ongoing negotiation for settlement of account. Quantum of amount payable, if any, was also not ascertainable.

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

I. Registration Details

Registration No.	03 - 001294	State Code	03
Balance Sheet Date	31.03.2003		

II. Capital Raised During the year(Amount in Rs. Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	911930	Total Assets	911930
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Source of Funds

Paid – up Capital	37084
Reserve & Surplus	3114
Secured Loans	19698
Unsecured Loans	606403

Application of Funds

Net Fixed Assets	39279
Net Current Assets	(129020)
Investments	NIL
Misc. Expenditure	NIL
Accumulated Losses	756040

IV. Performance of Company (Amount in Rs. Thousand)

Turnover(Including other Income)	2139	Total Expenditure	47072
Profit Before Tax (+ for Profit,- for loss)	(-) 44933	Profit After Tax (Refer note)	(-) 44933
Earnings per Shares	Loss	Dividend Rate %	NIL

**V. Generic Name of Three Principal Products/Services of Company (As per monetary terms)
Seeds**

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

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



(A. K. AGRWAL)
PARTNER

PALCE: PATNA

DATED: 17 JUN 2019




Company Secretary
Bihar Beej Nigam Ltd.


Managing Director
Bihar Rajya Beej Nigam Limited
Patna



संख्या Es-c-A/c & DA/20-21/69
No.

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय प्रधान महालेखाकार (लेखापरीक्षा) बिहार
वीरचन्द्र पटेल मार्ग, पटना-800 001
Indian Audit & Accounts Department
Office of the Principal Accountant General (Audit) Bihar
Birchand Patel Marg, Patna-800 001

दिनांक/Date : 12-08-2020

सेवा में,

प्रबंध निदेशक,
बिहार राज्य बीज निगम लिमिटेड,
छठी मंजिल, पंत भवन,
जवाहर लाल नेहरू मार्ग, पटना - 800001.

विषय- 31 मार्च 2003 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 2003 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 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

विश्वासभाजन,

अनुलग्नक : यथोपरि।

उप महालेखाकार (ए०एम०जी०- I)

**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 2003**

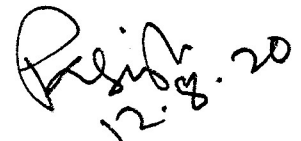
The Management is responsible for the preparation of Financial Statements of Bihar Rajya Beej Nigam Limited for the year ended 31 March 2003 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 (Act). The statutory auditor appointed by the Comptroller & Auditor 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 17 June 2014.

This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel. A selective examination of the accounting entries could not be done in absence of basic accounting records. We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express any opinion on the financial statements of the company. •

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

Place : Patna

Date : 12.08.2020


12.8.20

(P.K. Singh)

Principal Accountant General (Audit), Bihar