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BOARD OF DIRECTORS (As on 31 March, 2019)	Shri.Eknath Dawale	IAS	Chairman
	Shri.Anil Bhandari	IAS	Managing Director
	Shri.Suhas Krishna Diwase	IAS	Director
	Shri.Sanjay S.Dhotre	M.P	Director
	Shri.Vallabhrao T. Deshmukh		Director
	Shri.Vinod K. Gaur		Director
	Shri.Vishwanathan Mohan		Director
	Dr. Vijay Karahne		Director
Dr. Anita B Chorey,	Independent Women	Director	

AUDITORS	M/s.J.S.OBEROI & CO. Chartered Accountants, 2, "Sat-Pratap" Bezonbagh, Kamptee Road, Nagpur-440 004 Nagpur
	M/s.Ram Thakkar & Associates, Secretarial Auditors, Akola

BANKERS	Bank of Maharashtra, HDFC BANK
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REGISTERED OFFICE	"Mahabeej Bhawan", Krishi Nagar, Akola- 444 104
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EXECUTIVES	Shri.S.M.Pundkar	General Manager (Prodn.)
	Shri.S.G.Thakrar	General Manager (Finance)
	Shri.P.S.Lahane	General Manager (Q.C.& I/c Admin)
	Shri.P.G.Pagrut	Dy. General Manager (P & E)
	Shri.P.G.Tatar	Dy. General Manager (Mktg)
	Shri.Vinay H.Verma	Company Secretary & Dy.G.M.(I.A.)



NOTICE OF 42nd AGM

Maharashtra State Seeds Corporations Limited

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

CIN:-U01200MH1976SGC018990

NOTICE

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

Notice is hereby given that the Forty-Second (42nd) Annual General Meeting of the members of Maharashtra State Seeds Corporation Limited **will be held on Friday, the 27/12/2019 at 1.00 P.M. at "Dr.K.R.Thakare Auditorium of Dr. Panjabao Deshmukh Krishi Vidyapeeth, Krishinagar, Akola"** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Boards' Report and the audited Financial Statement as at 31st March, 2019 with the Auditor's Report and Secretarial Auditor's Report.
- 2 To consider declaration of Dividend on Equity Shares @ 10.00%.

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

**(Vinay Verma)
Company Secretary**

Place:-Akola.

Date :- 02/12/2019

NOTES:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
2. Proxy appointed by the member is entitled to vote only. He is not entitled to raise any point and take part in the discussions during the meeting.
3. Copies of Annual Report have been sent to all the shareholder at their registered address, the proxy form also attached, to nominate the proxy, please affix Rs.1 revenue stamp and sign the same. Proxies in order to be valid must be received by the Company at its registered office, not less than 48 hours before the commencement of the meeting.
4. Copies of attendance slips has been enclosed to facilitate the shareholders, They are requested to kindly sign and submit and the same while attending AGM.
5. MSSCL has declared dividend for the year 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-17 and 2017-18, however, some dividend lying with company which are unclaimed. Shareholders are again requested to contact to the office of the Company Secretary MSSCL, Akola for obtaining extension in date. As per Companies Act 2013 section No.124, the unclaimed dividend pertaining to F.Y. 2011-2012 will be transferred to Investor Education and Protection Fund, New Delhi and after that no rights to shareholders shall be considered requiring payment of said dividend.
6. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office quoting their folio number.
7. Shareholders/proxy holders/representatives are requested to bring their copies of Annual Report to the Annual General Meeting.
8. Nomination form is enclosed with Marathi Annual Report the shareholders who want to nominate their nominee may fill the form and send the original copy duly filled and signed at our H.O. To, Company Secretary, MSSCL "Mahabeej Bhawan" Krishinagar, Akola-444 104 India.
9. As per green initiative of Ministry of Corporate Affairs, Shareholders may obtain copy of annual report through e-mail, requesting shareholders to provide the requisition to e-mail address hocs@mahabeej.com.
10. Corporate members/Universities intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified true copy of the Board Resolution/Authority letter authorizing their representative to attend and vote on their behalf at the Meeting.
11. KYC Form is enclosed with Marathi Annual Report and also uploaded on Mahabeej website in Investor corner, Shareholders are requested to fill up the form and send to H.O.
12. Legal heirs of diseased shareholder, if any, are requested to complete the process of Transmission of Shares
13. Time of Registration will be 9.00 AM to 13.00 PM on the day of meeting.
14. The shareholders are requested to convert their physical share certificate into electronic form through our Registrar and Transfer Agent (RTA), its address is given below:

Big share services private limited Frist floor, Bharat tin works building,
Andheri east, Mumbai -400059

Boards' Report

To the Members,

The Directors have pleasure in submitting their 42nd Annual Report of your Company together with the Audited Statements of Accounts for the year ended on 31st of March, 2019.

1. FINANCIAL RESULTS

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

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2017. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2019, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements"). The figures for the previous year ended 31st March, 2018 and Opening Balance sheet as on 1st April, 2018 have also been reinstated by the Management as per the requirements of Ind AS.

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

Particulars	31/03/2019 (in ₹ 'in lakh)	31/03/2018 (in ₹ 'in lakh)
Revenue from Operations	61112.96	56980.70
Other Income	2120.42	1751.62
Total Income	63233.38	58732.31
Less Total Expenses	59109.70	55579.81
Profit before extraordinary items and tax	4123.68	3152.50
Current tax expense	1442.76	1127.00
Deferred tax expense/Liability	3.99	19.44
Taxation related to earlier year	NIL	NIL
Profit/Loss for the year	2676.93	2044.94
Basic earnings per equity share (Amount in ₹)	623.84	503.42
Diluted earnings per equity share (Amount in ₹)	623.84	503.42

2. DIVIDEND

The Board recommends payment of dividend of 10 per equity share (i.e 10% of 100/-) net of taxes for the financial year 2018-19. The dividend, if approved by the members at the Annual General Meeting (“AGM”), will result in a cash outflow of 50.36 Lakhs including dividend tax.

3. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

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

PRODUCTION OF SEEDS:

Your company has produced 10,66,915 quintals Certified/Truthful seed and 1,20,332 quintals Foundation seed including vegetable crops, from an area of 85,224 hectares and 9,242 hectares respectively from growers/TSFs. Out of total production, the quantum of Certified seed in Cereals 1,61,043 qtls, Pulses 1,96,143 qtls, Oil seeds 6,84,651 qtls, Cotton and Fibers 2,394 qtls, Green Manuring 9,200 qtls, Fodder 11,663 qtls. and Vegetables Crop 1,821 qtls. Your company is also producing Hybrid Papaya seedlings to fulfil the requirement of the farmers in Maharashtra.

- 10,66,915 quintals Certified/Truthful seed produced.
- 1,20,332 quintals Foundation seed Produced.
- Production Programme taken on 94466 Hacters.
- 94,466 hectares respectively from growers/TSFs.
- 100%, 75%, & 50% rebate in Seed Certification Agency Inspection fee on the basis of area organized in a village.
- The villages producing more than 3000 qtl Certified seed get additional Reward

So as to organize seed production area in the compact block in a village under “Seed Village Programme”, your Company has introduced special schemes of 100%, 75%, & 50% rebate in Seed Certification Agency Inspection fee on the basis of area organized in a village. This scheme is also separately implemented for Paddy, Tur, Jute & Vegetable crops. The seed growers have been benefited under these schemes and the response is very encouraging.

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

Considering the demand of certified seed in Pulses & Cereals under National Food Security Mission, your company has produced record certified seed of Moog, Udid, Tur

& Gram varieties in Pulses Soybean Oil seed and Paddy, Rabi Jowar in Cereal crops for distribution under this scheme, which has helped to increase the SRR in these crops. Your Company has also produced sizeable certified seed of the new varieties in Cereal, Pulses & Oil seed crops for its promotion on large scale amongst the farmers in Maharashtra for boosting their productivity.

PRODUCTION OF NEW PRODUCT

Your Company has undertaken the production programme of Imp.Bajra Dhanshakti, Hy.Bajara AHB 1200, Paddy RTN-5, Karjat-8, Karjat-9, Hy. Paddy Sahyadri-3, Sahyadri-4, Tur PKV-Tara, BDN-711, BDN-716, Moog BM-2003-2, Utkarsha, Soybean MAUS-162, MACS-1188, Phule Sangam, MAUS-158, JS-20-29, Sesamum JLT-408, PKV-NT-11, Wheat MACS-6222, MACS-6478, Netravati, AKW-4627,

Phule Samadhan, Phule Sardar, Rabi Jowar Parbhani Jyoti, Phule Vasudha, Phule Revati, Phule Anuradha, Safflower PKV-PINK, AKS-207 & Gram Raj Vijay-202, Raj Vijay-203, PKV Kabuli-4, Kripa, Phule Vikram etc. new varieties developed by Agricultural Universities.

- Imp.Bajra Dhanshakti
- Hy.Bajara AHB 1200
- Paddy RTN-5
- Soybean MAUS-162 , MACS-1188 JS-20-29
- Sesamum JLT-408
- Wheat MACS-6478, Netravati

SEED PROCESSING AND ENGINEERING

Processing of huge quantum of raw seed in order to make quality seeds available for marketing at appropriate time has always been challenging job for your company. During the year under report, the processing of 15,59,084 quintals raw seed in Kharif, Rabi and summer seasons has been done timely and quality seeds were placed in the market for the farmers.

- Processing of 15,59,084 qtls. raw seed in Kharif, Rabi & summer.
- MSSCL own godowns 7,83,500 qtls. Storage.
- Seed processing capacity increased to 15,59,084 qtls.
- Installed Solar operated AC & D vegetable Seed Processing facility- 10,000 qtls.

The seed storage capacity of MSSCL own godowns is 7,83,500 quintals and the yearly seed processing capacity has been increased to 15,59,084 quintals including Custom Processing. This has facilitated seed growers to store and process their seed in MSSCL godowns & plants at in the respective districts itself, conveniently and timely.

Your Company is setting up solar energy operated air conditioning and dehumidified seed storage at S.P.P. Vegetable Seed Processing Plant, MIDC, Akola, having capacity of 10,000 qtls. This project is under RKVY with Govt. grant of .1.80 Crores & MSSCL contribution .1.80 Crores. The civil work and solar energy generation system work is

completed and AC & D work is under execution and likely to be completed in next few months and will be operational shortly.

SEED MARKETING

Your Company has sold 5, 17,028 quintal seeds during Kharif 2018 marketing season. The percentage of sale in comparison to availability of seed comes to 95%, during Rabi -2018 seasons your company has sold 3,44,905 quintal seeds, during summer 2018-19 seasons, 13,525 quintal seeds and 50,898 quintal seeds of Vegetable, Fodder & Green Manuring crops worth 40.18 crores sold during the Year.

- 9,26356 qtl. seed sold during the year
- 5, 17,028 qtls. seeds during Kharif 2018 & 3, 44,905 qtls. in Rabi 2018
- 3,10226 qtls. seed sold under various Govt. Schemes

Out of this 39,915 quintal Fodder crops seeds and 6,705 qtl Green Manuring and 4,278 qtl Vegetable crops seeds have been sold under various Government schemes and General Marketing. Your company has achieved good sales due to proper planning, timely availability of seed & reasonable pricing. During the year 2018-19 your company has sold total 9,26,356 qtl seeds.

The Government of India is implementing “National Food Security Mission “to increase productivity of Wheat, Rice, and Pulses in selected districts in the State. Your Company has supplied 14,887 quintal seeds of Rice. Tur, Moog, Udid, Jowar, Bajara & Maize in Kharif – 2018 season and 1,66,928 quintal seeds of Wheat & Gram in Rabi -2018 season. Under NMOOP scheme your company has supplied 34,927 qtl. seed and under Seed Villages Scheme 86,370 qtl. Soyabean seed in Kharif- 2018 season. Under National Food Security Mission – Bharaddhanya your company has sold 2,779 quintal seed in Kharif- 2018 and 4,335 quintal Rabi Jowar seed in Rabi 2018 season.

QUALITY CONTROL

During the year under review total 1,36,555 samples have been taken for testing in quality control laboratory out of which 55,903 samples of various Seeds/Tissues were taken for seed purity test and 2379 samples were taken for Genetic purity test in Maharashtra and other states. To minimize the germination complaints of Soyabean crop, your company had started Field Emergence Test of Soyabean seeds from Summer 2012, during the year total 19,327 FET were taken.

- 1,36,555 seed tested in QCL Lab. samples have been taken for testing in quality control laboratory
- 19,327 seed sample FET taken.
- Produce 14,020 ltrs. Bio fertilizers MOU with ICRISAT and CIMMYT, Hyderabad for new Products.
- Awaiting GOI Approval for Mahabeej-124 BGII
- Certificate of appreciation ICRISAT for high Iron content crops like Bajra Dhanshakti .

Your Company is always committed to supply best quality seeds to the farmers and it can be assured by carrying FET at MSSCL farms. Your company is strengthening Quality Control Lab. by installing new testing equipmentles and machineries by utilizing various

Central/State government scheme and subsidies we also received ISTA accreditation and implementing Standard Operating procedure and Quality Manual.

Recently we have received permanent registration of the Central Insecticide Board (CIB), Faridabad for production of Trichoderma veride, which include Bio fertilizers- Rhizobium, Azobacter, Azospirillum, Phosphorus Solubilizing Bacteria (PSB), Potash Mobilizing Bacteria (KMB) consortia of NPK and various Bio pesticides and during the year we have produced 14,020 ltr. Bio fertilizers and receiving positive response from the farmer for Bio products.

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

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

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

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

CONSERVATION OF ENERGY

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

TECHNOLGY ABSORPOTION, ADAPTION, INNOVATION & RESEARCH

The research and development wing of our company is effectively engaged in developing new market oriented Hybrid Cotton, Cereal crops, Pulses and Vegetables, recently we have got approval for commercial cultivation of two BGII Cotton varities i.e. NHH44 and PKV HY 2 BGII for whole Maharashtra. Further we are in process to get approval of Mahabeej-124 BGII from DAC, ICAR, Delhi, MSSCL research verity Hybrid Tur MPV-106 has been sent for AICRP test and we hope to get notified this variety in near future.

variety in near future. Taking one step more towards research and development our company have made agreement with ICRISAT and CIMMYT, Hyderabad for developing new Hybrid and Research varieties of Maize and other crops. We also got **Certificate of Appreciation** from ICRISAT for providing high Iron content crops like Bajra Dhanshakti in Maharashtra.

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Total Foreign Exchange earning : ₹ NIL
2. Total Foreign Exchange outgo : ₹ NIL

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

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

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

The Company has developed Corporate Social Responsibility policy and board is taking initiatives for implementation of CSR activities effectively. The details of CSR Activities during financial year 2018-19 is enclosed in **Annexure-I**.

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

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

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

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

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

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are applicable to the Company and accordingly the committee has been formed, however, the Ministry of Corporate Affairs, Government of India vide its notification dated 5th June, 2015 granted exemption to the government companies from provisions of section 178(2), (3) & (4) except appointment of senior management and other employees. Hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration and other related matters as provided under Section 178(3) of the Companies Act, 2013. The committee will become functional after appointment of another Independent Directors for which nomination already has been sent to State Government for their views and suggestions.

12. ANNUAL RETURN

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

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

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

14. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement for the financial year 2018-19:

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

15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company is an Associate Company of National Seeds Corporation Limited who holds 35.44% of the total Equity of the Company and there is no change in shareholding during the financial year 2018-19

16. DEPOSITS

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

17. DECLARATION OF INDEPENDENT DIRECTORS

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

18. TRANSFER OF UNCLAIMED DIVIDEND TO IEPF

During the year 2018-19, ₹ 4,12,710 has been transferred to Investor Education and Protection Fund on account of unpaid/unclaimed dividend for F.Y. 2010-11.

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

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

20. SHARES

Buy Back of Shares

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

Sweat Equity

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

Bonus Shares

No Bonus Shares were issued during the year under review.

Employees Stock Option Plan

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

21. INTERNAL FINANCIAL CONTROLS

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

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

- a. The Company has appointed internal auditors to examine the internal controls, whether the workflow of the organization is being done through the approved policies of the Company.
- b. The company is doing stock verification on regular intervals and
- c. The Board of Directors of the Company has adopted various policies such as related party transactions policy, whistle blower policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

22. DISCLOSURE UNDER SHWW ACT, 2013

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

ACKNOWLEDGEMENTS

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

- The Govt. of India, Govt. of Maharashtra for their continued support and guidance.
- The State Seeds Certification Agency.
- The National Seeds Corporation and other State Seeds Corporations and all Agriculture Universities of India
- ICAR, ICRISAT for their valuable support.



- Past and present colleagues in the Board for their valuable support and guidance.
- Bankers to the Company.
- The Auditors and Lawyers for their contribution.
- The Seed Growers, Seed Dealers and our Seed Brand patrons who have always remained a constant source of strength to the Company.
- The shareholders for their continued support and confidence reposed by them in the Company and their appreciation of the managements' efforts at the General Meetings of the Company providing a great fillip to strive for better performance year after year

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**(EKNATH DAWALE, IAS)
CHAIRMAN**

Place: Mumbai

Date: 26th September, 2019

ANNEXURE I

DETAILS OF CSR ACTIVITIES

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

1. The Composition of CSR Committee

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

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

2. Average net profit of the company for last three financial years - ₹ 4988.09 lacs

3. Prescribed CSR Expenditure (2% of the amount as in item 2 above)- ₹ 99.76 lacs

4. Details of CSR spent during the financial year

- (a) Total amount spent for the financial year- During the period under review, your Company has contributed a sum of **₹ 32, 09, 000/-** towards its CSR commitment.
- (b) Amount unspent, if any during 2018-19 - **₹ 67, 67, 000**
- (c) Manner in which the amount spent during the financial year 2018-19 is detailed below :-

1	CSR project or activity identified	Distribution of Pheromone traps to the Cotton growing Farmers
2	Sector in which the Project is covered	To control pink boll worm attack on cotton crops in Maharashtra.
3	Projects or programs Local Area or other Specify the state where projects or program was undertaken	State of Maharashtra
4	Amount outlay(budget) projects programs wise	for the year 2016-2017 ₹ 1,04,00,000/- for the year 2017-2018 ₹ 1,08,30,000/- And for the year 2018-2019 ₹ 32,09,000/-
5	Amount spent on the projects or programs Subheads (1) Direct expenditure on projects	In the F.Y.2016-2017 ₹ 90,98,042/-Directly

	or program (2) Overheads	<u>In the F.Y.2017-2018</u> ₹1,09,47,985 Directly <u>In the F.Y.2018-2019</u> ₹ 32,00,000 Directly
6	Cumulative expenditure unspent upto the reporting period	For 2016-2017 ₹_1,04,00,000 /- (-) ₹ 90,98,048/- Unspent ₹ 13,01,952 /- <u>(-)Spent in 17-18</u> ₹ 1,17,985/- Unspent ₹ 11,83,967 /-
		For 2017-2018 ₹_1,08, 0,000 /- (-) ₹1,09,47,985/- Unspent Rs. NIL *1,17,985 Spent against Unspent amount of 2016-17
		For 2018-19 ₹99,76,000 /- (-) ₹32,09,000/- Unspent ₹ 67,67,000 /-
7	Amount spent : Direct or through implementing agency	<u>In the F.Y.2018-2019</u> ₹ 32,09,000 Directly

5. Explanation on Under Spending

The company targeted to spend the unspent amount of CSR in various CSR activities which includes healthcare and education which is in process and will be spent in current financial year 2019-20.

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



ANNEXURE II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2019
of MAHARASHTRA STATE SEEDS CORPORATION LIMITED
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1. CIN	U01200MH1976SGC018990
2. Registration Date	28 TH April, 1976
3. Name of the Company	Maharashtra State Seeds Corporation Limited
4. Category/Sub-Category of the Company	State Government Company
5. Address of the Registered office and contact details	“Mahabeej Bhavan”, Krishi Nagar, Akola-444104
6. Whether listed company	No
7. Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Andheri East, Mumbai - 400059

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

*NSC is holding 35.44% of total Subscribed Equity Share Capital in MSSCL.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

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

Total shareholding of promoter (A) = (A)(1) + (A)(2)	-	353330	353330	84.44	-	353330	353330	84.44	NA
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	0	0	0	-	0	0	0	NA
b) Banks/FI	-	0	0	0	-	0	0	0	NA
c) Central Govt	-	0	0	0	-	0	0	0	NA
d) State Govt(s)	-	0	0	0	-	0	0	0	NA
e) Venture Capital Funds	-	0	0	0	-	0	0	0	NA
f) Insurance Companies	-	0	0	0	-	0	0	0	NA
g) FIs	-	0	0	0	-	0	0	0	NA
h) Foreign Venture Capital Funds	-	0	0	0	-	0	0	0	NA
Others (Specify)	-	0	0	0	-	0	0	0	NA
Sub Total (B) (1) :-	-	0	0	0	-	0	0	0	NA
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	-	0	0	0	-	0	0	0	NA
ii) Overseas	-	0	0	0	-	0	0	0	NA
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	53112	53112	12.70	-	53112	53112	12.70	NA
ii) Individual shareholders holding nominal share capital in excess of 1 lakh	-	0	0	0	-	0	0	0	NA
c) Others	-	12003	12003	2.86	-	12003	12003	2.86	NA
Sub Total (B) (2) :-	-	0	0	0	-	0	0	0	NA
Total Public Shareholding (B) = (B)(1) + (B)(2) :-	-	0	0	0	-	0	0	0	NA
C. Shares held by Custodian for GDRs & ADRs	-	0	0	0	-	0	0	0	NA
Grand Total (A) + (B) + (C)	-	418445	418445	100.00	-	418445	418445	100.00	NA

(ii) Shareholding

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

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

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	No. of Shares	Cumulative shareholding during the year	
			Total No. of shares	% of total shares of Company
1	Shri Sanjay Shamrao Dhotre	25	25	0.001
2	Shri Vallabhrao Tejrao Deshmukh	3	3	0.001

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No	Particulars of remuneration	Name of MD/ WTD/ Manager	Total Amount (in Lakh)
1	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961, including Value of perquisites u/s 17(2) Income-tax Act, 1961 and Profits in lieu of salary under section 17(3) Income tax Act, 1961	Shri Anil Bhandari, IAS Shri Omprakash Deshmukh, IAS	4.43 14.90
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify	--	--
	Total (A)	--	19.33
	Ceiling as per the Act	--	--

B. Remuneration to other Directors:

Sl. No	Particulars of remuneration	Name of Directors	Total Amount ()
1	Independent Directors Fee for attending board committee meetings Commission Others, please specify	Dr. Anita B. Chorey	2000
	Total (1)		2000
2	Other Non-Executive Directors Fee for attending board committee meetings	Shri Sanjay S. Dhotre Shri V. T. Deshmukh	6000 9000
	Total (2)		15000
	Total (B) = (1+2)		17000
	Total Managerial Remuneration		17000
	Overall Ceiling as per the Act		Within the limit of the Act

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

Sl. No	Particulars of remuneration	Name of Directors/KMP	Total Amount in Lakh
1	Salary	Vinay Verma-Company Secretary	10.22

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE III
INFORMATION REGARDING BOARD & THEIR MEETINGS

Directors Report of CS Section

BOARD OF DIRECTORS:

The Board of Directors presently comprises 08 members.

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

Sr. No.	Name of the Directors	Post held	Date of Appointment	Date of Retirement
1	Shri.Bijay Kumar, IAS	Chairman	07/09/2016	31/08/2018
2	Shri.Omprakash Deshmukh	M.D.	29/05/2017	01/12/2018
3	Shri.Sachindra Pratap singh	Director	31/08/2017	07/02/2019
4	Shri.S.K.Mehta	Director	26/09/2015	29/10/2018

APPOINTMENT OF DIRECTOR IN THE FINANCIAL YEAR 2018-2019

Sr. No.	Name of the Directors	Post held	Date of Appointment
1	Shri.Eknath Dawale, IAS	Chairman	31/08/2018
2	Shri Anil Bhandari, IAS	MD	01/12/2018
3	Shri.Vijay Karahne	Director	29/10/2018
4	Shri Suhas Krishna Diwase, IAS	Director	07/02/2019

BOARD MEETING:

During the year 2018-2019, the Board could meet Four times as follows:

Sr. No.	Board Meeting No.	Date	Venue
1	191 st	27 th June 2018	Mumbai
2	192 nd	30 th August 2018	Mumbai
3	193 rd	29 th October 2018	Mumbai
4	194 th	20 th February 2019	Mumbai

ATTENDENCE OF DIRECTORS TO THE MEETINGS:

Sr No	Name of Directos	Board Meetings	Sub-Committee Meetings	Attendance in last 41 st AGM (28 th Dec.2018)
		Total-4	Total-14	Total-1
		Attended	Attended	Attended
1	Shri.Eknath Dawale, IAS	2	N.A.	Yes
2	Shri.Bijay Kumar, IAS	2	N.A.	N.A.
3	Shri.Anil Bhandari, IAS	1	3	Yes
4	Shri.Omprakash Deshmukh, IAS	3	11	N.A.
5	Shri.Suhas Krishna Diwase, IAS	0	N.A.	N.A.
6	Shri.Sachindra Pratap Singh, IAS	2	N.A.	No
7	Shri.Sanjay S.Dhotre	3	9	Yes
8	Shri.V.T.Deshmukh	4	14	Yes
9	Shri.V.K.Gaur	0	N.A.	No
10	Shri.V.Mohan	0	N.A.	No
11	Shri.Vijay Karahne	0	0	Yes
12	Shri.Sanjay K.Mehta	1	2	N.A.
13	Smt.Anita B.Chorey	3	N.A.	Yes

N.A. = Not applicable,

FORM NO. AOC -2

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

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

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

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Shri V.T. Deshmukh – Director Shri B. V. Deshmukh – Son of V.T. Deshmukh Shri D. V. Deshmukh – Son of V.T. Deshmukh Mrs S. B. Deshmukh – Daughter in Law Mrs P. D. Deshmukh -- Daughter in Law
2	Nature of contracts/arrangements/transaction	Purchase of Seeds
3	Duration of the contracts/arrangements/transaction	One Year
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of seed of 7.14 Lakhs during 2018-19
5	Date of approval by the Board	N.A.
6	Amount paid as advances, if any	N.A.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**(EKNATH DAWALE, IAS)
CHAIRMAN**

Date: 26th September, 2019

Place: Mumbai

ADDENDUM TO THE DIRECTORS REPORT

**Replies on the Report of the Statutory Auditors to the shareholders
F.Y. 2018-19**

Observation No.	Reply
1	Unidentifiable Credit in to bank accounts pertains to untraceable Name of the growers/parties for which bankers are being pursued for clarification. Further MSSCL changed banking partner from Bank of Maharashtra to HDFC, as HDFC bank provides better facility of CMS to reduce Unidentified Credits by Bank
2	Last year balance was Rs. 1.19 crores and this has been reduced to Rs. 0.91 crores during this financial year. We will further reconcile/write off/ pass necessary accounting entries, as suggested in current financial year. In order to avoid recurrence of such instances, the management has already started payment through RTGS system
3	Noted. Due care will be taken for periodically reconciliation of bank.
4	During the financial year 2018-19, MSSCL has carried out CSR activities for an amount of Rs.0.32 crores, as per CSR policy approved by the management. The CSR policy has been finalized taking into consideration the larger interest of the farming community and rural development.
5	The amount involved has been recovered from concern employee and administrative action has also been taken against the employee.
6	Contents are noted. Necessary action has been initiated by the management in this regard.

(Sanjay Thakrar)
General Manager (Finance)

(Anil Bhandari, IAS)
Managing Director

(Eknath Dawale, IAS)
Chairman

DR. ANITA BHAGWANTRAO CHOREY

Date: 25.09.2019

The Board of Directors
Maharashtra State Seed Corporation Limited

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

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

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

Anita B. Chorey

(Woman Independent Director)



Ram Thakkar & Associates

Practicing Company Secretary
Off: The Bombay lodge Building, Tilak Road, Akola (M.S.)
Mob No. 9422161224|| Phone No.: 0724-2428466
Email: ramthakkar.cs@gmail.com

SECRETARIALAUDITREPORT

FOR THE FINANCIALYEAR ENDED ON 31stMarch, 2019

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

To,
The Members,
Maharashtra State Seeds Corporation Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Maharashtra State Seeds Corporation Limited** for the financial year ended on 31st March, 2019 according to the provisions of:

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

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) Other laws specifically applicable like
 - The Payment of Gratuity Act, 1972.
 - Employees Provident Fund and Misc. Provisions Act, 1952.

- Seed Act
- The Factories Act, 1948
- Water (Prevention & Control of Pollution) Act 1974 and rules there under
- Air (Prevention & Control of Pollution) Act 1981 and rules there under
- Trade Mark Act 1999
- Legal Metrology Act
- Industrial Dispute Act
- Sexual Harassment of women at work place (prevention, prohibition and Redressal) Act

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

1. In past, the Board has approved the composition of Audit Committee under provisions of Section 177 of the Companies Act, 2013; however the committee will become functional only after appointment of one Independent Directors for which nominations have already sent to State Government for their views and suggestions and the same is awaited.
2. In past, the Board has approved the formation Nomination and Remuneration Committee as required U/s 178 of the Companies Act 2013 however the committee will become functional only after appointment of one Independent Directors for which nominations have already sent to State Government for their views and suggestions and the same is awaited.
3. During the year the company has not provided voting through electronic means as required u/s 108 of the Companies Act 2013.
4. The company has got many factory units at different places, where registration under the factories Act is applicable, out which few of the registration were yet to be done.

RECOMMENDATIONS AS A MATTER OF BEST PRACTICE:

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

I/we further report that

The composition of the Board of Directors is constituted as per Articles of Association which has provision about ex-officio appointment the company is following the same. Further the appointment of one Independent Director is pending as nomination has already sent to State Government (Maharashtra), for their views and suggestions and the same is awaited. The changes in the composition of the Board of Directors that took place

during the period under review were carried out as per the provision of Articles and Association and needful compliances about the reporting of the same was done under the provisions of the Act.

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

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

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

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

For Ram Thakkar & Associates

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

Place: Akola
Date: 30/09/2019

Independent Auditors Report

To,

The Members of Maharashtra State Seeds Corporation Limited,
Mahabeej Bhawan, Krishi Nagar,
Akola – 444 104.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of Maharashtra State Seeds Corporation Limited (“the Company”), which comprise the Balance sheet as at March 31, 2019 and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flow for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Standalone Financial Statements”)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Emphasis of Matters

We draw attention to the following matters:

Erroneous Debits / Credits by Bank:

It is observed that the company is passing entries in its books of accounts for erroneous Credit and Debits by Bank. Total Balance outstanding in this ledger account is Rs. 124.83 Lakhs. In our opinion, these entries should be stated in the Bank Reconciliation rather than recording those erroneous entries. As informed to us by the management, major entries pertain to the cash deposited by the growers at various banks across the state and are unable to verify the identity of

such depositors. Controls regarding the same should be improved and all outstanding entries should be reconciled at earliest.

Cheque Date Bar Account / RTGS Cancellation Account:

The Company has a policy of crediting cheque date bar account / RTGS Cancellation Account with amount of stale cheques / returned RTGS instead of reversal of the expense or the payment to which it is related. Financial Impact upon settlement of these entries remains unascertainable. Total Balance outstanding in the account is Rs. 91.25 Lakhs.

Bank Reconciliation:

During the course of Audit, we had observed that the bank is not periodically reconciled in most of the district offices. The company should ensure proper control regarding the reconciliation of the Bank Accounts.

Corporate Social Responsibility:

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

The Company has undertaken CSR Expenses mostly related to agriculture activities which are indirectly related to main business activity. As per the companies (Corporate Social Responsibility) Rules 2014, the company should contribute under other sectors which are not related to main business of the company.

Our Opinion is not modified in respect of these matters.

Information Other than the Standalone Financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in

equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also include maintenance of adequate accounting records in accordance with the provisions of the Act of safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists nothing to report in this regard.

related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"** statements on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under section 143(5) of the Companies Act, 2013 we give in the **Annexure "B"** a statement on directions and sector specific sub-directions issued by the Comptroller & Auditor General of India after complying the suggested methodology of audit, action taken thereon and its impact on the accounts and standalone financial statement of the company.
- 3 As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representation received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure “C”**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its standalone financial statements – Refer Note 31 to the standalone financial statements.
 - II. There are no long term contracts including derivative contracts, which require provision for material foreseeable losses.
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s. J. S. Uberoi & Co.
Chartered Accountants
Firm Registration Number :- 111107W

CA Amarjeet Singh Sandhu
Partner
Membership Number :- 108665

Place of Signature :- Nagpur
Date of Report :- 27th September, 2019

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF
MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

(As referred to in Paragraph 1 of Report on Legal and Regulatory Requirements of our report companies (Auditors Report) Order’ 2016 (the order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act for the Year 2018-2019).

In terms of the information and explanations sought by us and given by the company and books & records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

Fixed Assets :-

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the management has physically verified fixed assets at regular intervals and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company except for land of Head Office Akola where the title is yet to be transferred in the name of the company.

Inventories :-

2. The inventories have been physically verified during the year by the management. In our opinion in the frequency of verification is reasonable and no material discrepancy was noticed on such verification.

Loans & Advances to related Parties :-

3. The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
4. The company has not made any transactions which need to comply with the provisions of section 185 & 186 of the Companies Act’2013 with respect to loans, investments, guarantees & security.

Acceptance of Deposits:-

5. The company has not accepted deposits from public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

Maintenance of Cost Records :-

6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013.

Payment of Statutory Dues :-

7. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has generally been regular in depositing with appropriate authorities the undisputed statutory dues including Profession Tax, Provident Fund Income-tax, Sales-tax, Excise Duty, Cess and other statutory dues applicable to it during the year.

(b) According to the information and explanations given to us and based on the records of the company there are no dues of Income-tax, Sales-tax, Service Tax, Duties of Custom and Excise Duty, Value Added Tax and other statutory dues have not been deposited by the Company on account of any dispute except the following :-

Name of the Statute	Nature of the Dues	Amount Rs.	Period	Forum where Dispute is pending
MP Entry Tax	Penalty U/s 52	12.77 Lakhs	2008-2009	Appellate Tribunal

Repayment of Borrowings :-

8. The company has not availed any loans or borrowing from financial institution or bank and has not issued any debentures except revolving credit from state government of Rs. 500.00 lakhs which is outstanding as per the directions of State Government.

9. During the year, the company has not raised money by way of initial public offer or further public offer and the term loans were applied for the purpose for which those are raised.

Frauds:-

10. According to the information and explanations given to us, a case of fraud was noticed by the management in the district of Buldhana where employee incharge was held for selling the Gram & Soyabean JS-335 seeds weighing 29.00 Quintals & 9.90 Quintals respectively without generating the invoice and the proceeds amounting Rs. 1.30 Lakhs.

Managerial Remuneration :-

11. According to the information and explanations give to us, we report that managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

Nidhi Company :-

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

Transactions with related parties:-

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

Private Placement of Shares & Debentures:-

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of shares or fully or partly convertible debentures during the year.

Non-Cash Transactions with Directors:-

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

Registration with RBI :-

16. According to the information and explanations given to us and documents produced before us the company is not registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For M/s. J. S. Uberoi & Co.
Chartered Accountants
Firm Registration Number :- 111107W**

**CA Amarjeet Singh Sandhu
Partner
Membership Number :- 108665**

**Place of Signature :- Nagpur
Date of Report :- 27th September, 2019**

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF
MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

(As referred to in Paragraph 2 under Report on Legal and Regulatory Requirements of our report on the statement of Directions under section 143(5) of the Companies Act, 2013 issued by the Comptroller & Auditor General of India for the year 2018-2019)

In terms of the information and explanations sought by us and given by the company and books & records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

Sr.No	Particulars	Auditors observations	Financial Impact
1.	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	There are no cases of write off of debts/loans/interest etc during the year.	Nil
2.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	Yes, proper records are maintained for inventories lying with third parties like distributors and authorized agents of the Company & assets received as grant(s) from Government or other authorities.	Nil
3.	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	There are various cases lodged against the Company by contractors, growers and customers. The amount involved is Rs. 240.54 Lakhs (previous year Rs.258.37 Lakhs) The number of such cases was not intimated to us. The Company has also filed cases against various parties. There are in all total 555 litigations pending.	In the event of MSSCL losing all the cases referred to herein, it would have to make a pay out of Rs. 240.54 Lakhs as claims to the petitioners.
4.	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	No the Company has not been selected for disinvestment.	Nil

Sector Specific sub-directions:-

Sr.No	Particulars	Remarks
1.	<p>Whether the stock of seeds packing/certification materials and other items has been taken on the basis of stock records after adjustment of Shortage/Excess as found during the physical verification of such stocks?</p> <p>Whether the due consideration has been given for deterioration in the quality of old stocks which may result into over valuation of stocks?</p>	<p>Yes, the stock of seeds packing/certification materials and other items has been taken on the basis of stock records after adjustment Shortage/Excess as found during the physical verification of such stocks.</p> <p>The stock of carry over seeds, the validity period of which has expired, is either offered for revalidation or subsequently sold as non-seed as a Company policy. All old stock is valued at net estimable realizable value thus reducing the chances of over valuation of stocks.</p>
2.	<p>Whether the company has an effective mechanism for disbursement of loans/subsidies/agro inputs and agriculture machineries to beneficiaries and recovery thereof along with interest?</p>	<p>To strengthen mechanism for disbursement of loans/subsidies/agro inputs and agriculture machineries to beneficiaries and recovery thereof along with interest, the Company has decided to make all such disbursements only through RTGS to the beneficiaries bank accounts.</p>
3.	<p>Whether grants and subsidies are received during the year, if yes, whether the same has been accounted as per relevant accounting standards?</p> <p>Report whether the grant so received is utilized for the intended purpose.</p>	<p>Yes, grants and subsidies received during the year have been accounted as per relevant accounting standards.</p> <p>To the best of our observation, the grants have been used for the intended purpose.</p>
4.	<p>Whether Profit/loss mentioned in Audit report is as per Profit & loss accounts of the company?</p>	<p>Yes, Profit/loss mentioned in Audit report is as per Profit & loss accounts of the company.</p>

**ANNEXURE “C” TO THE INDEPENDENT AUDITOR’S REPORT OF
MAHARASHTRA STATE SEEDS CORPORATION LIMITED**

(As referred to in Paragraph 3(f) of Report on Legal and Regulatory Requirements of our report and in terms of section 143 (3)(i) of the Act for the 2018-2019)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **MAHARASHTRA STATE SEEDS CORPORATION LIMITED** (“the Company”) as of **31st March 2019** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an inadequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were not operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Emphasis of Matters:

- a. The company has prepared IFC manual but the same is not as per guidelines based on the control criteria as stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.
- b. During the year, out of 30 Financial units, Internal audit was conducted only at 14 Financial Units. In our opinion, MSSCL should conduct the internal audit more timely & effectively.
- c. It is observed that there is lot of delay in accounting at all of the financial units. Management should ensure the book keeping is taken place in real time and not in delay of weeks or months.
- d. No proper training or manual has been provided to the operators / employees on usage of Seedflow leading to incorrect / misleading entries being entered in the system.
- e. The accounting Package (Seedflow ERP) of MSSCL lacks in following areas.

- i. No Audit log / Trail is maintained
- ii. Possibility of modification / deletion of entries.
- iii. Addition of entries at other than system date. Also, Voucher date and Entry date are not separately recorded.
- iv. No Blocking / Freezing of Login credentials after a certain attempts of failed logins.

For M/s. J. S. Uberoi & Co.
Chartered Accountants
Firm Registration Number :- 111107W

CA Amarjeet Singh Sandhu
Partner
Membership Number :- 108665

Place of Signature :-Nagpur
Date of Report :-27th September, 2019

MAHARASHTRA STATE SEEDS CORPORATION LIMITED
Balance sheet as at 31st March 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
1	2	3	4
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	3975.73	4029.67
(b) Capital work-in-progress	4	360.08	331.70
(c) Other Intangible assets	5	0.52	0.25
(d) Intangible assets under development		37.73	30.23
(e) Other non-current assets	6	211.07	203.34
2 Current assets			
(a) Inventories	7	15100.00	12491.00
(b) Biological Assets other than bearer plants	8	7.00	10.00
(c) Financial Assets			
(i) Trade receivables	9	4612.54	2460.13
(ii) Cash and cash equivalents	10	7871.25	4313.50
(iii) Bank balances other than (ii) above	11	7029.41	15925.27
(iv) Others (Prior period receivables)		0.00	0.00
(d) Current Tax Assets (Net)	12	2077.81	1237.79
(e) Other current assets	13	32497.68	20247.10
Total Assets		73780.81	61279.97
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	14	418.45	418.45
(b) Other Equity	15	34186.23	31584.73
Liabilities			
1 Non-current liabilities			
(a) Capital Grants	16	3778.42	4001.53
(b) Revolving Fund from State Government	17	500.00	500.00
(c) Deferred tax liabilities (Net)	41	49.43	45.44
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	0.00	0.00
(ii) Trade payables	19	2655.93	3420.90
(iii) Other financial liabilities (Prior period payables)		0.00	0.00
(b) Other current liabilities	20	30741.23	20054.47
(c) Provisions	21	8.37	127.46
(d) Current Tax Liabilities (Net)	22	1442.76	1127.00
Total Equity and Liabilities		73780.81	61279.97

See accompanying notes to the financial statements 1 to 45

In terms of our report of even date

For M/s J.S. Uberoi & Co,
Chartered Accountants
FRN No : 111107W
CA. Amarjeet Singh Sandhu
Partner
Membership No. 108665
UDIN No :- _____

Nagpur ,27-Sep-2019

For and on behalf of the Board of Directors

Anil Bhandari
IAS
Managing Director
DIN NO. 08304289

Ek Nath Dawale
IAS
Chairman
DIN NO. 06656860

Vinay Verma
Company Secretary

Sanjay Thakrar
General Manager (Finance)
Mumbai , 26-Sep-2019

MAHARASHTRA STATE SEEDS CORPORATION LIMITED
Statement of Profit and Loss for the Year ended 31st March 2019

(₹ in lakhs)

Particulars		Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I	Revenue From Operations	23	61112.96	56980.70
II	Other Income	24	2120.42	1751.62
III	Total Income (I+II)		63233.38	58732.31
IV	Expenses			
	Cost of materials consumed	25	1762.96	1206.48
	Purchases of Stock-in-Trade	26	48028.34	47358.59
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	27	-2580.00	-1994.00
	Employee benefits expense	28	5577.16	3616.82
	Finance costs	29	95.74	74.44
	Depreciation and amortization expense	3	508.73	544.58
	Other expenses	30	5716.77	4772.90
	Total expenses (IV)		59109.70	55579.81
V	Profit / (loss) before exceptional items and tax (III-IV)		4123.68	3152.50
VI	Exceptional Items		0.00	0.00
VII	Profit / (loss) before tax (V-VI)		4123.68	3152.50
VIII	Tax expense:			
	(1) Current tax		1442.76	1127.00
	(2) Deferred tax	41	3.99	-19.44
	(3) Earlier Year tax		0.00	0.00
	Total Tax Expenses		1446.75	1107.56
IX	Profit / (Loss) for the period from continuing operations (VII-VIII)		2676.93	2044.94
X	Profit/(loss) from discontinued operations		0.00	0.00
XI	Tax expense of discontinued operations		0.00	0.00
XII	Profit/(loss) from Discontinued operations (after tax X-XII)		0.00	0.00
XIII	Profit/(loss) for the period (IX+XII)		2676.93	2044.94
X	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	(ii) Remeasurement profit / losses on defined benefit plans	28	-66.50	61.60
XI	Total Comprehensive Income for the period (IX-X)		2610.43	2106.54
XII	Earnings per equity share (for continuing operation): Amount in ₹			
	(1) Basic	40	623.84	503.42
	(2) Diluted			
XVII	Earnings per equity share (for discontinued operation) Amount in ₹			
	(1) Basic		0.00	0.00
	(2) Diluted			
XIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		623.84	503.42
	(2) Diluted			

See accompanying notes to the financial statements 1 to 45

In terms of our report of even date

For and on behalf of the Board of Directors

For M/s J.S. Uberoi & Co,
Chartered Accountants
FRN No : 111107W

CA. Amarjeet Singh Sandhu
Partner
Membership No. 108665
UDIN No :- _____

Anil Bhandari
IAS
Managing Director
DIN NO.08304289

Eknath Dawale
IAS
Chairman
DIN NO. 06656860

Vinay Verma
Company Secretary

Sanjay Thakrar
General Manager (Finance)

Nagpur , 27-Sep-2019

Mumbai, 26-Sep-2019

MAHARASHTRA STATE SEEDS CORPORATION LIMITED

Statement of Changes in Equity for the period ended 31st March 2019

(₹ in lakhs)

A. Equity Share Capital	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Balance as at 31st March, 2018	418.45	0	418.45
Balance as at 31st March, 2019	418.45	0	418.45

B. Other Equity

(₹ in lakhs)

Other Equity	Reserves and Surplus				Total
	Capital Reserve	Research Reserve	General Reserve	Retained Earnings	
Balance as at 31st March, 2018					
Balance at the beginning of the reporting period	14.30	1025.19	786.65	27841.47	29667.60
Changes in accounting policy or prior period errors	0	0	0	(16.95)	(16.95)
Restated balance at the beginning of the reporting period	14.30	1025.19	786.65	27824.52	29650.65
Total Comprehensive Income for the year	0	0	0	2106.54	2106.54
Dividends	0	0	0	(62.98)	(62.98)
Transfer to retained earnings	0	0	0	0	0
Transferred from Retained Earnings	0	42.13	52.66	(94.79)	0
CSR Expenses	0	0	0	(109.48)	(109.48)
Balance at the end of the reporting period	14.30	1067.32	839.31	29663.80	31584.73
Balance as at 31st March, 2019					
Balance at the beginning of the reporting period	14.30	1067.32	839.31	29663.80	31584.73
Changes in accounting policy or prior period errors	0.00	0.00	0.00	41.51	41.51
Restated balance at the beginning of the reporting period	14.30	1067.32	839.31	29705.32	31626.24
Total Comprehensive Income for the year	0.00	0.00	0.00	2610.43	2610.43
Dividends	0.00	0.00	0.00	(50.45)	(50.45)
Transfer to retained earnings	0.00	0.00	0.00	0.00	0.00
Transferred from Retained Earnings	0.00	52.21	65.26	(117.47)	0.00
CSR Expenses	0.00	0.00	0.00	0.00	0.00
Balance at the end of the reporting period	14.30	1119.53	904.57	32147.83	34186.23

In terms of our report of even date
For M/s J.S. Uberoi & Co,
Chartered Accountants
FRN No : 111107W

For and on behalf of the Board of Directors

CA. Amarjeet Singh Sandhu
Partner
Membership No. 108665
UDIN No :- _____

Anil Bhandari
IAS
Managing Director
DIN NO.08304289

Eknath Dawale
IAS
Chairman
DIN NO. 06656860

Vinay Verma
Company Secretary

Sanjay Thakrar
General Manager (Finance)

Nagpur , 27-Sep-2019

Mumbai , 26-Sep-2019

MAHARASHTRA STATE SEEDS CORPORATION LIMITED AKOLA
Statement of Cash flow for the year ended March 31,2019

Particulars		As at 31st March	
		2019	2018
Cash Flow from Operating Activities			
Net profit for the year		4123.68	3152.50
Adjustments for :-			
(a) Depreciation		508.73	544.58
(b) Interest Income		-1514.10	-1054.71
(c) Income Tax expenses		1446.75	1107.56
(d) Adjustments to Capital Grant		-322.57	-369.54
(e) Finance Cost		95.74	74.44
Previous Year Adjustement		41.51	-16.95
Profit sale of assets		-61.10	0.00
Lease Rent Written off		2.07	2.07
		197.03	287.46
Operating Profit before changes in operating assets & liabilities	1	4320.71	3439.96
Adjustment for:-			
(a) Decrease / (Increase) in biological Assests		3.00	22.00
(b) Decrease / (Increase) in Inventories		-2609.00	-2253.00
(c) Decrease / (Increase) in Trade & Other Receivable		-2152.42	5055.21
(d) Decrease / (Increase) in Other Assets		-13705.44	-2489.50
(e) (Decrease) / Increase in trade payables, Other payables & Provisions		9802.70	2557.68
(f) Effect of Remeasurement of Defined benefits Plan - OCI		-66.50	61.60
	2	-8727.65	2953.99
Cash generated from operation (1+2)		-4406.95	6393.95
Income Tax Paid		-1967.02	-1159.23
CSR Expenses		0.00	-109.48
Utilization of Grant		-248.84	-100.44
		-2215.86	-1369.15
Total Cash generated from Operating Activities		-6622.81	5024.80
Cash Flow From Investing Activities			
(a) Sale/Disposal of Property		61.17	0.00
(b) Purchase of Property, plant and equipments's & Other intangible assets		-345.08	-471.24
(c) Capital Work-in-Progress		0.00	0.00
(d) Interest Earned		1514.10	1054.71
Net Cash used in Investing Activities		1230.19	583.47
Cash Flow From Financing Activities			
(a) Dividend Paid (including Tax on Dividend)		-50.45	-62.95
(b) Finance Cost		-95.74	-74.44
(c) Borrowing/(Repayment) of Loans		0.00	-2482.76
Capital Grant		200.69	130.39
Net Cash generated from Financing Activites		54.51	-2489.76
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		-5338.11	3188.51
Opening Cash & Cash Equivalents		20238.77	17120.27
Closing Cash & Cash Equivalents		14900.66	20238.77
Reconciliation of Cash & Cash Equivalents		-5338.11	3118.51
Cash and Cash Equivalent Comprises of			
Cash on Hand		0.54	1.63
Balance with banks			
(a) Current accounts		7870.71	4337.54
(b) Fixed Deposit		7029.41	15899.60
Cash and Cash Balances as per Balance Sheet		14900.66	20238.77
Notes:			
1. The Statement of Cash Flow has been prepared under the Indirect method as set out in Ind AS-7.			
In terms of our report of even date.		For and on behalf of the Board of Directors	
For M/s J.S. Uberoi & Co,		Anil Bhandari	Ek Nath Dawale
Chartered Accountants		IAS	IAS
FRN No : 111107W		Managing Director	Chairman
CA. Amarjeet Singh Sandhu		DIN NO 08304289	DIN NO 06656860
Partner		Vinay Verma	Sanjay Thakrar
Membership No. 108665		Company Secretary	General Manager(Finance)
UDIN No :- _____			
Nagpur, 27-Sep-2019			Mumbai, 26-Sep-2019

Notes on Financial Statements for the year ended 31st March, 2019**1 CORPORATE INFORMATION:**

Maharashtra State Seeds Corporation Limited (MSSC Ltd) is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the corporation is located at Mahabeej Bhavan, Krishinagar, Murtijapur Road, Akola, 444104 in Maharashtra. The operations have commenced from 28th April, 1976. Maharashtra State Seeds Corporation Limited has its head office at Akola and 26 Districts offices, 6 Regional offices and 23 Seed Processing plants in Maharashtra and also have 4 Out State Offices in India. The shares are held by Govt. of Maharashtra, NSC Ltd. , Seeds Growers and Agriculture Universities.

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

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

2 SIGNIFICANT ACCOUNTING POLICIES:**2.1 Basis of preparation of Financial statement****a) Statement Of Compliance:**

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

b) Basis of measurement

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

c) Use of estimates, assumption and management judgments.

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

d) Functional and presentation currency

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

- a) Transactions in foreign currency are recorded at the rate of exchange prevailing at the time of transactions are affected. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

- b) Monetary items denominated in foreign currency are converted into Indian rupees using the exchange rate prevailing at the date of the Balance Sheet and the resulting exchange difference is recognized in the Statement of Profit and Loss

2.2 Summary of Significant Accounting Policies

I. Cash Flow Statement

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

II. Property, Plant and equipment

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

III. Intangible Assets Under Development

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

IV. Provisioning / Write-off of assets

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

V. Revenue Recognition:

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

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

VI. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases.

Operating lease payments or receipts are recognized as an expense or income in the statement of profit and loss on a straight line basis over the lease term except where lease payments or receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

VII. Depreciation & Amortization

Property, Plant and Equipment

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

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

Particulars	Useful life	Rate of Depreciation
Plant and Machinery	15 years	18.10%
Computers	3 years	63.16%
Office Equipments	5 years	45.07%
Furniture and Fixtures	10 years	25.89%
Vehicles	8 years	31.23%

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

Intangible Assets

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

The estimated useful life of intangibles are as follows :

Intangible Assets	Useful Life	Internally generated or self-generated Software (1-5 years)	Acquired
Amortization methods, useful lives and residual values are reviewed at each reporting date.			

(IX) Impairment of non-financial assets

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

(X) Inventories:

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

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

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

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

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

i) In case of stock belonging to Company:

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

ii) In case of stock belonging to Growers:

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

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

(XI) Biological Assets

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

(XII) Borrowing Cost

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

(XIII) Governments Grants:

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

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

(XIV) Employee Benefits:

a. Short Term Employee Benefits

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

b. Post Employment Benefits

i. Provident Fund

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

ii. Gratuity

The Company provides for gratuity (a defined benefit retirement plan) to all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or termination of employment for an equivalent to 15 days salary payable for each completed

year of service. Vesting occurs on completion of five years of service or on death while in employment.

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

iii. Leave Encashment

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

(XV) Taxes

Current income tax, Sales tax, GST etc.

- i) Tax expense for the year comprises of current income tax and deferred tax.
- ii) Current tax is measured at the amount expected to be paid to the tax authorities using the applicable tax rates.
- iii) The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Corporation operates and generates taxable income.
- iv) Current tax related to OCI items is recognized Other Comprehensive Income (OCI).
- v) In respect of sales tax, income tax, GST etc., the amount payable or receivable as per assessment order is accounted for in the year in which the said order is received and accepted by the company, irrespective of the year to which the order relates.
- vi) Set off/ input tax credit is claimed on the sales tax/GST on purchases. Difference between set off / input tax credit claimed and actual set off / input tax credit allowed is accounted for in the year in which the assessment order is received and accepted by the company.

Deferred tax

In accordance with the Indian Accounting Standard (Ind-AS 12) "Income Taxes" issued

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

(XVI) Earnings Per Share

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

(XVII) Contingent Liabilities and contingent Assets

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

(XVIII) Dividend to equity holders

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

(XIX) Research & Development Expenses

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

MAHARASHTRA STATE SEEDS CORPORATION LIMITED AKOLA
PROPERTY, PLANT AND
EQUIPMENTS (2018-19)

Assets	Gross Block										Depreciation			Net Block	
	As At 01-04-2018	Additions		Withdrawal		Total 31-03-2019	As At 01-04-2018	For the year	Sales	IND AS Transition	Total 31-03-2019	As At 31-03-2019	As At 31-03-2018		
		Own Funds	Grants	Sales/Adj	Out of grants										
3 Property, Plant and Equipment															
Free Hold Land	147.58	0.00	0.00	0.07	0.00	147.51	0.00	0.00	0.00	0.00	147.51	147.58			
Lease Hold Land	185.18	0.00	0.00	2.07	0.00	183.11	0.00	0.00	0.00	0.00	183.11	185.18			
Buildings	5025.45	270.22	50.00	0.00	0.00	5345.67	2574.92	89.34	0.00	164.26	2828.53	2450.53			
Plant & machinery	3336.73	13.93	85.00	0.00	0.00	3435.66	2344.45	14.92	0.00	154.00	2513.38	992.28			
Electric Installation	322.56	13.00	0.00	0.00	0.00	335.56	217.31	25.91	0.00	0.00	243.21	105.25			
Furniture & Fixture	231.88	6.92	0.00	0.00	0.00	238.80	188.05	10.27	0.00	0.00	198.31	43.83			
Office Equipments	92.65	2.29	0.00	0.00	0.00	94.94	78.10	5.26	0.00	0.00	83.37	14.55			
Vehicles	110.25	0.00	11.82	0.00	0.00	122.07	64.63	14.29	0.00	4.22	83.14	45.61			
Computers	302.63	2.28	0.79	0.00	0.00	305.70	257.38	25.88	0.00	0.09	283.36	44.85			
Total tangible assets	9754.91	308.65	147.61	2.15	0.00	10209.02	5724.85	185.87	0.00	322.57	6233.29	3975.73	4029.67		
5 Intangible Assets															
Software Development	0.25	0.56	0.00	0.00	0.00	0.80	0.00	0.28	0.00	0.00	0.28	0.52	0.25		
Software under Development	30.23	7.50	0.00	0.00	0.00	37.73	0.00	0.00	0.00	0.00	0.00	37.73	30.23		
Total intangible assets	30.48	8.05	0.00	0.00	0.00	38.53	0.00	0.28	0.00	0.00	0.28	38.25	30.48		
4 Capital work-in-progress															
Work-in-progress	331.70	267.34	0.00	238.96	0.00	360.08	0.00	0.00	0.00	0.00	0.00	360.08	331.70		
Total Fixed Assets	10117.08	584.04	147.61	244.10	0.00	10607.63	5724.85	186.15	0.00	322.57	6233.57	4374.06	4391.85		
Total Previous Year	9647.53	501.81	0.39	32.65	0.00	10117.08	5180.27	174.79	0.00	369.79	5724.85	4391.85	4467.26		

Current year Lease rent of 2.07 Lakhs shown as withdrawal.
 There is no impairment of loss as on the balance sheet date.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

	As at 31st March 2019	As at 31st March 2018
6 OTHER NON-CURRENT ASSETS (Unsecured considered good unless and otherwise stated)		
Security and other deposits	33.62	34.87
Deposits with Govt. Authorities	177.45	168.47
	211.07	203.34
7 INVENTORIES. [As valued and certified by the Management ,at cost or net realizable value whichever is less unless and otherwise specified]		
Finished Goods	13050.00	8143.00
Unservicable Seeds	1050.00	3374.00
Packing Material	1000.00	974.00
	15100.00	12491.00
7.1 Finished Goods		
Foundation ,Breeder Seed	250.00	33.00
Certified ,Truthful & Raw-Seed	12800.00	8110.00
	13050.00	8143.00
7.2 Unservicable Seeds		
Low Grade , Fail Seed & Non Seed	1050.00	3374.00
7.3 Processing ,Packing Materials	1000.00	974.00
8 BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS	7.00	10.00
9 TRADE RECEIVABLES		
Unsecured		
Receivables outstanding for a period Exceeding Six Months		
Considered Good	3153.01	1694.79
Considered Doubtful	258.16	258.16
	3411.17	1952.95
Others		
Considered Good	1459.53	765.34
Considered Doubtful	2.32	2.32
	1461.85	767.66
	4873.02	2720.61
Less : Provision for Doubtful Debts	260.48	260.48
	4612.54	2460.13

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

	As at 31st March 2019	As at 31st March 2018
10 CASH & CASH EQUIVALENTS		
Cash on Hand	0.54	1.63
Current Account balances with bank	4870.71	4311.87
Fixed deposit (With Maturity Less than 3 months)	3000.00	0.00
	7871.25	4313.50
11 BANK BALANCES OTHER THAN ABOVE		
In Fixed Deposit Account (Maturity between 3 months to 1 years)	7000.00	15,894.60
In Dividend accounts pending encashment of warrants	24.41	25.67
In Fixed deposits (As Margin Money against bank Guarantees)	5.00	5.00
	7029.41	15925.27
12 CURRENT TAX ASSETS	2077.81	1237.79
13 OTHER CURRENT ASSETS (Unsecured considered good unless and otherwise stated)		
13.1 Advance to Customers		
Considered Good	31906.72	19895.07
Considered Doubtful	505.03	506.99
13.2 Advances to Employees		
Considered Good	42.05	30.61
13.3 Advances to Others		
Considered Good	175.26	1.35
Considered Doubtful	3.00	1.05
	32632.05	20435.07
Less : Provision for Doubtful Advances	508.03	508.03
	32124.02	19927.03
13.4 Other Current Assets.		
Interest accrued but not due on F.D.R.	351.22	304.54
Prepaid Expenses	22.44	15.52
	373.66	320.06
	32497.68	20247.10

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

	As at 31st March 2019	As at 31st March 2018
14 EQUITY SHARE CAPITAL		
AUTHORISED :		
10,00,000 Equity Share of Rs.100/- each	1000.00	1000.00
	1000.00	1000.00
ISSUED :		
5,00,000 Equity Shares of Rs.100/- each (Previous Year 5,00,000 Equity Shares)	500.00	500.00
	500.00	500.00
SUBSCRIBED & PAID UP :		
4,18,445 Equity Shares of Rs.100/- each fully paid up (Previous year 4,18,445 Equity Shares.)	418.45	418.45
	418.45	418.45

Note 1 A Movement no. of Shares & share capital

	No.of Shares*	2018-19	2017-18
Shares as on April-1	418445	418.45	418.45
Shares issued during the year	-	-	-
Shares bought back during the year	-	-	-
Shares as on March 31	418445	418.45	418.45

Note 1 B List of Shareholders holding more than 5 % of Shares

	% of Holding *	As at Mar 31 2019 No.of Shares	As at Mar 31 2018 No.of Shares
Government of Maharashtra	48.99 %	205000	205000
National Seeds Corporation	35.44 %	148330	148330

* Note :- No of shares and % Holding is same as previous year

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

	As at 31st March 2019	As at 31st March 2018
15 OTHER EQUITY		
a) Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	29663.80	27841.47
Add: Net Profit during the year	2610.43	2106.54
Prior Period Adjustment for Current Year NET	41.51	-16.95
Less : Transferred to General Reserve	-65.26	-52.66
Transferred to Reserch Reserve	-52.21	-42.13
Proposed Dividend & Distribution Tax IND AS 2017	0.00	0.00
Proposed Dividend & Distribution Tax	-50.45	-62.98
Expenses on CSR	0.00	-109.48
	(a) 32147.83	29663.80
b) General Reserve		
Balance at the beginning of the year	839.31	786.65
Add: Addition during the year	65.26	52.66
	(b) 904.57	839.31
c) Research Reserve		
Balance at the beginning of the year	1067.32	1,025.19
Add: Addition during the year	52.21	42.13
	(c) 1119.53	1,067.32
d) Capital Reserve		
Balance at the beginning of the year	14.30	14.30
Add: Addition during the year	0.00	0.00
	(d) 14.30	14.30
Balance at the end of the year (a+b+c+d)	34186.23	31584.73

(₹ in lakhs)

MAHARASHTRA STATE SEEDS CORPORATION LIMITED; AKOLA					
NOTES FORMING PART OF FINANCIAL STATEMENTS					
16. CAPITAL GRANTS (in lakhs)					
	As at 1st April 2018	Addition	Withdrawn	As at 31st March 2019	As at 31st March 2018
Working/Capital Grants under NSP-III	806.03	0.00	0.00	806.03	806.03
Seed Bank: Revolving Fund	64.33	0.00	0.00	64.33	64.33
Seed Bank Revolving Fund : NSR	90.82	0.00	0.00	90.82	90.82
Cotton Delinting.Plant	101.15	0.00	0.00	101.15	101.15
Strengthening of Processing &Storage facility	25.00	0.00	0.00	25.00	25.00
Seed Bank: Construction.of Godown	8.41	0.00	0.00	8.41	8.41
RKVY Grant (Solar Power)	119.41	59.69	120.00	59.10	119.41
Grant:Strengthening of seed quality control lab	125.45	141.00	128.84	137.60	125.45
Capital Grant for Fixed Assets IND AS	2660.93	147.61	322.57	2485.97	2660.93
TOTAL :	4001.53	348.30	571.41	3778.42	4001.53
17 REVOLVING FUND FROM STATE GOVERNMENT					
Revolving fund Loans from State Govt.	500.00	0.00	0.00	500.00	500.00
GRAND TOTAL	500.00	0.00	0.00	500.00	500.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

	As at 31st March 2019	As at 31st March 2018
18 <u>BORROWINGS</u>		
Loan from Banks	0.00	0.00
	0.00	0.00
19 <u>TRADE PAYABLES</u>		
<u>MSME</u>		
For Supplies & Expenses due to MSME	19.27	136.75
<u>Others</u>		
For Seeds Due to others	1236.40	1778.40
For Supplies & Expenses	1400.26	1505.75
	2655.93	3420.90
20 <u>OTHER CURRENT LIABILITIES</u>		
Advance Received from Customers	24658.49	16913.84
Unclaimed dividend	24.41	25.67
Trade / Security Deposits	2711.00	2331.81
Employees accounts	87.97	99.14
Government Accounts	64.55	64.55
Statutory remittances	15.18	31.72
For Others	3179.62	587.74
	30741.23	20054.47
21 <u>PROVISIONS</u>		
Provision for Employee Benefits		
Group Gratuity	7.06	15.10
Leave Encasment	1.31	112.36
	8.37	127.46
22 <u>CURRENT TAX LIABILITIES (Net)</u>	1442.76	1127.00
	1442.76	1127.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

	For the year ended 31st March 2019	For the year ended 31st March 2018
23 REVENUE FROM OPERATIONS		
a. Sale of Products		
Sale of Goods	59556.97	52084.76
Sale of Processing Material	58.76	52.44
b. Other Operating Revenues	1497.24	4843.50
	61112.96	56980.70
23.1 Sale of goods		
Foundation ,Breeder Seed	3949.20	3937.51
Certified ,Truthful Seed	52122.63	44539.56
Low-Grade,Fail Seed & Non-Seed etc.	3363.76	3505.33
Nursery ,T.C Plants & Landscaping	121.37	102.36
	59556.97	52084.76
23.2 Sale of processing material		
Processing Materials	19.67	12.00
Old Processing Material	39.09	40.43
	58.76	52.44
23.3 Other operating revenues		
Reimbursement of Expenses	1373.67	4605.73
Sales Return & Processing Charges	27.42	60.06
Liabilities in respect of earlier years written back (net)	96.14	177.71
	1497.24	4843.50
24 OTHER INCOME		
Interest	1514.10	1054.71
[Tax Deducted at Source Rs 93.04 (Previous Year Rs.109.23)]		
Other non operating income		
Miscellaneous Receipts	222.65	327.12
Profit on sale of Assets	61.10	0.00
Capital Grant Income Recognition A/C	322.57	369.79
	2120.42	1751.62

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

	For the year ended 31st March 2019	For the year ended 31st March 2018
25 <u>COST OF MATERIALS CONSUMED</u>		
Opening Stock	974.00	737.00
Add: Purchases	1788.96	1443.48
	2762.96	2180.48
Less: Closing Stock	1000.00	974.00
	1762.96	1206.48
26 <u>PURCHASES OF STOCK-IN-TRADE</u>		
Foundation Seed	2982.69	3346.85
Certified ,Truthful & Raw-Seed	44990.55	43970.14
Nursery/T.C Plants & Landscaping	55.10	41.60
	48028.34	47358.59
27 <u>CHANGES IN INVENTORIES OF FINISHED GOODS STOCK-IN -TRADE AND WORK-IN-PROGRESS</u>		
<u>Opening Stock</u>		
Finished Goods & Stock in Trade	11527.00	9533.00
<u>Closing Stock</u>		
Finished Goods & Stock in Trade	14107.00	11527.00
Increase/(Decrease) in stock	-2580.00	-1994.00
27.1 Opening Stock		
Foundation ,Breeder Seed	33.00	73.00
Certified ,Truthful & Raw-Seed	8110.00	8816.00
Low-grade,Fail Seed & Non Seed	3374.00	612.00
Biological Asset	10.00	32.00
	11527.00	9533.00
27.2 Closing Stock		
Foundation ,Breeder Seed	250.00	33.00
Certified ,Truthful & Raw-Seed	12800.00	8110.00
Low-grade,Fail Seed & Non Seed	1050.00	3374.00
Biological Asset	7.00	10.00
	14107.00	11527.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

	For the year ended 31st March 2019	For the year ended 31st March 2018
28 EMPLOYEES BENEFITS EXPENSE		
Salaries , Allowances & Other benefits	4864.61	3075.96
Leave Encashment	1.31	112.36
Measurement of Employee Benefit as per IND AS	-66.50	61.60
Contribution to Providend Fund & Other fund	346.59	326.10
Staff Welfare Expenses	3.23	11.89
Gratuity	427.93	28.91
	5577.16	3616.82
29 FINANCIAL COSTS		
Interest on loan	86.48	61.26
Bank Charges & Commission	9.25	13.19
	95.74	74.44

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

	For the year ended 31st March 2019	For the year ended 31st March 2018
30 OTHER EXPENSES		
a) PROCESSING & OTHER EXPENSES		
Handling	248.70	257.34
Watch & Ward Expenses	369.83	287.33
Bonus to Workers	28.24	24.21
Processing Charges to Contractors	603.90	504.10
Electricity & Power	129.47	111.51
Fuel ,Oil & Lubricants	31.69	27.66
Insurance of Seed	52.62	48.71
Wages	390.63	336.47
Contribution to Provident Fund	49.59	37.91
Certification Expenses	1087.42	978.15
Transportation & Octroi	211.04	167.42
Rent of Plants & Godowns	120.11	90.29
Miscellaneous Expenses	110.76	98.45
Repairs & Maint. : Plant & Machinery	11.18	13.26
(a)	3445.19	2982.80
b) ADMINISTRATION EXPENSES		
Recruitment & Training Expenses	0.68	0.40
Vehicle Running Charges	12.32	11.42
Printing & Stationery	46.46	28.39
Advertisement (General)	24.10	47.21
Lease Rent	2.78	4.14
Rent	25.19	22.21
Rates & Taxes	35.50	30.88
CSR Expenses	32.09	0.00
Payment to Auditors		
Audit Fees	2.39	1.50
Tax Audit Fee	0.23	0.23
Out of Pocket Expenses	1.08	0.04
Director Sitting Fees	0.17	0.16
Travelling & Conveyance : Staff	161.65	164.02
Travelling & Conveyance : Directors	7.31	7.50
Insurance	11.71	12.23
Postage,Telegram & Telephone	41.45	40.61
Repairs & Maintenance to		
Building	154.16	47.52
Vehicle	8.76	10.29
Other Assets	74.15	66.63
Office & Other Expenses	197.43	177.26
(b)	839.61	672.63

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in lakhs)

	For the year ended 31st March 2019	For the year ended 31st March 2018
c) SELLING & DISTRIBUTION EXPENSES		
Transportation ,Octroi & Handling	1066.07	877.20
Godown Rent & Storage Charges	61.96	65.74
Advertisement & Publicity	147.72	129.34
Crop Compensation	42.87	-30.08
Interest to Others	11.45	11.29
C & F Commission	20.94	0.00
(c)	1351.00	1053.50
d) RESEARCH & DEVELOPMENT EXPENSES		
QCL Expenses	27.74	21.64
Research & Development Expenses	53.23	42.33
(d)	80.98	63.97
Total Other Expenses (a+b+c+d)	5716.77	4772.90
Prior Period items (Net)	41.51	-16.95
	41.51	-16.95

31. CONTINGENT LIABILITIES:

- a) Claims against the Company not acknowledged as debts -
 - i. Sales Tax for the financial year 2008-09 for Madhya Pradesh ₹ 12.78 Lakhs for which the appeal is pending with Appellate Authority [Previous Year ₹ 12.78 Lakhs (gross) MP & MS].
 - ii. Various cases lodged against the Company by contractors, growers and customers, ₹ 240.54 Lakhs (Previous Year ₹ 258.37 Lakhs)
 - iii. Cases filed by laborers and employees against the Company, amount not ascertainable.
 - iv. Agriculture Produce Market Committee fees on sale of low grade, failed seed and non-seed, amount not ascertainable.
 - v. Interest on Revolving Fund Loan, communication awaited from the State Government., amount not ascertainable hence not provided.
 - vi. Application filed by one organizer of Madhya Pradesh with the arbitrator and the proceedings is going on.
 - vii. Rates & Taxes ₹ 66.35 Lakhs (Previous Year ₹ 85.80 Lakhs).
- 32. Estimated balance amount of contract remaining to be executed on Capital Account ₹ 254.50 Lakhs (Previous year ₹ 156.05 lakhs).
- 33. On the basis of information available with the Company regarding the status of suppliers, there were no payments exceeding ₹ One lakh. Overdue for a period of 30 days and remaining unpaid to any small scale and/or Ancillary Industrial Suppliers on account of principal and/or interest as at the close of the year.

Disclosures relating to micro, small and medium enterprises [MSME]

(₹ in Lakhs)

Sr No	Particular	As at 31.03.2019	As at 31.03.2018
1	Principal amount remaining unpaid to MSMEs	19.27	136.75
2	Interest due on the above, remaining unpaid	Nil	Nil
3	Interest paid in terms of section 16 of MSME Development Act [MSMEDA] along with payments made beyond the appointed day during the year	Nil	Nil
4	Interest due and payable for delay in making payment (paid but beyond the appointed day) but without adding the interest specified under MSMEDA	Nil	Nil
5	Interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
6	Further interest remaining due and payable in succeeding year (Until such date by which the interest dues as above are actually paid to the small enterprises), for the purpose of disallowance as a deductible expenditure under section 23 of MSMEDA	Nil	Nil

34. As per Section 135 (1) of the Companies Act, 2013, during the year the Company has formed a CSR Committee. The area for CSR activities are as per Schedule VII of the Companies Act, 2013. Further as per section 135 (5) of the Companies Act, 2013, the Company was required to spend, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility. During the Year, the Company has spent ₹ 32.09 Lakhs on CSR activities.

35. Employee benefit expenses include remuneration to the Managing Director as under
(₹ in Lakhs)

	2018-19	2017-18
i) Salary & Allowances	19.33	18.68
ii) Leave Salary Contribution	-	-
TOTAL	19.33	18.68

36. With respect to balances of Trade receivable & Trade payable and Advances/deposits received from the customers as per books of Accounts, Confirmations of balances are awaited and adjustments if any will be required to be made in the books on receipt of confirmations.

37. Previous year's figures have been re-arranged/re-grouped wherever necessary, to confirm to this year's classification and are given in nearest of Rupee.

38. The company has taken lease hold land MIDC/Government at 15 locations for 99 years lease and accounted proportionate lease rent of ₹ 2.07 Lakhs in profit and loss account.

39. Compliances with Indian Accounting Standards issued by The Institute of Chartered Accountants of India:

I. Employees Benefits:

The details of employee benefits are as given below:

Provident Fund:

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

Gratuity:

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

The following Table sets out the status of Gratuity Scheme Plans as at 31 March 2019.

(₹ in Lakhs)

Particulars	GRATUITY SCHEME	
	31-03-2019	31-03-2018
1.Assumption		
Discount Rate	7.50%	8.00%
Salary Escalation	9.00%	9.00%
2.Table Showing changes in present value of Obligation		
Present value of obligations as at beginning of year	2050.54	2125.35
Interest cost	164.04	170.03
Current Service Cost	37.88	42.94
Benefits Paid	408.72	364.74
Actuarial (gain)/ loss on obligations	323.86	76.96
Present value of obligations as at end of year	2167.61	2050.54
3.Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	2361.90	2542.17
Expected return on plan assets	174.31	181.84
Contributions	395.70	2.64
Benefits Paid	408.72	364.74
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	2523.20	2361.90
4. Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	2361.90	2542.17
Actual return on plan assets	174.31	181.84
Contributions	395.70	2.64
Benefits Paid	408.72	364.74
Fair value of plan assets at the end of year	2523.20	2361.90
Funded status	355.58	311.36
Excess of Actual over estimated return on plan assets	NIL	NIL

(₹ in Lakhs)

Particulars	GRATUITY SCHEME	
	31-03-2019	31-03-2018
(Actual rate of return = Estimated rate of return as ARD falls on ARD 31 March)		
5.Actuarial Gain/Loss recognized		
Actuarial (gain)/ loss on obligations	323.86	76.96
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
Actuarial (gain)/ loss on obligations	323.86	76.96
Actuarial (gain)/ loss recognized in the year	323.86	76.96

6.The amounts to be recognized in the balance sheet and statements of Profit and Loss		
Present value of obligations as at the end of year	2167.61	2050.54
Fair value of plan assets as at the end of the year	2523.20	2361.90
Funded status	355.58	311.36
Net asset/(liability) recognized in balance sheet	355.58	311.36
7.Expenses Recognised in statement of Profit and loss		
Current Service cost	37.88	42.94
Interest Cost	164.04	170.03
Expected return on plan assets	174.31	181.84
Net Actuarial (gain)/ loss recognized in the year	323.86	76.96
Expenses recognised in statement of Profit and loss	351.47	108.09

Leave Encashment

The following Table sets out the status of Leave Encashment as at 31 March 2019.

(₹ in Lakhs)

Particulars	LEAVE ENCASHMENT SCHEME	
	31-03-2019	31-03-2018
1.Assumption		
Discount Rate	7.50%	8.00%
Salary Escalation	9.00%	9.00%
2.Table Showing changes in present value of Obligation		
Present value of obligations as at beginning of year	1728.85	1850.49
Interest cost	138.31	148.04
Current Service Cost	4.96	6.84
Benefits Paid	227.92	223.64
Actuarial (gain)/ loss on obligations	0.10	52.87
Present value of obligations as at end of year	1644.10	1728.85
3.Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	1784.98	1846.40
Expected return on plan assets	132.10	134.97
Contributions	41.45	27.26

(₹ in Lakhs)

Particulars	LEAVE ENCASHMENT SCHEME	
	31-03-2019	31-03-2018
Benefits Paid	227.92	223.64
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	1730.62	1784.98
4.Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	1784.98	1846.40
Actual return on plan assets	132.10	134.97
Contributions	41.45	27.26

Benefits Paid	227.92	223.64
Fair value of plan assets at the end of year	1730.62	1784.98
Funded status	86.52	56.13
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual rate of return = Estimated rate of return as ARD falls on ARD 31 March)		
5. Actuarial Gain/Loss recognized		
Actuarial (gain)/ loss on obligations	0.10	52.87
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
Actuarial (gain)/ loss on obligations	0.10	52.87
Actuarial (gain)/ loss recognized in the year	0.10	52.87
6. The amounts to be recognized in the balance sheet and statements of Profit and Loss		
Present value of obligations as at the end of year	1644.10	1728.85
Fair value of plan assets as at the end of the year	1730.62	1784.98
Funded status	86.52	56.13
Net asset/(liability) recognized in balance sheet	86.52	56.13
7. Expenses Recognised in statement of Profit and loss		
Current Service cost	4.96	6.84
Interest Cost	138.31	148.04
Expected return on plan assets	132.10	134.97
Net Actuarial (gain)/ loss recognized in the year	0.10	52.87
Expenses recognised in statement of Profit and loss	11.07	32.96

40. Earning per Share is computed as under :-

PARTICULARS	31/03/2019	31/03/2018
Basic Earnings per share has been computed as under		
Net Profit attributable to Equity shareholders (in Lakhs)	2610.43	2106.54
Weighted number of equity shares outstanding	418445	418445
Basic Earnings per share in (Face value 100/- Per share)	623.84	503.42

The Company does not have any potentially dilutive equity as at Balance Sheet date.

41. Deferred Tax Liability / Asset.

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

(₹ in Lakhs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Assets	Liability	Assets	Liability
Opening Balance as per Balance Sheet	-	45.44	-	64.88

Remeasurement of Loss of defined benefit plan IND AS 31/03/2019 66.50 Lakhs.	-	23.24	-	-
Depreciation as per Companies Act 186.15 Lakhs Depreciation as per IT Act 158.36 Lakhs Diff. of Dep. 27.79 Lakhs	9.71	-	11.06	-
Bonus payable and other item 27.30 Lakhs	9.54	-	8.38	-
Total	19.25	68.68	19.44	-
Net Closing Liability		49.43	-	64.88

42. Segment Reporting

The Corporation's business activity falls within a single primary business segment viz. seeds and operates in single geographical segment and therefore there are no separate reportable segments as per the IND AS -108.

43. Related party disclosures

a. Relationship:

Key Management Personnel & Relatives:

- | | | | |
|-----|---------------------------------|---|-------------------|
| 1. | Shri Anil Bhandari, IAS | - | Managing Director |
| 2. | Shri Omprakash N. Deshmukh, IAS | - | Managing Director |
| 3. | Shri. Vinay Verma | - | Company Secretary |
| 4. | Shri Sanjay S. Dhotre | - | Director |
| 5. | Mrs Anita B. Chorey | - | Director |
| 6. | Shri V.T. Deshmukh | - | Director |
| 7. | Shri B.V. Deshmukh | - | Son |
| 8. | Shri D.V. Deshmukh | - | Son |
| 9. | Mrs S.B.Deshmukh | - | Daughter in-law |
| 10. | Mrs P.D.Deshmukh | - | Daughter in-law |

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

Sr.N	Name	Rupees (₹ in Lakhs)	Particulars
1.	Shri Anil Bhandari, IAS	3.45	Remuneration
2.	Shri Omprakash Deshmukh, IAS	14.90	Remuneration
3.	Shri Vinay Verma. (CS)	10.22	Remuneration
4.	Reimbursement of travelling expenses	7.97	Travelling expenses
5.	Shri S.S. Dhotre	0.06	Sitting Fee
6.	Mrs Anita B. Chorey	0.02	Sitting Fee
7.	Shri V.T. Deshmukh	0.09	Sitting Fee
		3.62	Seed purchase
8.	Shri B.V. Deshmukh	1.91	Seed purchase
9.	Shri D.V. Deshmukh	0.46	Seed purchase
10.	Mrs S.B.Deshmukh	0.51	Seed Purchase
	Mrs P.D.Deshmukh	0.64	Seed Purchase

44. Details of Purchases, Sales & Stock

	Details	2018-2019		2017-2018	
		Quantity (Qtls)	Value (₹ in Lakhs)	Quantity (Qtls)	Value (₹ in Lakhs)
a)	Foundation Seed :				
	Opening Stock	8913	33.00	1495	73.00
	Purchases	72556	2982.69	107967	3346.85
	Sales	69110	3949.20	69725	3937.51
	Closing Stock	5131	250.00	8913	33.00
b)	Certified, Raw & Truthful Seed :				
	Opening Stock	192547	8120.00	231725	8848.00
	Purchases	1094335	44990.55	9,73202	43970.14
	Sales	927042	52122.63	804951	44539.56
	Closing Stock	328490	12800.00	192547	8120.00

NOTES: Closing stock excludes **38578** quintals (Previous Year 238253 quintals) on account of non seed, low grade failed seeds, processing losses and other shortages.

45. Corresponding figures for previous year have been regrouped/rearranged wherever necessary, to make them comparable.

In terms of our report even date
For M/s J. S. Uberoi & Co,
Chartered Accountants
FRN No. 111107 W

For and on behalf of the Board of Directors

Anil Bhandari
IAS
Managing Director
DIN No. 08304289

Eknath Dawale
IAS
Chairman
DIN No. 06656860

CA. Amarjeet Singh Sandhu
Partner
Membership No. 108665
UDIN No :- _____

Vinay Verma
Company Secretary

Sanjay Thakrar
General Manager (Finance)

Nagpur, 27-Sep, 2019

Mumbai, 26-Sep, 2019

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF MAHARASHTRA STATE SEEDS
CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019.**

The preparation of financial statements of **Maharashtra State Seeds Corporation Limited** for the year ended 31 March 2019 in accordance with the financial reporting frame work prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independents audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **27 September 2019**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Maharashtra State Seeds Corporation Limited** for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

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

Place: Mumbai
Date : 11.11.2019

(S.K. Jaipuriyar)
Principal Accountant Genera
(Audit)-III