

महाबीज®



40th

Annual Report

2016-2017



महामंडळांचं

महाबीज

Maharashtra State Seeds Corporation Ltd., Akola.

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MAHARASHTRA STATE SEEDS CORPORATION LIMITED

EXISTING BOARD OF DIRECTORS	:	Shri.Bijay Kumar, IAS	Chairman
		Shri.Omprakash Deshmukh, IAS	Managing Director
		Shri.Sachindra Pratap Singh, IAS	Director
		Shri.Sanjay S.Dhotre, M.P.	Director
		Shri.Vallabhrao T.Deshmukh	Director
		Shri.V.K.Gaur	Director
		Shri.Sanjay B.Khatal	Director
		Shri.Vishwanathan .Mohan	Director
		Shri.Sanjay K.Mehta	Director
		Dr.Anita B Chorey,	Independent Women Director

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

BANKERS Bank of Maharashtra

REGISTERED OFFICE "Mahabeej Bhawan", Krishi Nagar, Akola- 444 104

EXECUTIVES	Shri.S.M.Pundkar	General Manager (Prodn.)
	Shri.S.G.Thakrar	General Manager (Finance &Admn)
	Shri.R.G.Nake	General Manager (Mktg)
	Shri.P.S.Lahane	General Manager (Q.C.&PMW)
	Shri.A.T.Chopade	I/c.General Manager (P & E)
	ShriVinay H.Verma	Company Secretary &Dy.G.M.(I.A.)



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 40th (Fortieth) Annual General Meeting of the members of Maharashtra State Seeds Corporation Limited will be held on Wednesday, 4th October, 2017 at 1.00 P.M. at "Conovation Hall of Dr. Panjabrao Deshmukh Krishi Vidyapeeth, Krishinagar, Akola" to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the audited Financial Statement as at 31st March, 2017 with the Auditor's Report and Secretariat Auditor's Report.
2. To consider declaration of Dividend on Equity Shares @ 12.5%.

SPECIAL BUSINESS

3. To appoint Dr. Anita Bhagwantrao Chorey, Professor, Dr.PDKV, Akola as a Women Independent Director on the Board of MSSCL as per the nomination received from Govt. of Maharashtra Mumbai and as per the decision taken in the 187th meeting of Board of MSSC held on dt.30/6/2017 for three year from the date of AGM.

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

(Vinay Verma)
Company Secretary

Place :- Akola.
Date – 07/09/2017

NOTES :-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
2. Proxy appointed by the member is entitled to vote only. He is not entitled to raise any point and take part in the discussions during the meeting.
3. Copies of Annual Report have been sent to the all shareholder at their registered address, the proxy form also attached, to nominate the proxy, please affix Re. 1/- revenue stamp and sign the same. Proxies in order to be valid must be received by the Company at its registered office, not less than 48 hours before the commencement of the meeting.
4. Copies of attendance slips has been enclosed to facilitate the shareholders, They are requested to kindly sign and submit and the same while attending AGM.
5. MSSCL has declared dividend for the year 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015 and 2015-2016 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. 2009-10 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.



MAHARASHTRA STATE SEEDS CORPORATION LIMITED

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



EXPLANATORY STATEMENT AS REQUIRED U/S 102 OF THE COMPANIES ACT, 2013 FOR APPOINTMENT OF WOMEN INDEPENDENT DIRECTOR :-

As per the provisions of section 149(1) and 149(6) of the Companies Act, 2013 read with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 it is become mandatory for MSSCL to appoint Two Independent Directors including one Woman Independent Director in the Board.

The guidelines for appointment of Independent Directors as per the provisions of section 149(4) and 149(6) read with rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 would also be applicable to MSSCL.

The Board discussed the same in 178th Meeting and suggested to approach the qualified Independent and Woman Independent Director as per the requirement and take their consent and place the same for approval.

Accordingly nominations were sent for opinion. As per the opinion of Department of Agriculture Dr. Anita Bhagwantrao Chorey was found eligible to be appointed as Woman Independent Director.

Considering the Opinion of Government of Maharashtra, the Board of Directors of the Company have appointed Dr. Anita Bhagwantrao Chorey, Professor, Dr. PDKV, Akola as an Additional Director (independent) of the Company to hold office for a period of three consecutive year, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM")

As an Additional Director, Dr. Anita Bhagwantrao Chorey, Professor, Dr. PDKV, Akola holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has also received a declaration from Dr. Anita Bhagwantrao Chorey, Professor, Dr. PDKV, Akola confirming that she meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("Listing Regulation"). Dr. Anita Chorey is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

In the opinion of the GoM, Dr. Anita Bhagwantrao Chorey, Professor, Dr. PDKV, Akola fulfils the conditions for her appointment as an independent Director as specified in the Act and the listing Regulations and she is independent of the management.

Dr. Anita Bhagwantrao Chorey, is not related to any other Director and Key Managerial Personnel of the Company,

None of the Directors, Key Managerial Personnel and their relative, except Dr. Anita Bhagwantrao Chorey, and her relatives, are in any way, concerned or interested in the said resolution.

The resolution as set out in item No.3 of this Notice is accordingly commended for your approval.

Hence a proposal for appointment of Dr. Anita Bhagwantrao Chorey has been placed before Hon'ble Shareholders.

Boards' Report

To the Members,

The Directors have pleasure in submitting their 40th Annual Report of your Company together with the Audited Statements of Accounts for the year ended on 31st of March, 2017.

1. Financial Results

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

Particulars	31/03/2017 (in ₹)	31/03/2016 (in ₹)
Profit/Loss before depreciation	712336843	510435944
Depreciation for the year	10391282	10362247
Net Profit/Loss after depreciation	701945561	500073697
Exceptional Items	-	-
Profit before extraordinary items and tax	701945561	500073697
Current tax expense	(245000000)	(180000000)
Deferred tax expense/Liability	(7352150)	(9833411)
Taxation related to earlier year	9316070	764310
Profit/Loss for the year	458909481	311004596
Basic earnings per equity share	1097	743
Diluted earnings per equity share	1097	743

2. DIVIDEND

The Board recommends payment of dividend of ₹ 12.5 per equity share (i.e 12.5% of ₹ 100/-) net of taxes for the financial year 2016-17. The dividend, if approved by the members at the Annual General Meeting ("AGM"), will result in a cash outflow of ₹ 62.98 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:

Your company has produced 9,94,398 quintals Certified/Truthful seed and 1,01,583 quintals Foundation seed including vegetable crops, from an area of 86,599 hectares and 10,213 hectares respectively from growers/TSFs. Out of total production, the quantum of Certified seed in Cereals 2,18,040 qtls, Pulses 2,53,202 Qtls, Oil seeds 4,88,232 qtls, Cotton and

Fibers 6,794 qtls, Green Manuring 7,010 qtls. Fodder 17,534 qtls. and Vegetables Crop 3,587 qtls. your company is also producing Banana plants using Tissue Culture & also producing Hy.Papaya seedlings to fulfill the requirement of the farmers in Maharashtra. So as to organize seed production area in the compact block in a village under "Seed Village Programme", your Company has introduced special schemes of 100%, 75%, & 50% rebate in Seed Certification Agency Inspection fee on the basis of area organized in a village. This scheme is also separately implemented for Paddy, Tur, Jute & Vegetable crops. The seed growers have been benefited under these schemes and the response is very encouraging.

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

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

PRODUCTION OF NEW PRODUCT

Your Company has undertaken the production programme of Imp.Bajra Dhanshakti, ABPC-4-3, Paddy RTN-5, Karjat-8 Hy. Paddy Sahyadri-3, Sahyadri-4, Tur PKV-Tara, Vipula, BDN-711, Moog BM-2003-2, Utkarsha, Soybean MAUS-162, MACS-1188, Phule Agrani, MAUS-158, JS-95-60, Sesamum JLT-408, Wheat MACS-6222, MACS-6478, HI-8663 (Poshan), Netravati, AKW-4627, Phule Samadhan, Phule Sardar, Rabi Jowar Parbhani Moti, Parbhani Jyoti, Phule Vasudha, Phule Revati, Phule Anuradha, Safflower PBNS-12, AKS-207 & Gram Jaki-9218, Digvijay, Raj Vijay-203, PKV Kabuli-4, Kripa etc. new varieties developed by Agricultural Universities.

SEED PROCESSING AND ENGINEERING

Processing of huge quantum of raw seed in order to make quality seeds available for marketing at appropriate time has always been challenging job for Mahabeej. During the year under report, the processing of 13, 04,044 quintals raw seed in Kharif, Rabi and summer seasons has been done timely and quality seeds were placed in the market for the farmers.

The existing old seed processing plants are modernized by replacing old machines with best new contemporary machine like Seed Cleaner, Gravity Separator, Seed Coating & Packaging and handling machines with RKVY grants at SPP Shioni, Tapowan, Jalna, Malkapur, Washim, Yavatmal, Erandol, Khandala, Dhoki & Hingoli and other plants.

Processing of Kharif & Rabi crops seeds is done on newly installed machines. Many new ideas and concept were implemented and few processing operations are mechanized with vast experience in processing and storage engineering by MSSCL Engineers. Your company has provided auto filling, auto electronic labels printing machines, conveyors, fork-lifters at most of the plants in



Maharashtra in order to mechanize the seed processing operations due to labour shortage, faced at many plants. The automation of processing operations reduced processing cost. This has helped in processing and storage of seeds of Seed Growers in a more scientific way with improvement in Quality of seeds during processing.

The seed storage capacity of MSSCL owned godowns is 7, 83,500 quintals and yearly seed processing capacity has increased to 11, 68,500 quintals. This has facilitated seed growers to store and process their own seeds in MSSCL owned godowns & plants at district level conveniently and timely.

Your Company will be setting up another Air Conditioning and Dehumidified seed store at S.P.P. Vegetable Seed Processing Plant, MIDC, Akola, having capacity of 10,000 qtls. Project report is prepared. This project is under RKVY with Govt. grant of ₹ 1.80 Crores & MSSCL contribution ₹ 1.80 Crores. This Solar Power Operated Air Conditioning and Dehumidified project is already approved under RKVY in 21st SLSC meeting held on 13th April 2016 after submission of appraisal report from NABCONS, Mumbai and MEDA, Pune and ₹ 1.80 Crores RKVY grant received. Technical Sanction for Civil Estimate is done by MJP Akola. This project will be completed upto October 2017.

SEED MARKETING

Your Company has sold 5, 15,192 quintal seeds during Kharif 2016 marketing season. The percentage of sale in comparison to availability of seed comes to 96%, during Rabi -2016 seasons your company has sold 2, 87,568 quintal seeds, during summer 2016-17 seasons 41,821 quintal seeds and 30,906 quintal seeds of Vegetable, Fodder & Green Manuring crops worth ₹ 18.65 crores sold during the Year. Out of this 15,588 quintal Fodder crops seeds and 12,417 qtl Green Manuring and 2901 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 2016-17 your company has sold total 8, 75,487 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 10,954 quintal seeds of Rice. Tur, Moog & Udid in Kharif - 2016 season and 1,58,080 quintal seeds of Wheat & Gram in Rabi -2016 season . Under NMOOP scheme your company has supplied 52,863 qtl Soyabean seed in Kharif- 2016 season and 533 qtl Safflower seed in Rabi -2016 season. Under National Food Security Mission - Bharadhdhanya your company has sold 491 quintal seed in Kharif- 2016 and 8,673 quintal Rabi Jowar seed.

QUALITY CONTROL

During the year under review total 69333 samples have been taken for testing in quality control lab. 2370 samples of Improved Cotton, Moong, Udid, Bajra, Hybrid Jowar, Maize, Wheat, Safflower and Vegetable Seeds were taken for seed purity test in Maharashtra and other states.

To minimize the germination complaints of soyabean crop, your company had started Field Emergence Test of Soyabean seeds from summer 2012, during the year total 14053 FET were taken. Your Company is always committed to supply best quality seeds to the farmers and seeds which were not passed in FET test cannot marketed by MSSCL.



Your Company is planning to strengthen its tissue culture lab to provide disease free plants of elite genotypes of banana, accordingly proposal has been sent for funding new tissue culture lab at Bhusaval with the target of producing 10 lakh plants.

Recently we have received permanent registration by the Central Insecticide Board (CIB), Faridabad for production of Trichoderma veride which include Biofertilizers-Rhizobium, Azobacter, Azospirillum, Phosphorus Solubilizing Bacteria (PSB), Potash Mobilizing Bacteria (KMB) consortia of NPK and various Bio pesticides and production has been started.

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

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

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

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

CONSERVATION OF ENERGY

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

TECHNOLGY ABSORPOTION, ADAPTION, INNOVATION & RESEARCH

The research and development wing of your company is effectively engaged in developing new market oriented Hybrid Cotton, cereal crops, pulses and vegetable, presently we have got approval for two BGII cotton verities i.e. NHH44 and PKV HY 2 BGII for Marathwada region and proposal already put up for recommendation of both verities in whole Maharashtra. Recently we have notified Bajra Mahabeej-1005 also, further MSSCL research verity Hybrid Tur Mahabeej-10-5 and Tur MPV-106 has been sent for AICRP test and we hope to get notified both verities in near future. Taking one step more towards research and development your company have made agreement with ICRISAT and CIMMYT, Hyderabad for developing new Hybrid and research verities of Maize and other crops.

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 2016-17 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 2016-17:

- 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 2016-17

16. DEPOSITS

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

17. DECLARATION OF INDEPENDENT DIRECTORS

The company does not have any Independent Director on the Board during the year, hence no declaration submitted.

18. 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.

19. 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.

20. 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.

21. 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

(BIJAY KUMAR, IAS)
CHAIRMAN

Place: Mumbai
Date: 5th August, 2017

**ANNEXURE
ADDENDUM TO THE DIRECTORS REPORT**

**Replies on the Report of the Statutory Auditors to the shareholders
F.Y. 2016-17**

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.
2	Cheque Date Bar amount has increased as the validity time limit of cheque has been reduced to 3 months by RBI. MSSCL has taken efforts and succeeded in reducing the Cheque Date Bar amount to a greater extent. In order to avoid recurrence of such instances, the management has already started payment through RTGS system. We will obtain the A/c number and IFSC details from the payee growers and transfer the amount through RTGS. The necessary accounting treatment will be given where liability does not exist.
3	Earnest efforts have been made to reconcile the Inspection/Application account resulting into reduction in amount and necessary accounting entry will be passed where liability does not exist in current year.
4	Noted. The management is pursuing the matter with bank officials to reverse the bank charges debited to Dividend Warrant Account.
5	As regards CSR activities, the MSSCL has incurred an amount of Rs. 91 lacs towards CSR activities which is substantially high as compared to last year. However, the shortfall amount of Rs. 13 lacs will be incurred during the financial year 2017-18. As per statutory requirement, Disclosure with respect to CSR activities has been given in Annexure-I to the Directors' Report.

(Sanjay Thakrar)
General Manager (Finance)

(Omprakash Deshmukh, IAS)
Managing Director

(Bijay Kumar IAS)
Chairman

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. Promoting education, health care, eradicating hunger, poverty & malnutrition, making available safe drinking water, environmental sustainability, ecological balance and rural development etc. are main CSR activities in which MSSCL concentrate.

1. The Composition of CSR Committee

- | | |
|--------------------------------|-----------------------|
| 1. Reserved for | 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 - ₹5187 lacs

3. Prescribed CSR Expenditure (2% of the amount as in item 2 above)- ₹104 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 ₹ 90, 98,042/- towards its CSR commitment.
- (b) Amount unspent, if any during 2016-17 - ₹13,01,958/-
- (c) Manner in which the amount spent during the financial year 2016-17 is detailed below :-

1	CSR project or activity identified	Educational Tour of Farmers to Punjab Distribution of Spiral separator @ 50% discount on purchase price to Farmers Tree Plantation and Forestry
2	Sector in which the Project is covered	Educational Awareness with respect to new farming techniques Creating vocational skill for better farm management and capacity building of farmers/seed growers. Environment Protection and Forestry
3	Projects or programs Local Area or other Specify the state where projects or program was undertaken	State of Maharashtra & Punjab

4	Amount outlay (budget) projects programs wise	For the year 2014-2015 ₹ 94,87,600 /-And for the year 2015-2016 ₹ 1,10,00,000 /- for the year 2016-2017 ₹ 1,04,00,000/-
5	Amount spent on the projects or programs Subheads (1) Direct expenditure on projects or program (2) Overheads	<u>In the F.Y.2014-2015 ₹ 4,49,000/- Directly</u> <u>In the F.Y.2015-2016 ₹ 20,36,714/-Directly</u> <u>In the F.Y.2016-2017 ₹ 90,98,042/-Directly</u>
6	Cumulative expenditure unspent upto the reporting period	For 2014-2015 ₹ 94,87,600/- Say ₹ 95,00,000/- (-) ₹ 4,49,000/- Unspent ₹ 90,51,000/- For 2015-2016 ₹ 1,10,00,000/- (-) ₹ 20,36,714/- <u>*Unspent ₹ 89,63,286/-</u>
		For 2016-2017 ₹ 1,04,00,000/- (-) ₹ 90,98,048/- <u>*Unspent ₹ 13,01,958/-</u> *Targeted to distribute 1500 spiral separators to the farmers during the year; however target was not achieved due to delay in supply.
7	Amount spent : Direct or through implementing agency	<u>In the F.Y.2016-2017 ₹ 90,98,042/-Directly</u>

5. Explanation on Under Spending

The Company could not spend entire amount spendable under the CSR head during the financial year. Target was to distribute 1500 spiral separators to the farmers; however target was not achieved due to delay in supply of material. The company is making efforts to identify the projects for spending the unspent amount and the same will be spent during the following financial years.

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 31.03.2017

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	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

*NSC is holding 35.44% of total Subscribed Equity 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	-	0	0	0	-	0	0	0	NA

MAHARASHTRA STATE SEEDS CORPORATION LIMITED

Funds									
f) Insurance Companies	-	0	0	0	-	0	0	0	NA
g) FIIs	-	0	0	0	-	0	0	0	NA
h) Foreign Venture Capital Funds	-	0	0	0	-	0	0	0	NA
Others (Specify)	-	0	0	0	-	0	0	0	NA
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

MAHARASHTRA STATE SEEDS CORPORATION LIMITED
(ii) Shareholding

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

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

SI 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):

SI 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		Vasantnao 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 Shyamrao Dhotre	15	15	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	303480884	NIL	NIL	303480884
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i + ii + iii)	303480884	NIL	NIL	303480884
Change in Indebtedness during the financial year				
• Addition	55204975	NIL	NIL	55204975
• Reduction				
Indebtedness at the end of the financial year				
i. Principal Amount	248275909	NIL	NIL	248275909
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i + ii + iii)	248275909	NIL	NIL	248275909

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

Sr. No	Particulars of remuneration	Name of MD/ WTD/ Manager	Total Amount (₹)
1	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income tax Act, 1961	Shri R. V. Game Shri A. B. Unhale	₹ 13.90Lakhs ₹ 02.90Lakhs
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission - as % of profit - others, specify	--	--
	Total (A)	--	₹ 16.80Lakhs
	Ceiling as per the Act	--	--

B. Remuneration to other Directors:

Sl. No	Particulars of remuneration	Name of Directors			Total Amount (₹)
1	Independent Directors <ul style="list-style-type: none">Fee for attending board committee meetingsCommissionOthers, please specify	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL
2	Other Non-Executive Directors <ul style="list-style-type: none">Fee for attending board committee meetings	Shri Sanjay S. Dhotre			5000
		Shri V. T. Deshmukh			8000
	Total (2)				13000
	Total (B) = (1+2)				13000
	Total Managerial Remuneration				13000
	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 Officer /KMP	Total Amount
1	Salary	Vinay Verma-Company Secretary	8,75,882

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
BOARD OF DIRECTORS

The Board of Directors presently comprises 10 members.

During the year, following directors have ceased/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 cessation
1	Shri Dinesh Kumar Jain, IAS	Chairman	30/06/2015	03/05/2016
2	Dr. Bhagwan Sahai, IAS	Chairman	03/05/2016	19/8/2016
3	Shri. Arun Bhagwan Unhale, IAS	M.D.	17/01/2015	10/5/2016
4	Shri G. Sreekanth, IAS	M.D.	10/5/2016	06/06/2016
			17/6/2016	08/08/2016

APPOINTMENT OF DIRECTORS DURING THE FINANCIAL YEAR 2016-2017

Sr. No.	Name of the Directors	Post held	Date of Appointment
1	Dr. Bhagwan Sahai, IAS	Chairman	03/05/2016
2	Shri Bijay Kumar, IAS	Chairman	07/09/2016
3	Shri G. Sreekanth, IAS	M.D.	10/5/2016 and 17/6/2016
4	Shri R.V. Game, IAS	MD	06/06/2016

BOARD MEETING:

During the year 2016-2017, the Board could meet Four times as follows:

Sr. No.	Board Meeting No.	Date	Venue
1	183 rd	29 th June 2016	Mumbai
2	184 th	27 th September 2016	Mumbai
3	185 th	05 th December 2016	Nagpur
4	186 th	21 st January 2017	Mumbai

ATTENDANCE OF DIRECTORS TO THE MEETINGS:

Sr No	Name of Directors	Board Meetings	Sub-Committee Meetings	Attendance in last 39 th AGM (17 th Dec 2016)
		Total-4	Total-15	Total-1
		Attended	Attended	Attended
1	Dr.Bhagwan Sahai, IAS	1	N.A.	N.A.
2	Shri.Bijay Kumar ,IAS	3	N.A	Yes
3	Shri.Vikas V.Deshumkh,IAS	1	N.A	Yes
4	Shri.Arun B.Unhale,IAS	0	1	N.A.
4	Shri.G.Sreekanth ,IAS	2	3	N.A
5	Shri.R.V.Game.IAS	2	11	Yes
6	Shri.Sanjay S.Dhotre	2	7	Yes
7	Shri.V.T.Deshmukh	4	12	Yes
8	Shri.V.K.Gaur	1	N.A	No
9	Shri.S.B.Khatal	3	N.A.	Yes
10	Shri.V.Mohan	2	N.A	N.A.
11	Shri.Sanjay K.Mehta	4	9	Yes

NA = 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	Seed Purchase of ₹ 9.27 Lakhs during 2016-17
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

**(BIJAY KUMAR, IAS)
CHAIRMAN**

Date: 5th August, 2017

Place: Mumbai



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2017

[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, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Maharashtra State Seeds Corporation Limited** for the financial year ended on 31st March, 2017 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
 - Service tax
 - 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. During the year the company has not provided voting through electronic means as required u/s 108 of the Companies Act 2013.
2. During the year The Board has approved the composition of Audit Committee under provisions of Section 177 of the Companies Act, 2013; however the committee will become functional only after appointment of 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 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 Independent Directors for which nominations have already sent to State Government for their views and suggestions and the same is awaited.

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 Independent Directors is pending as nomination have 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 least seven days 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 members' 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 have centralized system, process & dedicated authority to ensure that compliances at all the different levels of authorities and department has done in time.

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: 07th August, 2017



Independent Auditors' Report

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MAHARASHTRA STATE SEED CORPORATION LIMITED, which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



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

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- d) the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

Emphasis of Matters

We draw attention to the following matters:

Unidentified Credit by Bank:

Total Net Credit in this account is Rs. 20,75,093/-. This should be reconciled at the earliest.

Cheque Date Bar Account:

Total Net Credit in the account is Rs. 1,72,71,849/-. This should be reconciled at the earliest.

Inspection/Application/Registration Fees:

Total Net Credit balance in this account is Rs. 38,94,697/-. This should be reconciled at the earliest.

Dividend Warrant A/c:

Dividend Warrant Account has been opened in Bank of Maharashtra for different years. The amount of dividend is transferred into these accounts and is cleared from there as and when warrants are presented. The bank has however, charged bank charges in these accounts occasionally. As a result, there has been a reduction in the balance in these accounts. MSSCL should get these charges reversed at the earliest such that the entire amount of dividend is available for distribution to eligible shareholders or eventual transfer to Investor Protection Fund.

Expense on Corporate Social Responsibility:

The Company has not made the requisite expenditure as stipulated under CSR.

As per the provisions of the Companies Act 2013, the Company was to have incurred an expense of Rs 104.00 Lacs under CSR. However, in reality, it has incurred only Rs 91.00 Lacs under the same. There is a shortfall of Rs 13.00 Lacs herein. **In previous years also, there was shortfall in CSR Expenditure. The Company has not calculated & carried forward such amount of shortfall in subsequent years.**

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

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

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches not visited by us)
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account [and the returns received from the branches not visited by us]



MAHARASHTRA STATE SEEDS CORPORATION LIMITED

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure - B**"
- g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us :
1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 15 to the financial statements / notes to accounts;
 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 07/08/2017
Place: Nagpur

For, TACS & Co.
Chartered Accountants

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

Annexure " A " referred to in paragraph 6 (related to Legal and Regulatory Requirements) of Our Report of even date to the members of MAHARASHTRA STATE SEED CORPORATION LIMITED on the accounts of the company for the year ended 31st March, 2017

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

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

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

Name of the Statute	Nature of dues	Disputed Amount (in Rs)	Period	Forum where dispute is pending
MP Entry Tax	Penalty u/s 52	12,77,651.00	2008-09	Appellate Tribunal

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

The Company has taken loan against its STDRs at different points of time during the period under audit. The total amount of such loan availed is Rs. 50.32 Crores. Balance outstanding against the same as at 31/03/2017 is Rs. 24.83 Crores.

9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.



MAHARASHTRA STATE SEEDS CORPORATION LIMITED

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For, TACS & Co.
Chartered Accountants

Date: 07/08/2017
Place: Nagpur

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

Annexure - B to independent auditor's report of even date on the financial statements of Maharashtra State Seeds Corporation Ltd.

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

1. We have audited the internal financial controls over financial reporting of Maharashtra State Seed Corporation Ltd. as at 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For, TACS & Co.
Chartered Accountants

CA Chithra Rajnith
Partner

Membership Number: 104145
Firm Registration Number: 115064W

Place of Signature: Nagpur
Date of Report: 07/08/2017

BALANCE SHEET

As at March 31, 2017

(Amt. in Rs.)

	Note No	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
I EQUITY AND LIABILITIES			
1 SHARE HOLDERS FUNDS			
Share Capital	1	41844500	41844500
Reserves & Surplus	2	2954906463	2511393113
TOTAL (1)		2996750963	2553237613
2 NON CURRENT LIABILITIES			
Capital Grants	3.1	131064122	195334695
Other Long Term Liabilities	3.2	50000000	50000000
TOTAL (2)		181064122	245334695
3 CURRENT LIABILITIES			
Short Term Borrowings	4	248275909	303480884
Trade Payables	5	576430549	743046597
Other Current Liabilities	6	1520117304	1605339403
Short Term Provisions	7	16218680	54458616
Deferred Tax Liability		12043608	4691458
TOTAL (3)		2373086050	2711016958
TOTAL (1+2+3)		5550901135	5509589266
II ASSETS			
4 NON CURRENT ASSETS			
(i) Fixed Assets			
Tangible Assets	8a	123097316	95141211
Intangible Assets	8b	1523850	1499100
Capital Work in Progress	8c	19072170	9004693
(ii) Long Term Loans & Advances	9	19354311	15434464
TOTAL (4)		163047647	121079468
5 CURRENT ASSETS			
a) Inventories			
b) Trade Receivables	10	1027000000	1351700000
c) Cash & Cash equivalents	11	751534089	379174474
d) Short Term Loans & Advances	12	1712026679	1987992702
e) Other Current Assets	13	1849851981	1591577199
TOTAL (5)	14	47440739	78065423
TOTAL (4+5)		5387853488	5388509798
Notes forming part of financial statement	1 to 26	5550901135	5509589266

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

CA Chitra Ranjit
Partner
Membership No. 104145
F.R.N.No. 115064 W
Nagpur 7th August, 2017

For and on behalf of the Board of Directors

Omprakash Deshmukh, IAS
Managing Director
DIN No. 07836473

Vinay Verma
Company Secretary

Bijay Kumar, IAS
Chairman
DIN No. 07262627

Sanjay Thakrar
General Manager (Finance)
Mumbai, 5th August 2017

STATEMENT OF PROFIT & LOSS

As at March 31, 2017

(Amt. in Rs.)

	Note No	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
I REVENUE			
Revenue from Operations	15	7200834724	5443373468
Other Income	16	171442452	168893685
Total Revenue	I	7372277176	5612267153
II EXPENSES			
Purchases of Stock in Trade	17	5389201248	4261867231
Consumption of Processing Materials	18	145710589	78752870
Changes in Inventories of Finished Goods and Stock in Trade	19	328800000	(28000000)
Employees Benefits Expense	20	349289948	375863138
Financial Costs	21	5134287	14159375
Other Expenses	22	446300691	398415008
Depreciation	8	10391282	10362247
Total Expenses	II	6674828045	5111419869
III Profit before prior period item & tax (I-II)		697449131	500847284
Prior period items (net)	23	4496430	(773587)
Profit before tax		701945561	500073697
IV Current tax expenses		(245000000)	(180000000)
V Deferred Tax		(7352150)	(9833411)
VI Taxation relating to earlier years		9316070	764310
VII Profit for the year		458909481	311004596
VIII Basic and diluted earning per share		1097	743
Notes forming part of financial statement	1 to 26		

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

CA Chitra Ranjit
Partner
Membership No. 104145
F.R.N.No. 115064 W
Nagpur 7th August, 2017

For and on behalf of the Board of Directors

Omprakash Deshmukh, IAS
Managing Director
DIN No. 07836473

Vinay Verma
Company Secretary

Bijay Kumar, IAS
Chairman
DIN No. 07262627

Sanjay Thakrar
General Manager (Finance)
Mumbai, 5th August 2017

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS			
	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016	
1 SHARE CAPITAL			
AUTHORIZED :			
10,00,000 Equity Share of Rs.100/-each	100000000	100000000	
	100000000	100000000	
ISSUED :			
5,00,000 Equity Shares of Rs.100/- each (Previous Year 5,00,000 Equity Shares)	50000000	50000000	
	50000000	50000000	
SUBSCRIBED & PAID UP :			
4,18,445 Equity Shares of Rs.100/- each fully paid up .(Previous year 4,18,445 Equity Shares.)	41844500	41844500	
	41844500	41844500	
Note 1 A Movement no.of Shares & share capital			
	No.of Shares	2016-17	2015-16
Shares as on April-1	418445	41844500	41844500
Shares issued during the year	-	-	-
Shares bought back during the year	-	-	-
Shares as on March 31	418445	41844500	41844500
Note 1 B List of Shareholders holding more than 5 % of Shares			
	% of Holding	As at Mar 31 2017 No.of Shares	As at Mar 31 2016 No.of Shares
Government of Maharashtra	48.99 %	205000	205000
National Seeds Corporation	35.44 %	148330	148330

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS

	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
2 RESERVES AND SURPLUS		
a) Surplus in Statement of Profit and Loss		
Balance at the beginning of the year	2354042629	2068126263
Add: Profit during the year	458909481	311004596
Less: Transferred to General Reserve	(11312700)	(8000000)
Transferred to Research Reserve	(13950000)	(10000000)
Proposed Dividend & Distribution Tax	(6298089)	(5051516)
Expenses on CSR	(9098042)	(2036714)
(a)	2772293279	2354042629
b) General Reserve		
Balance at the beginning of the year	67352179	59352179
Add: Addition during the year	11312700	8000000
(b)	78664879	67352179
c) Research Reserve		
Balance at the beginning of the year	88568600	78568600
Add: Addition during the year	13950000	10000000
(c)	102518600	88568600
d) Capital Reserve		
Balance at the beginning of the year	1429705	1429705
Add: Addition during the year	0	0
(d)	1429705	1429705
Balance at the end of the year (a+b+c+d)	2954906463	2511393113

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS					
3.3 Non Current Liabilities					
Particulars	As at April1,2016	Addition	Withd-rawn	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
3.1 Capital Grants					
Working/Capital Grants under NSP-III (Including Interest of Rs.7292761/)	80602761	0	0	80602761	80602761
Research &Development. under NSP-III	3425953	0	0	3425953	3425953
Seed Bank: Revolving Fund	6433000	0		6433000	6433000
Seed Bank Revolving Fund : NSR	9082000	0	0	9082000	9082000
Cotton Delinting.Plant	18204494	0	8089575	10114919	18204494
Packaging Machine	154000	0	0	154000	154000
Strengthening of Processing &Storage facility	2500000	0	0	2500000	2500000
Seed Bank: Construction.of Godown	841489	0	0	841489	841489
RKVY Grant (Bt.Cotton)	4880887	5300000	10180887	0	4880887
RKVY Grant (Solar Power)	8955000	8955000	0	17910000	8955000
RKVY Grant (Productionr)	60255111	0	60255111	0	60255111
TOTAL :	195334695	14255000	78525573	131064122	195334695
3.2 Other Long Term Liabilities					
Revolving fund Loans from State Govt.	50000000	0	0	50000000	50000000
	50000000	0	0	50000000	50000000
GRAND TOTAL	245334695	14255000	78525573	181064122	245334695

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS

	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
4 SHORT TERM BORROWINGS		
Secured Loans		
Loan from Banks (Secured by FDR value of Rs 47.67 Crores previous year Rs.58.12 Crores)	248275909	303480884
	248275909	303480884
5 TRADE PAYABLES		
Sundry Creditors		
For Seeds	398340116	571594678
For Supplies & Expenses	178090433	171451919
	576430549	743046597
6 OTHER CURRENT LIABILITIES		
Other Payables :		
Advance Received from Customers	1038855521	1103119805
Unclaimed dividend	2529222	2263694
Trade / Security Deposits	266151955	198980538
Employees accounts	9291337	5749470
Government Accounts	22130746	8791775
Statutory remittances	3951297	5413125
For Others	177207226	281020996
	1520117304	1605339403
7 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Group Gratuity	3861797	10188042
Leave Encasement	6058794	4922771
Others Provisions		
For income tax	0	34311498
For dividend & distribution tax	6298089	5036305
	16218680	54458616

8 FIXED ASSETS

a) Tangible Assets	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As at 1.4.2016	Additions	Withdrawal	As at 31.3.2017	Upto 1.4.2016	For the Year Adjustments	Upto 31.3.2017	As at 31.3.2017	As at 31.3.2016	
	Own Funds	Grants	Sales/ Adjustment	Out of Grants						
Free hold Land	5668311	0	0	0	0	0	0	5668311	5668311	
Lease hold land	18932313	0	0	207196**	0	0	0	18725117	18932313	
Buildings	216685109	24981102	0	0	163784342	5930186	0	71951683	52900767	
Plant & Machinery	111930862	3461871	0	8089575	104508643	621688	4272813	6445640	7422219	
Electrical Installation	22473267	1950099	0	0	19391513	673374	0	4358479	3081754	
Furniture & Fixture	19847014	2204366	0	0	17093394	655628	0	4302358	2753620	
Office Equipment	7830248	692419	0	0	6781569	360367	0	1380731	1048679	
Vehicles	6800168	6083532	0	1859108	4801245	1268200	1687363	6642510	1998923	
Computers	23654460	3169701	0	0	22319835	881839	0	3622487	1334625	
Total tangible assets	433821752	42543090	0	10155879	338680541	10391282	5960176	123097316	95141211	
b) Intangible Assets										
Software Developer to be w/off	1499100	24750						0	1499100	
c) Capital work in progress										
Work in progress	9004693	29446689		19379212				19072170	9004693	
Total Fixed Assets	444325545	72014529	0	29535091	338680541	10391282	5960176	143693336	105645004	
Total Previous year :	429813805	9404243	131551970	207196	328318294	10362247		105645004	101495511	

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

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS		
	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
9 LONG TERM LOANS & ADVANCES		
(Unsecured considered good unless and otherwise stated)		
Security and other deposits	3729173	3873086
Deposits with Govt. Authorities	15625138	11561378
	19354311	15434464
10 INVENTORIES.		
[As valued and certified by the Management, at cost or net realizable value whichever is less unless and otherwise specified]		
Finished Goods	892100000	1173900000
Unservicable Seeds	61200000	108200000
Packing Material	73700000	69600000
	1027000000	1351700000
10.1 Finished Goods		
Foundation ,Breeder Seed	7300000	5500000
Certified , Truthful & Raw-Seed	884800000	1168400000
	892100000	1173900000
10.2 Unservicable Seeds		
Low Grade , Fail Seed & Non Seed	61200000	108200000
	73700000	69600000
10.3 Processing ,Packing Materials		
11 TRADE RECEIVABLES		
Unsecured		
Receivables outstanding for a period Exceeding Six Months		
Considered Good	97124351	48736688
Considered Doubtful	25815866	25815866
	122940217	74552554
Others		
Considered Good	654409738	330437786
Considered Doubtful	232000	232000
	654641738	330669786
	777581955	405222340
Less : Provision for Doubtful Debts	26047866	26047866
	751534089	379174474

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS		
	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
12 CASH & CASH EQUIVALENTS		
Bank Balances with Schedule Banks		
Cash on Hand	134544	104072
On Current Account	421178729	390775385
On Fixed Deposit Account	1290713406	1597113245
	1712026679	1987992702
13 SHORT TERM LOANS & ADVANCES. (Unsecured considered good unless and otherwise stated)		
Advance to Customers		
Considered Good	1835020258	1564741686
Considered Doubtful	50503365	50503365
Advances to Employees		
Considered Good	5032686	4093569
Advance Income Tax		
	7855748	21788758
Advances to Others		
Considered Good	1943289	953186
Considered Doubtful	300000	300000
	1900655346	1642380564
Less : Provision for Doubtful Advances	50803365	50803365
	1849851981	1591577199
14 OTHER CURRENT ASSETS.		
Interest accrued but not due on F.D.R.	45857458	76491934
Prepaid Expenses	1583281	1573489
	47440739	78065423

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS		
	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
15 REVENUE FROM OPERATIONS		
Sale of Goods	7013891191	5369243975
Sale of Processing Material	7519928	9435177
Other Operating Income	179423605	64694316
	7200834724	5443373468
Sale of goods		
Foundation ,Breeder Seed	513117972	422600777
Certified ,Truthful Seed	6333786213	4761984922
Low-Grade,Fail Seed & Non-Seed etc.	143016087	176254381
Nursery ,T.C Plants & Landscaping	23970919	8403895
	7013891191	5369243975
Sale of processing material		
Processing Materials	1929105	5547942
Old Processing Material	5590823	3887235
	7519928	9435177
Other operating revenues		
Reimbursement of Expenses	169261168	55438143
Sales Return & Processing Charges	7830709	3374065
Liabilities in respect of earlier years written back (net)	2331728	5882108
	179423605	64694316
16 OTHER INCOME		
Interest	138901035	154273748
[Tax Deducted at Source Rs 13140085 (Previous Year Rs.14688502)]		
Other non operating income		
Miscellaneous Receipts	32442060	14619937
[Including Rs 120440 (Previous Year Rs. Nil) for Insurance claims.]		
Profit on sale of Assets	99357	0
	171442452	168893685

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS		
	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
17 PURCHASES OF STOCK IN TRADE		
Foundation Seed	332715903	332566626
Certified , Truthful & Raw-Seed	5044766723	3924518080
Nursery/T.C Plants & Landscaping	11718622	4782525
	5389201248	<u>4261867231</u>
18 CONSUMPTION OF PROCESSING MATERIALS		
Opening Stock	69600000	31200000
Add: Purchases	149810589	117152870
	219410589	<u>148352870</u>
Less: Closing Stock	73700000	69600000
	145710589	<u>78752870</u>
19 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN TRADE		
Opening Stock		
Finished Goods & Stock in Trade	1282100000	1254100000
Closing Stock		
Finished Goods & Stock in Trade	953300000	1282100000
Increase/(Decrease) in stock	328800000	<u>(28000000)</u>
19.1 Opening Stock		
Foundation ,Breeder Seed	5500000	4100000
Certified , Truthful & Raw-Seed	1168400000	1151400000
Low-grade,Fail Seed & Non Seed	108200000	98600000
	1282100000	<u>1254100000</u>
19.2 Closing Stock		
Foundation ,Breeder Seed	7300000	5500000
Certified , Truthful & Raw-Seed	884800000	1168400000
Low-grade,Fail Seed & Non Seed	61200000	108200000
	953300000	<u>1282100000</u>

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS		
	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
20 EMPLOYEES BENEFITS EXPENSE		
Salaries , Allowances & Other benefits	300551318	320658390
Leave Encashment	6349410	5072594
Contribution to Providend Fund & etc	34081041	33522389
Staff Welfare Expenses	584585	851774
Gratuity	7723594	15757991
	349289948	<u>375863138</u>
21 FINANCIAL COSTS		
Interest	3456400	13730519
Bank Charges	1677887	428856
	5134287	<u>14159375</u>

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS		
	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
22 OTHER EXPENSES		
a) PROCESSING & OTHER EXPENSES		
Handling	22660702	21423441
Watch & Ward Expenses	22566551	18957883
Bonus to Workers	1788371	1557380
Processing Charges to Contractors	40770488	33558388
Electricity & Power	10832826	11120623
Fuel ,Oil & Lubricants	2643996	1824435
Insurance of Seed	3365547	2643927
Wages	27376424	24087361
Contribution to Provident Fund	3289292	2969190
Certification Expenses	87268795	71829188
Transportation & Octroi	21943582	16462352
Rent of Plants & Godowns	4091736	3627050
Miscellaneous Expenses	6715888	7166674
Repairs & Maint. : Plant & Machinery	4556365	4655331
(a)	259870563	221883223
b) ADMINISTRATION EXPENSES		
Recruitment & Training Expenses	3855200	928102
Vehicle Running Charges	987430	943668
Printing & Stationery	4661985	2563115
Advertisement (General)	1947475	2058647
Lease Rent	207196	209446
Rent	1947178	1671431
Rates & Taxes	3159681	2403835
Payment to Auditors		
Audit Fees	150000	172500
Tax Audit Fee	22500	23000
Out of Pocket Expenses	3767	136925
Director Sitting Fees	13000	16500
Travelling & Conveyance : Staff	17686962	14525636
Travelling & Conveyance : Directors	934396	1179759
Insurance	1193937	1046342
Postage, Telegram & Telephone	4628883	3806619
Repairs & Maintenance to		
Building	3477203	4993602
Vehicle	891840	672057
Other Assets	4261584	1771720
Office & Other Expenses	18655799	16649527
(b)	68686016	55772431

(Amt. in Rs.)

NOTES FORMING PART OF FINANCIAL STATEMENTS		
	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the previous reporting period ended 31.03.2016
c) SELLING & DISTRIBUTION EXPENSES		
Transportation ,Octroi & Handling	80444658	90676410
Godown Rent & Storage Charges	14186715	9894215
Advertisement & Publicity	14149131	10265653
Crop Compensation	3001928	5242274
Interest to Others	1376601	949544
(c)	113159033	117028096
d) RESEARCH & DEVELOPMENT EXPENSES		
QCL Expenses	2442106	1474545
Research & Development Expenses	2142973	2256713
(d)	4585079	3731258
Total Other Expenses (a+b+c+d)	446300691	398415008
23 Prior Period items (Net)	4496430	(773587)
	4496430	-773587

NOTE : 24 CORPORATE INFORMATION :**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. Maharashtra State Seeds Corporation Limited has its head office at Akola and **31 branches** spread across the State of Maharashtra as at March, 2017. MSSC Ltd is engaged in business of Seed production and distribution.

NOTE : 25 SIGNIFICANT ACCOUNTING POLICIES :**I. Basis of preparation of financial statements:**

The financial statements are prepared under the historical cost convention and confirm to the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the notified Accounting Standards under Companies Accounting Standard Rules, 2006, (As amended), and the relevant provisions of the Companies Act, 2013 ('the Act').

II. Use of estimates

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

III. Cash Flow Statement

The Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard 3.

IV. Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Grants received, if any, towards the specific assets is deducted from the cost so arrived.

V. Depreciation :

- a. Depreciation on assets is provided on Written Down method on the basis of useful lives of assets as specified in Schedule II to the Companies Act 2013.
- b. Leasehold land is written off over the period of lease.
- c. Depreciation of Fixed Assets is worked out on the net acquisition cost i.e. grant received is reduced from the cost of Assets.

VI. Governments Grants:

- a. Working Capital Grants received from the Government are in the nature of Promoters Contribution and are considered to be in the nature of Long Term Liability.
- b. Grant received towards specific project is reduced from the project cost.
- c. Grants in the nature of revenue are credited to Statement of Profit & Loss Account to the extent of utilized.

VII. 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.

VIII. Subsidy:

- a. The subsidy claimed with the State Government under various scheme on sale of certified seeds is accounted for on receipt basis. However, amount received pertaining to this year after the year end till the date of finalization of account is taken to income and shown as receivable from respective authority.
- b. The production subsidy claimed with the State Government on purchase of breeder seeds is accounted for on receipt basis.
- c. The production subsidy claimed with the State Government on purchase of foundation and certified seeds is accounted on receipt basis. When the subsidy is received, it is credited to Subsidy Payable Account and the payments made are debited to Subsidy Payable Account. When the subsidy is un-likely to be received in the near future and the procurement policy provides the bonus to be paid in lieu of subsidy, in such case bonus paid is treated as part of purchases. If such amount is received in subsequent year it is treated as income of that particular year.

IX. Sales of Low-Grade, Failed Seeds & Lint :

Sale of low-grade, failed seed and lint belonging to growers has been accounted for as Company's sale and payment made are deducted from such sales.

X. Purchases:

- a. The purchases of Certified/Truthful seeds are booked in the accounts only after it has been declared qualified in laboratory test. In case where there is a raw seed purchase policy such purchases are booked on the raw seed, being found qualified in MSSCL quality control laboratory test. In case where such raw seed is not qualified in laboratory test, as at the year-end, neither purchases are booked for such stock nor it is valued irrespective of whether the stock is in MSSCL own godown or at custom processors plant. In case of gin seed, purchases are booked on taking delivery of the same.
- b. The purchases of stores and spares are treated as consumed and debited to Profit & Loss Account in the year of purchases.

XI. 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.

XII. 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

XIII. 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.

XIV. Research & Development Expenses

In compliance of AS-26 "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. During F.Y. 2016-17, no capital expenditure on account of Research and Development debited to the statement of profit and loss.

XV. Taxes on Income :

- 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 authority using the applicable tax rates.
- iii) In accordance with the Accounting Standard interpretation 3 issued by Institute of Chartered Accountants of India with the Accounting Standard (AS-22) on "Accounting for Taxes on Income", Deferred tax resulting from timing difference between book profit and tax profit is accounted for, at the current rate of Tax, to the extent of timing difference are expected to crystallize, in case of Deferred Tax liabilities with the reasonable certainty and in case of Deferred Tax with virtual certainty that there would be adequate future taxable income against which DEferred Tax assets can be realized.
- iv) In the event of unabsorbed depreciation and carry forward losses, Deferred Taxes are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available to realize such assets. In other situations, Deferred Tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these asset.

XVI. Earning per share:**i) Basic:**

Basic earning per share are calculated by dividing the net profit or loss for the peiod attributable to equity shareholders by the weighted average number of equity shares outstndng during the period. The weighted averge number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

ii) Dilutive:

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity Shares.

XVII. Impairment of Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An Impairment loss is charged to the statement of Profit and Loss in

the year in which an asset is identified as impaired. Impairment loss recognized in prior accounting period(s). is reversed consequent upon a change in the estimate of the recoverable amount.

XVIII. Provisions, Contingent Liabilities and Contingent Assets:

- i. Provisions involving substantial degree of estimation in measurement are recognized when, as a result of past events, there is a present obligation that can be estimated reliably and it is probable that there will be an outflow of resources.
- ii. Contingent Liabilities are not recognized, but disclosed in Notes.
- iii. Contingent Asset are neither recognized nor disclosed in the financial statements.

26 NOTES TO ACCOUNTS :**I. CONTINGENT LIABILITIES:****a) Claims against the Company not acknowledged as debts -**

- i. Sales Tax for the financial year 2008-09 for Madhya Pradesh Rs. 12,77,651/- for which the appeal is pending with Appellate Authority [Previous Year Rs. 2,96,68,696/- (gross) MP & MS].
- ii. Various cases lodged against the Company by contractors, growers and customers, Rs. 2,42,96,142/- (Previous Year Rs 2,68,70,544)
- 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 amount involved Rs. 59424000/-
- vii. Rates & Taxes Rs. 74,44,119/- (Previous Year Rs 88,42,044/-)

b) Commitments :

- I. Estimated balance amount of contract remaining to be executed on Capital Account Rs 3,73,93,959/-(Previous year Rs.2,70,26,750/-)
- II. On the basis of information available with the Company regarding the status of suppliers, there were no payments exceeding Rs. One lac. overdue for a period of 30 days and remaining unpaid to any small scale and/or Ancillary Industrial Suppliers on account of principal and/or interest as at the close of the year.
- III. As per Section 135 (1) of the Companies Act, 2013, during the year the Company has formed a CSR Committee. The area for CSR activities are as per Schedule VII of the Companies Act, 2013. Further as per section 135 (5) of the Companies Act, 2013, the Company was required to spend, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility. During the Year, the Company has spent Rs.9098041.50 on CSR activities.
- IV. The Company has not received any intimation from "Suppliers" regarding their status under the Micro Small & Medium Enterprises Act, 2006 and hence disclosures if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
- V. Employee benefit expenses include remuneration to the Managing Director as under

(Amt. in Rs.)

	2016-17	2015-16
i) Salary & Allowances	1685219	1448686
ii) Leave Salary Contrubution	78584	204667
TOTAL	1763803	1653353

VI. With respect to balances of debtors & Creditors 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.

VII. Loans and advances include amounts due by: (Rs.)

Sr.N	Particulars	Amount Outstanding		Maximum Outstanding	
		Current Year	PreviousYear	Current Year	PreviousYear
i)	Directors	--	--	73008	72805
ii)	Managing Directors	--	--	22407	95657

VIII. 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.

IX. The company has taken lease hold land MIDC/Government at 15 locations for 99 years lease and accounted proportionate lease rent of Rs. 2, 07,196/- in profit and loss account.

X. The company has been regular in depositing with appropriate authorities undisputed amount of Providend Fund Investor Education Protection Fund, Group Insurance, Income-tax, Sales tax, Service tax and any other statutory dues applicable.

XI. Disclosure regarding details of Specified Bank Notes (SBN) held and transacted during the period from 8/11/2016 to 30/12/2016, as provided in the Table below :

Particulars	SBNs	Other denomination notes	Total
Closing cash in hands as on 08/11/2016	60,500	2,26,676	2,87,176
(+) Permitted receipts	*4,22,06,335	17,01,190	4,39,07,525
(-) Permitted payments	0	15,75,181	15,75,181
(-) Amount deposited in Banks	*4,22,66,835	50,383	4,23,17,218
Closing cash in hand as on 31/12/2016	0	3,02,302	3,02,302

*As per the set procedure of the Corporation, the farmers used to deposit the amount through Challan directly in bank account. Accordingly, this amount has been directly deposited by the farmers to our bank accounts. In the absence of denomination details, the total amount has been shown under SBNs. As per the Notification of Ministry of Finance, Deptt. of EconomicAffairs, vide S.O.3490(E), the Company has been authorized to accept the Specified Bank Notes for sale of seeds.

XII. Compliances with 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.

(Rs.)

Sr.No.	Description	2015-16
1	Average Monthly Salary - 565 Employees	38640
2	Accrued Liability on 31-3-17	262331228
3	Fund balance on 31-3-17	258469431
4	shortfall in fund (2-3)	3861797

Rs 3861797/- has been provided as liability as intimated by LIC in short term provision (Note-7)

Leave Encashment

The company has been deposited a sum on account of leave encashment on retirement based on actuarial valuation carried out as at the Balance Sheet date towards LIC of India Fund account.

(Rs.)

Sr.No.	Description	2015-16
1	Average Monthly Salary - 565 Employees	39576
2	Accrued Liability on 31-3-17	191123510
3	Fund balance on 31-3-17	185064716
4	shortfall in fund (2-3)	6058794

Rs 6058794/- has been provided as liability as intimated by LIC in short term provision. (Note-7)

II. Earning per Shares

PARTICULARS	2016-17	2015-16
Basic Earnings per share has been computed as under :		
Net Profit attributable to Equity shareholders (a)	458909481	311004596
Weighted number of equity shares outstanding (b)	418445	418445
Basic Earnings per share in (Face value Rs. 100/- per share) (a) / (b)	1097	743

III. Deferred Tax Liability / Asset

The position of deferred tax assets and liabilities computed in accordance with the requirement of AS-22 on "Accounting for Taxes on Income" by the Institute of Chartered Accountants of India is as stated below:

(Rs.)

Net Deferred Tax	Assets	Liability	Balance
Opening Balance		46,91,458.00	46,91,458.00
Difference between book depreciation & depreciation under Income Tax Law		78,06,330.00	78,06,330.00
Other Items	4,54,180.00		
Total	4,54,180.00	1,24,97,788.00	78,06,330.00
Net Closing Liability			1,20,43,608.00

IV. Segment Reporting

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

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

No	Name	
1.	Shri Omprakash N. Deshmukh (Form 29.05.2017)	Managing Director
2.	Shri R.V. Game (From 06.06.2016 to 02.05.2017)	Managing Director
3.	Shri Arun B. Unhale (From 17.01.2015 to 10.05.2016)	Managing Director
4.	Shri Sanjay S. Dhotre -	Director
5.	Shri V.T. Deshmukh -	Director
6.	Shri B.V. Deshmukh -	Son of Shri V.T. Deshmukh
7.	Shri D.V. Deshmukh -	Son of Shri V.T. Deshmukh
8.	Mrs. S.B. Deshmukh -	Daughter in-law of Shri V.T. Deshmukh
9.	Mrs. P.D. Deshmukh -	Daughter in-law of Shri V.T. Deshmukh

MAHARASHTRA STATE SEEDS CORPORATION LIMITED

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

Sr.No.	Name	Rupees	Particulars
1.	Shri R.V.Game (From 06.06.2016 to 02.05.2017)	13,90,232	Remuneration
2.	Shri Arun B. Unhale (From 17.01.2015 to 10.05.2016)	2,90,487	Remuneration
3.	Shri S.S. Dhotre	5,000	Sitting Fee
4.	Shri V.T. Deshmukh	8,000	Sitting Fee
		3,20,601	Seed purchase
5.	Shri B.V. Deshmukh Son of Shri V.T.Deshmukh	2,76,479	Seed purchase
6.	Shri D.V. Deshmukh Son of Shri V.T.Deshmukh	2,25,240	Seed purchase
7.	Mrs. S.B.Deshmukh Daughter in-law of Shri V.T.Deshmukh	12,463	Seed Purchase
8.	Mrs. P.D.Deshmukh Daughter in-law of Shri V.T.Deshmukh	91,902	Seed Purchase

VI Details of Purchases, Sales & Stock

	D e t a i l s	2016-2017		2015-2016	
		Quantity (Qtls)	Value (Rs.)	Quantity (Qtls)	Value (Rs.)
a)	Foundation Seed :				
	Opening Stock	993	55,00,000	683	41,00,000
	Purchases	80818	33,27,15,903	74383	33,25,66,626
	Sales	72859	51,31,17,972	66605	42,26,00,777
	Closing Stock	1495	73,00,000	993	55,00,000
b)	Certified, Raw & Truthful Seed :				
	Opening Stock	243399	1,16,84,00,000	275230	1,15,14,00,000
	Purchases	918127	5,04,47,66,723	847634	3,92,45,18,080
	Sales	881933	6,33,37,86,213	806601	4,76,19,84,922
	Closing Stock	231725	88,48,00,000	243399	1,16,84,00,000

NOTES: Closing stock excludes 55325 quintals (Previous Year 80332 quintals) on account of non seed, low grade failed seeds, processing losses and other shortages.

Signature to Schedules 1 to 26

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

CA Chitra Ranjit
Partner
Membership No.104145
F.R.N.No. 115064 W
Nagpur 7th August, 2017

For and on behalf of the Board of Directors

Omprakash Deshmukh, IAS
Managing Director
DIN No. 07836473

Vinay Verma
Company Secretary

Bijay Kumar, IAS
Chairman
DIN No. 07262627

Sanjay Thakrar
General Manager (Finance)
Mumbai, 5th August 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017		
	Figures as at the end of the current reporting period ended 31.03.2017	Figures as at the end of the Previous reporting period ended 31.03.2016
A] Cash Flow from Operating Activities		
I) Net profit before tax and exceptional item	697449131	500847284
Adjustment for :		
Depreciation	10391282	10362247
Previous year Adjustment	223617	(773587)
Profit on Sale of Fixed Assets	(99357)	0
Interest Paid	3456400	13730519
Lease Rent Written off	207196	207196
II) Operating profit before working capital changes	711628269	524373659
Adjustments for :		
Long Term & Short term Advances	(276127639)	(669344527)
Debtors	(372359615)	(81452677)
Other Current Assets	30624684	(18479056)
Inventories	324700000	(66400000)
Trade Payables, Current Liabilities & Provisions	(257028369)	359086123
III) Cash Generated from operations	161437330	47783522
Direct Taxes (Net)	(256062418)	(121258758)
Dividend Paid	(5036305)	(5036305)
CSR Expenses	(9098042)	(2036714)
Utilization of grant	(70435998)	(29137985)
Cash from operating activities before exceptional item (A)	(179195433)	(109686240)
B] Cash Flow from Investing Activities	(52635317)	(80394795)
Fixed Assets /Work In Progress (Net)	271102	0
Sale of fixed Assets	(52364215)	(80394795)
Net cash used from investing activities (B)		
C] Cash Flow from Financing Activities	(55204975)	178547467
Proceeds from borrowings	(3456400)	(13730519)
Interest Paid	14255000	130370000
Capital Grants	(44406375)	295186948
Net Cash from financing activities (C)	(275966023)	105105913
Net increase/(Decrease) in Cash & Cash equivalents (A+B+C)	1987992702	1882886789
Cash & Cash equivalent in beginning of the year	1712026679	1987992702
Cash & Cash equivalent at the end of the year	(275966023)	105105913
Net Increase		

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

CA Chitra Ranjit
Partner
Membership No. 104145
F.R.N.No. 115064 W
Nagpur 7th August, 2017

For and on behalf of the Board of Directors

Omprakash Deshmukh, IAS
Managing Director
DIN No. 07836473

Vinay Verma
Company Secretary

Bijay Kumar, IAS
Chairman
DIN No. 07262627

Sanjay Thakrar
General Manager (Finance)
Mumbai, 5th August 2017



**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 2017.**

The preparation of Financial Statements of Maharashtra State Seeds Corporation Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07 August 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 143(6)(a) of the Act, of the Financial Statements of Maharashtra State Seeds Corporation Limited for the year ended 31 March 2017. 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

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

Place : Mumbai
Date : 06-09-2017

(P. Madhavi)
Accountant General
(Audit)-III