

NATIONAL SEEDS CORPORATION LIMITED

(A Government of India undertaking, Miniratna Company)

(CIN: U74899DL1963GOI003913)

"An ISO 9001 & 14001 Certified Company

Regd. Office:- BEEJ BHAWAN, PUSA COMPLEX,
NEW DELHI-110 012 (INDIA)

Phones: 011-25842383, 25846272, 25842692, 25843673

E-mail-nsc@indiaseeds.com/cs@indiaseeds.com

Website: www.indiaseeds.com

No. NSC/59th AGM/2022-CS

Dated: the 8th Dec., 2022

NOTICE

NOTICE IS HEREBY GIVEN THAT the 59th Annual General Meeting of the Members of National Seeds Corporation Limited will be held on Friday, the 30th December, 2022 at 11.00 AM at Registered Office of National Seeds Corporation Limited, (NSC) at Beej Bhawan, Pusa Complex, New Delhi-110 012 through Video Conferencing in accordance with the applicable provisions of the Companies Act, 2013 read with Ministry of Corporate Affairs (MCA) General Circulars, to transact the following businesses:-

ORDINARY BUSINESS:

To consider and if thought fit to pass, with or without modifications the following Resolutions as Ordinary Resolutions:-

1. To consider and adopt the Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2022, the Report of the Board of Directors and Auditors thereon:

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited standalone Financial Statements of National Seeds Corporation Limited for the Financial Year ended 31st March, 2022 together with the Reports of the Board of Directors and the Auditors thereon be and the same are hereby considered and adopted."

2.To declare final dividend on Equity Shares of the Company for the Financial year 2021-22:

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the final dividend @ 30% of Profit After Tax (PAT) i.e. Rs. 322.82 Lakhs on the paid up Equity Share Capital of the Corporation as recommended by the Board of Directors be and is hereby declared for the Financial Year 2021-22."

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-2-

3. To take note the appointment and remuneration of Statutory Auditors for the Financial Year 2022-23:

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any Statutory Modification(s) thereof, and with the consent of the Auditors concerned, the appointment of Statutory Auditors and Branch Auditors as made by the Comptroller and Auditor General of India for National Seeds Corporation Limited for the Financial Year 2022-23 vide letter No. CA.V./COY/CENTRAL GOVERNMENT, NSEEDS (15)/423 dated 29.08.2022 containing terms and conditions and their remuneration as detailed below be and the same are hereby approved:-

i.	Statutory Auditors consolidation of Accounts of the Corporation as a whole & Audit of Head Office including Audit work relating to Internal Financial Control.	Rs. 4,10,000.00
ii.	Branch Auditor Regional Office (RO), Kolkata	Rs. 34,000.00
iii.	Branch Auditor Regional Office, (RO), Secunderabad	Rs. 34,000.00
iv.	Branch Auditor Regional Office (RO), Pune	Rs. 34,000.00
v.	Branch Auditor Regional Office (RO), Chennai	Rs. 34,000.00
vi.	Branch Auditor Regional Office (RO), Patna	Rs. 34,000.00
vii.	Branch Auditor Regional Office (RO), Bangalore	Rs. 34,000.00
viii.	Branch Auditor Regional Office, (RO), Gandhinagar	Rs. 34,000.00
ix.	Branch Auditor Regional Office, (RO), Lucknow	Rs. 42,000.00
x.	Branch Auditor Regional Office, (RO), Bhopal	Rs. 42,000.00
xi.	Branch Auditor Regional Office, (RO), Chandigarh	Rs. 42,000.00
xii.	Branch Auditor Regional Office, (RO), Jaipur	Rs. 42,000.00
xiii.	Branch Auditor CSF, Suratgarh, Sardargarh & Jetsar (Raj)	Rs. 90,000.00
xiv.	Branch Auditor CSF, Hisar (Haryana)	Rs. 30,000.00
xv.	Branch Auditor CSF, Raichur (Karnataka)	Rs. 30,000.00

4. To regularize appointment of Smt. S. Rukmani, (DIN No. 07929571), Director (Seeds), Ministry of Agriculture and Farmers Welfare, Deptt. of Agriculture & Farmers Welfare, Govt. of India as Government Nominee Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and 161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Smt. S. Rukmani, (DIN No. 07929571), Director (Seeds), Ministry of Agriculture & Farmers Welfare, Govt. of India who was appointed as Government Director by the President of India pursuant to the powers vested under Articles of Association of the Company and assumed charge on



28.01.2022 be and is hereby regularized to be appointed as Government Director on the Board of the Company."

5. To regularize appointment of Dr. Sudhir Mohanrao Kokare (DIN No. 00745850), as Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and 161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Dr. Sudhir Mohanrao Kokare (DIN No. 00745850) who was appointed as Independent Director by the President of India pursuant to the powers vested under Articles of Association of the Company and assumed charge on 28.01.2022 be and is hereby regularized to be appointed as Independent Director on the Board of the Company."

6. To regularize appointment of Smt. Archana Mishra (DIN No. 08753439) as Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and 161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Smt. Archana Mishra, (DIN No. 08753439) who was appointed as Independent Director by the President of India pursuant to the powers vested under Articles of Association of the Company and assumed charge on 28.01.2022 be and is hereby regularized to be appointed as Independent Director on the Board of the Company."

7. To regularize appointment of Dr. K.C. Sahoo (DIN No. 0009604324), as Director (Commercial) of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and 161 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, Dr. K.C. Sahoo, (DIN No. 0009604324) who was appointed as Functional Director by the President of India pursuant to the powers vested under Articles of Association of the Company and assumed charge on 17.05.2022 be and is hereby regularized to be appointed as Director (Commercial) on the Board of the Company."

By order of the Board of Directors of
National Seeds Corporation Limited

(Aayushi Kanodia)

Asst. Mgr. (Company Secretary)

Registered office:
National Seeds Corporation Limited
Beej Bhawan, Pusa Complex,
New Delhi-110012.

Date: 8/12/2022

-4-

NOTES:-

1. In view of the COVID 19 pandemic situation, the Ministry of Corporate Affairs (MCA) vide its Circular No. 2/2022 dated 05.05.2022 permitted convening the Annual General Meeting (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars and provisions of the Companies Act, 2013, the AGM of the Company is being held through VC/OAVM. The venue of the AGM shall be the Registered Office of the Company
2. In compliance of the Statutory Guidelines, Notice of the AGM alongwith the Annual Report for the financial year ended 31st March, 2022 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith (Collectively referred to as Notice) have been sent to members on their e-mail ids registered with the Company through electronic means. The Notice alongwith Annual Report has also been hosted on the website of the Company i.e. www.indiaseeds.com.
3. In accordance with the aforementioned MCA Circulars, the Company is providing the VC facility to the members and other participants for attending the Meeting through "GOOGLE MEET Software". The members and other participants are requested to follow the following instructions in order to participate in the Meeting through VC mechanism:
 - a. The login-id and password for joining the meeting has been separately provided along with this Notice;
 - b. The primary requirements for effective participation in the meeting are Laptop or Desktop system with webcam, G-mail account and proper internet connectivity;
 - c. The facility for joining the Meeting shall be kept open 30 minutes before the time scheduled to start the meeting i.e. [10.30 A.M.] and 15 minutes after the expiry of the said scheduled time i.e. till [01.15 P.M.]; and
 - d. Members are requested to e-mail at cs@indiaseeds.com/ it@indiaseeds.com or call at 011-25843673 in case of any technical assistance required at the time of log in/ assessing/ voting at the Meeting through VC.
4. The Shareholders can attend the meeting physically if so desire. However, as this AGM is being held through VC/OAVM pursuant to the MCA Circulars, hence option to dispense with physical attendance of Members provided. Accordingly the facility for appointment of proxies by the Members will not be available for this AGM. However, in terms Section 112 of the Companies Act, 2013, representative of the President of India can attend the AGM through VC/OAVM and cast their votes. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of quorum under Section 103 of the Companies Act, 2013.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available at the Registered office of the Corporation and also in electronic form for inspection pursuant to Section 171(1)(b) of the Companies Act, 2013 during the continuance of Meeting.

- 5 -
6. The Financial Statements for the year 2021-22 as approved by the Board of Directors, the Report of the Statutory Auditors, Secretarial Auditor and Corporate Governance Certificate are circulated to the Shareholders at the registered email ids. The report of CAG is yet to receive, the same will be circulated to the Members after receipt of comments from CAG alongwith management reply.
 7. There are 6 Associate Companies of NSC, whose Financial Statements are required to be consolidated and also to be attached with the Financial Statement of NSC pursuant to the provisions of Section 129(3) of the Companies Act, 2013 and Rules thereunder, but despite letters and reminders, these Associate Companies have not finalized their Financial Statements in Ind-AS and sent the same in time to NSC for complying with the above legal requirements.
Accordingly, Standalone Financial Statement of NSC is placed. Matter has already been brought to the Notice of MOA&FW which is the Administrative Ministry of NSC.

To Members,

- i. Hon'ble President of India through Authorized Representative US (Seeds), GOI, MOA &FW, Krishi Bhawan, New Delhi.
- ii. JS (Seeds), MOA&FW, Krishi Bhawan, New Delhi.
- iii. JS (Crops & Oilseeds), MOA&FW, Krishi Bhawan, New Delhi.
- iv. JS (RKVY), MOA&FW, Krishi Bhawan, New Delhi.
- v. JS (MIDH), MOA&FW, Krishi Bhawan, New Delhi.
- vi. Deputy Secretary (Finance), MOA&FW, Krishi Bhawan, New Delhi.
- vii. Under Secretary (Seeds), GOI, MOA &FW, Krishi Bhawan, New Delhi.
- viii. Director (Finance), National Seeds Corporation Limited, New Delhi.

Copy to:-

1. Dr. Maninder Kaur Dwivedi, Chairman-cum-Managing Director (Additional Charge), National Seeds Corporation Limited, New Delhi.
2. Shri V. Mohan, Director (Finance), National Seeds Corporation Limited, New Delhi.
3. Shri K.C. Sahoo, Director (Comm)., National Seeds Corporation Limited, New Delhi.
4. Smt. Shubha Thakur, Government Director, National Seeds Corporation Limited, New Delhi.
5. Smt. S. Rukmani, Government Director, National Seeds Corporation Limited, New Delhi.
6. Dr. Sudhir Mohanrao Kokare, Independent Director, NSC, 1-25-413, Kusum, Gokulnagar, Distt. Nanded, Maharashtra-431 602.
7. Ms. Archana Mishra, Independent Director, NSC, I 508, Silver Line Apartment, BBD University, Faizabad Road, Anandnagar boda bag, Lucknow-226028 (U.P.).
8. M/s S A N M A R K S & Associates, Chartered Accountants, 4F-5th Floor, OZONE Centre, Sector-12, Faridabad-121 007 (Haryana).
9. M/s. VAP & Associates, Company Secretaries, 387, First Floor, Shakti Khand-3rd, Indrapuram, Ghaziabad, U.P.-201010
10. Shri Kaushik Rakshit, Senior General Manager (F&A), National Seeds Corporation Limited, New Delhi.



राष्ट्रीय बीज निगम लिमिटेड NATIONAL SEEDS CORPORATION LIMITED

(CIN : U74899DL1963GOI003913)



निदेशकगणों की आख्या 2021-22
BOARDS' REPORT 2021-22

पंजीकृत एवं निगमित कार्यालय

Regd. & Corporate Office:

बीज भवन, पूसा परिसर

Beej Bhawan, Pusa Complex,

नई दिल्ली -110012

New Delhi-110012.

**BOARDS' REPORT**

To
The Shareholders,

Your Directors have pleasure in presenting the 59th Annual Report on the performance and business operations of your Corporation together with the Standalone Audited Financial Statements of the Corporation for the Financial Year ended March 31st, 2022.

1. CORPORATE OVERVIEW:

National Seeds Corporation Limited (NSC) was incorporated during 1963 as a wholly-owned Government of India Undertaking under the Ministry of Agriculture and Farmers Welfare, Department of Agriculture & Farmers Welfare as a Private Limited Company under the Companies Act, 1956 with a mandate to multiply the seeds of new varieties being bred by National Agriculture Research System (NARS). During 2013-14, State Farms Corporation of India Limited (SFCI) which was another Government of India Undertaking under the same Ministry of Agriculture and Farmers Welfare was merged with NSC with effect from 01.04.2014. Thus NSC has become a sole Public Sector wholly owned Government Company with large resources under this Ministry.

NSC has converted itself from Seed Producing Company to a Company showcasing all the activities of quality seed production in its Farms as well as on the Growers fields by demonstrating new technology from sowing to harvesting and post harvest technology. Further in order to expand its horizon, NSC has converted itself as a Public Limited Company and adopted new set of Memorandum of Association and Articles of Association.

Now to continue this journey of progress, NSC is moving on the path for disinvestment in accordance with the decision of the Cabinet Secretariat by offering the part of Shareholding held by Hon'ble President of India to the Public at large in the open market by way of an IPO and list its Equity Shares on the stock exchange.

2. FINANCIAL HIGHLIGHTS AND SUMMARY:

The following is the highlights of standalone financial performance of the Company during the year under review in comparison to the previous year:

(a) WORKING RESULTS**(Rs. in Lakhs)**

Particulars	2021-22	2020-21
I. INCOME:		
Revenue from Operations	88579.84	101517.83
Other Income	2992.01	3288.21
Total	91571.85	104806.04
II. EXPENSES :		
Cost of materials consumed	2719.28	2777.81
Purchases of Stock-in-Trade	61432.40	74063.07
Changes in biological assets and inventories of finished goods, stock-in-trade and work in progress	(1427.75)	30.02
Employee Benefits Expense	11846.76	12377.29
Finance Costs	330.47	419.87
Other Expenses	13438.68	12999.49
Depreciation and amortization expenses	1792.17	1756.19
Total	90132.01	104423.74
III. Profit Before exceptional items and tax (I-II)	1439.84	382.30
IV. Exceptional items	30.87	78.64
V. Profit Before Tax (III + IV)	1470.71	460.94
VI. Tax expense:		
Current Tax for the year	220.00	---



Current Tax for earlier years (net)	348.38	(11.27)
Deferred Tax (net)	(173.73)	228.53
Total Tax Expense	394.65	217.26
VII. Profit for the year (V-VI)	1076.06	243.68
VIII. Other Comprehensive Income	(186.65)	(42.01)
IX. Total comprehensive Income for the period (Comprehensive Profit and other comprehensive income for the period) (VII + VIII)	889.41	201.67
X. Balance of Profit/loss for earlier years	57069.53	58086.74
Add: Profit of the year	1076.06	243.68
Add: Profit (Loss) from OCI for re-measurement of defined benefit plans (Net of tax effect)	(455.22)	(355.25)
Less: Transfer to CSR Reserve	5.10	8.05
Less: Dividend paid on Equity Shares	73.10	897.59
Less: Tax paid on Dividend	--	---
Balance carried forward	57612.17	57069.53

(b) STATE OF COMPANY'S AFFAIRS / PERFORMANCE:

During the Financial Year 2021-22 Revenue from Operations of your Corporation stood at Rs.88579.84 Lakhs as compared to Rs. 101517.83 Lakhs in 2020-21. During the year Profit Before Tax has been increased by 219.07 % i.e. from Rs. 460.94 Lakhs to Rs. 1470.71 Lakhs, Profit for the year after tax increased by 341.59 % i.e. from Rs. 243.68 Lakhs to Rs. 1076.06 Lakhs.

The reason for decrease in Revenue from Operations during 2021-22 compared with 2020-21 is mainly due to less sale of Wheat, Paddy, Hybrid Bajra and Hybrid Maize to various State Governments, where the orders received were either less or nil comparatively.

During the year 2021-22, the Corporation has achieved total Income of Rs. 91571.85 Lakhs as against Rs. 104806.04 Lakhs of 2020-21. The gross margin before interest, depreciation and tax during 2021-22 is Rs. 3593.35 Lakhs as compared to Rs. 2637.00 Lakhs of 2020-21 is also increased by 36.27%. The Expenditure Management Economy Measures and Rationalization of Expenditure are also undertaken during the F.Y. 2021-22.

(c) CAPITAL STRUCTURE:**Authorized Share Capital:**

The Authorized capital of the Company as at March 31, 2022 was Rs. 173,61,00,000/- (One Seventy Three Crores Sixty One Lakhs) divided into 17,36,100 (Seventeen Lakhs Thirty Six Thousand One Hundred) Equity Shares of Rs. 1000/- each.

Issued and paid up Share capital:

The paid-up Equity Share Capital as at March 31, 2022 is Rs. 57,31,99,000/- (Fifty Seven Crores Thirty One Lakhs Ninety Nine Thousand) divided into 5,73,199 (Five Lakhs Seventy Three Thousand One Hundred Ninety Nine) Equity Shares, having face value of Rs. 1000/- each fully paid up held by President of India along with his seven Nominee Shareholders.

During the year under review, the Company has neither issued any shares or convertible securities with differential voting rights nor has granted any stock options or sweat equity or warrants.

Other Equity

Other Equity increased to Rs. 61094.12 Lakhs from Rs. 60258.15 Lakhs. During the year retained earnings increased by Rs. 542.64 Lakhs to Rs. 57612.17 Lakhs and FVTOCI (Fair Value Through Other Comprehensive Income) increased by Rs. 268.57 Lakhs to Rs. 2595.55 Lakhs.

(d) CHANGE IN STATUS OF THE COMPANY:

National Seeds Corporation Limited is a wholly owned Government Company under the administrative control of Ministry of Agriculture and Farmers Welfare, Department of Agriculture



and Farmers Welfare. The Company is registered as a Public Limited Company under the Companies Act, 2013. During the year 2021-22 there is no change in the status of the Company.

The decision of Government of India for off loading 25% Equity Shareholding held by the President of India of NSC through Initial Public Offering (IPO) is under process.

(e) BUY BACK OF SHARES:

There was no buy-back of Shares by the Corporation during the year. Therefore, the information pursuant to Section 68 of the Companies Act, 2013 be treated as **NIL**.

(f) EARNINGS PER EQUITY SHARE:

(Face value of Rs.1000/- each.)

	2021-22	2020-21
Basic & Diluted before extraordinary items	187.73	42.51
Basic & Diluted after extraordinary items	187.73	42.51

(g) DIVIDEND:

As per the Capital Restructuring Guidelines issued by the Department of Investment and Public Assets Management (DIPAM) the CPSEs are required to pay dividend @ 5% of Net worth or 30% of Profit after Tax, whichever is higher. However NSC being a CPSE engaged in agriculture based activity requires huge investment on annual basis on maintenance and development of Capital structure. Hence after justified analysis on the aspect of CAPEX, request has been submitted before DIPAM through Administrative Ministry to exempt NSC from applicable Guidelines and permit the payment of dividend @ 30% of PAT for F.Y. 2021-22.

Your Directors therefore have recommended, for approval of the Members, a Dividend @30% of PAT i.e. of Rs. 3.23 Crores for the year ended March 31, 2022 as per the provisions of IndAS.

(h) AMOUNT TRANSFERRED TO RESERVES:

In accordance with the provisions of the Section 134(3)(j) of the Companies Act 2013 the amounts, if any, which it proposes to carry to any reserves by your Corporation during the year under review:- The Reserves created during the F.Y. 2021-22 are detailed in Note No. 22 of the Financial Statements forming part of the Annual Report.

(i) KEY FINANCIAL RATIOS:

The Company has identified the following ratios as key financial ratios:

Sr. No.	Particulars	2021-22	2020-21	Explanation for Significant Change
1.	Current Ratio,	2.24	2.13	N.A.
2.	Debt-Equity Ratio	0.00	0.01	Due to decrease in debt during the current year.
3.	Debt Service Coverage Ratio	12.66	6.37	Due to increase in profit during the current year.
4.	Return on Equity Ratio	0.02	0.00	Due to increase in profit during the current year.
5.	Inventory turnover ratio,	0.10	0.11	N.A.
6.	Trade Receivables turnover ratio,	2.14	2.50	N.A.
7.	Trade payables turnover ratio	1.76	2.22	N.A.
8.	Net capital turnover ratio	1.50	1.82	N.A.
9.	Net profit ratio,	0.02	0.00	Due to increase in profit of current year.
10.	Return on Capital employed	0.03	0.01	-do-
11.	Return on investment.	0.01	(0.02)	-do-

(j) CREDIT RATING:

CARE (Rating agency) has assigned the ratings of bank loan facilities and fixed deposit instrument of the Company as follows:

Facility	Tenure	Previous rating	Current Rating
Credit Limits	One year	AA negative	AA Stable



(k) MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT:

There have been no material changes and commitments, which affect the financial position of the Company, that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

(l) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE BY THE COMPANY:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act highlighted as under:

(i) Loans:

The Corporation is having sanctioned Cash Credit (CC) Limit of Rs. 75 Crores including BG and LC limits. During the year, the Corporation has paid an interest and other borrowing costs of Rs. 302.36 Lakhs in comparison to Rs. 395.23 Lakhs in the previous year as per note no. 40 of the Audited Financial Statements forming part of the Annual Report.

During the year under review, the Charge created/ modified/ satisfied: NIL.

(ii) Investment:

Your Corporation had made investment in various State Seeds Corporations (SSCs) during 1970s out of the Funds provided by the Government of India under National Seeds Project (NSP) Scheme to enhance the business prospectus in seed sector and exchange of seed technology with State Seeds Corporations. The total investment in equity and preference shares as on 31st March, 2022 is Rs. 4150.92 Lakhs. Out of which provision for diminution in value of shares of Rs. 106.38 Lakhs of Bihar Rajya Beej Nigam Limited has been made during the year 2013-14. Non-Associate Companies Shares are valued at Fair value.

Further out of total ten State Seeds Corporations where NSC had invested, its Shareholding in six State Seeds Corporations is more than 20 % and thus as per Section 2(6) of the Companies Act, 2013 they are termed as Associate companies of NSC. However, since these Corporations are unable to provide their Audited and approved Financial Statements to NSC on time or in Indian Accounting Standards (IndAS) for the purpose of Consolidation with the Financial Statements of NSC u/s 129(2) & (3) of the Companies Act, 2013, your Corporation is filing its Standalone Financial Statements with Registrar of Companies with the Statement of facts in this regard with the approval of the Board.

Various meetings have been conducted including the meetings under the supervision of the Ministry of Agriculture and Farmers Welfare with proposal to the Associate companies to Buy Back their shares or purchase of excess shareholding (i.e. above 19%) by the respective State Government, to come out of the purview of Associate company.

However no positive response is received from any company. Therefore, the Ministry of Agriculture and Farmers Welfare has approved the transfer of 50% shares held by NSC in the six Associate Companies in the name of the Department of Agriculture and Farmers Welfare. Necessary actions including checking of the Legal aspects are being taken in accordance with the approval of the Ministry.

(iii) DEPOSITS: The Company has not accepted any deposits falling under the ambit of Section 73 of the Companies Act, 2013 ('the Act') and the Rules framed thereunder during the year under review

(m) INSURANCE:

All the properties including buildings, plant and machineries of Corporation have been adequately insured.

(n) INTERNAL CONTROL SYSTEMS:

(i) To maintain independence and objectivity in its functions, the quarterly highlights of the internal audit reports are submitted to the Audit Committee of the Board. The audit plan aims to evaluate the efficacy and adequacy of the internal control system(s) and compliance(s) thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. The Internal Audit function, consisting of professionally qualified Chartered Accountants and Cost Accountants engaged after following the transparent Tender process, are adequately skilled and



resourced to deliver audit assurances at highest levels. Based on the reports of internal audit function, corrective actions are taken in the respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

- (ii) **Internal Controls over Financial Reporting:** The Company has put in place robust policies and procedures, which inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

(o) WORKING OF THE FARMS:

During the year in order to improve the performance of the Farms, continuous process of mechanization and irrigational and other infrastructural developments have been carried out under which capitalization worth Rs. 7.38 Crores and Rs. 9.42 Crores were done during 2021-22 & 2020-21 respectively. Profit before tax for the Farms combined during the year has increased by 293.52 % from Rs. 2.93 Crores during the previous year to Rs. 11.53 Crores during the year 2021-22.

Your Corporation has seven Farms including Central State Farm Hisar. The Lease Agreement of CSF Hisar with GLF, State Government of Haryana is expired on 31st March, 2019. Presently 6538 Acres 1 Kanals 2 Marlas Land is in possession of your Corporation. In this connection your Corporation has been rigorously and ardently pursuing the matter of renewal of lease agreement of CSF, Hisar with Animal Husbandry & Dairying Department for another period of 30 years w.e.f. 01.04.2019. However, Government of Haryana, Animal Husbandry & Dairying Department is requesting to vacate the land pertaining to GLF Hisar leased out to your Corporation. In this connection, Committees are constituted and meetings held to survey and analyze the various critical operations being undertaken by CSF Hisar and other parties and the way the land is being used by institutions for taking an informed decision regarding providing alternative land as per actual requirement of Government Live Stock Farm. The matter is vigorously pursued for renewal through administrative Ministry also.

(p) OTHER DISCLOSURES ON TRANSACTIONS DURING THE YEAR UNDER REVIEW:

1. The Company has not issued any shares with differential rights as to dividend, voting or otherwise.
2. The Company has not issued shares including sweat equity shares to employees of the Company under any scheme.
3. There was no revision in the Financial Statements.
4. There has been no change in the nature of business of the Company as on the date of this report.
5. There is no target assigned to the Company w.r.t. Assets Monetization Milestones and specific disinvestment Milestone during the F.Y. 2021-22.
6. There are no proceedings, either filed by NSC or filed against NSC, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year 2021-22.
7. The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees.
8. Chairman and Managing Director and any other Nominee Directors have not received any remuneration or commission from any of its Associates.
9. There were no material changes and commitments affecting financial position of the Company between the end of the financial year and the date of this report.
10. There was no amount for transfer to the credit of IEPF set up by the Government of India in respect of Equity shares on which dividend had remained unpaid/ unclaimed for a period of seven (7) consecutive years within the timelines laid down by the Ministry of Corporate Affairs.
11. No event has taken place that give rise to reporting of details w.r.t. difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions.

**(q) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the period under review none of the Directors has reported any such details or particulars of contracts or arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013. A statement giving details of all RPT Reports submitted by the Directors, KMPs and Head of Divisions, Regional Managers and Farm Head is placed before the Audit Committee of the Board of Directors on a quarterly basis. Further the dealings between NSC and Government related entities are on arms' length basis as hence exempt pursuant to 4th proviso of Section 188 (1) of the Act and Govt. Notification dated 05.06.2015. Other details are as per Note no. 56 of the Financial Statements 2021-22.

(r) COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

3. SEED PRODUCTION ACTIVITIES:

Your Corporation is producing Test Stock, Breeder, Foundation, Certified & Truthful label seeds of various crops in different regions of the Country. The Test Stock seed production of new varieties, identified in the annual workshop of ICAR, is done at NSC Farms. The Breeder seed production of different varieties & crops (for Pulses) is also done at NSC Farms as per the allocation received from ICAR Institutes. Breeder seed of different crop varieties are purchased by NSC from ICAR Institutes/Agricultural Universities against their requirement/indent as per allocation of DA&FW.

The Breeder to Foundation seed production is mostly done at own Farms with the aim to maintain higher level purity in the seed and making available quality planting material for certified seed production at seed growers' fields as well as at Farms. Certified & Truthful label seed production of most of the crops is done at registered seed grower's fields as well as at Farms. Seed production through registered seed growers creates PPP opportunities in Agriculture Sector.

The Product basket of NSC comprises of 80 crops and 621 varieties/hybrids comprising Cereals, Oilseeds, Pulses, Millets, Fodder, Fiber, Green Manure and a wide range of Vegetables. The focus is on production of high quality seed of new varieties having higher productivity and having resistance to various biotic and abiotic stress, to ensure lower input costs thereby increasing farmer's income. The seed production of Bio-fortified varieties of various crops is also being done to ensure nutritional security along with food security. Accordingly 36 new varieties of different crops were added during the financial year. Thus enhanced the varietal replacement rate which is important seed component in various Govt. Schemes. Presently, seed production around 65% of newer varieties (within 10 years age) being carried out as per the assistance of market requirements. During the year 2021-22, total production of Raw Seeds was 12.80 Lakh quintals.

Your Corporation is also actively implementing the Annual Action Plan seed production for supply of seeds under important programmes/schemes implemented by the Ministry of Agriculture and Farmers Welfare including NFSM Oilseeds, NFSM Pulses, NFSM Nutri -cereals, NFSM Commercial crops and National Live Stock Mission of the Ministry of Fisheries, Animal Husbandry and Dairying. The value of subsidy under various schemes during the year 2021-22 is NFSM Oilseeds Rs. 59.09 Crores, Pulses Rs. 24.26 Crores, Nutri cereals Rs. 3.36 Crores and Jute Rs. 2.12 Crores. Further the Grant under NLM in Rabi 2021-22 was Rs. 48.08 Crores which is under utilization.

Your Corporation has 7 Farms viz., Central State Farm, Suratgarh, Sardargarh, Jetsar in Rajasthan State, Hisar in Haryana State, Raichur in Karnataka State, Nalhati in West Bengal State and Sukinda in Odisha State with total area under possession of 22152 hectares. During the year 2021-22, an area of 21337 hectares was sown and production of raw seed was received 2.26 Lakh quintals in Kharif, Rabi and Summer Seasons. Most of the Farms are situated at the tail end of Canal and major area is under rainfed condition. The insufficient canal water availability as well as adverse climate condition is major constraint in the production.



Saplings of fruit crops-Citrus, Pomegranate, Guava, Mango, Aonla etc. Flower and forestry trees are being produced at the Farms for supply to the Farmers. Fruit crops orchards are also established in area of 228 hectares at four Farms i.e. Suratgarh, Jetsar, Sardargarh and Hisar.

4. QUALITY CONTROL:

- A. NSC's priority is to produce and market high quality seeds of a wide range of crop varieties and hybrids so as to increase the agricultural productivity. Strict quality control measures are followed as per Indian Minimum Seed Certification standards (IMSCS-2013) at field level as well as at seed storage places and the seed lots confirming to standard of IMSCS-2013 are only procured to ensure quality seeds to the farmers.

NSC has 4 Quality Control Laboratories for ascertaining the quality parameters as per IMSCS- 2013. Laboratories are established at New Delhi, Secunderabad, Bhopal and Suratgarh which have capacity to test around 25000 samples per annum. In addition, a DNA finger printing lab is also established at New Delhi for testing of Genetic purity of Hybrid seeds. At present 36 Hybrids of 13 different crops can be tested in DNA FP Laboratory. 6 Grow Out Test (GOT) are also established at different locations i.e. CSF- Jetsar, Sardargarh, Suratgarh (Rajasthan), CSF-Hisar (Haryana), CSF-Raichur (Karnataka) and CSF-Sukinda (Odisha) for Grow Out Test for ascertaining the Genetic Purity of Hybrids & Foundation Seed.

NSC is a Member of ISTA for participating in proficiency test and accreditation from ISTA is under process. NSC has proper mechanism to redress the quality complaints in respect of seed at field level. The complaints are immediately redressed as and when received. There is also a regular system of identifying the seed stocks which have become sub-standard in the natural process and action is taken for its disposal as non seed as one of the quality control measures. To further monitor the quality parameters at field and lab a specific cadre of quality control personnel has been created under new manpower setup.

B. RECOGNITIONS: ISO 9001 and EMS 14001:

NSC is certified for Quality Management System and Environment Management System since 19.03.2007 and 21.03.2009 respectively. In order to ensure that NSC is following the provisions contained in the manuals and following the specified process, internal and external audit is conducted annually. As a result of this audit, NSC has been recertified for QMS ISO 9001 and EMS ISO 14001.

5. MARKETING ACTIVITIES:-

HIGHLIGHTS

- a. The turnover on account of sale of certified / quality seed during the year 2021-22 is as under. (Value Rs. in Lakhs)

2021-22	2020-21
76837.00*	98005.00

*Tentative, the above value is inclusive of dealers' commission.

b. Seed sold without subsidy (Percentage of turnover)

2021-22	2020-21	% Increase
86.76	86.12	0.74

c. Channel wise Seed Sale (Percentage of turnover)

2021-22		2020-21	
Govt. Agencies	Non. Govt. Agencies	Govt. Agencies	Non. Govt. Agencies
54.58	45.42	64.08	35.92

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**d. Sale of Vegetable Seeds**

(%age of turnover)

2021-22	2020-21
8.75	9.11

e. Sales under New Varieties / Schemes:-

The Corporation has supplied minikits of Oilseeds under NFSM (OS & OP) and Pulses under NFSM Pulses. Thus facilitating adoption of newer varieties by farmers as a mission for improving Varietal Replacement Rate (VRR).

(Value in Rs. Lakhs)

Scheme	2021-22	2020-21
NFSM (OS&OP)*	3334.13	2412.00
NFSM (Pulses)	2836.47	1684.00

* Earlier known as NMOOP

f. The Corporation has supplied seeds to various State Governments under important Schemes implemented by the Ministry of Agriculture and Farmers Welfare, Govt. of India. These includes:-

- National Food Security Mission (Oil Seeds & Oil Palm)- Oilseeds.
- National Food Security Mission (NFSM)- Rice, Wheat, Pulses, Nutri cereals and Commercial Crops (Jute).
- NFSM- Seed Village Scheme (Beej Gram Yojna)

g. The Corporation has participated in the Sub-Mission on Seeds and Planting Material (SMSP) under National Mission on Agricultural Extension & Technology (NMAET) for the components of:-

- National Seed Reserve:** For strengthening contingency measures to supply seeds in situation of agro climatic aberrations.

(Value in Rs. Lakhs)

2021-22	2020-21
278.79	377.99

ii. Transport subsidy: For ensuring seed supplies to the farmers of difficult hilly areas and North Eastern States of India.

(Value in Rs. Lakhs)

2021-22	2020-21
230.93	243.07

h. Other activities:**i) Issue of Import License:**

NSC has issued Import licenses on behalf of Government of India to the Private Seed Companies/Dealers as under:

Year	New	Renewal	Total
2021-22	22	42	64
2020-21	26	45	71

ii) Strengthening of Dealers Network:

To ensure seed availability in the remotest area.

(No. of new dealers appointed)

2021-22	2020-21	Total Dealers as on 31 st March, 2022
318	339	3301

- During the year, your Corporation has sold/distributed approximately 366 qtls. of value added products namely Wheat Flour, Basmati Rice, Mustard Oil etc., produced from undersized, unsold seeds etc. from NSC's outlets at Beej Bhawan, Krishi Bhawan, Regional Offices and Farms.

- During the year, your Corporation has sold 70.4 qtls. of quality enriched fodder blocks amounting to Rs. 0.70 Lakhs.



- v) The Corporation has strategized Risk Management in Marketing by focusing on low volume, high value vegetable seed segment.
- vi) Fish Seed sold worth Rs. 2.59 Lakhs during 2021-22.
- vii) Vegetable Seeds worth Rs. 589 Lakhs were exported to Fiji through Ministry of External Affairs.

i. Promotion and Publicity work:

The Corporation has taken up the aggressive & innovative marketing activities for popularizing the NSC Brand Farm Sona and also for sale of seeds directly to the farmers and dealers. In this regard, jeep campaigning, demonstration of new products, field days, farmers/ dealers meetings, Krishi Mela & exhibitions and the appointment of dealers at Taluka level were arranged alongwith distribution of leaflets, pamphlets about NSC products to the farmers and dealers. An expenditure of Rs. 127 Lakhs has been incurred towards this.

j. New Initiative:-

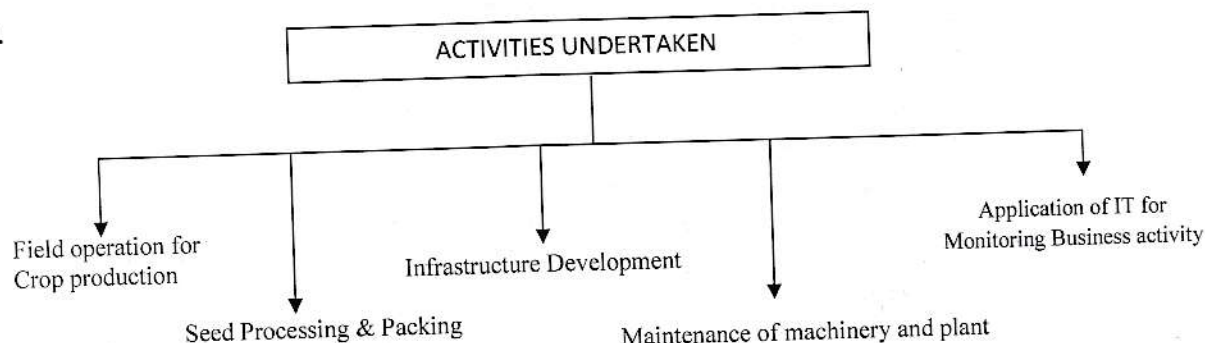
1. PLA for supply of vaccines under AHD project: Your Corporation had participated in the Request for Proposal (RFP) invited by Department of Animal Husbandry & Dairying, GOI for procurement and supply of veterinary vaccines, ear tags and tag applicators to State Government/UT's under Disease Control Programmes and got the award for procurement and supply as Programme Logistic Agency (PLA) on 26.05.2022 for two years. Your Company will earn service charges from DAHD.

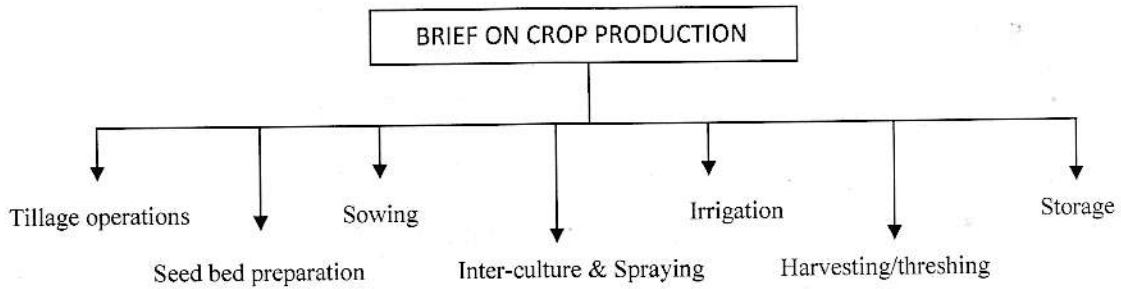
2. Import of Planting Material of high value horticulture plant: The Department of Agriculture and Farmers Welfare has assigned the responsibility to your Corporation for import of planting materials of selected Horticulture species for the development of high value Horticulture Crops with a view to substitute imports and promote exports of high value horticulture produce in the country. Your Corporation will import the genuine and quality planting materials of Apple, Walnuts, Almonds & Date Palm as per requirement of the State Horticulture Missions submitted to DA&FW and supply to the concerned States in the designated PEQ site being developed by ICAR. For implementing this programme, actions are in process and expected to receive supply of Planting Material in India by end of January, 2023.

3. Establishment of Morena Farm: The Govt. of Madhya Pradesh has allotted 885.344 Ha. land to Ministry of Agriculture and Farmers welfare, GOI for Establishment of Farm in Morena, Madhya Pradesh. The allotted land is for development of seed farm in the interest and welfare of the farmers of MP State for quality seed supply. MoA&FW has directed your Corporation to develop the Farm on behalf of Govt. of India and further, operate & maintain for seed production. Proposal for demonstration Farm development covering 50 hectares submitted to DA&FW. Land leveling of the ravines started towards the demonstration Farm.

6. ENGINEERING AT A GLANCE:-

a.





To complete the above activities successfully in time, your Corporation is maintaining large fleet of Machineries, Implements, its repairs & maintenance facility by own established workshops, modern Irrigation Systems, Post-Harvest facilities and Seed Processing Plants. Your Corporation has incurred CAPEX of Rs. 15.63 Crores during 2021-22.

In order to facilitate agriculture operations more effectively, the Corporation has installed/upgraded & replaced various machineries at different locations, the status of the Seed Processing and storage as on 31.03.2022 is as under:-

S. No.	Particulars	Installed Capacity
1.	Seed Processing Capacity (MT)	237620
2.	Seed Storage Capacity (MT)	167720
3.	Micro Irrigation System (ha/Nos)	2296/42

- b. **Seed Processing Plant:** After harvesting of the crop, raw seed is brought to the threshing floors. Drying & preliminary cleaning of produce is being done with the help of Mobile /Pre-cleaners at each Processing Unit. After pre-cleaning, the produce is shifted to Seed Processing Plants for processing/ grading.

REPLACEMENT OF PROCESSING PLANTS IN LAST 5 YEARS:

F.Y	2017-18	2018-19	2019-20	2020-21	2021-22
Capacity (in TPH)	8	8	16	14	8

- c. **Irrigation and Drainage:** All the Farms are irrigated through canal. Suratgarh and Sardargarh Farms located in Sriganganagar Distt. of Rajasthan and Hisar in Haryana receive water through Bhakra canal system and Jetsar Farm located in Sriganganagar Distt. of Rajasthan receive water through Indira Gandhi Nahar Pariyojna. Raichur Farm receives water through Tungabhadra Left Bank Canal. However, the Farms are located at the tail end of canal system and not getting authorized discharge. The ground water is brackish and unfit for irrigation at Farms. To supplement with canal water, Deep tube wells are under progress alongside the bank of canals at Suratgarh, Sardargarh and Jetsar Farms.
- d. **Farm Structures:** Your Corporation has added Seed storage capacity of 40,000 Qtls. during the year 2021-22 by undertaking construction with modern technique. To maintain proper ventilation and to avoid the sheltering of birds, the roof of the Storage Godowns were constructed with support less galvalume sheet with turbo ventilators.

The total storage capacity as on 31.03.2022 is 16.77 lakh Qtls. and additional Air conditioned seed storage capacity of 12100 Qtls. The storage godowns constructed during the FY 2021-22.

Description	No./Capacity	Amount (Rs. in lakhs)	Remarks
Seed Storage Godowns	02/4000 MT	218.77	For safe storage of seeds.

**e. Innovative Projects :-**

- Looking to the shortage of water, improved Micro Irrigation System will be extended in large area.
- Solar Power plant of capacity 160 MW has been established and commissioned at CSF Jetsar by NTPC and land leased out for 27 years.
- Construction of Water Harvesting Structures at NSC Farms.
- Demonstration of Farm Machineries under the scheme on Sub-Mission on Agricultural Mechanization is in process.

f. Strengthening of Infrastructure➤ **Creation of seed processing capacity :**

The processing plants which were outdated and completed their economical useful life were condemned and replaced by new processing plants of the latest technology to maintain dust free environment and improving the quality of seeds. The processing plants were erected with PLC-mimic based control panel. As on 31.03.2022 annual processing capacity is 23.76 Lakh Qtls.

➤ **Creation of irrigation facilities :**

The underground water of the farms is brackish which is not suitable for irrigation as a direct use. Due to acute shortage of canal water, NSC is installing tube-wells alongside the banks of canal to supplement the water in watercourses for increasing the discharge and further output. During the year 2021-22, Corporation has planned to add 26 No. of tube-wells in the Farms for which work was under progress during the end of F.Y. 2021-22. The total No. of tube-wells as on 31.03.2022 are 172.

g. Consultancy Services :

Your Corporation has also ventured in Consultancy services, technical support for Seed infrastructure creation in various State/Agencies. The ongoing consultancy projects are as under:-

S. No.	Name of Work	Agency
1.	Supply, Installation & Commissioning of Dehumidifier in 9 godowns of BRBN at Bihar State	BRBN, Patna
2.	1 TPH Processing plant & Machinery +500 MT Godown at 32 locations of BRBN at Bihar State	BRBN, Patna
3.	Supply, Installation & Commissioning of 8 TPH Processing plant & Machinery at Kudra (Kaimur), Bihar	BRBN, Patna

h. Information Technology :

- a) NSC has a web based application i.e. Beej Prabandhan covering the activities of Regional/Area Offices for the Production/ Marketing / Inventory / Quality Control and Financial Management (Integrated System).
- b) NSC is using e-Procurement platform for Procurements, further e-Auction is under process.
- c) For effective communication and quick response to the proposals between Regional Office/ Area Offices and Internal user departments, NSC is in process to implement the e-Office Package.
- d) The proposed ERP development project of NSC could not be completed by the Implementing Agency & the work has been terminated due to non-performance. The proposal for re-tender for ERP Project Development is under process.

7. MATERIAL MANAGEMENT ACTIVITIES.

- Procurements are being made through online tendering process.
- MSME firms are being given preference in the tenders as per MSE order 2012.
- The crop specific BOPP bags and Poly pouches with new designs have been introduced for improving the Marketing potential.



- Most of the procurement is being made centralized for maintaining the quality at competitive prices.
- The procured materials are tested from designated laboratories to ensure its quality.
- The monthly procurement data of procurement by NSC are being uploaded on "MSME SAMBANDH PORTAL" regularly.
- The compliance report of MSE order 2012 is given below:- (Figures in Lakhs)

S No.	Particulars	Year 2018-19	Year 2019-20	Year 2020-21	Year 2021-22	Proposed target for the Year 2022-23
1	Total Annual Procurement (In Values)	2721.51	9372.72	7273.28	6763.13	6800.00
2	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	1851.51	3048.29	2849.37	3534.49	1700.00
3	Total value of goods and services procured from MSEs owned by SC/ST entrepreneurs	NIL	1.23	0.39	3.88	272.00
4	Percentage of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs out of total procurement)	68.03%	32.52%	39.18 %	52.26%	Atleast 25%
5	Percentage of procurement from only MSEs owned by SC/ST entrepreneur out of total procurement	--	0.013%	0.005 %	0.057%	Atleast 4 %
6	Whether Annual Procurement plan for purchases from MSEs uploaded on the official Website	YES	YES	YES	YES	YES
7	Whether targets reported in Annual Report	YES	YES	YES	YES	YES
8.	Total value of goods and services procured from GeM Portal.	NIL	57.85	765.00	1579.00	Atleast 25%
9.	Total value of goods and services procured from GeM Portal (in %)	0%	0.61%	10.51 %	23.34%	Atleast 25%

8. HUMAN RESOURCE:

At NSC, employees are prime assets and to ensure smooth and efficient functioning, your Corporation has recruited professionally and technically sound manpower by revising its Recruitment Rules and conducting recruitment activities in a fair and transparent manner that too on pan India basis and accordingly inducted Trainees/Senior Trainees/Management Trainees against superannuation of employees during the year 2021-22.

The total number of employees of all categories as on 31.03.2022 was 1322 as compared to total number of 1312 as on 31.03.2021. The staff strength in Executive and Non-Executive category as on 31.03.2022 was as under:

Category	Total No. of Employees
Executive(E-0 & above)	213
Non-Executive :-	
A. Non-Unionized Supervisor (S-4)	33
B. Workmen / Workers (NS-0 to S-3)	1076
TOTAL	1322

The information with regard to the posts filled-up by promotion/direct recruitment and number of employees / candidates belonging to SC/ST category promoted/appointed during the year 2021-22 is as under:-



A. Promotion:

Category	No. of Posts filled	No of employees belonging to SC/ST	
		SC	ST
Executive (E-0 & above)	39	06	0
Non Executive :-			
A. Non Unionized Supervisor(S-4)	04	01	0
B. Workmen / Workers(NS-0 to S-3)	80	16	01
TOTAL	123	23	01

B. Direct Recruitment:

Category	No. of candidates belonging to SC/ST/OBC/PH				
	No. of posts filled	SC	ST	OBC	PH
Executive (E-0 & Above)	25	02	0	04	0
Non Executive:-					
A. Non Unionized Supervisor (S-4)	Nil	Nil	Nil	Nil	Nil
B. Workmen / Worker(NS-0 to S-1)	189*	44	09	38	07
TOTAL	214	46	09	42	07

This includes Regularization of 58 DPWs/DWWs (SC-23, ST-3 OBC-13 & PH-1) as RW Gd. II (NS-0) as per regularization policy of the Corporation.

C. Representation of Schedule Caste/ Scheduled Tribes in various Categories of employees as on 31.03.2022 was as under:

Category	Total No. of Employees	No of Employees belonging to SC/ST	
		SC	ST
Executive(E-0 & above)	213	29	11
Non Executive:-			
A. Non Unionized Supervisor (S-4)	33	02	0
B. Workmen / Workers (NS-0 to S-3)	1076	223	55
TOTAL	1322	254	66

D. Employment of Persons with Benchmark Disability:

The Strength of Persons with Disability (PWD) as on 31.03.2022 was as under:

Category	Strength
CAT "A" - Blindness of low vision	07
CAT "B" - Hearing impairment	02
CAT "C" - Locomoter disability including cerebral palsy, leprosy cured, dwarfism, acid attack victims and muscular dystrophy.	11
CAT "D" - (Multiple disabilities) autism, intellectual disability, specific learning disability and mental illness; (e) multiple disabilities from amongst person under clauses (a) to (d) including deaf-blindness in the posts identified for each disabilities.	01
TOTAL	21

E. Employment of Ex-Servicemen:

The Strength of Ex-servicemen as on 31.03.2022 was as under:

Category	Strength
Executive (E-0 & above)	--
Non Executive :-	
A. Non Unionized Supervisor (S-4)	--



B. Workmen / Workers (NS-0 to S-3)	01
TOTAL	01

The Corporation is following guidelines received from Department of Public Enterprises, Govt. of India, New Delhi in regard to maintaining "Post Based" reservation roster.

F. Compliance of Reservation to Persons with Disabilities Act, 2016

NSC is a commercial organization under Ministry of Agriculture and Farmers Welfare, Govt. of India, governed by the policies of DPE, follows the laid down norms as prescribed by DoPT/Govt. of India from time to time. In pursuance of RPwD Act 2016, NSC has always made maximum possible efforts to ensure reservation to persons with benchmark disabilities in the Corporation. The Management of NSC is determinant on the subject of providing equal opportunities to Employees of PwD categories. Following are the major steps taken by NSC in order to implement each and every section of RPwD Act, 2016:-

(i) Equality/facilities to Employees of the Corporation

- As a major step NSC has listed out all the direct recruitment posts in the Corporation identified suitable for PwDs based on the sub-category and physical requirement of PWD along with the Duties and Responsibilities of each post, in compliance of the directions received from Govt. of India. Such posts identified suitable for PWDs are available on NSC website at <https://www.indiaseeds.com/doc-file/PWD-PD-pdf>.
- For equal opportunity and to bring the rights of PwD in the notice of employees of the Corporation/Stakeholders/General Public, NSC has uploaded RPwD Act, 2017 on its website.
- NSC is providing necessary facilities and amenities within the premises such as walking ramp, separate toilets and rest room facility to enable them to discharge their duties effectively.
- Separate register for reservation of PWDs is maintained.

(ii) Equal Employment Opportunity in the Corporation

- Ensured 4% reservation in direct recruitment from the year 2019.
- Maximum efforts were made to provide nearby/home State as place of posting of PwD candidates as per needs of the Corporation.
- The eligibility criteria to PwD candidates for direct recruitment and promotion have always been kept below UR/EWS/OBC/SC/ST.
- Facilities of Scribe, sitting arrangement & others to PwD (Benchmark disability) were provided in the examination.

(iii) Grievance Redressal

- Director (Finance), a PESB appointee is the Grievance Redressal Officer of NSC under whom a separate complaint register has been maintained and timely actions are being taken under direct supervision of him.
- Group "A" level Officer has been appointed as Liaison Officer for PwD.

During the F.Y. 2021-22, your Corporation has complied the DPE guidelines on Pay Revision and review of profitability of CPSE's for pay revision, Guidelines on Accessible India Campaign (Sugamya Bharat Abhiyan) and Guidelines on implementation of the Apprenticeship Act, 1961. Further steps and initiatives are taken for Health & Safety improvement of Human Resources in your Corporation.

9. STATUS OF TRAINING PROGRAMME:

Your Corporation has followed a planned training and skill development program to polish and enhance the skills of its employees under the various facets during the Financial Year 2021-22. The following training programmes were conducted successfully:



S.No	Name of Programme	Date	No. of Participants	Organizer
1	International Webinar-cum-Workshop on Seed Testing according to ISTA Standard.	06-09 July, 2021	16	DSST, ICAR-IARI, Pusa, New Delhi.
2	Seed Production Technology for Rabi Crops	01-04 March, 2022	40	NSC, CSF, Hisar
3	Seed Production Technology for Rabi crops	02-05 March, 2022	39	NSC, CSF, Raichur
4.	Marketing of Seeds	07 -10 March, 2022	40	NSC, CSF, Hisar
5.	Seed Production Technology for Rabi Crops	23-26 March, 2022	28	NSC, CSF, Suratgarh

10. OFFICIAL LANGUAGE IMPLEMENTATION:

With a view to promote use of Hindi language in Official work, "Hindi Pakhwara" was organized from 01st September, 2021 to 15th September, 2021 in Corporate Office, Regional Offices and Farms. During this period, various competitions were organized wherein top performers were awarded with cash prizes and all the participants were felicitated with honorarium. Hindi Pakhwara closing ceremony was celebrated on 14th September, 2021 at Head Office. During the year three Hindi Workshops were organized wherein various Officers/employees had participated.

Three Meetings of Official Language Implementation Committee were conducted to review the progressive use of Official Language in Official work. The Quarterly report on progressive use of Hindi is regularly sent to the Ministry of Agriculture and Farmers Welfare and Home Ministry.

During the Year 2021-22, inspection for implementation of official language was conducted by the Ministry of Agriculture and Farmers Welfare (MOA&FW) at Corporate Office and by Parliamentary Committee on Official Language at Regional Office, NSC, Pune wherein satisfactory reports are issued with respect to compliance of official language.

The website of NSC is available in bilingual form i.e. in English and Hindi and it is being updated from time to time. Further constant efforts are being made to comply with the provisions and target of the "Annual Programme" for the F.Y. 2021-22 issued by the Department of Official Language, Govt. of India.

11. VIGILANCE ACTIVITIES:

i) Preventive Vigilance -

As a Preventive Vigilance, following actions have been taken:

- Surprise Inspection was conducted at Area Offices & Farms and necessary guidelines were issued.
- APRs were scrutinized and directions were issued in case where discrepancy was noticed.
- Workshops/trainings are being organized on vigilance related issues for the employees at Farms and ROs.

ii) Vigilance Awareness Week -

- In accordance to directives of the Central Vigilance Commission, NSC observed Vigilance Awareness Week- 2021 from 26th October, 2021 to 1st November, 2021.
- Banners were prominently placed at Corporate Office and at all Offices/Farms across India. Posters relating to PIDPI were placed in all offices.
- Integrity pledge was administered to all employees at Corporate Office, Central State Farms and Regional Offices across India.
- Organized Essay Competition on the theme of "Independent India @75: Self Reliance with Integrity".



- e) Lecture on 'Preventive and Punitive actions in PSUs' was delivered by Shri S.C. Dubedi at NSC HQ and was virtually addressed to all the Regional Managers and Farm Heads and Officials.

12. CORPORATE GOVERNANCE:

The Corporation strives to foster a corporate culture in which high standards of ethical behavior, individual accountability and transparent disclosures are ingrained in all its business dealings and shared by its Board of Directors, Management and Employees.

The Corporation has established systems & procedures to ensure that its Board of Directors is well-informed and well equipped to fulfill its overall responsibilities and to provide the management a strategic direction to create long-term shareholders value.

A Report on Corporate Governance is given at Annexure-I. Further, as per Corporate Governance Guidelines issued by the Department of Public Enterprises, the examination of compliances of conditions of Corporate Governance as stipulated in the Guidelines and Annexes was conducted by a Practicing Company Secretary for the Financial Year 2021-22. The Corporate Governance Certificate received from the Practicing Company Secretary along with management's reply to the observations, is given at Annexure-II.

13. ANNUAL RETURN:

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company for the Financial Year 2021-22 can be accessed through the web link on the Company's website <https://www.indiaseeds.com/CSInvRel.html>.

14. BOARD OF DIRECTORS:

The Directors of your Corporation are nominated and appointed by the President of India through Ministry of Agriculture and Farmers Welfare (MOA&FW) in accordance with the provisions of Companies Act, 2013 and Corporate Governance Guidelines, 2010 issued by Department of Public Enterprises (DPE). The following changes have been made during the year under review and thereafter in next six months in the composition of the Board of Directors of your Company:

(a) Functional Directors:

Shri Vinod Kumar Gaur, Chairman & Managing Director and Shri M.L. Arora, Director (Commercial) were ceased from the Board of Directors of National Seeds Corporation Limited upon superannuation w.e.f. 30.09.2021.

Consequent upon superannuation of Shri Vinod Kumar Gaur, MOA&FW vide Order No. 2-5/2020-SD-I dated 21st October, 2021 assigned the additional charge of the position of Chairman and Managing Director to Shri V. Mohan, Director (Finance) NSC for a period upto 31.12.2021 which was further extended vide Order No. 2-5/2020-SD-I dated 8th March, 2022 upto 31.03.2022.

MOA&FW vide Presidential Order No. 2-3/2020-SD-I dated 21st October, 2021 also extended the tenure of Shri V. Mohan as Director (Finance), NSC for a period beyond 08.09.2021 till the date of his superannuation i.e. 31.08.2025.

Vide Presidential Order No. 2-2/2020-SD-I dated 27th April, 2022 Ministry of Agriculture and Farmers Welfare, appointed Dr. Krushna Chandra Sahoo to the position of Director (Commercial), NSC for a period of five years. He was taken on the Board of Directors w.e.f. 17.05.2022.

The MOA&FW vide Order No. A-58011/81/2022-E.I (E-111010) dated 01st June, 2022 assigned the additional charge of the position of Chairman and Managing Director to Shri Ashwani Kumar, Joint Secretary (Seeds), MOA&FW for a period upto 30.09.2022 or until further orders, whichever is earlier. He was taken on the Board of Directors w.e.f. 05.08.2022.

**(b) Government Nominee Directors:**

Due to cessation of the office of Smt. Shubha Thakur u/s 167(1)(b) of the Companies Act, 2013, her office vacated on 29.09.2021. Vide Presidential Order No. 5-7/2018-SD-I dated 20th October, 2021 of MoA&FW, Smt. Shubha Thakur, Joint Secretary (Crops & Oilseeds) was re-appointed as Government Nominee Director on the Board of NSC till her remaining period or till further order whichever is earlier.

Vide Presidential Order No. 5-7/2018-SD-I dated 21st December, 2021, Shri Rakesh Singh Nayal, Government Nominee Director was ceased to be on the Board of Directors of NSC with immediate effect whose place was filled by Smt. S. Rukmani, Director (Seeds), Department of Agriculture and Farmers Welfare on appointment as Government Nominee Director for a period of her tenure or till further orders whichever is earlier.

(c) Independent Directors:

Vide Presidential Order No. 2-4/2020-SD-I dated 4th January, 2022 of Ministry of Agriculture and Farmers Welfare, Government of India, Dr. Sudhir Mohanrao Kokre and Smt. Archana Mishra were appointed as Non-Official/Independent Directors on the Board of NSC for a period of three years or until further orders, whichever is earlier. The appointments were made by the Board of Directors in its 298th meeting held on 28.01.2022.

15. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTOR UNDER SUB-SECTION (6) OF SECTION 149:

Dr. Sudhir Mohanrao Kokare and Smt. Archana Mishra, Independent Directors of the Company have given declarations that they met the criteria of independence as laid down in the Companies Act, 2013. Further, they have also confirmed that he/she has complied with the Code of Business Conduct & Ethics as prescribed by DPE in its Corporate Governance Guidelines, 2010 and both the declarations were placed before the Board of Directors in its Meeting.

16. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of our knowledge and belief and according to the information and explanation obtained, your Directors make the following statement in terms of Section 134 (3) (C) of the Companies Act, 2013:

- (a) That in the preparation of the Annual Accounts for the year ended 31st March, 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- (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 as at March 31, 2022 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 the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- (d) The Annual Accounts have been prepared on a going concern basis; and
- (e) That the Directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. N.A.

The Company is not a listed Company. However, the internal financial controls to be followed which are adequate and are operating effectively as at March 31st, 2022 and these were checked and certified by the Statutory Auditors in their report, as per the provisions of the Companies Act, 2013.

Explanation:- For the purposes of this clause, the term "internal financial controls" means the policies and procedures adopted by the company 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; and
- (f) That 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.

17. NUMBER OF MEETINGS OF THE BOARD:

The details of the number of meetings of the Board held during the Financial Year 2021-22 forms part of the Corporate Governance Report, therefore for the sake of brevity, these are not repeated here.

18. COMMITTEES OF THE BOARD:

The Board of Directors has constituted the following Committees:

1. Audit Committee;
2. Nomination and Remuneration Committee; &
3. 1st Tier Corporate Social Responsibility and Sustainability Committee.

19. KEY MANAGERIAL PERSONNEL:

The following are the Key Managerial Personnel* of the Company:

1. Sh. Ashwani Kumar, Chairman and Managing Director (Additional charge)
2. Sh. V. Mohan, Director(Finance)
3. Dr. Krushna Chandra Sahoo, Director (Commercial)
4. Sh. Kaushik Rakshit, Senior General Manager Finance (CFO); &
5. Ms. Aayushi Kanodia, Assistant Manager (Company Secretary)

* As on 30.09.2022.

20. NOMINATION AND REMUNERATION POLICY

Your Company being a Government Company, the provisions of Section 134(3)(e) of the Companies Act, 2013 do not apply in view of the Gazette notification dated 05.06.2015 issued by Government of India, Ministry of Corporate Affairs. The Directors are appointed by the Hon'ble President of India through MOA&FW, which is the Administrative Ministry who also prescribes the remuneration of Functional Directors including Chairman cum Managing Director, as per the guidelines applicable to 'Schedule - B' CPSEs. However, the Independent Directors are paid only the sitting fees for every Board Meeting and each Committee Meeting in which they are Members.

21. PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD:

Ministry of Corporate Affairs (MCA), through General Circular dated 5th June, 2015, has exempted Government Companies from the provisions of Section 178(2) of the Companies Act, 2013 which requires performance evaluation of every Director by the Nomination & Remuneration Committee. The aforesaid circular of MCA further exempted Govt. Companies from provisions of Section 134(3)(p) of the Companies Act, 2013 which requires mentioning the manner of formal evaluation of its own performance by the Board and that of its Committees and Individual Director in Board's Report. The Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company. Further, as per MCA Notification dated 05.07.2017, in case the matters of performance evaluation are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government companies, provisions of Schedule IV w.r.t. performance evaluation of Directors are exempted for the Government Companies. In this regard, Deptt. of Public Enterprises (DPE) has initiated evaluation of Independent Directors. Your Company enters into a Memorandum of Understanding (MOU) with Government of India each year, demarcating key performance parameters for the company. The performance of the Company is evaluated by the Department of Public Enterprises vis-à-vis MOU entered into with the Government of India.

**22. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

- i. Procedure for filing complaint under Public Interest Disclosure and Protection of Informers (PIDPI) as per Central Vigilance Commission (CVC) guidelines has been uploaded on NSC website.
- ii. The details and format of Lokayukt Act, 2013 has been uploaded on NSC website.
- iii. Records open to CAG;
- iv. Citizen of India may ask any information in accordance with RTI Act, 2005.
- v. Suo motto disclosure of many more information is made on the website of NSC which is uploaded from time to time.

23. RELATED PARTY TRANSACTION:

During the period under review none of the Directors has reported any such details or particulars of contracts or arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013. Further the dealings between NSC and its Associates Companies, all of whom are Government Companies are on arms' length basis hence exempt pursuant to 4th proviso of Section 188 (1) of the Act and Govt. Notification dated 05.06.2015.

24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS: NIL**25. AUDITORS:**

Statutory Audit: The Comptroller and Auditor General of India appointed M/s SANMARKS & Associates, Chartered Accountants, (Firm Registration No-FRN:003343N), as the Statutory Auditors and other Chartered Accountants Firms were reappointed/appointed as Branch Auditors for the financial year 2021-22 for the Units.

During the year, the Statutory Auditors have confirmed that they satisfy the independence criteria required under Companies Act, 2013 and Code of Ethics issued by Institute of Chartered Accountants of India.

Secretarial Audit: Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s VAP & Associates, Company Secretaries, a firm of Company Secretaries in Practice to carry out the Secretarial Audit of the Company for the Financial Year 2021-22.

Internal Audit: Pursuant to provisions of Section 138 of the Companies Act, 2013, the Board on recommendation of the Audit Committee had appointed M/s Vinay Jain & Associates, Chartered Accountants, having Registration No. FRN 004085N as Internal Auditors of the HO and separate internal auditors were appointed for the Units of the Corporation to undertake internal audit during the financial year ended March 31, 2022.

26. AUDIT QUALIFICATIONS:

The Report given by M/s SANMARKS & Associates, Chartered Accountants, on the financial statements of the Company for the financial year 2021-22 is a part of the Annual Report. The Management's reply to the Statutory Auditors' observations on the Accounts of the Corporation for the year ended 31st March, 2022 is forming part of Annual Report.

The Report of the Secretarial Audit given by M/s VAP & Associates is annexed herewith as **Annexure-III**. The Management's reply to the Secretarial Auditors' observations on the compliances during the financial year 2021-22 is forming part of Annual Report.

27. REPORTING OF FRAUDS:

During the year under review, the Statutory Auditors and Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

**28. EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:**

- (i) By the Auditor in his Report forms part of Annual Report.
- (ii) By the Company Secretary in Practice in the Secretarial Audit Report forms part of the Annual report.
- (iii) By the Company Secretary in Practice in the Corporate Governance Certificate forms part of the Annual report.
- (iv) By the CAG on the Financial Statements 2021-22-forming part of Annual Report.

29. RISK MANAGEMENT:

Your Company believes that managing risks help in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a Risk Management Policy has been framed for mitigating, control, reporting and avoiding consequences of such risks.

The Risk Management framework is reviewed periodically by the Committee of the Head of Divisions, Minutes are placed before the Audit Committee and Board of Directors for review. During the year under review, total 2 meetings of Risk Management Committee were held on 07.08.2021 and 15.12.2021.

30. CORPORATE SOCIAL RESPONSIBILITY:

In line with the provisions of the Companies Act, 2013 as amended from time to time and the rules framed there under with respect to the Corporate Social Responsibility (CSR), the Company has formulated a Policy on CSR and has also constituted a CSR Committee to recommend and monitor expenditure on CSR. The amended CSR Policy of the Corporation is uploaded on the website of Corporation at <https://www.indiaseeds.com/docfile/Docs2021/CS2021/CSR21Pol.pdf>.

In terms of the requisite requirements, the Company has interalia undertaken projects in the areas of preventive health care, education, health, hygiene etc., as covered under the provisions of the Companies Act, 2013 and Schedule VII.

The details of CSR Expenditure as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure IV** and forms an integral part of this Report. The Company continues to actively support deserving social causes for improvement and upliftment of various sections of the society as has been its practice for the past several years.

31. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has in place a policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented an Anti Sexual Harassment Policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All female employees (regular, contractual, temporary, trainees) are covered under the policy. An Internal Complaint Committee (ICC) is existing in compliance with the said Act.

During the year 2021-22, two cases were reported to ICC across your Company. After inquiry of complaints, it was found that one complaint did not fall under the purview of the Act. Both the complainant did not turn up for statements before the Committee and no case is pending.

32. BOOKS OF ACCOUNTS (IN ELECTRONIC MODE):

The Books of Accounts of Company is being managed with web based programme and is kept in electronic mode at a dedicated server reside at CDAC, Noida Data Centre (ISO 27001:2013 Standards). The data is locked at Head Office after confirming from the concerned RO/Farm. The details of the servers are as under:-

S.No	Particulars	Response
A	Name of Service Provider	C-DAC, Noida (ISO 27001:2013 standards)
B	IP Protocol address of the Service provider	http://220.156.188.25:7783
C	Location of service provider	C-56/1, Anusandhan Bhawan, Institutional Area, Sector-62, Noida-201 307, U.P (India)
D	Where the Books of Accounts and other books and papers are maintained on cloud, address of the Server	The application is hosted on a dedicated Server. Domain of the application is www.nscl.in (http://220.156.188.25:7783) Other Financial information are kept at web site www.indiaseeds.com (Reside at CDAC, Noida)

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

- (i) **Conservation of Energy:** The Corporation is taking every step to conserve the fuel and electrical energy at the Farms, ROs, AOs and H.O. Time to time circulars are being issued to switch off the lights, fans and ACs, and other electric equipment which are not being used in their absence, whenever the Officer/staff is not available on their seat. All electronics and electrical equipment are switched to latest energy efficient appliances. Farm Officers are sharing the vehicle for visiting the fields to minimize the fuel consumption. The tractors and other machineries are fitted with self-starter to reduce the idle running. Old and outdated machineries are being replaced periodically to reduce the consumption of fuel and to increase the operational efficiency. Effective monitoring and surprise checks are being done for ensuring the compliance of instructions.
- (ii) **Technology absorption:** To increase seed production, the Corporation is adopting latest techniques and technology. The Lining of Canal & Micro Irrigation Systems is being used for increasing more area under irrigation with the available water. Newly developed machines are being used for sowing and harvesting of crops at Farms. Seed Coating Machines have been installed to coat the seed with pesticides & micronutrient.

(iii) Foreign exchange earning – NIL

Foreign exchange outgo	2020-21	2021-22
Foreign Travel	---	---
Membership Fees	Rs. 3.97 Lakhs	Rs. 3.90 Lakhs

TOTAL EXPENDITURE IN FOREIGN EXCHANGE IS RS. 3.90 Lakhs

34. RTI ACT, 2005:

During the Financial Year 2021-22, Corporation received 256 RTI applications and 27 First Appeals under the RTI Act, 2005 which were duly disposed of. Quarterly and Annual Returns were also submitted with Central Information Commission (CIC) and the Ministry of Agriculture and Farmers Welfare. During the FY 2021-22, 02 RTI Second Appeals were listed before C.I.C. which were disposed.

35. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT;

NIL

36. MEANS OF COMMUNICATIONS:

Notice for Annual General Meeting and financial performance of the Corporation have been uploaded on Corporation's website www.indiaseeds.com. Stakeholders can address their Communications to CMD/D(F)/C.S. of the Corporation at the Registered Office at Beej Bhawan, Pusa Complex, New Delhi 110012.

e-mail: cs@indiaseeds.com /Phone No. 011-25843673.



**ACKNOWLEDGEMENT:**

I take this opportunity on behalf of the Board to place my sincere thanks and regards to Hon'ble Minister for Agriculture and Farmers Welfare, the Hon'ble Ministers of State for Agriculture, the Secretary, Agriculture and Farmers Welfare, the Joint Secretary and other Officers in the Ministry of Agriculture and Farmers Welfare. I also acknowledge the contribution of ICAR and all the Scientists of National Agriculture Research System for making parental line available. I am also grateful to the Comptroller and Auditor General of India, the Statutory and Branch Auditors, Secretarial Auditors of the Corporation for their support and guidance.

I would also like to place on record my sincere thanks and high regards for the support and Co-operation received from my esteemed colleagues on the Board and to all the Officers and staff of the Corporation at all levels who have provided every possible guidance, support and assistance to the Management and without whose hard work your Company's achievements would not have been possible. On behalf of the Shareholders and Management, I also convey my sincere thanks to the Union Cabinet, Bankers, Customers, dealers, agents, suppliers and other Stakeholders, for their continued support and faith reposed in the Company and its Management.

I am confident that with such dedicated and devoted workforce coupled with valuable support of our all the esteemed stakeholders and with the exploration of the enlarged treasure of resources, Corporation will touch further heights and milestones in the forthcoming years.

By Order of the Board of Directors


(Dr. Maninder Kaur Dwivedi)
Chairperson-and Managing Director
(Additional charge)

Place: New Delhi

Dated: 08.12., 2022



REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY:

Your Corporation has been complying with the Corporate Governance Guidelines, 2010 of the DPE and has undertaken major initiatives in several critical areas which impacts the lives of the common man and Corporate Sector in a positive way.

Corporation believes in integrity as a necessary condition for enduring success. Transparency, fairness, accountability and responsibility which are the pillars of the Corporation's business ethics and activities. The initiative further reinforces the commitment of the Corporation to adopt best corporate governance practices.

The Vision of the Corporation is to contribute in the prosperity of the Nation through Farmers by supplying quality seeds and other agro inputs / services and to enhance agricultural productivity.

As being Sole Apex Level Public Sector Agriculture Company, the Mission of the Corporation is to lead the Indian Seed Industry by producing and marketing quality seeds of a wide range of crop varieties and hybrids, and adding value through other agro related inputs and services to the satisfaction of farmers.

2. BOARD OF DIRECTORS:

a) Size of Board

National Seeds Corporation Limited is a Government Company within the meaning of section 2(45) of the Companies Act, 2013 as the President of India holds 100% of the total paid-up share capital. As per Articles of Association, the power to appoint Directors vests with the President of India.

The strength of NSC Board shall not be less than three Directors and not more than fifteen Directors. These Directors shall include Whole-Time Functional Directors, Independent Directors, Women Director and Government Directors as per the applicable provisions of the Companies Act, 2013 and Corporate Governance Guidelines of Dept. of Public Enterprises.

b) Composition

As per Corporate Governance Guidelines of DPE, the Board of Directors should have an optimum combination of executive and non-executive Directors. As on 31st March, 2022 the Board comprised Five Directors out of which one is Functional Directors i.e. Director (Finance), Two Independent Directors and Two Directors are nominated by Government of India.

c) Board Meetings

The Meetings are convened by giving appropriate advance Notice after obtaining approval of the Chairman of the Board. During the year under review one meeting was called at Shorter Notice. In case of exigencies or urgency, resolutions are also got passed from the Board through circulation.

Detailed Agendas, Management Reports and other Explanatory Statements are circulated in advance along with the defined agenda format amongst the Members for enabling them to have a meaningful, informed and focused decisions at the meetings. Where it is not practicable to circulate any document or the agenda as being of confidential or emergent nature, the same is tabled at the meeting with the permission of Board.

d) Number of meetings of the Board:

S. No.	Number of Board Meeting concerned	Date of Board Meeting concerned
1.	295 th	18.06.2021
2.	296 th	29.09.2021
3.	297 th	27.10.2021
4.	298 th	28.01.2022



The meetings of the Board of Directors are normally held at the Corporation's Registered Office at New Delhi. However due to the threat posed by COVID -19 the facility to attend the Board Meetings through Video conference was also provided to the Directors, who desired as such. 04 Board Meetings were held during the financial year 2021-22. Details of Board meetings attended by each of the Directors along with further details of their directorships in other companies are given below:-

S. No	Directors	Board meetings		No. of other Director-ships
		Held during the period	Attended	
1.	Shri V.K. Gaur Chairman-cum-Managing Director#	2	2	8
2.	Smt. Shubha Thakur, Government Director	4	2	1
3.	Smt. Gurpreet Gadhok, Government Director *	1	0	NIL
4.	Shri Shyamvir Saini, Independent Director**	1	1	NIL
5.	Shri Rakesh Singh Nayal, Government Director***	2	2	NIL
6.	Smt. S. Rukmani, Government Director****	1	1	NIL
7.	Shri V. Mohan, Director (Finance)	4	4	4
8.	Shri M.L. Arora, Director (Commercial)#	2	1	1
9.	Dr. Sudhir Mohanrao Kokre, Independent Director****	1	1	NIL
10.	Smt. Archana Mishra, Independent Director****	1	1	NIL

Superannuated on 30.09.2021.

*Ceased to function on the Board w.e.f. 02.08.2021.

** Ceased to function on the Board w.e.f. 06.08.2021.

***Appointed as Director to function on the Board w.e.f. 29.09.2021 and ceased to function on the Board w.e.f. 21.12.2021.

****Appointed as Director to function on the Board w.e.f. 28.01.2022.

e) Remuneration paid to the Functional Directors during the F.Y. 2021-22:

i) Functional Directors

(Rs. in Lakhs)

S.No.	Name & Designation	Gross Emoluments
1.	Shri V.K. Gaur, Chairman-cum-Managing Director	41.58
2.	Shri V. Mohan, Director (Finance)	50.87
3.	Shri M.L. Arora, Director (Commercial)	22.35

ii) Part-time Official Director/ Government Director

No remuneration is paid to the Part-time Official/Government Directors by the Corporation.

iii) Part time Non-official Director

No remuneration other than sitting fee and T.A./D.A. is paid to Part-time Non-official/ Independent Directors.

3. AUDIT COMMITTEE OF THE BOARD OF DIRECTORS:

During the Financial Year 2021-22, the composition of the Audit Committee changed due to completion of term of Independent Director and change in appointments of Government Nominee Directors on the Board of NSC.



The term of Shyamvir Saini, Chairman Audit Committee and Independent Director NSC was completed on 06.08.2021. Further Shri M.L. Arora, Member Audit Committee was superannuated from 30.09.2021. Thus the Audit Committee remains inoperative due to vacancies of Directors on the Board of the Company.

However, upon appointment of Independent Directors on the Board, the Audit Committee was reconstituted by the Board of Directors in its 298th meeting held on 28.01.2022 comprising Dr. S.M. Kokare, Independent Director as Chairman, Smt. Archana Mishra, Independent Director as Member and Smt. S. Rukmani, Government Nominee Director as Member of the Committee. During the year under review, the Audit Committee held its meetings on 18.06.2021 and 30.03.2022.

4. CONSTITUTION AND FUNCTIONING OF NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS:

During the year under review, the Nomination and Remuneration Committee of the Board of Directors of NSC was re-constituted due to completion of term and vacancies on the Board of Directors of the Company.

Upon appointment of Independent Directors on the Board, the Nomination and Remuneration Committee was reconstituted by the Board of Directors in its 298th meeting held on 28.01.2022 comprising Smt. Archana Mishra, Independent Director as Chairperson, Dr. S.M. Kokare, Independent Director as Member and Smt. S. Rukmani, Government Nominee Director as Member of the Committee. During the year under review, no meeting of the Nomination and Remuneration Committee meeting was conducted.

5. RISK MANAGEMENT:

In pursuance of Clause 7.3 of DPE Guidelines on Corporate Governance for CPSEs, there is in existence of a Risk Management Policy of the Corporation which also fulfills the requirement of Section 177(4) (vii) of the Companies Act, 2013. Risk Management Committee holds its Meetings from time to time whose minutes are placed before Audit Committee and Board. As such, NSC is committed for risk management as an element of its strategy to safeguard the Corporation's assets from any injury, loss or damage that could materially affect its ability to discharge its responsibility towards farmers, employees and other members of the public. Risk management process includes risk identification, risk assessment, risk valuation, categorization and risk treatment plan for mitigation of the risks. All the assets of the Corporation are insured through insurance policies and there is a proper internal control system to check the frauds. There is a clear laid-down practice for appointing the independent Chartered Accountants / Cost Accountants firms for all the Regional Offices, five major Farms as well as Head Office for undertaking quarterly internal audit and verification of the assets at the end of the year. Once a fraud is detected, disciplinary action is taken by following the set of approved procedures after conducting investigation and enquiry. During the year 2021-22, 02 Meetings of Risk Management Committee of HODs, NSC have been held on 07.08.2021 and 15.12.2021.

6. ACCOUNTABILITY OF DIRECTORS:

Memorandum of Understanding (MoU) is entered into annually by the Corporation with Government of India (GOI) in the beginning of each year setting the targets in financial and non-financial parameters with weightages decided in consultation with GOI. The performance of the Corporation is measured at the end of the year vis-a-vis these targets. The performance with regard to MoU is reported and reviewed regularly by the Board of Directors of the Corporation on quarterly basis. Slippages, if any, are identified and necessary remedial actions are taken.

At the end of each quarter of the financial year, the MoU achievements Report is furnished to Ministry of Agriculture and Farmers Welfare and performance of the Corporation is evaluated by Ministry of Agriculture and Farmers Welfare and annually by Department of Public Enterprises Inter Ministerial Committee (IMC) on the basis of actual achievements as per signed MoU and grading is awarded accordingly.

**7. GENERAL BODY MEETINGS:****a) Annual General Meetings**

Date, time and location where the last three Annual General meetings were held is as under:-

Date	28.09.2019/31.10.2019/ 20.12.2019 (Adjourned AGM)	30.09.2020/ 23.12.2020/ 30.12.2020 (Adjourned AGM)	30.11.2021/31.12.2021/ 07.01.2022/04.02.2022 (Adjourned AGM)
Time	10.30 AM, 10:30 AM and 10.30 AM respectively.	2.00 PM, 2.00 PM and 11.00 AM respectively.	11.00 AM, 11.00 AM, 11.00 AM and 11.00 AM respectively.
Venue	Registered Office at Beej Bhawan, Pusa Complex, New Delhi	Registered Office at Beej Bhawan, Pusa Complex, New Delhi (Held through Video Conference)	Registered Office at Beej Bhawan, Pusa Complex, New Delhi (Held through Video Conference)
Special Resolution	NIL	NIL	NIL
Attendance	1. Sh. V.K. Gaur 2. Sh. S.S. Vagulaparnam (for 28.09.2019 and 31.10.2019) & Smt. Gurpreet Gadhok (for 20.12.2019), Representative of President of India. 3. Sh. S.S. Vagulaparnam, US(Seeds) 4. Sh. V. Mohan 5. Sh. M.L. Arora 6. Smt. Partibha Suman 7. Dr. B.B. Mohanty 8. Sh. Shyamvir Saini	1. Sh. V.K. Gaur 2. Sh. S.S. Vagulaparnam, Representative of President of India. 3. Ms. Chhavi Jha, JS(RKVY) 4. Sh. S.S. Vagulaparnam, US (Seeds) 5. Sh. Rajbir Singh Panwar, JS (MIDH). 6. Shri Rajesh Jaiswal, Dy. Secretary (Finance). 7. Sh. V. Mohan 8. Shri M.L. Arora 9. Sh. Shyamvir Saini 10. Shri Vijay Kumar Choudhary and Shri Rajiv Kumar Lakhotiya from M/s Arora & Chaudhary, Statutory Auditors.	1. Sh. V. Mohan 2. Sh. S.S. Vagulaparnam, Representative of President of India. 3. Ms. Chhavi Jha, JS(RKVY) 4. Sh. S.S. Vagulaparnam, US (Seeds) 5. Sh. Rajbir Singh Panwar, JS (MIDH). 6. Shri Rajesh Jaiswal, Dy. Secretary (Finance). 7. Smt. Shubha Thakur, JS(Crops) 8. Smt. Parul Jain, Representative from M/s. VAP & Associates, Secretarial Auditors

8. DISCLOSURES:**a) Related Party Transactions**

The report on Related Party transaction submitted by the Members of the Board and all the Divisional and Units Heads are reviewed by the Audit Committee on quarterly basis wherein NIL particulars were submitted by all the concerned.

As there were no other materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel and Body Corporate(s) which had a potential conflict with the interest of the Company at large, the disclosure of these Related Party Transactions as required under Section 134 (3) (h) of the Act in Form AOC 2 is not applicable for the year under review.

The dealings between NSC and its Associates Companies, all of which are Government Companies, were on arms' length basis and were in the ordinary course of business hence exempt from disclosure pursuant to Proviso IV of Section 188 (1) of the Act r/w Govt. Notification dated 05.06.2016.

The details of the transactions with related parties are provided in the accompanying Financial Statements.

**b) Accounting Treatment:**

The Financial Statements are prepared with applicable mandatory Indian Accounting Standards and relevant presentational requirements as per the Companies Act, 2013 and applicable Rules thereunder.

9. MEANS OF COMMUNICATIONS

Notice for Annual General Meeting and financial performance of the Corporation are uploaded on Corporation's website www.indiaseeds.com. Stakeholders can address their Communications to CMD/D(F)/C.S. of the Corporation at the Registered Office at Beej Bhawan, Pusa Complex, New Delhi 110012, e-mail: cs@indiaseeds.com /Phone No.011- 25843673.

10. AUDIT QUALIFICATIONS:

The Report given by M/s SANMARKS & Associates, Chartered Accountants, on the financial statements of the Company for the financial year 2021-2022 is a part of the Annual Report. The Management's reply to the Statutory Auditors' observations on the Accounts of the Corporation for the year ended 31st March, 2022 is forming part of Annual Report.

The Report of the Secretarial Audit given by M/s VAP & Associates is annexed herewith as **Annexure-III**. The Management's reply to the Secretarial Audit Report on the compliances by Corporation during Financial year 2021-22, is forming part of Annual Report.

11. SHAREHOLDING PATTERN OF THE CORPORATION:

100% shares of the Corporation are held by the Hon'ble President of India alongwith his other seven Nominees who are holding 1 Equity Share of Rs. 1000/- each in the capacity of Nominee of President of India.

12. WHISTLE BLOWER POLICY:

- Procedure for filing complaint under Public Interest Disclosure and Protection of Informers (PIDPI) as per Central Vigilance Commission (CVC) guidelines has been uploaded on NSC website.
- The details and format of Lokayukt Act 2013 has been uploaded on NSC website.
- Records open to CAG.
- RTI Act, 2005 is applicable

13. CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT:

As per the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, as well as CSR Policy of the Corporation, the Corporation complies with the provisions concerning Corporate Social Responsibility.

A 1st Tier Corporate Social Responsibility and Sustainability Committee of the Directors has been constituted to consider the proposals duly vetted & recommended by 2nd Tier Corporate Social Responsibility and Sustainability Committee of HODs to further recommend these proposals for approval of the Board of Directors.

In terms of Section 135 of the Companies Act, 2013, a CSR Budget is approved by the Board every year for expending on CSR activities. CSR activities are planned in a manner that the impact of implementation programmes becomes visible on the selected segments of society.

The details of different works done under CSR during the year are placed in the Annual Report at **Annexure-IV** forming part of the present Annual Report.


(Dr. Maninder Kaur Dwivedi)
Chairperson and Managing Director
(Additional charge)

Place: New Delhi

Dated: 08.12.2022, 2022

CERTIFICATE OF CORPORATE GOVERNANCE

CD-6
19/11/22
To the Members of
National Seeds Corporation Limited,
Beej Bhawan, Pusa Complex, New Delhi-110012

We have examined the compliance of the conditions of Corporate Governance by **National Seeds Corporation Limited**, ["the Corporation"] for the year ended on 31st March 2022, as envisaged in the Office Memorandum No.18(8)/2005-GM dated 14th May, 2010 issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Corporation for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Corporation.

In our opinion and to the best of our information and according to the explanations given to us, and according to the records and documents maintained by the Corporation, we certify that the Corporation has complied with the conditions of Corporate Governance, as stipulated in the guidelines on corporate governance issued by the Department of Public Enterprises for Central Public Sector Enterprises (CPSEs) except

- (i) There was a gap of more than 3 months between the board meetings held during financial year under review; which is not in compliance with Para 3.3.1 of the DPE guidelines on Corporate governance.
- (ii) There were no optimum combination of functional, nominee and independent directors in the Board of the Company during the year under review; which is not in compliance with Para 3.1.1 and 3.1.4 of the DPE guidelines on Corporate governance.
- (iii) The members of the audit committee did not have the knowledge of financial matters including Chairman of the committee, during the year under review, which is not in compliance with Para 4.1.3 of the DPE guidelines on corporate governance.
- (iv) The Composition of Audit committee was inadequate; which is not in compliance with Para 4.1.3 of the DPE guidelines on corporate governance.
- (v) Only two meetings of Audit Committee were held during the financial year, which is not in compliance with Para 4.4 of the DPE guidelines on corporate governance.

We further state that such compliance is neither an assurance as to the future viability of the Corporation nor the efficiency or effectiveness with which the management has conducted the affairs of the Corporation.

Place: New Delhi
Date: 30.09.2022



For, Ravi S Sharma & Associates,
Company Secretaries,

Ravi S Sharma
(Proprietor)

Management's Reply on the observations raised under Corporate Governance Certificate are as under:

Sr.no.	Observations	Management's Reply
1.	<i>There was a gap of more than 3 months between the Board Meetings held during financial year under review; which is not compliance with para 3.3.1 of the DPE guidelines on Corporate Governance.</i>	The Para 3.3.1 of DPE Guidelines provides that there shall be minimum four meetings in every year with atleast three months gap. During the F.Y. 2021-22, Board Meetings of NSC were held with a gap of more than three months with delay of maximum 13 days. The delay in conducting Board Meeting was due to priority official pre-occupation of Directors along with other administrative decisions. However, the provisions of the Companies Act, 2013 has been complied with for conducting Board Meetings within a period of 120 days.
2.	There were no optimum combination of functional, nominee and Independent Directors in the Board of the Company during the year under review, which is not in compliance with para 3.1.1 and 3.1.4 of the DPE guidelines on Corporate Governance.	The approved posts of Functional Directors on the Board of NSC are 3. As per DPE Guidelines and the Board of NSC shall have 1/3 of the total strength as Independent Director and 2 Government Nominee Directors. During the year 2021-22, the term of sole Independent Director was completed on 06.08.2021. The two Directors i.e. CMD and Director (Commercial) were superannuated on 30.09.2022. The nomination of Government Directors were also changed by the Government of India. As per the Articles of Association of the Company, the power to appoint Directors vests with the President of India.
3.	<i>The members of the audit committee didn't have the knowledge of financial matters including Chairman of the Committee, during the year under review, which is not in compliance with para 4.1.3 of the DPE guidelines on Corporate Governance.</i>	Being a Central Public Sector Enterprise, the power to appoint Directors on the Board of NSC vests with the President of India. Accordingly all the Directors including Independent Directors are appointed by the Administrative Ministry i.e. Ministry of Agriculture and Farmers Welfare by presidential Order for appointment of Directors on the Board of NSC. As the Chairman and majority of Members of the Audit

		Committee shall be Independent Director, the Independent Directors appointed on the Board of Company are appointed in Audit Committee.
4.	<i>The Composition of Audit Committee was inadequate, which is not in compliance with para 4.1.3 of the DPE guidelines on Corporate Governance.</i>	As per Para 4.1.1 of DPE Guidelines the Audit Committee shall have minimum three Directors out of which majority shall be Independent Director. During the F.Y. 2021-22 the Audit Committee of NSC comprises of three Directors including one Independent and one Government Nominee Director. However due to completion of term of Shri Shyamvir Saini, Independent Director on 06.08.2021 there was no Independent Director on the Board of Company and thus the Audit committee remain inoperative upto the appointment of new Independent Directors. Ministry of Agriculture & Farmers Welfare, Government of India appointed 02 Independent Directors on the Board of NSC. Accordingly the Audit committee was reconstituted by the Board of Directors in 298th Meeting held on 28.01.2022. Thus due to in-operation of the Audit Committee, only two meetings of the Audit Committee have been held during the F.Y. 2021-22.
5.	<i>Only two meetings of Audit Committee was held during the financial year, which is not in compliance with Para 4.4 of the DPE Guidelines on Corporate Governance.</i>	





VAP & ASSOCIATES
Company Secretaries

Annexure-1b

Add: 392, First Floor, Shakti Shand-3,
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M: +91- 9910 091 070
+91- 9711 670 065
E-mail: vapassociatespec@gmail.com

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2022
(Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
National Seeds Corporation Limited,
Beej Bhawan, Pusa Complex,
New Delhi-110012.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **National Seeds Corporation Limited (CIN U74899DL1963GOI003913)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

- A. Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 ('Audit Period') 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:
- B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(No such event during Audit Period)**
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the company);**
 - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')- **(Not Applicable to the Company during the Audit period);**
 - (vi) We further report that, having regards to the compliance system prevailing in the Company, on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has generally complied with the specifically applicable laws to the Company as identified by the Management,

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By PARUL JAIN
Date: 2022.11.18
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VAP & ASSOCIATES
Company Secretaries

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including Income Tax Act, 1961, Department of Public Enterprises (DPE) Guidelines on Corporate Governance, the Seeds Act (1966), Seed Rules, 1968 and Seed (Control) Order, 1983 or any amendment thereof etc., to the extent of their applicability to the Company.

C. We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with Stock Exchange(s). **(not applicable to the Company during the audit period).**

D. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (i) *The composition of the Board was not in compliance with the provisions of, Articles of Association of the Company during the Audit period, Section 149(1) of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 3.1.4 of DPE Guidelines, from 01.04.2021 till 27.01.2022, thereafter two Independent Directors were appointed on the Board of the Company.*
- (ii) *Due to pending appointment of Independent Directors on the Board of the Company and improper composition its Committees from 01.04.2021 till 27.01.2022, the respective requirements of Sections 177, 178 and 135 of the Act and clause 4.1.1 and 4.1.2 of DPE Guidelines were not complied, and has also led to deviation with other allied requirements, such as quorum for Committee Meetings, etc.*
- (iii) *During the Audit Period, the Company has Six (6) Associate Companies, but the Company has not prepared and Consolidated Financial Statements as per Section 129(3) of the Act. Only Standalone Financial Statements were prepared by the Company and were approved by the Shareholders.*
- (iv) *Audited Financial Statements for the Financial year 2020-21, approved by the Board could not be laid at the 58th Annual General Meeting (AGM) of the Company held on 30.11.2021, as the C&AG comments were not received till then. Audited Financial Statements along with the comments of the C&AG were laid in the adjourned 58th AGM of the Company held on 04.02.2022 and were approved by the shareholders.*
- (v) *As per Clause 3.3.1 of DPE Guidelines, the time gap between any two Board Meetings should not be more than three months. However, on perusal of records of the Company, we observed that the time gap between Board Meetings dated, a) 18.06.2021 and 29.09.2021, b) 27.10.2021 and 28.01.2022, was exceeding 3 (three) months.*



VAP & ASSOCIATES
Company Secretaries

-39-

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+91- 9711 670 005
E-mail: vapassociatesps@gmail.com

- (vi) As per Clause 4.4 of DPE Guidelines, the Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. However, on perusal of records of the Company, we observed that the Audit Committee has met only two times during the year on 18.06.2021 and 30.03.2022 and the time gap between the Meetings was exceeding 4 (Four) months.

E. We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors *except as mentioned in para D above regarding Independent Directors*. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, however, sometimes notice and agenda papers were sent with shorter notice with the consent of the Board 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.

All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

- F. We further report that** based on the information and explanations given to us and the representations made by the Management and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

For VAP & Associates
Company Secretaries
FRN: S2014UP280200
Peer Review No: 1083/2021

PARUL JAIN
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PARUL JAIN
Date: 2022.11.18
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Parul Jain
Proprietor
M. No. F8323
CP No. 13901
UDIN: F008323D001869369

Date: 18.11.2022
Place: Ghaziabad



VAP & ASSOCIATES

Company Secretaries

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Indrapuram, Ghaziabad-201010, U.P.

Tel: +91-0120-6272409

M: +91- 9910 091 070

+91- 9711 670 005

E-mail: vapassociatespes@gmail.com

Annexure – 'A'

To
The Members,
National Seeds Corporation Limited,
Beej Bhawan, Pusa Complex,
New Delhi-110012.

Our report of even date is to be read along with this letter.

1. Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
4. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. The compliance by the Company of applicable financial laws such as direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals and the contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
7. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
8. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VAP & Associates
Company Secretaries
FRN: S2014UP280200

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JAIN

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PARUL JAIN
Date: 2022.11.18
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Parul Jain
Proprietor
M. No. F8323
CP No. 13901

Date: 18.11.2022
Place: Ghaziabad

- 41 -

ADDENDUM TO THE BOARDS' REPORT -

Management's Reply on the Secretarial Audit Report for F.Y. 2021-22 is as under:

Sr.no.	Observations	Management's Reply
(i)	The composition of the Board was not in compliance with the provisions of Articles of Association of the Company during the Audit Period, Section 149(1) of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 3.1.4 of DPE Guidelines, from 01.04.2021 till 27.01.2022, thereafter two Independent Directors were appointed on the Board of the Company.	During the financial year 2021-22, the term of sole Independent Director was completed on 06.08.2021. The two Functional Directors i.e. CMD and Director (Commercial) were superannuated on 30.09.2021. The nomination of Government Directors was also changed by the Government of India. Thus, the composition of the Board was not in compliance with the provisions of the Companies Act, 2013 and DPE Guidelines during the F.Y. 2021-22. However as per the provisions of the Articles of Association of the Company, the power to appoint Directors vests with the Hon'ble President of India. Requests were made to the Administrative Ministry in time for appointment of Independent Directors on the Board of NSC. Two Independent Directors were appointed on the Board of NSC on 28.01.2022.
(ii)	Due to pending appointment of Independent Directors on the Board of the Company and improper composition its Committees from 01.04.2021 till 27.01.2022, the respective requirements of Sections 177, 178 and 135 of the Act and clause 4.1.1 and 4.1.2 of DPE Guidelines were not complied, and has also led to deviation with other allied requirements, such as quorum for Committee Meetings, etc.	The mandatory representation of the Independent Directors on the Board as well as Committees of the Board in accordance with the provisions of the Companies Act, 2013 are noted with. However the power to appoint Directors on the Board is vested with the President of India. Due to change in composition of the Board of Directors, the representation of Independent Directors in the Audit Committee, Nomination and Remuneration Committee and CSR & Sustainability Committee could not be complied with from 01.04.2021 to 27.01.2022. However upon appointment of two Independent Directors on 28.01.2022, all the Committees are reconstituted by the Board.
(iii)	During the Audit Period, the Company has Six (6) Associate Companies, but the Company has not prepared and Consolidated Financial Statements as per Section 129(3) of the Act. Only Standalone Financial Statements were prepared by the Company and were approved by the Shareholders.	The Company has invested in total ten State Seeds Corporations out of the funds provided by the Government of India under National Seeds Project (NSP) Scheme as directed. In turn of the funds received from the Government of India, the Company issued Equity Shares in the name of President of India as directed. Its Govt. of India's scheme fund. As on date, aggregate Shareholding of the Company is more than 20% in six State Seeds Corporation and thus by virtue of the provisions of the Companies Act, 2013 they are termed as Associate Company of NSC and is mandated to consolidate its Financial Statements with the Audited Financial Statements in IndAS of these Associate companies u/s 129(2)&(3) of the Companies Act, 2013. During the F.Y 2021-22, letters were written to the Associate

-42-

		Companies seeking their audited and approved Financial Statements prepared in IndAS and continuously followed, so that after audit consolidated Financial Statement can be submitted before the Shareholders in the Annual General Meeting of NSC. However these Associate companies are unable to provide the duly audited and approved Financial Statements prepared in IndAS, within time and thus NSC is filing its standalone Financial Statements with Registrar of Companies (ROC) with the Statement of facts informing the status of this non-compliance since F.Y. 2015-16 with the approval of the Board. Since few of the Associate Companies Accounts are in arrears, it is not at all possible to consolidate the accounts. Moreover, all these Companies are state owned entities and NSC has no control over these Associates. Now to resolve the matter, Ministry of Agriculture & Farmers Welfare has approved transfer of 50% shares held by NSC in these 6 Associate companies in the name of Department of Agriculture & Farmers Welfare vide letter no. 6-12/2015-SD-I dated 24.08.2021 and the same is under process.
(iv)	Audited Financial Statements for the Financial year 2020-21, approved by the Board could not be laid at the 58th Annual General Meeting (AGM) of the Company held on 30.11.2021, as the C&AG comments were not received till then. Audited Financial Statements along with the comments of the C&AG were laid in the adjourned 58th AGM of the Company held on 04.02.2022 and were approved by the shareholders.	Being a CPSE, the Financial Statements of the Corporation are to be submitted before the Shareholders with the comments of C&AG. However for F.Y. 2020-21, the Comments from C&AG on the Financial Statements of NSC were received on 20.01.2022. Accordingly, the Audited Financial Statements for the Financial Year 2020-21 alongwith the Report of C&AG was placed before the Shareholders in the 2nd Adjourned Annual General Meeting held on 04.02.2022.
(v)	As per Clause 3.3.1 of DPE Guidelines, the time gap between any two Board Meetings should not be more than three months. However, on perusal of records of the Company, we observed that the time gap between Board Meetings dated, a) 18.06.2021 and 29.09.2021, b) 27.10.2022 and 28.01.2022, was exceeding 3 (three) months.	The Para 3.3.1 of DPE Guidelines provides that there shall be minimum four meetings in every year with atleast three months gap. During the F.Y. 2021-22, Board Meetings of NSC were held with a gap of more than three months with delay of maximum 13 days. The delay in conducting Board Meeting was due to priority official pre-occupation of Directors along with other administrative decisions. However, the provisions of the Companies Act, 2013 has been complied with for conducting Board Meetings within a period of 120 days.
(vi)	As per Clause 4.4 of DPE Guidelines, the Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. However, on perusal of records of the Company, we observed that the Audit Committee has met only two times during the year on 18.06.2021 and 30.03.2022 and	As per Para 4.1.1 of DPE Guidelines the Audit Committee shall have minimum three Directors out of which majority shall be Independent Director. During the F.Y. 2021-22 the Audit Committee of NSC comprises of three Directors including one Independent and one Government Nominee Director. However due to

the time gap between the Meetings was exceeding 4 (Four) months.	completion of term of Shri Shyamvir Saini, Independent Director on 06.08.2021 there was no Independent Director on the Board of Company and thus the Audit committee remain inoperative upto the appointment of new Independent Directors. Ministry of Agriculture & Farmers Welfare, Government of India appointed 02 Independent Directors on the Board of NSC. Accordingly the Audit committee was reconstituted by the Board of Directors in 298th Meeting held on 28.01.2022. Thus due to in-operation of the Audit Committee, only two meetings of the Audit Committee have been held during the F.Y. 2021-22.
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**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED
IN THE BOARD'S REPORT
(Pursuant to Rule 8 of the Companies (C.S.R. Policy) Rules, 2014)**

1. Brief outline on CSR Policy of the Company: Under Corporate Social Responsibility, National Seeds Corporation Limited is committed to include those Sections of the Society in the growth process, which had hitherto remained excluded from the mainstream of development. For this purpose, Corporate Social Responsibility (CSR) activities of NSC are conceived with an idea for integrating social, environmental and human development, empowerment and upliftment of the marginalized and under- privileged Sections of the Society in line with the National endeavor.

The Corporate Social Responsibility Policy of NSC is prepared in pursuant to mandatory provisions of Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and Scheduled VII of the Act as amended from time to time, within the framework of CSR guidelines for CPSEs issued by DPE, GOI.

The CSR provisions of the Act, Schedule VII of the Act, or the CSR rules are absolute and mandatory in nature. The Guidelines on CSR formulated by DPE for CPSEs do not supersede or override any provision of the Act, or Schedule VII of the Act or CSR Rules, but will supplement them. It is clarified that in case of any conflict between the Act and the Guidelines, the former shall prevail under all circumstances.

2. Composition of 1st Tier Corporate Social Responsibility & Sustainability Committee during FY 2021-22:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year/term	Number of meetings of CSR Committee attended during the year
1.	Shri V.K. Gaur*	Chairman-cum-Managing Director/Chairman	02	02
2.	Shri V. Mohan	Director (Finance)/Member	02	02
3.	Shri Shyamvir Saini #	Independent Director/Member	01	01

* Superannuated on 30.09.2021

Term completed on 06.08.2021.

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company-<https://www.indiaseeds.com/>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). **Not applicable.**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
		NIL	
	TOTAL		

- Average net profit of the Company as per section 135(5) for the F.Y. 2021-22: Rs. 3776.24 Lakhs

[Signature]



7. (a) Two percent of average net profit of the company as per section 135(5) for the F.Y. 2021-22: Rs.75.52 Lakhs.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- NIL

(c) Amount required to be set off for the financial year, if any- NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 75.52 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
7041555.00	-	-	Swachh Bharat Kosh	5,56,000.00	30.09.2022

(b) Details of CSR amount spent against ongoing projects for the financial year:

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current Financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State.	District.					Name
										CSR Registration number.
1	NIL									
	Total									

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1.	2.	3.	4.	5.	6.	7.	8.
Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent in the current Financial Year (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State	District.		Name
							CSR Registration number.
1.	Installation of Haldi Processing Plants in 2 Panchayat of Distt. Pauri Garwal.	(i)	Yes	Uttarakhand	Pauri Garwal	526235	Yes, Installation carried out under the monitoring of RO, Lucknow
							N.A.

Wroden



2.	Providing 4 Computer Systems in 3 Govt. School	(ii)	Yes	Gujarat	Saberkantha	159887	Yes, Installation carried out under the monitoring of RO, Gandhinagar	N.A.	-
3.	Providing Water purifier cum cooler, Table/Chair/ Blackboard and Library books/sport goods in Govt. School	(ii)	Yes	Telangana	Wanaparthi	338390	Yes, Installation carried out under the monitoring of RO, Secunderabad	N.A.	-
4.	Providing 4 computer sets in three Govt. Schools and 2 Water Coolers & Purifiers in two Govt. School.	(i)	Yes	Haryana	Jind, Amritsar, Ludhiana, & Jhajjar	287848	Yes, Installation carried out under the monitoring of RO, Chandigarh	N.A.	-
5.	Supply and commissioning of 2 Water Coolers with attached purifiers in two Govt. Schools.	(i)	Yes	Karnataka	Raichur	190283	Yes, Installation carried out under the monitoring of RO, Bengaluru	N.A.	-
6.	Installation of RO Water Plant at Govt. Primary School.	(i)	Yes	Rajasthan	Sri Ganganagar	172465	Yes, Installation carried out under the monitoring of CSF, Suratgarh	N.A.	-
7.	Distribution of benches and garbage/waste bins in two Govt. Schools.	(ii)	Yes	Karnataka	Raichur	255204	Yes, Provided under the monitoring of CSF, Raichur	N.A.	-
8.	Contribution to Armed Forces Flag Day Fund for welfare of Veterans war widows & dependents of Ex. Serviceman of the Indian Defence Forces.	(vi)	Yes	New Delhi	New Delhi	1000000	Yes, Amount remitted directly.	N.A.	-
9.	Distribution of Benches in three Govt. Schools.	(ii)	Yes	Bihar	Patna	310000	Yes, Distributed under the monitoring of RO, Patna	N.A.	-
10.	Construction of Conference Room (Sabha Grah) in a Govt. School.	(ii)	Yes	Rajasthan	Sri Ganganagar	787987	Yes, Construction under the monitoring of CSF, Jetsar	N.A.	-
11.	Installation of Water Cooler with Purifier in Six Govt. Schools.	(i)	Yes	Rajasthan	Jaipur & Sawaimadh opur	299158	Yes, Installation carried out under the monitoring of RO, Jaipur	N.A.	-
12.	Construction of Sun Shed at Govt. Health Centre	(i)	Yes	Rajasthan	Sri Ganganagar	300000	Yes, construction carried out under the monitoring of CSF, Sardargarh	N.A.	-
13.	Providing 20 Computer sets in 19 Govt. Schools.	(ii)	Yes	Maharashtra	Nandurwar	818240	Yes, Installation carried out under the monitoring of RO, Pune	N.A.	-
14.	Distribution of BP Instruments, Wheel Chair, Stretcher etc. at 3 Health Centres	(i)	Yes	M.P. & Chhattisgarh	Niwari & Malwa in M.P. and Raipur in Chhattisgarh	258503	Yes, distributed under the monitoring of RO, Bhopal	N.A.	-
15.	Contribution to PM CARES FUND	(viii)	Yes	New Delhi	New Delhi	1145000	Yes, Amount remitted directly.	N.A.	-
16.	Distribution of Furniture, Sport materials, Computer accessories in Govt. School	(ii)	Yes	Tamilnadu	Trichy	192355	Yes, provided under the monitoring of RO, Chennai.	N.A.	-

(d) Amount spent in Administrative Overheads: The amount is included in above table.

(e) Amount spent on Impact Assessment, if applicable : Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):Rs. 70.42 Lakhs

[Signature]



(g) Excess amount for set off, if any: NIL

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	75,52,000.00
(ii)	Total amount spent for the Financial Year	70,41,555.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	--
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	--

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2018-19	9879000	14852245	---	---	---	7322000
2.	2019-20	7322000	16487201	---	---	---	1237000
3.	2020-21	1237000	8464713	Clean Ganga Fund	500000	28.09.2021	--
				PM CARES Fund	710600	28.09.2021	
				Swachh Bharat Kosh	400287	25.11.2021	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1.	2.	3.	4.	5.	6.	7.	8.	9.
Sl. No	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.	NIL	Distribution of 6 UPS and 2 Printers alongwith table and Chair in Government School	2020-21	1	431400	431400	431400	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): The assets acquired through CSR spent during the Financial year are handed over to the beneficiary organization of the CSR activity.



- 48
- (b) Amount of CSR spent for creation or acquisition of capital asset- Rs. 38.77 Lakhs as detailed in Note no. 55 of the Financial Statements 2021-22.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Particulars as detailed in Table given at 8 (c) above.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): During the F.Y. 2021-22, Company had undertaken CSR activities comprising Installation of Haldi Processing Plants in Panchayats, Construction of Sun Sheds at Govt. Health Centre, Construction of Conference Room, distributed benches, installed RO water plant and water cooler purifiers, provided computer systems, furniture in schools which resulted in creation of Capital Assets. The assets are acquired either through GeM portal or after inviting Tender by following due procedure. The Assets are handed over to the Beneficiary Organizations.
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): During the year under review, the Board of Directors had given approval to carry out the CSR activities as prescribed in the Act and Schedule VII. However the amount of Rs. 5.10 Lakhs left unspent during the F.Y. 2021-22. In addition to this Rs. 0.46 Lakhs of previous years has also reported as unspent. In accordance with the provisions of the Companies Act, 2013 the unspent CSR Fund is transferred to the funds mentioned under Schedule VII of the Act.

(V. Mohan)
Director (Finance)

Chairman 1st Tier CSR & Sustainability Committee

(Maninder Kaur Dwivedi)
Chairman-cum-Managing Director
(Additional charge)

Place: New Delhi

Dated: 08.12.2022, 2022



INDEPENDENT AUDITOR'S REPORT

To

The Members of National Seeds Corporation Limited

Report on the Audit of Standalone Financial Statements

Adverse Opinion

We have audited the accompanying standalone financial statements of **National Seeds Corporation Limited** ("The Corporation"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of change in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. Incorporated in these Ind AS Financial Statements are the accounts of the Head Office audited by us and other Regional Offices at Chandigarh, Jaipur, Chennai, Bengaluru, Hyderabad, Pune, Kolkata, Bhopal, Lucknow, Gandhinagar and Patna and five Farms at Suratgarh, Sardargarh, Jetsar, Hisar and Raichur audited by the other firms of Chartered Accountants ("Regional Office Auditors") appointed by the Comptroller and Auditor General of India under section 139 of the Companies Act, 2013 whose reports have been relied upon by us in forming our opinion as mentioned in this report.

In our opinion and to the best of our information and according to the explanations given to us, because of the collective significance of the matters discussed in the *Basis for Adverse Opinion* section of our report, the accompanying standalone financial statements do not give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at March 31, 2022, of its profit, position of changes in equity and the cash flows for the year then ended.

Basis for Adverse Opinion

1. We invite attention to Note 54.1 relating to balances under Trade Receivables Loans and Advances, Other Current Assets, Trade Payables and Other Current Liabilities which in the opinion of the management are subject to confirmation/reconciliation. The management has not provided confirmation of trade receivables, loans and advances, other current assets, trade payables and other current liabilities. Auditors of Regional Offices at Gandhinagar, Lucknow, Patna, Bhopal, Chandigarh have reported in their



respective Audit Reports that trade receivables loans and advance, other current assets, trade payable and other current liabilities are subject to confirmation from the respective parties. Despite our requests we were neither provided the confirmations nor addresses of the parties related to Head Office. Hence, we could not directly communicate for confirmation with the respective parties. We have been informed that the Head Office of the Corporation had sent confirmation letters to the parties but the same had remained unresponded till date. The impact of this non-confirmation and non-reconciliation of all these balances on financial statements is unascertained.

2. We draw attention to Note 22- Other Equity which includes Unspent CSR Reserve at Rs 262.42 lac (Rs 5.56 lakh pertains to current financial year and Rs 256.86 lakh pertains to earlier years ended 31-03-2014) . Unspent amount pertaining to earlier years has been transferred by the Corporation to separate bank account . However, the fact of earmarked bank account has not been disclosed in the financial statement resulting in overstatement of Cash & Cash Equivalent, Note 16 and understatement of Bank Balances other than Cash and Cash Equivalent , Note 17. Further we were not provided any appropriate audit evidence that this old unspent sum relates to an ongoing project undertaken by the Corporation. Consequently, we are unable to comment whether this unspent sum should have been transferred to a Fund specified under Schedule VII to the Companies Act, 2013. Appropriation of unspent amount for current financial year Rs 5.56 lakh to Reserves instead of Provisions has resulted in overstatement of Reserves and understatement of Provisions to this extent.
3. We invite attention to Note-67 of the Financial Statements which relates to various farm land given to the Corporation on right to use basis for cultivation by State/Central Government. However, no documents for the period of use of such right to use are reported to be available with the Corporation. Since , the corporation has not provided any documentary evidences to evaluate the period for which the right of using lands given to the corporation, therefore, consequential impact on the financial statement is not ascertained.
4. We invite attention to Note-59 of the Financial Statements which relates to the assessment of impairment of assets. However we were not provided any documentary evidence suggesting that the Corporation had made any specific assessment for impairment of assets as required under the Ind AS 36 dealing with impairment of assets to ensure that the assets are carried out at not more than their recoverable amount. The consequential impact on the financial statements is unascertained.
5. a) The Corporation has not disclosed the complete accounting policy adopted for government grants including the methods of presentation adopted in the financial statements as required by Ind-AS 20 relating to accounting for Government Grants. The Corporation neither disclosed any accounting policy for accounting of Production Subsidy nor disclosed the items included in "Other Operating Income" - Note No 34 of Ind AS Financial statements.



- b) We draw attention to Note 26-Other Non-current Liabilities which includes revolving fund for seed production and establishment and maintenance seed bank scheme Rs. 843.18 lakhs and very old Seed Bank Scheme funds amounting to Rs. 233.75 lakhs for which the Corporation has reported to have not complied with the mandatory conditions of keeping in separate bank account and depositing back after utilisation thereof. These being very old cases pending for adjustment for the reported reason of non-availability of utilisation certificate with the Corporation. Impact thereof on financial statements not ascertained.
- c) We draw attention to Note 23- "Grants", which include various grants under 'unspent capital grant' having aggregate credit balance amounting to Rs. 5993.37 lakhs received by the Corporation and remained unutilised. Our observations with respect of each of these grants are as stated under point III of Annexure – B of our report. Consequential impact of the same is not ascertainable.
- d) The Financial Statements of the Corporation contain credit balances related to various grants received out of which a sum of Rs. 32.45 lakh is not reconciled for the reported reason that there is no document available with the corporation to verify the same. Consequential impact of the same is not ascertainable.
6. The revenue as per Statement of profit & loss is Rs. 88579.84 lakh (Note No. 34) whereas as per GST Returns it amounts to Rs. 82624.69 lakh. Difference of the same has not been substantiated with the documentary evidences and as such consequential impact thereof on the financial statements can't be commented upon.
7. The Corporation has not charged interest on delayed sales realisations received from the dealers as per standard agreement of Dealership executed with them. Amount unascertained.
8. The Corporation amortises the Land Development Expenditure, in respect of farms not owned by it, over a period of 20 years. However, in absence of any supporting evidence as to the period up to which the benefit of this expenditure is likely to be derived, we are unable to comment on the adequacy of said policy and its consequent impact on the financial statements.
9. No provision for interest on overdue of MSME Trade Payables has been made by the Corporation as per MSMED Act 2006. Accordingly, we could not find appropriate evidences to comment upon the consequential impact on profit of the Corporation due to such non provisioning of interest. We are not in agreement with the management's contention in this regard as stated in Note 77 of the Financial Statements for the main reason that any agreement with the supplier cannot override provisions of MSMED Act 2006.



10. As reported by Patna RO's auditor, Building block includes processing plant of Baliapur Farm worth Rs 6.26 lakh which was handed over to the Lessor on 29-10-2021 has been shown in Property Plant & Equipment instead of adjusting from the same which has resulted into overstatement of Property Plant & Equipment and understatement of profits with the said sum.
11. The Corporation has prepared its financial statements under Ind AS. However we have noticed that it has not complied with some of the provisions of Ind AS notified under Companies (Indian Accounting Standards Rules 2015) as amended. Instances of non compliances noticed on test check basis are given in Annexure- D to this report.
12. As reported by Bhopal RO's auditor, the liability for Freight payable amounting to Rs 183.32 lakh includes liabilities pertaining to March 2016 to March 2021 have not been reconciled and bill wise details for the same were not made available to the auditors. The consequential total impact of the financial statements is unascertainable.
13. We draw attention to Note 8 of Audit Report of Bhopal Region wherein it has been observed that advance received from customers of Rs. 930.74 lakhs, grower production subsidy received of Rs. 546.68 lakhs and fund received from various government departments against sale of goods of Rs. 695.88 lakhs have been shown as trade payable as against "advance from customers" resulting into misreporting of figures of trade payable and advance from customers.
14. The Corporation had paid HRA to its ex-CMD who was stated to be in possession of Government accommodation during September 2013 till his retirement on 30-09-2021 which is reported to be not admissible. The entire sum of Rs 36.24 lakh is pending for recovery from him. Non recovery from the said employee has resulted in understatement of Recoverable from staff as well as corresponding understatement of Other Financial Liabilities.
15. As reported by Bhopal RO's auditor, the Corporation had made payment of Rs 36.92 lakh to MP State Seed Certification Agency towards testing fee without deduction of tax at source u/s 194-J resulting in disallowance u/s 40(a)(ia) with consequential impact on provision for tax which has not been ascertained.

Emphasis of Matter:

We draw attention to the following matters in the notes to the Financial Statements:

- a) The corporation has modified its accounting policy Note 2.2(xxi)(f) read with Note 79 in respect of recognition of expected credit loss on Trade Receivables, Other Receivables, claims receivables recoverables from staff etc by using provision matrix method. Accordingly provisioning for Govt dues has been made @ 7.5% for



outstanding dues for 3 to 5 years and 20% for those outstanding for 5 to 8 years as against nil provision upto last year for such dues. With respect to non government parties provisioning has been made @ 5% for outstanding dues for 1 to 3 years as against NIL provision up to last year. Provision made for expected credit loss based on "Provision Matrix Table" as devised by the management has resulted in decrease in profit for the year by Rs 1176.61 lakh and corresponding decrease in Trade Receivables by Rs 1093.04 lakh, Recoverable from State Government by Rs 78.71 lakh and Other Receivables by Rs 4.86 lakh.

- b) The developments surrounding the Covid-19 pandemic have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations. The situation changes on a daily basis giving rise to inherent uncertainty. The Corporation is confronted with this uncertainty as well, which has been disclosed in Note No. 84 to the IND AS financial statements, together with its evaluation thereof. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.
- c) In terms of the standard agreement entered into with the farmers to whom seeds are sold with a buy back agreement for the anticipated yields, the Corporation neither has a system for computation of the amounts in the breach of each agreement in this regard nor has it taken, on records, action for recovery/waiver. The management, notwithstanding that there was no laid down system, has contended/represented that the regional managers have analyzed the causes of non-receipt of the seed and there is no recovery to be recorded and that there is no waiver/recoverable effect in the Financial Statements. We have placed reliance on such representation and accordingly do not qualify our report on this matter.

Our opinion is not modified in respect of these matters.

Other Matter

We did not audit the financial statements/ information of 16 branches (11 Regional Offices and 5 Central/State Farms) included in the financial statements of the corporation whose financial statements reflect total assets of Rs.104,064.81 lakh as at 31st March 2022 and the total income of Rs.89,903.61 lakh for the year ended on that date, as considered in the financial statements of these branches and have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Further, the corporation has not consolidated the financial statements of its 6 associates. The detail of the same is provided in Note No. 65 (a) to the standalone financial statements. Accordingly, we have issued our report on standalone financial statements only.



Our opinion is not modified in respect of these matters in respect of standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Corporation's management and Board of Directors are responsible for the other information. The other information comprises the Directors' Report including annexures thereto Board's Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibilities for the Ind AS Standalone Financial Statements

The Corporation's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Corporation in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the



Management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Corporation has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS standalone financial statements for the financial year ended 31st March, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, based on our audit and on the consideration of Reports of the other Auditors on Standalone separate Financial Statements and the other financial information of the branches, as noted in the "Other Matter" paragraph and on the basis of such checks of the books and records of the head office of the Corporation as we considered appropriate and according to information and explanations given to us, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Corporation as we considered appropriate and according to the information and explanations given to us, in the "Annexure B" on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As per Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, and Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the Corporation.
4. Further to our comments in Annexure A, 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 of the aforesaid Ind AS Standalone Financial Statements.
 - b) In our opinion, proper books of account as required by law have been kept by the Corporation so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Branches (RO and CFS) not visited by us.
 - c) The reports on the accounts of the branch offices of the Corporation audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and with the returns received from the Branches not visited by us.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended *except for the matters described in the basis for Adverse Opinion section of our report.*
 - f) Being a Government Company pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Corporation.



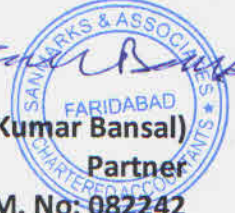
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Corporation and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the information and explanations given to us:
- i. The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No 58 to the financial statements.
 - ii. We are explained that the Corporation did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. We are explained that there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Corporation.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 81 (vi) to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Corporation to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Corporation ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 81 (vii) to the Financial Statements, no funds have been received by the Corporation from any persons or entity including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Corporation shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



V)

As stated in Note 2.(xx) to the standalone financial statements , the dividend to equity shareholders paid/payable is recognised in the year in which the related dividends are approved by shareholders or Board of Directors as appropriate. The amount of dividend proposed is in accordance with section 123

For SANMARKS & Associates
Chartered Accountants
Firm Registration No. 003343N



(Suresh Kumar Bansal)
Partner
M. No: 082242
UDIN:22082242ARDPGS4261

Place: Faridabad
Date: 06-09-2022

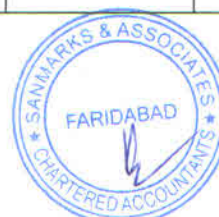
Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 of our report of even date on the standalone Ind AS financial statements for the financial year ended March 31, 2022 of **National Seeds Corporation Limited**)

In terms of the information and explanations given to us and also on the basis of such checks as we considered appropriate, we state that:

- (i) (a) (A) The Corporation has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, except RO Chandigarh and RO Raichur. However, in the Head office as well as in few regions like Chandigarh, the same is maintained in excel files which can be amended or changed without authorization. Further, the details of the location of the assets are not mentioned therein.
- (B). The Corporation has maintained proper records showing full particulars of intangible assets.
- (b) We are explained that items of property, plant and equipment have been physically verified by the management during the year except HO Delhi. There is regular program of physical verification, which in our opinion is reasonable having regard to the size of the Corporation and the nature of property, plant and equipment. No material discrepancies were reported to have been noticed on such physical verification as compared to book records.
- (c) According to the information and explanations given to us and based on the reports of Regional Auditors, we report that, the title deeds of all the immovable properties (other than properties where the Corporation is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Corporation except the following properties :-

Description of the property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- Indicate range, where appropriate	Reason for not held in the name of company*
Nandyal (Andhra Pradesh)	2,75,30,210.09	It's under lease from Department of Agriculture, Andhra Pradesh.	No	From 15-10-1994	Under pursuance with State Government



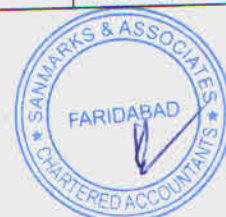
Gooty (Andhra Pradesh)	4,99,69,020.07	Title deed in the name of Erstwhile SFCI.	No	From 2009-2010	Under pursuance with State Government
Hempur, District Udham Singh Nagar	Nil	Not Know (Lessor – Uttarakhand State Government).	No	Since long-no details available	Pending lease renewal by the lessor
7475.29 Acre of land at CSF Raichur	Nil	Not Know	No	Since long-no details available	No records available

- (d) According to the information and explanations given to us and based on the reports of Regional Auditors, we report that the Corporation has not revalued any of its Property, Plant and Equipment or Intangible Assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of records of the Company, no proceedings have been initiated during the year or are pending against the Corporation as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) We have been explained that the inventories of the Corporation have been physically verified during the year except HO Delhi. In our opinion and as reported by the regional auditors, the coverage and procedures of such verification by and on behalf of the management is generally appropriate. As explained to us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification. The Raichur CSF auditors have reported that due to non-tagging with serial numbers of standing trees, exact physical counting is not possible.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Corporation, it had been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. We have been explained that the monthly statements of inventories and debtors have been filed by the Corporation with such banks. We have been represented that such statements had been furnished on provisional basis and these might not be in agreement with the books of account of the Corporation for all the 11 months of the financial year (April 2021 to February 2022) for the reported reason of non availability of exact data for these months on account of non closing of books on monthly basis. We are further informed that for the month ended 31st March 2022 the Corporation had filed revised stock and Trade Receivable statement with State Bank of India which is in agreement with the books of accounts.



- (iii) According to the information and explanations given to us and on the basis of our examination of records of the Corporation, during the year under report, it has neither made investments in, nor provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships, or any other parties. Hence reporting under clause 3(iii) of the Order is not applicable.
- (iv) We have been informed that the Corporation had complied with the provisions of Sections 186 of the Act in respect of investments made by it in earlier years. Further, it had not granted loans to any party during the year under report.
- (v) As per information and explanations given to us and the records of the Corporation examined by us, the Corporation has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and relevant rules framed thereunder. Accordingly reporting requirements under clause 3(v) of the Order are not applicable to the Company.
- (vi) We have been informed by the management of Corporation that having regard to the nature of its business / activities, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act. Accordingly reporting under clause (vi) of paragraph 3 of the Order is not applicable.
- (vii) (a) According to the books and records produced and examined by us, the Corporation is *generally* regular in depositing undisputed Statutory dues including Goods and Services Tax (GST), Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amount payable in respect of aforesaid statutory dues were outstanding as at March 31, 2022 for a period of more than six months from the date they become payable, except in case of RO Bhopal on account of non/ late deduction of tax at source within prescribed time limit as per the relevant act and in case of RO Raichur there are opening balances as on 01.04.2020 in various GST accounts (viz SGST Rs. 1,56,789, CGST Rs. 1,55,768, IGST Rs. 16,253, SGST TDS Rs. 4,700, CGST TDS Rs. 8,738 and IGST TDS Rs. 14) aggregating to the tune of Rs. 3,42,262/- & remain unpaid/ unsettled till the year end.
- (b) According to the information and explanations given to us, the statutory dues referred to in clause vii (a) above, which have not been deposited on account of any dispute are reported by the Corporation as under :

Sr. No	Nature of Statue	Nature of dues	Amount (Rs. In lakh)	Period for which Amount Relate	Forum where the dispute is pending
1	Central Sales Tax Act, 1956	Additional sales tax	0.18	1987-88	Assessing Officer Trade Tax-Lucknow



2	Central Sales Tax Act, 1956	-do-	0.39	1988-89	Assessing Officer Trade Tax-Lucknow
3	Central Sales Tax Act, 1956	-do-	0.36	1989-90	Assessing Officer Trade Tax-Lucknow
4	UP Trade Tax Act, 1948	-do-	0.79	1989-90	Assessing Officer Trade Tax-Lucknow
5	UP Trade Tax Act, 1948	-do-	0.36	1993-94	Assessing Officer Trade Tax-Lucknow
6	UP Trade Tax Act, 1948	-do-	1.28	1998-99	Assessing Officer Trade Tax-Lucknow
7	UP Trade Tax Act, 1948	-do-	1.30	1999-00	Assessing Officer Trade Tax-Lucknow
8	UP Trade Tax Act, 1948	-do-	4.03	2000-01	Trade Tax Tribunal-Lucknow
9	Uttaranchal	-do-	3.48	2000-01	Assessing Officer Trade Tax-Lucknow
10	Central Sales Tax Act, 1956	-do-	0.55	2000-01	Assessing Officer Trade Tax-Lucknow
11	UP Trade Tax Act, 1948	-do-	1.40	2001-02	Assessing Officer Trade Tax-Lucknow
12	UP Trade Tax Act, 1948	-do-	1.40	2002-03	Assessing Officer Trade Tax-Lucknow
13	UP Trade Tax Act, 1948	-do-	1.01	2003-04	Assessing Officer Trade Tax-Lucknow
14	UP Trade Tax Act, 1948	-do-	0.76	2004-05	Assessing Officer Trade Tax-Lucknow
15	UP Trade Tax Act, 1948	-do-	1.76	2005-06	Assessing Officer Trade Tax-Lucknow
16	UP Trade Tax Act, 1948	-do-	1.86	2006-07	Assessing Officer Trade



					Tax-Lucknow
17	UP Trade Tax Act, 1948	-do-	1.62	1.4.07 to 31.12.07	Assessing Officer Trade Tax-Lucknow
18	Sales Tax Bihar	BST Assessment	1.35	2004-05	Appellate tribunal (Joint Commissioner of Commission Taxes, Appeals) Patna (Bihar)
19	Sales Tax Bihar	CST Assessment	0.003	2004-05	Appellate tribunal (Joint Commissioner of Commission Taxes, Appeals) Patna (Bihar)
20	Sales Tax Bihar	Sales Tax Demand	7.60	-	Note 59 – RO Patna
21	Assam General Sales Tax & CST	Sales Tax	6.42	2003-04 to 2005-06	Sales Tax Tribunal Assam
22	Income Tax Department	Income Tax	9.49	2012-13	Pending in office of Commissioner of Income Tax
23	Income Tax Department	Income Tax	582.39	2013-14	Pending in office of Commissioner of Income Tax
24	Income Tax Department	Income Tax	438.73	2014-15	Pending in office of Commissioner of Income Tax
25	Income Tax Department	Income Tax	185.49	2015-16	Pending in office of Commissioner of Income Tax
26	Income Tax Department	Income Tax	101.38	2010-11	Pending in office of Commissioner of Income Tax
27	Income Tax	Income Tax	0.50	2017-18	Pending in



	Department				office of A. Commissioner of Income Tax
28	Income Tax Department	Income Tax	1.16	2017-18	Pending in office of A. Commissioner of Income Tax
29	Income Tax Department	Income Tax	43.15	2019-20	Pending in Office of A. Commissioner of Income Tax

- (ix) (a) According to information and explanation given to us and on the basis of our examination of the records of the corporation, it has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to information and explanation given to us, the Corporation has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The Corporation has not taken any term loan during the year under report from any bank . Hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to information and explanation given to us and on the basis of examination of records, *we are unable to report* whether funds raised on short term basis have been utilized for long term purposes as the Corporation had not maintained identifiable separate records for utilisation of funds for long term purposes.
- (e) According to information and explanation given to us , the Corporation has not taken any funds from any entity or person on account of or to meet the obligation of its associate companies. Hence reporting on clause 3(ix)(e) of the Order is not applicable.
- (f) The Corporation has not raised any loans during the year on the pledge of securities held in its associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable
- (x) (a) The Corporation has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year, hence reporting under clause 3(x)(a) of the Order is not applicable.



(b) During the year under report, the Corporation has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible), hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Corporation and according to the information and explanations given to us, no material fraud by the Corporation or on the Corporation has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have been informed by the management that the Corporation has not received any whistle blower complaints during the year.

(xii) In our opinion and according to the information and explanations given to us, the Corporation is not a Nidhi company. Accordingly reporting under paragraph 3(xii) of the Order is not applicable to it.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explained given to us, in our opinion the Corporation has an internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports of the Head office of the Corporation for the period under audit issued by the Internal auditors during the year.

(xv) In our opinion during the year the Corporation has not entered into any non-cash transactions with its Directors or persons connected with them, hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



- (xvi) (a) In our opinion, the Corporation is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) In our opinion, the Corporation has not conducted any Non-Banking Financial or Housing Finance activities Accordingly reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion, the Corporation is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) In our opinion, there is no Core Investment Company as a part of the group. Accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Corporation has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) We have been informed by the management of the Corporation that the auditors appointed for Chennai region had resigned before commencement of audit. Apart from it, there has been no resignation of the statutory auditors of the Corporation during the year. Accordingly reporting under paragraph 3(xviii) of the Order is not applicable to the Company
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Corporation is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Corporation. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Corporation as and when they fall due.
- (xx) (a) There are unspent amounts towards Corporate Social Responsibility (CSR) of Rs 5.56 lakh as at 31st March 2022 relating to other than ongoing projects which is required to be deposited in a Fund specified in Schedule VII to the Act within a



period of six months of the expiry of financial year in compliance with second proviso to sub-section (5) of Section 135 of the said Act which is yet to be transferred. Further, there are old unspent amounts aggregating to Rs 256.86 lakh which have not been transferred to the fund specified in Schedule VII to the Act.

(b) We have been informed that there are no ongoing projects requiring transfer of unspent amounts towards Corporate Social Responsibility (CSR) to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

- (xxi) In our opinion and according to the information and explanations given to us, the Corporation had not received any auditors' report from any Associate Company requiring consolidation with the Corporation's financial statements. Hence we are unable to comment about any unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports, if any, under the Companies (Auditor's Report) Order, 2020 (CARO).

For SANMARKS & Associates
Chartered Accountants
Firm Registration No. 003343N



(Suresh Kumar Bansal)
Partner

M. No: 082242
UDIN:22082242ARDPGS4261

Place: Faridabad
Date: 06-09-2022

Annexure 'B' to the Independent Auditors' Report

Directions under section 143(5) of Companies Act 2013

I. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

Auditors' observations:

- i) The Corporation has accounting software "Beej Prabandhan". However, the inventories of seeds maintained manually also and the inventories as per the accounting software Beej Prabandhan and the manual records do not match. The Inventories in the Financial Statements is taken as per the manual records maintained at the Unit Level.
 - ii) The Fixed Assets details including the working of the depreciation etc. are maintained in "Excel files" at the head office as well as in few regions. These records are thus open to alteration/change without proper authorization and audit trail.
- II. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

Auditors' Observations:

There are no cases of restructuring of loan or cases of waiver/write off of debts/loans/interest etc. during the current financial year.

III. Whether funds received/receivable for specific schemes from central/ state Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

Auditors' Observations:

In case of the following Funds given by the Government of India to the Corporation, the corporation has not utilized the amounts received within the stipulated time period. Further as per the terms and conditions of the Government, the funds have not been kept in a separate bank account:



Sr. No	Name of the scheme for which the funds were made available to the Corporation	Amount of balance as on 31.3.2021 (Rs.)	Remarks
1.	Capital Grant Seed Production under DRGT	300.00 Lakh	It includes the amount of Rs. 150 lakh stated to be received in the year 1995 and the balance amount transferred from SFCI on merger. There is no utilization. Further as per the terms of the sanction letter a separate bank account was to be maintained and utilized for production and sale proceeds of the product to be credited in the account.
2	Grant in Aid/Subsidy	171.97 Lakh	This is stated to be a very old grant lying unutilised and reported under Note 31-Other Current Liabilities of Financial Statements. There is no document available for this grant.
3.	Grant for Establishment and Maintenance of Seed Bank Scheme	543.18 Lakh	It has been explained that there was no utilization of this Grant since a very long time. Further, no separate bank account maintained as per the stipulated terms and conditions.
4	Grant for Crash Programme (Oil Seeds and Pulses) Rev. Fund	233.75 lakh	It has been explained that these grants were received long back (i.e from year 1995 onwards) and there was no



			evidence of its utilization. Further, no separate bank account maintained as per the stipulated terms and conditions.
5	Grant for creating Infrastructure Facilities under SMSP	351.22 lakh.	As informed this grant is pending for utilization . Further, no separate bank account maintained as per the stipulated terms and conditions.
6	Grant for Computerization	15.34 lakh	Opening balance since 01.04.2019 with equivalent balance lying as Capital Work in Progress for installation of ERP System. It has not been utilized till date. We have been informed that Termination letter was issued to the Party in FY 2022-23. Further, no separate bank account maintained as per the stipulated terms and conditions.
7.	Grant for conducting training	2.94 Lakh	Grant received in FY 2021-22 pending for utilization. Hence, it should have been returned back as per the conditions of sanction letter. Further, no separate bank account maintained as per the stipulated terms and conditions.
8.	Deferred Govt Grant (CSF-Bahraich)	85.61 lakh	As informed, the amount remains unutilized for last many years and also no documents were made available for examination.



			Further, no separate bank account maintained as per the stipulated terms and conditions.
9.	Grant for Seed Village Programme	265.56 lakh	Pending for utilization since long. Should have been refunded as per terms of sanction. Further, no separate bank account maintained as per the stipulated terms and conditions.
10.	Grant for Sub Mission on Agriculture Mechanization.	243.61 Lakh	This grant is pending for utilization . Further, no separate bank account maintained as per the stipulated terms and conditions.
11	Grant for Supply of Fodder Seeds and Training	4,994.01 lakh.	It includes old unutilized grant of Rs 185.23 lakh. Further Grant received during FY 2021-22 of RS 4808.78 was to be utilized during 2021-22 as per terms of sanction. However nothing has been utilized in FY 2021-22. Though there is no specific stipulation for keeping this grant in a separate bank account, however it should have been kept in a separate bank account to keep a track of its timely and purposely utilization.
12	Grant for Kisan Mela	3.03 Lakh.	Old grant not utilized and reported to have been refunded in FY 2022-23.



13.	Grant for ICMR-IIMR Millet Seed Scheme	23.13 lakh	Received in earlier year. Sanction letter is not provided to us.
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Sub Direction

Whether Inventory Valuation at various Central State Farms of NSC has been done as per Significant Accounting Policy of the Corporation and in pursuance of related Ind AS? If not, reason and monetary impact may be reported.

Auditors' Observations:

The National Seeds Corporation has five Central State Farms. The Farm Auditors of Suratgarh, Sardargarh and Jetsar have reported that Inventory valuation at these three Farms of NSC has been done as per accounting policy framed based on Ind AS as mentioned under the significant accounting policy and that whatever estimates have been made are in accordance with IND AS 8 and duly declared in the Notes to Accounts.

However, the auditors of Hisar and Raichur farms have not reported on inventory valuation as per sub-directions issued by the CAG of India.

Management Letter and Action taken Report

Action Taken Report made by the Corporation on Management Letter is enclosed which is self-explanatory.



Annexure ' C' to the Independent Auditors' Report

(Referred to in paragraph 4 (g) of "Report on Other Legal and Regulatory Requirements" section of our report of even date on the financial statements for the financial year ended March 31, 2022 of **National Seeds Corporation Limited**)

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

We have audited the internal financial controls with reference to Ind AS standalone financial statements of **National Seeds Corporation Limited** ("the Corporation") as of March 31, 2022 in conjunction with our audit of the financial statements of the Corporation for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Corporation is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Corporation'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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Corporation's internal financial controls with reference to these Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Corporation's internal financial controls with reference to standalone Ind AS financial statements .

Meaning of Internal Financial Controls with reference to Ind AS Financial Statements

A Company's internal financial control with reference to Ind AS Financial Statements 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 with reference to Ind AS Financial Statements 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 Corporation are being made only in accordance with authorisations of management and directors of the Corporation; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS Financial Statements, 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 with reference to Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Qualified Opinion

According to the information and explanations given to us and based on our audit at Head Office and independent reports of 11 Regional Offices' and 5 Farms Auditors, the following material weaknesses have been identified as at March 31, 2022:

- i) Confirmation and reconciliation of various balances of trade receivables, loans and advances, other current assets, trade payables and other current liabilities, etc has not been done on regular basis.
- ii) Timely deduction of Tax at source and timely deposition of TDS and GST Returns, regular reconciliation of turnover appearing in books of accounts and the one reported in GST Returns and such other matters needs to be taken care on top most priority.
- iii) In respect of financial statements received from Regional offices, the scrutiny and monitoring thereof at Head Office needs to be strengthened.
- iv) Physical verification of fixed assets and inventories are found to be irregular and needs to be conducted on timely basis.
- v) Preparation of various reports/ records is done manually which makes us unable to comment on the accuracy and effectiveness of the same.
- vi) The Internal Audit System of the corporation requires further strengthening in areas of audit coverage, scope and periodicity.
- vii) The corporation needs to strengthen its Internal Financial Controls and get its operating effectiveness tested at head office and regional offices at regular periodicity.

In our opinion, except for the possible effects of the weaknesses described above on the achievement of the objectives of the control criteria, the corporation has maintained, in all the material respects, adequate internal financial controls with reference to the Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as of March 31, 2022, based on the internal control with reference to Ind AS financial statements criteria established by the Corporation considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.



We have considered the weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2022 of standalone financial statements of the Corporation and these weaknesses do not effect our opinion on the financial statements of the Corporation as reported in paragraph "Basis for Adverse Opinion" section of our Audit Report under section 143(3) of the Companies Act, 2013.

For SANMARKS & ASSOCIATES
Chartered Accountants
Firm Registration No. 0033343N


(Suresh Kumar Bansal)

Partner

M. No. 082242

UDIN:22082242ARDPGS4261

Place: Faridabad

Date: 06-09-2022

Annexure "D" to the Independent Auditors' Report

(Referred to in paragraph 11 of *Basis for Adverse Opinion* section of our report of even date on the standalone Ind AS financial statements for the financial year ended March 31, 2022 of National Seeds Corporation Limited)

- a) Attention is drawn to Note 9.2 of Financial statements related to Current Investments which have been reported in Balance Sheet with NIL amounts both for the current and immediately preceding period which appears to be immaterial information in Balance Sheet. Such presentation of immaterial information obscures material information. This, in our opinion, is not in accordance with clause 4(ii) of General Instructions for Preparation of Financial Statements of a Company required to comply with Ind AS of Division II of Schedule III to the Companies Act, 2013.
- b) The Corporation has presented Nil Information both for the current and immediately preceding periods in its Statement of Profit and Loss with respect to Profit/(loss) from discontinued operations, relate tax expense thereon and Earnings Per Equity Share for discontinuing Operation which has not been crossed reference to any item in Notes. This in our opinion is not in accordance with clause 4(ii) of General Instructions for Preparation of Financial Statements of a Company required to comply with Ind AS of Division II of Schedule III to the Companies Act, 2013.
- c) Non compliance with Ind AS has also been noticed in the Statement of Cash Flows. For Example, the Corporation has presented "Capital Work-in-progress" as a line item under Cash flows from Investing activities. However, the Corporation has not reported sale of capital work in progress in Note 6. Therefore, there cannot be cash inflows from capital work in progress. The Corporation has reported decrease in capital work in progress as cash inflows by Rs 570.41 lac with corresponding outflow of Property plant & equipment by the said amount.
- d) Attention is drawn to Accounting Policy -2.2 (xi) related to Inventories, the Corporation has valued its used gunny bags at 50% of procurement cost and fabricated material consumed is accounted for at direct cost plus related overheads. In our opinion, the Corporation does not measure inventories of both these items in accordance with paragraph 9 of Ind AS 2 which provides that inventories shall be measured at the lower of cost and net realisable value. In the absence of information on Net realisable value of such inventories, we are unable to quantify the effect of such non compliance.
- e) The Corporation has disclosed the maximum amount as Others (Rs 6605.47 lakh) in Note 30 on "Other Financial Liabilities" but it has not provided any further



information on the same. Therefore, the Corporation has not complied with the requirements of paragraphs 31 and 112 of Ind AS 1 which requires an entity to consider to provide additional disclosures when compliance with the specific requirements in Ind AS is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance .

- f) Attention is invited to Note-42 'Other Expenses' wherein the Corporation has presented an analysis of expenses within other expenses under function of expense method which in our opinion, is not permitted by Ind AS-1, paragraph 99 of which states " An entity shall present an analysis of expenses recognised in profit or loss using a classification based on the nature of expense method."
- g) Attention is invited to Note-43 'Exceptional Items' which comprises Provision for Salary & Allowances and Bonus written back and profit on sale of asset which in our opinion are not Exceptional items as these do not meet the test of "materiality" . These are recognised and reversed every year and sale of assets is a regular replacement activity of any business. Therefore, the disclosure of these expenses as exception, in our opinion, is not in accordance with Division II of Schedule III to the Companies Act, 2013. Due to this Exceptional items and Employee Benefits have been overstated and Other Income has been understated.
- h) The Corporation has applied simplified approach of impairment in accordance with Ind AS 109, Financial Instruments, to recoverable from staff as disclosed in note 79 of Financial Statements. In our opinion, simplified approach is permitted only for trade receivables, contract assets and lease receivables. However, the Corporation has applied simplified approach to financial assets other than trade receivables, contract assets and lease receivables. In the absence of information on expected credit loss as per general approach, we are unable to quantify the effect of such non compliance.
- i) Attention is invited to Note No 75 of the Financial Statements which describes that the Corporation had issued a termination letter on 13-04-2022 to a party which could not execute the project of development of Intangible Assets till the end of reporting period i.e. 31-03-2022. Accounting effect for the same has been reported to be given in FY 2022-23. Since the party was unable to execute the project as at the end of the reporting period, therefore, conditions of delay were existing as at the end of the reporting period for which the corporation issued show cause notice on 13 April 2022 and termination order was issued thereafter. Thus the show cause notice and termination order provide evidence of conditions that existed at the end of the reporting period and therefore, in our opinion, are adjusting events after the reporting period as per Paragraph 3 of Ind AS 10, Events after the Reporting Period. The Corporation has, however, treated the same as non-adjusting event. Due to



this, the intangible assets under development (Note 7 and Security Deposits (Note 30) have been overstated by Rs 15.34 lakh

Action Taken on ML (compiled by the Corporation) issued by the CAG for the audit of FY 2020-21.

S.No.	Management Letter	Action Taken
1	Utilization of unspent Grant received for construction of seed processing plants at Govindpura and Shahjahanpura needs to be ensured in 2021-22 with balance amount, if any, be refunded to the Ministry	Govindpura unspent grant utilized and Shahjahanpura proposal is under consideration for Rs.4.55 lakhs. Document enclosed.
2	Necessary corrective entry for an amount of Rs.2.15 crore may be carried out in case of a grower whose name is not traceable.	In this regard it is to inform that out of Rs.2.14 Crore 1.36 crore is pending against growers pertains to erstwhile SFCI against which complaint received under RO Bhopal for Urid and other seeds, hence kept as amount payable. Rs. 12.66 lakhs pertains to the grower's final payment pertains to Late Tejoo Ram(Ex. AM Varanasi)and as informed rest amount retained due to non-receipt of final payment from Govt. party (erstwhile SFCI ,NSC) same has been kept under financial liabilities there is no overstatement of financial liabilities,the matter is under dispute /under litigation also.
3	Corrective action may be taken during 2021-22 for wrongly booking the trade payables on account of office rent, which is not payable.	This is statement of facts but liability was created in FY 2016-17, 2017-18 and 2018-19. As and when it will be more than 5 years of age, the amount will be written back.
4	Corrective entry needs to be carried out in case of deposits by dealers where contractual agreement have been renewed and the deposits have been carried forward.	Dealers security deposit have been regrouped from Note-30 to Note-25 during the FY 2021-22.
5	Provision for bad and doubtful debts in case of bond amount of trainees, who have left the organization before the expiry of bond period may be considered in 2021-22	Persuasion for recovery from the concerned is going on. There is no requirement for creating a provision. Document enclosed.
6	The method of valuation of dead/dried trees may be disclosed by way of Note to Account during the FY 2021-22	Policy for valuation of standing tree based on the rates as per circular of the forest department of the concerned State has been strictly followed during FY 2021-22.
7	Contingent liability schedule may be corrected in respect of a case of CSF, Hisar where provision has already been created in the books of accounts.	In reference to Audit Memo No 7 dated 12.11.2021, it is stated that an amount of Rs 2.27 lakhs was wrongly booked as contingent liability in pending legal cases. Now corrective action has been taken during FY 2021-22 and it is informed that



		Rs.2.27 lakhs has already been paid on dt 20.10.2021 to the concerned.
8	Necessary approval for spending the unspent capital grant in case of Swabeejabhivridhi Yojna from M/s KSSC Ltd and its regularization may be ensured in 2021-22	We are pursuing with M/s.KSSC Ltd who is the nodal agency for arranging approval to spent the unspent capital grant of Rs.18 lakhs (rounded off) and utilize for the purchase of groundnut seed grader. Since necessary approval was not conveyed we could not utilize the funds immediately. However we will pursue with M/s.KSSC Ltd for approving to spend the unspent capital grant. Once approved the matter will get regularized in FY 2021-22. Last correspondence with KSSC dated 13.09.2021 is enclosed.
9	Useful life of godowns and accordingly depreciation on these godowns may be corrected in 2021-22 in case of RO Bangalore	Necessary correction has been made during FY 2021-22. Document enclosed.
10	Sincere pursuance may be made with GIDA for possession of land and modified Note with the latest status of court case filed in AMRCD may be made in 2021-22.	Please refer of Note of Other Financial Account No 68 of the FY 2021-22. Correspondence with GIDA & AMRCD is enclosed.
11	Non operative parties since the merger of NSC with SFCI may be reviewed and necessary entries be passed in 2021-22	Provisions has been made as per Accounting Policy of the Corporation. However regular persuasion for recovery from the party is also going on.
12	Treatment of credit balances lying for more than five years may be ensured in accordance with relevant Accounting Policy in this regard.	The balance was transferred from erstwhile SFCI ledger during merger on 01.04.2014 and as party wise balance is not available, action could not to be taken.
13	Pending finalization of revised agreement with NTPC for transfer of agriculture land suitable disclosure should be given in the financial statements for the year 2021-22 along with bifurcation of lease premium and lease rent.	Please refer other financial note no 76 of FY 2021-22.
14	Matter regarding renewed premium of land to Uttarakhand authorities may be reviewed and suitably accounted for in 2021-22	Please refer other financial note no 68 of FY 2021-22
15	Significant Accounting Policy for PPE (Bearer Plant) may be reviewed in 2021-22 as per Ind 16	Reviewed and found that we are complying with IndAS 16.
16	Contingent liability for differential amount in court case between NSC employee Association against DACF&W/NSC and against the contractor for losses suffered by him for construction of seed store at Karnal, may be reviewed during 2021-22.	Incorporated in contingent liability.
17	Valuation of used gunnies and Breeder / Foundation seeds need to be done as per applicable significant accounting policy of the corporation.	Complied with accounting policy.
18	Amortization of Intangible assets as per applicable Accounting Policy and uniformity in its	Complied with accounting policy.



	applicable throughout the Corporation need to be ensured in 2021-22	
19	Necessary adjustment entry regarding amount recoverable from the dealer of SFCI Odisha, already deposited in the accounts of Head Office, may be carried out in 2021-22	Provision has been made during FY 2021-22
20	Contingent liability schedule may be reviewed for differential amount in case of ex-MD of SFCI and corrective action may be taken in 2021-22	Reviewed and found in order.



ADDENDUM TO THE DIRECTORS REPORT -I

Management's Reply to the observations made by the Statutory Auditors on the financial statements of National Seeds Corporation of India Limited for the year ending 31/03/2022.

Sl. No.	Statutory Auditor's Comments	Reply of Management
1	We invite attention to Note-54.1 relating to balances under Trade Receivables Loans and Advances, Other current assets, trade payables and other current Liabilities which in the opinion of the management are subject to confirmation/reconciliation. The management has not provided confirmation of trade receivables, loans and advances, other current assets, trade payables and other current liabilities. Auditors of Regional Offices at Gandhinagar, Lucknow, Patna, Bhopal, Chandigarh have reported in their respective Audit Reports that trade receivables loans and advance, other current assets, trade payable and other current liabilities are subject to confirmation from the respective parties. Despite our requests we were neither provided the confirmations nor addresses of the parties related to Head Office. Hence, we could not directly communicate for confirmation with the respective parties. We have been informed that the Head Office of the Corporation had sent confirmation letters to the parties but the same had remained unresponded till date. The impact of this non-confirmation and non-reconciliation of all these balances on financial statements is unascertained.	Letter for confirming balances are written to all debtors and creditors along with address of statutory auditors. It is also mentioned in the letter that confirmation may also sent to the auditors directly as well as NSC. The fact stands disclosed under note No.54.1. However it is mentioned in the letter that if confirmation is not received within the due date, balance will be deemed to be as confirmed.
2	We draw attention to Note 22- Other Equity which includes Unspent CSR Reserve at Rs 262.42 lakh (Rs 5.56 lakh pertains to current financial year and Rs 256.86 lakh pertains to earlier years ended 31-03-2014). Unspent amount pertaining to earlier years has been transferred by the Corporation to separate bank account. However, the fact of earmarked bank account has not been disclosed in the financial statement resulting in overstatement of Cash & Cash Equivalent, Note 16 and understatement of Bank Balances other than Cash and Cash Equivalent, Note 17. Further we were not provided any appropriate audit evidence that this old unspent sum relates to an ongoing project undertaken by the Corporation. Consequently, we are unable to comment whether this unspent sum should have been transferred to a Fund specified under Schedule VII to the Companies Act, 2013. Appropriation of unspent amount for current financial year Rs 5.56 lakh to Reserves instead of Provisions has resulted in overstatement of Reserves and understatement of Provisions to this extent.	Rs. 256.85 lakhs unspent CSR amount is of earlier years upto 31.03.2014, including erstwhile SFCL created as per the DPE's Corporate Social Responsibility guidelines on which Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated 22.01.2021 is not applicable. However, the Corporation has transferred entire Rs.256.85 lakhs to separate Bank Account as on 31.03.2021. There are no ongoing projects. However, old records to be checked in detail for further action. The Disclosure regarding earmarked bank account noted and complied during the year 2022-23, there is no financial impact due to non disclosure. The unspent balance of Rs 5.56 lakh has been transferred to a fund specified under Schedule VII to the Companies Act, 2013, on 30th September 2022 to comply the provision of Companies Act, 2013. Further the unspent balance if any remain unspent will be routed through provisions instead of appropriation during 2022-23.
3	We invite attention to Note-67 of the Financial Statements which relates to various farm and land given to the Corporation on right to use basis for cultivation by State/Central	Original documents regarding the ownership of Land at CSF Suratgarh, Sardargarh, Jetsar and Raichur are with the Government of India as the

	Government. However, no documents for the period of use of such right to use are reported to be available with the Corporation. Since, the corporation has not provided any documentary evidences to evaluate the period for which the right of using lands given to the corporation, therefore, consequential impact on the financial statement is not ascertained.	land at these Farms are in the name of the President of India. Proper disclosure given in the note no. 67(a) of annual accounts. Copies of the deed of Rajasthan Farms are with the Corporation. Since 1969 the Rajasthan Farms at Suratgarh, Sardargarh and Jetsar are being managed by the Erstwhile State Farms Corporation of India Limited, now managed by National Seeds Corporation Limited after due merger, on behalf of Purchaser.
4	We invite attention to Note-59 of the Financial Statements which relates to the assessment of impairment of assets. However, we were not provided any documentary evidence suggesting that the Corporation had made any specific assessment for impairment of assets as required under the Ind AS 36 dealing with impairment of assets to ensure that the assets are carried out at not more than their recoverable amount. The consequential impact on the financial statement is unascertained.	The Management perceived that the carrying amount of assets as appearing in the books of the Corporation after applying depreciation as per Companies Act is not less than its recoverable amount. Hence, the need for revaluing old assets during the year was not felt and accordingly no disclosures were made under Ind AS 36, i.e. Impairment of Assets. However, as per procedure, all the Units of the Corporation are continuously assessing the assets and those assets identified as obsolete / condemned are disposed regularly as per Corporation procedure. During the F.Y. 2021-22, assets worth Rs.75.44 Lakhs have been disposed as obsolete / condemned assets. A profit on sale of such assets accounted was Rs 0.87 lakhs.
5 a	The Corporation has not disclosed the complete accounting policy adopted for government grants including the methods of presentation adopted in the financial statements as required by Ind-AS 20 relating to accounting for government Grants. The Corporation neither disclosed any accounting policy for accounting of Production Subsidy nor disclosed the items included in "Other Operating Income"- Note No 34 of Ind -AS Financial Statements.	Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In which the production subsidy covered under the above accounting policy, NSC makes the agreement with Growers and once the subsidy passed to the Growers the same will be claimed from MoA & FW. Government Grants are accounted as per the accounting policy XIV.
5b	We draw attention to note 26- other Non-current Liabilities which includes revolving fund for seed production and establishment and maintenance seed bank scheme Rs. 843.18 lakhs and very old Seed Bank Scheme funds amounting to Rs. 233.75 lakhs for which the Corporation has reported to have not complied with the mandatory conditions of keeping in separate bank account and depositing back after utilization thereof. These being very old cases pending for adjustment for the reported reason of non-availability of utilization certificate with the Corporation. Impact thereof on financial statements not ascertained.	Revolving fund for seed production under drought prone area :- The Ministry of Agriculture and Farmers Welfare granted approval of fund for seed production under drought prone areas. This fund was to be kept in a separate account and to be used as working capital. Since no separate bank balance exists towards this, it should have been utilized towards the said purpose. Being very old case can only be adjusted once the utilization certificate is received/traced. The fact already disclosed in Note 26.

		Revolving fund for establishment and maintenance of Seed Bank Scheme :- The Ministry of Agriculture and Farmers Welfare granted approval for release of funds for creation of revolving fund for the purpose of establishment and maintenance of seed bank. This assistance was to be used as per the guidelines and utilization certificate and progress of implementation scheme was to be submitted to DAC & FW. It should have been utilized for the said purpose. Being old case can only be adjusted once the utilization certificate is received/traced. The facts already disclosed in Note 26. Revolving fund for implementation of Crash Programme for Quality Seed Production of Oilseeds and Pulses:- The Ministry of Agriculture and Farmers Welfare granted approval of revolving fund for the purpose of implementation of quality seed production of Oilseeds and pulses. The funds were to be used for organizing crash programs for production of Oilseeds and pulses. It should have been utilized for the said purpose. Being old case can only be adjusted once the utilization certificate is received/traced. The facts already disclosed in Note 26. As per audit, it is conveyed that unutilised portion, should have been kept in a separate earmarked account. Being very old cases and the funds were released for specific purpose, these funds should have been utilized towards the specific purposes, since there is no separate bank account exists towards these funds. Efforts are being made to trace the documents/utilization certificates. Necessary adjustments can be done only after tracing of the documents.
5c	We draw attention to Note 23- "Grants", which include various grants under 'unspent capital grant' having aggregate credit balance amounting to Rs 5993.37 lakhs received by the Corporation and remained unutilized. Our observations with respect of each of these grants are as stated under point III of Annexure - B of our report. Consequential impact of the same is not ascertainable.	Out of 5993.37 lakh , Rs. 5907.76 lakh are running grant and corporation is utilizing the same as per the condition of the sanctioned grant and once the condition is fulfilled the utilization certificates will be submitted to the Ministry and this is the continuous process. As per audit, it is conveyed that unutilised portion, should have been kept in a separate earmarked account. Instead the company as per its year on year practice has continuously kept the unspent grant in its Cash Credit Account which is a common pool for all incoming and outgoing funds. Since a part of the common pool, the indirect interest earned on the unutilised portion for a short period is used to counter part of the interest loss on unrealized subsidy from government which was

		Rs.15397.43 lakh as on 31.03.2022, which usually takes 8-9 months for realization. Since part of the grants are released in advance, it is also responsibility of the Company to effectively manage the funds as the execution of the intended purposes are being carried out in phased manner.	
5d	The financial statements of the Corporation contain credit balances related to various grants received out of which a sum of Rs. 32.45 lakh is not reconciled for the reported reason that there is no document available with the corporation to verify the same. Consequential impact of the same is not ascertainable.	The referred grants are very old and pertain to erstwhile SFCL. Continuous efforts are on to trace the details for necessary adjustments of Rs.32.45 lakhs during 2022-23.	
6	The revenue as per Statement of profit & loss is Rs 88579.84 lakh (Note No. 34) whereas as per GST Returns it amounts to Rs 82624.69 lakh. Difference of the same has not been substantiated with the documentary evidences and as such consequential impact thereof on the financial statements can't be commented upon.	The Revenue from operation in the statement of profit and loss includes sale of seeds, reimbursement of various subsidies like Production subsidy, Transport subsidy, Reserve stock operations subsidy etc., However, in GST portal, amount for the sales invoice generated is only shown. Hence there will always be a difference, which has been shown and explained to the auditors during audit and the same will be reconciled in the annual return of GSTR for which the due date is 31.12.2022.	
7	The Corporation has not charged interest on delayed sales realizations received from the dealers as per standard agreement of Dealership executed with them. Amount unascertained.	The same will be reviewed in consultation with Marketing Division during the financial year 2022-23 and accordingly decision will taken.	
8	The Corporation amortises the Land Development Expenditure, in respect of farms not owned by it, over a period of 20 years. However, in absence of any supporting evidence as to the period up to which the benefit of this expenditure is likely to be derived, we are unable to comment on the adequacy of said policy and its consequent impact on the financial statements.	Ind AS 116 is not specific on this particular issue. The Company continues to amortize land development expenditure over 20 years as per its past practice, consistently in the books.	
9	No provision for interest on overdues of MSME Trade Payables has been made by the Corporation as per MSMED Act 2006. Accordingly, we could not find appropriate evidences to comment upon the consequential impact on profit of the Corporation due to such non provisioning of interest. We are not in agreement with the management's contention in this regard as stated in Note 77 of the financial Statements for the main reason that any agreement with the supplier cannot override provisions of MSMED Act 2006.	Total dues to MSMEs as at 31st March 2022 was Rs. 813.70 lakh. In this, an amount of Rs 500.89 lakh pertaining to RO Chandigarh is procurement of Seeds From MSMEs for further supplies to customers (Government). These seeds were directly supplied by the supplier to the customers and will be paid immediately once acceptance and payment from customers is received. In case of RO Lucknow dues Rs 6.84 lakh out of these Rs 3.58 lakh is kept pending due to poor quality of seeds supplied by the supplier, Rs 2.85 lakh withheld from contractor under	

		risk and cost and Rs .68 lakh paid during the FY 2022-23 after verification of bill. For certain procurement from MSE vendors, payment terms are defined as per the tender terms and POs are issued accordingly which are accepted by the vendors. Subject to fulfilling the terms and conditions of supply, payments are released to the vendors for which interest liability doesn't exist. Rest all payments were made strictly within the 45 days from the acceptance of goods/services received. Hence provision for interest for overdue payments of MSE's was not made in the books.
10	As reported by Patna RO's auditor, Building block includes processing plant of Ballapur Farm worth Rs 6.26 lakh which was handed over to the lessor on 29.10.2021 has been shown in Property Plant and Equipment instead of adjusting from the same which has resulted into overstatement of Property Plant and Equipment and understatement of profits with the said sum.	The matter is under persuasion with the state government to compensate the above amount to NSC being the constructed shed are handed over to them and the same is also mentioned in the handing over and taking over. Once the decision is taken in this regard by NSC and state government the accounting effect will be given in the books during the financial year 2022-23.
11	The Corporation has prepared its financial statements under Ind AS. However, we have noticed that it has not complied with some of the provisions of Ind AS notified under Companies (Indian Accounting Standards Rules 2015) as amended. Instances of non-compliances noticed on test check basis are given in Annexure- D to this report.	The observation of auditor is noted for compliance during the financial year 2022-23. However there is no financial impact on the financial statement 2021-22.
12	As reported by Bhopal RO's auditor, the liability for Freight payable amounting to Rs 183.32 lakh includes liabilities pertaining to March 2016 to March 2021 have not been reconciled and bill wise details for the same were not made available to the auditors. The consequential total impact of the financial statements is unascertainable.	The liability in the books created on the basis of the bills submitted by the transporters in the year in which pertains. Party wise details schedules prepared which is duly reconciled with books.
13	We draw attention to Note 8 of Audit Report of Bhopal region wherein it has been observed that advance received from customers of Rs. 930.74 lakhs, grower production subsidy received of Rs. 546.68 lakhs and fund received from various government departments against sale of goods of Rs. 695.88 lakhs have been shown as trade payable against "advance from customers" resulting into misreporting of figures of trade payable and advance from customers.	The amount reported in the Audit Report of RO Bhopal Rs. 930.74 lakh pertains to the purchase from different suppliers from whom NSC purchased the seeds and received the services. Hence this is not a customer advance as pointed out by audit. Rs. 546.68 lakh is the Grower Production Subsidy which has been correctly shown in Grower Subsidiary ledger. Rs. 695.88 lakh identified and transferred to respective party ledger account during the FY 2022-23.
14	The Corporation had paid HRA to its ex-CMD who was started to be in possession of Government accommodation during September 2013 till his retirement on 30.09.2021 which is reported to be not admissible. The entire sum of Rs 36.24 lakh is pending for recovery from	The matter is under persuasion and details are being collected from IARI for reconciliation since IARI has collected the applicable rent and licence fee directly from the Tenant and issued NOC while he vacated the

	him. Non recovery from the said employee has resulted in understatement of Recoverable from staff as well as corresponding understatement of other Financial Liabilities.	accommodation. Necessary action for recovery, if any, will be accordingly during 2022-23.
15	As reported by Bhopal RO's auditor, the Corporation had made payment of Rs 36.92 lakh to MP State Seed Certification Agency towards testing fee without deduction of tax at source u/s 194-J resulting in disallowance u/s 40(a)(ia) with consequential impact on provision for tax which has not been ascertained.	The income of MP State Seeds Certification agency towards the fee of seeds are exempted from income tax as per the order passed by the Income Tax Department. Hence no TDS is required to be deducted.

In view of the above management reply to the observation made by the Auditors, it may be noted that the Financial Statement prepared gives a true and fair view in conformity with the Accounting Principle of the state of affairs of the Corporation at 31st March 2022, of its profit, position of change in equity and the cash flows for the year ended 31.03.2022.

ANNEXURE A REFERRED TO IN PARAGRAPH 1 OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON OTHER LEGAL AND REGULATORY REQUIREMENTS REQUIRED BY CARO, :

Para being statement of facts, need no reply.

[Signature]
Sr. General Manager (F&A)

NATIONAL SEEDS CORPORATION LIMITED
Balance Sheet as at 31st March 2022

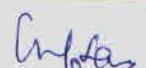
(₹ in lakhs)

Particulars	Note No.	As at 31st March 2022	As at 31st March 2021
I. ASSETS			
1 Non-current assets			
(a) Property, Plant and equipment	3	14,593.60	14,763.22
(b) Right-of-use Assets	4	210.04	234.48
(c) Capital work-in-progress	6	191.29	761.70
(d) Other Intangible assets	5	5.52	5.81
(e) Intangible Assets under Development	7	15.34	15.34
(f) Biological Assets other than bearer plants	14	4,820.31	4,688.06
(g) Investment Property	8	1.47	1.50
(h) Financial Assets			
(i) Investment	9.1	4,044.54	3,708.84
(ii) Other financial assets	10	316.75	299.21
(i) Deferred Tax Assets (Net)	12	3,239.95	2,980.23
(j) Other non-current assets	11	97.75	97.75
		27,536.56	27,556.14
2 Current assets			
(a) Inventories	13	27,283.31	25,640.99
(b) Biological Assets other than bearer plants	14	6,351.41	5,657.68
(c) Financial Assets			
(i) Investment	9.2	-	-
(ii) Trade Receivables	15	42,343.81	40,302.69
(iii) Cash and cash equivalents	16	5,806.58	10,254.48
(iv) Bank Balances other than (iii) above	17	183.04	250.97
(v) Other financial assets	18	18,434.66	16,377.71
(d) Current Tax Assets (Net)	19	817.17	1,549.84
(e) Other current assets	20	5,747.44	5,401.53
		1,06,967.42	1,05,435.89
Total Assets		1,34,503.98	1,32,992.03
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	21	5,731.99	5,731.99
(b) Other Equity	22	61,094.12	60,258.15
		66,826.11	65,990.14
2 Liabilities			
(i) Non-current liabilities			
(a) Grant	23	14,092.46	10,665.05
(b) Financial Liabilities			
(i) Borrowings	24		
Secured Term Loan from Bank			93.42
Lease Liabilities		14.43	19.65
(ii) Other financial liabilities	25	1,952.26	2,605.32
(c) Other Non-Current Liabilities	26	1,822.49	1,761.58
(d) Provisions	27	1,968.09	2,308.24
		19,849.73	17,453.26
(ii) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	28		
Secured, Loan repayable on demand from bank		76.91	858.36
Lease Liabilities		24.15	12.98
(ii) Trade payables	29		
Total outstanding dues of Micro and Small Enterprises		813.70	1,149.24
Total outstanding dues of creditors other than Micro and Small Enterprises		33,359.36	34,471.52
(iii) Other financial liabilities	30	8,719.20	8,984.49
(b) Other Current Liabilities	31	3,417.49	2,567.94
(c) Provisions	32	1,197.33	1,504.10
(d) Current tax liabilities (Net)	33	220.00	-
		47,828.14	49,548.63
Total Equity and Liabilities		1,34,503.98	1,32,992.03

III. See accompanying notes to the financial statements 1 to 84

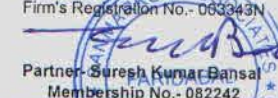

Anurag Kanodia
Company Secretary


Kaushik Rakshit
Senior General Manager(F&A)


V. Mohan
Director (Finance)
DIN- 07296539


Ashwanti Kumar
Chairman-cum-Managing Director (Addl. charge)
DIN- 09690931

Place : New Delhi
Dated : 30/03/2022

As per our report of even date
For M/s. Sanmarks & Associates
Chartered Accountants
Firm's Registration No.- 083343N

Partner- Suresh Kumar Bansal
Membership No.- 082242

NATIONAL SEEDS CORPORATION LIMITED
Statement of Profit and Loss for Period ended 31st March 2022

		(₹ in lakhs)	
Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue :			
i. Revenue from operations	34		
ii. Other income	35	88,579.84 2,992.01	1,01,517.83 3,286.21
iii. Total Income (i + ii)		91,571.85	1,04,806.04
IV. Expenses:			
Cost of materials consumed	36		
Purchases of Stock -In-Trade	37	2,719.28	2,777.81
Changes in biological assets and inventories of finished goods, Stock-in-Trade and work-in-progress	38	61,432.40	74,063.07
Employee benefits expense	39	(1,427.75)	30.02
Finance Costs	40	11,846.78	12,377.29
Depreciation and amortization expenses	41	330.47	419.87
Other Expenses	42	1,792.17	1,756.19
		13,438.68	12,999.49
Total Expenses (IV)		90,132.01	1,04,423.74
V. Profit/loss Before exceptional items and Tax (III-IV)		1,439.84	382.30
VI. Exceptional items (Income/(Expense))	43	30.87	78.64
VII. Profit/(Loss) before tax (V+VI)		1,470.71	460.94
VIII. Tax expense:			
(1) Current tax			
- For the year		220.00	-
- For earlier years (net)		348.38	(11.27)
(2) Deferred tax (net)		(173.73)	228.53
Total Tax Expense (VIII)		394.65	217.26
IX. Profit/(loss) for the period from continuing operation (VII - VIII)		1,076.06	243.68
X. Profit/(loss) from discontinued operations			
XI. Tax Expense of discontinued operations			
XII. Profit/(loss) from discontinued operations (after tax) (X-XI)			
XIII. Profit/(loss) for the period (IX+XII)		1,076.06	243.68
XIV. Other Comprehensive Income			
A. Items that will not be reclassified to profit and loss	44		
- Re-measurement losses on defined benefit plans		(608.34)	(474.74)
Income Tax effect		153.12	119.49
- Re-measurement investment in equity instruments		335.71	391.55
Income Tax effect		(67.14)	(78.31)
B. Items that will be reclassified to profit and loss			
Income Tax effect			
Total Comprehensive Income for the period (XIII+XIV)		(186.65)	(42.01)
(Comprehensive profit and other comprehensive income for the period)		889.41	201.67
XV. Earnings Per Equity Share: (For continuing Operation)	45		
(1) Basic (Face Value Rs. 1000) (in ₹)		187.73	42.51
(2) Diluted (Face Value Rs. 1000) (in ₹)		187.73	42.51
XVI. Earnings Per Equity Share: (For discontinuing Operation)			
(1) Basic (in ₹)			
(2) Diluted (in ₹)			
XVII. Earnings Per Equity Share: (For discontinued and continuing Operation)	45		
(1) Basic (Face Value Rs. 1000) (in ₹)		187.73	42.51
(2) Diluted (Face Value Rs. 1000) (in ₹)		187.73	42.51
(2) Diluted (Face Value Rs. 1000) (in ₹)			

See accompanying notes to the financial statements 1 to 84

Ayushi Kanodia
Ayushi Kanodia
Company Secretary

Kaushik Rakshit
Kaushik Rakshit
Senior General Manager(F&A)

V. Mohan
V. Mohan
Director (Finance)
DIN- 07296539

Ashwan Kumar
Ashwan Kumar
Chairman-cum-Managing Director (Addl. charge)
DIN- 09690931

Place : New Delhi
Dated : 06/09/2022

As per our report of even date
For M/s. Sanmarks & Associates
Chartered Accountants

Firm's Registration No. 008343N

Partner- Suresh Kumar Bansal
Membership No. 082242

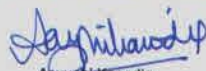


NATIONAL SEEDS CORPORATION LIMITED
Statement of Cash Flow for the year ended 31st March 2022

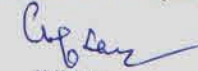
		(₹ in lakhs)
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A. Cash Flow from Operating Activities		
Profit for the year	1,076.06	243.68
Adjustments for :-		
Depreciation	1,792.17	1,756.19
Interest income	(25.96)	(112.94)
Dividend income	(57.21)	(31.34)
Income Tax expense	394.65	217.26
Adjustments to Capital Grant	3,427.41	(195.03)
Land Development Expenses and Plantation crop written off	39.62	35.58
Subscription received from retired employees	(30.00)	-
Provision for salary & allowances written back	(0.87)	(65.93)
Profit on Sale of Fixed Assets	4.06	4.44
Interest exp on lease liabilities	326.41	415.43
Finance Cost	(19.50)	(16.64)
Net Gain in Mutual Fund		
Operating Profit before changes in operating assets & liabilities	6,926.84	2,250.70
Adjustments for :-		
Decrease / (Increase) in Biological Assets	(825.98)	423.40
Decrease / (Increase) in Inventories	(1,642.32)	(439.14)
Decrease/ (Increase) in Trade & Other Receivables	(4,116.20)	12,281.91
Decrease/ (Increase) in Other assets	(277.98)	(537.17)
(Decrease) / Increase in trade payables & Other payables	(2,366.05)	3,182.13
(Decrease) / Increase in provisions	(646.82)	(819.75)
Effect of Remeasurement of Defined benefits Plan - OCI	(608.34)	(474.74)
(Decrease) / Increase in Other liabilities	910.46	1,228.25
Cash generated from operation	(9,573.33)	14,844.89
Retired medical premium paid	(2,646.49)	17,095.59
Income Tax Paid	384.29	(715.78)
Total Cash generated from Operating Activities	(2,262.20)	16,379.81
B. Cash Flow From Investing Activities		
Sale/Disposal of Property, plant and equipment's & Other intangible assets	12.43	165.41
Purchase of Property, plant and equipment's & Other intangible assets	(1,562.76)	(1,883.93)
Capital Work-in-progress	570.41	(53.81)
Interest Receivable	25.96	112.94
Dividend income	57.21	31.34
Changes in Value of Investments	-	141.15
Net Cash used in Investing Activities	(896.75)	(1,486.90)
C. Cash Flow From Financing Activities		
Dividend Paid (including Tax on Dividend)	(73.10)	(897.59)
Finance Cost	(326.41)	(415.43)
Payment of Lease Liabilities	(14.56)	(26.22)
Borrowings/(Repayment) of Loans	(93.42)	7.57
Net Cash generated from Financing Activities	(507.49)	(1,331.67)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(3,666.44)	13,561.24
Opening Cash & Cash Equivalents	9,396.11	(4,165.13)
Closing Cash & Cash Equivalents	5,729.67	9,396.11
Reconciliation of Cash & Cash Equivalents		
Cash and Cash Equivalent Comprises of		
Cash on hand	1.27	0.66
Balances with banks:		
- On current accounts	5,642.07	10,245.85
- Cheques, drafts and stamps on hand	163.24	7.97
- Deposits with original maturity of less than three months	-	-
- Secured, Cash Credit/STL	(76.91)	(858.37)
Cash and Cash Balances as per Balance Sheet	5,729.67	9,396.11

Notes:-

- The Statement of Cash Flow has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Previous year's figures are reclassified/regrouped to confirm and make them comparable with those of the current year.


Aayushi Kanodia
Company Secretary


Kaushik Rakshit
Senior General Manager(F&A)


V. Mohan
Director (Finance)
DIN- 07296539


Ashwanti Kumar
Chairman-cum-Managing Director (Addl. charge)
DIN- 09690931

As per our report of even date
For M/s. Sanmarks & Associates
Chartered Accountants
Firm's Registration No. 003443N

Partner- Suresh Kumar Bansal
Membership No. - 082242

Place : New Delhi

Dated : 5/8/2022



NATIONAL SEEDS CORPORATION LIMITED
Statement of changes in equity for the period ended 31st March 2022

A. Equity share capital

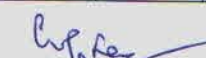
	No. of Shares	Amount
Balance at 1st April 2020	5,73,199	5,731.99
Changes in Equity Share Capital due to prior period errors		
Restated balance at 1 April 2020	5,73,199	5,731.99
Changes in equity share capital during the year		
Balance as on 31st March 2021	5,73,199	5,731.99
Changes in Equity Share Capital due to prior period errors		
Restated balance at 1 April 2021	5,73,199	5,731.99
Changes in equity share capital during the year		
Balance as on 31st March 2022	5,73,199	5,731.99

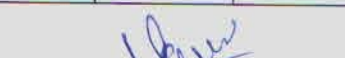
B. Other Equity

Particulars	Reserve & Surplus				Debt Instruments through other comprehensive income	Equity Instruments through other comprehensive income	Other items of Other comprehensive income (specify nature)	Total
	Unspent CSR Reserve	Retired Employees Welfare Reserve	Land Development Reserve	Retained Earnings				
Balance as at 31st March 2020	269.23	119.77	429.02	58,086.74	-	2,546.42	-	61,451.18
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of 1st April 2020	269.23	119.77	429.02	58,086.74	-	2,546.42	-	61,451.18
Bonus Shares Issued	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	243.68	-	-	-	243.68
Dividends and Dividend Distribution Tax	-	-	-	(897.59)	-	-	-	(897.59)
Other Comprehensive Income (Net of Tax)	-	-	-	(355.25)	-	313.24	-	(42.01)
Transfer to/from retained earning	8.05	-	-	(8.05)	-	-	-	-
Addition/ (deletion) during the year (Net)	-	-	35.57	-	-	(532.68)	-	(497.11)
Add: Transferred from Provisions	-	-	-	-	-	-	-	-
Balance as on 31st March 2021	277.28	119.77	464.59	57,069.53	-	2,326.98	-	60,258.15
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of 1st April 2021	277.28	119.77	464.59	57,069.53	-	2,326.98	-	60,258.15
Bonus Shares Issued	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	1,076.06	-	-	-	1,076.06
Dividends and Dividend Distribution Tax	-	-	-	(73.10)	-	-	-	(73.10)
Other Comprehensive Income (Net of Tax)	-	-	-	(455.22)	-	268.57	-	(186.65)
Transfer to/from retained earning	5.10	-	-	(5.10)	-	-	-	-
Addition/ (deletion) during the year (Net)	(19.96)	-	39.62	-	-	-	-	19.66
Add: Transferred from Provisions	-	-	-	-	-	-	-	-
Balance as on 31st March 2022	262.42	119.77	504.21	57,612.17	-	2,595.55	-	61,094.12


Aayushi Kanodia
Company Secretary


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As per our report of even date
For M/s. Sanmarks & Associates
Chartered Accountants
Firm's Registration No. - 0833481

Partner- Suresh Kumar Bansal
Membership No. - 082242



Place : New Delhi
Dated : 06/09/2022

06/09/2022

NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial statements for the year ended 31st March 2022

1- Corporate Information

National Seeds Corporation Limited (NSC) is a public limited company domiciled and incorporated in India on 19th March 1963 to undertake production of foundation and certified seeds. It is wholly owned by Government of India under the administrative control of Ministry of Agriculture and Farmers Welfare. It is a Schedule 'B'-Miniratna Category-I Company.

With the launching of the National Seed Project (NSP) in 1974, NSC was assigned the lead role to develop the seed industry in the country on sound lines. It undertakes production of certified seeds of nearly 567 varieties of 78 crops through its own farms and registered seed growers. There are 5 Farms and about 11,603 registered seed growers all over the country who are undertaking the seed production programmes in different agro-climatic conditions.

NSC has 11 Regional Offices, 48 Area Offices, 107 Marketing Centres, 30 Production Centres, 76 Seed processing plants, 7 Air-conditioned seed storage facilities, 171 Seed storage facilities, 2 Vegetable seed packing centres, 4 seed testing labs and one DNA finger printing lab to meet the demands of diverse agro ecological situations across the country. Besides production and distribution of quality seeds, NSC is also involved in the production of Tissue Culture Plants like banana. It also undertakes supply of seedlings/saplings of fruits crops from Elite progeny orchards being maintained at farms. Seed marketing is carried out through five channels namely sale through dealers/distributors, Government (State/Central), state seed corporation, kisan melas/exhibitions and through its own sales counters. There are about 3301 dealers of the Corporation who account for more than 50% of the sales turnover.

NSC plays a key role in the implementation of various schemes of the Government of India like, "National Food Security Mission (NFSM)" and "Mission for Integrated Development of Horticulture (MIDH)". It also provides technical support to the seed producing agencies including State Seed Corporations by imparting training of personnel engaged in the production of seeds in that organization. NSC is the nodal agency for the implementation of the Central Sector Scheme to create infrastructure facilities for establishment of processing plants and storage godowns in different states in the private sector. The company was registered under the Indian Companies Act, 1956 and the registered office of the company is located at Beej Bhavan, Pusa Complex, New Delhi 110012.

2- Significant Accounting policy

2.1 Basis of Preparation

a) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The financial statements adhere to the relevant presentational requirement of the Companies Act, 2013. All assets and liabilities are classified as current or non-current, wherever applicable as per the guidance as set out in schedule III to the Act.

b) Basis of Measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the items (Refer note 68)

c) Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates includes future obligations under employee retirement benefit plans and estimated useful life of property, plant and equipment, right of use assets, Employee benefit expenses, provisions, valuation of biological assets etc. actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognized in the period in which the results are known /materialized.

d) All financial information presented in Indian rupees and all values are rounded to the nearest lakhs upto two decimal except where otherwise stated.



2.2 Summary of Significant Accounting Policies

(i) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Corporation are segregated based on the available information. For the purposes of the Statement of cash flow, cash and cash equivalents include cash in hand, cash at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand are considered part of the Company's cash management system.

Amendment to Ind-AS 7:

The company adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

(ii) Functional and presentation currency

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

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

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

(iii) Property, plant and equipment

1. Property, Plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

2. The cost of an item of property, plant and equipment comprises:

(a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

3. Premium paid on acquisition of leasehold land, is treated as cost.

4. Capital work-in-progress is carried at cost, comprising direct cost, related incidental expenses and interest on borrowing to the extent attributed to them.

5. All expenditure incurred during construction / implementation stage of the project as shown under the head Project and Pre-operative expenditure has been capitalized on pro-rata basis to the cost of various property, plant and equipments on commissioning of the Project.

6. Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalized if the recognition criteria are met.

7. The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in profit or loss when the item is derecognised (unless Ind AS 116- Leases requires otherwise on a sale and leaseback).

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(iv) Intangible Assets

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

(v) Investment properties

a) Investment property comprises completed property, property under construction and property held under finance lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

b) Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

c) The company depreciates building component of investment property over 60 years from the date of original purchase.

d) Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

(vi) Provisions

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimates when:

- a) The Company has a present obligation as a result of a past event.
- b) Probable outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) The amount of the obligation can be reliably estimated. Provisions are reviewed at each Balance Sheet date.

Discounting of Provisions

Provision which expected to be settled beyond 12 months are measured at the present value by using pretax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

(vii) Revenue

Revenue from Contracts with Customers

a) Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

b) Recognition of revenue is postponed due to the effect of uncertainties of ultimate collection, and revenue is recognized in the period when such uncertainties cease to exist.

Other Revenue Recognition

a) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable using Effective Interest rate Method.

b) Dividend will be recognized when the entities right to receive payment is established, economic benefit will flow to the entity and amount can be measured reliably.

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(vi) Leases

a) As a lessee

a) The Company Recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

b) The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use-asset or the end of the lease term. The estimated useful life of the right-of-use asset is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

c) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

d) The lease liability is measured at amortized cost using the effective interest method, it is remeasured when there is a change in future lease payments from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

e) The Company presents right-of-use asset that do not meet the definition of Investment property in the "Right of use Assets" separately on the face of the Balance sheet and similarly company presents the lease liabilities also on the face of the Balance Sheet.

f) Short term Lease and Leases of low value assets:-The Company has elected not to recognize right-of-use asset and lease liabilities for short term leases that have lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

B) As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risk and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease. As part of the assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating lease as income on a straight-line basis over the lease term as part of "Other Income".

(ix) Depreciation & Amortization

Property, Plant and Equipment

(a) Depreciation on Property, plant and Equipment is provided on Written down value method (WDV) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

(b) Depreciation on assets purchased/ sold during the year is charged on pro rate basis as per Companies Act, 2013.

(c) The residual value of all assets, whose useful life has been exhausted as on 31.3.2014 following scheduled-II of the Companies Act, 2013 and the carrying amount is below 5% of the new cost, has been carried at carrying amount. In case of all other assets, the residual life is kept at 5% of the original cost of assets.

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The estimated useful life of assets for current and comparative period of significant items of property plant and equipment are generally as follows:

Particulars	Useful Life
Plant and Machinery	10-15 years
Office Building inclusive of electrical fittings	60 years
Building Godowns inclusive of electrical fittings	30 years
Computers	3-6 years
Office Equipment's	10-15 years
Generators	15 years
Electric Installations	10 years
Tubewells	5 years
Tanks and Reservoirs	15 years
Pivot Irrigation	15 years
Fencing	5 years
Furniture and fixtures	10 years
Vehicles	10 years

(d) Leasehold improvements are amortized over the lower of estimated useful life as computed under schedule-II and lease term from the year in which such improvement are capitalized.

(e) Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(f) Premium on leasehold land, other than on perpetual lease, is amortized over the period of the lease.

Intangible Assets

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

The estimated useful life of intangibles are as follows:

Intangible Assets	Useful Life	Internally generated or self-generated
(g) Software	(1 - 5 years)	Acquired

(h) Amortization methods, useful lives and residual values are reviewed at each reporting date.

(x) Impairment of non-financial assets

a) In accordance with Ind AS-36 Impairment of Assets, the carrying amounts of Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment.

b) An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired.

c) At each reporting date company assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting period(s) is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss.

(xi) Inventory

a. Inventories are valued at lower of cost and net realizable value. The basis of cost determination in respect of inventories carried is the Weighted Average cost for seeds.

b. Weighted average cost for stores, spares and consumables comprising certification, packing and treatment materials.

c. Condemned and unserviceable seed stocks are valued at estimated realizable value on the basis of latest auction rate during the year. If not disposed off during the year then on the basis of estimated realizable value as per the prevailing market condition.

d. The used gunny bags are valued at 50% of the procurement cost.

e. The fabricated material consumed is accounted for at direct cost plus related overheads.

f. Agriculture produce harvested from an entity's biological assets are measured at Net Realizable Value.

g. Deferred payment of inventory purchased includes the interest element which is recognized separately in finance cost, and that does not includes in the cost of inventory.

Signature

Signature



Biological Assets

A) Biological assets represent growing plants which are measured at the fair value less cost to sell at the end of each reporting period. Company classifies gain and losses from re-measuring biological assets to fair value for biological assets within cost of goods.

B) (a) Rabi standing crops and inventory of nursery is valued at Net Realizable Value less allowance for the expenses yet to be incurred to make the crop/nursery marketable and after providing for risks associated with the agricultural operations. For the purpose, near estimation of the quantity/yield will be taken on the basis of previous 5 years seasonal average. In case of unavailability of average actual yield; Scientific Valuation Method as per National Agriculture Research System Standards will be adopted.

(b) The pre-kharif would be valued at cost when it approximates its fair value and recognized under the head biological asset.

C) The commercial trees grown on waste land/boundaries or otherwise including out lived plantation trees for which either the permission of appropriate authority for its disposal is not required or where it is required, such permission has been obtained for disposal, are valued on fair value of standing trees under the head Biological Assets. The Fair value for standing trees is based on rates fixed by forest department applied on girth in cubic meters.

(xiii) Borrowing Cost

1. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale.

2. All other borrowing costs are recognised as expenses in the period in which they are incurred.

(xiv) Government Grants

a) Grants in aid of the nature of promoter's contribution are treated as contribution from equity holders.

b) Cost of depreciable property, plant and equipments acquired out of and having nexus to grant-in-aid, is credited to "Utilized Capital Grant" which is in the nature of a reserve. Depreciation on such assets is reduced from this reserve and is recognized as 'Income' in the Statement of Profit and Loss.

c) Unutilised/unspent amount of the grants are disclosed under Capital Grants.

d) Government grant in the form of non-monetary asset is recognized at fair value and presented in balance sheet by setting up the grant as deferred income.

(xv) Post-employment benefits and other long term benefits plans:

Gratuity

To meet its liability towards gratuity covering eligible employees (including daily rated workers), in compliance of Ind AS 19 – Employee Benefits, the Corporation has created a Gratuity Trust and funds of the trust are managed by LIC, Canara Bank and Oriental Bank of Commerce. Corporation pays premium based on actuarial valuation applying the Project Unit Credit Method for this purpose to LIC as per requirement/availability of the funds.

Leave Encashment

The Company's obligation towards earned leave and half pay leave, are actuarially determined and provided for, as per Ind AS – 19

Provident Fund

The Corporation makes contributions to a statutory provident fund in accordance with the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The provident fund trust set up by the Company is treated as a defined benefit plan since the Company has to meet the interest and other shortfalls, if any. Accordingly, the contribution paid or payable and expenses, if any are recognized as an expense in the period in which services are rendered by the employee.

Actuarial gains and losses related to all defined benefit obligations are recognized in full through OCI for the period in which they occur.

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Long term benefit plans:

Medical Benefit Scheme for retired employees

(i) In accordance with the guidelines of the Department of Public Enterprises, Government of India and the approval of the Board of Directors, an amount computed and provided at 1.5% being the prescribed percentage of the Profit Before Tax of the Initial Financial Year 2010-11 amounting to ₹ 119.76 lakhs to be retained as "Retired Employees Welfare Reserve" for the benefit of employees retired before 01.01.2007. Corpus to be created after approval of the Post Retirement Contributory Medical Scheme for retired employees (before 01.01.2007) of the Corporation, by The Ministry of Agriculture and Farmers' Welfare. Contribution to the Corpus in the subsequent years, depending upon the need, if required, and not exceed 1.5% of PBT of the previous year.

(ii) In accordance with the guidelines of the Department of Public Enterprises, Government of India and the approval of the Board of Directors, an amount of ₹ 190.08 lakhs, being 3% of Basic Pay + DA of 2019-20, to be retained as "For Retired Employees Welfare" under "Provisions" for the benefit of employees retired after 01.01.2007. Further provisioning in the subsequent years, depending upon the need, if required, and not to exceed overall ceiling of 30 % of Basic Pay + DA covering the total Superannuation benefits.

(iii) Both the above schemes to be reviewed every year and depending on the affordability and sustainability, continuance of the scheme to be decided.

Pension Fund:-

The Corporation makes Contributions equal to 10% of Basic Pay plus DA or such other percentage as the employer may decide from time to time and such contribution shall be payable until the happening of payment events. The company has created a Trust and the funds of the Trust is managed by LIC.

Such contribution at the prescribed rate shall be withheld in subsequent year if in a particular financial year profit after tax of the Corporation dips below ₹ 20 Crore, after giving three months' notice to the Trust, the Insurer and all the Member. However, the withheld contribution shall be released in a phased manner to the Trust from the financial year subsequent to the year when all the previous accumulated losses are wiped out and the profit after tax becomes more than ₹ 20 Crore, without any interest on such arrears of monthly contributions.

Voluntary Retirement Scheme

Compensation accruing under a scheme for the time being in force, offering option for voluntary retirement/ separation to employees is charged to the statement of profit and loss, in the year when the employees exercise option under such scheme.

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by the employees, is recognized as an expense during the period when the employees rendered those services.

(xvi) Taxes

Current income tax

- i. Tax expense for the year comprises of current Income tax and deferred tax.
- ii. Current tax is measured at the amount expected to be paid to the tax authorities using the applicable tax rates.
- iii. The tax rates and tax laws used to compute the taxable amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- iv. Current tax related to OCI Items is recognized in Other Comprehensive Income (OCI).

Deferred tax

In accordance with the Indian Accounting Standard (Ind-AS 12) "Income Taxes" issued by the Institute of Chartered Accountants of India.

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

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(x) **Earnings Per Share**

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

(xviii) **Contingent Liabilities and contingent Assets**

(a) Contingent Liabilities are disclosed in either of the following cases:

- i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
- ii) A reliable estimate of the present obligation cannot be made; or
- iii) A possible obligation, unless the probability of outflow of resource is remote.

(b) Contingent assets is disclosed where an inflow of economic benefits is probable.

(c) Contingent Liability and Contingent Assets are reviewed at each Reporting date.

(d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

(xix) **Fair Value Measurement**

a) Company measures certain financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

b) The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(xx) **Dividend to equity holders**

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

(xxi) **Financial Instruments:-**

Initial Recognition:

Financial Assets and Liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.



Subsequent measurement

Financial Assets

Financial assets are classified in following categories:

a. At Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Fair Value through Other Comprehensive Income

* Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

* The company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

c. At Fair Value through Profit and Loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

d. Investment in Associates

Investment in Associates are measured at cost as per IndAS-27- Separate Financial Statements.

Financial Liabilities

Financial Liabilities are classified as follow:

a) Financial liabilities at Amortized Cost

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money etc. are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

b) Financial liabilities at FVTPL

The company has not designated any financial liabilities at FVTPL.

e. De-recognition

Financial Asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit and loss.

Credit balances lying in the accounts including security and EMD for non-operative parties for more than 5 years is written back .

f) Impairment of financial assets:

- Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

- Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

- ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

g) Standard/Amendments issued but not yet effective

MCA had issued the Indian Accounting Standards Amendments Rules, 2022 vide notification dated 23rd March 2022. In the Indian Accounting Standards Amendments Rules, 2022, amendments has been made in following standards:-

1. First-time Adoption of Indian Accounting Standards (Ind AS-101)
2. Business Combinations (Ind AS-103)
3. Financial Instruments (Ind AS-109)
4. Property, Plant and Equipment (Ind AS-16)
5. Provisions, Contingent Liabilities and Contingent Assets (Ind AS-37)
6. Agriculture (Ind AS-41)

The effective date of these amendments is annual periods beginning on or after 1st April 2022. The Company is currently evaluating the impact of the amendments and has not yet determined the impact on the financial statements.



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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note: - 3
Property, Plant and equipment.

Particulars	Freehold Land	Land Development Farm	Building	Plant and Machinery	Plantation & Horticulture	Irrigation	Furniture & Fixtures	Office Equipment	Computers	Assets Less than Rs. 5000/-	Books	Vehicles	Tarpaulins and Fumigation cover	Roads	Total
Cost or deemed cost															
At 01 April 2020	483.65	1,151.93	10,758.01	8,180.63	240.52	8,542.57	686.46	461.31	455.57	45.43	5.61	193.52	61.29	136.91	31,403.41
Additions	-	-	621.46	405.84	9.24	738.75	67.57	9.72	26.23	0.04	-	-	5.06	-	1,883.91
transferred to RE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/ Adjustments	2.61	(25.89)	-	248.68	-	62.89	43.49	26.68	-	-	-	25.93	-	-	384.39
At 31 March 2021	481.04	1,151.93	11,405.36	8,337.79	249.76	9,218.43	710.54	444.35	481.80	45.47	5.61	167.59	66.35	136.91	32,902.93
Additions	199.19	-	684.66	481.49	3.46	147.06	33.28	8.49	23.10	0.16	0.55	-	1.29	-	1,562.73
transferred to RE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/ Adjustments	-	-	-	48.26	0.75	0.98	21.72	2.23	0.58	-	-	-	0.91	-	75.44
At 31st March 2022	680.23	1,151.93	12,070.02	8,771.02	252.46	9,364.51	722.10	450.61	504.32	45.63	6.16	167.59	66.73	136.91	34,390.22
Accumulated Depreciation and impairment															
At 01 April 2020	-	-	4,633.29	5,619.21	128.19	4,500.97	565.20	416.49	424.61	45.18	5.51	189.18	56.35	113.00	16,695.18
Depreciation charge for the year	-	-	544.46	492.74	6.07	616.46	43.28	8.90	9.57	0.09	0.01	0.64	2.37	4.84	1,729.43
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Tfrd to RE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	(21.28)	210.97	-	15.65	27.15	22.04	-	-	-	30.37	-	-	284.90
At 31 March 2021	-	-	5,199.03	5,900.98	132.26	5,101.78	581.33	403.35	434.18	45.27	5.52	159.45	58.72	117.84	18,139.71
Depreciation charge for the year	-	-	565.23	486.25	7.13	617.03	33.78	9.15	24.35	0.10	0.18	0.39	3.85	3.52	1,750.96
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation on Tfrd to RE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	30.11	40.29	-	0.98	19.86	1.94	0.55	-	-	-	0.32	-	94.05
At 31st March 2022	-	-	5,734.15	6,346.94	139.39	5,717.83	595.25	410.56	457.98	45.37	5.70	159.84	62.25	121.36	19,796.62
Net carrying value															
At 31 March 2022	680.23	1,151.93	6,335.87	2,424.08	113.07	3,646.68	126.85	40.05	46.34	0.26	0.46	7.75	4.48	15.55	14,593.60
At 31 March 2021	481.04	1,151.93	6,206.33	2,436.81	117.50	4,116.65	129.21	41.00	47.62	0.20	0.09	8.14	7.63	19.07	14,763.22



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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note:- 4 Right-of-use Assets

(₹ in lakhs)

Particulars	Land	Building	Total
Gross Block			
Opening balance at 1 April 2020	255.29	70.27	325.56
Addition during the year	10.34	-	10.34
Disposals / adjustment during the year	-	-	-
Closing balance at 31 March 2021	265.63	70.27	335.90
Addition during the year	16.45	-	16.45
Disposals / adjustment during the year	42.53	-	42.53
Closing balance at 31 March 2022	239.55	70.27	309.82
Depreciation and Impairment			
Opening balance at 1 April 2020	53.15	21.86	75.01
Addition during the year	7.12	19.29	26.41
Disposals / adjustment during the year	-	-	-
Closing balance at 31 March 2021	60.27	41.15	101.42
Addition during the year	30.58	10.31	40.89
Disposals / adjustment during the year	42.53	-	42.53
Closing balance at 31 March 2022	48.32	51.46	99.78
Net Book Value			
At 31 March 2022	191.23	18.81	210.04
At 31 March 2021	205.36	29.12	234.48

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note: - 5: Other Intangible Assets

	(₹ in lakhs)	
Particulars	Software	Total
<u>At Cost or Deemed Cost</u>		
At 1st April 2020	88.91	88.91
Additions	-	-
Disposals/Adjustments	-	-
At 31 March 2021	88.91	88.91
Additions	-	-
Disposals/Adjustments	-	-
At 31st March 2022	88.91	88.91
<u>Accumulated Amortisation and impairment</u>		
At 1st April 2020	82.79	82.79
Amortisation for the year	0.31	0.31
Impairment	-	-
Disposals/Adjustments	-	-
At 31 March 2021	83.10	83.10
Amortisation for the year	0.29	0.29
Impairment	-	-
Disposals/Adjustments	-	-
At 31st March 2022	83.39	83.39
<u>Net carrying value</u>		
At 31 March 2022	5.52	5.52
At 31 March 2021	5.81	5.81

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note: - 6

Capital work-in-progress

Particulars	(₹ in lakhs)	
	31-Mar-22	31-Mar-21
Opening Balance	761.70	707.89
Addition during the year	12.87	832.35
Transferred to fixed assets	(583.28)	(778.54)
Total	191.29	761.70

Capital-work-in progress ageing schedule

(₹ in lakhs)

Particulars	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
As at March 31, 2022					
Projects in progress	6.73	5.29	2.60	176.67	191.29
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2021					
Projects in progress	451.72	79.97	164.71	18.43	714.83
Projects temporarily suspended	-	-	46.86	-	46.86

Details of projects which are overdues or have exceeded its cost compared to its original plan

CWIP	(₹ in lakhs)			
	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Project 1 - Godown at Kathua	171.37	-	-	-

Projects temporarily suspended :

NIL

Note: - 7

Intangible Assets under Development (ERP Software)

(₹ in lakhs)

Particulars	31-Mar-22	31-Mar-21
Intangible Assets under Development	15.34	15.34
Total	15.34	15.34

Intangible assets under development ageing schedule

(₹ in lakhs)

Particulars	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 years	
As at March 31, 2022					
Project 1 - ERP Software	-	-	-	15.34	15.34
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2021					
Project 1 - ERP Software	-	-	-	15.34	15.34
Projects temporarily suspended	-	-	-	-	-

Signature



NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

(₹ in lakhs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Project 1 : ERP	-	-	-	15.34

Projects temporarily suspended

Nil

* Refer Note No. 75

Note: - 8

Investment property

Particulars	(₹ in lakhs)		
	Land	Building	Total
Gross carrying amount/Deemed cost			
Opening balance at 1 April 2020	-	30.00	30.00
Additions (subsequent expenditure)	-	-	-
Disposals	-	-	-
Closing balance at 31 March 2021	-	30.00	30.00
Reclassification Adjustments			
Additions (subsequent expenditure)	-	-	-
Disposals	-	-	-
Closing balance at 31st March 2022	-	30.00	30.00
Accumulated Depreciation and impairment			
Opening balance at 1 April 2020	-	28.47	28.47
Depreciation charged during the year	-	0.03	0.03
Disposals	-	-	-
Closing balance at 31 March 2021	-	28.50	28.50
Depreciation charged during the year	-	0.03	0.03
Disposals / Adjustments	-	-	-
Closing balance at 31st March 2022	-	28.53	28.53
Net Carrying Amount			
at 31 March 2022	-	1.47	1.47
at 31 March 2021	-	1.50	1.50

Information regarding income and expenditure of Investment property

Particulars	(₹ in lakhs)	
	31-Mar-22	31-Mar-21
Rental income derived from investment properties	7.09	7.49
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation	7.09	7.49
Less: Depreciation	0.03	0.03
Profit arising from investment properties	7.06	7.46

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Reconciliation of fair value (Required if recurring valuation within level-3)

	(₹ in lakhs)		
	Land	Building	Total
Opening balance as at 01-04-2020	-	466.43	466.43
Fair value difference	-	27.90	27.90
Purchases	-	-	-
Closing balance as at 31-03-2021	-	494.33	494.33
Fair value difference	-	(2.87)	(2.87)
Purchases	-	-	-
Closing balance as at 31-03-2022	-	491.46	491.46
Note:-			
Investment Property acquired	-	-	-
Investment Property self constructed	-	-	-

Note:-

Contractual commitment for purchase, construction or development of investment property or for its repair maintenance or enhancement are Nil.

Estimation of Fair Value

The company obtains independent valuation for its investment properties at least annually. The best evidence of fair value is current prices in active market for similar properties.

The fair value of investment properties have been determined by independent valuers throughout the country. The main inputs used are Government rates of Property. All resulting fair value for investment properties are included in level 3.

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note 9.1 : Non Current Investment

Particulars	31 March 2022	31 March 2021
a) Investment in equity instruments		
(i) Associates at cost		
90,000 [31-March-21 : 90,000] Equity Shares of Rs. 100 each fully paid-up of Andhra Pradesh State Seeds Development Corporation Ltd.	90.00	90.00
1,13,312 [31-March-21 : 1,13,312] Equity Shares of Rs.100 each fully paid-up of Haryana Seeds Development Corporation Ltd.	113.31	113.31
84,000 [31-March-21 : 84,000] Equity Shares of Rs. 100 each fully paid-up of Uttarakhand Seeds & Terai Development Corporation Ltd.	84.00	84.00
1,48,330 [31-March-21 : 1,48,330] Equity Shares of Rs. 100 each fully paid-up of Maharashtra State Seeds Corporation Ltd.	148.33	148.33
96,151 [31-March-21 : 96,151] Equity Shares of Rs.100 each fully paid-up of Punjab State Seeds Corporation Ltd.	96.15	96.15
63,829 [31-March-21 : 63,829] Equity Shares of Rs. 100 each fully paid-up of Bihar Rajya Beej Nigam Ltd.	63.83	63.83
Less: Provision for diminution in value of shares	(63.83)	(63.83)
Share application money paid:**		
3,226 [31-March-21 : 3,226] Equity Shares of Rs. 100 each fully paid-up of Bihar Rajya Beej Nigam Ltd.	3.23	3.23
Less: Provision for diminution in value of shares	(3.23)	(3.23)
Total a) (i)	531.79	531.79
(ii) Others at Fair Value through Other Comprehensive Income		
25,039 [31-March-21 : 25,039] Equity Shares of Rs. 100 each fully paid-up of Odisha State Seeds Corporation Ltd.	928.19	745.66
62,230 [31-March-21 : 62,230] Equity Shares of Rs. 100 each fully paid-up of Karnataka State Seeds Corporation Ltd.	609.23	576.87
482 [31-March-21 : 482] Equity Shares of Rs. 10000 each fully paid-up of Madhya Pradesh Rajya Beej Evam Farm Vikas Nigam	65.92	77.27
1,13,930 [31-March-21 : 1,13,930] Equity Shares of Rs. 100 each fully paid-up of Rajasthan State Seeds Corporation Ltd.	1,890.10	1,757.94
2,500 [31-March-21 : 2,500] Equity Shares of Rs. 200 each fully paid-up in Sharavasti Kissan Sehkari Sugar Mills Ltd. Nanpura, Janpad Bahraich(U.P)	5.00	5.00
5 [31-March-21 : 5] Equity Shares of Rs. 100 each fully paid-up of Cooperative Audhyogik Vasahat Ltd.	0.01	0.01
Total a) (ii)	3,498.45	3,162.75
Total a) ((i) + (ii))	4,030.24	3,694.54
b) Investment in Preference Shares :		
(i) Associates at Cost		
37,021 [31-March-21 : 37,021] Preference Shares of Rs.100 each fully paid-up of Bihar Rajya Beej Nigam Ltd.	37.02	37.02
Less: Provision for diminution in value of shares	(37.02)	(37.02)
Share application money paid: **		
2,304 [31-March-21 : 2,304] Preference Shares of Rs. 100 each fully paid-up of Bihar Rajya Beej Nigam Ltd.	2.30	2.30
Less: Provision for diminution in value of shares	(2.30)	(2.30)
Total b) (i)		

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NATIONAL SEEDS CORPORATION LIMITED		
Notes on Financial Statements for the year ended 31st March 2022		
Particulars	31 March 2022	31 March 2021
(₹ in lakhs)		
(ii) Others at Amortised Cost		
14,301 [31-March-21 : 14,301] Preference Shares of Rs.100 each fully paid-up of Odisha State Seeds Corporation Ltd.	14.30	14.30
Total b) (ii)	14.30	14.30
Total b) {(i)+(ii)}	14.30	14.30
Total of Non-Current Investment (a+b)	4,044.54	3,708.84
Note:- 9.2 : Current Investments		
Particulars	31 March 2022	31 March 2021
a) Investment at Fair Value Through Profit and Loss		
Investment in Mutual Funds	-	-
Total of Current Investment	-	-
Aggregate amount of quoted investment and market value there of	-	-
Aggregate amount of unquoted investment	4,044.54	3,708.84
Aggregate amount of impairment in value of investment	106.38	106.38
** The allotment of shares by Bihar Rajya Beej Nigam Ltd. have been approved by their Board of Directors in its meeting held on 3.1.1998. Since the share certificates are yet to be issued, the investments are shown as Share Application Money paid.		
Notes:		
Note 9.1(b)(i) : Investment in preference shares of Bihar Rajya Beej Nigam Ltd are carried at Amortised cost, however impact of cumulation of dividend is not taken in books, since company has not recieved dividend since past several years.		
Refer Note No. 65		
Note:- 10: Other financial assets		
(₹ in lakhs)		
Particulars	31 March 2022	31 March 2021
Security Deposit		
Considered Good	316.75	299.21
Considered Doubtful	38.85	38.26
	355.60	337.47
Less: Allowances for Doubtful Loans & Advances	(38.85)	(38.26)
Total	316.75	299.21
Note: - 11: Other non-current assets		
(₹ in lakhs)		
Particulars	31 March 2022	31 March 2021
Capital Advances*		
Unsecured, considered good unless otherwise specified	97.75	97.75
Total	97.75	97.75
*Note: Refer note no. 68(vii)		

Signature

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note - 12 : Deferred Tax Assets

The balance comprises temporary differences attributable to:

Particulars	31 March 2022	31 March 2021
Deferred Tax Assets		
Disallowances under section 43B of Income Tax Act, 1961	815.02	1,019.14
Provision for doubtful debts & advances	3,286.70	2,605.12
Others	209.74	291.57
Total	4,311.46	3,915.83
Deferred Tax Liability		
Related to Property plant and equipment	423.01	354.24
Revaluation of Investment	648.50	581.36
	1,071.51	935.60
Deferred Tax Asset (Net of deferred tax liability)	3,239.95	2,980.23

Note 12.1 : Movement in deferred Tax assets/liabilities:

Particulars	PPE and Intangible assets	Provisions	Investment	43B	Other	Total
At 1 April 2020	(338.32)	2,195.30	(503.05)	1,431.56	382.09	3,167.58
Charged/(credited)						
To Profit & Loss	(15.91)	409.82	-	(531.91)	(90.53)	(228.53)
To other comprehensive income	-	-	(78.31)	119.49	-	41.18
At 31 March 2021	(354.23)	2,605.12	(581.36)	1,019.14	291.56	2,980.23
Charged/(credited)						
To Profit & Loss	(68.78)	681.58	-	(357.24)	(81.82)	173.74
To other comprehensive income	-	-	(67.14)	153.12	-	85.98
At 31 March 2022	(423.01)	3,286.70	(648.50)	815.02	209.74	3,239.95

Income Tax & Deferred Tax

a) Income Tax Expenses

Particulars	As at 31st March 2022	As at 31st March 2021
Current Tax on profits for the years	220.00	-
Adjustments in respect of current income tax of previous year	348.38	(11.27)
Total Current tax Expenses	568.38	(11.27)

b) Deferred tax

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred tax recognition	(173.73)	228.53
Total Deferred Tax Expenses (Benefits)	(173.73)	228.53

Income tax expense attributable to continuing operations

	394.65	217.26
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Note 12.2 Tax related to items recognised in OCI during the year:

Particulars	As at 31st March 2022	As at 31st March 2021
Fair valuation of Investment	(67.14)	(78.31)
Re-measurement of defined benefits	153.12	119.49
Income tax charged to OCI	85.98	41.18

Note 12.3 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2022 and 31st March 2021:

Particulars	As at 31st March 2022	As at 31st March 2021
Accounting profit before tax from continuing operations	1,470.71	460.94
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	1,470.71	460.94

At India's statutory income tax rate of 25.17%
(31st March 2021: 25.17%)

	371.00	116.02
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Interest on Income Tax

Tax Effect due to Non taxable Income /

Other Deductible Expenses

Agriculture Income (Net of Expenses)	(328.38)	(83.64)
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Dividend Income (Net of Expenses)	(14.40)	(7.90)
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House property Income	(96.35)	(98.34)
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Expenses Allowable	(671.83)	(825.55)
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Tax Effect due to non Deductible Expenses

Corporate Social Responsibility	18.68	21.31
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Retired Employee Welfare	-	-
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Other Items including rounding off of tax provision	-	-
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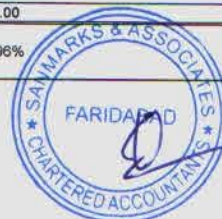
Impact of Change in rate and other items	941.28	678.10
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	220.00	-
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	14.96%	0.00%
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At effective Income tax rate		
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Signature 22



NATIONAL SEEDS CORPORATION LIMITED		
Notes on Financial Statements for the year ended 31st March 2022		
Note 12.4 Tax expense for current year reported in Statement of profit and loss		
Particulars	As at 31st March 2022	(₹ in lakhs) As at 31st March 2021
Current Tax on profit for the year	220.00	-
Deferred Tax	(173.73)	228.53
Total tax expense for current year charged to statement of profit and loss	46.27	228.53
Note 13 : Inventories		
Particulars	31 March 2022	(₹ in lakhs) 31 March 2021
Finished Goods	16,564.16	14,485.65
Certification, Packing and Treatment Materials	3,306.34	2,299.67
Unserviceable Seeds	472.59	812.33
Farm Stock	6,734.54	7,871.57
Others(Stores & Spares, POL, Printing & Stationary, Medicines)	205.68	171.77
Total	27,283.31	25,640.99
Note: Valuation method is given in para(xi) note-2.2 Summary of Significant Accounting Policies.		

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note: - 14: Biological Asset other than bearer plants

Particulars	Non Current		Current		(₹ in lakhs)
	Trees	Standing Crops	Nursery	Total	
Balance at 1 April 2020	4,247.80	6,422.16	99.19		6,521.35
Increase due to purchases	-	-	-	-	-
Changes in fair value due to biological transformation	368.77	5,548.88	14.04		5,562.92
Changes in fair value due to price changes	105.62	-	-		-
Transfer of harvested assets to inventory	(34.13)	(6,422.16)	(4.43)		(6,426.59)
Balance At 31 March 2021	4,688.06	5,548.88	108.80		5,657.68
Increase due to purchases	-	-	-	-	-
Changes in fair value due to biological transformation	305.04	6,254.50	7.90		6,262.40
Changes in fair value due to price changes	75.51	-	-		-
Transfer of harvested assets to inventory	(248.30)	(5,548.88)	(19.79)		(5,568.67)
Balance At 31st March 2022	4,820.31	6,254.50	96.91		6,351.41

Note:

(i) Biological Assets comprises of the standing crops and standing trees which is being produced by the company in its own farms.

(ii) The Company's seeds business is exposed to risks from pests and the effect of the weather on crops. These risks are mitigated by continuous nurturing of plants.

(iii) The fair value of biological assets of other entity, denotes farm share outsourced to outside party, was calculated based on quoted price in active market that the entity can access at the measurement date. They are classified as level 3 fair values in fair value hierarchy.

(iv) As at 31st March 2022, there were 2,36,764 No. of trees plantation (31st March 2021: 2,69,271)

(v) As at 31st March 2022, there were 21,336.73 hectare of cultivation. (31st March 2021: 21,707.30 hectare of cultivation). During the year, the company sold 11,21,485.97 quintals of certified seeds (31st March 2021: 14,53,877.03 quintals of certified seeds).

Note:- 15: Trade Receivables

Particulars	31 March 2022		31 March 2021		(₹ in lakhs)
Receivables from related parties					
Receivables from Others					
Unsecured, Considered good	42,343.81		40,302.69		
Significant increase in Credit Risk & Credit Impaired	5,568.92	47,912.73	4,109.47		44,412.16
Less: Allowances for bad and doubtful debts		(5,568.92)		(4,109.47)	
Total Trade Receivables	42,343.81		40,302.69		

Trade Receivables Ageing

Particulars	Outstanding for the year ended March 31, 2022 from the due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	13,907.04	8,697.99	3,121.33	11,231.03	4,863.00	41,820.39
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	6.75	2.30	2,302.25	2,511.30
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	9.86	2,654.42	2,664.28
(iii) Disputed Trade Receivables considered good	-	102.01	-	110.72	310.68	523.41
(iv) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	16.71	16.71
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	376.63	376.63

Particulars	Outstanding for the year ended March 31, 2021 from the due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	17,130.63	5,137.70	8,178.83	6,501.90	3,307.20	40,256.26
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	1,378.59	1,378.59
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	2,345.74	2,345.74
(iii) Disputed Trade Receivables considered good	-	-	-	37.95	8.50	46.45
(iv) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	385.13	385.13

Note: - 16: Cash and cash equivalents

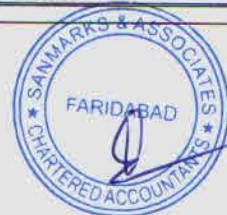
Particulars	31 March 2022		31 March 2021		(₹ in lakhs)
(a) Balances with banks (of the nature of cash and cash equivalents)					
Considered Good	5,642.07		10,245.85		
Considered Doubtful	-		-		
Less: Allowances for Doubtful Loans & Advances	5,642.07	5,642.07	10,245.85		10,245.85
(b) Cheques, drafts and stamps on hand		163.24		7.97	
(c) Cash on hand		1.27		0.66	
(d) Others (Deposits with original maturity of less than three months)		-		-	
Total	5,806.58		10,254.48		

Note: - 17: Bank Balances other than cash and cash equivalents

Particulars	31 March 2022		31 March 2021		(₹ in lakhs)
(a) Earmarked balances with banks:					
Balance with bank for assistance for boosting seed production in Pvt. Sector	4.56		10.71		
(b) Fixed deposit held as margin money/security against bank borrowings/guarantee	178.48		240.26		
Total	183.04		250.97		

Signature

24



NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note:- 18: Other financial assets

Particulars	31 March 2022	31 March 2021	(₹ in lakhs)
a) Accrued			
Interest accrued on deposit	10.17	23.58	
- Considered good	3.18	-	
- Considered Doubtful	13.35	23.58	
Less: Allowance for Doubtful Claims	(3.18)	-	23.58
b) Other Receivables			
- Considered good	2,026.91	734.59	
- Considered Doubtful	524.12	518.89	
Less: Allowance for Doubtful Claims	2,551.03	1,253.48	
	(524.12)	(518.89)	734.59
c) Claims Receivables			
- Considered good	0.05	0.48	
- Considered Doubtful	69.51	69.51	
Less: Allowance for Doubtful Claims	69.56	69.99	
	(69.51)	(69.51)	0.48
d) Recoverable from Govt. of India against * sales/production-subsidy/Minikits:			
- Considered Good	11,382.91	9,192.05	
- Considered Doubtful	4,014.52	4,014.52	
Less: Allowance for Doubtful Claims	15,397.43	13,206.57	
	(4,014.52)	(4,014.52)	9,192.05
e) Recoverable from state government against: * sales/production subsidy:			
- Considered Good	4,961.45	6,370.38	
- Considered Doubtful	2,638.34	1,392.46	
Less: Allowance for Doubtful Claims	7,599.79	7,762.84	
	(2,638.34)	(1,392.46)	6,370.38
f) Recoverable from staff			
Unsecured, Considered Good	53.17	56.63	
Unsecured Considered Doubtful	1.87	1.87	
Less: Allowance for Doubtful claims	55.04	58.50	
	(1.87)	(1.87)	56.63
TOTAL			
	18,434.66	16,377.71	

*Credit for subsidies/grants-in-aid/reimbursement of expenses receivable from Central/State Government have been taken on the basis of amount claimable from respective authority subject to adjustment, if any, being made at the time of final settlement/acceptance of the same by the respective authority.

Note 19 : Current Tax Assets

Particulars	31 March 2022	31 March 2021	(₹ in lakhs)
Advance Tax & Tax Deducted at Source (Net)	817.17	1,549.84	
Total	817.17	1,549.84	

Note 20: Other current assets

Particulars	31 March 2022	31 March 2021	(₹ in lakhs)
a) Other Advances			
<u>Advance to Growers</u>			
Secured, Considered Good	5,444.01	5,044.86	
Unsecured, Considered Doubtful	186.27	152.66	
Less: Allowance for Doubtful Advances	5,630.28	5,197.52	
	(186.27)	(152.66)	5,044.86
<u>Advance to Others</u>			
Secured, Considered Good	222.83	236.87	
Unsecured, Considered Doubtful	3.33	3.33	
Less: Allowance for Doubtful Advances	226.16	240.20	
	(3.33)	(3.33)	236.87
b) Others			
Prepaid Expenses	45.90	77.15	
c) Claims			
Claims recoverable	2.92	-	
Considered Doubtful*	80.50	80.50	
Less: Allowance for Doubtful Claims	83.42	80.50	
	(80.50)	(80.50)	
d) Advance to staff			
Unsecured, Considered Good	14.09	23.02	
Unsecured Considered Doubtful	1.39	1.39	
Less: Allowance for Doubtful claims	15.48	24.41	
GST Input Tax Receivable	(1.39)	(1.39)	23.02
	17.69	19.63	
TOTAL			
	5,747.44	5,401.53	

*Claims recoverable of ₹ 80.50 lakhs from party for theft of stock during 2017-18, under RO Bhopal. Case has been filed against party under negotiable instrument act.

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25



NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note: - 21: Equity Share capital

Particulars	(₹ in lakhs)	
	31 March 2022	31 March 2021
Authorised share capital		
17,36,100 (previous Year 17,36,100) Equity Shares of Rs 1000 each	17,361.00	17,361.00
	17,361.00	17,361.00
Issued/Subscribed and Paid up Capital		
5,73,199 (previous Year 5,73,199) Equity Shares of Rs 1000 each	5,731.99	5,731.99
	5,731.99	5,731.99

(i) Reconciliation of the number of equity shares and share capital Outstanding

Particulars	As at 31st March 2022		As at 31 March 2021	
	No of shares	Amount	No of shares	Amount
Shares outstanding at the beginning of the year	5,73,199	5,731.99	5,73,199	5,731.99
Add: Shares Issued during the year				
Issued/Subscribed and Paid up equity Capital outstanding at the end of the year	5,73,199	5,731.99	5,73,199	5,731.99

(ii) Terms/Rights attached to Equity Shares

The Company has one class of equity shares having a par value of ₹ 1,000 per share. Each shareholder is eligible for one vote per share held. The dividend proposed/ to be proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by each shareholder holding more than 5% shares in the company

Name of the shareholder	As at 31st March 2022		As at 31 March 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Government of India	5,73,199	100%	5,73,199	100%
Total	5,73,199	100%	5,73,199	100%

- (iv) a. NSC has issued only equity shares with face value of Rs.1000/- each fully paid up.
b. No preference shares have been issued by NSC.
c. No convertible debentures, bonds, convertible term loan, share warrants against GDF has been issued by NSC.
d. No forfeiture of shares have been done by NSC and consequently there is no reissue of forfeited shares.
e. NSC did not buy back its own shares so far.
f. Refer Note No- 73 regarding Disinvestment of Shares.

(v) Aggregate number of equity shares issued for consideration other than cash, bonus shares issued and shares bought back during the Year :-

Particulars	As at 31st March 2022	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018
Equity Shares issued for consideration other than cash	-	-	-	-	-
Equity Shares issued as fully paid up bonus shares	-	-	-	-	-
Equity Shares bought back	-	-	-	-	-

(vi) Promoters Shareholding are as follows:-

Particulars	Shares held by Promoter at the end of the period / year				% change during the period / year
	S.No	Promoter Name	No. of shares	% of total shares	
As at March 31, 2022	1	Government of India	5,73,199	100%	-

Particulars	Shares held by Promoter at the end of the period / year				% change during the period / year
	S.No	Promoter Name	No. of shares	% of total shares	
As at March 31, 2021	1	Government of India	5,73,199	100%	-

Signature



NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note: - 22: Other Equity

	31 March 2022	31 March 2021
Particulars		
(a) Retained Earnings	57,612.17	57,069.53
(b) Other Reserves		
(i) Unspent CSR Reserve	262.42	277.28
(ii) Retired Employees Welfare Reserve	119.77	119.77
(iii) Land Development Reserve	504.21	464.59
(iv) FVTOCI Equity Investment	2,595.55	2,326.98
Total	61,094.12	60,258.15

	31 March 2022	31 March 2021
Particulars		
(a) Retained Earnings		
Surplus in Statement of Profit and Loss:		
Balance as at the beginning of the year	57,069.53	58,086.74
Less: Bonus shares issued	-	-
Add: Profit for the year	1,076.06	243.68
Add: Profit/(Loss) from Other comprehensive income for Re-measurement of defined benefits plans (net of tax effect)	(455.22)	(355.25)
	57,690.37	57,975.17
Less:		
Adjustment of Retained Earnings due to change in Depreciation calculations as per new companies Act, 2013		
Dividend Paid	(73.10)	(897.59)
Dividend Distribution Tax	-	-
Transferred to Unspent CSR Reserve	(5.10)	(8.05)
Balance as at the end of the year	(78.20)	(905.64)
	57,612.17	57,069.53
(b) Other Reserves		
(i) Unspent CSR Reserve:		
Balance as at the beginning of the year	277.28	269.23
Add: Transferred from Surplus in Statement of Profit & Loss	5.10	8.05
Amount utilised during the year	(19.96)	-
Balance as at the end of the year	262.42	277.28
(ii) Retired Employees Welfare Reserve:		
Balance as at the beginning of the year	119.77	119.77
Add: Subscription received during the year	-	-
Add: Transferred from Provisions	-	-
Less:		
Amount utilised during the year	-	-
Balance as at the end of the year	119.77	119.77
(iii) Land Development Reserve:		
Balance as at the beginning of the year	464.59	429.02
Add: Addition during the year	39.62	35.57
Less: Utilised during the year	-	-
Balance as at the end of the year	504.21	464.59
(iv) FVTOCI Equity Investment		
Opening Balance	2,326.98	2,546.42
Change in fair value of FVTOCI equity instrument	335.71	(141.13)
Deferred Taxes	(67.14)	(78.31)
	2,595.55	2,326.98
	61,094.12	60,258.15

Nature and purpose of Reserves

FVTOCI Equity Investment

The NSC has elected to recognize changes in fair value of investment in equity instruments other than Associates through other comprehensive income. These changes are accumulated within the FVTOCI equity investments within equity. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognized.

Unspent CSR Reserve:

The unspent CSR Reserve has been parked in a separate bank account amounting to ₹ 256.86 lakhs.

Retired Employees Welfare Reserve:

In accordance with the guidelines of the Department of Public Enterprises, Government of India and approval of the Board of Directors, an amount computed at the prescribed percentage of the profit before tax of the previous year is charged to the statement of profit and loss and a Reserve titled "Retired Employees Welfare Reserve" is created for the corresponding amount.

Land Development Reserve:

The land development expenditure represents expenditure incurred on development of farm lands and has been treated as fixed assets from 1985-86. Instead of depreciation, land development Reserve is being created at the rate of 5% on W.D.V every year.

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Distribution made and proposed

Particulars	(₹ in lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Cash dividend on equity shares declared and paid		
Final Dividend for the year ended 31st March 2021 (₹12.75 per share)	73.10	897.59
Dividend distribution Tax on Final dividend	-	-
Proposed Dividend on Equity shares*		
Proposed Dividend for the year ended 31.03.2022 (₹56.32 per share)	322.82	73.10
Dividend distribution Tax on Proposed Dividend	-	-

*Not in compliance of GOI OM dated 17-05-16 since it was not feasible for the corporation to pay ₹ 3211.53 lakhs (being 5% of the Net Worth) as PAT during the year is ₹ 1076.06 lakhs. Moreover the Cash Flow position is also highly precarious with the corporation thriving on a CC limit of ₹ 7500 lakhs. Further, a large amount of internal resources is to be ploughed back to Finance its own on-going capitalisation process including improvement of its irrigation system. Exemption request already submitted through the administrative ministry, to exempt the Corporation from the guidelines issued.

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note : 23: Grant

Particulars	31 March 2022	(₹ in lakhs) 31 March 2021
a) Utilised capital grant:		
Balance as at the beginning of the year	8,025.44	8,036.61
Add: Utilised during the year	803.64	973.07
	8,829.08	9,009.68
Less: Grant adjusted during the year		(0.02)
Less: Deductions during the year (Depreciation)	(729.99)	(984.22)
Balance as at the end of the year	8,099.09	8,025.44
(b) Unspent Capital Grant		
i) For Procurement of equipment of Seed Testing Labs & For G.O.T. Farms		
Balance as at the beginning of the year	110.83	57.10
Add: Addition during the year	11.41	79.00
	122.24	136.10
Less: Amount utilised -Capital Expenditure	(60.94)	(6.76)
Less: Amount utilised -Revenue Expenditure	(13.15)	(0.51)
Less: Unutilised amount refunded to MOA	(39.23)	(18.00)
Balance as at the end of the year	8.92	110.83
ii) For creation of Infrastructure Facilities under SMSP		
Balance as at the beginning of the year	776.46	1,653.48
Add: Received during the year		98.25
Add: Transferred during the year		
Less: Utilised during the year	(425.24)	(962.28)
Less: Refunded to MOA		(12.99)
	351.22	776.46
iii) For adoption of seed coating technology under RKVY		
Balance as at the beginning of the year	-	5.07
Add: Received during the year	-	-
Add: Transferred during the year	-	-
Less: Amount utilised -Capital Expenditure	-	(4.04)
Less: Amount utilised -Revenue Expenditure	-	-
Less: Refunded to MOA	-	(1.03)
	-	-
iv) For Computerisation		
Balance as at the beginning of the year	15.34	15.34
Add: Received during the year	-	-
Transferred from /to HO/Farms	-	-
Less: Amount utilised -Capital Expenditure	-	-
Less: Amount utilised -Revenue Expenditure	-	-
	15.34	15.34
v) For conduction training		
Balance as at the beginning of the year	2.97	2.97
Add: Received during the year	8.00	-
Less: Refunded to MOA	(2.97)	-
Less: Amount utilised	(5.06)	-
	2.94	2.97
vi) Deferred Govt. Grant (CSF Bahraich)		
Balance as at the beginning of the year	85.61	85.61
Add: Received during the year	-	-
Less: Amount utilised	-	-
	85.61	85.61
vii) Capital Grant for Seed Village Programme		
Balance as at the beginning of the year	839.14	995.98
Additions during the year	38.28	511.22
Less: Refunded to MOA	(384.37)	-
Less: Amount utilised	(227.49)	(668.06)
	265.56	839.14
viii) For Sub Mission on Agriculture Mechanization (SMAM)		
Balance as at the beginning of the year	583.50	-
Addition during the year	-	583.50
Less: Amount utilised -Capital Expenditure	(290.60)	-
Less: Amount utilised -Revenue Expenditure	(49.29)	-
	243.61	583.50
ix) For Supply of Fodder Seeds		
Balance as at the beginning of the year	185.23	-
Addition during the year	4,808.78	2,750.00
Less: Amount utilised	-	(2,564.77)
	4,994.01	185.23
x) Grant for Kisan Mela		
Balance as at the beginning of the year	3.03	7.92
Addition during the year	-	-
Less: Amount utilised	-	(4.89)
	3.03	3.03
xi) For ICAR-IIMR Millet Seed Hub Scheme		
Balance as at the beginning of the year	37.50	-
Addition during the year	-	37.50
Transferred from /to HO/Farms	12.50	-
Less: Amount utilised	(26.87)	-
	23.13	37.50
TOTAL (b)	5,993.37	2,639.61
Total(a)+(b)	14,092.46	10,665.05

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note: - 24 Borrowings

Particulars	(₹ in lakhs)	
	31 March 2022	31 March 2021
Secured Term Loan from Bank	-	93.42
Lease Liabilities	14.43	19.65
Total	14.43	113.07

Note:- 25: Other financial Liabilities

Particulars	(₹ in lakhs)	
	31 March 2022	31 March 2021
Security and other Deposit	1,376.29	1,310.57
Gratuity (Refer Note:74)	575.97	1,294.75
Total	1,952.26	2,605.32

* Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn salary (Basic + D.A) per month computed proportionately for 15 days salary per year multiplied for the number of years service. The gratuity plan is funded plan and company makes a contribution to the recognized fund in India.

Note: - 26: Other non current liabilities

Particulars	(₹ in lakhs)	
	31 March 2022	31 March 2021
a) Advances		
Advance from clients	-	-
Advance contract receipts	-	-
Advance Rent/Premium	719.71	659.29
Revolving Fund For:		
Seed Production under Drought Prone Area*	150.00	150.00
Seed Production under Drought Prone Area-SFCI	150.00	150.00
For Establishment and Maintenance of Seed Bank Scheme **	379.55	379.55
-For Establishment and Maintenance of Seed Bank Scheme - erstwhile SFCI	163.63	163.63
-Crash Programme (Oil Seeds)***	147.00	147.00
-Crash Programme (Oil Seeds)-SFCI	60.00	60.00
-Crash Programme(Pulses)***	26.75	26.75
-Crash Programme(Pulses)-SFCI	-	-
Fair Value Adjustment	25.85	25.36
Total	1,822.49	1,761.58

* Revolving fund for seed production under drought prone area:-The Ministry of Agriculture and Farmers Welfare granted approval of fund for seed production under drought prone areas. This fund was to be kept in a separate account and to be used as working capital. It was also stated that the funds utilized were to be deposited back so that there should be no depletion from this account. Being old cases can only be adjusted once the utilization certificate is received/traced.

** Revolving fund for Establishment and Maintenance of Seed Bank Scheme :- The Ministry of Agriculture and Farmers Welfare granted approval for release of funds for creation of revolving fund for the purpose of establishment and maintenance of seed bank. This assistance was to be used as per the guidelines and utilization certificate and progress of implementation scheme was to be submitted to DAC & FW. Being old cases can only be adjusted once the utilization certificate is received/traced.

*** Revolving fund for implementation of Crash Programme for Quality Seed Production of Oilseeds and Pulses:- The Ministry of Agriculture and Farmers Welfare granted approval of revolving fund for the purpose of implementation of quality seed production of Oilseeds and Pulses. The funds were to be used for organizing crash programs for production of Oilseeds and Pulses. Being old cases can only be adjusted once the utilization certificate is received/traced.

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note: - 27: Provisions

Particulars	31 March 2022	31 March 2021
Provision for Employees benefits		
<u>For compensated Absences*</u>		
Balance as at the beginning of the year	2,128.66	2,527.54
Additions during the year	402.19	788.18
Amounts utilised during the year	(618.74)	(1,187.06)
Balance as at the end of the year	1,912.11	2,128.66
<u>For Retired Employees welfare</u>		
Balance as at the beginning of the year	179.58	190.08
Additions during the year	(123.60)	(10.50)
Less: Transferred to Reserve	-	-
Less: Written Back during the year	-	-
Balance as at the end of the year	55.98	179.58
	1,968.09	2,308.24

* Refer Note No. 74

Note: - 28: Borrowings

Particulars	31 March 2022	31 March 2021
Secured, Loan repayable on demand from bank		
Secured, Cash Credit*	76.91	858.31
Unsecured	-	0.05
	76.91	858.36
Lease Liabilities	24.15	12.98
Total	101.06	871.34

* Primarily secured by first charge on all present and future current assets, plant and machinery of the company and collaterally secured by equitable mortgage on 26 properties located at different parts of the country.

Note:- 29: Trade Payables

Particulars	31 March 2022	31 March 2021
- Due to MSME*	813.70	1,149.24
- Others	33,359.36	34,471.52
- Payable to related parties	-	-
	34,173.06	35,620.76

*Refer note no. 52

Trade Payables Ageing

Particulars	Outstanding for the year ended March 31, 2022 from the due date of payment				Total
	Less than 1 year	1-2 year	3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	769.68	44.02	-	-	813.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,466.33	3,410.83	2,677.18	4,746.62	32,300.96
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	1,058.40	1,058.40

Particulars	Outstanding for the year ended March 31, 2021 from the due date of payment				Total
	Less than 1 year	1-2 year	3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	887.23	129.84	-	132.17	1,149.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	24,721.35	3,155.19	2,495.46	3,041.12	33,413.12
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	1,058.40	1,058.40

Note:- 30: Other financial liabilities

Particulars	31 March 2022	31 March 2021
Inspection fee, Registration fee etc.	10.38	10.86
Security Deposit	2,061.10	2,200.64
Payable for fixed asset	42.25	478.25
Others	6,605.47	6,294.74
Total	8,719.20	8,984.49

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note: - 31: Other current liabilities

Particulars	31 March 2022	31 March 2021
Statutory dues	667.96	592.83
Advances For:		
Grant in Aid/Subsidy *	171.97	171.97
Assistance for boosting seeds production in private Sector	4.55	10.71
Advance for National Food Security Mission / Project Mission / Other Projects, etc.	2,554.37	1,716.40
Other current liabilities		
Advance Rent/Premium Received	18.64	59.15
Fair value adjustment	-	16.88
Total	3,417.49	2,567.94

* Very old balance of Rs. 171.97 lakhs is appearing under Unspent Grant due to non traceability of records/utilisation certificate. The same will be adjusted once the detail of the records traced.

Note: - 32: Provisions

Particulars	31 March 2022	31 March 2021
For Compensated Absences*:		
Balance as at the beginning of the year	604.82	666.02
Additions during the year	-	-
Amounts utilised during the year	(105.49)	(61.20)
Transfer to Long-term Provision	-	-
Balance as at the end of the year	499.33	604.82
Pension		
Balance as at the beginning of the year	32.77	32.77
Additions during the year	-	-
Amounts utilised during the year	(30.00)	-
Balance as at the end of the year	2.77	32.77
Performance Related Pay		
Balance as at the beginning of the year	866.51	1,215.67
Additions during the year	-	-
Amounts utilised during the year	(171.28)	(349.16)
Balance as at the end of the year	695.23	866.51
	1,197.33	1,504.10

* Refer Note No. 74

Note: 33:- Current tax liabilities

Particulars	31 March 2022	31 March 2021
Balance as at the beginning of the year	-	1,050.00
Additions for the year	220.00	-
Amounts utilised during the year	220.00	(1,050.00)
Total	220.00	-

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note 34 : Revenue from Operations

(₹ in lakhs)			
Particulars	For the year ended		For the year ended
	31st March 2022		31st March 2021
<u>Revenue from operations</u>			
Certified - Home Market	72,434.38		92,800.35
Certified - Export	-		-
Reimbursement of Price Differential on sale of seed	5,124.96		5,204.40
Less: Trade Discount	(3,756.50)	73,802.84	(3,883.10)
Foundation Seeds	1,751.76		2,530.12
Breeder Seeds	382.01		283.44
Sapling	4.89		40.00
Condemned Seeds	2,493.16		1,553.25
Miscellaneous sales*	991.91	5,623.73	1,502.64
Sale of Services	-	33.22	-
Other Operating Revenues	-	9,120.05	-
Total		88,579.84	1,01,517.83

Note 35 : Other Income

(₹ in lakhs)			
Particulars	For the year ended		For the year ended
	31st March 2022		31st March 2021
Interest Income			
[TDS ₹ 1.49 lakhs (previous year: ₹ 1.59 lakhs)]		25.96	112.94
Net Gain in Investment in Mutual Fund		19.50	16.64
Dividend Income			
Dividend from Associates		57.21	31.34
<u>Other Non-Operating Income:</u>			
Miscellaneous Receipts*	473.35		440.19
Claims	3.80		6.27
Rent including electricity charges	619.20		575.91
Liquidated damages recovered	87.09	1,183.44	72.76
			1,095.13
<u>Allowances/Provisions & Liabilities no longer required:</u>			
<u>Allowances/Provisions for:</u>			
Bad & Doubtful Debts	62.32		22.52
Doubtful Advances & Deposits	50.55		199.71
Bonus	0.04		2.11
Salary and Allowances	330.00		120.49
Subsidy	8.72	451.63	-
<u>Liabilities for:</u>			
Services	75.25		193.56
Goods	449.04	524.29	509.55
			703.11
Depreciation on assets purchased out of Grant-in-aid		729.98	984.22
Total		2,992.01	3,288.21

* Includes ₹ 10.27 lakhs for 31 March 2022 (31 March 2021 ₹ 17.42 lakhs) towards Security and Other Deposits Forfeited.

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note 36 : Cost of materials consumed

	(₹ in lakhs)	
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening Stock		
Certification & Packing Materials	1,811.09	1,729.02
Fertilizer, Manure & Treatment Materials	488.59	511.62
	2,299.68	2,240.64
Add: Purchases		
Certification & Packing Materials	2,808.26	1,914.48
Fertilizer, Manure & Treatment Materials	917.67	922.37
	3,725.93	2,836.85
Less: Closing stock		
Certification & Packing Materials	2,832.72	1,811.09
Fertilizer, Manure & Treatment Materials	473.61	488.59
	3,306.33	2,299.68
Total	2,719.28	2,777.81

Note 37 : Purchases of stock in trade

	(₹ in lakhs)	
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Certified seeds	59,422.78	71,233.94
Foundation seeds	1,352.23	2,257.00
Breeder seeds	657.38	529.00
Saplings	0.01	43.13
Total	61,432.40	74,063.07

Note 38 : Changes in biological assets and inventories of finished goods, Stock-in-Trade and work-in-progress

	(₹ in lakhs)	
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening Stock of Seeds	15,297.97	14,232.78
Farm Stock	7,871.57	8,543.38
Add:		
Transfer From Biological Assets - Farm Stock	5,816.96	6,460.71
Less : Difference in Fair Value of Biological Assets	(6,642.96)	(6,037.31)
Less :		
Closing Stock of Seeds	17,036.75	15,297.97
Farm Stock	6,734.54	7,871.57
Total	(1,427.75)	30.02

Note 39 : Employee Benefits Expense

	(₹ in lakhs)	
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salary, Wages, Allowances, Other benefits and Bonus	10,453.66	10,953.62
Contribution to provident fund and other funds	1,127.56	1,177.07
Staff welfare expenses	265.54	246.60
Total	11,846.76	12,377.29

Note 40: Finance Costs

	(₹ in lakhs)	
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest Expense:		
On Secured loans(Cash Credit)/Short term Unsecured from Bank	286.32	380.02
Other Borrowing Costs:		
Loan Processing Fees	16.04	15.21
Unwinding of discount	24.05	20.20
Interest exp on lease liabilities	4.06	4.44
Total	330.47	419.87

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note 41: Depreciation and Amortization expenses

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on Property, Plant and Equipment	1,750.99	1,729.46
Depreciation on right of use assets	40.89	26.41
Amortisation	0.29	0.32
Total	1,792.17	1,756.19

Note 42 : Other Expenses

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A - Operational Expenses:		
<u>Repair and Maintenance:</u>		
Godown and Processing Plant Building	17.06	28.11
Plant and Machinery	78.90	56.79
	95.96	84.90
Carriage Inwards including freight on Inter Unit movement of goods and fixed assets	1,618.32	2,186.13
Less: Transport Subsidy	(230.93)	(243.99)
Rent for Storage and Processing Plants	882.75	1,942.14
Processing, Inspection and Seed Testing charges	2,161.30	769.36
Stores, Spares etc. Consumed (all indigenous)	223.06	2,182.05
Power and Fuel	1,391.89	251.94
Irrigation charges	23.79	1,223.64
Laboratory Expenses	6.22	24.88
Agriculture Operational Expenses	722.24	7.51
Other Miscellaneous Expenses	139.98	745.97
Total (A)	7,034.58	7,368.58
B - Administrative Expenses		
<u>Repair and Maintenance:</u>		
Office and Residential Buildings	27.48	40.50
Others	93.87	104.57
Rent : Office and Residential Buildings	121.35	145.07
Travelling and Conveyance *	441.17	326.46
Telephone and Trunk Calls	158.72	164.97
Postage, Telegrams and Telex	26.98	30.81
Printing and Stationery	16.67	14.22
Electricity and Water Charges	59.63	69.29
Hire Charges of Furniture, Fixtures, Vehicles etc.	304.44	365.05
Legal Expenses	91.55	76.80
Rates and Taxes	65.37	43.30
Admn. charges of EPF, Gratuity, Group Insurance etc.	60.75	63.33
Insurance	12.01	12.49
Entertainment Expenses	94.81	79.61
Advertisement (General)	19.62	17.06
Remuneration to Auditors (including tax):	31.36	31.51
- As auditor	11.74	11.06
- For taxation matters	2.97	3.58
- For other services	1.42	1.67
- For reimbursement of expenses	2.33	0.86
Directors sitting fee	18.46	17.17
Internal Audit Fees and reimbursement of expenses	0.65	2.35
Bank Charges	27.38	26.29
Land development expenses written off	17.43	21.35
Plantation crop written off	39.63	35.58
Miscellaneous	1.42	1.25
Total (B)	1,722.14	1,709.69
C- Selling Expenses:		
Freight Outward	1,623.00	1,943.09
Publicity and Advertisement	150.32	160.37
Research and Development Expenses	-	-
Goods and Service Tax	11.36	61.62
Sales Tax	0.14	4.43
Compensation paid under money back guarantee,	0.36	-
Diary Expenses (net)	-	-
Loss on Foreign Translation	-	-
Other selling expenses	14.80	19.73
Total (C)	1,799.98	2,189.24

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021	(₹ in lakhs)
D - Allowances and write offs			
<u>Allowance for bad and doubtful:</u>			
Trade Receivables	2,204.51		670.80
Advances and claims	594.34		974.84
<u>Write-offs:</u>			
Trade Receivables	-		1.69
Less: Charged against Provision for Doubtful Trade Receivables	12.71		-
Recoverable from Government of India against sales/production subsidy	-		-
Less: Charged against Provision for Doubtful Advances, Claims etc.	-		-
Total (D)	2,811.56	1,647.33	
E - Expenses on Corporate Social Responsibility	70.42	84.65	
Total (A+B+C+D+E)	13,438.68	12,999.49	

* Includes travelling expenditure of CMD : ₹ 2.77 lakhs and Directors ₹0.25 lakhs respectively (Previous year : CMD ₹ 2.22 lakhs and Directors ₹0.49 lakhs respectively)

Note 43 : Exceptional Items

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021	(₹ in lakhs)
Provision for salary & allowances written back	30.00		-
Provision of Bonus written back	-		12.71
Profit on sale of asset	0.87		65.93
	30.87		78.64

Note: - 44

Components of Other Comprehensive Income (OCI)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021	(₹ in lakhs)
Items that will not be reclassified to profit and loss			
Remeasurement of Defined benefit plans (Gratuity)	(608.34)	(474.74)	
Income tax effect related to defined benefit plans	153.12	119.49	(355.25)
Fair Valuation of Investment	335.71	391.55	
Income tax effect related to Investment Through Other Comprehensive Income	(67.14)	(78.31)	313.24
Total	(186.65)	(42.01)	

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note: - 45

Earnings per share (EPS)

In determining earning per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of equity shares outstanding during the year. The dilutive earning per share is computed in case there is potential equity share involved during the year.

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Basic EPS (in ₹)	187.73	42.51
Diluted EPS (in ₹)	187.73	42.51

The following reflects the income and share data used in the basic EPS computations:-

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(₹ in lakhs)		
Profit attributable to equity holders of the parent:		
Continuing operations	1,076.06	243.68
Discontinued operation	-	-
Profit attributable to equity holders for Basic Earning Per Share	1,076.06	243.68
Interest on convertible preference shares	-	-
Profit attributable to equity holders adjusted for the effect of dilution	1,076.06	243.68

The following reflects the weighted average No of shares used in the basic EPS Computations

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Weighted average number of Equity shares for basic EPS	5,73,199	5,73,199
<u>Effect of dilution:</u>		
Share Options	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution	5,73,199	5,73,199

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Notes :46 Capital management

The Corporation's objective is to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that Corporation can continue to provide maximum returns to share holders and benefit to other stake holders.

Further, Corporation manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Corporation maintains an optimal capital structure of debt and equity to reduce the cost of capital. The Corporation's debts includes long term debt and short term borrowings from banks. Major activities of Corporation are financed through Cash Credit, subsidy and internal accruals.

	(₹ in lakhs)	
Particulars	31-Mar-22	31-Mar-21
Borrowings		
Secured short term loan (Note 24 + Note 28)	76.91	951.78
Unsecured short term loan (Note No. 28)	-	0.05
Net debt	76.91	951.83
Equity Share Capital (Note No. 21)	5,731.99	5,731.99
Other equity (Note No. 22)	57,612.17	57,069.53
Total equity	63,344.16	62,801.52
Net Debt to equity ratio	0.001	0.015

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022.

Note 47 :Fair Value measurements

(i) Financial Instruments by Category

	31 March 2022			31 March 2021		
Particulars	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
(i) Investment	-	3,498.45	546.09	-	3,162.75	546.09
(ii) Other Non Current Financial Assets	-	-	316.75	-	-	299.21
(iii) Trade Receivables	-	-	42,343.81	-	-	40,302.69
(iv) Cash and Cash Equivalents	-	-	5,806.58	-	-	10,254.48
(v) Bank balances other than (iv) above	-	-	183.04	-	-	250.97
(vi) Other Current financial assets	-	-	18,434.66	-	-	16,377.71
Total Financial Assets	-	3,498.45	67,630.93	-	3,162.75	68,031.15
Financial Liabilities						
(i) Borrowings	-	-	76.91	-	-	951.78
(ii) Lease Liabilities	-	-	38.58	-	-	32.63
(iii) Other Non Current Financial Liabilities	-	-	1,952.26	-	-	2,605.32
(iv) Trade payables	-	-	34,173.06	-	-	35,620.76
(v) Other current financial liabilities	-	-	8,719.20	-	-	8,984.49
Total Financial Liabilities	-	-	44,960.01	-	-	48,194.98

i) The fair value of trade receivables, trade payables, short term security deposit, cash and cash equivalents and other short term receivables and payables are considered to be the same as their carrying amount, due to short term nature.

ii) Long term variable rate borrowings are evaluated by Corporation on parameters such as interest rates, specific country risk factors and other risk factors based on this evaluation the fair value of such payables are not materially different from their carrying amount.

iii) The fair value of biological assets were calculated based on quoted price in active market that the Corporation can access at the relevant measurement date. They are classified as level 3 fair values in fair value hierarchy.

iv) Carrying value of security and other deposits approximates fair value. Therefore disclosure for comparison of carrying value and fair value is not provided.

(v) Comparison by class of the carrying amounts and fair value of the Corporation's financial instruments other than those with carrying amounts that are reasonable approximation of fair values are not presented since fair value of all financial instruments as on reporting date approximates their carrying value.

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Fair Value hierarchy as on 31-3-2022				
Particulars	Level 1	Level 2	Level 3	(₹ in lakhs) Total
Biological Assets				
Standing Crops	-	-	6,254.50	6,254.50
Trees	-	-	4,820.31	4,820.31
Nursery	-	-	96.91	96.91
Financial Assets				
Investment	-	-	3,498.45	3,498.45
	-	-	14,670.17	14,670.17

Fair Value hierarchy as on 31-3-2022				
Particulars	Level 1	Level 2	Level 3	(₹ in lakhs) Total
Financial Liabilities				
Financial Liabilities at Amortised Cost				
Security Deposit & other deposits	-	-	1,376.29	1,376.29
	-	-	1,376.29	1,376.29

Fair Value hierarchy as on 31-3-2021				
Particulars	Level 1	Level 2	Level 3	(₹ in lakhs) Total
Biological Assets				
Standing Crops	-	-	5,548.88	5,548.88
Trees	-	-	4,688.06	4,688.06
Nursery	-	-	108.80	108.80
Financial Assets				
Investment	-	-	3,162.75	3,162.75
	-	-	13,508.49	13,508.49

Fair Value hierarchy as on 31-3-2021				
Particulars	Level 1	Level 2	Level 3	(₹ in lakhs) Total
Financial Liabilities				
Financial Liabilities at Amortised Cost				
Security Deposit & other deposits	-	-	1,310.57	1,310.57
	-	-	1,310.57	1,310.57

Note: 48 - Valuation techniques used to determine fair value:**(i) Valuation inputs and relationships to fair value:**

The following table summarises the qualitative information about the significant unobservable inputs used in the fair value measurements. The fair values are determined based on discounted cash flow:

Description	Fair value at		Unobservable inputs	Range of Inputs		Relationship of unobservable inputs to fair value
	31st March 2022	31st March 2021		31st March 2022	31st March 2021	
Unquoted Equity Shares	3,498.45	3,162.75	Corporation has determined value of investment based on adjusted intrinsic value, through independent valuer. However in some cases the latest available Balance Sheet was considered for valuation which is for the year 2016-17.	Not applicable		Not applicable
Security and other deposits (Other financial assets)	1,376.29	1,310.57	Interest rate and contractual terms of security deposits	5.062% (Three year GOI bond)	4.722% (Three year GOI bond)	The higher the rate of interest, the lower the fair value
Farm Stock	6,254.50	5,548.88	Yield- tonnes per hectare and price	i) Paddy - 35-40 qtl/ha ii) Moong - 3-5 qtl/ha iii) Urd - 3-5 qtl/ha iv) Til - 2-3 qtl/ha v) Bhindi - 3-5 qtl/ha vi) Wheat - 30-35 qtl/ha vii) Barley - 20-30 qtl/ha viii) Mustard - 12-15 qtl/ha ix) Gram - 7-12 qtl/ha x) Palak 6-10 qtl/ha		The higher the yield, the higher the fair value
Trees	4,820.31	4,688.06	Yield- tonnes per hectare and price			The wider the girth, the higher the fair value
Nursery	96.91	108.80	Yield- tonnes per hectare and price	Paddy - 35-40 qtl/ha		The higher the market price, the higher the fair value

(iii) Valuation processes**Biological Assets**

The Corporation's Finance, Production and Marketing departments as a team performs the valuation of the corporations biological assets for financial reporting purposes, including level 3 values. The team reports to Finance Heads. Discussions on valuation processes and results are held between the valuation team and Finance Head at least once in every year, in line with reporting requirements.

The main level 3 inputs for unlisted equity securities and biological assets are derived and evaluated as follows:

i) Yield is determined based on the age of the plantation, historical yields, and climate-induced variations such as severe weather events, plant losses and new areas coming into production.

ii) Prices are quoted prices for relevant region as certified by marketing department.

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Note: 49 - Financial risk management

The Corporation's principal financial liabilities comprise bank borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Corporation's operations and to provide guarantees to support its operation. The Corporation's principal financial assets include trade and other receivables which includes Govt. subsidy and cash and cash equivalents that derive directly from its operations. The Corporation is exposed to market risk, credit risk and liquidity risk. The Corporation's financial risk activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with the Corporation's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risk, which are summarised below:-

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises interest rate risk. Financial instruments affected by market risk includes loans and borrowing, deposits and other non derivative financial instruments.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of change in market interest rate. The Corporation's exposure to the risk of changes in market interest rate relates primarily to the Corporation's debt obligations with floating interest rate. The Corporation manages its interest risk in accordance with the Corporation's policies and risk objective.

c) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from customer. The Corporation is exposed to credit risk from its financial activities including trade receivables, deposits with banks, financial institutions and other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks is managed in accordance with the Corporation's policy. Investment of surplus are made only with approved banks on the basis of the financial quotes received from the banks.

Note 50 - Key sources of estimation of uncertainty

The following are the key assumptions concerning the future, and the key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

a) Fair valuation measurement and valuation process

The fair values of financial liabilities is measured by the valuation techniques including the DCF model. The inputs to these method are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

b) Taxes

Deferred tax assets are recognised for unused tax losses and unabsorbed depreciation to the extent that it is probable that taxable profit will be available against which losses can be utilised. Significant management judgment is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

c) Estimates and judgment

Estimates and judgments in determining the fair value of biological assets and Investment in Unquoted Equity instrument includes the volume and stage of maturity of biological assets and Equity instruments as at balance sheet date. See note 48 for key assumptions about unobservable inputs and their relationship to fair value.

d) Fair Valuation of Investment

Investments are valued based on adjusted intrinsic value of net assets of entities, using audited Financial Statements. However latest financial statement for some of the Corporations were not available, further valuation of investment depends on various factors including market and economic factor changes in conditions and availability of latest audited financial statements may lead to change in value of financial assets.

e) Leases

Ind AS-116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Note : 51 Contractual Commitments

Particulars	As at	
	31-03-2022	31-03-2021
Estimated amount of contract remaining to be executed on capital account and not provided for (Net of Advances)	146.69	363.66
Total	146.69	363.66

Note : 52- Micro Small and Medium Enterprises.

The Corporation has identified 54 vendors as Micro, Small and Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said Act is as under:

Particulars	Figures for the current reporting period ended 31.03.2022	
	Figures for the previous reporting period ended 31.03.2021	
Principal amount due to suppliers under MSMED Act	813.70	1,149.24
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than section 16)	-	-
Interest paid to suppliers under MSMED Act (section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-

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Note : 53 - FOREIGN CURRENCY TRANSACTIONS

Particulars	₹ in lakhs	
	Figures for the current reporting period ended 31.03.2022	Figures for the current reporting period ended 31.03.2021
<u>Earnings in Foreign Exchange:</u>		
Export of seeds on F.O.B. Basis	-	-
<u>Expenditure in Foreign Currency:</u>		
Foreign Travel	-	-
Membership fees	3.90	3.97
Value of Import of Seeds on CIF basis	-	-

Note: 54

Note:54.1

The balances under Trade Receivables, Loans and Advances, Other Current Assets, Trade Payables and Other Current Liabilities are subject to confirmation/reconciliation.

Note:54.2

NSC, Kolkata has a tenant for monthly rent of ₹ 0.84 lakhs in their premises at Salt Lake named Park Indicom Pvt. Ltd. Tenancy agreement has expired in November 2011 and due to non payment by the tenant, legal action taken by NSC. No bill has been raised for license fees as per Advocate advise from F.Y. 2016-17 onwards. So income has not been booked from FY 2016-17 to FY 2021-22 for the same and statutory dues not paid.

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note 55 : Corporate Social Responsibility

				(₹ in lakhs)
		As at 31st March 2022	As at 31st March 2021	
a) Gross amount required to be spent by the Company		75.52	92.70	
b) Amount approved by the Board to be spent during the year		75.52	92.70	
c) Amount spent during the year ending on 31 March 2022:				
	In cash	Yet to be paid in cash	Total	
i) Construction/acquisition of any asset	38.77	-	38.77	
ii) On purposes other than (i) above	31.65	-	31.65	
	<u>70.42</u>	<u>-</u>	<u>70.42</u>	
d) Amount spent during the year ending on 31 March 2021:				
	In cash	Yet to be paid in cash	Total	
i) Construction/acquisition of any asset	42.58	-	42.58	
ii) On purposes other than (i) above	42.07	-	42.07	
	<u>84.65</u>	<u>-</u>	<u>84.65</u>	
e) Details related to spent / unspent obligations:		As at 31st March 2022	As at 31st March 2021	
i) Contribution to Public Trust		-	-	
ii) Contribution to Charitable Trust		-	-	
iii) Unspent amount in relation to:				
- Ongoing project		-	-	
- Other than ongoing project		5.10	8.05	

(iv)

In case of S. 135(5) Excess amount spent			
Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
NOT APPLICABLE			

Details of ongoing project and other than ongoing project for the F.Y 2021-22 and 2020-21

In case of S. 135(6) (Ongoing Project)						
Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	-	-	-	-	-

(₹ in lakhs)

In case of S. 135(5) (Other than ongoing project)					
YEAR	Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
F.Y. 2021-22	20.42	-	75.52	90.38	5.56
F.Y. 2020-21	12.37	-	92.70	84.65	20.42

Movement in Provisions for CSR as on 31st March 2022

(₹ in lakhs)

Opening Balance	Provision made during the year	Payment made during the year	Closing balance
20.42	75.52	90.38	5.56

Movement in Provisions for CSR as on 31st March 2021

(₹ in lakhs)

Opening Balance	Provision made during the year	Payment made during the year	Closing balance
12.37	92.70	84.65	20.42

An amount of ₹ 256.86 Lakhs remaining unutilized till 31.03.2014 was transferred to a separate bank account on 31.03.2021 which is still lying unutilized till date. Since this amount of ₹ 256.86 Lakhs was governed by the DPE guidelines, no specific set of procedure / rules is prescribed for its utilization in subsequent years. However the said amount will be utilized in the years to come in certain earmarked projects. The recent amendments in the Companies Act effective from 22.01.2021 relating to CSR is applicable for the unutilized amount accumulating from 2014-15 governed by Companies Act 2013.

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Note 56 : Related Party Disclosures

56.1 Key Managerial personnel of the entity

Name	Position
V.K Gaur	Chairman cum Managing Director (Upto 30.09.2021)
V. Mohan	Director Finance
M.L.Arora	Director Commercial (Upto 30.09.2021)
Kaushik Rakshit (Chief Financial Officer)	Senior General Manager (Finance)
Mohd. Raquim	Company Secretary, Cum General Manager (Corporate Affairs) (Upto 08.04.2021)
Ayushi kanodiya	Company Secretary

56.2 Disclosure of transaction with related parties:

Compensation of Key Managerial Personnel

The remuneration of CMD, whole time Directors and other members of Key Managerial Personnel during the year was as follows:

Particulars	Year ended 31/03/2022	Year ended 31/03/2021
Shri V.K Gaur (Chairman cum Managing Director)	41.58	69.30
Shri M.L.Arora (Director Commercial)	22.35	34.90
Shri. V. Mohan (Director Finance)	50.87	43.48
Shri. Kaushik Rakshit (Senior General Manager-Finance)	30.40	28.00
Shri. Mohd. Raquim (Company Secretary cum General Manager Corporate Affairs)	17.54	37.55
Ms. Ayushi kanodiya (Company Secretary)	9.18	8.07
Total	171.92	221.30

Details of Remuneration to KMP	Year ended 31/03/2022	Year ended 31/03/2021
Short Term Employee Benefits	154.89	216.94
Post-Employment Benefits	-	-
Other Long-Term Benefits	17.03	4.36
Termination Benefits	-	-
Total	171.92	221.30

56.3 Transactions with the Government Related entities

Apart from transactions reported above, the Corporation has transactions with other Government related entities, which includes but not limited to the following:-

Name of Government: Government of India, through Ministry of Agriculture and Farmers Welfare (Significant Influence over company)

2021-22				2020-21	
PARTY	NATURE OF TRANSACTION	CLAIMED	RECEIPT	CLAIMED	RECEIPT
GOI	Minikit	6170.6	6,084.63	3277.73	3,061.86
GOI	Seed Bank	278.79	656.79	378.00	299.41
GOI	Production Subsidy	8902.1	6,221.22	1248.65	12,506.94
GOI	Distribution Subsidy	-	-	-	-
GOI	MIDH	-	-	-	-
GOI	Transport Subsidy	230.93	394.67	246.44	156.58
GOI	Grant	-	4866.46	-	3,980.47

Balance with Government		2021-22		2020-21	
PARTY	Particulars	CLAIMED	RECEIPT	CLAIMED	RECEIPT
GOI	Minikit	3,985.81	3,909.84	3,985.81	3,909.84
GOI	Seed Bank	-	378.00	-	378.00
GOI	Production Subsidy	11,761.25	9,514.99	11,761.25	9,514.99
GOI	Distribution Subsidy	3,400.94	3,400.94	3,400.94	3,400.94
GOI	MIDH	-	-	-	-
GOI	Transport Subsidy	181.39	345.13	181.39	345.13
GOI	Grant	5,852.89	2,420.93	5,852.89	2,420.93

Other Disclosures: (if any)

These transactions are conducted in the ordinary course of the Corporation's business.

56.4

The grant funds are pooled in the common Cash Credit Account of NSC until utilised, to compensate the deficit in working capital arising out of the delay in realization of subsidy receivable from Govt. of India against the expenditure already incurred by NSC. The subsidy and minikit amounts are not released in time to NSC and outstanding from the Administrative Ministry for more than 6 months as on 31st March 2022 is ₹ 9181.89 lakhs. Hence the interest income on grant is compensated by the interest expenses to the company on delayed release of subsidy.

Note: 57

In the opinion of the Board, all the assets (other than Property, Plant & Equipment and Non Current Investments) have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

Note 58: Contingent liability

Contingent liability	31 March 2022	31 March 2021
Claims against the Company not acknowledged as debt		
By employees and others	7,581.49	7,377.64
Claims lodged under money back guarantee scheme, pending investigation /acceptance.	43.68	16.48
Disputed Sales-tax demands	45.53	46.78
Disputed Sales-tax demands - Assam	6.43	6.43
Disputed Income tax demands	1,362.31	1,362.31
Live & Let Live (party has filed a case against NSC for loss of Goodwill & finance)	47.89	47.89
Disputed Employee State Insurance Corporation demand	6.38	6.38
TDS Outstanding Demand as per TRACES(Adjustable Unconsumed Challans)	5.93	-

Signature

43



Note 59 : Impairment of Assets

The company has assessed at the end of Financial year whether there is any indication (As per para 12 of IndAS 36) that an asset may be impaired. The management is of the view that no indication for impairment of assets exists at balance sheet date. The management has carried out a review on impairment of all the assets of the Company including intangible assets in accordance with Ind AS-36 'Impairment of Assets'. On the basis of review, the management is of the opinion that the economic performance of property, plant & equipment and intangibles and other assets, is not worse than expected and therefore, no impairment of any assets has been made as on the Balance Sheet date.

Note: 60

In case of erstwhile CSF Ladhawal, due to non-payment of value of assets transferred from erstwhile SFCI (now known as NSC to PLD & RC /PAU/ Punjab Govt., SFCI obtained orders in its favour from P & H HC. Whereas PAU have paid ₹ 117.84 lakhs and settled SFCI's claim to the extent of their liability. PLD & RC have however filed LPA before Division Bench of the same High Court which is pending for disposal. However, NSC has moved applications requesting court to make early hearing of the LPA. Amount to be received from PLD and RC is ₹ 137.16 lakhs. NSC counsel is pursuing the matter for expeditious disposal of LPA.

Note : 61**Ind AS-115****Disaggregation of revenue**

Below is the disaggregation of the Company's revenue from contracts with customers: Type of Products and Service Wise

Type of goods or service	(₹ in lakhs)	
	For the year ended 31, March 2022	For the year ended 31, March 2021
1. Sale of Products		
2. Sale of Service-	79,426.57	1,00,031.10
i) Sale of services		
ii) Other operating Revenue	33.22	42.71
3. Other Income	9,120.05	1,444.02
Total	2,992.01	3,288.21
	91,571.85	1,04,806.04

Below is the disaggregation of the Company's revenue from contracts with customers: Segment Wise

Segment Wise	(₹ in lakhs)	
	For the year ended 31, March 2022	For the year ended 31, March 2021
Producing Segment	12,969.44	13,599.73
Retailing & Distribution segment	78,602.41	91,206.31
Total	91,571.85	1,04,806.04

Contract balances	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Trade receivables (Note 15)		
Contract assets	42,343.81	40,302.69
Contract liabilities	-	-

Trade receivables are non-interest bearing and the customer profile include Ministry of Agriculture and Farmers' Welfare, State Governments' public sector enterprises etc. The Company's average project execution cycle is upto 12 months.

Contract assets is recognised over the period in which services are performed to represent the Company's right to consideration in exchange for goods or services transferred to the customer. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Particulars	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Contract Asset at the beginning of the year		
Contract Asset at the end of the year	-	-

Particulars	(₹ in lakhs)	
	March 31, 2022	March 31, 2021
Contract Liabilities at the beginning of the year		
Contract Liabilities at the end of the year	-	-

Note : 62

In compliance of Ind AS 108 on "Operating Segment", the required information is annexed

Business segments: The Business segments have been identified as:-

1. Producing Segment
2. Retailing & Distribution Segment

Note : 63**Leases Disclosures**

The Company has lease contracts for land and building. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases.

a) Company as a Lessee

The Company as a lessee has entered into various lease contracts, which includes lease of land and office space. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The Company also has certain leases of offices and guest house with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Right of Use Assets

The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed in Note 4.

Lease Liabilities

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

	(₹ in lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Balance at Beginning of the year	32.63	54.41
Addition	16.45	-
Accredition of interest	4.07	4.44
Payments	14.56	26.22
Balance at the end of the year	38.58	32.63
Current	24.15	12.98
Non-current	14.43	19.65

The maturity analysis of the lease liability on an undiscounted basis as on 31st March 2022 are as follows :-

Particulars	(₹ in lakhs)		
	Less than 1 year	1-2 years	2 year and above
Lease liabilities	11.56	8.65	7.62
	11.56	8.65	7.62

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The maturity analysis of the lease liability on an undiscounted basis as on 31st March 2021 are as follows :-

(₹ in lakhs)			
Particulars	Less than 1 year	1-2 years	2 year and above
Lease liabilities	13.08	11.58	15.79
	13.08	11.58	15.79
(₹ in lakhs)			
Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021	
Depreciation expense of right-of-use assets (Refer Note 41)	40.89	26.41	
Interest expense on lease liabilities (Refer Note 40)	4.07	4.44	
Expense relating to short-term leases (Refer Note 42)	441.17	326.46	
	486.13	357.31	

The Company has several lease contracts that include extension and termination options. These options are negotiated by management and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Gain/loss from sale and leaseback transactions is not applicable to the Company.

b) Company as a Lessor

The Company has given its Assets on the leases, details of the same are given under the Note No-8 Investment Property.

As per Ind AS-116 on 'Leases' the Corporation has entered into a lease agreement with parties to let out part of its Nehru Place office building at New Delhi and shops at CSF Suratgarh on rent. The lease to some extent is operating in nature. Monthly and yearly lease rentals are received from its Nehru Place office building and shops at Suratgarh respectively.

Note : 64

CSF Bahraich: After the decision of the Hon'ble High Court Lucknow Bench during 2013, a High power Committee comprising higher level functionaries of Central and State Government was constituted by the High Court to assess the value of trees and assets of Central State Farm, Bahraich by a valuer appointed by the U.P. Government. The valuation was done accordingly and High Power Committee considered the valuation report and after hearing the claims of both the parties decided as under:-

i. Net receivable amount of ₹ 477.27 lakhs after withdrawal of ₹ 25 lakhs earlier deposited in the High Court; is recoverable from UP Govt. on account of the value of trees and assets of central state farm Bahraich after adjustment of their outstanding dues of ₹ 198.00 lakhs. Provision for doubtful claims which is more than eight years has already been created.

ii. The matter is still subjudice before the High court Lucknow Bench.

iii. Very old balance of ₹. 85.61 lakhs relating to CSF Bahraich is appearing under unspent capital grant. The same will be adjusted once the detail of the asset created against the said grant is traced.

Note : 65

a. National Seeds Corporation Limited does not have any Subsidiary Company. It is holding 20% or more shareholdings in six State Seeds Corporations which are called 'Associate Companies'. The Accounts of such corporations are required to be consolidated and separately attached with the Accounts of Corporation. However inspite of all efforts including a meeting of the Managing Directors of the Associate State Seeds Corporations with the Joint Secretary (Seeds) in MOA & FW, they were unable to either complete their backlog Accounts or prepare their current year accounts in Ind AS and submit in time. Accordingly the Accounts of these Associate State Seeds Corporations could not be consolidated and attached with the accounts of the Corporation.

b. Regarding transfer of 50% shareholding of NSC in Six Associate State Seeds Corporation to the Department of Agriculture & Farmers Welfare: NSC has received a letter no 6-12/2015-SD-I(e-83054) dated 11.06.2022 from Ministry of Agriculture & Farmer's Welfare, Department of Agriculture & Farmers Welfare stated that NSC shall transfer 50% shareholding in six Associate Companies of NSC in the name of President of India by accounting entry in the books of NSC "debiting Gol and credited to Investment of NSC in Associate Company. NSC books will show Gol as Debtor As and when budget will be provided by DA&FW, same account may be adjusted or this amount will be adjusted when sale proceeds of 25% shares of Gol through IPO will be transferred to Central Government Accounts. Since, the letter was received on 12.07.2022 the effect of these in the books of accounts will be given during financial year 2022-23 after checking the due provisions of Company's Act,2013.

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Note : 66

The CBI had conducted joint surprise check at the Hyderabad Regional Office in the month of January 2014 and seized the records pertaining to the seed production, seed marketing and dispatches to other states of NSC for the period 2010-11 to 2013-14. As per the Charge sheet filed by the CBI in the CBI Court the total wrongful loss caused to Govt. of India was ₹ 255.41 Lakhs, ₹ 697.23 Lakhs and ₹. 438.39 lakhs by some private parties in collusion with the officials of Warangal, Nandyal and Kumool area offices respectively. However, the case has been filed by Hon'ble CBI Court in September 2015 in case of Nandyal and Warangal Area Offices and in April 2019 in case of Kumool Area Office. No fresh communication during the year has been received from CBI.

Note : 67

a) Lands under possession in CSF Suratgarh, Sardargarh, Jetsar (All three in Rajasthan) and Raichur(Karnataka) are under the ownership of Government of India and NSC is only the custodian. Land at Ballapur(Jharkhand) is under the ownership of the State Governments where Corporation is the lessee which has been vacated and handed over to State Government on 29-10-2021. Land at Nalhati(West Bengal) and Sukinda(Odisha) also belongs to respective State Governments and are in permissiee possession. Since the period for which the Farm land is given is not known and since no Grant letter is received from MOA & FW, hence not treated as a non-monetary grant.

b) Land under possession in CSF Hisar measuring 6693 Acres 06 Kanals and 01 Maria belonging to GLF was leased out to the Farm as per lease agreement dated 05.11.2013 for a period of 30 years 8 months commencing from 1st August 1988 and ending on 31st March 2019. Presently 6538 Acres 1 Kanals 2 Marias Land is in possession of NSC. In this connection NSC has been rigorously and ardently pursuing the matter of renewal of lease agreement of CSF Hisar with The Haryana State Government.

In this regard Vide Do letter dated 22.04.2019 a request was forwarded to the State government to extend the lease period of CSF, Hisar for another period of 30 years w.e.f. 01.04.2019. Vide Letter No. 4-2/2016-SD-I dated 2nd Sept 2021, Ministry of Agriculture and Farmers Welfare forwarded a copy of letter sent by Shri Ankur Gupta, IAS, Addl. Chief Secretary to Government of Haryana, Animal Husbandry & Dairying Dept. requesting to vacate the land pertaining to GLF Hisar leased out to NSC at the earliest to enable them for handing over the land to Civil Aviation Department, Haryana.

The Corporation has represented the matter before Deptt. of Agriculture & Farmers Welfare, Ministry of Agriculture & Farmers Welfare, Government of India, New Delhi vide Letter No. NSC/4-28/2017-LS/213 dated 20th/21st September 2021 and requested to intervene in the matter and arrange to renew Lease Agreement. The same is being continuously pursued.

Haryana Government had conveyed approval (October-2010) for taking back 854 acres 6 kanal 14 maria out of allotted land of 6693 acres 6 kanal and 1 maria to CSF Hisar. However despite several requests by CSF Hisar, only 119 acres were taken back by the Haryana Government till october 2019. Thus land possession of CSF Hisar was 735 acres pertains to Dhandoor Area.

Note : 68 - Property Plant and Equipment

(i) In respect of Kolkata (Midnapore) Regional Office, the lease/title deeds (of the land on which buildings are constructed) in favour of the Corporation and details of the payment for land and accounting of the value thereof are not available, although documentary proof about receipt of land in 1984 at Midnapur initially for a period of 30 years(lease deed already expired), have since been located and based thereon the concerned authorities are being asked to expedite necessary action.

(ii) In respect of Patna (Sheikhpura) Regional Office & Area Office Purnea, the lease/title deeds (of the land on which buildings are constructed-Sheikhpura 2 acres) in favour of the Corporation and details of the payment for land and accounting of the value thereof are not available. In respect of Sheikhpura,municipal tax paid upto 31.03.2022.

(iii) Execution of lease deed of land at Nandyal - 4 acres, obtained by the Corporation on 15.10.1994 from the Department of Agriculture, Government of Andhra Pradesh for construction of Seed Processing Plant-cum-Store Complex, is pending due to non finalization of lease amount. However, now the Department of Agriculture vide their letter No A/242/94 dt.02-04-2016 finalised the lease rent as ₹ 0.83 Lakhs per year and the lease deed is being executed and lease rent is regularly paid.

(iv) Freehold Land - 46100 sq. meters, at Gooty worth of ₹ 16.97 Lakhs was purchased by erstwhile SFCI during the F.Y 2009-10. But the land has not yet been registered in the name of the Corporation till date, due to the fact that the transfer of title will be done on completion of the construction of Godowns and installation of Machinery. The construction and installation of machinery has been completed in the month of September 2014 and inspection by APIIC has been completed and further process to transfer the title and registration is under progress.

(v)PPE consists of Freehold land at Village : Buhera, Post : Nawabganj Distt Barabanki and leasehold lands and buildings thereon at Bareilly, Meerut, Kanpur, Agra, Varanasi, Udham Singh Nagar, Shahjahanpur and Amethi. All these lands are registered in the name of the Corporation except for -

- Leasehold rights in respect of land measuring 7 acre at Village : Hempur, Udham Singh Nagar have reportedly since expired which are yet to be renewed by Uttarakhand authorities. No provision for this renewal premium has been made owing to pending receipt of compensation of ₹ 25.00 lakhs from the government on a/c of surrender of 16 acres of land with infrastructure to them in the year 1986.

(vi) Land at Niwari has been transferred to Corporation permanently at a premium of ₹ 0.40 Lakhs and at a rent of ₹ 0.03 Lakhs per annum. However, in absence of periodicity of lease, land at Niwari is being amortized over a period of 99 years.

(vii) An amount of ₹ 97.75 lakhs had been paid to Gorakhpur Industrial Development Authority (GIDA) in the Financial year 2011-12 by the Corporation and lease deed registered. However, since neither mutation has been done in favour of Corporation nor possession handed over by the GIDA, the amount paid has been shown as a Capital Advance (Note No. 11).

Note : 69

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note : 70. Approval of financial statement

The financial statements were approved for issue by the Board of Directors on 05-Aug-2022.

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Note : 71

NSC has prepared the Balance Sheet and Statement of Profit and Loss of Regional Offices and Farms rounded off to the nearest lakh up to two decimals instead of nearest rupee as done in previous year due to which figures of previous year have been rounded to nearest lakh up to two decimals of Regional Offices and Farms. Compilation of accounts of NSC as a whole have been done accordingly.

Note : 72 Prior Period items

As per the definition of materiality as defined under Ind AS-1; Material misstatements are considered to be material if they individually or collectively influence the economic decisions. Further as per the definition materiality depends on the size and nature of misstatement judged in the surrounding circumstances. Accordingly, the total prior period items of ₹ 21.23 lakhs- recognised during the year being less than 1% of the total revenue has been booked in the current period, their size being immaterial and their nature does not influence the economic decisions. This is in line with Ind AS-8 where there is a provision to correct only material prior period errors retrospectively by restating the prior period in which the error has occurred.

Note : 73. Disinvestment of Shares

National Seeds Corporation Limited (NSC) was incorporated during 1963 as a wholly-owned Government of India Undertaking under the Ministry of Agriculture & Farmers Welfare, Department of Agriculture & Farmers Welfare with its status of a Private Limited Company under the Companies Act, 1956. During 2013-14, State Farms Corporation of India Limited (SFCIL) which was another Government of India Undertaking under the same Ministry of Agriculture and Farmers Welfare was merged with NSC with effect from 01.04.2014. Thus NSC has become a sole Public Sector wholly owned Government Company with large resources under this Ministry. The Core Group of Secretaries in its Meeting held on 27.01.2020 had recommended the listing of National Seeds Corporation Limited (NSC) and directed Department of Investment and Public Assets Management (DIPAM) to proceed with the listing of NSC. Accordingly in the Inter Ministerial Group (IMG) meeting held on 17.02.2020, DIPAM took the decision to offload 25% Equity Shareholding held with the President of India in the open market by way of Initial Public Offer (IPO) and list the Shares of NSC on Stock Exchange. With the approval of the Shareholders, NSC had converted its status from Private Limited Company to a Public Limited Company and also adopted the new set of Memorandum of Association and Articles of Association.

The Department of Investment and Public Assets Management, Ministry of Finance, Government of India (DIPAM), on behalf of the GOI has appointed BOB Capital Markets Limited and IDBI Capital Markets & Securities Limited as Book Running Lead Managers (together, the BRLMs) to manage the IPO, and KFin Technologies Private Limited as the Registrar to the IPO. DIPAM has also appointed M/s Crawford Bayley & Co. as legal counsel and Adfactors Advertising LLP as advertisement agency in relation to the proposed IPO of NSC.

In accordance with the SEBI ICDR Regulations, NSC has to file consolidated financial statements (CFS) prepared in accordance with Indian Accounting Standards Ind AS for three years and the stub period audited and certified by the statutory auditor(s) in the DRHP. However, six of its Associate Companies i.e. Haryana Seeds Development Corporation Limited (HSDCL), Uttarakhand Seeds & TARAI Development Corporation Limited (USTDCL), BiharRajya Beej Nigam Limited (BRBNL), Punjab State Seeds Corporation Limited (PSSCL), Maharashtra State Seeds Corporation Limited (MSSCL) and Andhra Pradesh State Seeds Development Corporation Limited (APSSDCL) have not been regularly preparing their audited financial statements in time or the financial statements have not been prepared in accordance to Ind AS. Therefore, NSC is unable to prepare its CFS in accordance with Ind AS regarding which continuous disclosures are given in the Financial Statements and Annual Reports of the Company.

Accordingly in accordance with clause (11)(i)(A) of Part A of Schedule VI of the SEBI ICDR Regulations, the Company has filed an application dated 17.06.2022 to SEBI seeking exemption from strict adherence to consolidate the Financial Statement of its Associate Companies alongwith the non refundable fee of Rs. One Lakh. Action will be taken accordingly based on SEBI's response.

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Note 74:

The disclosures of Employee benefits as defined in Ind-AS 19 'Employee Benefits' are given below:

(₹ in lakhs)		
Particulars	Figures for the current reporting period ended 31.03.2022	Figures for the current reporting period ended 31.03.2021
The Company has classified the various benefits provided to employees as under :		
A) <u>Defined Contribution Plan:</u>		
During the year, the Company has recognised the following amounts in the statement of profit and loss:		
(i) <u>Provident Fund:</u>		
Employer's Contribution to Provident Fund	755.64	837.43
(ii) <u>State Plans:</u>		
Employers' Contribution to Employee's State Insurance Act, 1948	0.94	1.04
Employers' Contribution to Employee's Pension Scheme, 1995	424.18	383.67

B) Defined Benefit Plan:

The Employee Gratuity Fund Scheme is a defined benefit plan. The present value of the obligation is based on the actuarial valuation using Projected Unit Credit Method.

Gratuity (Funded) Gratuity (Funded)

Table 1

1 Actuarial Assumptions

Mortality Table	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Attrition Rate		01.00% p.a.
Imputed rate of Interest/(discount rate)	07.16% p.a.	06.67% p.a.
Rate of Compensation Increase (Salary Inflation)	Basic-3% & DA-1.5%	Basic-3% & DA-2%
Expected Return on plan assets		
Remaining Working Life	15.80Years	14.06Years

Table 2

2 Changes in the Present value of obligations (PVO)

PVO as at beginning of year	4,291.09	4,860.59
Interest Cost	286.22	322.26
Current Service cost	215.53	231.76
Part service cost including curtailment gains/losses	(0.17)	-
Benefits Paid	1,536.00	1,605.53
Actuarial (gain)/loss on obligations due to change in demographic Assumption		-
Actuarial (gain)/loss on obligations due to change in financial Assumption	(234.72)	(220.60)
Actuarial (gain)/loss on obligations due to unexpected Experience	827.98	702.62
PVO as at end of year	3,849.93	4,291.10

Table 3

3 Changes in the fair value of plan assets

Fair Value of Plan Assets at beginning of year	2,996.35	2,387.93
Interest Income	199.86	158.32
Employer Contributions	1,543.26	1,887.69
Benefits paid	1,450.26	1,444.87
Actuarial (gain)/loss for the year on assets	(15.25)	7.27
Fair value of Plan Assets at the end of year	3,273.95	2,996.34

Table 4

4 Table Showing Reconciliation to Balance Sheet

Funded Status	(575.97)	(1,294.76)
Funded Assets	3,273.95	2,996.34
Fund Liability	3,849.92	4,291.10

Table 5

5 Expenses recognised in Statement of Profit and Loss

Current Service Cost	215.53	231.76
Interest Cost	86.36	163.93
Benefit Cost (Expense Recognised in Statement of Profit and Loss)	301.89	395.69

Table 6

6 Other Comprehensive Income

Actuarial (gain)/loss on obligations due to change in financial Assumption	(234.72)	(220.60)
Actuarial (gain)/loss on obligations due to change in demographic Assumption	-	-
Actuarial (gain)/loss on obligations due to unexpected Experience	827.98	702.62
Total Actuarial (Gain)/Loss	593.26	482.02
Return on Plan Assets excluding Interest Income	(15.07)	7.27
The Effect of asset ceiling	-	-
Balance at the end of the Period	608.33	474.75
Net (Income)/Expense for the Period Reconized in OCI	608.33	474.75

- a. The Corporation has deposited ₹ 150.00 Lakhs in Canara, HSBC, Oriental Bank of Commerce, Life Insurance Company Limited during the financial year 2011-12 towards the gratuity fund of regular staff. Fund value after taking contribution, accrued interest and pay out benefits during the financial year 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 is ₹ 1070.22 lakhs.

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Actuarial valuation in respect of EL/HPL has been given as under:

Table 1

1 Plan Assumptions

Mortality Table	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Attrition Rate	01.00% p.a	01.00% p.a
Imputed rate of Interest/(discount rate)	07.16% p.a.	06.67% p.a.
Rate of Compensation Increase (Salary Inflation)	Basic-3% & DA-1.5%	Basic-3% & DA-2%
Return on plan assets	-	-
Remaining Working Life	14.68 Years	14.60 Years

Table 2

2 Changes in the Present value of obligations (PVO)

	(Unfunded)	(Unfunded)
PVO as on last Valuation	2,733.48	3,193.55
Current Service cost	198.84	199.43
Interest Cost	182.32	211.73
Actuarial (gain)/loss on obligations due to change in Financial Assumption	(154.69)	(157.88)
Actuarial (gain)/loss on obligations due to Unexpected Experience	175.71	169.84
Benefits Paid	724.23	883.19
PVO as at end of year	2,411.43	2,733.48

3 Table 3

Changes in the fair value of plan assets

Fair Value of Plan Assets at beginning of year	-	-
Interest Income	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Return on plan Assets excluding Interest Income	-	-
Fair value of Plan Assets at the end of year	-	-

4 Table 4

Table Showing Reconciliation to Balance Sheet

Funded Status	N/A	N/A
Funded Assets	-	-
Fund Liability	2,411.43	2,733.48

5 Table 5

Expenses recognised in Statement of Profit and Loss

Current Service Cost	198.84	199.43
Net Interest Cost	182.32	211.73
Actuarial (Gain)/Loss only for last year	21.02	11.96
Benefit Cost (Expenses recognised in Statement of Profit and Loss)	402.18	423.12

6 Table 6

Other Comprehensive Income

Actuarial (gain)/loss on obligations due to change in financial	-	-
Actuarial (gain)/loss on obligations due to Demographic Assumption	-	-
Actuarial (gain)/loss on obligations due to unexpected Experience	-	-
Total Actuarial (Gain)/Loss	-	-
Return on Plan Assets excluding Interest Income	-	-
The Effect of asset ceiling	-	-
Balance at the end of the Period	-	-
Net (Income)/Expense for the Period Recognized in OCI	-	-

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Actuarial valuation in respect of Travelling Allowance for Journey on Retirement has been given as under:

Table 1

1 Plan Assumptions

Mortality Table	IALM 2012-14	IALM 2012-14
Attrition Rate	-	-
Imputed rate of Interest/(discount rate)	-	-
Rate of Compensation Increase (Salary Inflation)	-	-
Remaining Working Life	-	-

Table 2

2 Changes in the Present value of obligations (PVO)

	(Unfunded)	(Unfunded)
PVO as on last Valuation	-	-
Current Service cost	-	-
Interest Cost	-	-
Actuarial (gain)/loss on obligations due to change in Financial Assumption	-	-
Actuarial (gain)/loss on obligations due to Unexpected Experience	-	-
Benefits Paid	-	-
PVO as at end of year	-	-

3 Table 3

Changes in the fair value of plan assets

Fair Value of Plan Assets at beginning of year	-	-
Interest Income	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits paid	-	-
Return on plan Assets excluding Interest Income	-	-
Fair value of Plan Assets at the end of year	-	-

4 Table 4

Table Showing Reconciliation to Balance Sheet

Funded Status	N/A	N/A
Funded Assets	-	-
Fund Liability	-	-

5 Table 5

Expenses recognised in Statement of Profit and Loss

Current Service Cost	-	-
Net Interest Cost Interest Cost	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss only for last year	-	-
Benefit Cost (Expenses recognised in Statement of Profit and Loss)	-	-

6 Table 6

Other Comprehensive Income

Actuarial (gain)/loss on obligations due to change in financial	-	-
Actuarial (gain)/loss on obligations due to Demographic Assumption	-	-
Actuarial (gain)/loss on obligations due to unexpected Experience	-	-
Total Actuarial (Gain)/Loss	-	-
Return on Plan Assets excluding Interest Income	-	-
The Effect of asset ceiling	-	-
Balance at the end of the Period	-	-
Net (Income)/Expense for the Period Recognized in OCI	-	-

Note: During the year 2021-22, the Corporation completely depended on its CC limit and STL for its working capital requirements reducing its capitalisation process to a bare minimum due to acute shortage of funds. Accordingly, the Corporation was not in a position to create a separate long-term employee benefit fund for leave encashment.

C) Sensitivity Analysis

For the year ended March 31st, 2022			₹ in lakhs		
	Change in assumptions	Effect on Gratuity obligation		Effect on EL/HPL	
		% Increase in DBO	Liability	% Increase in DBO	Liability
Discount Rate	+0.50%	-2.71%	(100.46)	-2.88%	(69.56)
	-0.50%	2.93%	112.95	3.09%	74.68
Salary Growth Rate	+0.50%	2.99%	115.36	3.16%	76.28
	-0.50%	-2.79%	(107.51)	-2.96%	(71.60)

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note 75

There was no addition in Intangible Assets under Development (Note 7) during the year. The ERP development work order was issued to M/s Amity Software System Limited dated 18.09.2018 but the party could not execute the project as per the approved SRS both within the time of contract and the extended time. As per the terms & conditions, NSC had issued a show cause notice to the party regarding termination of contract and accordingly the termination letter was issued to the party on 13.04.2022. Since, the termination order was issued during FY 2022-23 the accounting effect will be given in the FY 2022-23.

Note 76

As per the MOU signed between NSC and NTPC on 11.12.2019 ;

(a) NTPC has to develop 160 MW Solar PV Power Project on uncultivable farm land at NSCL's Central State Farm, Jetsar in Sri Ganga Nagar District in Rajasthan.

(b) NSCL shall provide the requisite land to NTPC for setting up of 160 MW Solar PV Power Project at Jetsar for a period of 27 years (2+25 years) including infrastructure development and construction of lines with a provision for further extension on mutually agreed terms, failing which the entire plant will be surrendered to NSCL on as is where is basis. NSCL shall provide the land on as is where is basis to NTPC. For providing the land, NTPC shall pay NSCL, the applicable Premium and Annual Lease Rent. Premium amount is worked out at ₹ 679.62 lakhs. Lease rent is 5% of the premium amount for first two years, which shall be enhanced there after for every year at the rate of 5% per annum of the annual lease rent of the previous year. During the year 2019-20 NSCL raised a bill ₹ 842.06 lakh, out of which the advance rent received in bank from NTPC was ₹ 400.96 lakh.

(c) In the F.Y. 2020-21 an agreement has been signed by NSC and NTPC on 02.03.2021 after handing over the land to NTPC on 28.09.2020. CAG, in its transaction audit for the year 2019-20 vide its audit note dated 24.03.2021, has objected on the premium and the yearly lease rent fixed towards transfer of land to NTPC for the solar power project, as lower than the existing DLC rate as per Rajasthan Land Reserve Rules 2007 read with Rajasthan Stamp Rules 2004, which is specifically meant for land converted for Solar Power Plant. NSC is in discussion with NTPC for further necessary action.

Note 77

Total dues to MSMEs as at 31st March 2022 is ₹ 813.70 lakhs. In this, an amount of ₹ 500.89 lakhs pertaining to RO Chandigarh is procurement of seeds from MSMEs for further supplies to customers (Govt.). These seeds were directly supplied by the supplier to the customers and will be paid immediately once acceptance and payment from the customers is received. In case of RO Lucknow dues ₹ 6.84 lakh out of these ₹ 3.58 lakh is kept pending due to poor quality of seeds supplied by the supplier, ₹ 2.85 lakh withheld from Contractor under risk and cost and ₹ 0.68 Lakh paid during the FY 2022-23 after verification of bills. Rest all payments were made strictly within the 45 days from the acceptance of goods/services received.

Note 78

Status of development of Seed Farm in Chambal Ravines Area at Morena, Madhya Pradesh

Govt. of India has decided to establish a farm by redemption of Ravines land for production of good quality breeder and foundation seed of Oilseeds to maintain genetic purity, distribution of certified seed of new high yielding varieties preferable to farmers of Madhya Pradesh and demonstration technology for reclamation of ravines land. This farm at Morena will play a constructive role for the development of Madhya Pradesh and will contribute in following manner:

1. Production of new high yielding varieties
2. Quality seed will be produced mainly for the benefit of the Farmers of the state
3. Farmers of the state will be provided with the latest crop production technology through training at the Farm
4. Farm will also provide employment to local labours for farm development and seed production
5. Local farmers can also be involved in seed production programs as farmer growers of NSC

Collector, Morena vide his letter dated 18.06.2021 has conveyed details of identified land of about 1598 ha spread over eight villages in two tehsils for allocation out of which 1164 ha area was applied by NSC for allotment to Department of Agriculture and Farmers Welfare, Ministry of Agriculture and Farmers Welfare, Govt. of India, as directed. The allotment is in process with the state Govt.

As directed by the Ministry, NSC on behalf of Govt. of India will develop the farm and take up the seed production activity for its seed business. The infrastructure development is proposed to be taken up on Govt. of India funds.

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Note 79: ECL Disclosure for NSC

In accordance with Ind AS 109 the company is required to apply Expected Credit Loss Model for measurement and recognition of impairment loss for Financial Assets which comprise of Cash & Cash Equivalent, Bank Balances, Investments, Trade Receivables, Security Deposit etc. on which Company has adopted "Simplified Approach" using the provision matrix method for recognition of expected credit loss on trade receivables, other receivables, claims receivables, recoverable from State Govt. and recoverable from Staff, as there is no risk of default in respect of cash & cash equivalent, bank balances, investments, security deposit and Interest accrued on deposit.

Further Subsidy recoverable from Government of India has been considered under Low Risk.

Company provides services to the both Government and Non-Government parties. Risk of default is different in the both the cases. Therefore, the Company has adopted the following ECL model to be applied in respect of trade receivables, other receivables, claims receivables, recoverable from State Govt. and recoverable from Staff.

Govt. Dues	% rate of provision
0-3 years ageing	NIL
3-5 years ageing	7.50%
5-8 years ageing	20%
above 8 years	100%
Non-Govt. Dues	% rate of provision
0-1 years ageing	NIL
1-3 years ageing	5%
above 3 years	100%

The Company's Board of Directors has overall responsibility for the establishment and oversight of company's risk management framework. The company assesses and manages the credit risk of Financial Assets based on following categories arrived on the basis of assumption inputs and factors specific to the class of Financial Asset.

- A. Low Credit Risk
- B. Moderate Credit Risk
- C. High Credit Risk

The Company provides for expected credit loss based on the following:

Asset Group	Basis of Categorization
Low Credit Risk	Investment, Cash & Cash Equivalent, Bank Balances, Security Deposit and Interest Accrued on Deposit, Recoverable from GOI
Moderate Credit Risk	Trade Receivables, Other Receivable, Claims Receivable, Recoverable from State Govt., Recoverable from Staff
High Credit Risk	Trade Receivables, Other Receivable, Claims Receivable, Recoverable from State Govt., Recoverable from Staff

A default on a Financial Asset is considered when the counter party fails to make the payment within agreed time period as per contract or decided later based upon the factual circumstances on case to case basis. Loss reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

(₹ in lakhs)

Credit Ratings	Particulars	31st March 2022	31st March 2021
A. Low Credit Risk	Investment, Cash & Cash Equivalent, Bank Balances, Security Deposit and Interest Accrued on Deposit, Recoverable from GOI	25,906.93	27,888.29
B. Moderate Credit Risk	Trade Receivables, Other Receivable, Claims Receivable, Recoverable from State Govt., Recoverable from Staff	50,244.87	47,846.55
C. High Credit Risk	Trade Receivables, Other Receivable, Claims Receivable, Recoverable from State Govt., Recoverable from Staff	7,943.28	5,710.42

Provision for Expected Credit Losses

(A) Low Credit Risk

As at 31st March 2022

(₹ in lakhs)

Particulars	Note Reference	Gross Carrying Amount	Impairment	Net Carrying Amount
Non Current Investment	Note - 9.1	4,150.92	106.38	4,044.54
Current Investment	Note - 9.2	-	-	-
Other Financial Asset - Security Deposit	Note - 10	355.60	38.85	316.75
Cash & Cash Equivalents	Note - 16	5,806.58	-	5,806.58
Bank Balances	Note - 17	183.04	-	183.04
Other Financial Asset - Interest Accrued on deposit	Note - 18	13.36	3.19	10.17
Other Financial Asset - Recoverable from GOI	Note - 18	15,397.43	4,014.52	11,382.91

As at 31st March 2021

(Rs. in Lakhs)

Particulars	Note Reference	Gross Carrying Amount	Impairment	Net Carrying Amount
Non Current Investment	Note - 9.1	3,815.22	106.38	3,708.84
Current Investment	Note - 9.2	-	-	-
Other Financial Asset - Security Deposit	Note - 10	337.47	38.26	299.21
Cash & Cash Equivalents	Note - 16	10,254.48	-	10,254.48
Bank Balances	Note - 17	250.97	-	250.97
Other Financial Asset - Interest Accrued on deposit	Note - 18	23.58	-	23.58
Other Financial Asset - Recoverable from GOI	Note - 18	13,206.57	4,014.52	9,192.05

(B) Moderate Credit Risk

As at 31st March 2022 (Govt. Dues)

(₹ in lakhs)

Particulars	Note Reference	Up to 3 Year	3-5 Year	5-8 Year	Total
Gross Carrying Amount					
Trade Receivables	Note - 15	32,922.93	4,248.98	2,123.48	39,295.39
Other Financial Asset - Other Receivable	Note - 18	1,352.70	631.02	4.86	1,988.58
Other Financial Asset - Claims Receivable	Note - 18	-	-	-	-
Other Financial Asset - Recoverable from State Govt.	Note - 18	3,476.73	46.53	1,516.90	5,040.16
Other Financial Asset - Recoverable from Staff	Note - 18	-	-	-	-
Expected Credit Loss					
Trade Receivables		31.85	319.42	644.86	996.13
Other Financial Asset - Other Receivable		-	-	4.86	4.86
Other Financial Asset - Claims Receivable		-	-	-	-
Other Financial Asset - Recoverable from State Govt.		-	3.49	75.22	78.71
Other Financial Asset - Recoverable from Staff		-	-	-	-
Net Carrying Amount					
Trade Receivables		32,891.08	3,929.56	1,478.62	38,299.26
Other Financial Asset - Other Receivable		1,352.70	631.02	-	1,983.72
Other Financial Asset - Claims Receivable		-	-	-	-
Other Financial Asset - Recoverable from State Govt.		3,476.73	43.04	1,441.68	4,961.45
Other Financial Asset - Recoverable from Staff		-	-	-	-

As at 31st March 2021 (Govt. Dues)

(₹ in lakhs)

Particulars	Note Reference	Up to 3 Year	3-5 Year	5-8 Year	Total
Gross Carrying Amount					
Trade Receivables	Note - 15	32,263.97	3,193.53	2,317.34	37,774.84
Other Financial Asset - Other Receivable	Note - 18	707.46	0.02	14.08	721.56
Other Financial Asset - Claims Receivable	Note - 18	-	-	-	-
Other Financial Asset - Recoverable from State Govt.	Note - 18	3,633.28	56.21	1,513.72	5,203.21
Other Financial Asset - Recoverable from Staff	Note - 18	-	-	-	-
Expected Credit Loss					
Trade Receivables		-	33.81	1,602.18	1,635.99
Other Financial Asset - Other Receivable		-	-	4.86	4.86
Other Financial Asset - Claims Receivable		-	-	-	-
Other Financial Asset - Recoverable from State Govt.		-	-	64.21	64.21
Other Financial Asset - Recoverable from Staff		-	-	-	-
Net Carrying Amount					
Trade Receivables		32,263.97	3,159.72	715.16	36,138.85
Other Financial Asset - Other Receivable		707.46	0.02	9.22	716.70
Other Financial Asset - Claims Receivable		-	-	-	-
Other Financial Asset - Recoverable from State Govt.		3,633.28	56.21	1,449.51	5,139.00
Other Financial Asset - Recoverable from Staff		-	-	-	-

Signature



As at 31st March 2022 (Non-Govt. Dues)

(₹ in lakhs)

Particulars	Note Reference	Up to 1 Year	1-3 Year	Total
Gross Carrying Amount				
Trade Receivables	Note - 15	2,523.17	1,374.86	3,898.03
Other Financial Asset - Other Receivable	Note - 18	3.33	-	3.33
Other Financial Asset - Claims Receivable	Note - 18	0.05	-	0.05
Other Financial Asset - Recoverable from State Govt.	Note - 18	-	-	-
Other Financial Asset - Recoverable from Staff	Note - 18	18.15	1.18	19.33
Expected Credit Loss				
Trade Receivables		-	96.91	96.91
Other Financial Asset - Other Receivable		-	-	-
Other Financial Asset - Claims Receivable		-	-	-
Other Financial Asset - Recoverable from State Govt.		-	-	-
Other Financial Asset - Recoverable from Staff		-	-	-
Net Carrying Amount				
Trade Receivables		2,523.17	1,277.95	3,801.12
Other Financial Asset - Other Receivable		3.33	-	3.33
Other Financial Asset - Claims Receivable		0.05	-	0.05
Other Financial Asset - Recoverable from State Govt.		-	-	-
Other Financial Asset - Recoverable from Staff		18.15	1.18	19.33

As at 31st March 2021 (Non-Govt. Dues)

(₹ in lakhs)

Particulars	Note Reference	Up to 1 Year	1-3 Year	Total
Gross Carrying Amount				
Trade Receivables	Note - 15	3,068.44	1,055.25	4,123.69
Other Financial Asset - Other Receivable	Note - 18	2.65	0.23	2.88
Other Financial Asset - Claims Receivable	Note - 18	0.48	-	0.48
Other Financial Asset - Recoverable from State Govt.	Note - 18	-	-	-
Other Financial Asset - Recoverable from Staff	Note - 18	13.44	6.45	19.89
Expected Credit Loss				
Trade Receivables		0.01	65.71	65.72
Other Financial Asset - Other Receivable		-	-	-
Other Financial Asset - Claims Receivable		-	-	-
Other Financial Asset - Recoverable from State Govt.		-	-	-
Other Financial Asset - Recoverable from Staff		-	-	-
Net Carrying Amount				
Trade Receivables		3,068.43	989.54	4,057.97
Other Financial Asset - Other Receivable		2.65	0.23	2.88
Other Financial Asset - Claims Receivable		0.48	-	0.48
Other Financial Asset - Recoverable from State Govt.		-	-	-
Other Financial Asset - Recoverable from Staff		13.44	6.45	19.89

(C) High Credit Risk

As at 31st March 2022 (Govt. Dues)

(₹ in lakhs)

Particulars	Note Reference	Above 8 Year
Gross Carrying Amount		
Trade Receivables	Note - 15	3,711.40
Other Financial Asset - Other Receivable	Note - 18	35.55
Other Financial Asset - Claims Receivable	Note - 18	0.38
Other Financial Asset - Recoverable from State Govt.	Note - 18	2,559.63
Other Financial Asset - Recoverable from Staff	Note - 18	0.28
Expected Credit Loss		
Trade Receivables		3,698.11
Other Financial Asset - Other Receivable		13.85
Other Financial Asset - Claims Receivable		0.38
Other Financial Asset - Recoverable from State Govt.		2,559.63
Other Financial Asset - Recoverable from Staff		0.28
Net Carrying Amount		
Trade Receivables		13.29
Other Financial Asset - Other Receivable		21.70
Other Financial Asset - Claims Receivable		-
Other Financial Asset - Recoverable from State Govt.		-
Other Financial Asset - Recoverable from Staff		-

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As at 31st March 2021 (Govt. Dues)

(₹ in lakhs)

Particulars	Note Reference	Above 8 Year
Gross Carrying Amount		
Trade Receivables	Note - 15	1,878.47
Other Financial Asset - Other Receivable	Note - 18	35.55
Other Financial Asset - Claims Receivable	Note - 18	0.38
Other Financial Asset - Recoverable from State Govt.	Note - 18	2,559.64
Other Financial Asset - Recoverable from Staff	Note - 18	0.28
Expected Credit Loss		
Trade Receivables		1,878.47
Other Financial Asset - Other Receivable		8.62
Other Financial Asset - Claims Receivable		0.38
Other Financial Asset - Recoverable from State Govt.		1,328.25
Other Financial Asset - Recoverable from Staff		0.28
Net Carrying Amount		
Trade Receivables		-
Other Financial Asset - Other Receivable		26.93
Other Financial Asset - Claims Receivable		-
Other Financial Asset - Recoverable from State Govt.		1,231.39
Other Financial Asset - Recoverable from Staff		-

As at 31st March 2022 (Non-Govt. Dues)

(₹ in lakhs)

Particulars	Note Reference	Above 3 Year
Gross Carrying Amount		
Trade Receivables	Note - 15	1,007.91
Other Financial Asset - Other Receivable	Note - 18	523.57
Other Financial Asset - Claims Receivable	Note - 18	69.13
Other Financial Asset - Recoverable from State Govt.	Note - 18	-
Other Financial Asset - Recoverable from Staff	Note - 18	35.43
Expected Credit Loss		
Trade Receivables		777.77
Other Financial Asset - Other Receivable		505.41
Other Financial Asset - Claims Receivable		69.13
Other Financial Asset - Recoverable from State Govt.		-
Other Financial Asset - Recoverable from Staff		1.59
Net Carrying Amount		
Trade Receivables		230.14
Other Financial Asset - Other Receivable		18.16
Other Financial Asset - Claims Receivable		-
Other Financial Asset - Recoverable from State Govt.		-
Other Financial Asset - Recoverable from Staff		33.84

As at 31st March 2021 (Non-Govt. Dues)

(₹ in lakhs)

Particulars	Note Reference	Above 3 Year
Gross Carrying Amount		
Trade Receivables	Note - 15	635.16
Other Financial Asset - Other Receivable	Note - 18	493.49
Other Financial Asset - Claims Receivable	Note - 18	69.13
Other Financial Asset - Recoverable from State Govt.	Note - 18	-
Other Financial Asset - Recoverable from Staff	Note - 18	38.33
Expected Credit Loss		
Trade Receivables		529.29
Other Financial Asset - Other Receivable		505.41
Other Financial Asset - Claims Receivable		69.13
Other Financial Asset - Recoverable from State Govt.		-
Other Financial Asset - Recoverable from Staff		1.59
Net Carrying Amount		
Trade Receivables		105.87
Other Financial Asset - Other Receivable		(11.92)
Other Financial Asset - Claims Receivable		-
Other Financial Asset - Recoverable from State Govt.		-
Other Financial Asset - Recoverable from Staff		36.74



Reconciliation of Loss Provision

(₹ in lakhs)

Particulars	Trade Receivables	Other Receivable	Claims Receivable	Recov. From State Govt.	Recov. From Staff
Loss Allowance as on 31 st March 2020	3,150.83	76.44	69.51	1,170.06	2.98
Impairment loss recognized	1,064.75	442.45	-	222.51	-
Reversal	106.11	-	-	0.10	1.11
Loss Allowance as on 31 st March 2021	4,109.47	518.89	69.51	1,392.46	1.87
Impairment loss recognized	1,528.10	5.23	-	1,245.87	-
Reversal	68.65	-	-	-	-
Loss Allowance as on 31 st March 2022	5,568.92	524.12	69.51	2,638.34	1.87

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note 80 : Various Ratios

- (a) Current ratio
- (b) Debt-equity ratio
- (c) Debt service coverage ratio
- (d) Return on equity ratio
- (e) Inventory turnover ratio
- (f) Trade receivables turnover ratio
- (g) Trade payables turnover ratio
- (h) Net capital turnover ratio
- (i) Net profit ratio
- (j) Return on capital employed
- (k) Return on investment

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Remarks (Adverse/Favourable)	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	2.24	2.13	5.10%	Favourable	NA
Debt-equity Ratio	Total Debt	Shareholder's Equity	0.00	0.01	-91.99%	Favourable	Due to Decrease in the Debt during the Current year
Debt service coverage ratio	Earnings available for debt service	Debt Service	12.66	6.37	98.86%	Favourable	Due to Increase in the Profit during the Current year
Return on equity ratio	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.02	0.00	511.25%	Favourable	Due to Increase in the Profit during the Current year
Inventory turnover ratio	Cost of goods sold OR sales	Average Inventory	0.10	0.11	-5.96%	Adverse	NA
Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	2.14	2.50	-14.12%	Favourable	NA
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	1.76	2.22	-20.68%	Favourable	NA
Net capital turnover ratio	Net Sales	Working Capital	1.50	1.82	-17.54%	Adverse	NA
Net profit ratio	Net Profit	Net Sales	0.02	0.00	606.78%	Favourable	Due to Increase in the Profit during the Current year
Return on capital employed	Earning before interest and taxes	Capital Employed	0.03	0.01	101.93%	Favourable	Due to Increase in the Profit during the Current year
Return on investment	Net return on Investment	Total Investment	0.01	-0.02	-167.97%	Favourable	Due to Increase in the Profit during the Current year

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NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note 81 :

Disclosures pursuant to amendment in Schedule III of the Companies Act 2013:

The MCA vide notification dated 23rd March 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures which are applicable from 1st April 2021. The Company has incorporated the changes as per the said amendment in the financial statements and below disclosures are made in compliance of the said amendment :

- (i) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the period.
- (ii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the period.
- (iii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (iv) The Company do not have any prior period errors to be disclosed separately in statement of changes in equity.
- (v) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (viii) The Company does not have any loans and advances in the nature of loans to promoters, directors, KMP and other related parties.
- (ix) The Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (x) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (xi) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (xii) The Company do not have any title deeds of immovable properties not held in name of the company.
- (xiii) The Corporation is furnishing monthly statement of inventory & trade receivables with the bank in connection with WCL based on provisional data which might not be in agreement with books of accounts.
- (xiv) The Company has not revalued any item of property, plant and equipment.
- (xv) The Company does not have any transactions where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date
- (xvi) The Company have not entered into any scheme(s) of arrangements during the financial year.

58




NATIONAL SEEDS CORPORATION LIMITED
Notes on Financial Statements for the year ended 31st March 2022

Note 82 : Import of Planting Material

1. Department of Agriculture & Farmers Welfare has decided to assign the responsibility to National Seeds Corporation (NSC) for import of planting material of selected Horticulture species for the development of high value Horticulture Crops with a view to substitute imports and promote exports of high value horticulture produce in the country. NSC will import the genuine and quality planting material of Apple, Walnuts, Almonds & Date Palm as per requirement of the State Horticulture Missions submitted to DA&FW. NSC will supply this planting material to the concerned States in the designated PEQ site being developed by ICAR.

2. As per approval received from DA&FW vide letter no. F-45-71/2019-Hort/FTS: 97436 dated 22.03.2022 along with Cabinet Secretariat's letter ID. No.213/2/1/2020-CA.IV(Vol.X), dated 16.03.2022 for procurement of planting material of High Value Horticulture crops by NSC, NSC floated GTE on dated 30.03.2022 for import of High Value Horticulture Planting Material of Apple, Almond, Walnut & Date Palm qty. Nos.1063428 plants. Further, NSC also got the requisite approvals from EXIM Committee and Forest Research Institute (FRI), Dehradun for import of High Value Horticulture Planting material.

3. The tender was opened on 02.06.2022 which is under process.

Note 83 : Status of Department of Animal Husbandry (DAHD) Vaccination Project

Government of India DAHD for vaccination of animals had appointed National Seeds Corporation Limited as Program Logistics Agency on 26.05.2022 in which NSC will purchase and supply Brucellosis, FMD, PPR & CSF Vaccines for all the states and union territories. The above project cost is for ₹ 15000 lakhs approximate for two years in which NSC will get ₹800 lakhs approximate as service charge. The above project is under process in consultation with DAHD. The financial impact in the books will be cover during the FY 2022-23 on actual implementation basis.



Note 84

Impact Due to COVID 19

1. NSC faced some difficulties like arrangement of planting material/implementation of seeds production etc. during lockdown period of Covid-19.
2. However intake of Rabi 2020-21 suffered due to COVID-19 as the pandemic was on peak during April-June 2021 which was the peak of intake progress Rabi 2020-21. The Rabi crop sealing and intake was delayed in Maharastra State.
3. Many officials of NSC and their family members suffered from COVID -19 during April-June 2021.
4. The marketing and promotional activities were impacted to some extent.
5. In few regions due to lockdown, seed movement got affected due to non availability of transport in time; Processing work affected due to non availability of labours; Movement of seeds from dealers to sub dealers affected due to restrictions in inter district movements; Farmers could not visit the dealer shops as a result farmers used their own saved seeds.

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NATIONAL SEEDS CORPORATION LIMITED				
Notes on Financial Statements for the year ended 31st March 2022				
(₹ in Lakhs)				
S. No.	SEGMENTS	Producing Segment	Retailing & Distribution segment	Consolidated
1	Revenue			
	External Sales/ Subsidy/Other Income	12,969.44	78,602.41	91,571.85
	Total Revenue	12,969.44	78,602.41	91,571.85
2	Results			
	Segment Result			
	Expenditure	11,807.24	78,324.77	90,132.01
	Exceptional Items	(0.20)	31.07	30.87
	Total Expenditure after Exceptional Items	11,807.44	78,293.70	90,101.14
	Profit Before Tax	1,162.00	308.71	1,470.71
	Provision for Taxation	-	220.00	220.00
	Current Tax for earlier years	-	348.38	348.38
	Deferred Tax Asset	-	(173.73)	(173.73)
	Net Profit / Loss	1,162.00	(85.94)	1,076.06
3	Other Information			
	Segment Assets	28,863.31	1,05,640.67	1,34,503.98
	Segment Liabilities	28,359.10	39,318.77	67,677.87
	Capital Expenditure	738.23	824.50	1,562.73
	Depreciation	1,178.53	615.64	1,792.17

Aayushi Kanodia
Aayushi Kanodia
Company Secretary

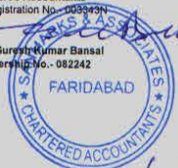
Kaushik Rakshit
Kaushik Rakshit
Senior General Manager (Finance)

V. Mohan
V. Mohan
Director (Finance)
DIN- 07296539

Ashwani Kumar
Ashwani Kumar
Chairman-cum Managing Director
(Add. Inflation)
DIN- 09690931

Place : New Delhi
Dated : 5.8.2022

As per our report of even date
For M/s. Sanmarks & Associates
Chartered Accountants
Firm's Registration No. 0035434
Partner- Surendra Kumar Bansal
Membership No. 082242



06/09/2022