

# P. K. BHATTACHARYYA & ASSOCIATES

Chartered Accountants

Jyotish Samrat Bhavan; 88/2A Rafi Ahmed Kidwai Road, Kolkata - 700 013

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## INDEPENDENT AUDITOR'S REPORT

To,

The Members of The State Fisheries Development Corporation Limited

### Report on the Financial Statements

- 1 We have audited the accompanying financial statements of The State Fisheries Development Corporation Limited (hereinafter referred to as "the Company") , which comprises the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and Cash flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

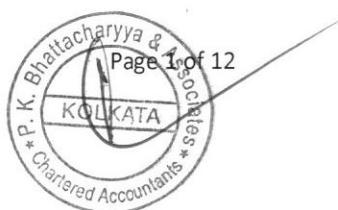
- 3 Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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



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## Emphasis of Matters

- 4 We draw attention to the following matters in the financial statements:

Additional information with regard to the following expenditures in view of each one of them being in excess of one percentage (1%) of the revenue from operations should have been disclosed by the Company, but the same had not been done.

a) Miscellaneous/General Expenditure - Rs. 8724692.75 appearing in "Other Expenses" within Schedule 23 (FY 2016-17 - Rs. 2871983.70)

b) Motor Up Keeping - Rs. 3659043.09 appearing in "Other Expenses" within Schedule 23 (FY 2016-17 - Rs. 3081064.91)

c) Repairs & Maintenance - Rs. 24289954.40 appearing in "Other Expenses" within Schedule 23 (FY 2016-17 - Rs. 26871564.17)

d) Running Cost - Rs. 2769369.95 appearing in "Other Expenses" within Schedule 23 (FY 2016-17 - Rs. 2904256.20)

e) Selling Expenditure - Rs. 7364503.84/- appearing in "Other Expenses" within Schedule 23 (FY 2016-17 - Rs. 7756498.33)

f) Stall Expenses - Rs. 2560205.80 appearing in "Other Expenses" within Schedule 23 (FY 2016-17 - Rs. 2192492.00)

g) Power & Fuel Expenses - Rs. 15100327.22 appearing in "Other Expenses" within Schedule 23 (FY 2016-17 - Rs. 9670793.21)

h) Vehicle Hire Charges - Rs. 2629190.20 appearing in "Other Expenses" within Schedule 23 (FY 2016-17 - Rs. 1687898.00)

Our opinion is not modified in respect of the above matters.

## Basis for Qualified Opinion :

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### I Corporate Social Responsibility :-

"Provision for Corporate Social Responsibility A/c" was carrying an opening balance of Rs.2948229/- being unspent amount of CSR for the year(s) pertaining to the period(s) prior to the year under audit. In view of Section 135 of the Companies Act, 2013 this amount should have been written back last year itself in view of the qualifications made by the Statutory Auditor and as the law does not provide for provisioning for CSR, but for spending towards CSR activities. The Company has reversed the provision in the year under audit resulting in Prior period adjustment of Rs. 2948229/- and increase in profit by similar amount

### II Interest on Fixed Deposits and Prior period Adjustment:-

- (a) Accrued Interest and Profit for the year prior to the year under audit stood overstated by Rs. 441117/- in terms of the Statutory Audit report for the year ended 31/03/2017. During the year under audit, the rectification entry has been passed resulting in Prior period adjustment of Rs. 441117/- and decrease in Profit by similar amount



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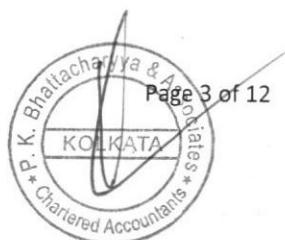
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- (b) It was reported during the year prior to the year under audit that the company had overstated "Fixed Deposit (Current Investment)" appearing under "Cash & Cash Equivalents and understated "Accrued Interest on FD" appearing under the head "Other current assets" by Rs.4280899/- each. No rectificatory effects have been given during the year under audit.
- (c) Interest on Fixed deposit Receipts and Bank Interest appearing as "Interest Income" under the head "Other Income" in Schedule 18 is under reconciliation for long (even the prior years) . The full impact thereof, accordingly cannot be stated herein. However, it has been identified that notwithstanding the effects of the years prior to the year under audit as well as during the year under audit, the Company had booked excess interest on Fixed deposit to the extent of Rs. 419352/- during the year under audit emanating from booking of the same quantum of interest on FD with UBI as is represented by the TDS quantum after booking the gross amount of interest stated in Form 26AS under the Income Tax Rules, 1962 which is also under reconciliation in the first place. In addition to what has been stated herein, further Rs. 19348/- has been booked in excess by debiting TDS and crediting Bank Interest on 01/03/2018 whereas this entry should not have been made at all. In this view of the matter, "Interest Income" under the head "Other Income" in Schedule 18, as well profit stands overstated by Rs. 438700/- (Rs. 419352/- + Rs. 19348/-)
- (d) The balance of Fixed Deposits appearing in Schedule 14 at Rs. 89408668/- (Previous year Rs. 89408668/-) under the head "Cash and cash Equivalents", amount of interest booked for the year at Rs. 26555881.73(Previous year Rs. 17276887/-) reflected in Schedule 18 under the head "Other Income", Rent received for the year at Rs. 2457167/- (previous year Rs. 7996177/-) reflected in Schedule 18 under the head "Other Income" and "Income Tax (TDS receivable)" appearing in Schedule 16 under "Other Current Assets" for Rs. 243633/- (Previous year Rs. 1398047.50) is under reconciliation. Further it was reported in the audit report of last year that while Form 26AS under the Income Tax Rules, 1962 evidenced Interest of Rs. 7162207/- is the interest for the year from UBI, Salt Lake Branch, the books of account had shown booking of Rs. 5673226/- only thereby emanating a difference of Rs. 1488981/- . This year the rectificatory entry has been passed by crediting Prior period adjustment with Rs. 1488981/- and debiting Accrued interest on Fixed Deposit (which incidentally is also under reconciliation). This has accordingly contributed to the profit of the current year by Rs. 1488981/- Coming to Income Tax deducted at source, the Company has booked TDS of Rs. 1038296/- in its books of accounts, while Form 26AS evidences TDS of Rs. 813316/- and TCS of Rs. 11383/- (aggregating to Rs. 824699/-), thereby emanating a difference of Rs. 213597/-. The Company was unable to provide any details, explanation or clarification and has assured that issues will be reconciled later - in this view of the matter the resultant impact, if any whether on the profits of the Company or its assets / liabilities cannot be stated at this stage

### **III Fixed Asset Addition and its Depreciation and Amortization Expenses :-**

- (a) There has been no change in the situation to the extent that it had been reported in the previous year that Fixed assets created out of General Fund revealed that though the fixed assets (old) were shown depreciated to a large extent, the same was shown depreciated only through one year (up to 31/03/2014). The Company is neither maintaining any Fixed Asset Register nor any explanation was received relating to date of acquisitions of fixed assets. Instead date of acquisition of all fixed assets (old) was shown on 01/04/2013. Since as per new Companies Act, 2013 depreciation is calculated after considering remaining useful life of assets (from 01/04/2014), showing of fictitious remaining useful life by the Company has led to incorrect calculation of depreciation and loss, the quantum whereof cannot be ascertained at this stage, in absence of details of the exact date of addition and original cost of these assets.



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- (b) (i) In the audit report for the last year in Sl III (b) (i) and (ii), it was brought out that because of improper treatment of expenditure fixed assets addition to the extent of Rs.161241/- had been charged to Revenue and revenue expenditure to the extent of Rs.1324/- has been treated as addition of fixed asset. Accordingly, in net effect, Capital expenditure and Net Profit for the last year to the extent of Rs.159917/- had been understated while Revenue expenditure for the period had been overstated by Rs. 159917/-. During the current year under audit, to rectify this error the Company made another error in as much as the Company credited Prior period Income to the extent of Rs. 159917/- thereby contributing as such to the current year's profit; however, instead of debiting the respective Fixed assets by Rs. 161241/- and crediting revenue income by Rs. 1324/-, Accrued interest on FD was debited for the net impact of Rs. 159917/-, thereby no addition to the Fixed Asset was shown and accrued interest as reported here and earlier had been kept under reconciliation. This had the effect of Fixed Asset being understated by Rs. 161241/-, prior period income being understated by Rs. 1324/- and Accrued Interest on FD being overstated by Rs. 159917/-
- (ii) In the audit report for the last year, it was brought out in Sl. III (b) (iii) of that report, after taking into cognizance the impact of the above, depreciation stood understated by Rs.7157/-, while Fixed Assets stood overstated to the same extent of Rs. 7157/-. In its endeavour to rectify this mistake, the Company had debited Electric Installation by Rs. 7157/- and credited prior period adjustment - thereby doubling the mistake made last year. Accordingly, the respective Fixed Assets and Prior period Adjustment (credit) account and profit stands overstated by Rs. 14314/-
- (c) In the audit report for the last year, it was brought out in Sl. III (c) (ix) of that report that the net impact of errors mentioned therein resulted in depreciation, appearing within Schedule 9 under the head Fixed Assets created out of General Fund and on the face of that Profit and Loss Account stood understated by Rs.63965/- each, while Fixed Assets appearing within Schedule 9 and on the face of that Balance Sheet and profit for that period appearing on the face of Profit and Loss Account stood overstated to the same extent of Rs. 63965/- each. The entries were passed this year through Prior period adjustment resulting in decrease of profit for the period under audit by Rs. 63965/-
- (d) On the basis of sample checks carried out, it was found that during the year under audit, Fixed Assets purchased were debited to the Profit and Loss Account to the extent of Rs. 152859/- and accordingly Fixed Assets and Profit stand understated to such extent while the concerned expenses stand overstated. The details are as below :-

07/03/2018 Submercible Pump set	8,000	R/C of P/B/N
29/03/2018 Set top box with fibre and tv cable	19,100	Maint of Guest House
15/03/2018 6 pcs ceiling fan	13,492	Maint of Guest House
31/03/2018 1pc aqua guard	11,017	Maint of Guest House
24/03/2018 Labour charges for installation of machinery	5,000	Repairs & maint
27/03/2018 Fire Extinguisher	6,450	Repairs & maint
31/03/2018 Arators	89,800	Maint of office
<b>Total</b>	<b>152,859</b>	

**IV      Bank Charges yet to be reconciled, absence of recording of payee-wise details, non-filing of GST Return; Error in recording of transactions**



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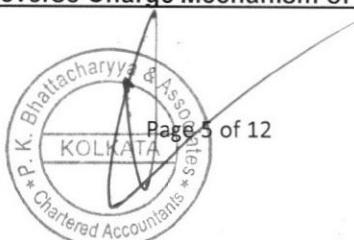
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- (a) The Bank Charges are booked in irregular frequency in the books of accounts and the same is under reconciliation. The impact, if any, on the profits of the Company or its assets / liabilities cannot be stated at this stage
- (b) The Company doesn't maintain any details of its expenses payee-wise. This has resulted in the company being unable to fathom and compute its liability correctly in so far as its other legal obligations like service tax, GST, VAT, etc. are concerned. As a matter of fact the Company stated that it has not filed any GST return since August 2017 for the year under audit, though it has availed and utilised ITC under the GST law. In Schedule 16 under Other Current Assets the Comapny has shown a sum of Rs. 6472118.62 against "Input and Output VAT & GST" - the said amount is under reconciliation. In our opinion, non-filing of return provides sufficient ground to the Revenue authorities to disallow the claim. In this view of the matter, Provision of at least 10% of Rs. 6472118 ought to be made in the accounts and hence, in our opinion, the profit stands overstated by Rs. 647211/-
- (c) The Company was unable to expalin the existence of Rs. 2000000/- as "Interbranch Remittance (transit)" in Schedule 14 under the major head "Cash & cash Equivalents" and stated the same is under reconciliation. In our opinion, appropriate provision for this amount ought to be made and in this view of the matter both "Cash & cash Equivalents" and Profit for the year stands overstated by Rs. 2000000/-
- (d) The Company was unable to explain the expenditure of Rs. 2674865/- booked, appearing in Schedule 23 under the head "Other Expenses" being Share of Car Parking Charges. From the record of the entries, it appears that the same has been made for share of car parking expenses payable to NDITA; however, since on the face of the Profit and Loss Account Rs. 2788400/- being the current year's share of NDITA and through Prior period adjustment A/c Rs. 2911000/- had already been booked, this entry of Rs. 2674865/- neither has any basis nor should have been debited. In this view of the matter, Other Expenses had been overstated and Profit has been understated by Rs. 2674865/-
- (e) The Company was unable to explain the existence of Profession tax Rs. 10387/- and Luxury Tax Rs. 80455/-, Service tax of Rs. 33985/- and Works Contract Rs. 207/-, appearing as Assets in Schedule 5 under the head "Current Liabilities (formerly short term borrowing)". The Company states all these accounts are under reconciliation and these negative figures under the "Liability" head cannot be explained. In our opinion, these accounts typically represent expenses mostly - hence, notwithstanding whatever the reconciliation may throw up, provision for aggregate of these amounts i.e. Rs. 125034/- should be made. In this view of the matter, "Current Liabilities (formerly short term borrowing)" stands understated by Rs. 125034/- and Profit for the year stands overstated by Rs. 125034/-
- (f) As per the prevailing law the Company is supposed to pay Profession tax Enrolment Tax of Rs. 2500/- per establishment. Other than its Corporate office, the Company has 21 estabilishments. It emanated that Profession tax for only Corporate office and Alampur had been deposited (however, the Profession tax depositeed for Alampur had been debited to "Consultancy Charges" in the books of accounts) - in our opinion, provision should be made for other 19 estabilshments @ Rs. 2500/- each i.e. Rs. 47500/-. In this view of the matter Other Expenses in Schedule 23 and Current Liabilites (formerly short term borrowing) in Schedule 5 stands understated by Rs. 47500/- each, while Profit stands overstated by similar amount

### V Service Tax Payment under Reverse Charge Mechanism of Service Tax:-



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- (a) It was pointed out within the audit report during the last year that the Company has paid aggregate amount of Rs.840570.00 to lawyers for various consultancy charges and legal charges during the financial year 2016-2017. As per Service Tax notification no. 30/2012 dated 20.06.2012, the Company should have paid service tax under the reverse charge mechanism, which it did not. As a consequence, Service Tax of Rs.117680.00, Swach Bharat Cess of Rs.4023.00, Krishi Kalyan Cess of Rs. 203.00 and interest of Rs.14685.00 ( interest calculated upto March 2017) had neither been paid nor provided for. As the position remained the same as at 31/03/2018 , Service tax under the head "Other Expenses" (Schedule 23) and Other Current Liabilities (Schedule 7) stands understated to the extent of Rs.136591/- each.
- (b) It was also pointed out within the audit report last year that the Company has paid aggregate amount of Rs.1335994.00 towards renting of motor cab during the period under audit. As per Service Tax notification no. 26/2012 dated 20.06.2012 and Service Tax notification no. 30/2012 dated 20.06.2012, the Company should have paid 100% service tax on 40% of the invoice value under the reverse charge mechanism, which it did not. As a consequence, Service Tax of Rs.74816.00, Swach Bharat Cess of Rs.2672.00, Krishi Kalyan Cess of Rs. 2672.00 and interest of Rs.4068.00 ( interest calculated upto March 2017) has neither been paid nor provided for. As the position remained the same as at 31/03/2018 , Service tax under the head "Other Expenses" (Schedule 23) and Other Current Liabilities (Schedule 7) stands understated to the extent of Rs.84228/- each.

## VI Tax Deduction at Source:-

- (a) The Company was unable to provide any reconciliation as to its liability on Tax Deduction at source under the provisions of the Income tax Act, 1961, moreso in view of non-recording of name of the payee in its books of accounts in most cases. The import and impact, if any, once the reconciliation is completed cannot be stated at this stage.

## VII Long Term Borrowings (Schedule 3); Prior period adjustment; Other Income (Schedule 18):-

- (a) The entire quantum of Long Term Borrowings aggregating to Rs. 23656639/- (out of which Rs. 17346752/- has been shown as being owed to Government of West Bengal) is subject to balance confirmation without which the impact, if any, cannot be ascertained at this stage. It is further understood that in so far as Unsecured Loan taken from Govt. of West Bengal amounting to Rs. 17346752/- is concerned, the Company suo moto has stopped providing for interest on Govt. loan. The management was unable to provide any reason for such discontinuance of interest provision except for the fact that In the notes to the Accounts appearing in Schedule 24 for the year under audit, appearing as Sl. No. 5 , which the management claim is the clarification as follows :- "*The Finance costs for the current year has been to be as nil as the company could not locate any supporting documents for the accrual of interest pertaining to a loan taken from the Govt. of WB more than 20 years ago. Moreover, over the years, there has been no communication/claim in this regard from the Govt. of WB and the company has continued to charge interest on loan in its books. The matter will be taken up with the Govt. of WB as this company is a wholly owned Govt. of WB undertaking which is aided by the Govt. of WB*" - in absence of the information the actual liability to the Government of West Bengal cannot be stated
- (b) The amount of Unsecured loan from NDITA shown at Rs. 6046943/- has reportedly emanated for reasons mentioned below. The amount of loan taken from NDITA for total amount of Rs. 75.40 lakh against which State Fisheries Development Corporation Ltd (Company) had already repaid Rs. 7.98 lakh (first installment), upto financial year 2013-14. As per the term of the agreement repayment would be done on 50:50 ratio out of revenue earned by SFDC from car parking at Nalban Food Park. Though there has been revenue earnings since then and during the year under audit, provision for repayment had been made including that for past years by routing such provision through Prior period adjustment account yet no further repayment of loan had taken place as per stipulation. In absence of further clarity, the consequence of such non-repayment cannot be quantified at this stage.



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## **VIII Deferred Tax :-**

As per Part II of Schedule III of the Companies Act, 2013 tax expenses needed to be disclosed in the face of the Statement of Profit & Loss and bifurcated into (i) Current Tax and (ii) Deferred Tax. However the company has not disclosed these in the face of Profit & Loss Statement contrary to the requirement of AS- 22 "Accounting for Taxes". Further, in view of what has been stated in Sl. 3. (a) above in this report, viz. "*..... The Company is neither maintaining any Fixed Asset Register nor any explanation was received relating to date of acquisitions of fixed assets. Instead date of acquisition of all fixed assets (old) was shown on 01/04/2013. Since as per new Companies Act, 2013 depreciation is calculated after considering remaining useful life of assets (from 01/04/2014), showing of fictitious remaining useful life by the Company has led to incorrect calculation of depreciation and loss, the quantum whereof cannot be ascertained at this stage in absence of details of the exact date of addition and original cost of these assets.*" the full impact of the Deferred Tax cannot be calculated.

## **IX Grants :-**

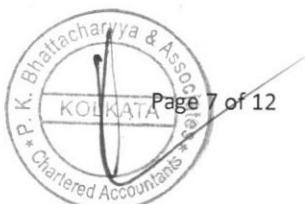
The Company has been receiving and has received during the year under audit numerous Grants – all the grants during the year under audit have been sanctioned and issued as Revenue Grants to the Company. However, the Company has recorded the grants under three heads in the books of accounts, viz.

(a) Under Capital Reserve (Schedule 2) -	Rs.394511193.18	(Previous year - Rs.312633593.00)
(b) Under Other Current Liabilities (Schedule 7) -	Rs.58500000.00	(Previous year- Rs.39152854.00)
(c) Under Other Income (Schedule 18) -	Rs.277188514.00	(Previous year- Rs.215188138.00)
<b>TOTAL</b>		<b><u>Rs.730199707.18</u></b>

The Grantwise utilization is under reconciliation by the Company. The Company has not been able to appropriately clarify the reasons of the varied treatment it has been making as such and made for the year under audit for each of these Grants in the books of accounts. Instances have been found that all the Grants are not necessarily utilized within one year in which case it ought to be shown under Other Long Term Liabilities (Schedule 4). The Company was unable to provide any indication as to the periodicity of the utilization. The amount is not determined even as of now. In this view of the matter, the impact, if any, of overstating of Other Current Liabilities (Schedule 7) with corresponding understating of Other Long Term Liabilities (Schedule 4) cannot be stated. Further, the impact, if any, of splitting the other grants between Capital and Revenue Grants cannot be determined at this stage.

## **X Prior Period Adjustment :-**

a) As per Paragraph 15 of Accounting Standard – 5 on "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" the nature and amount of prior period items should be separately disclosed in the statement of Profit & Loss in a manner that their impact on the current profit or loss can be perceived. The company neither discloses the amount of prior period items in Profit & Loss Statement nor discloses the nature of prior period items, which is not in conformity with the requirements of AS-5. It was found during the year under audit that besides other items, revenue expenses amounting to Rs. 3160448/- and Capital Expenditure of Rs. 965806/- pertaining to the financial year 2016-2017 were booked in the respective revenue expenditure heads and Fixed Assets and not booked through Prior period adjustment. In this view of the matter, the relevant Revenue Expenses (being Other Expenses in Schedule 23, Stock in Trade in Schedule 19 and Employee benefit Expenses in Schedule 21) stood overstated by Rs. 3160448/-, Fixed Assets by Rs. 965806/- and Prior period Expenditure stands understated by Rs. 4126254/-



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(i) Other Expenses (Schedule 23)	1310182.00
(ii) Employee Benfit Expenses (Schedule 21)	134820.00
(iii) Purchase of Stock in trade (Schedule 19)	1715446.00
(iv) Fixed Assets (Schedule 9)	965806.00
	<b>4126254.00</b>

**b)** During the year under audit the Company has passed Prior Period Adjustment entries amounting to Rs. 1077463/- through Reserves & Surplus in Schedule 2, whereas it should have been separately disclosed in the statement of Profit & Loss in a manner that their impact on the current profit or loss can be perceived. The company has not disclosed the amount of prior period items in Profit & Loss Statement nor has disclosed the nature of prior period items, which is not in conformity with the requirements of AS-5.

**XI Input Tax Credit – Rs. 554569.67 shown under the head Short term Loans and Advances (Schedule 15) and Vat Deposit shown at Rs. 1160925/- shown under the head 'Other Current Assets (Schedule 16)**

In the last year's audit report it was already stated that the sum of Rs. 554569.67 could not be treated as an asset. However, the same is still appearing in the Balance Sheet. The amount should be written off. Further, the additional VAT deposit of Rs. 831211/- (Rs. 1160925/- less opening balance of Rs. 329921/-) refelected within the balance of Rs. 1160925/- in Schedule 16 under the head 'Other Current Assets" is actually not a deposit, but payment of VAT liability for the quarter ended 30/06/2017 as per return and as such should have been charged to Profit and Loss Account, moreso in absence of set off on the liability side. In Schedule 5 under Current Liabilities the sum of Rs. 2199472/- appearing as a Provision for VAT is the net amount payable as per assessment order for the year 2014-2015. In this view of the matter, the profit for the year stands overstated by Rs. 1385780/- and Short Term Loans and Advances stands overstated by 554569.67 and Other Current Assets stand overstated by Rs. 831211/-

**XII Service tax return, VAT Return and GST Return:-**

The service tax return and the VAT return vis-à-vis the books of accounts of the Company is under reconciliation by the Company. The resultant impact on the bottom line, if any, cannot be ascertained at this stage. The Company could not produce any return and stated that they have not furnished the returns for the year 2017-18. From the GST site it was revealed that a return for July 2017 has only been filed. The Company was unable to reconcile payment of taxes with asceratined liabilities. Further and amount of Rs.

**XIII Inventories (Schedule 12) and Note No. 8 and Note No. 14, both in NOTES FORMING INTEGRAL PART OF THESE FINANCIAL STATEMENTS (Schedule 24) :-**

The entire stocks are under reconciliation. Though the Company had tried to explain the manner in which the stock of fish are sought to be arrived at, the Company was unable to provide paperwork for the same. Further, the valuation aspect thereof has also not been linked. The reconciliation is yet to be completed and accordingly the full impact on the financial statements can only be ascertained after reconciliation. It may be further added that the stock of fish was incorporated in the accounts as per the certificate of closing stocks forwarded by various project offices of the company. In view of the aforesaid the import and impact of any on the Profit of the Company or its Assets cannot be stated at this stage

**XIV Cash and cash equivalents (Schedule 14), and Cash Flow Statement**



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- (a)** Bank Accounts mentioned at Rs. 453441347.12 in this schedule include the following balances aggregating to Rs. 105164532.44, for which balance confirmation were not available :-

BANK NAME	AMOUNT (Rs.)
Nalban Food Park Bandhan Bank 10160006860507	21288112.37
Chotkhand SBI Bank 11877242533	612323.00
Frashergunj PNB Bank 2182002100002110	1423770.00
Mangrovr ICICI Bank 271305001581	92228.00
HIP-A PNB Bank 2182002100001342	10874240.58
HIP-A ICICI BANK 271301000223	1000329.00
HIP B PNB Bank 2182002100001740	983356.17
Jamunadighi SBI Bank 11875996740	667505.80
Krishnabundh SBI Bank 32191062562	50384.55
Nalban Sec A IOB Bank 164202000000040	1712871.86
Nalban Sec A Standard Chartered 33105204872	35953660.00
Goltala Bandhan Bank 10170005300311	398869.00
HO Yes Bank RKVY 019094600001522	1711857.17
Hidco IDFC Bank 10007822918	30320122.00
Hidco IDFC Bank 10007350657	299586.00
UBI HO Salt Lake 0720050102697	-2224683.06
<b>TOTAL</b>	<b>105164532.44</b>

- (b)** Balance in "Deposit with Treasury" of Rs.104690664/- is subject to reconciliation and balance confirmation.

- (c)** In the last year's audit report it was recorded that a bank account with YES Bank, Dalhousie Branch, Kolkata had been opened on 09/08/2016 in the name of The SFDCL CAPTN BHYR ECO AND AQUTC, being A/c No. 019094600001534 , the A/c type being that of a Trust, during the year under audit. The account statement of the bank disclosed a closing balance of Rs. 451475.90 as at 31/03/2017. This bank account or anything related to it has not been reflected within the books of accounts of the Company or the financial statements except that a sum of Rs. 190000/- was paid by the Company from United Bank of India, A/c No. 07250050102697, Salt Lake Branch on 14/02/2017 which has been booked as Security Deposit for Rs. 100000/- and Rent for Rs. 90000/-. Proper clarification of this venture could not be furnished by the Management. It appears that an agreement dated as 01/08/2016 was entered into between the Company and Captain Bhery Fishermen's Co-operative Society Limited , by virtue of which a Partnership/Joint Venture had been formed. The Management states that amount received from Government of West Bengal had been channelled through this account - however complete accounts or the result and/or otherwise import and impact of this agreement appears nowhere in the books of accounts or the financial statements. The only reference that was found was a sum of Rs. 352022/- shown effectively as an asset within Schedule 7 under the head "Other Current Liabilities". What can be prima-facie established is that as at the year ended 31/03/2017 the Company had received Rs. 4264394/- as grant for Captain Bherry and had evidently spent Rs. 4616416/- as at that year end, i.e. more than the amount of grant. As a consequence of this, we are unable to comment upon the resultant impact and import it has on the profits of the Company and its Assets or liabilities thereof.

- (d)** Further the following discrepancies have been found in recording of bank transactions :-



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- (i) As explained to us, in the case of UBI Salt Lake Branch, A/c No. 0720050102697 an entry on 20/07/2017 for Rs. 801900/- being amount received from Treasury was not recorded in the books of accounts under audit. The management in its effort to make good this omission, passed another entry on 31/03/2018 making an error of commission by debiting GA feed Account and crediting this UBI account thereby the balance in this UBI account stands wrongly understated by Rs. 1603800/. Further, as a consequence, effectively Feed Account stands overstated and profit stands understated by similar amount in as much as the Feed account was debited twice, once vide on 17/07/2017, being the originating transaction for the Treasury, wherein instead of UBI being debited, Feed Account was debited and again on 31/03/2018 when the error of commission was made. The Cash Flow statement also is at variance with the balance of cash and cash equivalent
- (ii) Further, from the few bank reconciliation statements prepared, in many cases no link could be provided with the recordings in the bank column. Unless a full scale reconciliation in normal accounting norms are not carried out, the resultant effect of these on the asset base and profit of the Company cannot be ascertained.
- (e) The Company needs to strengthen its system immensely with respect to exercising control over its Cash and cash equivalents

**XV    Trade Payables (Schedule 6) – Rs. 193196/-**

No balance confirmation was available for this balance with W B F C Ltd., Reportedly, the balance is over a decade old. Accordingly, the impact, if any, in absence of balance confirmation, cannot be ascertained at this stage.

**XVI    Matters under litigation with Income tax Department and Provident Fund Authorities - Note No. 4, Note No. 6 I. and Note No. 6.II in NOTES FORMING INTEGRAL PART OF THESE FINANCIAL STATEMENTS appearing in Schedule 24 and no Note No. 5 appearing in Schedule 24:-**

No provision has been made, nor the disputed matters detailed in Note No. 4 and Note No. 6. of Schedule 24 pertaining to Income tax matters and Provident Fund matters appearing in Schedule No. 24 have been disclosed as Contingent Liability. In our considered opinion these disputed matters should have been disclosed under Contingent Liability.

**XVII    Outstanding Creditor for Expenses under the head "Other Current Liabilities" in Schedule 7; Other Expenses in Schedule 23 and Employee Benfit Expenses in Schedule 21; Purchase of Stock in trade in Schedule 19 ; Fixed Assets in Schedule 9**

No provision has been made in the accounts for the year under audit for expenses that have accrued during the year. The Company appears to have booked most of its expenditure on cash basis Even proper sample checks for the period after 31/03/2018 could not be conducted as the Company could not furnish the accounts/vouchers for the period post 31/03/2018. Though a sum of Rs. 17451070.53 has been shown as Outstanding Creditors for expenses, details of creditors for Rs. 2741058/- could not be furnished . The import and impact accordingly on the profit and/or asset base of the Company cannot be stated at this stage

**XVIII    Summarisation of Net impact on Profit before Tax and other head of accounts on account of qualifications made hereinbefore :-**

The net result of the quantifiable qualifications made above are as below :-



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Profit for the period as per the audited Profit & Loss account is Rs.13423273.31. Taking into consideration the impact of qualifications made above, the profit in net effect stands overstated by Rs. 1829491/-

## XIX Due to Micro and Small Enterprises

The Company has not ascertained whether or not any of its vendors fall in this segment under Micro, Small and Medium Company Development Act, 2006. Accordingly, the liability, if any, at all, cannot be stated

## XX Cash Flow Statement :-

The cash flow statement is subject to the impact and modifications arising out of the qualifications made from SI No. 5 I to SI No. 5 XXI of this report stated above. Further, it may be added that even going by the figures that are appearing in the Balance Sheet and Profit and Loss Account the manner in which the Cash Flow statement has been drawn up is not correct in view of what is stated hereinafter. "The cash flow statement accounts for inflow of fund from financing activities for Grant received against procurement of fish feed, Piscicultural operations and salary to its employees respectively. Accounting Standard -03: Cash Flow Statement (CFS) inter-alia stipulates that; Operating activities are the principal revenue-producing activities of the enterprise and other activities that are not investing or financing activities. Investing activities are the acquisition and disposal of Long-term assets and other investments not included in cash equivalents and Financing activities are activities that result in changes in the size and composition of the owner's capital and borrowings of the enterprise. The Company had received grant from Govt. of West Bengal for meeting its regular expenditure viz. Employees Salary, Purchase of feed, other fisheries related cultural activities. Grant pertaining to aforementioned activities neither relates to acquisition and disposal of long-term assets and other investments nor does it result in changes in the size and composition of the owner's capital and borrowings of the enterprise.

Thus, it should have been grouped in Operating activites under a separate heading "Income from Govt. Grant" instead of grouping the same under Financing activities. Erroneous classification had, therefore, resulted in under-statement of cash flow from Operating activities by Rs. 883.24 lakh with the corresponding over-statement of cash flow from Financing activities. Similarly, paragraph 30 of CFS also stipulates that in case of enterprises other than financing enterprises, interest should be classified as cash flows from investing activities. However, the Company had shown interest received from different bank accounts under cash flow from financing activities leading to under-statement of cash flow from investing activities by Rs.126.56 lakh with the corresponding over-statement of cash flow from Financing activities. Again, other grants received for capital works under different government schemes, also included in capital reserve, should either be included in cash flow from investing activities for acquisition of long-term assets or in cash flow from operating activities for activities that could not be suitably classified investing or financing activities. However, classification of these grants under cash flow from Financing activities lack justification and could not be explained by the Company

## Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion** paragraph above, the aforesaid financial statements give the information required in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India state of affairs of the Company as at 31st March, 2018, its profit and its cash flows for the year ended on that date.



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## Report on Other Legal and Regulatory Requirements

- 6 As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we enclose in the annexure a statement on matters specified in paragraph 3 & 4 of the said order marked as **Annexure "A"**
- 7 As required by Section 143 (3) of the Act, we report that:
  - a.) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b.) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c.) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d.) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e.) The provisions of Section 164(2) of the Companies Act, 2013 are not applicable to this Government Company in terms of Notification no. GSR 463(E)[F.NO.1/2/2014-CL-V], DATED 5-6-2015
  - g.) With respect to the adequacy of the internal financial controls over financial reporting of the Company under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"), we refer to our separate report enclosed and marked as **Annexure "B"**.
  - 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in Notes – Refer Note II 1 disclosed as Contingent liability, and further Note Nos. 4, 6 I. pertaining to Income tax matters as well as Note Nos. 6 II. pertaining to Provident Fund matters, for which neither any provision has been made nor disclosed as Contingent liability
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has not provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

Place :- Kolkata  
Date :- 29/10/2018



For P. K. Bhattacharyya & Associates

CHARTERED ACCOUNTANTS

FRN 317002E

Prasun Kumar Bhattacharyya

Partner

Membership No. 053002

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## ANNEXURE - A Report under the Companies (Auditor's Report) Order, 2016

The State Fisheries Development Corporation Limited

Referred to in of our report of even date

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

- 1 a.) The company has **not** maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1 b.) No records for physical verification of the assets could be made available to us by the Management and as such material discrepancies, if any, at all have not been identified during the year under audit.
- 1 c.) It has been explained to us by the management that the land and water bodies the Company possesses are owned by the Government of West Bengal and have been handed over to the Company and therefore the Company does not possess the title deeds of immoveable properties. The title deeds accordingly could not be produced for our verification. Details of these properties as provided are stated below

SI No.	Particular of Property	Title deed in the name of
1	Krishnabundh FP	Government of West Bengal
2	Duttapur, Digha	Government of West Bengal
3	Chandanpuri, 24 Parganas (South)	Government of West Bengal
4	Henry's Island FP	Government of West Bengal
5	Katnadighi FP	Government of West Bengal
6	Frasergunge FP	Government of West Bengal
7	Goltala FP	Government of West Bengal
8	Nalban FP	Government of West Bengal
9	Digha FP and Digha Brackishwater FP	Government of West Bengal
10	Narghat FP	Government of West Bengal
11	Haldia FP	Government of West Bengal
12	Giriraj Complex, Siliguri	Government of West Bengal
13	Chotkhand FP	Government of West Bengal
14	Alampore FP	Government of West Bengal
15	Jamunadighi FP	Government of West Bengal
16	UNDP	Government of West Bengal



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- 2 The entire stocks are under reconciliation. Though the Company had tried to explain the manner in which the stock of fish are sought to be arrived at, the Company was unable to provide paperwork for the same. Further, the valuation aspect thereof has also not been linked. The reconciliation is yet to be completed and accordingly the full impact on the financial statements can only be ascertained after reconciliation. It may be further added that the stock of fish was incorporated in the accounts as per the certificate of closing stocks forwarded by various project offices of the company. In view of the aforesaid the import and impact of any on the Profit of the Company or its Assets cannot be stated at this stage As explained to us, Stock of liquor and stock of raw materials has been brought into the ambit of books of accounts for the first time by the Company as at 31/03/2016. The Company has represented that they did not ascertain the closing stock of liquor and raw materials as on 31st March, 2015 to bring it within the ambit of books of accounts. The stock is under reconciliation. The inventory has been ascertained as at the year end by the management. In our opinion, the frequency of verification is not reasonable. The discrepancies between the physical stocks and the book records, if any, accordingly, could not be ascertained during the year under audit. The basis of determination of the quantity of fish at different project offices could not be ascertained. The company has not formulated any explainable method of determination of either ascertaining the physical stock or appropriate valuation of such stock . In view of the aforesaid the import and impact of any on the Profit of the Company or its Assets cannot be stated at this stage
- 3 As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- 4 The company has not given any loans, investments guarantees, and security
- 5 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable . No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- 6 It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.
- 7 a.) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it, According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.
- 7 b.) According to the information and explanations given to us, the dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess that have not been deposited with appropriate authorities on account of any dispute and the forum where the disputes are pending are given below

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	29,519,646.00	Assessment Year 2006 - 2007	High Court, Calcutta



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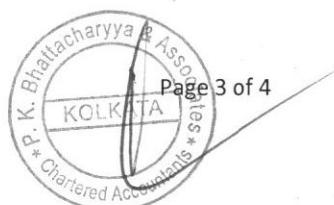
**ANNEXURE - A Report under the Companies (Auditor's Report) Order, 2016**

**The State Fisheries Development Corporation Limited**

**Referred to in of our report of even date**

Income Tax Act, 1961	Income Tax	7,011,591.00	Assessment Year 2007 - 2008	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	12,322,540.00	Assessment Year 2012 - 2013	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	5,415,570.00	Assessment Year 2014 - 2015	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	244,630.00	Assessment Year 2015 - 2016	Commissioner of Income Tax (Appeal)
Employees Provident Fund & Misc Provision Act,1952	Provident Fund Contribution	7,196,209.00	October 2005 to October 2006	Regional Provident Fund Commissioner
Employees Provident Fund & Misc Provision Act,1952	Provident Fund Contribution	19,284,466.00	1980 to 2001	High Court, Calcutta
Employees Provident Fund & Misc Provision Act,1952	Interest on delay payment of Provident Fund	14,189,108.00	October 2005 to October 2006	Regional Provident Fund Commissioner

- 8 Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
- 9 According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans.
- 10 Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
- 11 The provisions of section 197 read with Schedule V to the Companies Act pertaining to Managerial remuneration is not applicable to this Company in terms of NOTIFICATION NO. GSR 463(E)[F.NO.1/2/2014-CL-V], DATED 5-6-2015
- 12 The company is not a Nidhi Company hence this clause is not applicable.
- 13 According to the information and explanation given to us, the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. Further, in terms of information and explanation given to us, the provision of first and second proviso to sub-section (1) of section 188.of the Companies Act, 2013, in terms of NOTIFICATION NO. GSR 463(E)[F.NO.1/2/2014-CL-V], DATED 5-6-2015 is not applicable to the Company in so far as it relates to contracts or arrangements entered into by it with any other Government company which the Company has entered into. In this respect, however, it may be stated that the Company has entered into an agreement with Captain Bhery Fishermens' Cooperative Society Ltd. on 01/08/2016 the import and impact of which cannot be stated in absence of appropriate recording and in absence of clarification by the management



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The State Fisheries Development Corporation Limited

Referred to in of our report of even date

- 14 The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15 According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- 16 The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place :- Kolkata

Date :- 29/10/2018



For P. K. Bhattacharyya & Associates  
CHARTERED ACCOUNTANTS  
FRN 317002E  
  
Prasun Kumar Bhattacharyya  
Partner  
Membership No. 053002

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## The State Fisheries Development Corporation Limited

Period :- Year ended 31<sup>st</sup> March, 2018

### ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 6(g) under "Report on Other Legal and Regulatory Requirements" section of our report of even date

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

We have audited the internal financial controls over financial reporting of The State Fisheries Development Corporation Limited (hereinafter referred to as "the Company") as at 31<sup>st</sup> March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act and Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with the 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 aspects.



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## The State Fisheries Development Corporation Limited

Period :- Year ended 31<sup>st</sup> March, 2018

### ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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 auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that;

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the



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## The State Fisheries Development Corporation Limited

Period :- Year ended 31<sup>st</sup> March, 2018

### ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting 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 & explanations given to us and based on our audit, the following material weakness have been identified as at 31<sup>st</sup> March 2018:-

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

- a) In the aspect of recording and reconciliation of Interest on Fixed deposits with banks, including the matter of distinguishing between Fixed deposit Plans of interest being reinvested and being received (post TDS) on maturity as against Interest being received at defined specific intervals and only principal being received on maturity
- b) Non-application of basic principles of Capital and Revenue expenditure in all cases, leading to erroneous recording of Expenditure
- c) Non-maintenance of Fixed Asset Register and specifically the fixed assets (old) though were depreciated to a large extent, the same were shown depreciated only through one year (up to 31/03/2014) in the last year. The Company is neither maintaining any Fixed Asset Register nor efforts are being made to collate the date of acquisitions of fixed assets. Instead date of acquisition of all fixed assets (old) was shown on 01/04/2013 leading to consequential incorrect recording of depreciation and the Value of fixed assets
- d) Non-Recording of correct dates of addition in the books of accounts for purchase of Fixed Assets even for the year under audit, differences existed in actual date and the recorded date
- e) Statutory compliances – not filing GST Returns; conforming to principles of Corporate social responsibility - need to put appropriate checks and controls.



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## The State Fisheries Development Corporation Limited

Period :- Year ended 31<sup>st</sup> March, 2018

### ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

- f) Recording of TDS payable in books of accounts – the system currently followed is not in consonance with normal accounting practices – even for payment by cheques, the TDS quantum is booked through cash column though no cash transaction is involved and net payment (net of TDS) for the payee's are recorded against their names or the concerned revenue/capital expenditure – this has every possibility of missing out on the TDS recording though recording the net payment may not suffer, an instance was detected in the year under audit.
- g) Non-recording of Income Tax Deducted at source (TDS) with the payee being given the net amount only whereas the TDS quantum remains non-deposited as well as non recorded in the books of accounts
- h) Introducing system for recording payee and recipient accounts
- i) Non-deduction of TDs in appropriate cases, including on provisions
- j) Adhering to, accounting for contractual obligations and maintaining appropriate records of Long term borrowings, short term borrowings as well as other investments/ventures/partnerships
- k) Accounting for, maintaining appropriate records and recording for Grants in a consistent manner and having periodical reconciliations of the same.
- l) Recording and controlling of inventories appropriately
- m) Obtaining balance confirmation at regular intervals for receivables as well as payables
- n) Ascertaining applicability of Micro, Small and Medium Enterprises Development Act, 2006 of vendors
- o) Utilising the Tally ERP appropriately and reliably for recording the financial transactions

In our opinion, except for the possible effects of the material weaknesses described above on the achievements of the objectives of the control criteria, the Company has maintained, in all material aspects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. K. Bhattacharyya & Associates

CHARTERED ACCOUNTANTS

FRN 317002E

Prasun Kumar Bhattacharyya

Partner

Membership No. 053002

Kolkata, the 29<sup>th</sup> day of October, 2018



# P. K. BHATTACHARYYA & ASSOCIATES

Chartered Accountants

Jyotish Samrat Bhavan; 88/2A Rafi Ahmed Kidwai Road, Kolkata - 700 013

Tel :- +91 33 22492814; +91 33 22649106.

Email :- [prasuntax@gmail.com](mailto:prasuntax@gmail.com); [alpana.jb@gmail.com](mailto:alpana.jb@gmail.com)

## General Direction under Section 143(5) of the Companies Act, 2013

The State Fisheries Development Corporation Limited

Period :- Year ended 31<sup>st</sup> March, 2018

### (I) Valuation of Assets & Liabilities

If the company has been selected for the disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed and General Reserves) may be examined, including the mode and present stage of disinvestment process. – The Company has not been selected for disinvestment.

### (II) Waiver/ write-off of debts/loan/interest

Whether there are any cases of waiver/ write-off of debts/loan/interest etc. If yes the reasons therefore and the amount involved. - Not during the year under audit.

### (III) Inventories

Whether proper records are maintained for inventories lying with third parties and assets received as gifts/ grant(s) from Government or other authorities? - No cases of Inventory lying with third parties

### (IV) Legal/ arbitration cases

A report on age-wise analysis of pending legal/ arbitration cases, including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given. Enclosed as per Annexure GD (IV)

### (V) Title/Lease deeds

Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available? – The lands and water bodies that the Company possesses are owned by the Government of West Bengal and have been handed over to the Company and therefore the Company does not possesses any title / lease deeds.

For P. K. Bhattacharyya & Associates

CHARTERED ACCOUNTANTS

FRN B17002E

Prasun Kumar Bhattacharyya

Partner

Membership No. 053002

Attached :- Annexure GD



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Annexure to General Direction under Section 143(5) of the Companies Act, 2013

The State Fisheries Development Corporation Limited

Period :- Year ended 31<sup>st</sup> March, 2018

## ANNEXURE GD (IV) - LIST OF PENDING CASES (PAGE 1 OF 3)

### INCOME TAX CASES

#### 1. For the AY 07-08: (Appeal No.355/CIT(A)-1/C-1/09-10):

Tax claimed by the Dept. is `70,11,591. The case is pending with the CIT(A). Evidently, appeal was made challenging the

- Disallowance of a sum of `4,28,32,604 as grants-in-aid for salary, PF etc.
- Disallowance of employees PF contribution of `10,41,759
- Disallowance of a sum of `2,76,056 for interest paid on account of PF contribution deposited after due date.

#### 2. In the High Court: W.P. No. 1153 of 2010, SFDC vs The Commissioner of Income Tax, Circle 2, Kol and ors:

SFDC had challenged the notice issued u/s 226(3) and the subsequent withdrawal of an amount of Rs. 91,04,987 from SFDC's bank a/c by the Commissioner of Income Tax.

#### 3. For the AY 12-13

Tax claimed by the Deptt. is Rs.1,23,22,540/- . Appeal pending before CIT(A)

#### 4. For the AY 14-15

Tax claimed by the Deptt. is Rs.54,15,570/- . Appeal pending before CIT(A)

#### 5. For the AY 15-16

Tax claimed by the Deptt. is Rs.2,44,630/- . Appeal pending before CIT(A)



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**Annexure to General Direction under Section 143(5) of the Companies Act, 2013**  
**The State Fisheries Development Corporation Limited**  
**Period :- Year ended 31<sup>st</sup> March, 2018**

## ANNEXURE GD (IV) - LIST OF PENDING CASES (PAGE 2 OF 3)

### PROVIDENT FUND CASES

1. Proceedings u/s 7A of the EPF & Misc Provisions Act, 1952 in respect of SFDC by the Regional Commissioner for determination of dues for the period 10/05 to 02/06

The Department claims an amount of `71,96,209 on account of liability arising out of non-payment of dues pertaining to the Security Contractors engaged by them as well as the differential liability accruing on account of payment at the rate of 10% instead of 12% for the period from 10/2005 to 2/2006. Case pending.

2. In the High Court: W.P. No. 20398 (W) of 2011, SFDC v Regional Provident Fund Commissioner II and Anr-

The P.F. Authorities demanded interest and damages under section 7Q and 14B of the Employee's Provident fund to the tune of `20,59,890 and `1,92,84,466 respectively for delay in remitting the P.F. dues to the Corporation.

S.F.D.C. filed a writ petition No.20398 [W] of 2011 before the Hon'ble High court, Kol, challenging the decision of the PF Commissioner.

The Hon'ble Justice Aniruddha Bose directed to R.P.F. authorities to allow installment payment of `20,59,890/- for making payment of interest and restrained the authorities from taking any step for recovery of the damages until further order. However, the P.F. authorities filed a writ petition. CAN No.7202 of 2012.M.A.T.No.695 of 2012 before the Hon'ble High court against the said order on 08.12.11. The W.P.No.20398 [w ] of 2011 is pending.



# P. K. BHATTACHARYYA & ASSOCIATES

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**Annexure to General Direction under Section 143(5) of the Companies Act, 2013**  
**The State Fisheries Development Corporation Limited**  
**Period :- Year ended 31<sup>st</sup> March, 2018**

## **ANNEXURE GD (IV) - LIST OF PENDING CASES (PAGE 3 OF 3)**

### **3. In the High Court: AST No. 255 of 2007, SFDC vs Regional Provident Fund Commissioner –**

Regional Provident Fund Commissioner issued an attachment order on UBI, B.D. Market Branch to pay '47,54,563.75 on 13.04.07 for interest and penalty for delay in depositing of PF dues within due dates for the period 01/04 to 11/04 & 12/04 to 12/05. The Hon'ble High Court was moved and the HC stayed the order of the RPF Commissioner dated 13.04.2007. On the same day the amount of '47,54,563.75 was remitted to the Regional Provident Fund Commissioner by UBI. The case is pending. Further details not available with the company.

### **4. SFDC vs Regional Provident Fund Commissioner –**

Proceedings u/s 7Q/14B of the EPF & Misc Provisions Act, 1952 in respect of SFDC by the Regional Commissioner for determination of dues for the period 10/05-10/06 : The EPFO claims an amount of Rs. 1,41,89,108 for interest on delayed payment. Further details not readily available.

For P. K. Bhattacharyya & Associates  
CHARTERED ACCOUNTANTS  
FRN 317002E



Prasun Kumar Bhattacharyya  
Partner  
Membership No. 053002  
Kolkata, the 29<sup>th</sup> day of October, 2018

# P. K. BHATTACHARYYA & ASSOCIATES

Chartered Accountants

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alpana.jb@gmail.com

**Sector Specific sub-directions under Section 143(5) of the Companies Act, 2013**  
**The State Fisheries Development Corporation Limited**  
**Period :- Year ended 31<sup>st</sup> March, 2018**

1. In terms of the explanations and clarifications obtained from the management, it has emanated that while making a project of pisiculture they keep a provision of +/- 5 to 10% mortality rate. However, no papers could be readily made available regarding the actual mortality scenario.
2. In terms of the explanations and clarifications obtained from the management, it has emanated that no huge loss had emanated on account of high mortality rate

For P. K. Bhattacharyya & Associates  
CHARTERED ACCOUNTANTS  
FRN 317002E



Prasun Kumar Bhattacharyya  
Partner  
Membership No. 053002  
Kolkata, the 29<sup>th</sup> day of October, 2018

**The State Fisheries Development Corporation Limited**

**Balance Sheet as at 31<sup>st</sup> March, 2018**

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		Amount [Rs.]	Amount [Rs.]
<b>Equity &amp; Liabilities</b>			
<b>Shareholders' Fund</b>			
Share Capital	1	2,70,00,000.00	2,70,00,000.00
Reserve & Surplus	2	39,16,15,025.07	36,17,25,735.63
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	2,36,56,639.00	2,36,56,639.00
Other Long term liabilities	4	2,62,55,547.00	2,62,55,547.00
Long-Term Provisions	24	12,28,99,047.00	12,28,99,047.00
<b>Current Liabilities</b>			
Short Term Borrowing	5	8,46,55,720.15	4,70,83,711.00
Trade Payables	6	1,93,196.00	1,93,196.00
Other Current Liabilities	7	4,57,18,135.63	20,27,21,697.00
Short Term Provision	8	6,57,24,331.00	6,62,52,560.00
<b>Total</b>		<b>78,77,17,640.85</b>	<b>87,77,88,132.63</b>
Assets			
<b>Non Current Assets</b>			
Fixed Assets	9	3,31,20,572.31	3,12,07,275.25
Tangible Assets			
Capital Work in Progress	10	3,22,996.00	3,22,996.00
Intangible Assets under development			
Non Current Investment	11	15,00,000.00	15,00,000.00
Deferred Tax Assets (net)			0.00
Long-Term Loans & Advances			0.00
Other Non-Current Assets			0.00
<b>Current Assets</b>			
Current Investments			0.00
Inventories	12	3,98,24,674.55	4,35,39,588.00
Trade Receivables	13	0.00	1,69,145.00
Cash & Cash equivalents	14	66,09,90,279.16	76,62,68,952.16
Short Term Loan & Advances	15	1,98,88,233.67	1,99,84,075.67
Other current Assets	16	3,20,70,885.16	1,47,96,100.50
<b>Total</b>		<b>78,77,17,640.85</b>	<b>87,77,88,132.58</b>

The accompanying notes are integral part of the financial statements.

As per our report of even date

For P. K. Bhattacharyya & Associates

Firm Registration No. 317002E

Chartered Accountants

Prasun Kumar Bhattacharyya

Partner

Membership No: 053002

Place : Kolkata

Date :

29/03/2018

Managing Director

Secretary

Chairman

Chief Accounts Officer

**The State Fisheries Development Corporation Limited**

**Statement of Profit and Loss for the Year ended 31<sup>st</sup> March, 2018**

Particulars	Note No.	Figures as at the end of current reporting period	
		Amount [Rs.]	Amount [Rs.]
Revenue From Operations	17	22,77,39,756.62	17,48,52,537.76
Other Income	18	32,28,21,349.15	27,04,87,111.85
<b>Total Revenue</b>		<b>55,05,61,105.77</b>	<b>44,53,39,649.61</b>
<b>Expenses</b>			
Purchase of Stock in Trade	19	3,45,79,185.31	2,90,92,147.00
Cultural Expenditure	25	15,41,72,075.62	13,03,66,308.44
Changes of Inventories of finished goods Work in Progress & Stock in trade	20	37,14,913.45	(1,16,32,134.00)
Employee Benefit Expenses	21	25,87,68,718.55	21,82,96,323.20
Finance Cost	22	0.00	0.00
Depreciation and amortization expenses	9	20,58,750.46	24,56,500.00
Other expenses	23	8,10,55,789.07	7,60,49,369.04
<b>Total Expenses</b>		<b>53,43,49,432.46</b>	<b>44,46,28,513.68</b>
Profit before exceptional and extraordinary items and tax		1,62,11,673.31	7,11,135.93
Provision for Loan Payable to NDITA		27,88,400.00	0.00
Profit before extraordinary items and tax		1,34,23,273.31	0.00
Extraordinary Items			
Profit before tax			
Tax Expenses			
Current tax			0.00
Deferred tax			0.00
Profit/(Loss) from the period from continuing operations		1,34,23,273.31	7,11,135.93
Profit/(Loss) from discontinuing operations			0.00
Tax expense of discontinuing operations			0.00
Profit/(Loss) from Discontinuing operations			0.00
Profit/(Loss) for the year		1,34,23,273.31	7,11,135.93
Earning per Equity Share			
Basic		49,716.00	2,634.00
Diluted		49,716.00	2,634.00

The accompanying notes are integral part of the financial statements.

As per our report of even date

For P. K. Bhattacharyya & Associates

Firm Registration No. 317002E

Chartered Accountants

Prasun Kumar Bhattacharyya

Partner

Membership No: 053002

Place : Kolkata

Date :

29/03/2018

  
Managing Director

  
Secretary

  
Chairman

  
Chief Accounts Officer

1 Share Capital		31-Mar-2018		31-Mar-2017	
		Number	Amount [Rs]	Number	Amount [Rs]
<u>Authorised</u>					
Equity shares of Rs.1,00,000 each		300	30,00,000	300	30,00,000
<u>Issued</u>					
Equity shares of Rs.1,00,000 each		270	27,00,000	270	27,00,000
<u>Subscribed &amp; fully Paid up</u>					
Equity shares of Rs.1,00,000 each		270	27,00,000	270	27,00,000
<b>Total</b>		<b>270</b>	<b>27,00,000</b>	<b>270</b>	<b>27,00,000</b>

1 (a)	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period	31-Mar-2018		31-Mar-2017	
		Amount [Rs]	Amount [Rs]	Amount [Rs]	Amount [Rs]
	<b>Equity Shares</b>				
	<b>Particulars</b>				
	Shares outstanding at the beginning of the Year			270	270
	Shares Issued during the Year			-	-
	Shares bought back during the Year			-	-
	Any other movement			-	-
	<b>Shares outstanding at the end of the Year</b>			<b>270</b>	<b>270</b>

1 (b)	Terms / rights attached to equity shares
The company has only one class of equity shares having par value of ` 1,00,000 per share. Each holder of equity shares is entitled to one vote per share.	

1 (c) Details of shareholders holding more than 5% shares in the Company					
Equity Shares		As at 31 March 2018		As at 31 March 2017	
Name of Shareholder		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Governor of W.B Through the Secretary of Fisheries Dept.		266	98.5%	266	98.5%

Managing Director

Chairman

2	Reserves & Surplus Surplus / Deficit	31-Mar-2018 Amount [Rs]	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]	31-Mar-2017 Amount [Rs]
3	Capital Reserve				
	Grant From GOI Under CSRE Scheme	21,885.00			
	Balance as per last A/C	967.00	20,918.00	22,852.00	21,885.00
	Add: Grant From GOI Under CSRE Scheme received			967.00	
	Less: Dep-Grant From GOI Under CSRE Scheme A/c				
	Grant from GOI (ASIDE)	2,368,371.00			
	Balance as per last A/C	251,577.00	2,116,794.00	2,760,535.00	2,368,371.00
	Add: Grant from GOI (ASIDE) received			392,164.00	
	Less: Dep-Grant from GOI (ASIDE) A/c				
	Grant from Govt of WB (Flood)	5,221,580.00			
	Balance as per last A/C	300,101.00	4,921,479.00	5,521,681.00	5,221,580.00
	Add: Grant from Govt of WB (Flood) received			300,101.00	
	Less: Dep-Grant from Govt of WB (Flood) A/c				
	Grant from Govt of WB for Eco-Tourism & Road (HIP)	7,504,748.00			
	Balance as per last A/C	311,580.00	7,193,168.00	7,816,328.00	7,504,748.00
	Add: Grant from Govt of WB for Eco-Tourism & Road (HIP)			311,580.00	
	Less: Dep-Grant from Govt of WB for Eco-Tourism & Road (HIP)				
	Grants for R.K.V.Y Development	190,452,395.00			
	Balance as per last A/C	166,504,170.00		80,897,991.00	
	Add: During the year	251,053,832.82		182,713,000.00	
	Less : Expenditure			73,158,596.00	190,452,395.00
	Grants for N.M.P.S.	3,040,345.00			
	Balance as per last A/C		3,040,345.00	8,881,049.00	
	Less : Expenditure			5,840,704.00	3,040,345.00
	Grants from NFDB	1,300,271.00			
	Balance as per last A/C	103,788.00	1,196,483.00	22,720.00	
	Add: During the year			3,767,038.00	
	Less: Expenditure			2,489,487.00	1,300,271.00
	E.K.W.M.A.	175,349.00			
	Balance as per last A/C		175,349.00	679,553.00	
	Less: Expenditure			504,204.00	175,349.00
	GA Nalban Goltala Jamunadighi	(3,831,033.00)			
	Balance as per last A/C		(3,831,033.00)	20,487,123.00	
	Add : During the year			2,791,523.00	
	Less: Expenditure			27,109,679.00	(3,831,033.00)
	GA Development	(1,322,898.00)			
	Balance as per last A/C	23,222,902.18		1,500,719.00	
	Add: During the year	21,900,004.18	0.00	8,922,575.00	(1,322,898.00)
	Less: Expenditure			11,746,192.00	
	GA Beautification of Nalban Food Park	(129,295.00)			
	Balance as per last A/C		(129,295.00)	3,836,105.00	
	Add : During the year			3,965,400.00	(129,295.00)
	Less: Expenditure				
	GA Building at Digha	338,889.00			
	Balance as per last A/C		338,889.00	1,760,108.00	
	Less: Expenditure			1,421,219.00	338,889.00
	GA Inland & Marine Fishing Villages & Cold Storage	114,109,457.00			
	Balance as per last A/C	19,712,702.00	133,822,159.00	114,109,457.00	
	Add : During the year				114,109,457.00
	GA RIDF & State Fund :	30,695,771.00			
	Balance as per last A/C	185,071,419.00		82,436,228.00	
	Add : During the year	103,045,864.00	112,721,326.00	51,740,457.00	30,695,771.00
	Less: Expenditure				
	GA Utsav & Mela	330,000.00			
	Net Surplus/Deficit in Profit & Loss Account:				
	Balance as per last financial statements	11,449,900.58		10,738,764.70	
	Add/Less: Prior Period Adjustment	(1,077,463.00)	23,795,710.89	711,135.93	11,449,900.63
	Add: Profit/(Loss) for the period	13,423,273.31			
	Total	391,615,025.07			361,725,735.63





3	Long Term Borrowings	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	Unsecured Loan From W.B. State Fisheries Co-Op. Federation Ltd.	30,000.00	30,000.00
	Unsecured Loan From Govt. of W.B.	17,346,752.00	17,346,752.00
	Unsecured Loan From NDITA	6,046,943.00	6,046,943.00
	Unsecured Loan From W.B. Fisheries Corp	232,944.00	232,944.00
	<b>Total</b>	<b>23,656,639.00</b>	<b>23,656,639.00</b>

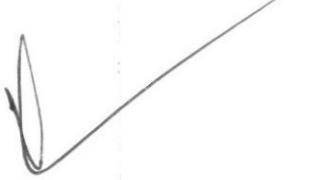
4	Other Long term liabilities	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	Interest on Govt. Loan Accrued & Due	24,933,573.00	24,933,573.00
	Interest on Moratorium As Govt. Loan	1,321,974.00	1,321,974.00
	<b>Total</b>	<b>26,255,547.00</b>	<b>26,255,547.00</b>


  
 Managing Director



Chairman

5	Current Liabilities (formerly Short Term Borrowing)	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]		
Computer Loan	750.00	750.00			
Employees Contribution to Provident Fund	2,372,568.00	2,416,202.00			
GPF	12,000.00	11,000.00			
Group Insurance	240.00	240.00			
Professional Tax	(10,387.00)	13,473.00			
Employees Co-Operative Credit Society	523,164.00	391,733.00			
Life Insurance Corporation of India	205,822.05	173,095.00			
Labour Cess	5,770.10	1,322.00			
Provision for Loan Payable to NDITA	5,699,400.00				
Security Deposit	67,433,589.00	44,071,929.00			
Luxury Tax	(80,455.00)				
Service Tax	(33,985.00)				
Court Fees	300,000.00				
IT ( Contractor, Corporation, Staff Projects)	6,027,979.00				
Provision for VAT Payable	2,199,472.00				
Works Contract Tax	(207.00)	3,967.00			
<b>Total</b>	<b>84,655,720.15</b>	<b>47,083,711.00</b>			
6	Trade Payables	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]		
	Trade Payables	193,196.00	193,196.00		
	<b>Total</b>	<b>193,196.00</b>	<b>193,196.00</b>		
7	Other Current Liabilities	31-Mar-2018 Amount [Rs]	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]	31-Mar-2017 Amount [Rs]
	Grant in aid (Beautification of Captain Bhery)				
	Balance as per last A/C	(352,022.00)		3,353,731.00	
	Add: During the year			910,663.00	
	Less: Expenditure			4,616,416.00	(352,022.00)
	Deposit Work (HIDCO)				
	Balance as per last A/C	4,116,739.00		4,116,739.00	
	Less: Expense				
	Outstanding Creditors for Expenses				
	Balance as per last A/C				
	- Outstanding creditors				
	GA Feed				
	Balance as per last A/C	191,389,431.00		317,781,867.00	
	Add: During the year-Seed and feed (Maina Model)	58,500,000.00		30,904,000.00	
	Less: Purchase of Feed	225,595,795.90		157,296,436.00	191,389,431.00
	Fund for POL (Motor Vehicle) - Kept as custodian				
	Balance as per last A/C				
	Add: During the year				
	Less: Expenditure				
	GA Hilsa Conservation - Kept as custodian				
	Balance as per last A/C	4,600,000.00		4,600,000.00	
	Add: During the year	4,600,000.00			
	Less: Expenditure				
	GA Consultancy Charges				
	Balance as per last A/C				
	Add: During the year				
	Less: Expenditure				
	GA Bengal Fish Festival				
	Balance as per last A/C	2,530,780.00		2,530,780.00	
	Less: Expenditure	2,530,780.00			2,530,780.00
	Outstanding Liabilities				
	Provision for Statutory Audit Fees	38,713.00			
	Provision for Tax Audit Fees	81,000.00			
	Provision for TDS- Audit Fees	72,000.00			
		17,000.00			
	<b>Total</b>	<b>45,718,135.63</b>			<b>202,721,697.00</b>


8	Short Term Provisions	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	Provision for Bonus	3,550,000.00	1,250,000.00
	Provision for Gratuity	25,619,363.00	25,619,363.00
	Provision for Leave Encashment	16,990,515.00	16,990,515.00
	Provision for Corporate Social Responsibility	-	2,948,229.00
	Provision for Taxation	19,564,453.00	19,444,453.00
	<b>Total</b>	<b>65,724,331.00</b>	<b>66,252,560.00</b>

10	Capital Work in Progress	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	Exp. For Beautification of Nalban	283,232.00	283,232.00
	Building at Digha	39,764.00	39,764.00
	<b>Total</b>	<b>322,996.00</b>	<b>322,996.00</b>



Managing Director



Chairman

11	Non Current Investment	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	West Bengal Fisheries Corporation Limited	1,500,000.00	1,500,000.00
	<b>Total</b>	<b>1,500,000.00</b>	<b>1,500,000.00</b>

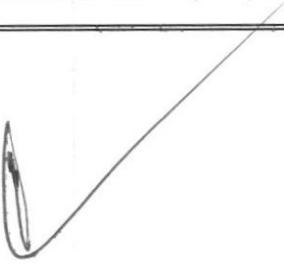
12	Inventories	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	As valued and cerified by the management		
	Stock of Liquor	734,761.62	257,919.00
	Stock of Raw Materials	156,226.93	1,760,107.00
	Stock of Fish	38,933,686.00	41,521,562.00
	<b>Total</b>	<b>39,824,674.55</b>	<b>43,539,588.00</b>

13	Trade Receivables	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	Unsecured Considered good		
	Trade Receivables		
	-- Debts outstanding for a period exceeding six months	169,145.00	169,145.00
	Less : Provision for Doubtful Debts	169,145.00	
	<b>Total</b>	<b>-</b>	<b>169,145.00</b>

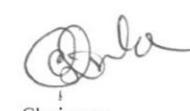
14	Cash & Cash equivalents	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	Cash Balances	1,588,099.75	1,132,886.69
	Remittance Projects & H.O. (Transit)	9,856,414.00	6,508,000.00
	Interbranch Remittance (Transit)	2,000,000.00	
	Bank Accounts	453,441,347.12	339,609,406.18
	Deposit with Treasury	104,690,664.00	329,561,017.00
	Fixed Deposit (Current Investment)	89,408,668.29	89,408,668.29
	Security Deposit WBSEDCL		48,974.00
	Insurance Prepaid	5,086.00	
	Deposits (Assets)	13,150,000.00	
	Cash and Cash Equivalent	(13,150,000.00)	-
	<b>Total</b>	<b>660,990,279.16</b>	<b>766,268,952.16</b>

15	Short Term Loans and Advance	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	Advance Payment of Income Tax (Asset)	14,102,092.00	14,102,092.00
	Input Tax Credit	554,569.67	554,569.67
	Advance (Staff & Outsiders)	5,196,614.00	5,287,156.00
	Festival Advance	34,958.00	40,258.00
	<b>Total</b>	<b>19,888,233.67</b>	<b>19,984,075.67</b>

16	Other Current Assets	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	Accrued Interest on FD	14,474,396.52	5,541,030.00
	Vat Deposit	1,160,925.00	329,921.00
	Input & Output VAT & GST	6,472,118.62	
	Income tax (TDS Receivable)	2,436,343.02	1,398,047.50
	Advance Tax	5,000,000.00	5,000,000.00
	Income Tax Refundable	2,527,102.00	2,527,102.00
	<b>Total</b>	<b>32,070,885.16</b>	<b>14,796,100.50</b>



Managing Director



Chairman

17	<b>Revenue From Operations</b>	<b>31-Mar-2018 Amount [Rs]</b>	<b>31-Mar-2017 Amount [Rs]</b>
	<u>Revenue From Pisciculture</u>		
	Sale of Fish & Crab	177,156,767.72	145,324,955.19
	<u>Revenue From Guest Houses</u>		
	Sale of Beverages	293,517.00	686,513.00
	Sale of Food	31,248,499.58	15,162,169.00
	Sale of Liquor	9,377,345.00	7,841,210.00
	Room Rent	9,191,896.90	1,412,252.00
	Misc Sale	471,730.42	354,397.50
	<u>Revenue From Stalls</u>		4,071,041.07
	<b>Total</b>	<b>227,739,756.62</b>	<b>174,852,537.76</b>

18	<b>Other Income</b>	<b>31-Mar-2018 Amount [Rs]</b>	<b>31-Mar-2017 Amount [Rs]</b>
	Entry Fees	2,061,295.00	2,290,611.00
	Grant in Aid (Fish Festival)		471,890.00
	Grant in Aid (Advertisement, Cold Storage, Pol/Motor Vehicle)	17,034,419.00	
	Grant in Aid (Pisciculture)	71,392,106.00	53,821,200.00
	Grant in Aid (Salary)	188,761,989.00	160,895,048.00
	GA RKVY Administrative Cost		
	Interest Income	26,555,881.73	17,276,886.84
	License Fees received	600,000.00	
	Miscellaneous Receipt	8,307,932.42	23,842,137.72
	Parking Fees	5,576,793.00	3,743,761.00
	Tender Fees/Form	73,766.00	149,400.00
	GA Feed SFDC		
	Rent received	2,457,167.00	7,996,177.29
	<b>Total</b>	<b>322,821,349.15</b>	<b>270,487,111.85</b>

19	<b>Purchase of Stock in Trade</b>	<b>31-Mar-2018 Amount [Rs]</b>	<b>31-Mar-2017 Amount [Rs]</b>
	Purchase of Raw Materials and Spice	16,403,094.31	22,739,585.00
	Purchase of Fish	13,130,429.00	3,097,253.00
	Purchase of Liquor	5,017,115.00	3,255,309.00
	Purchase of Handicrafts Goods	28,547.00	
	<b>Total</b>	<b>34,579,185.31</b>	<b>29,092,147.00</b>

20	<b>Changes of Inventories of finished goods Work in Progress &amp; Stock in trade</b>	<b>31-Mar-2018 Amount [Rs]</b>	<b>31-Mar-2017 Amount [Rs]</b>
	Changes in Stock of Fish	2,587,876.00	(10,259,489.00)
	Changes in Stock of Liquor	1,603,880.07	215,709.00
	Changes in Stock of Raw Materials	(476,842.62)	(1,588,354.00)
	<b>Total</b>	<b>3,714,913.45</b>	<b>(11,632,134.00)</b>

21	<b>Employee Benefit Expenses</b>	<b>31-Mar-2018 Amount [Rs]</b>	<b>31-Mar-2017 Amount [Rs]</b>
	Administrative Charges	845,049.00	1,017,863.00
	Allowance of Staff	3,088,312.00	2,672,303.00
	Bonus	4,420,882.00	1,368,929.00
	Corporation Provident Fund	14,841,616.00	14,243,912.00
	DLI	435,309.00	538,416.00
	Ex Gratia	1,132,858.00	724,122.00
	Gratuity	14,993,002.00	14,948,843.00
	Leave Salary	7,374,119.00	9,310,388.00
	Liveries	74,862.00	28,412.00
	Salary and Wages	210,966,962.00	172,756,569.00
	Staff Welfare	595,747.55	686,566.20
	<b>Total</b>	<b>258,768,718.55</b>	<b>218,296,323.20</b>

22	<b>Finance Cost</b>	<b>31-Mar-2018 Amount [Rs]</b>	<b>31-Mar-2017 Amount [Rs]</b>
	Interest on Govt Loan		0
	<b>Total</b>	<b>-</b>	<b>-</b>

Managing Director



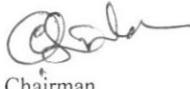
Chairman

23 <sup>t</sup>	Other expenses	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
Advertisement	2,223,379.00	2,089,455.00	
Bank Charges	284,383.94	153,483.79	
Books & Periodicals	15,128.00	5,834.00	
Bed Linen & Mattress	71,200.00	-	
Bengal Fish Festival	814,000.00	-	
Commission (Paytm)	3,551.37	-	
Commission (Zomato)	626.68	-	
Consultancy Charges	220,870.00	289,266.00	
Coolie & Cartage	583,243.00	422,305.50	
Entertainment	278,636.00	421,119.23	
Filing Charges	66,800.00	167,660.00	
Fish Processing Expense	10,000.00	149,065.00	
Honorarium	461,506.18	31,353.00	
Insurance	225.00	-	
Interest on IT (Staff)	5,000.00	-	
Interest on Service Tax	167,672.00	22,225.00	
Other Audit Fees	18,455.00	-	
Out of Pocket Expenses		184,000.00	
ISO Audit Fees	15,375.00	-	
Labour Charges	403,113.00	1,147,030.00	
Legal Charges	264,703.00	316,763.00	
License Fees	8,724,692.75	2,871,983.70	
Misc./General Expenditure	3,659,043.09	3,081,064.91	
Motor Up Keeping	92,687.00	-	
Office Rent	12,281.00	69,810.00	
Postage & Telegraph	15,100,327.22	9,670,793.21	
Power & Fuel	1,553,907.22	1,251,466.00	
Printing & Stationery	88,000.00	-	
Professional Charges	2,500.00	2,500.00	
Professional tax (Company)		-	
Provision for CSR		-	
Provision for Long Term Gratuity		-	
Provision for Long Term Leave Salary		-	
Provision for Doubtful Debts	169,145.00	-	
Rent, Rates & Taxes	22,567.00	521,803.00	
Repairs & Maintenance	24,289,954.40	26,871,564.17	
Registration Fees for Trade Mark		-	
Running Cost	2,769,369.95	2,904,256.20	
Sales Tax	383,660.00	1,048,500.00	
Sale Promotion Expense	849.00	13,579.00	
Security Charges	1,723,544.63	9,827,567.00	
Selling Expenditure	7,364,503.84	7,756,498.33	
Share of Car Parking Charges	2,674,865.00	-	
Space Rent Paid	153,000.00	-	
Statutory Audit Fees	90,000.00	45,000.00	
Stall Expenses	2,560,205.80	2,192,492.00	
Stall Rent Paid	90,000.00	-	
Tax Audit Fees	80,000.00	45,000.00	
Telephone & Trunk Call	377,634.80	347,151.00	
Travelling & Conveyance	535,994.00	430,396.00	
Vehicle Hire Charges	2,629,190.20	1,687,898.00	
<b>Total</b>	<b>81,055,789.07</b>	<b>76,049,369.04</b>	

24	Long Term Provisions	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
	Long Term Provision for Gratuity	72,157,963.00	72,157,963.00
	Long Term Provision for Leave Encashment	50,741,084.00	50,741,084.00
	<b>Total</b>	<b>122,899,047.00</b>	<b>122,899,047.00</b>

25	Cultural Expenditure	31-Mar-2018 Amount [Rs]	31-Mar-2017 Amount [Rs]
\$	Cultural Expenditure	150,898,093.62	126,972,041.25
	Catching Commission	1,310,899.00	1,175,064.00
	Harvesting Cost of Fish	1,963,083.00	2,219,203.19
	Total	154,172,075.62	130,366,308.44

  
Managing Director

  
Chairman

9 Fixed Assets & Depreciation										
Sl No.	Particulars	Gross Block			Depreciation				Net Block	
		As on 1-Apr-2017	Addition	As on 31-Mar-2018	As on 01-Apr-17	For the year	Changes in Retained Earnings	As on 31-Mar-2018	As on 31-Mar-2018	As on 31-Mar-2017
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	<u>Tangible Assets</u>									
	<b>Created Out Of General Fund</b>	<b>4,42,23,208.25</b>	<b>48,36,272.52</b>	<b>4,90,59,480.77</b>	<b>2,55,68,647.00</b>	<b>20,58,750.46</b>	<b>0.00</b>	<b>2,76,27,397.46</b>	<b>2,14,32,083.31</b>	<b>1,86,54,561.25</b>
	Created Out Of Grant-In-Aid-Csre	2,11,311.00	0.00	2,11,311.00	1,93,632.00	967.00	0.00	1,94,599.00	16,712.00	17,679.00
	Created Out Of Grant-In-Aid-Aside	1,65,06,325.00	0.00	1,65,06,325.00	1,41,39,412.00	2,51,577.00	0.00	1,43,90,989.00	21,15,336.00	23,66,913.00
	Created Out Of Flood Grant	96,42,670.00	0.00	96,42,670.00	44,31,741.00	3,00,101.00	0.00	47,31,842.00	49,10,828.00	52,10,929.00
	Created Out Of Grant-In-Aid, Eco Tourism & Road (Hip)	82,09,445.00	0.00	82,09,445.00	32,52,252.00	3,11,580.00	0.00	35,63,832.00	46,45,613.00	49,57,193.00
	<b>Created out of Grant in Aid (Total)</b>	<b>3,45,69,751.00</b>	<b>0.00</b>	<b>3,45,69,751.00</b>	<b>2,20,17,037.00</b>	<b>8,64,225.00</b>	<b>0.00</b>	<b>2,28,81,262.00</b>	<b>1,16,88,489.00</b>	<b>1,25,52,714.00</b>
	<b>Grand Total</b>	<b>7,87,92,959.25</b>	<b>48,36,272.52</b>	<b>8,36,29,231.77</b>	<b>4,75,85,684.00</b>	<b>29,22,975.46</b>	<b>0.00</b>	<b>5,05,08,659.46</b>	<b>3,31,20,572.31</b>	<b>3,12,07,275.25</b>
	Previous Year	7,08,55,277.00	17,57,052.00	7,26,12,329.00	3,99,61,941.00	41,62,431.00	0.00	4,41,24,372.00	2,84,87,957.00	3,08,93,336.00



Managing Director



Chairman

2017-2018

**FIXED ASSETS CREATED OUT OF GENERAL FUND**

Description of item	Gross Block			Depreciation			Net Block		
	As at 01-04-2017 Rs	Addition Rs.	As at 31-03-2018 Rs	As at 01-04-2017 Rs	For the year Rs.	Deduction/Adjust ment Rs	Changes in Retained Earnings	As at 31-03-2018 Rs	As at 31-03-2017 Rs
Aquarium	5,83,603.00	1,07,000.00	5,83,603.00	1,05,500.00	52,172.00	0.00	1,57,672.00	4,25,931.00	4,78,103.00
Aquaguard	10,490.00		1,17,490.00	4,062.00	11,159.00	0.00	15,221.00	1,02,269.00	6,428.00
Bicycle	52,384.00	2,85,005.00	52,384.00	39,249.00	2,029.00	0.00	41,278.00	11,106.00	13,135.00
Boat	6,15,625.25		9,00,630.25	2,98,585.00	53,305.00	0.00	3,51,890.00	5,48,740.25	3,17,040.25
Building	55,38,921.00		55,38,921.00	41,18,013.00	51,620.00	0.00	41,69,533.00	13,69,288.00	14,20,908.00
Computer	21,21,851.00	5,35,214.34	26,57,065.34	15,06,785.00	1,75,231.00	0.00	16,82,016.00	9,75,049.34	6,15,066.00
Cultural tools	2,42,461.00		2,42,461.00	2,11,198.00	25,826.00	0.00	2,37,024.00	5,437.00	31,263.00
Electric Installation	69,44,283.00	9,76,627.00	79,20,910.00	21,54,325.00	6,80,825.00	0.00	28,35,150.00	50,85,760.00	47,89,958.00
Fishery Lake	22,81,352.00		22,81,352.00	0.00	0.00	0.00	0.00	22,81,352.00	22,81,352.00
Furniture & Fixture	26,28,513.00	8,42,787.88	34,71,300.88	16,95,491.00	94,502.00	0.00	17,89,993.00	16,81,027.88	9,33,022.00
Godown	3,82,443.00		3,82,443.00	3,38,789.00	36,062.00	0.00	3,74,851.00	7,592.00	43,654.00
Intercom Telephone	76,143.00	45,850.08	121,993.08	59,049.00	9,357.64	0.00	68,406.64	53,586.45	17,094.00
Motor Vehicle	24,71,443.00	4,77,758.16	29,49,201.16	14,04,689.00	1,58,997.68	0.00	15,63,686.68	13,85,514.48	10,66,754.00
Office cum Staff Quarter	11,75,962.00		11,75,962.00	6,70,414.00	18,366.00	0.00	6,88,780.00	4,87,182.00	5,05,548.00
Office Equipment	3,99,674.00	(52,000.00)	3,47,674.00	2,79,349.00	42,181.00	0.00	3,21,530.00	26,144.00	1,20,325.00
Plant & Machinery	52,54,884.00	12,73,864.06	65,28,748.06	15,16,294.00	28,936.00	0.00	18,01,230.00	47,27,518.06	37,38,590.00
Pump & Engine	4,44,932.00	15,714.00	4,60,646.00	2,82,968.00	39,750.15	0.00	3,22,718.15	1,37,927.85	1,61,964.00
Parking Zone	71,28,485.00		71,28,485.00	67,02,395.00	0.00	0.00	67,02,395.00	4,26,090.00	4,26,090.00
Refrigerator	4,49,842.00	1,71,875.50	6,21,717.50	57,075.00	61,787.00	0.00	1,18,862.00	5,02,855.50	3,92,767.00
Television	4,44,254.00	1,56,576.50	6,00,830.50	2,37,090.00	30,118.00	0.00	2,67,208.00	3,33,622.50	2,07,164.00
Tractor	10,81,074.00		10,81,074.00	10,71,800.00	2,123.00	0.00	10,73,923.00	7,151.00	9,274.00
Tubewell	20,16,068.00		20,16,068.00	10,18,307.00	2,28,403.00	0.00	12,46,710.00	7,69,358.00	9,97,761.00
Watchershed	17,54,945.00		17,54,945.00	17,54,015.00	43,205.00	0.00	17,54,915.00	930.00	930.00
Xerox (Canon)	1,23,576.00		1,23,576.00	0.00	0.00	0.00	43,205.00	80,371.00	80,371.00
<b>Total</b>	<b>4,42,23,208.25</b>	<b>48,36,272.52</b>	<b>4,90,59,480.77</b>	<b>2,55,68,647.00</b>	<b>20,58,750.46</b>	<b>0.00</b>	<b>0.00</b>	<b>2,76,27,397.46</b>	<b>2,14,32,083.31</b>
Previous Year (2016-17)	3,80,42,578.00	61,80,630.25	4,42,23,208.25	2,31,12,147.00	24,56,500.00	0.00	0.00	2,55,68,647.00	1,86,54,561.25
									1,49,30,431.00

**FIXED ASSETS CREATED OUT OF GRANT-IN-AID-CSRE**

Description of item	Gross Block			Depreciation			Net Block		
	As at 01-04-2017 Rs	Addition Rs.	As at 31-03-2018 Rs	As at 01-04-2017 Rs	For the year Rs	Deduction/Adjust ment Rs	Changes in Retained Earnings	As at 31-03-2018 Rs	As at 31-03-2017 Rs
Godown	35,013.00	0.00	35,013.00	34,847.00	0.00	0.00	34,847.00	166.00	166.00
Office cum Staff Quarter	1,55,766.00	0.00	1,55,766.00	1,38,309.00	967.00	0.00	1,39,276.00	16,490.00	17,457.00
Tubewell	19,868.00	0.00	19,868.00	19,812.00	664.00	0.00	19,812.00	56.00	56.00
Furniture & Fixture	664.00		664.00				664.00	0.00	0.00
<b>Total</b>	<b>2,11,311.00</b>	<b>0.00</b>	<b>2,11,311.00</b>	<b>1,93,632.00</b>	<b>967.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,94,599.00</b>	<b>16,712.00</b>
Previous Year (2016-17)	2,11,311.00	0.00	2,11,311.00	1,92,665.00	967.00	0.00	0.00	1,93,632.00	17,679.00
									1,49,30,431.00



Chairman



Managing Director

FIXED ASSETS CREATED OUT OF GRANT-IN-AID-ASIDE										
Description of item	Gross Block			Depreciation					Net Block	
	As at 01-04-2017 Rs	Addition Rs	As at 31-03-2018 Rs	As at 01-04-2017 Rs	For the year RS	Deduction/Adjust ment RS	Changes in Retained Earnings	As at 31-03-2018 RS	As at 31-03-2018 Rs	As at 31-03-2017 Rs
Motor Vehicle	19,00,731.00	0.00	19,00,731.00	18,94,955.00	0.00			18,94,955.00	5,776.00	5,776.00
Plant & Machinery	72,41,245.00	0.00	72,41,245.00	62,02,284.00	1,91,653.00			63,93,937.00	8,47,308.00	10,38,961.00
Office cum Staff Quarter	8,96,178.00	0.00	8,96,178.00	3,75,311.00	24,557.00			3,99,868.00	4,96,310.00	5,20,867.00
Electric Installation	12,35,044.00	0.00	12,35,044.00	12,16,166.00	0.00			12,16,166.00	18,878.00	18,878.00
Bridge	4,44,597.00	0.00	4,44,597.00	1,86,189.00	12,183.00			1,98,372.00	2,46,225.00	2,58,408.00
Building	8,32,061.00	0.00	8,32,061.00	3,40,316.00	23,184.00			3,63,500.00	4,68,561.00	4,91,745.00
Pump & Engine	6,71,401.00	0.00	6,71,401.00	6,64,284.00	0.00			6,64,284.00	7,117.00	7,117.00
Tractor	23,27,318.00	0.00	23,27,318.00	23,23,813.00	0.00			23,23,813.00	3,505.00	3,505.00
Tubewell	5,72,461.00	0.00	5,72,461.00	5,54,202.00	0.00			5,54,202.00	18,259.00	18,259.00
Boat	1,36,000.00	0.00	1,36,000.00	1,33,400.00	0.00			1,33,400.00	2,600.00	2,600.00
Furniture	1,09,969.00	0.00	1,09,969.00	1,09,249.00	0.00			1,09,249.00	720.00	720.00
Computer	1,39,320.00	0.00	1,39,320.00	1,39,243.00	0.00			1,39,243.00	77.00	77.00
<b>Total</b>	<b>1,65,06,325.00</b>	<b>0.00</b>	<b>1,65,06,325.00</b>	<b>1,41,39,412.00</b>	<b>2,51,577.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,43,90,989.00</b>	<b>21,15,336.00</b>	<b>23,66,913.00</b>
<b>Previous Year (2016-17)</b>	<b>1,65,06,325.00</b>	<b>0.00</b>	<b>1,65,06,325.00</b>	<b>1,37,47,248.00</b>	<b>3,92,164.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,41,39,412.00</b>	<b>23,66,913.00</b>	<b>27,59,077.00</b>

FIXED ASSETS CREATED OUT OF FLOOD GRANT										
Description of item	Gross Block			Depreciation					Net Block	
	As at 01-04-2017 Rs	Addition Rs	As at 31-03-2018 Rs	As at 01-04-2017 Rs	For the year RS	Deduction/Adjust ment RS	Changes in Retained Earnings	As at 31-03-2018 Rs	As at 31-03-2018 Rs	As at 31-03-2017 Rs
Electric Installations	6,70,067.00	0.00	6,70,067.00	5,97,602.00	59,862.00			6,57,464.00	12,603.00	72,465.00
Tubewell	57,975.00	0.00	57,975.00	55,972.00	0.00			55,972.00	2,003.00	2,003.00
Pump & Engine	59,107.00	0.00	59,107.00	58,170.00	0.00			58,170.00	937.00	937.00
Furniture & Fixture	1,75,529.00	0.00	1,75,529.00	1,64,063.00	9,472.00			1,73,535.00	1,994.00	11,466.00
Office Equipment	31,526.00	0.00	31,526.00	30,965.00	0.00			30,965.00	561.00	561.00
Boat	6,750.00	0.00	6,750.00	5,939.00	670.00			6,609.00	141.00	811.00
Building	86,41,716.00	0.00	86,41,716.00	35,19,030.00	2,30,097.00			37,49,127.00	48,92,589.00	51,22,686.00
<b>Total</b>	<b>96,42,670.00</b>	<b>0.00</b>	<b>96,42,670.00</b>	<b>44,31,741.00</b>	<b>3,00,101.00</b>	<b>0.00</b>	<b>0.00</b>	<b>47,31,842.00</b>	<b>49,10,828.00</b>	<b>52,10,929.00</b>
<b>Previous Year (2016-17)</b>	<b>96,42,670.00</b>	<b>0.00</b>	<b>96,42,670.00</b>	<b>41,31,640.00</b>	<b>3,00,101.00</b>	<b>0.00</b>	<b>0.00</b>	<b>44,31,741.00</b>	<b>52,10,929.00</b>	<b>55,11,030.00</b>




Managing Director



Chairman

FIXED ASSETS CREATED OUT OF GRANT-IN-AID, ECO TOURISM & ROAD (HIP)										
Description of item	Gross Block			Depreciation				Net Block		
	As at 01-04-2017 Rs	Addition Rs	As at 31-03-2018 Rs	As at 01-04-2017 Rs	For the year RS	Deduction/Adjust ment RS	Changes in Retained Earnings	As at 31-03-2018 Rs	As at 31-03-2018 Rs	As at 31-03-2017 Rs
Furniture & Fixtures	4,13,095.00	0.00	4,13,095.00	3,20,699.00	21,151.00			3,41,850.00	71,245.00	92,396.00
Office equipments	43,960.00	0.00	43,960.00	42,560.00	0.00			42,560.00	1,400.00	1,400.00
Bicycle	8,520.00	0.00	8,520.00	6,436.00	477.00			6,913.00	1,607.00	2,084.00
Electric Installations	8,33,267.00	0.00	8,33,267.00	5,44,615.00	66,077.00			6,10,692.00	2,22,575.00	2,88,652.00
Pump & Engine	67,110.00	0.00	67,110.00	52,221.00	6,579.00			58,800.00	8,310.00	14,889.00
Plant & Machinery	7,32,823.00	0.00	7,32,823.00	3,71,552.00	37,509.00			4,09,061.00	3,23,762.00	3,61,271.00
Television	1,03,321.00	0.00	1,03,321.00	71,353.00	7,318.00			78,671.00	24,650.00	31,968.00
Building	55,13,023.00	0.00	55,13,023.00	13,89,118.00	1,62,224.00			15,51,342.00	39,61,681.00	41,23,905.00
Road (HIP)	4,21,000.00	0.00	4,21,000.00	4,03,558.00	0.00			4,03,558.00	17,442.00	17,442.00
Intercum Telephone Installation	73,326.00	0.00	73,326.00	50,140.00	10,245.00			60,385.00	12,941.00	23,186.00
<b>Total</b>	<b>82,09,445.00</b>	<b>0.00</b>	<b>82,09,445.00</b>	<b>32,52,252.00</b>	<b>3,11,580.00</b>	<b>0.00</b>	<b>0.00</b>	<b>35,63,832.00</b>	<b>46,45,613.00</b>	<b>49,57,193.00</b>
<b>Previous Year (2016-17)</b>	<b>82,09,445.00</b>	<b>0.00</b>	<b>82,09,445.00</b>	<b>29,40,672.00</b>	<b>3,11,580.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32,52,252.00</b>	<b>49,57,193.00</b>	<b>52,68,773.00</b>



Managing Director



Chairman

## The State Fisheries Development Corporation Limited

Value of Closing stock as on 31.03.18

SL. No.	Name of the Project	Stock Of Fish Amount	Stock Raw materials & Input	Stock Of Liquer	Total Amount
1	Alampore	4470000	nil		44,70,000.00
2	Narghat	535500	7,193.00		5,42,693.00
3	Chotkhand	190500	nil		1,90,500.00
4	Jamunadighi	196100			1,96,100.00
5	Krishnabundh	814230	nil		8,14,230.00
6	Digha	3230000			32,30,000.00
7	Frasergunj	9455000			94,55,000.00
8	HIP - A	3716000			37,16,000.00
9	Duttapur/Oceana		21,716.00		21,716.00
10	UNDP	1394975			13,94,975.00
11	Goltala	4060000			40,60,000.00
12	Katnadighi	656900			6,56,900.00
13	Nalban	2162000			21,62,000.00
14	Sundari		12,580.00		12,580.00
15	HIP - B	66,78,000.00			66,78,000.00
16	Food Park	3,92,981.00	83,378.82	7,34,761.62	12,11,121.44
17	Amropalli		11,809.93		11,809.93
18	Giriraj		699.50		699.50
19	Mangrove		18,849.68		18,849.68
20	HIDCO	9,81,500.00			9,81,500.00
31.03.2018	Total	3,89,33,686.00	1,56,226.93	7,34,761.62	3,98,24,674.55
Previous Year		4,15,21,562.00	17,60,107.00	2,57,919.00	4,35,39,588.00
Changes		(25,87,876.00)	(16,03,880.07)	4,76,842.62	(37,14,913.45)

**The State Fisheries Development Corporation Limited**  
**Cash Flow Statement for the year ended 31st March, 2018**

Details	31-Mar-18	31-Mar-17	
	Amount [Rs.]	Amount [Rs.]	Amount [Rs.]
<b>A. Cash Flow From Operating Activities</b>			
Revenue from Operation	227,125,317.62	174,821,837.76	
Miscellaneous Receipt	18,385,903.42	39,188,825.96	
Purchase of Raw Materials	(39,386,402.32)	(29,092,147.00)	
Cultural Expenditure/pisciculture expenditure	(143,974,340.48)	(130,366,308.44)	
Employee Benefit Expenses	(251,136,820.55)	(213,820,179.20)	
Payment to Creditors		(151,891.00)	
Payment to Taxes,Deposits etc.	(13,637,667.99)	(15,335,835.97)	
Other Expenses	(73,752,539.49)	(71,212,402.74)	
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		(276,376,549.79)	(245,968,100.63)
<b>B. Cash Flow From Investing Activities</b>			
Interest on Fixed Deposit		4,280,899.00	
Expenditure for Dev work at Nalban		(5,322,728.00)	
Development HIPA		(499,159.00)	
GA Development	(2,422,324.00)	(10,270,289.00)	
Building at Digha		(1,193,680.00)	
Purchase of Fixed Assets	(4,814,922.52)	(6,180,630.25)	
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		(7,237,246.52)	(19,185,587.25)
<b>C. Cash Flow From Financing Activities</b>			
Interest Income	18,414,953.21	12,656,322.84	
GA Coldstorage	15,455,237.00		
GA RKVY Development		150,387,454.00	
Grants for RKVY Goltala		(319,459.00)	
Grants for NFDB	(87,171.00)	1,602,179.00	
Fund from EKWMA		(438,606.00)	
Fund for Beautification for Captain Bhery		(4,594,789.00)	
GA Nalban,Goltala,Jamunadighi		(5,226,289.00)	
GA Consultancy Charges		(3,700.00)	
GA Feed	(327,954,135.90)	(126,392,436.00)	
GA Inland and Marine Fishing	19,712,702.00	114,109,457.00	
GA Building at Digha		(407,511.00)	
GA NMPS		(5,935,411.00)	
Grants for Pisciculture	75,114,376.00	53,821,200.00	
GA RKVY	47,593,753.00	(70,546,789.00)	
Grants for Salary	188,761,989.00	160,895,048.00	
Fund from POI (Motor Vehicle)	2,930,698.00	(558,661.00)	
GA Fish Festival	(3,314,780.00)	3,090,780.00	
Remittance	(162,407,429.00)	(179,859,744.00)	
GA RIDF	89,853,214.00	(4,477,390.00)	
GA Advertisement	1,819,472.00		
Remittance in Transit		6,508,000.00	
Security Deposit	(261,064.00)	(3,075,933.00)	
Grants for Hilsa Conservation	(7,600,000.00)	4,600,000.00	
Unsecured Loan from NDITA			
Increase/(Decrease) in Liabilities			
State Fund	(33,526,364.00)		
Increase/(Decrease) in Current Assets	254,631,196.00	252,049,038.50	
Source from N M P S			
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		179,136,646.31	357,082,761.34
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		(104,477,150.00)	92,729,073.46
<b>Opening Cash and Cash Equivalents</b>		766,268,952.16	673,539,878.70
<b>Closing Cash and Cash Equivalents</b>		661,791,802.16	766,268,952.16

As per our report of even date

For P. K. Bhattacharya & Associates

Firm Registration No. 317002E

Chartered Accountants

Prasun Kumar Bhattacharya

Partner

Membership No. 053002

Place : Kolkata

Date :

29/03/2018

Managing Director

Secretary

Chairman

Chief Accounts Officer

# THE STATE FISHERIES DEVELOPMENT CORPORATION LIMITED

## NOTES FORMING INTEGRAL PART OF THESE FINANCIAL STATEMENTS – 24

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### (I) Significant Accounting Policies

#### 1. Accounting Convention:

The accounts have been prepared under historical convention and in accordance with the provisions of the Companies Act, 2013 and Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies unless specifically stated to be otherwise, are consistent and in consonance with generally accepted accounting principles.

#### 2. Revenue Recognition:

Revenue is recognized in compliance with the following:-

- In case of sale of goods: When the property and all significant risks and records of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods.
- In case of services rendered: When performance in full or part as having achieved is recognized by the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from rendering of services.

#### 3. Government Grants:

Grants received for incurring revenue expenditure are shown as Income and credited to Profit and Loss Account which is in compliance of Accounting Standard 12 but in case of grants received for acquisition / creation of Fixed Asset are shown under the head “Capital Reserve A/c” in Balance Sheet.

#### 4. Fixed Assets:

Fixed Assets are accounted for at cost of acquisition or construction inclusive of duties, taxes and directly attributable costs of bringing the asset to its working condition for its intended use.

#### 5. Depreciation:

Depreciation on Fixed Assets, except Fishery Lake has been provided under straight line method as per Schedule II of Companies Act 2013.

From the date of Schedule II comes into effect, i.e. 1<sup>st</sup> April 2014, the carrying amount of assets as on that date-

- (a) Have been scheduled to be depreciated over the remaining useful life of the assets as per this Schedule ;
- (b) After retaining the residual value, the amounts have been recognized in the opening balance of retained earnings where the remaining useful life of an asset is nil.

With reference to the amount of Rs.37,30,053/- representing depreciation for the year, Rs.27,25,241/- was considered for arriving at the profit/loss. The balance amount of Rs.10,04,812/- was adjusted against the specific reserves against the respective grants received from time to time.

#### 6. Investments:

The long term investments are stated at cost.

  
Managing Director  
Chairman

## **7. Inventories:**

- The Closing Stock of fish is valued at net realizable value.
- Stores are valued at cost or net realizable value whichever is less

## **8. Employee Benefits:**

The Employer's contribution to Provident Fund and Employees Pension Scheme, a defined contribution plan is made in accordance with the Employees Provident Funds & Misc Provision Act, 1952 read with Employees Pension Scheme, 1995 are charged to the Profit and Loss Account of the year.

Employees benefits in respect of Gratuity and Leave Encashment are provided in the Profit and Loss account on the basis of actuarial valuation made at the end of respective financial years. Obligations for payment of Gratuity and Leave Encashment are made out of the Companies' Own Fund.

## **9. AS 22: Accounting for taxes on income:**

Income Tax for the current year is determined on the basis of Taxable Income and taking into consideration adjustments and disallowances in accordance with the provisions of Income Tax Act, 1961.

As per AS 22-Accounting for taxes on income, there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized and hence deferred tax assets has not been created.

## **10. Provisions & Contingent Liabilities:**

a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- i) The Company has a present obligation as a result of a past event,
- ii) A probable outflow of resources is expected to settle the obligation, and
- iii) the amount of the estimation can be reliably estimated

b) Contingent liability is disclosed in the case of:

- 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.
- ii) A present obligation when no reliable estimate is possible, and
- iii) A possible obligation, arising from past events where the probability of outflow of Resources is remote.

## **11. Prior Period Items:**

- Prior period items which arise in the current period as a result of error or omission in the preparation of prior period's financial statements are separately disclosed in the current statement of Profit and Loss. However, differences in actual income / expenditure arising out of over or under estimation in prior period are not treated as prior period income / expenditure.
- Extraordinary items, i.e. gains or losses which arise from events or transactions which are distinct from the ordinary activities of the Company and which are material are separately disclosed in the statement of accounts.

## **II) Notes to Accounts**

1. Contingent liabilities: As mentioned in Pt. 6 below.
2. Moratorium allowed on interest on Government Loan for Rs.19,09,518/- was payable in 13 equal instalments and the Corporation had paid only four instalments. The balance amount being Rs.13,21,974/- is shown as the interest accrued and due.
3. There has been no related party transactions during the year.

Managing Director



Chairman

4. The Company did not make any provision for income Tax in the years 2005-06 & 2006-07 treating Government Grants in Aid received by it as tax free income. However Income Tax department while assessing income for the above years, treated the Government Grants in Aid as Taxable Income and assessed Income Tax to the tune of Rs.1,72,75,285 payable by the Company. A sum of Rs.1,41,02,092 was recovered by the Tax Recovery Officer by attaching The Company's Bank Accounts after the Balance Sheet Date in the FY 2009-10. The Amount so recovered by the Income tax Department is shown as Advance Payment of Income Tax under the head "Loans & Advances."
  
5. The finance costs for the current year has been taken to be as nil as the company could not locate any supporting documents for the accrual of interest pertaining to a loan taken from the Govt. of WB more than 20 years ago.. Moreover, over the years, there has been no communication/claim in this regard from the Govt. of WB and the Company has continued to charge interest on loan in its books. The matter will be taken up with the Govt. of WB as this Company is a wholly owned Govt. of WB undertaking which is aided by the Govt. of WB.
  
6. Disputes pending with Taxation and other Authorities:

**I.Income Tax Matter :**

- a) A demand has been raised by Income Tax authority for the amount of Rs.70,11,591 for the A.Y. 2007-08 and is pending in appeal before the CIT(A).
- b) A demand has been raised by Income Tax authority for the amount of Rs.1,23,22,540 for the A.Y. 2012-13 and is pending in appeal before the CIT(A).
- c) For the AY 12-13: Tax claimed by the Deptt. is Rs.1,23,22,540/- . Appeal pending before CIT(A).
- d) For the AY 14-15: Tax claimed by the Deptt. is Rs.54,15,570/- . Appeal pending before CIT(A)
- e) For the AY 15-16: Tax claimed by the Deptt. is Rs.2,44,630/- . Appeal pending before CIT(A)

**II.Provident Fund Matter :**

- a) Proceedings u/s 7A of the EPF & Misc Provisions Act, 1952 in respect of SFDC by the Regional Commissioner for determination of dues for the period 10/05 to 10/06.  
The Department claims an amount of Rs.71,96,209 on account of liability arising out of non-payment of dues pertaining to the Security Contractors engaged by them as well as the differential liability accruing on account of payment at the rate of  $28\frac{1}{4}\%$  instead of 12% for the period from 10/2005 to 2/2006. Case pending.
- b) In the High Court: W.P. No. 20398 (W) of 2011, SFDC v Regional Provident Fund Commissioner II and Anr for the period 1980 to 2001– The P.F. Authorities demanded interest and damages under section 7Q and 14B of the Employee's Provident fund to the tune of Rs.20,59,890 and Rs.1,92,84,466 respectively for delay in remitting the P.F. dues to the Corporation. S.F.D.C. filed a writ petition No.20398 [W] of2011 before the Hon'ble High court, Kol, challenging the decision of the PF Commissioner. The Hon'ble Justice Aniruddha Bose directed to R.P.F. authorities to allow installment payment of Rs.20,59,890/- for making payment of interest and restrained the authorities from taking any step for recovery of the damages until further order. But the P.F. authorities filed a writ petition. CAN No.7202 of 2012.M.A.T.No.695 of 2012 before the Hon'ble High court against the said order on 08.12.11. The W.P.No.20398 [w ] of 2011 is pending.
- c) Proceedings u/s 7Q/14B of the EPF & Misc Provisions Act, 1952 in respect of SFDC by the Regional Commissioner for determination of dues for the period 10/05-10/16: The EPFO claims an amount of Rs.1,41,89,108 for interest on delayed payment. The Corporation has challenged the claim of EPFO in High Court. The case is pending.



Managing Director  


Chairman  


d) In the High Court: W.P. No. 3462 (W) of 2018, SFDC v Regional Provident Fund Commissioner II Damages and Ors. The PF authorities demanded interest and damages u/s 7Q and 14B from the period 10/2005 to 15/12/2016. Damages has been determined at Rs.86,30,676 and interest Rs.55,58,432. Presently there is a stay order in favour of SFDC. The case is pending.

7. Disclosure as required by Accounting Standard (AS)-15 (Revised) 'Employees Benefits'

a) **Defined Contribution Plans**

During the year the employer contributed Rs.1,42,35,352/- (Previous Year Rs. 1,58,13,538/-) towards Provident Fund and Pension Fund.

b) **Defined Benefit Plans**

The Company has defined benefit plans namely Gratuity and Leave Encashment Facility for the employees. Such benefits are paid at the time of retirement or termination of employment. Provisions for Gratuity and Leave Encashment have been made in the Accounts on the basis of Actuarial Valuation. The Company has provided for liability on account of Gratuity and Leave encashment on the actual basis for its Permanent Employees.

8. Particulars in respect of sales / stocks:

**For the year ended 31<sup>st</sup> March, 2018 For the year ended 31<sup>st</sup> March,2017**

	<i>Quantity (Kg)</i>	<i>Value (Rs.)</i>	<i>Quantity (Kg)</i>	<i>Value (Rs.)</i>
<i>Opening Stock:</i> <i>Fish</i>	-----	4,15,21,562	4,22,460	3,12,62,073
<i>Sales:</i> <i>Fish and shrimps</i>	-----	17,71,56,768	-----	14,53,24,955
<i>Closing stock:</i> <i>Fish</i>		3,89,33,686	-----	4,15,21,562

9. Particulars of raw materials consumed:

**For the year ended 31<sup>st</sup> March, 2018 For the year ended 31<sup>st</sup> March,2017**

	<i>Quantity (Kg)</i>	<i>Value (Rs.)</i>	<i>Quantity (Kg)</i>	<i>Value (Rs.)</i>
<i>Fish, vegetables and spices</i>	-----	1,64,03,094	28,41,852.18	1,39,88,995

10. Remuneration to Managing Director:

	<i>For the year ended 31<sup>st</sup> March 2018 (Rs.)</i>	<i>For the year ended 31<sup>st</sup> March 2017 (Rs.)</i>
<i>Salary</i>	13,42,190	11,43,272

Managing Director

  
Chairman

11. Auditor's Fees :

		2017-18	2016-17
1	<i>Audit Fees</i>	90000	45,000/-
2	<i>Tax Audit Fees</i>	80000	45,000/-

12. The Company has not entered into any long term contracts including derivative contracts.

13. The Company did not have any foreign exchange earnings or outgo during the year.

14. Methodology of Calculation of Stock Value:

Fish Stocking & Sampling is another important part of Pisciculture. This part is important to us because we are about to know by the Stocking & Sampling about the species health, species quantity, average size etc. Species Sampling is calculated by species average size & Fish Stocking in the Pond. As an Example, We liberate an IMC Seed @ 5 gm/Pcs. Size in a pond. After we administer Feed to the fish up to 1 year by the F.C.R method and the expended outcome is a fish of 1 kg and its sale value will be determined from Rs. 160-200/- as per market.

So the stock value can be calculated by no of fingerlings released + The grams as per F.C.R.

**Feed expenses are often the main budget component item on fish farms. Therefore, reliable indicators are needed in order to determine the level of performance obtained from a feed or an additive. The feed conversion ratio (F.C.R.) is a relevant example of such indicators as it reflects how effective a feed strategy can be. What other variables are required in order to complement the F.C.R and thereby evaluate the profitability of a fish farm.**

In the context of aquaculture, the F.C.R. is calculated as follows: **F.C.R. = Feed given / Fish weight gain.**

After 1 year the species weight maybe 500 gm to 700 gm. This is the sampling weight to the IMC Fish.

For example We liberated 2,000 numbers IMC (Indian Major Carp) Fingerlings with an average weight of 8gm and get a total weight of 16,000 grams:  $2000 \times 8$  (16 kg) and after 1 month of stocking and feeding with 15kg, (15,000 grams) of feed, a sample production of 100 numbers fish measuring an weight of 1400 grams (1.4kg) fishes were collected and based on calculations  $(1400g \div 100)$  a new average weight of 14g was recorded. Thus FCR will now be calculated as :-

$$\begin{aligned}
 \text{Initial estimated total weight} &= 2,000 \times 8g = 16,000g \text{ or } 16\text{kg.} \\
 (\text{After 1 Month}) \\
 \text{Current estimated total weight} &= 2,000 \times 14g = 28,000g \text{ or } 28\text{kg} \\
 \text{Current Estimated weight gain} &= 28,000g - 16,000g = 12,000g \\
 \text{FCR} = \text{Food Quantity Fed} &= 15,000g = 1.25 \\
 \text{Estimated Weight Gained} &= 12,000g
 \end{aligned}$$



Managing Director



Chairman

Or for easy understanding:  $12,000 \div 15,000 = 0.8$  This figure gives a picture of 1kg feed being converted to 0.8kg (800g) of fish weight, of a period of one month.

On the other hand, the figure, 1.25, means that for every 1.25kg of feed consumed by the fish, they were able to convert it to only 1kg of weight of flesh or fish weight. This is fair but it did not meet the minimum expectation. As such it needs to be improved upon. For most floating feeds, the projected FCR is between 1 to 1 and 1.11 to 1. That is between 1kg feed weight to 1kg fish weight and 1.11 kg feed weight to 1kg fish weight. The final cost of stock is determined in the existing price of the auction market where the product is being sold.

15. Contingent Liability: Refer to point 6 above relating to disputes with various Taxation and other statutory authorities which shall form the total amount of contingent liability.

Further a provision for Input Tax Credit of the amount of Rs.7,93,095 for 2014-15. However the Directorate of Commercial Taxes has 21,99,472 for which a provision has been created. However the Corporation is involved in assessment proceedings of subsequent years involving similar issues and claims and the payments will be made upon final assessment and demand from the Department.

16. Previous year figures have been regrouped / reclassified wherever necessary, to conform to current year classification.

Secretary

Chief Accounts Officer

Managing Director

Chairman

As per our report attached

**For P. K. Bhattacharyya & Associates**

Chartered Accountants

Firm Registration No.317002E

Prasun Kumar Bhattacharyya

Partner

Membership No.053002

Place : Kolkata

Dated :