

# ANNUAL REPORT 2020-21

वार्षिक रिपोर्ट 2020-21



**NORTH EASTERN REGIONAL AGRICULTURAL  
MARKETING CORPORATION LIMITED**  
(A GOVT. OF INDIA ENTERPRISE)

**उत्तर पूर्वी क्षेत्रीय कृषि विपणन निगम लिमिटेड**  
( भारत सरकार का एक उद्यम )

## VISSION STATEMENT

*“To become a preferred and trusted brand in national & international market for authentic agro-horticultural produce of the North Eastern Region of India”*

## MISSION STATEMENT

*“To provide a comprehensive marketing solution to the farmers and entrepreneurs associated with agro-horticultural sector of the eight states of the North Eastern Region of India”*

## BOARD OF DIRECTORS

<i>Chairman</i>	:	<b>Shri Saurabh Endley</b>
<i>Managing Director</i>	:	<b>Shri. Manoj Kumar Das</b> (Addl. Charge)
<i>Directors</i>	:	<b>Prof. Charu Lata Mahanta</b> <b>Shri. Rajendra Prasad Gurung</b> <b>Shri Rajan Rohia</b> <b>Shri. M. Iboyaima Meitei</b> <b>Shri. Atul Basumatary</b>

Company Secretary	:	Shri Sanjiv Kumar Rai
Statutory Auditors	:	M/s M.Borar & Company, Chartered Accountants, Guwahati
Bankers	:	State Bank of India, Punjab National Bank. Union Bank of India, ICICI Bank, Bank of Borada
Registered Office	:	9, Rajbari Path, Ganeshguri, G.S. Road, Guwahati-781005, Assam.

## ***From the Desk of the Chairman***

With immense pleasure I take this opportunity to present the 39th Annual Report of NERAMAC. In this year, the world has witnessed the most adverse phase of the 21st century with the spread of COVID-19 pandemic. Imposition of lockdowns and movement restriction throughout the world has badly impacted global economy and supply chain. During the year, business operations of NERAMAC also did not remain untouched from the pandemic. Nationwide lockdowns during the first two quarters of the financial year largely affected business operations of the Corporation. However, NERAMAC being engaged in the essential service operations continued its marketing activities by providing linkages to the farmers and supplying essentials to the households. During the lockdown period NERAMAC sourced more than 60 MT of fruits and vegetables from the farmers/framers group and in collaboration with app based on-line delivery partner and delivered essentials to one 3400 households in Guwahati and Imphal.

Apart from the essential services, NERAMAC also initiated a Flagship programme 'One Village One Product' in the line with the Government of India policy of 'Atmanirbhar Bharat' and promotion of local produces. Another major development during last financial year was the appointment of NERAMAC as Additional Implementing Agency under 'Formation and Promotion of 10000 FPOs' of Ministry of Agriculture and Farmers Welfare. For the year 2020-21, NERAMAC was tasked with the formation of 55 nos. of FPOs in the region.

Financial performance of the Company during the year was satisfactory as compared to the last few financial years. Your Corporation has generated revenue of Rs. 14.60 Cr., though there was dip of around 30% in the revenue as compared to the FY 2019-20, due to restrictions imposed by COVID-19 related issues. Whereas the losses incurred by the Corporation have also moderately reduced as compared to the last few financial years. Profit ratio of the Corporation during the year was -44.77 % as compared to -690.76% and -172.78% during the FY 2018-19 and 2017-18 respectively.

NERAMAC believes in prudent compliance with guidelines laid down for Corporate Governance, to ensure long term success and transparent sharing of information on the affairs of the Company with the Stakeholders. For year 2020-21 NERAMAC was rated 'GOOD' by the Department of Public Enterprises (DPE), Ministry of Finance for complying with the Guidelines on Corporate Governance.

During the year, strategies were also worked out by the Management for revival of the defunct processing plants. Draft Action plan for Revival of the Corporation also submitted in the Administrative Ministry.

Despite the year being a difficult and unusual one because of the COVID-19 pandemic, significant efforts were made for turnaround of Corporation both at the corporate level and at the Ministry level, which has guided the Corporation on the path of growth. I am sure the Corporation would achieve the perceived objectives in the years to come.

Sd/-

**Saurabh Endley**  
Chairman





## Contents ...

S.L. No.	REPORTS/STATEMENTS	PAGE NO.
1.	NOTICE OF THE AGM	5
1.	DIRECTORS REPORT	7-14
2.	CORPORATE GOVERNANCE REPORT	15-19
3.	MANAGEMENT DISCUSSION & ANALYSIS REPORT	20-24
4.	COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA	25
5.	MANAGEMENT REPLY TO AUDITORS ADVERSE REMARKS	26-31
6.	CERTIFICATE ON CORPORATE GOVERNANCE	32-33
7.	INDEPENDENT AUDITORS REPORT	34-49
8.	FINANCIAL STATEMENT AND NOTES TO ACCOUNTS	50-73

**NOTICE**

**Shorter Notice** is hereby given that the **39<sup>th</sup> (Thirty-Ninth) Adjourned Annual General Meeting** of the Members of **M/s North Eastern Regional Agricultural Marketing Corporation Limited** is scheduled to be held on **Wednesday, the 12<sup>th</sup> of July 2023** at the registered office of the Company at **Rajbari Path, G.S.Road, Ganeshguri, Guwahati-781005, Assam, India** at **10.30 a.m. through Video Conferencing Mode** to transact the unfinished business of the **39<sup>th</sup> Annual General Meeting**:

**As Ordinary Business**

1. To consider, approve and adopt the Audited Financial Statement of the Company as on 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and the Statutory Auditors.

The Members will be requested to pass the following resolution with or without modification as Ordinary resolution.

**“RESOLVED THAT** the Audited Financial Statement as on 31<sup>st</sup>, March, 2021 together with the Reports of the Board of Directors and the Statutory Auditors thereon be and is hereby received, considered and adopted”

**By Order of Board of Directors  
NERAMAC Ltd**

**Sd/-  
Sanjiv Kumar Rai  
Company Secretary**

**Encl : Attendance Slip  
Copy of Annual Report**

**Date : 10 July 2023**

**Place : Guwahati**

## **NOTE :**

1. IN THE VIEW OF COVID-19 PANDEMIC SITUATION, MINISTRY OF CORPORATE AFFAIRS HAS VIDE GENERAL CIRCULARS DATED APRIL 8, 2020 APRIL 13 2022, 5<sup>TH</sup> MAY 2022 and 28<sup>th</sup> DECEMBER 2022 ( COLLECTIVELY REFERRED AS 'MCA CIRCULARS') PERMITTED THE HOLDING OF THE ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING MODE TILL 31<sup>ST</sup> DECEMBER, 2022. IN COMPLIANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013 AND MCA CIRCULARS, THE AGM WILL BE HELD THROUGH VIDEO CONFERENCING MODE. THE DEEMED VENUE FOR THE MEETING WILL BE THE REGSITERED OFFICE OF THE COMPANY.
2. LINK AND OTHER DETAILS FOR CONNECTING THROUGH VC MODE WILL BE SHARED SEPARATELY OVER REGISTERED EMAIL IDS.
3. AS PER THE AFORESAID GENERAL CIRCULAR FACILITY FOR APPOINTMENT OF PROXY AS PRESCRIBED UNDER SECTION 105 OF THE COMPANIES ACT, 2013 WILL BE NOT AVAILABLE FOR THE GENERAL MEETING CONDUCTED THROUGH VC OR AOVM. HOWEVER IN PURSUANT TO SECTION 112 AND SECTION 113 OF THE COMPANIES ACT, 2013, REPRESENTATIVES OF THE MEMBERS MAY BE APPOINTED FOR THE PURPOSE OF PARTICIPATION AND VOTING IN THE MEETING.
4. THE ATTENDANCE OF THE MEMBERS ATTENDING THE AGM THROUGH VC MODE WILL BE COUNTED FOR THE PURPOSE OF RECKONING THE QUORUM UNDER SECTION 103 OF THE ACT.
5. FOR ANY QUERY/CLARIFICATION RELATING TO CONNECTION THROUGH VC OR CASTING VOTE THROUGH EMAIL AT THE MEETING PLEASE CONTACT COMPANY SECRETARY at [cs@neramac.com](mailto:cs@neramac.com) OR CALL +91-9954172236.

**By order of the Board of Directors  
NERAMAC Ltd**

Sd/-  
**Sanjiv Kumar Rai**  
Company Secretary

**Date : 10 July 2023**

**Place : Guwahati**

## DIRECTORS' REPORT

To

The Members,

M/s North Eastern Regional Agricultural Marketing Corporation Ltd

Rajbari Path, G.S. Road, Ganeshguri, Guwahati-781005, Assam.

Your Directors take the opportunity to present the 39th Annual Report of the Company along with the audited financial statement for the financial year 2020-21.

### 1. FINANCIAL PERFORMANCE

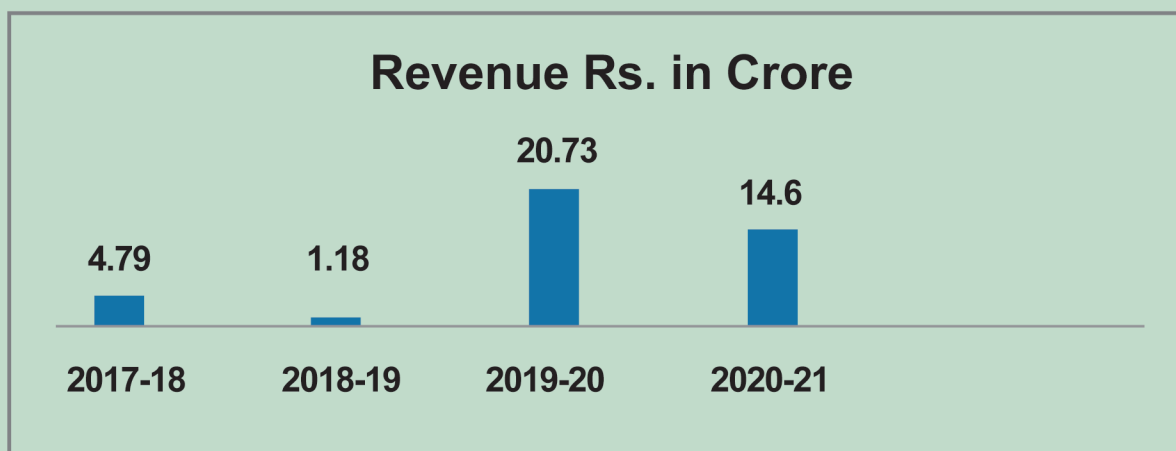
The financial performance of the Company based on the audited accounts for the financial year 2020-21 produced hereunder:

Particulars	2020-21 (Rs.)	2019-20 (Rs.)
Revenue from operations	146,067,000/-	207,346,000/-
Other income	4,165,000/-	31,908,000/-
<b>Total Revenue</b>	<b>150,232,000/-</b>	<b>239,254,000/-</b>
Operation Expenses	136,867,000/-	195,498,000/-
Administrative Expenses	36,103,000/-	76,150,000/-
Finance Cost & Depreciation	4,3295,000/-	37,250,000/-
<b>Total Expenses</b>	<b>21,626,5000/-</b>	<b>308,898,000/-</b>
Profit before extraordinary items	(66,033,000/-)	(69,645,000/-)
Extraordinary items	6,33,000/-	(7,835,000)
Profit before tax	(65,400,000/-)	(77,479,000)
<b>Tax expenses</b>		
Current tax	0.00	0.00
Deferred tax	0.00	0.00
<b>Profit for the year</b>	<b>(65,400,000/-)</b>	<b>(77,479,000)</b>



## 2. BRIEF DESCRIPTION OF THE COMPANY'S AFFAIR WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR.

During the year under review the performance of the Company in terms of revenue generation was satisfactory comparing to the last few financial years, however there was dip in the revenue as compared to the FY 2019-20, due to onset of nation-wide lockdowns and restrictions of movements under COVID-19 Pandemic.



Revenue figures of last four financial years

Whereas loss incurred by the company was stand at Rs. 6.60/- Crore, which is 5% less as compared to the previous year revenue. Your Directors are motivated to earn higher revenues with profits in the years to come.

### Major reasons for incurring losses during the year:

- a) **High Volatility in the prices of the Agri-Horti produces:** Reduction in the market rates of the common procurements items like Ginger, Large Cardamom and Black Rice has largely impacted the revenue during the year.
- b) **Procurement activities were restricted to prevent the major anticipated losses:** Due to high fluctuation in prices, number of procurement activities was avoided where the volume of anticipated losses was high.
- c) **High cost of operation:** Due to hilly terrain and less connectivity with the farm gates results in high logistic cost which directly impact the profit margins.
- d) **Lockdowns and movements restrictions:** Due to the COVID-19 pandemic, during the first two quarters of the Financial Year, there was a strict lockdown and movement restriction, which has impacted the marketing activities and execution of projects.
- e) **Lack of adequate funds for large scale procurements:** With limited working capital the procurement activities are very much restricted, low volume procurements often resulted in less revenue generation with losses.

### 3. HIGHLIGHTS OF MAJOR ACTIVITIES DONE DURING THE YEAR

- a) **Bulk Marketing of Agri-Horti produces:** Queen Pineapple, Water Melon, Kiwi, Dragon Fruit, Passion Fruit, Dry Turmeric and Black Rice.
- b) **Product Basket Extension:** Pineapple pickle, Passion Fruit Squash, Jaggery coin.
- c) **G.I. Registration approved during the year:** Black rice of Manipur. Naga Cucumber of Nagaland, Dalle Chilli of Sikkim
- d) **Emergency services during lockdown period “Farm to Plate”:** Marketing of 21.06 MT of fruits, 36.5 MT of vegetable and 2.08 MT of spices. We have reached out to 450 farmers, 7 FPOs North East and supplied fruits, vegetables and spices to 3415 households in Guwahati and Imphal.
- e) **Flagship programme ‘One Village One Product’:** Identified 30 OVOP for the first year and 362 farmers have been benefitted under the project during the year.
- f) **Implementation of Projects:** NERAMAC has been appointed as Additional Implementing Agency under ‘Formation and Promotion of 10000 FPOs’ of Ministry of Agriculture and Farmers Welfare. For the year 2020-21, 50 nos. of Agro –Horti FPOs and 5 nos of Bamboo and Agro-forestry allotted to NERAMAC.
- g) **Agri-Business:** During the year NERAMAC supplied Vermi compost, Bio-Fertilizers, Rhizomes, Agro shade net etc to State Governments.

### 4. IMPACT OF COVID-19 PANDEMIC ON THE AFFAIRS OF THE COMPANY.

With the on-set of COVID-19 Pandemic and announcement of Nation-wide lockdown, business operations were come to stand still. However NERAMAC being engaged in essential service business took the initiative to provide emergency service through direct marketing of agri-horti produces of farmers. Under the initiative NERAMAC sourced more than 60 MT of fruits and vegetables from the farmers/framers group and in collaboration with app based on-line delivery partner delivered 3415 households in Guwahati and Imphal. However due to lock down, other business verticals – (Implementation of Projects, Agri-Business and Event Management) was impacted and remained under-performed, which has also impacted the overall revenue of the Corporation during the year.

NERAMAC also ensured the safety of its employees during the Pandemic and organised free testing and maintained COVID appropriate behaviour at the work place as instructed by the Govt. of India. During the lockdown phase, NERAMAC followed the Work from Home and alternative days working for middle and lower level executives and digital modes were utilised for meetings and interactions. Use of Biometric attendance was suspended during the period.

### 5. DIVIDEND

As the company has not earned any profits during the reporting financial year and the company has no any accumulated profits in its reserves, therefore the Board do not recommends the payments of dividend for FY2020-21.

**6. TRANSFER TO GENERAL RESERVE**

As there were no profits earned during the reporting financial year, therefore no amount proposed to be transferred to General Reserve.

**7. SHARE CAPITAL**

During the year under review, there was no change in the share capital of the Company.

The authorised share capital of the Company during the year was Rs. 10,00,00,000/- comprised of 100000 equity shares of Rs. 1,000/- each.

The issued, subscribed and paid-up share capital of the Company during the year under review was Rs. 7,62,00,000/- comprised of 76200 fully paid-up equity shares of Rs. 1,000/- each.

**8. COPY OF ANNUAL RETURN**

Copy of Annual Return for the FY 2020-21 hosted at [www.neramac.com/annual-return](http://www.neramac.com/annual-return)

**9. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR RESIGNED DURING THE YEAR.**

Your Company being a Public Sector Enterprise, all appointments and cessations in the Board of Directors are made by the Govt. of India only.

During the year under review there were no changes in the Board of Directors of the Company. No Key Managerial Personnel appointed or resigned during the year under review.

**10. NUMBER OF MEETINGS OF BOARD AND ITS COMMITTEE**

The disclosures have been made under the Corporate Governance report annexed to this report as **Annexure A.**

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The Company has not granted any Loan and provided no guarantee and made no investment under section 186 of the Act during the year.

**12. PARTICULARS OF CONTRACT AND ARRANGEMENTS WITH THE RELATED PARTIES UNDER SECTION 188**

During the year under review, the Company has not entered into any contract and arrangement covered under section 188 of the Act.

**13. CHANGE IN THE NATURE OF THE BUSINESS, IF ANY**

During the reporting period, there was no change in the nature of the business.

**14. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.**

During the year under review, no company became or ceased to become the subsidiary, joint venture or associate of NERAMAC Ltd.

**15. MATERIAL CHANGES IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR UNDER REVIEW AND THE DATE OF REPORTING.**

The Govt of India announced Rs. 77.45 Crore of Revival Package for NERAMAC in August, 2021. The package consists of Rs. 17 Crore fund based support for business operations, implementation of ERP and E-commerce Portal and paying off the committed liabilities. Non-fund based support of Rs. 60.45 Crore in the form of conversion of outstanding Govt. of India working capital loan of Rs. 28.23 Crore into the equity share capital and writing off the Interest and Penal Interest of Rs. 32.22 Crore. Non fund based support will help in financial restructuring of the Company and to achieve positive net worth in the years to come.

**16. DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT**

The Company have not accepted or renewed any deposited covered under chapter V of the Act.

**17. DETAILS OF SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under reporting, no significant and material order passed by any Regulators or courts or Tribunals impacting the going concern status and Company's operations in future.

**18. RISK MANAGEMENT SYSTEM**

The management in consultation with the financial heads of the organization evaluates the involvement of risks before any business transactions. During the year proposal was moved by the management to implement the Risk Management Policy to strengthen the risk management system.

**19. INTERNAL FINANCIAL CONTROLS**

The Company has internal financial control system is in place. All financial decisions are taken centrally at the head office with the approval of the Competent Authority. Laid down financial Guidelines of the Govt. of India are duly adhered.

**20. CORPORATE SOCIAL RESPONSIBILITY**

During the financial year under reporting, as the turnover/net worth/net profit of the Company were below the threshold limit as prescribed under section 135 of the Act, hence the clause is not applicable to the Company.

**21. CORPORATE GOVERNANCE**

A Corporate Governance Report prepared in accordance with Guideline on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) enclosed as **Annexure A**

**22. MANAGEMENT DISCUSSION AND ANALYSIS**

In accordance with the DPE Guidelines on Corporate Governance, 2010, Management Discussion and Analysis Report is forming integral part of this report and annexed as **Annexure B**.

**23. STATUTORY AUDITORS OF THE COMPANY FOR THE FY 2020-21**

M/s M.Borar & Co., Chartered Accountants, Guwahati were appointed by the Comptroller & Auditor General



of India as the Statutory Auditors for the FY 2020-21 as per section 139 of the Act.

#### **QUALIFICATION OF AUDITORS REPORT**

The Auditors report contains few adverse remarks, qualifications, each of such remarks/qualifications of the Statutory Auditors has been duly replied by the Management and the management reply is annexed as **Annexure-C**

#### **24. COMPTROLLER & AUDITOR GENERAL OF INDIA AUDIT**

The comptroller & Auditor General (C&AG) has conducted supplementary Audit under section 143(6)(a) of the financial statements for the year ending 31.03.2021. Certificate of the C&AG enclosed as **Annexure- D**

#### **25. DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6)**

The Independent Directors have given declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013.

#### **26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

##### **Conservation of Energy**

Your Company at its level has adopted best practices for conservation of energy.

##### **Technology absorption**

There were no such events of technology absorption during the reporting financial year.

##### **Foreign exchange and outgo**

The Company during the reporting financial year does not have any foreign exchange and outgo

#### **27. PARTICULARS OF EMPLOYEES**

The Company did not employ any such person whose particulars are required to be given under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Management Personnel) Rules, 2014.

#### **28. IMPLEMENTATION OF OFFICIAL LANGUAGE**

NERAMAC constantly put best efforts for promotion and implementation of 'Hindi' as official language as per the directives of the Official Language Department, Ministry of Home Affairs. NERAMAC ensures to achieve the targets set for use of 'Hindi' in official communications for 'Region C'.

NERAMAC quarterly organises internal Hindi workshops for its employees and also participate in such workshops organized by the Central Govt. Dept./PSUs in the region. Hindi learning through 'Aajka Shabd' for employees are being displayed on Display Boards daily. Hindi *Saptah* (Week) also organized during the year from 10th September to 17th September. During the week, competition like 'Tippani Lekhan' (Note sheet writing), 'Patra lekhan' (Letter writing), *Kavita lekhan* (Poem writing) etc. was organized and prize was distributed to the winners. Cash award of Rs. 500/- each was also given to four employees for best performance to use Hindi in official communications.

NERAMAC received certificate for implementation of official language by the TOLIC (PSUs), Guwahati.

**29. VIGILANCE MECHANISM AND IMPLEMENTATION**

NERAMAC promote effective vigilance administration and ensure zero tolerance approach towards corrupt and unethical practices. Guidelines prescribed by the DPE and CVC for prevention, control and detection of the corrupt/unethical practises are implemented time to time.

Shri Iboyaima Meitei, Advisor, Horticulture, NEC and Board Member, NERAMAC has been appointed as part time Chief Vigilance Officer (CVO) of NERAMAC w.e.f. 20.12.2020 by the Ministry of DoNER.

Vigilance Awareness week was observed during the reporting period from 27.10.2020 to 02.11.2020 with theme “*Satark Bharat, Samridh Bharat*” (Vigilant India, Prosperous India).

During last five financial years no cases reported under CVC.

**30. DISCLOSURE UNDER SEXUAL HARRASSEMENT OF WOMEN AT WORKPLACE (PREVENTION , PROHIBITION & REDRESSAL) ACT, 2013**

The Company has constituted the Internal Complaint Committee in the manner as prescribed under section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint was reported relating to the sexual harassment of women at workplace.

**31. DIRECTORS’ RESPONSIBILITY STATEMENT**

As required under Section 134 of the Companies Act 2013, the Directors hereby confirm that:

- i. in the preparation of the annual accounts for the Financial year ending 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2021 and of the profit or loss of the Company for that period ;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the Directors have prepared the annual accounts on a going concern basis.
- v. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**32. MAINTENANCE OF COST RECORDS**

Provisions of section 148(1) of the Companies Act, 2013 are not applicable to the Company hence no cost records are maintained.

**33. DETAILS OF FRAUD REPORTED BY THE AUDITORS UNDER SECTION 143(12)**

The Auditors’ disclosed a fraud as reported by the Management occurred during the reporting period in the Zonal Office, Agartala. Mr. Rahul Bhattacharjee (now ex-employee of NERAMAC) who was deputed as

Zonal in-charge Agartala, made unauthorized withdrawals and deposits in the Bank Accounts of Company and submitted forged Bank Statement at Head office for Annual Accounts compilation. Due to fraudulent banking transaction by Mr. Rahul Bhattacharjee, the Company has incurred a loss of Rs. 1,198,646/-The Management has lodged FIR against Mr. Rahul Bhattacharjee at A.D.Nagar Police Station, West Tripura. The Case is at present under investigation with the SIT, Agartala Police.

However, the Auditor has not reported the matter to the Central Government pursuant to section 143(12) of the Act, as the amount involved in the fraud is below the prescribed amount of Rs. 1.00 Cr. for reporting.

#### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their gratitude to the shareholders, Ministry of DoNER, North Eastern Council, Ministry of Agriculture & Farmers Welfare and other Ministries and State Governments and other Government Agencies who have maintained trust and lend their support to NERAMAC. Your Directors also place on record their sincere thanks and appreciation to Company's Bankers for their assistance, co-operation and encouragement and to the Dealers, Business Associates for their continuing support and unstinting efforts and to the Employees of the Corporation in ensuring efficient performance during the year.

**For and on behalf of the Board of Directors**

**NERAMAC Ltd**

**Sd/-**

**Cmde Rajiv Ashok (Retd)**  
**Managing Director**  
**DIN: 09598427**

**Sd/-**

**Rajendra Prasad Gurung**  
**Director**  
**DIN: 06711139**

**Date: 07.07.2023**

**Place: Guwahati**

## CORPORATE GOVERNANCE REPORT

### 1. COMPANYS PHILOSOPHY ON CORPORATE GOVERNANCE

Your Companys philosophy on Corporate Governance strive to meet its business objectives efficiently and accomplishing its responsibility towards its stakeholders. Your Company believes that Corporate Governance is not just complying with regulatory requirements but also to create highest standards of transparency in its every endeavour. In our commitment to practice sound governance principles, we are guided by the following core principles:

- ✓ Transparency
- ✓ Commitment
- ✓ Accountability
- ✓ Ethical conduct
- ✓ Safeguarding Stakeholders interests

### 2. BOARD OF DIRECTORS & THEIR COMMITTEES

The Board of your Company consists of seven members, the Board has the pool of such Directors each of them either having expertise in the field of core business of the Corporation or in the management and Governance. Therefore the Board has been perfectly constituted for efficient operation of the Corporation.

#### A. Board of Directors

##### i. Composition of Board of Directors

The Board of Directors comprises of the Chairman, One Functional Director, two Part Time Government Directors and three Part Time Non-Official Directors/Independent Directors with a total of seven Directors in the Board as on 31.03.2021. However the maximum tenure of six years of all three Independent Director expired. Request has been made to the Administrative Ministry for appointment of new Independent Directors.

##### ii. Number of Board Meeting

During the Financial Year 2020-21, the Board of Directors Meeting was held four times on the following dates:

Ser	Number of Meeting	Date of Meeting
1.	134 <sup>th</sup> Board Meeting	19/05/2020
2.	135 <sup>th</sup> Board Meeting	25/09/2020
3.	136 <sup>th</sup> Board Meeting	23/12/2020
4.	137 <sup>th</sup> (Emergent) Board Meeting	02/02/2021



Following is the list of Directors of the Company showing their categories and also attendance in the Board Meeting of the Company:

Ser	Name	Category	Date of Appointment	No of Board meetings held	No of Board meetings attended
1	Shri Saurabh Endley	Non-Executive	27/07/2018	04	04
2	Shri Manoj Kumar Das	Executive	30/03/2020	04	04
3	Shri Rajendra Prasad Gurung	Independent Non-Executive	12/09/2013	04	04
4	Prof. Charu Lata Mahanta	Independent Non-Executive	08/12/2006	04	04
5	Shri. Rajan Lohia	Independent Non-Executive	12/09/2013	04	02
6	Shri. Mangsatabam Iboyaima Meitei	Nominee Director	11/11/2013	04	03
7	Shri Atul Basumatary	Nominee Director	10/10/2018	04	04

During the year, office of the Managing Director (Only Executive Director in NERAMAC during the year) was held by Shri Manoj Kumar Das, DGM, NEDFi on additional charge. No was remuneration paid to him.

#### B. Committees Of The Board

In order to carry out the responsibilities & decision making smoothly and in prudent manner, the Board has constituted an Audit Committee which is headed by an Independent Director of the Board having expertise and of experience in the field of finance, legal, accounts, marketing, etc.

### 3. AUDIT COMMITTEE

Audit Committee has been constituted as per the DPE guidelines on the Corporate Governance. All the members of the committee are financially literate and have decent accounting or related knowledge.

#### A. Terms of Reference

The terms of reference of the Audit Committee is in consistency with the DPE Guidelines and other statutory requirements, the gist of terms of reference is as follows:

- The Audit Committee has power, to investigate any activity, seek information from any employee and to obtain outside legal or other professional advice when ever consider fit and proper by the Committee.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the Board, the fixation of audit fees and other payments payable to Auditor for other services rendered by him.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval.

- e) Reviewing, with the management and performance of statutory and internal. auditors, and adequacy of the internal control systems and internal audit function, if any, including staffing and seniority of the official heading the department, reporting structure coverage.
- f) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- g) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- h) To review the follow up action on the audit observations of the CAG audit.
- i) The Audit Committee is empowered to review the Management Discussion and Analysis of financial condition and results of operations, statement of significant related party transactions, submitted by management, internal audit reports relating to internal control weaknesses, etc.

#### B. Composition

The Audit Committee is headed by Shri.Rajendra Prasad Gurung as the Chairman who is also an Independent Director. During the reporting financial year the Audit Committee consists of three members and all the members of the Committee are Independent Directors of the Board.

#### C. Meetings

During the Financial year 2019-20 the Audit Committee four times on the following dates:

Ser	Number of Meeting	Date of Meeting
1.	22nd Audit Committee Meeting	01/05/2020
2.	22nd Adjourned Audit Committee Meeting	02/05/2020
3.	23rd Audit Committee Meeting	24/09/2020
4.	24th Audit Committee Meeting	22/12/2020

List of audit committee members along with their attendance in the meetings held:

Ser	Name of the Member	Designation in Committee	Category	Attendance
1	Sh. Rajendra Prasad Gurung	Chairman	Independent Director	4/4
2	Prof. C.L.Mahanta	Member	Independent Director	4/4
3	Shri. Rajan Lohia	Member	Independent Director	4/4

### 4. GENERAL BODY MEETINGS

#### A. Annual General Meeting

The details of the last three AGMs held are as follows:

Ser	Year	Date of AGM	Day & Time	Venue	Details of Special Resolution, if any
1	2017-18	28.09.2018	Friday, 3:00 P.M.	Registered Office i.e. at 9, Rajbari Path, Ganeshguri, G.S.Road, Guwahati	NIL

Ser	Year	Date of AGM	Day & Time	Venue	Details of Special Resolution, if any
2	2018-19	30.09.2019	Monday, 11:00 A.M.	Registered Office i.e. at 9, Rajbari Path, Ganeshguri, G.S.Road, Guwahati	NIL
3	2019-20	01.07.2021	Monday, 11:00 A.M.	Registered Office i.e. at 9, Rajbari Path, Ganeshguri, G.S.Road, Guwahati and 2018-19.	To revise the fees of Statutory Auditors for the FY 2016-17, 2017-18

- i. Due date for AGM for the FY 2019-20 extended by the Registrar of Companies, Ministry of Corporate Affairs to 31.12.2020 because of the COVID-19 Pandemic.
- ii. AGM for the FY 2019-20 was called on 31.12.2020, however due to the want of quorum the meeting was adjourned to the same day in the next week at the same time pursuant to section 103 of the Companies Act, 2013. Hence the meeting was held on 01.07.2021.

#### B. Extra-ordinary General Meeting.

No Extra-Ordinary General Meeting was called during the reporting period.

### 5. DISCLOSURES

There were no transactions of material nature with the promoters or Directors or the Management etc, which have potential conflict with the interest of the Company at large. The Company has been particular in adhering to the provisions of the laws and guidelines of regulatory authorities.

### 6. MEANS OF COMMUNICATION

The Financial Results & other information about the Company are available on its website [www.neramac.com](http://www.neramac.com).

### 7. AUDIT QUALIFICATIONS

The qualification of the Statutory Auditors in its report has been duly replied by the Management and has been attached as **Annexure - D** to this report.

### 8. COMPLIANCE WITH THE DPE GUIDELINES ON CORPORATE GOVERNANCE

NERAMAC comply with the guidelines on Corporate Governance laid down by Department of Public Enterprises (DPE), Ministry of Finance. NERAMAC was rated 'GOOD' by the DPE for the FY 2020-21 for complying with the prescribed guidelines.

### 9. DISCLOSURES AND COMPLIANCE

- a. During the Financial year under review, there were no materially significant related party transactions that may have potential conflict with the interests of company at large.
- b. During the year, no expenses were incurred which are personal in nature and incurred for the Board of Directors and Top Management.
- c. Administrative and office expenses as a percentage of total expenses were 16.69% during the year.

- d. The Company has framed Whistle Blower Policy to report about unethical behavior, actual or suspected fraud. During the year under review no personnel has been denied access to the Audit Committee.

**10. WHISTLE BLOWER POLICY**

The Company framed the **“Whistle Blower Policy”** for employees to report to the management concerns about unethical behaviour, actual or suspected fraud, or violation of the company’s General guidelines on conduct or ethics policy. The Whistle Blower Policy is available at the website of the Company at [www.neramac.com](http://www.neramac.com).

**For and on behalf of the Board of Directors**

**NERAMAC Ltd**

**Sd/-**

**Cmde Rajiv Ashok (Retd)**  
**Managing Director**  
**DIN: 09598427**

**Sd/-**

**Rajendra Prasad Gurung**  
**Director**  
**DIN: 06711139**

**Date: 07.07.2023**

**Place: Guwahati**



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### 1. Industry Structure & Development:

Agriculture being the predominant business of the region, NERAMAC is playing vital role to support and grow the said business to the maximum reach. Particularly the horticulture sector of the region constitutes the major portion of the business and huge potential for growth. The agro-climatic conditions of the North-Eastern Region (NER) is favourable for production of good quality Agri-Horti produces like Pineapple, Jackfruit, Orange, Lemon, Chilli, Ginger and some exotic fruits like kiwi, Passion Fruit and Dragon Fruit.

North Eastern Region accounts for 72.3% of the area under pineapple production and 54.5% of India's pineapple production. NER accounts for 10% of the India Orange Production. Out of the total jackfruit production in the Country about 23.6% is contributed from the two north eastern State of Assam and Tripura, Tripura with 300,000 MT of production is the second largest producer in the country. India is the largest producer of Lemon, the NER produces nearly 226 thousand tons which is around 9% of the India's total lemon production. Ginger is the Key agricultural crops that is grown in almost all eight states of NER, together the region accounts for 24.1% of India's ginger production. NER is famous for its Naga King Chilli and Cherry pepper. The cultivation of Bhut Jholokiya is mainly practiced in Manipur and Assam. Arunachal Pradesh is the highest producer of kiwi in India producing around 6000 MT followed by Nagaland which is producing 2400 MT.

Despite the huge potential there are number of challenges, which hinders the growth of Industry like remoteness of farm lands, hilly terrain, lack of proper infrastructure, lack of post-harvest management facilities, cluster based farmers, underdevelopment facilities for fruits and vegetables markets.

With the Intervention of number of programmes/schemes launched by the Government of India many of above mentioned problems are being addressed and NERAMAC under such programmes/schemes playing essential roles to elevate the Agri-Horti sector of the NER.

NERAMAC intervene in the Agri-Horti sector of the region through following business verticals for holistic growth of the sector:

- a. **Bulk Marketing of Agri-Horti produces:** Fresh Agri-Horti produces in bulk are sourced from FPOs/ Farmers grow and marketed.
- b. **Retail Sale of Agri-Horti produces:** Processed and value added Agri-Horti products are marketed under retail segment.
- c. **Agri-Business:** Supplies agri-inputs and planting implements to State Governments.
- d. **Implementing Agency for Government Projects;** Functioning as Implementing Agency under 'Formation and Promotion of 10000 FPOs' of Ministry of Agriculture & Farmers Welfare, Bamboo Plantation Project of State Bamboo Development, Assam are the major one.
- e. **Skill Development & Livelihood training:** Capacity building and livelihood generation in Agri-Horti and related sector through skill development programmes & livelihood training.

- f. **Event Management:** Organising and participating in exhibitions/events/buyer-seller meet for promotion of Agri-Horti produces of the region.

## 2. Strengths and weakness

The Corporation has presence and is operating in all eight states of the region and procuring the locally grown produces and working in collaboration with the State Governments, FPOs/FPCs, entrepreneurs and SHGs creating widespread linkages in different corners of the region. The Corporation has vast experience in operating in the agro-horti sector of the region and also acting as the nodal agency in implementing the Central Government schemes and programmes.

Lack of adequate funds to undertake large scale operations as the Corporation is facing financial distress, besides the Corporation has no post harvest management facilities of its own, lack of proper co-ordination with the state Governments and no processing plants are in operation.

## 3. Opportunities and threats

The Corporation has number of opportunities in the sector to explore in the region. As the region is emerging as the organic basket, the corporation has all possibilities to become the market leader in organic food sector. Whereas, under the “Act East policy” of the Government, new ventures can be explored and export promotions can be encouraged.

The potential threats are existence of the middle man and participation of Corporate Groups and local entrepreneurs in the marketing of agri-horticultural produce of the region, high cost of maintaining the supply chain due to geographical remoteness and lack of infrastructure in the region, unpredictable price fluctuation of agro-commodity and chances of early damages of the produces procured as being the highly perishable in nature as lack of proper back-end infrastructure to maintain and preserve the produces.

## 4. Outlook:

Food security has emerged as global challenge because of the rapid climate change factor and constant population growth, whereas, COVID-19 Pandemic has also disrupted the global food chain during the last two years. There is huge demand-supply gap has emerged in the market. Further, a new market has also evolved with huge potential demand for naturally and organically grown produces. Under the prevailing situation, NERAMAC has the advantage to popularize the naturally and organically grown produces/products of the region in the domestic market. The agri-horti produces/products of the north eastern region have not been adequately placed in the national markets for long. However, with the change in the markets dynamics of preference and taste of the consumers and demand-supply gap, NERAMAC should be working to build this gap by placing the produces/products of the region in domestic markets. On the other hand, favourable opportunities are also available for NERAMAC to explore the foreign markets, particularly in the south-east Asia countries. The Government policies are also encouraging as far as the agri-horti sector and food processing sector is concerned. NERAMAC should align its future strategies for business development and expansion with the developmental policies of the Central/State Governments to achieve the target of development of the agro-horti sector of north eastern region and increase in the income of the farmers.

## 5. Performance:

The Corporation has earned revenue of Rs. 14.60 Crore during the reporting period. Though the revenue earned is less as compared to the last financial year. However the performance is considered by your

Directors satisfactory, under lockdowns and movement restriction conditions due to COVID-19 Pandemic. Whereas the Net Loss of the Corporation during the year 2020-21 stands at Rs. 6.60 Crore (excluding the extra ordinary items) which is 5% less than the net loss of the year 2019-20.

#### 6. Product-wise Performance

SL NO	PRODUCTS	2020-21		2019-2020	
		QTY	VALUE (RS)	QTY	VALUE (RS)
1.	Large Cardamom	5400.00 kg	25,40,292.00	4214.29 Kg.	2,455,203.00
2.	Fresh Ginger	1440.00 kg	66,355.00	72202.00 kg.	2,937,801.00
3.	Black Pepper	-	-	718 Kg.	2,29,952.00
4.	Black Rice	1300.00 kg	1,51,000.00	1044.00 Kg.	104,351.00
5.	Fresh Kiwi	3964.00 kg	307931.00	4362.70 Kg.	4,68,190.00
6.	Assam Lemon (Leaf Bud Cutting)	24210.00 nos.	4,29,727.00	612053 nos.	10,863,940.00
7.	Black Gram Seed	-	-	286820 Kg.	29,900,985.00
8.	Black Pepper (Rooted Cutting)	1007645 nos.	1,15,37,535.00	1749124 nos.	20,027,469.00
9.	Budded Ber Seedling	1550.00 nos.	89,900.00	49396 nos.	2,864,968.00
10.	Ginger Rhizome	-	-	37593 kg.	2,999,921.00
11.	Shade Net 30%	-	-	470227sq.mt.	14,779,234.00
12.	T.C. Dendrobium Orchid with Cocohusk Block	-	-	52647 nos.	41,854,365.00
13.	Tissue culture Banana seedlings	256246.00 nos.	69,18,642.00	443755 nos.	11,981,385.00
14.	Turmeric Rhizome	-	-	73691 kg.	2999960.61
15.	Vermi Compost	81000.00 qt.	5,90,14,170.00	63057.85 qt.	45,942,057.00
16.	Green Gram Seed	-	-	111000 kg.	10,250,850.00
17.	Processed Food Items & other mis. Sale	-	36,83,941.00	-	5,802,661.00
18.	Fresh Pineapple	42573.00 nos.	7,66,862.00	-	-
19.	Fresh Kiwi	265.00 kg	44,860.00	-	-
20.	Fresh Watermelon	10000.00 kg	85,490.00	-	-
21.	Passion Fruit	482.00 kg	15,708.00	-	-
22.	Fresh Avocado	400.00 kg	49,435.00	-	-
23.	Raw Cashew	10000.00 kg	9,00,000.00	-	-
24.	Turmeric Power	958.00 kg	2,10,814.00	-	-
25.	Geo Membrane Polythene Sheet	280.00 nos	1,77,96,609.00	-	-
26.	Soil Enrich Bio Power	3606.00 qt.	40,526,218.00	-	-
27.	Gift Hamper (Basket of assorted retail products)	500.00 nos.	4,46,430.00	-	-
28.	Sale at the Dilli Haat Outlet	-	-	416 nos.	2,28,463.00
	<b>Total (Rs)</b>		<b>14,55,81,920.00</b>		<b>20,66,91,756.00</b>

## 7. Internal Control System & their Adequacy:

The Company formed the Audit Committee as a sub-committee of the Board of Directors on 13/12/2011 after the Ministry of DoNER has reconstituted the Board of Directors. Company has appointed Internal Auditor to put its best endeavour to strengthen the internal control system to ensure adequate control.

There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Financial Powers are centralised at the Head office. The Audit Committee and the Internal Auditors put in their best endeavour to strengthen the internal control system time to time.

## 8. Approval of Revival Package by Govt. of India:

- a. Process for a fresh revival package initiated in March 2015 based on recommendation of Task Force of DPE (During the negotiation meeting of MoU).
- b. In 2015-2017, NEDFi was entrusted by the MoDONER to prepare a revival plan for the organization. Part I and Part-II of the report were examined at the Ministry. The report of NEDFi recommended for revival of NERAMAC by infusing fresh fund and conversion of outstanding Govt. of India loan into equity and writing off the interest and penal interest and VRS for the 50% of its regular employees.
- c. The report of the NEDFi validated by the IIM, Shillong in the year 2018. The validation report recommended for review of the existing value chain, adoption of new initiative like facilitating contract farming, e-commerce, GI promotion etc. Introduction of VRS, Infusion and fund management working capital, salary and administrative expenses. Recommended one time interest free loan to be paid within five years. No further investment to be made into the processing plants. They should either be handed over to other parties to run with profit sharing agreement, or in absence thereof be divested off.
- d. Thereafter the proposal was reviewed by the Committee of Secretaries consisting of Secretary, DoNER, Secretary, DPE and Secretary DIPAM.
- e. Action plan for revival of NERAMAC was prepared by NEDFi in January, 2021. The Action Plan recommended for fund based support of Rs. 17 Crore and Non-Fund based support of Rs. 60.45 Crore.
- f. Cabinet Committee of Economic Affairs (CCEA) approved the Revival proposal of NERAMCA on 16th August, 2021. The package consists of Rs. 17 Crore fund based support for business operations, implementation of ERP and E-commerce Portal and paying off the committed liabilities. Non-fund based support of Rs. 60.45 Crore in the form of conversion of outstanding Govt. of India working capital loan of Rs. 28.23 Crore into the equity share capital and writing off the Interest and Penal Interest of Rs. 32.22 Crore. Non fund based support will help in financial restructuring of the Company and to achieve positive net worth in the years to come.

## 9. Status of Processing Plants

- a. **Fruit Juice Concentration Plant, Nalkata, Tripura :** The Fruit Juice Concentration Plant at Nalkata, Tripura was commissioned in year 1988. Since 2012 the plant was non-operational as incurring losses due to Single product line operation. **However recently the plant has been handed over**



- to private partner selected through open tender process for Operation & Management (O&M).
- b. **Ginger Processing Plant, Byrnihat, Meghalaya** : The unit with a capacity of processing 5 MT of ginger per day started operating from 2002-03 to cater the needs of ginger growers of North East. The plant was non operational since 2012 due to Obsolete Technology and fund Constraint to upgrade the technology. **However recently the plant has been handed over to private partner selected through open tender process for Operation & Management (O&M).**
  - c. **Cashew Processing Unit, Agartala, Tripura** : The unit was commissioned in 1994 to cater to the cashew growers of Tripura. The plant was closed by Pollution Control due to smoke in roasting section under the stricture of Pollution Control Board of Tripura. **Presently the processing Unit is being revived with the financial support from NEC. The new plant shall have the processing capacity of 500 kg of raw cashew per day. The plant is expected to be commissioned by early July, 2023.**
  - d. **Cashew Processing Plant, Mancachar, Assam** : Construction of the Cashew nut Processing Plant was initiated in the year 2009 with capacity to process 4 MT of Raw Cashew per day. 95% of the construction was completed by 2013-14, but could not be commissioned. Delay in disbursement of fund resulting in escalation of project cost and time over run. Options are being examined to commission the plant under schemes of Govt. of India or through PPP mode.
  - e. **Construction of Market Complex at Six Mile, Guwahati** : Construction of first phase of NEC funded Marketing Complex has been completed in January, 2023. The building is designed as Green Building Project and State-of-the -Art Landmark Buildings in the region. Construction for first phase consist of B+G+4 (Commercial Building) and B+G+1 (Guest House) started in September, 2020. M/s Hindustan Prefab Ltd was the Project Management Consultant for the project.

For and on behalf of the Board of Directors

NERAMAC Ltd

Sd/-  
Cmde Rajiv Ashok (Retd)  
Managing Director  
DIN: 09598427

Sd/-  
Rajendra Prasad Gurung  
Director  
DIN: 06711139

Date: 07.07.2023

Place: Guwahati



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of **North Eastern Regional Agricultural Marketing Corporation Limited** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 06.01.2023 and revised Audit Report dated 09.03.2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements **North Eastern Regional Agricultural Marketing Corporation Limited** for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Place: New Delhi

Dated: 03.07.2023

Sd/-  
(Rajiv Kumar Pandey)  
Director General of Audit (Central Expenditure)

## ANNEXURE-C

### MANAGEMENT REPLY TO THE ADVERSE OPINIONS OF THE STATUTORY AUDITORS (2020-21)

Ser	Adverse opinions/Qualifications	Management Reply
1.	Capital work in progress includes the investment of cashew processing plant at Mankachar valued at Rs. 19906029.00 which needs further investment. And has never been operational.	Noted. Steps are being taken to functionalise the plant through PPP mode.
2.	A fraud is reported by the Management occurred during the reporting period in the Zonal Office, Agartala. Details disclosed under point no. 5 of the "Report on other Legal and Regulatory Requirement"	FIR has been filed by the management at Agartala against the fraud. Matter is under investigation with the police.
Emphasis of Matter		
3.	No confirmation of balances of Trade Receivables and Trade Payables are available with the company.	Most of the Trade receivables and Trade Payables are appearing in the books are more than 8 years old and no contact details available for communication. Necessary steps are being undertaken to resolve the issue.
<b>Observations/ comments relating to the maintenance of accounts and other matter connected therewith</b>		
4.	The Company's Revenue is on a downward trend, a material amount of debt is outstanding for more than three years, the accumulated losses of the Company exceeds hundred percent of its net worth as on 31.03.2021 The company has not repaid principal as well as interest during the year relating to Working Capital loans availed by it and the Company has certain undisputed Statutory dues as disclosed under this report. These events indicate a material uncertainty that may cast significant doubts on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.	The Company's revenue has been increased tremendously during the FY 2019-20 and 2020-21 as compared to FY 2018-19. Govt. of India has approved the revival package of Rs. 77.45 Crore in the year 2021. Under the non-fund based support of Rs.60.45 Crore approval given for conversion of outstanding Govt. of India loan of Rs. 28.23 Crore into equity share capital and writing off of interest and penal interest of Rs. 32.22 Cr.

## 5. OLD &amp; OBSOLETE STOCKS

Ser	Item	Location	Qty.	Value	Remarks
1.	Large Cardamom	Z/o Nagaland	100kg	92290	Purchased in 2016-17
2.	Chilly Pickle	FJCP Nalkata	54nos	6210.00	10 years above
3.	Chilly Pickle (200 Gms Bottle)	FJCP Nalkata	244 nos	9760.00	
4.	Chilly Pickle (400 Gms Bottle)	FJCP Nalkata	103 nos	7004.00	
5.	Jackfruit Pickle	FJCP Nalkata	313nos	34430.00	
6.	Jackfruit Pickle (200 Gms Bottle)	FJCP Nalkata	55 nos	2145.00	
7.	Jackfruit Pickle(400gms Bottle)	FJCP Nalkata	109 nos	7303.00	
8.	Mango Pickle	FJCP Nalkata	23nos	2320.00	
9.	Mango Pickle (200 Gms Bottle)	FJCP Nalkata	219 nos	8103.00	
			Total	169565.00	

As per 'AS-2' Inventories are to be value at cost or Net Realizable Value, whichever is less, taking into account the damaged stocks, if any, as per physical verification report. Scrutiny of records revealed that the physical status of the above items was not obtained from respective units before valuation and the same were valued at historical cost. As mentioned above, most of the items are perishable in nature which cannot be utilized for its real purpose after elapse of time.

Thus, as per prudence practice of accounting, provision should have been made against these inventories to reflect true & fair view of the financial statements. Non provision of the above has resulted in overstatement of inventories and understatement of Loss for the year by Rs.1.69 lakh

**Management Reply:**

Matter will be placed before the Board of Directors for writing off the old and obsolete stocks.

## 6. PENDING DEBTORS

Ser	Name of Unit/Party	Amount (Rs.)	Remarks
1.	Director of Horticulture, Khanapara, Zonal Office, ASSAM	1,94,11,040	More than 5 years old
2.	M/s Prime Edible (P) Ltd, New Delhi, FJCP, Nalkata	4,14,754	More than 5 years old
3.	Cashew Processing Unit, Agartala	4,10,166	Lying unadjusted from more than 5 years receivable from 36 Nos of parties
4.	Zonal Office, Agartala	77,14,746	Lying unadjusted from more than 5 years receivable from 19 Nos of parties
5.	Zonal Office Sikkim	8,43,459	Lying unadjusted from more than 5 years receivable from 26 Nos of parties
6.	Head Office , Assam	27,75,773	Lying unadjusted from more than 3 years receivable from MDoNER
Total		3,15,69,938	

	<p>The above table shows that an amount of Rs315.69 lakh was due from various parties which were outstanding for a period exceeding 5 years. Non provision of the above resulted in overstatement of trade receivables by Rs.315.69 lakh with understatement of provision as well as Loss for the year by similar amount.</p> <p><b>Management Reply:</b></p> <p>Matter will be placed before the Board of Directors for writing off.</p>																										
7.	<p><b>Note10 of Balance Sheet- Cash &amp; Cash Equivalent</b></p> <p><b>Cash &amp; Cash Equivalent'</b> was overstated by Rs. 120939048 due to inclusion of fixed deposits above 3 months maturity due to inclusion of a fixed deposit, This has also resulted in understatement of <b>Other Bank Balances</b> by Rs.46.94 lakh</p>	<p>Noted :</p>																									
8.	<p><b>PENDING CREDITORS</b></p> <table><tr><th>Ser</th><th>Location</th><th>Amount</th></tr><tr><td>1</td><td>HEAD OFFICE</td><td>14,14,905.10</td></tr><tr><td>2</td><td>ZONAL OFFICE, ASSAM</td><td>1,88,08,155.00</td></tr><tr><td>3</td><td>ZONAL OFFICE, AGARTALA</td><td>1,14,15,097.00</td></tr><tr><td>4</td><td>KOLKATA UNIT</td><td>4,46,47,377.64</td></tr><tr><td>5</td><td>ZONAL OFFICE SIKKIM</td><td>9,04,509.45</td></tr><tr><td></td><td>Total</td><td>77190044.19</td></tr></table>			Ser	Location	Amount	1	HEAD OFFICE	14,14,905.10	2	ZONAL OFFICE, ASSAM	1,88,08,155.00	3	ZONAL OFFICE, AGARTALA	1,14,15,097.00	4	KOLKATA UNIT	4,46,47,377.64	5	ZONAL OFFICE SIKKIM	9,04,509.45		Total	77190044.19			
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	Total	77190044.19																									
9.	<p><b>GOODS &amp; SERVICES TAX (GST)</b></p> <p>Following are the late fees paid on late submission of GST returns which has not been debited in profit &amp; Loss account and thus understatement of Loss for the year by Rs. 4060.00</p> <table><tr><th>Ser</th><th>State</th><th>GST No.</th><th>Late fees Amount</th></tr><tr><td>1</td><td>Guwahati</td><td>18AABCN2315B1Z3</td><td>1300</td></tr><tr><td>2</td><td>Tripura</td><td>16AABCN2315B2Z6</td><td>1200</td></tr><tr><td>3</td><td>Delhi</td><td>07AABCN2315B1Z6</td><td>1400</td></tr><tr><td>4</td><td>Manipur</td><td>14AABCN2315B1ZB</td><td>1020</td></tr><tr><td>5</td><td>Sikkim</td><td>11AABCN2315B1ZH</td><td>160</td></tr></table> <p><b>Following are the amount of GST &amp; Interest paid via DRC-03 in the FY 2020-21 .</b></p> <p>Tax amounts represents the reversal of in eligible tax credit thus overstatement of Current assets by the same amount.</p> <p>An interest amount represents the interest amount on late payment of GST and it has not been</p>			Ser	State	GST No.	Late fees Amount	1	Guwahati	18AABCN2315B1Z3	1300	2	Tripura	16AABCN2315B2Z6	1200	3	Delhi	07AABCN2315B1Z6	1400	4	Manipur	14AABCN2315B1ZB	1020	5	Sikkim	11AABCN2315B1ZH	160
Ser	State	GST No.	Late fees Amount																								
1	Guwahati	18AABCN2315B1Z3	1300																								
2	Tripura	16AABCN2315B2Z6	1200																								
3	Delhi	07AABCN2315B1Z6	1400																								
4	Manipur	14AABCN2315B1ZB	1020																								
5	Sikkim	11AABCN2315B1ZH	160																								

debited to profit and loss account thus overstatement of profit by the same amount.

GSTIN	State	Date of payment	Year	TAX	Interest
16AABCN2315B2Z6	Tripura	15-01-2021	2018-2019	25664	11458
07AABCN2315B1Z6	Delhi	03-08-2020	2017-2018	37082	16190
07AABCN2315B1Z6	Delhi	15-01-2021	2018-2019	9426	5076
18AABCN2315B1Z3	Assam	03-08-2020	2017-2018	26106	15664
18AABCN2315B1Z3	Assam	15-01-2021	2018-2019	32294	12918
14AABCN2315B1ZB	Manipur	15-01-2021	2018-2019	3672	2284
11AABCN2315B1ZH	Sikkim	21-05-2020	2018-2019	2224	1408
<b>TOTAL</b>				<b>136468</b>	<b>64998</b>

**Management Reply:**

Noted

10

**INCOME TAX RETURNS, TAX AUDIT & STATUTORY LIABILITIES**

The Company has not filed its Income Tax return for the FY 2019-20 & 2020-21 u/s 139(1) of the Income Tax Act 1961 and also no Tax Audit has not been conducted for the FY 2020-21 and hence loss cannot be carried forward and TDS refundable Rs233515 has not been claimed

Condonation of delay request has been filed with the Department for the F.Y. 2019-20 & 2020-21. Tax audit for the FY 2020-21 is under process.

11.

**FIXED ASSETS**

As per Ministry of Company Affairs notification dated 11.10.2018, Schedule III to the Companies Act 2013 has been amended to replace "Fixed Assets" with the words "Property, Plant and Equipment". The Balance Sheet and Note 22.1 of the accounts as on 31.03.2021 have not used the words "Property, Plant and Equipment".

Noted for compliance.

12.	<p><b>GRANT RELATEDA</b></p> <p>a. Grant of Rs 1600000.00 was sanctioned by NEC for awareness program in FY 2017-18 but total expenditure amounts to Rs 1775547.00 balance amount Rs 175547.00(1775547-1600000) is still lying under grants (dr. balance) which needs to be adjusted.</p> <p>b. Bill of Rs 5900.00 pertaining to M/S N C Karnany&amp; Co has been booked twice in building grant and thus it is under statement of profit by the same amount.</p> <p>c. Marketing support/Sale Subsidy of Rs 38,52,000.00 Still lying unadjusted in the Balance Sheet.</p>	Noted for compliance.
	<b>Reply to observations made in the CARO</b>	
13.	According to the information and explanations provided to us the Fixed Assets are physically verified at reasonable intervals and material discrepancies were noticed on such verifications are not dealt properly in the books of accounts.	Noted for compliance.
14.	According to the information and explanations provided to us the inventories are physically verified at reasonable intervals, However the discrepancies found in physical inventory verification report are not taken into adjustments for the preparation of Standalone Financial Statements for the year ended 31.03.2021.	Noted for compliance.
15.	Manual records of inventory are maintained by the management. The discrepancies noticed on verification between physical stocks and the book records were not properly dealt with in the books of account.	Noted



16.

According to the information and explanations given to us and based on the company examined by us, the extent of arrears of outstanding on the last day of the financial year for a period of more than six months from the date they become payable are given below.

Particulars	Amount
TDS	51292.00
Professional Tax	1,04,307.56
Assam Vat	2,24,807.00
Income Tax	Disputed amount against which protest amount is paid.

TDS amount paid in the next financial year.

Professional Tax of Rs.30,068/- has been paid in next financial year and for the balance amount details are being traced and accordingly amount will be deposited.

VAT dues are payable since FY 2014-15, which pertains to ZO Arunachal Pradesh. However transaction details are not traceable hence payment is still pending. No demand received from the Department.

17.

According to the records of the Company examined by us and as per the information and explanations given to us, the Company has taken working capital loan from NEDFi/DoNER. No repayment of principal or interest has been made till date.

Particulars	Period (Since)	Amount
Principal	01/04/2016	28,23,00,000.00/-
Interest	01/04/2016	25,63,71,435.82/-
Penal Interest	01/04/2016	6,09,72,134/-

**Management Reply:**

As per the approval given under the revival package approved in the year 2021, outstanding Govt. of India loan of RS. 28.23 Crore has been converted into equity share capital in the FY 2021-22 and interest and penal interest amount will be written off.

To,

**The Members**

**North Eastern Regional Agricultural Marketing Corporation Limited**

**9, Rajbari Path, Ganeshguri, G. S. Road, Guwahati - 781005**

We have examined the records and compliances of **NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPN LTD** bearing CIN : U01409AS1982GOI001932 (referred to as the 'Company') for the financial year ended 31st March, 2021, in terms of the "Guidelines of Corporate Governance for Central Public Sector Enterprises" circulated by the Department of Public Enterprises in the Ministry of Heavy Industries and Public Enterprises of the Government of India vide Memo No. 18(8)2005-GM dated 14.05.2010 (here-in-after referred to as 'Guidelines').

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in above mentioned guidelines. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that Company has complied with the conditions of corporate governance as stipulated in the above mentioned Guidelines, except the following clauses :

Clause 3.1.1 relating to Composition of Board : Though the number of Board members are more than the minimum number of 5 directors, however the board is not constituted as per Article 23 of the Articles of Association of the Company, as the Company has appointed only one representative from North eastern States.

Clause 3.3.1 relating to Number of Board Meetings : Four Board meetings were held during the year and the meetings were held in compliance to the Companies Act, 2013 with gap of only 7 days exceeding between 134<sup>th</sup> and 135<sup>th</sup> meeting. However the provisions of clause 3.3.1 was not complied with in full as the gap between 133<sup>rd</sup> and 134<sup>th</sup> Board meeting and 134<sup>th</sup> and 135<sup>th</sup> Board meeting was more than 3 months. The Agenda of the Board meetings did not cover the minimal information on quarterly results on the operating business of the Company.

Clause 3.3.3 relating to compliances of laws to be reviewed: Compliance and reviewal of only few laws applicable to the Company are being reported.

Clause 3.4.2 relating to affirmation of Compliance with Code of Conduct on an annual basis : No documentary proof regarding affirmations by the board as to compliance of Code of Conduct could be traced.

Clause 3.6 relating to Risk Management: The company has not highlighted about the Risks effecting the company and measures/ policy to mitigate the Risk and Risk Management.

Clause 3.7 relating to Training of Directors: Various Training to Directors to enable them to impart their roles and regulations have not been provided and recorded in Corporate Governance Report.

Clause 4.4 relating to Meeting of Audit Committee: Three meetings of audit Committee was held instead of minimum 4 Audit committee meetings.

Clause 7.3 relating to Board Disclosures -Risk Management: The Company did not lay down procedures about risk management and minimization procedures to the Board and hence there was no periodical review of risk managements both business risk and internal risk.

Clause 7.5.1 relating to Management: The Management Discussion and Analysis Report donot cover the Risks and concerns of the Organisation.

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

*For* **SUDHA & Associates**

**Sd/-**

**CS Sudha Sarma**

Practicing Company Secretary

M. No. F6278 /COP: 15754

UDIN : **F006278E000554947**

Date : 6<sup>th</sup>July, 2023

Place : Guwahati

**M.BORAR & CO.**  
**Chartered Accountants**

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**REVISED INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
North East Regional Agricultural Marketing Corporation Limited

**REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying financial statement of **North East Regional Agricultural Marketing Corporation Limited** ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March 2021, the statement of profit & loss and the cash flow statement for the year ended, and the summary of the significant accounting policies and the explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

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 true and fair view of the financial positions, financial performance and cash flows of the company in accordance with the accounting principal generally accepted in India, including the Accounting Standards specified U/s 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgment and estimate that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the 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 provisions of the Act, and Rules made there under and the Order under section 143(11) of the Act. We conducted our audit in accordance with the Auditing Standards 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, 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 audit opinion on the financial statements.

## **OPINION**

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

(i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2021;

and

(ii) In the case of the statement of profit and loss, of the Loss for the year ended on that date.

- have been prepared in accordance with the requirements of the Companies Act 2013, subject to basis of adverse opinion

We have issued an audit report dated 21.12.2022 ("the original Report") on the financial statements. Pursuant to provisional comments of Comptroller & Auditor General of India u/s 143(6)(b) of Companies Act 2013 the original report has been amended in certain items of observations no 7,8,9, and Basis of adverse opinion point no (1) to comply with their observations.

## **BASIS OF ADVERSE OPINION**

1. Capital work in progress includes the investment of cashew processing plant at Mankachar valued at Rs. 19906029.00 which needs further investment. And has never been operational.
2. A fraud is reported by the Management occurred during the reporting period in the Zonal Office, Agartala . Details disclosed under point no. 5 of the "Report on other Legal and Regulatory Requirement"



**EMPHASIS OF MATTER**

1. No confirmation of balances of Trade Receivables and Trade Payables are available with the company.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the **Annexure A** statement on the matters specified in paragraph 3 and 4 of the Order.

Based on verification of books of accounts of the company and according to information and explanations given to us, we give below a report on the Directions and Sub-directions issued by the Comptroller and Auditor General of India in terms of Section 143 (5) of the Act.

Directions / Sub-Directions u/s 143(5) for the year 2020-21	Auditor's Remark	Impact on Financial Statements
1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes the Company has system in place to process all the accounting transactions through IT system namely Tally ERP .Based on the Audit procedure carried out and as per the explanations and information given to us ,no transactions have been processed / carried outside the IT system . Accordingly there are no implications on the integrity of the Accounts.	Nil
2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	<b>Loan / Debt where company is a borrower:</b> Based on the audit procedures carried out and as per the information and explanations given to us, there were no cases of restructuring or waivers / write-off of debts/loans/interest etc by any lender, due to company's ability to repay the loan during the FY 2020-21. <b>Loan / Debt where Company is lender :</b> Based on the audit procedures carried out and as per information and explanations given to us, there were no cases of restructuring or waivers / write-off of debts/loans/interest etc during the year 2020-21 with regards to amounts lent by the company to the other parties.	Nil



Directions / Sub-Directions u/s 143(5) for the year 2020-21	Auditor's Remark	Impact on Financial Statements
3. Whether funds received/ receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Based on the audit procedures carried out and as per the information and explanations given to us, the funds (Grant / Subsidy) received / receivable for specific schemes from Central / State Agencies were properly accounted for / utilized as per its term and conditions.	Nil

### 3. As per Section 143 (3) of the Companies Act, 2013 we report that :-

- a. We have obtained all the information and explanations which to the best our knowledge and belief were necessary for the purpose of our Audit.
- b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c. In our opinion, the financial statements comply with the accounting standards prescribed U/s 133 of the Act, as Applicable.
- d. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2021 and taken on record by the Board Of directors, none of the Directors are disqualified as on 31<sup>st</sup> March 2021 from being appointed as a director in terms of section 164(2) of the Companies Act 2013
- e. With respect to the adequacy of the internal financial and the operating effectiveness of such controls, refer to our separate Report in “ **Annexure B**”
- f. Except for the matter described in the Basis for Adverse Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the companies (Accounts) Rules 2014.
- g. The directors of the Government Companies were exempted from the provisions of Section 164(2) of the Companies Act 2013, vide notification no GSR 463 dated 5<sup>th</sup> June, 2015.
- h. With respect to the other matters to the included in the Auditor's Report in accordance with Rule 11 of the Company (Audit and Auditors) Rules, 2014, in our opinion to best of our information and according the explanations given to us ;
  - i) The company has disclosed the impact of pending litigations on its Financial position in its Financial Statements-Refer to the Financial Statement,
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any no long-term contracts including derivative contracts.

iii) No amount was required to be transferred to the Investor Education and Protection Fund by the Company.

i. **Our observations/ comments relating to the maintenance of accounts and other matter connected therewith are given :-**

4. The Company's Revenue is on a downward trend, a material amount of debt is outstanding for more than three years, the accumulated losses of the Company exceeds hundred percent of its net worth as on 31.03.2021 The company has not repaid principal as well as interest during the year relating to Working Capital loans availed by it and the Company has certain undisputed Statutory dues as disclosed under this report. These events indicate a material uncertainty that may cast significant doubts on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

#### 5. Impact of fraud

FIR has been lodged by the Management against Mr. Rahul Bhattacharjee Ex employee of the Company with A.D. Nagar police station, West Tripura for the fraud caused in Agartala Zonal Office.

Ser	Particulars	Before Fraud		After Fraud	
		Dr.	Cr.	Dr.	Cr.
1	DEBTORS	12,57,43,434.00		12,57,43,434.00	
2	CREDITORS		14,81,44,551.00		14,85,40,951.00
3	CASH IN HAND	1,58,183.00		12,87,929.00	
4	CASH AT BANK	28,37,06,327.00		28,36,11,556.70	
5	CURRENT LIABILITIES	63,37,58,833.00		63,43,96,533.00	
6	FIXED ASSET	10,07,38,796.00		10,07,38,796.00	
7	ANY OTHER ASSETS	8,95,93,230.00		8,96,70,009.00	
8	ANY OTHER LIABILITIES	3,78,71,516.00		3,78,71,516.00	
	TOTAL	1,27,15,70,319.00	14,81,44,551.00	1,27,33,19,773.70	14,85,40,951.00

Due to fraud physical cash balance is Rs 31836.00 but it should be Rs 1230482.00 and difference Rs 1198646.00 should be treated as loss which has not been done, Bank balance has been under reported by Rs 94770.30, Current liabilities has also been under reported by Rs 637700.00, Other assets has been under reported by Rs 76779.00.

## 6. OLD & OBSOLETE STOCKS

Ser	Item	Location	Qty	Value	Remarks
1	Large Cardamom	Z/o Nagaland	100kg	92290.00	Purchased in 2016-17
2	Chilly Pickle	FJCP Nalkata	54nos	6210.00	10 years above
3	Chilly Pickle (200 Gms Bottle)	FJCP Nalkata	244 nos	9760.00	
4	Chilly Pickle (400 Gms Bottle)	FJCP Nalkata	103 nos	7004.00	
5	Jackfruit Pickle	FJCP Nalkata	313nos	34430.00	
6	Jackfruit Pickle (200 Gms Bottle)	FJCP Nalkata	55 nos	2145.00	
7	Jackfruit Pickle (400gms Bottle)	FJCP Nalkata	109 nos	7303.00	
8	Mango Pickle	FJCP Nalkata	23nos	2320.00	
9	Mango Pickle (200 Gms Bottle)	FJCP Nalkata	219 nos	8103.00	
			Total	169565.00	

As per 'AS-2' Inventories are to be value at cost or Net Realizable Value, whichever is less, taking into account the damaged stocks, if any, as per physical verification report. Scrutiny of records revealed that the physical status of the above items was not obtained from respective units before valuation and the same were valued at historical cost. As mentioned above, most of the items are perishable in nature which cannot be utilized for its real purpose after elapse of time,

Thus, as per prudence practice of accounting, provision should have been made against these inventories to reflect true & fair view of the financial statements. Non provision of the above has resulted in overstatement of inventories and understatement of Loss for the year by Rs.1.69 lakh.

## 7. Pending Debtors

Ser	Name of Unit/Party	Amount Rs.	Remarks
1	Director of Horticulture, Khanapara, Zonal Office, ASSAM	1,94,11,040	More than 5 years old
2	M/s Prime Edible (P) Ltd, New Delhi, FJCP, Nalkata	4,14,754	More than 5 years old
3	Cashew Processing Unit, Agartala	4,10,166	Lying unadjusted from more than 5 years receivable from 36 Nos of parties
4	Zonal Office, Agartala	77,14,746	Lying unadjusted from more than 5 years receivable from 19 Nos of parties
5	Zonal Office Sikkim	8,43,459	Lying unadjusted from more than 5 years receivable from 26 Nos of parties
6	Head Office , Assam	27,75,773	Lying unadjusted from more than 3 years receivable from MDoNER
	<b>Total</b>	<b>3,15,69,938</b>	

The above table shows that an amount of Rs315.69 lakh was due from various parties which was outstanding for a period exceeding 5 years. Non provision of the above resulted in overstatement of trade receivables by Rs.315.69 lakh with understatement of provision as well as Loss for the year by similar amount.

## 8. Note10 of Balance Sheet- Cash& Cash Equivalent

1. 'Cash & Cash Equivalent' was overstated by Rs. 1209390481 due to inclusion of fixed deposits above 3 months maturity due to inclusion of a fixed deposit, This has also resulted in understatement of **Other Bank Balances** by Rs.46.94 lakh

## 9. Pending Creditors

Ser	Location	Amount
1	HEAD OFFICE	14,14,905.10
2	ZONAL OFFICE, ASSAM	1,88,08,155.00
3	ZONAL OFFICE, AGARTALA	1,14,15,097.00
4	KOLKATA UNIT	4,46,47,377.64
5	ZONAL OFFICE SIKKIM	9,04,509.45
	Total	77190044.19

The above table shows that an amount of Rs 771.90 lakh was due to various parties which was outstanding for a period exceeding 5 years. Non provision of the above resulted in overstatement of trade receivables by Rs.771.90 lakh with understatement of provision as well as Loss for the year by similar amount.

#### 10. Goods & Services Tax (GST)

Following are the late fees paid on late submission of GST returns which has not been debited in profit & Loss account and thus understatement of Loss for the year by Rs. 4060.00

Ser	State	GST No.	Late fees Amount
1	Guwahati	18AABCN2315B1Z3	1300
2	Tripura	16AABCN2315B2Z6	1200
3	Delhi	07AABCN2315B1Z6	1400
4	Manipur	14AABCN2315B1ZB	1020
5	Sikkim	11AABCN2315B1ZH	160

Following are the amount of GST & Interest paid via DRC-03 in the FY 2020-21 .

Tax amounts represents the reversal of in eligible tax credit thus overstatement of Current assets by the same amount.

An interest amount represents the interest amount on late payment of GST and it has not been debited to profit and loss account thus overstatement of profit by the same amount.

Gst No	State	Date of payment	Year	TAX	Interest
16AABCN2315B2Z6	Tripura	15-01-2021	2018-2019	25664	11458
07AABCN2315B1Z6	Delhi	03-08-2020	2017-2018	37082	16190
07AABCN2315B1Z6	Delhi	15-01-2021	2018-2019	9426	5076
18AABCN2315B1Z3	Assam	03-08-2020	2017-2018	26106	15664
18AABCN2315B1Z3	Assam	15-01-2021	2018-2019	32294	12918
14AABCN2315B1ZB	Manipur	15-01-2021	2018-2019	3672	2284
11AABCN2315B1ZH	Sikkim	21-05-2020	2018-2019	2224	1408
<b>Total</b>				<b>136468</b>	<b>64998</b>

#### 11. Income Tax returns , tax audit& Statutory Liabilities

The Company has not filed its Income Tax return for the FY 2019-20 & 2020-21 u/s 139(1) of the Income Tax Act 1961 and also no Tax Audit has not been conducted for the FY 2020-21 and hence loss cannot be carried forward and TDS refundable Rs233515 has not been claimed

#### 12. Fixed Assets

As per Ministry of Company Affairs notification dated 11.10.2018, Schedule III to the Companies



Act 2013 has been amended to replace “Fixed Assets” with the words “Property, Plant and Equipment”. The Balance Sheet and Note 22.1 of the accounts as on 31.03.2021 have not used the words “Property, Plant and Equipment”.

### 13. Grant related

- Grant of Rs 1600000.00 was sanctioned by NEC for awareness program in FY 2017-18 but total expenditure amounts to Rs 1775547.00 balance amount Rs 175547.00(1775547-1600000) is still lying under grants (dr. balance) which needs to be adjusted.
- Bill of Rs 5900.00 pertaining to M/S N C Karnany & Co has been booked twice in building grant and thus it is under statement of profit by the same amount.
- Marketing support/Sale Subsidy of Rs 38,52,000.00 Still lying unadjusted in the Balance Sheet.

### 14. Prior period Items

Profit & Loss account has been debited /credited with the following items pertaining to observations by Comptroller & Auditor General of India for the FY 2019-20

As per para 15 of As-5 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 and loss in a manner that their impact on the current profit or loss can be perceived.”

Particulars	Debit	Credit
Penal Interest Accrued And Dues(DONER)	2264211.54	
Interest Accrued & Due(DONER)	525716.99	
Depreciation Block		5278183.30
SBI New Guwahati. Branch	13500.00	
S.B.I , Kolkata Branch	649.00	
Promotional Activity of Building	1840997.00	

The profit & loss account has been credited with net amount of Rs. 633108.77 with prior period items but proper details has not been disclosed

**For M. Borar & Co.**  
Chartered Accountants  
FRN : 314255E

Sd/-  
**(CA. Manish Bagaria)**  
Partner  
Membership No. 303339

Date : 09.03.2023  
Place : Guwahati

UDIN-23303339BGVLEN3838



**M.BORAR & CO.**  
**Chartered Accountants**

**North East Regional Agricultural Marketing Corporation Limited.**  
**“Annexure A” of the Auditors’ Report**

**Annexure referred to in Paragraph VI of the report of even date of the Auditor’s Report to the members of North Eastern Agricultural Marketing Corporation Limited on the accounts for the year ended 31.03.2021.**

- (i) (a) According to the information & explanations provided to us the Fixed Assets Register of the Company is updated. According to the information & explanations provided to us the Fixed Assets Register of the Company is generally maintained records showing particulars of assets.
- (b) According to the information and explanations provided to us the Fixed Assets are physically verified at reasonable intervals and material discrepancies were noticed on such verifications are not dealt properly in the books of accounts.
- (ii) (a) According to the information and explanations provided to us the inventories are physically verified at reasonable intervals, However the discrepancies found in physical inventory verification report are not taken into adjustments for the preparation of Standalone Financial Statements for the year ended 31.03.2021.
- (b) The procedures of Physical verification of inventories followed by the management are adequate in relation to the size of the company and nature of its business.
- (c) Manual records of inventory are maintained by the management. The discrepancies noticed on verification between physical stocks and the book records were not properly dealt with in the books of account.
- (iii) The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) According to the information & explanations given to us and records of the Company examined by us the Company has not made any loans, guarantees and security covered under Section 185 of the Act during the year.
- (v) The Company has not accepted any deposits from the public, as such ; the directives issued by Reserve Bank of India and provisions of section 73 to 76 of Companies Act, 2013 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from public are not applicable.

- (vi) As informed to us the Central Government has not prescribed maintenance of cost records by the company under sub-section (1) of Section 148 of the Companies Act 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues : the company except the dues as reported therein is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and other material statutory dues, as applicable to it, with the appropriate authorities.
- (viii) According to the information and explanations given to us and based on the records of the company examined by us, the extent of arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they become payable are given below :

Particulars	Amount
TDS	51292.00
Professional Tax	1,04,307.56
Assam Vat	2,24,807.00
Income Tax	Disputed amount against which protest amount is paid.

- (ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has taken Working Capital Loan from NEDFI / DONER. No repayment of principal or interest has been made till date. The company has not issued debentures.

Particulars	Period (Since)	Amount
Principal	01/04/2016	28,23,00,000.00/-
Interest	01/04/2016	25,63,71,435.82/-
Penal Interest	01/04/2016	6,09,72,134/-

- (x) In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of Initial Public Offer and Further Public Offer (including Debt Instruments) and Term Loans during the year.
- (xi) A fraud in the Zonal Office, Agartala reported. Details of the fraud is forming part of the 'Observations' section of the report.
- (xii) As the Company is not a Nidhi Company, the Nidhi Rules, 2014 are not applicable to it. Hence the provision of Clause 3(xii) of the order are not applicable to the Company.

- (xiii) The Register to be maintained under section 189 maintained. However no transaction has been entered with the related parties in accordance with sections 177 and 188 of Companies Act, 2013, as no such transaction made during the reporting period as per the information and explanation provided to us.
- (xiv) The Company has not made any Preferential Allotment or Private Placement of Shares or fully or partly Convertible Debentures during the year under audit.
- (xv) According to the information and explanations given to us & record of the Company examined by us, the Company has not entered into any non-cash transactions with Directors or persons connected with them involving acquisition of assets by or from them for consideration other than cash.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as in our opinion and explanations given to us the Company is not a Non Banking Financial Company.
- (xvii) Material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of 1 year from the balance sheet date
- (xviii) There is a cash loss of Rs 6,49,65,665.00 in the current FY
- (xix) No whistle blower complaints have been received during the year by the company

**For M. Borar & Co.**  
Chartered Accountants  
FRN : 314255E

Sd/-  
**(CA. Manish Bagaria)**  
Partner  
Membership No. 303339

Date : 09.03.2023  
Place: Guwahati

**M.BORAR & CO.**  
**Chartered Accountants**

## **Annexure ‘B’ to Independent Auditors’ Report**

(Referred to in Paragraph 1 under Report on Other Legal and Regulatory Requirements 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 **North East Regional Agricultural Marketing Corporation Limited** (“the Company”) as on 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed



risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls System over Financial Reporting

### Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records, 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 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;
- (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 statement.

### Inherent Limitation of Internal financial controls over financial Reporting

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

### Adverse Opinion

In our opinion and according to the information and explanations given to us, the Internal Control System is commensurate with the size of the Company **except at branch level** and the nature of its business with regard to purchase of Inventory, Fixed Assets and Sale of Goods & Services, rights to sign cheques.

**For M. Borar & Co.**  
Chartered Accountants  
FRN : 314255E

Sd/-  
**(CA. Manish Bagaria)**  
Partner  
Membership No. 303339

Date : 09.03.2023  
Place : Guwahati



## North Eastern Regional Agricultural Marketing Corporation

### BALANCE SHEET AS AT 31st MARCH, 2021

Particulars	Note No.	As at 31.03.2021 (Rs. in '000)	As at 31.03.2020 (Rs. in '000)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	76200	76200
(b) Reserves and surplus	2	-592695	-527735
		<b>-516495</b>	<b>-451535</b>
<b>2 Non-current liabilities</b>			
(a) Long Term Borrowings	3	172,300	172300
(b) Long Term Provision	4	19,426	18893
		<b>191,726</b>	<b>191193</b>
<b>3 Current liabilities</b>			
(a) Short Term Borrowings			-
(b) Trade payables	5	162,261	151375
(c) Other current liabilities	6	634,181	482942
		<b>796,442</b>	<b>634317</b>
<b>TOTAL</b>		<b>471,673</b>	<b>373974</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	16663	12345
(ii) Capital Work In Progress		24052.11	25441
(b) Long-term loans and advances			-
(c) Other non-current assets			-
		<b>40,715.59</b>	<b>37786</b>

**2 Current assets**

(a) Inventories	8	3,341.3	2927
(b) Trade Receivables	9	114,560.6	129321
(c) Cash and Cash equivalents	10	214,671.9	116080
(d) Short-term loans and advances	11	92,754.0	82465
(e) Other Current Assets	12	5,629.5	5394

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430,957.4	336188
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**TOTAL**


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471,673	373974
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The Accompanying Notes 1 to 22 are an integral part of the Financial Statements.

For, North Eastern Regional Agricultural Marketing Corporation

For **M.Borar & Co.**

Sd/-  
CMDE Rajiv Ashok (Retd.)  
Managing Director  
DIN : 09598427

Sd/-  
I. Meitei  
Director  
DIN : 08220500

Sd/-  
Sanjiv Kr. Rai  
Company Secretary  
M.No. : A52998

Sd/-  
CA Manish Bagaria  
Partner  
M.No. : 303339

Date :- 05-09-2022

Place :- Guwahati

## North Eastern Regional Agricultural Marketing Corporation

Notes forming part of the Financial Statements for the Year ended 31.03.2021

### NOTE 1 SHARE CAPITAL

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
<b>Authorised</b>		
100000 Equity Shares of 1000/- each	100,000	100,000
<b>Issued, Subscribed &amp; Paid -UP</b>		
76200 Equity Shares of 1000/- each ( Previous Year)	76,200	76,200
<b>Total</b>	<b>76,200</b>	<b>76,200</b>

The Company has only one class of shares referred to as equity share having a par value of '1000/- Each holder of equity shares is entitled to one vote per share.

### NOTE 1 A

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2021 is set out below:

	As at 31.03.2021		As at
31.03.2019			
Particulars	Equity Shares Number	(Rs. In '000)	Equity Shares Number
Shares outstanding at the beginning of the year	76,200	76,200	76,200
Add:- Issued during the Year	-	-	-
Shares outstanding at the end of the year	76,200	76,200	76,200

### NOTE 1 B

The Shareholders holding more than 5% of total paid up capital as at March 31, 2021 are as under :

Ser	Name of Shareholder	As at 31.03.2021		As at 31.03.2019
		No. of Shares held	% Holding	No. of Shares held
1	President of India	76,180	100	76,180
2	Secretary ,North Eastern Council	10	0	10
3	Deputy Secretary,North Eastern Council	10	0	10

Notes forming part of the Financial Statements for the Year ended 31.03.2021(contd.)

## NOTE 2 RESERVE & SURPLUS

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
<b>Surplus/(Deficit) in the Profit &amp; Loss Statement</b>		
Opening balance	-564,486	-487,007
(+) Net Profit/(Net Loss) For the current year	-65,400	-77,479
Revaluation of Provision for Interest		
Closing Balance	-629,886	-564,486
Building Grant	33,641	33,201
Capital Reserve- For Employees Benefit (VRS)	-	-
Depreciation Reserve	-358	-358
Subsidy Reserve- Sale Subsidy	3,852	3,852
Grant-in Aid-Seminar under NMFP	56	56
<b>Total</b>	<b>-592,695</b>	<b>-527,735</b>

## NOTE 3 LONG TERM BORROWINGS

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
<b>Unsecured</b>		
Ministry of DoNER(unmatured )	152,300	152,300
NEDFI	20,000	20,000
<b>Total</b>	<b>172,300</b>	<b>172,300</b>

**NOTE 4 LONG TERM PROVISION**

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
<b>Long Term Provision</b>		
Provision for Gratuity	12,557	12,191
Provision for Leave Encashment	6,868	6,701
<b>Total</b>	<u>19,426</u>	<u>18,893</u>



## Notes forming part of the Financial Statements for the Year ended 31.03.2021(contd.)

**NOTE 5 TRADE PAYABLES**

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
Others	162,261	151,375
<b>Total</b>	<b>162,261</b>	<b>151,375</b>

**NOTE 6 OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
Interest Accrued and due on Borrowings	256,371	224,532
Penal Interest accrued and due on Borrowings	60,972	47,794
Other Payables*	205,374	113,423
Liability for Damage of Stock	7	7
Gratuity Payable	885	4,711
Leave Encashment Payable	571	2,475
Unsecured loan-Ministry of DoNER(Matured)	110,000	90,000
<b>Total</b>	<b>634,181</b>	<b>482,942</b>

\*Other Payables includes Statutory dues , security deposit, grant and advances from customers.

**NOTE 7 FIXED ASSETS**

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
Opening Balance	12,345	13,374
Add: Additions	5,385	141
Less: Transferred to Depreciation Reserve/sold		35
Less: Depreciation	1,067	1,135
	<b>16,663</b>	<b>12,345</b>

## NOTE 8 INVENTORIES

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
Raw Materials	-	-
Finished Goods	2,890	2,476
Stores and Spares	182	182
Others*	269	269
<b>Total</b>	<b>3,341</b>	<b>2,927</b>

*\*Others includes Stocks of packing Materials and Stock of Power and fuel*

*Inventories are carried at cost*

## Notes forming part of the Financial Statements for the Year ended 31.03.2021(contd.)

**NOTE 9 TRADE RECEIVABLES**

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	114,561	129,321
<b>Total</b>	<u>114,561</u>	<u>129,321</u>

**NOTE 10 CASH & BANK BALANCES**

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
a. Balances with banks	88,814	64,650
b. Cash in hand	225	116
c. Remittance in Transit		-
d. Fixed Deposits with Banks	120,939	46,891
e. Fixed Deposits held against B.G.pledge with PNB, Zoo Road.BR	4,694	4,423
<b>Total</b>	<u>214,672</u>	<u>116,080</u>

**NOTE 11 SHORT-TERM LOANS & ADVANCES**

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
<b>b. Others</b>		
Deposits	2,840	2,727
Loans and Advances	31,982	55,072
Others	57,932	24,667
<b>Total</b>	<u>92,754</u>	<u>82,465</u>

**NOTE 12 OTHER CURRENT ASSETS**

Particulars	As at 31.03.2021 (Rs. In '000)	As at 31.03.2020 (Rs. In '000)
Income Tax Receivable	5,561	5,340
Indirect taxes Receivable	69	55
<b>Total</b>	<b>5,630</b>	<b>5,394</b>

## North Eastern Regional Agricultural Marketing Corporation Limited

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020 (Rs. in '000)
<b>Continuing Operations (1)</b>			
I Revenue from operations	13	146,067	207,346
II Other income	14	4,165	31,908
III Total Revenue (1+ 2)		150,232	239,254
IV Expenses :			
Cost of Material Consumed		-	-
Purchase of Stock-in-Trade		137,280	194,395
Changes in inventories of Stock-in-Trade	15	-414	1,104
Employee benefits expenses	16	27,482	39,151
Finance costs	17	42,228	36,115
Depreciation	7	1,067	1,135
Other expenses	18	8,621	36,999
Total expenses		216,265	308,898
V Profit / (-) Loss before exceptional and extraordinary items and tax (III-IV)		-66,033	-69,645
VI Exceptional items			-
VII Profit / (-) Loss before extraordinary items and tax (V-VI)		-66,033	-69,645
VIII Extraordinary Items	20	633	7,835
IX Profit before tax (VII+VIII)		-65,400	-77,479
X Tax expense :			
(1) Current tax			-
(2) Deferred tax			-
XI Profit for the Year from Continuing Operations (IX-X)		-65,400	-77,479



<b>XII</b>	<b>Profit for the Year from Discontinuing Operations</b>		-
<b>XIII</b>	<b>Tax Expense for Discontinuing Operations</b>		-
<b>XIV</b>	<b>Profit for the Year from Discontinuing Operations after Tax (XII-XIII)</b>	-65,400	<b>-77,479</b>
<b>XV</b>	<b>Profit for the Year</b>	-65,400	<b>-77,479</b>
<b>XIV</b>	<b>Earnings per equity share (of Rs 1,000 each ):</b>		
	1.Basic	-0.86	-1.02
	2.Diluted		-1.02
<b>XII</b>	<b>Earnings per equity share (excluding extraordinary items) (of Rs 1,000 each):</b>		
	1.Basic	-0.87	-0.91
	2.Diluted	-0.87	-0.91

The Accompanying Notes 1 to 22 are an integral part of the Financial Statements

For, North Eastern Regional Agricultural Marketing Corporation

For **M.Borar & Co.**

Sd/-  
CMDE Rajiv Ashok (Retd.)  
Managing Director  
DIN : 09598427

Sd/-  
I. Meitei  
Director  
DIN : 08220500

Sd/-  
Sanjiv Kr. Rai  
Company Secretary  
M.No. : A52998

Sd/-  
CA Manish Bagaria  
Partner  
M.No. : 303339

Date :- 05-09-2022

Place :- Guwahati

## North Eastern Regional Agricultural Marketing Corporation Limited

Notes forming part of the Financial Statements for the Year ended 31.03.2021(cont...)

### NOTE 13 REVENUE FROM OPERATIONS

Particulars	For the year ended 31.03.2021 (Rs. In '000)	For the year ended 31.03.2020 (Rs. In '000)
Sales	145,581	205,665
Inter-Branch Sale		1,027
Other Operating Revenue	485.87	654
Sale of Services		-
<b>Total</b>	<b>146,067</b>	<b>207,346</b>

### NOTE 14 OTHER INCOME

Particulars	For the year ended 31.03.2021 (Rs. In '000)	For the year ended 31.03.2020 (Rs. In '000)
Franchisee Fees		-
Interest	2,807	2,694
Income from Hiring of Vehicles		-
Misc. Receipt	60	97
Gratuity	496	16
Event and Exhibition Project	802	29,100
<b>Total</b>	<b>4,165</b>	<b>31,908</b>

## North Eastern Regional Agricultural Marketing Corporation Limited

Notes forming part of the Financial Statements for the Year ended 31.03.2021(cont...)

### NOTE 15 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

Particulars	For the year ended 31.03.2021 (Rs. In '000)	For the year ended 31.03.2020 (Rs. In '000)
Closing Stock	2,890	2,476
Opening Stock	2,476	3,580
<b>Total</b>	<b>-414</b>	<b>1,104</b>

### NOTE 16 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended 31.03.2021 (Rs. In '000)	For the year ended 31.03.2020 (Rs. In '000)
Wages and Salaries (Including Bonus)	24,951	35,350
Staff Welfare	468	1,510
Contribution to Provident & Other Funds including charges	2,063	2,290
<b>Total</b>	<b>27,482</b>	<b>39,151</b>

### NOTE 17 FINANCE COST

Particulars	For the year ended 31.03.2021 (Rs. In '000)	For the year ended 31.03.2020 (Rs. In '000)
Interest on Working Capital Loan	30,819	26,453
Penal Interest on Working Capital Loan	11,410	9,662
<b>Total</b>	<b>42,228</b>	<b>36,115</b>

## North Eastern Regional Agricultural Marketing Corporation Limited

Notes forming part of the Financial Statements for the Year ended 31.03.2021(cont...)

**NOTE 18 OTHER EXPENSES**

Particulars	For the year ended 31.03.2021 (Rs. In '000)	For the year ended 31.03.2020 (Rs. In '000)
Advertisement Expenses	139	237
Administrative Expenses	84	-
Accounting Fees	40	
Auction Expenses	1	
Auditor's Remuneration	173	176
Bank Charges	16	58
Board Meeting Expenses	19	38
Books & Periodicals	5	6
Consultancy Charges	-	74
Electricity Expenses	656	485
Exhibition & Trade Fair	35	26,249
Event & Exhibition	784	
Freight and Transportation	542	461
Fuel Cost (Coal, LPG and Diesel)	276	106
GST Fees	200	117
Insurance	13	30
		-
Interview Expenses	14	10
Labour Charges	8	8
Lease Rent		83
Legal Fees	179	556
Meeting & Conference	7	60
Miscellaneous Expenses	17	68
Office Expenses	165	129
Packing Materials	158	74
Penalty		142
Postage & Courier	25	35
Printing & Stationery	163	136
Prior Period Adjustment		-
Processing Charges	287	321
Professional Fees	428	578

Rate and Taxes		-
Renewal Fees	15	
Rent	2,324	2,900
Repairs and Maintenances	198	484
ROC Expenses	9	211
Commission Charges	4	-
Stall Expenses	135	306
TA Expenses	418	1,830
Telephone and Internet Expenses	254	395
Travelling and Conveyances	113	130
Upkeepment of Vehicle	374	108
Other Exp	342	384
Vehicle Hiring & Running Expenses		13
<b>Total</b>	<b>8,621</b>	<b>36,999</b>



**North Eastern Regional Agricultural Marketing Corporation Limited**

Notes forming part of the Financial Statements for the Year ended 31.03.2021(cont...)

**NOTE 19 Auditor's Remuneration paid during the year**

	For the year ended 31.03.2021 (Rs. In '000)	For the year ended 31.03.2020 (Rs. In '000)
(a) Statutory Audit fees	80	80
(b) Tax Audit fees	28	0
<b>Total</b>		<u>108</u>

**NOTE 20 Extraordinary Items**

	For the year ended 31.03.2021 (Rs. In '000)	For the year ended 31.03.2020 (Rs. In '000)
(a) Impairment loss		7813
(b) Prior Period Adjustment	-633	21

## NORTH EASTERN REGIONAL AGRICULTURAL MARKETING CORPORATION LTD.

**CASH FLOW STATEMENT**  
For the year ended 31st March, 2021

Particulars	2020-21	2019-20	
	(Rs in '000)	(Rs in '000)	(Rs in '000)
<b>Cash Flows from Operating activities</b>			
Net Profit during the year	(65,400)	(77,479)	
Add:			
Depreciation	1,067	1,135	
Provision for Gratuity	(3,460)	927	
Provision for Leave Encashment	(1,736)	381	
Provision for Damage stock	-	-	
Profit on Sale of Fixed Assets	-	(16)	
Interest Paid	42,228	36,115	
Interest Received	(2,807)	(2,694)	
Cash Generated from operations before working capital changes	(30,107)	(41,632)	
(Increase)/Decrease in Stock	(413)	1,103	
(Increase)/ Decrease in Debtors	14,760	(40,617)	
(Increase)/ Decrease in Advances	(10,289)	(50,589)	
(Increase)/Decrease in Other Current Assets	(235)	(521)	
Increase/(Decrease) in Trade Creditors	10,886	30,774	
Increase/(Decrease) in Reserve & Surplus	440	31,187	
Increase/(Decrease) in Other Current Liabilities	156,969	48,846	
	142,010	(21,449)	
<b>Net Cash Flow from Operating activities (A)</b>		142,010	(21,448)
<b>Cash Flows from Investing activities</b>			
Purchase of Fixed Assets	(5,385)	(141)	
Disposal of Fixed Assets	-	51	
Interest Received	2,807	2,694	
Increase in Capital Work-in- Progress	1,389	4,292	
<b>Net Cash Flow from Investing activities (B)</b>		(1,190)	6,897
<b>Cash Flows from Financing activities</b>			
Long term loan Borrowings	-	41,000	
Interest Paid	(42,228)	(36,115)	
<b>Net Cash Flow from Financing activities (C)</b>	(42,228)	4,885	
<b>Net Decrease in Cash ( A+B+C)</b>		<b>98,592</b>	<b>(9,666)</b>
<b>Cash at the beginning of the period</b>		<b>116,080</b>	<b>125,746</b>
<b>Cash at the end of the period</b>		<b>214,672</b>	<b>116,080</b>

**NORTH EASTERN AGRICULTURAL MARKETING CORPORATION LTD. GUWAHATI****NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31.03.2021****Note: 19****SIGNIFICANT ACCOUNTING POLICIES****a) BASIS OF PREPARATION OF FINANCIAL STATEMENT**

- The Financial Statements have been prepared in accordance with on the historical cost convention on an accrual basis and in conformity with the relevant Accounting Standards as notified under the Companies (Accounting Standard) Rules, 2006 as amended by Companies (Accounting Standards) Amended Rules, 2016 and the Companies Act, 2013.
- The Company follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.
- Accounting policies unless specifically stated to be otherwise are consistent and are in consonance with generally accepted accounting principles.

**b) USE OF ESTIMATE:**

The preparation of financial statement in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statement and reported amounts of income and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statement are prudent and reasonable. Difference between actual result and estimates are recognized in the period in which result are known/materialized.

**c) FIXED ASSETS (PROPERTY, PLANT & EQUIPMENT):**

- Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.
- Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.
- Property, plant and equipment (if any) which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".
- Depreciation is provided on a pro-rata basis on written down value method based on estimated useful life as prescribed under Part C of Schedule II to the Companies Act, 2013. However, the assets costing Rs 5,000 or less are fully depreciated in the year of purchase.

- Freehold land is not depreciated.
- The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.
- The figures in balance sheet doesn't includes three leasehold land details as mentioned below because the ownership and title deed are not transferred in the name of NERAMAC
  - a) Land on lease at Silchar measuring 2,30,400 sq ft allotted by Govt of Assam on 05.01.2009-The allocation of the same was cancelled by the Govt. of Assam, O/o the General Manager, District Industries and Commerce Centre, Cachar vide its letter (12/2/2018).The plot was taken over by GM DI & CC on January 2020
  - b) Land on lease at Byrnihaat measuring 4000 sq meter allotted by Govt of Meghalaya on 30.03.2001
  - c) Land on lease at Nalkata measuring 3.64 hectare allotted by Govt of Tripura on 05.09.1986
- d) **DEPRECIATION:**  
Depreciation has been provided based on the useful life as referred to in the Part C of Schedule II of the Companies Act, 2013.
- e) **IMPAIRMENT OF ASSETS:**  
An asset is treated as impaired when the carrying the cost of assets exceed its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired.
- f) **INVENTORIES:**  
Inventories are valued at the lower of cost (on FIFO/ Weighted Average, as the case may be) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Stocks of consumable stores are valued at lower of cost or net realizable value.
- g) **REVENUE RECOGNITION:**  
Revenue from the sale of goods is recognized, net of returns and trade discounts, when the significant risks & rewards of ownership of the goods/services has been transferred to the buyer, which generally Revenue coincides with the delivery of goods to customers.  
  
Other Incomes like interest income is recognized on accrual / time basis whereas dividend (if any) is recognized when the Company's right to receive the payment has been established.  
  
Interest on refund of any tax, duty or cess etc is accounted for as and when they are received.

#### h) **EMPLOYEE BENEFITS:**

Short-term employee benefits based on expected obligation on undiscounted basis are recognized as expenses in the statement of profit & loss of the period in which the related service is rendered.

Post-Employment Benefits:

##### **Defined Contribution Plan:**

Post-employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the employee has rendered services. The employees of the Corporation make monthly fixed contributions to the above schemes equal to a specified percentage of the covered employee's salary.

##### **Defined Benefit Plan:**

**Gratuity:** Provision towards gratuity is made on the basis of actuarial valuation at the end of the financial year, by an actuary in terms of Accounting Standards (AS) 15 – Employees Benefits

**Leave Encashment:** Provision towards Leave Encashment is made on the basis of actuarial valuation at the end of the financial year, by an actuary in terms of Accounting Standard (AS) 15- Employees benefits

#### i) **EMPLOYEE SEPARATION COST:**

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Profit & Loss account in the year of option.

#### j) **EARNING PER SHARE:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary item, if any) by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the profit / (loss) after tax ( including the post tax effect of extraordinary item, if any ) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, ) by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

#### k) **GOVERNMENT GRANTS AND SUBSIDIES:**

Government Grants or Subsidies relating to an expense item are recognized as Asset at the time of its receipt. Government Grants in relation to Fixed Assets are reduced from the actual cost of concerned Fixed Assets.

#### l) **PROPOSED DIVIDEND**

In compliance with Revised Accounting Standard 4 “Contingencies and Events Occurring after the Balance Sheet Date”, Proposed Dividend on equity shares and tax thereon subject to the approval of the shareholders of the Company at the Annual General Meeting is not recognized as liability as at the Balance Sheet date and will be recognized as and when it

is declared.

**m) BORROWING COST:**

Borrowing cost that attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognized as an expense in which they are incurred.

**n) CONTINGENT LIABILITIES:**

Contingent liabilities are disclosed in respect of present possible obligation that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

**o) SEGMENT REPORTING :**

The company has single business segment namely "Processing & marketing of agriculture based products". As such the company business does not fall under the different segment reporting as defined in AS-17 issued under the Companies (Accounting Standards) Rules, 2006

**p) ACCOUNTING FOR INVESTMENT:**

Investments are carried at cost. Investments in Fixed Deposit represent unutilized funds to be deployed for capital expenditure as well as revenue expenditures.



**NORTH EASTERN AGRICULTURAL MARKETING CORPORATION LTD. GUWAHATI**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31.03.2021 Contd.**

**Note:20**

**ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**

1. The figures have been regrouped/reclassified whenever necessary to confirm with current year presentation.
2. The Corporation owns 4000 Sq. m. a plot bearing No. 12 in the EPIP, Byrnihat for setting up a Ginger Processing Unit, which has been provisionally allotted by the Govt. of Meghalaya and whose value has been taken as nil.
3. The Corporation owns 1.54 Bighas of land under Dispur Revenue Circle in the District of Kamrup, Assam for construction of Office building which has been allotted by the Govt. of Assam for a total cost of Rs. 22,50,000/-. This payment was released in the month of May 2011 along with land revenue and taxes for twenty five years amounting to Rs. 28,210/-.
4. The Corporation owns 6 bighas 2 khata and 4 lacha land at Mankachar, District Dhubri for setting up of Cashew nut factory which is valued at Rs. 2,03,932/-.
5. The Corporation is establishing Mancachar Cashew Processing Plant which is Sanctioned through Central Financial Assistance under NLCPR towards the project of "Establishment of Cashew processing plant at Mancachar " in Assam amounting to Rs.248.34 Lac out of which total amount received is Rs 203.19 Lac till the end of FY 2018-2019. Due to escalation of the Project Cost, the construction could not be completed and is at halt. Request for the financial assistance has made to NEC for completion of the remaining work due to the escalation.
6. NERAMAC is Constructing Marketing Complex at Six Mile, Guwahati which is being sanctioned by North Eastern Council (NEC) vide letter Dtd.14/03/2017, NEC with provision of B+G+5 for Office Cum Commercial Building(Block 1) and G+3 for Guest House (Block 2) with a total built up area of 6040.00 sq. m. Sanctioned project cost Rs. 12.89 Crore .The Architect Consultant, M/s Designers' Guild was appointed on 16/11/2017 through competitive bidding. Considering the commercial viability of the site and permissible F.A.R Considering the commercial viability of the site and permissible F.A.R with provision of B+G+7 for Office Cum Commercial Building and B+G+5 for Guest House, total built up area of 6835.45 Sq.m was approved by the Board of Directors on 31/01/2018 and placed for obtaining necessary permission for construction to GMDA/GMC Authorities on 28/03/2018.
7. In the absence of Taxable Profits no deferred Tax liability has been created. Also because of uncertainty of future profits no deferred tax Asset has been created.
8. During the financial year 2004 – 05 the Company has issued two Bank Guarantee drawn on

Punjab National Bank, Zoo Road Branch, Guwahati in favour of the Registrar General, Calcutta High Court (Appellate Suite) for an amount of Rs.19,62,430.85 against pledging Term Deposit bearing No. 18/2004 dt. 06.08.2004 and 1/2005 dt. 11.01.2005. Subsequently renewed on yearly basis as the case is still sub-judice. The current value of the said Bank guarantee is Rs46,93,858

9. The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, impairment is recognized whenever the carrying amount of an asset exceeds its recoverable amount.
10. Trade receivables includes receivables from West Bengal State Seed Corporation Limited amounting Rs 496.97 Lakhs towards supply of 1500.76 MT certified wheat seeds vide order reference no 920/WBSSC dated 31.10.2011, The amount is yet to settled even after 7 years and also the matter is under litigation and the receipt of the amount is doubtful.
11. Continuing default in repayment of loan:

Ser	Year of Release	Loan sanction No. and Date	Sanctioning Authority	Loan Amount (Rs)	Interest payable upto 31/03/2020 (Rs)	Penal interest payable upto 31/03/2020 (Rs)	Year of Default
1	2009-10	5/3/2007-NERAMAC Date:19.05.2009	DoNER	6,700,000	11,530,241	3,273,230	2014-15
2	2009-10	5/3/2007-NERAMAC Date:17.09.2009	DoNER	13,300,000	22,249,078	6,298,084	2014-15
3	2010-11	5/3/2007-NERAMAC Date:15.09.2010	DoNER	20,000,000	30,573,151	8,011,155	2015-16
4	2011-12	5/3/2007-NERAMAC Date:23.08.2011	DoNER	20,000,000	27,863,836	6,700,456	2016-17
5	2012-13	5/3/2007-NERAMAC Date:11.09.2012	DoNER	20,000,000	23,094,247	5,234,249	2017-18
6	2013-14	5/3/2007-NERAMAC Date:18.07.2013	DoNER	10,000,000	10,400,548	2,099,063	2018-19
7	2015-16	5/3/2007-NERAMAC Date:03.02.2016	DoNER	20,000,000	14,121,370	2,057,599	2020-21

12. Contingent liabilities not provided for (Rs in '000)

Creditors	Amount Claimed	Liabilities Provided	Contingent Liabilities
Sobhayaga Advertising, Kolkata	1,990.00	1,262.00	728.00
M/s Harvel Agua Pvt Ltd	3534	1224	2310
M/s R&Z Distributor	2324	0	2324
RatnagirilmpexPvt Ltd	41492	18725	22767
<b>Total</b>	<b>49340</b>	<b>21211</b>	<b>28129</b>

13. Actuarial Valuation of Liability in respect of Gratuity payable to Employees at the time of Retirement has been worked out & provided for as per requirements of AS-15 amounting to Rs13442129 (Previous Year Rs16902471).

DISCLOSURE RELATING TO EMPLOYEE BENEFIT IN ACCORDANCE WITH ACCOUNTING STANDARD 15:

A. Expenses recognized in the Statement	2020-2021	2019-2020 of P & L for the period ended 31.03.2021
1. Current Service Cost	4,24,860	5,15,611.00
2. Interest Cost	10,14,148.00	11,27,259.00
3. Expected return on plan assets	—	—
4. Past Service Cost	—	—
5. Actuarial Loss/ (Gains)	13940	2244097
Total expenses recognized in the Statement of Profit & Loss	1452948.00	38,87,237.00
<b>B. Net Asset/(Liability) recognized in the 2020-2021 2019-2020 Balance Sheet – 31.03.2020</b>		
1. Present value of Defined Benefit Obligation	1,34,42,129	1,69,02,471.00
2. Fair Value of Plan Asset	—	—
3. Funded Status (Surplus/(Deficit))	(1,34,42,129)	(1,69,02,471)
4. Net Asset/ (Liabilities) recognized in the Balance Sheet	(1,34,42,129)	(1,69,02,471)

**C. Change in Defined Benefit Obligations:**

1.	Present Value of DBO on 01.04.2020	1,69,02,471
2.	Current Service Cost	4,24,860
3.	Interest Cost	10,14,148
4.	Past Service Cost (Vested Benefits)	—
5.	Actuarial (Gains)/ Losses	13,940
6.	Benefits Paid	(4913290)
		<hr/>
	Present Value of DBO on 31.03.2021	1,34,42,129

**D. Actuarial Assumption:**

1.	Discounting Rate	5.80%p.a
2.	Rate of increase in Salaries	5.00%p.a
3.	Expected Rate of Return on Plan Asset	NA
4.	Mortality	100% of IALM 2012-14
5.	Withdrawal Rate	2.00%p.a

15. Actuarial Valuation of Liability in respect of Leave Encashment payable to Employees at the time of Retirement has been worked out & provided for as per requirements of AS-15 amounting to Rs.7439723(Previous Year Rs. 9176196).

**DISCLOSURE RELATING TO EMPLOYEE BENEFIT IN ACCORDANCE WITH ACCOUNTING STANDARD 15:**

<b>A. Expenses recognized in the Statement</b>	<b>2020-2021</b>	<b>2019-2020 of P &amp; L for the period ended 31.03.21</b>
1. Current Service Cost	2,40,606.00	2,87,200.00
2. Interest Cost	5,50,572.00	6,29,792.00
Expected return on plan assets	—	—
3. Actuarial Loss/ (Gains)	(387370)	603030
		<hr/>
Total expenses recognized in the Statement of Profit & Loss	4,03,808.00	15,20,022

<b>B. Net Asset/(Liability) recognized in the Balance Sheet – 31.03.2021</b>		<b>2020-2021</b>	<b>2019-2020</b>
1.	Present value of Defined Benefit Obligation	74,39,723.00	91,76,196.00
2.	Fair Value of Plan Asset	—	—
3.	Funded Status [Surplus/(Deficit)]	(7439723)	(9176196)
4.	Net Asset/ (Liabilities) recognized in the Balance Sheet	(7439723)	(9176196)
<b>C. Change in Defined Benefit Obligations:</b>			
1.	Present Value of DBO on 01.04.2020	91,76,196.00	
D.	Current Service Cost	2,40,606.00	
E.	Interest Cost	5,50,572.00	
F.	Actuarial (Gains)/ Losses	(387370)	
1.	Benefit Paid	(2140281)	
Present Value of DBO on 31.03.2021		7439723	
<b>D. Actuarial Assumption:</b>			
1.	Discounting Rate	5.80% p.a	
2.	Rate of increase in Salaries	5.00% p.a.	
3.	Expected Rate of Return on Plan Asset	NA	
4.	Mortality	IALM 06-08 Ultimate	
5.	Withdrawal Rate	2.00%p.a	