

P. K. BHATTACHARYYA & ASSOCIATES

Chartered Accountants

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

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INDEPENDENT AUDITOR'S REPORT

To,
The Members of The State Fisheries Development Corporation Limited

Report on the Financial Statements

- 1 We have audited the accompanying financial statements of The State Fisheries Development Corporation Limited (hereinafter referred to as "the Company") , which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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



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Emphasis of Matters

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

a) Miscellaneous/General Expenditure - Rs. 2871983.70 appearing in "Other Expenses" within Schedule 23

b) Motor Up Keeping - Rs. 3081064.91 appearing in "Other Expenses" within Schedule 23

c) Repairs & Maintenance - Rs. 26871564.17 appearing in "Other Expenses" within Schedule 23

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

Basis for Qualified Opinion :

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I Corporate Social Responsibility :-

(a) Section 135 (5) of the Companies Act, 2013, requires that the Board of every eligible company, "shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy" (hereinafter referred to as "CSR"). A proviso to this Section states that "Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of Section 134, specify the reasons for not spending the amount." Further, Paragraph 8 of Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities issued by the Institute of Chartered Accountants of India categorically states "The above provisions of the Act clearly lay down that the expenditure on CSR activities is to be disclosed only in the Board's Report in accordance with the Rules made thereunder. In view of this, no provision for the amount which is not spent, i.e., any shortfall in the amount that was expected to be spent as per the provisions of the Act on CSR activities and the amount actually spent at the end of a reporting period, may be made in the financial statements"

(b) "Provision for Corporate Social Responsibility A/c" is carrying an opening balance of Rs.2948229/- being unspent amount of CSR for the year(s) pertaining to the period(s) prior to the year under audit. In view of Section 135 of the Companies Act, 2013 this amount should have been written back last year itself in view of the qualifications made by the Statutory Auditor and as the law does not provide for provisioning for CSR, but for spending towards CSR activities. In this view of the matter, Provision for Corporate Social Responsibility appearing under "Short Term Provisions" in Schedule 8 stands overstated for the period under audit to the extent of Rs. 2948229/-, while Prior period Adjustment as well as the resultant Profit (arising out of this write back) for the year stands understated by similar amount of Rs. 2948229/- in view of this prior period adjustment ought to have been made

II Interest on Fixed Deposits and Prior period Adjustment:-



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- (a) During the financial year ended 31st March, 2016, an entry had been incorporated crediting Prior period adjustment for Rs.4223109/- having been passed evidently for understatement of interest accrued but not due on fixed deposits in financial year 2014-2015. This amount included a sum of Rs.230181/- as excess interest booking with respect to FD No. 286 having principal value of Rs.5013151/- with United Bank of India, Salt Lake Branch. Further with respect to the same Fixed Deposit (in its renewed form), excess interest income had been booked for Rs.210936/- pertaining to the financial year 2015-2016 in as much as interest on this Fixed Deposit had been credited to the current account no. 0720050102697 by the bank and at the same time interest income had been booked as interest accrued but not due. Accordingly, "Accrued Interest on FD" that appeared under Other Current Assets (Schedule 16) of the financial year 2015-2016 had been overstated to the extent of Rs. 441117/- (Rs.230181/- for financial year 2014-2015 plus Rs. 210936/- for financial year 2015-2016). During the year under audit this error, though pointed out in the Statutory Audit Report of 2015-2016 has not been rectified by the company - accordingly Accrued Interest and Profit for the year because of this Prior period adjustment that ought to have been made stands overstated by Rs. 441117/-
- (b) Further during the year under audit the company has booked accrued interest on fixed deposit to the extent of Rs. 4280899/- in respect of Fixed Deposits with Indian Overseas Bank, Salt Lake Branch. However for this accrual of interest on fixed deposit, the company has debited "Fixed Deposit (Current Investment)" appearing under "Cash & Cash Equivalents - Schedule 14" instead of debiting "Accrued Interest on FD", which remains the correct practice for booking accrual of interest of fixed deposit and as such was being followed up to the financial year 2015-2016. Accordingly, this has resulted in overstating of "Fixed Deposit (Current Investment)" appearing under "Cash & Cash Equivalents - Schedule 14" and understating of "Accrued Interest on FD" appearing under the head "Other current assets" in Schedule 16 by Rs.4280899/- each.
- (c) Interest on Fixed deposit Receipts is under reconciliation. No interest has been booked on Fixed Deposit Nos. 4413804 & 4413822, renewed on 04/04/2016 and 05/04/2016 respectively with United Bank of India, Salt Lake Branch, Kolkata which had Principal values of Rs. 10045177 and Rs. 10044025 as at 04/04/2015 and 05/04/2015 respectively, both having matured on 04/04/2017 and 05/04/2017 respectively. As the interim details of the concerned Fixed Deposits (i.e. the principal value as at 04/04/2016 and 05/04/2016 respectively and the rate of interest) has not been recorded and readily available with the Company, the actual quantum of interest that has been understated by the Company under Interest Income - Schedule 18 and Accrued interest on Fixed Deposit - Schedule 16 alongwith the understated quantum of Profit for the year cannot be exactly quantified. - in this view of the matter the resultant impact on the profits of the Company or its assets / liabilities cannot be stated at this stage



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- (d) The balance of Fixed Deposits appearing in Schedule 14 at Rs. 89408668/- under the head "Cash and cash Equivalents", amount of interest booked for the year at Rs. 17276887/- reflected in Schedule 18 under the head "Other Income", Rent received for the year at Rs. 7996177/- reflected in Schedule 18 under the head "Other Income" and "Income Tax (TDS receivable)" appearing in Schedule 16 under "Other Current Assets" is under reconciliation. It could positively be identified that accrued interest on Fixed Deposit in Schedule 16 has been kept unchanged vis-a-vis the opening balance of Rs. 5541030/- , while the balance of Fixed Deposits appearing in Schedule 14 has been aggregated with Interest accrued for the year of Rs. 4280899/- and stated as such. Further while comparing with interest on Fixed Deposit for the year from United Bank of India, Salt Lake Branch, with that of the books of account as appearing in the Income Tax website, it is found that while Form 26AS under the Income Tax Rules, 1962 evidences that Interest of Rs. 7162207/- is the interest for the year from UBI, Salt Lake Branch, the books of account has shown booking of Rs. 5673226/- only thereby emanating a difference of Rs. 1488981/- . Coming to Income Tax deducted at source, the Company has booked TDS of Rs. 714606/- in its books of accounts, while Form 26AS evidences TDS of Rs. 984711/-, thereby emanating a difference of Rs. 270105/-. Further while Form 26AS evidences rental income of Rs. 966000/- from Karukrit Advertising Pvt. Ltd., the Company has booked part of this income amounting to Rs. 324000/- on 17/04/2017 though it itself has raised the bill on 01/03/2017. The Company was unable to provide any explanation or clarification and has assured that issues will be reconciled later - in this view of the matter the resultant impact, if any whether on the profits of the Company or its assets / liabilities cannot be stated at this stage

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

- (a) Fixed assets created out of General Fund revealed that though the fixed assets (old) were shown depreciated to a large extent, the same was shown depreciated only through one year (up to 31/03/2014). The Company is neither maintaining any Fixed Asset Register nor any explanation was received relating to date of acquisitions of fixed assets. Instead date of acquisition of all fixed assets (old) was shown on 01/04/2013. Since as per new Companies Act, 2013 depreciation is calculated after considering remaining useful life of assets (from 01/04/2014), showing of fictitious remaining useful life by the Company Has led to incorrect calculation of depreciation and loss, the quantum whereof cannot be ascertained at this stage, in absence of details of the exact date of addition and original cost of these assets.
- (b) During the period under audit the Company has shown in its books of account, total addition of fixed assets for Rs.6180630/- under the head "Fixed Assets created out of General Fund". However while going through the books of account, it was found fixed assets addition to the extent of Rs.161241/- has been charged to Revenue and revenue expenditure to the extent of Rs.1324/- has been treated as addition of fixed asset. In this view of the matter, Capital expenditure and Net Profit for the period to the extent of Rs.159917/- has been understated while Revenue expenditure for the period has been overstated by Rs. 159917/-; specifically :-

(i) "Repairs and Maintenance" appearing under the head "Other Expenses" in Schedule 23 of these accounts stands overstated by Rs. 161241/- while "Fixed Asset Created out of General Fund - Electric Installation" , "Fixed Asset Created out of General Fund - Office Equipment" , "Fixed Asset Created out of General Fund - Plant & Machinery" and "Fixed Asset Created out of General Fund - Computer" appearing under the head "Fixed Assets" in Schedule 9 stand understated by Rs. 82194/- , Rs. 14386/- , Rs. 20961/- and Rs. 43700/- respectively.

(ii) "Repairs and Maintenance" appearing under the head "Other Expenses" in Schedule 23 of these accounts stands understated by Rs. 1324/-, while "Fixed Asset Created out of General Fund- Motor Vehicle" appearing under the head "Fixed Assets" in Schedule 9 stand overstated by similar amount.



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(iii) After taking into cognizance the impact of SI III (b) (i) and III(b)(ii) above, depreciation appearing within Schedule 9 under the head Fixed Assets created out of General Fund and on the face of Profit and Loss Account stand understated by Rs.7157/- each, while Fixed Assets appearing within Schedule 9 and on the face of the Balance Sheet and profit for the period appearing on the face of Profit and Loss Account stand overstated to the same extent of Rs. 7157/-.

(c) It is also found that during the period under audit the Company has made errors in recording the fixed assets acquisitions, which in turn led to wrong booking of depreciation : specifically -

(i) On different dates various fixed assets have been purchased for Rs.281153.00 however all these additions has been debited wrongly under the head "Plant & Machinery" instead of "Electric Installation" on 19/02/2017 in the books of account and while calculating depreciation, the date of acquisition of all these assets has been taken as 19/02/2017. As one of the resultant impacts, "Fixed Asset Created out of General Fund- Plant & Machinery" appearing under the head "Fixed Assets" in Schedule 9 stand overstated by Rs.281153/- while "Fixed Asset Created out of General Fund- Electric Installation" appearing under the head "Fixed Assets" in Schedule 9 stand understated by the similar amount of Rs.281153/-.

(ii) On different dates "Electric Installation" of Rs.296290/- and Plant & Machinery of Rs. 372000/- have been purchased , however all these additions has been debited under the head "Plant & Machinery" in the books of account and while calculating depreciation, the date of acquisition of all these assets has been taken as 21/03/2017. As result of this, "Fixed Asset Created out of General Fund- Plant & Machinery" appearing under the head "Fixed Assets" in Schedule 9 stand overstated by Rs.296290/- while "Fixed Asset Created out of General Fund- Electric Installation" appearing under the head "Fixed Assets" in Schedule 9 stand understated by the similar amount of Rs.296290/-.

(iii) On different dates Electric Installation of Rs.750/- and Plant & Machinery of Rs. 496000/- have been purchased , however all these additions has been debited under the head "Plant & Machinery" in the books of account and while calculating depreciation, the date of acquisition of all these assets has been taken as 20/06/2016. As result of this, "Fixed Asset Created out of General Fund- Plant & Machinery" appearing under the head "Fixed Assets" in Schedule 9 stand overstated by Rs.750/- while "Fixed Asset Created out of General Fund- Electric Installation" appearing under the head "Fixed Assets" in Schedule 9 stand understated by the similar amount of Rs.750/-.

(iv) On different dates Electric Installation of Rs.87592/- has been purchased , however all these additions has been debited under the head "Plant & Machinery" in the books of account and while calculating depreciation, the date of acquisition of all these assets has been taken as 03/06/2016. As result of this, "Fixed Asset Created out of General Fund- Plant & Machinery" appearing under the head "Fixed Assets" in Schedule 9 stand overstated by Rs.87592/- while "Fixed Asset Created out of General Fund- Electric Installation" appearing under the head "Fixed Assets" in Schedule 9 stand understated by the similar amount of Rs.87592/-.

(v) On different dates Electric Installation of Rs.245900/- has been purchased , however all these additions has been debited under the head "Plant & Machinery" in the books of account and while calculating depreciation, the date of acquisition of all these assets has been taken as 06/10/2016. As result of this, "Fixed Asset Created out of General Fund- Plant & Machinery" appearing under the head "Fixed Assets" in Schedule 9 stand overstated by Rs.245900/- while "Fixed Asset Created out of General Fund- Electric Installation" appearing under the head "Fixed Assets" in Schedule 9 stand understated by the similar amount of Rs.245900/-.



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(vi) On different dates Electric Installation of Rs.42000/- has been purchased , however all these additions has been debited under the head "Plant & Machinery" in the books of account and while calculating depreciation, the date of acquisition of all these assets has been taken as 03/10/2016. As result of this, "Fixed Asset Created out of General Fund- Plant & Machinery" appearing under the head "Fixed Assets' in Schedule 9 stand overstated by Rs.42000/- while "Fixed Asset Created out of General Fund- Electric Installation" appearing under the head "Fixed Assets' in Schedule 9 stand understated by the similar amount of Rs.42000/-.

(vii) On 06/10/2016 Electric Installation of Rs.52000/- has been purchased , however this addition has been debited under the head "Office Equipment" in the books of account. As result of this, "Fixed Asset Created out of General Fund- Office Equipment" appearing under the head "Fixed Assets' in Schedule 9 stand overstated by Rs.52000/- while "Fixed Asset Created out of General Fund- Electric Installation" appearing under the head "Fixed Assets' in Schedule 9 stand understated by the similar amount of Rs.52000/-.

(viii) Acquisition of certain fixed assets have been recorded in the books of accounts on incorrect dates instead of its actual date of acquisition, consequently, affecting the depreciation during the year under audit

(ix) The net impact of SI III (c) (i) to SI III (c) (viii) above, is that depreciation, appearing within Schedule 9 under the head Fixed Assets created out of General Fund and on the face of Profit and Loss Account stands understated by Rs.63965/- each, while Fixed Assets appearing within Schedule 9 and on the face of the Balance Sheet and profit for the period appearing on the face of Profit and Loss Account stand overstated to the same extent of Rs. 63965/- each.

IV Error in recording of expenses :-

Following errors have been found in recording of various expenses -

- (a) The Bank Charges are booked in irregular frequency in the books of accounts and the same is under reconciliation. The impact, if any, on the profits of the Company or its assets / liabilities cannot be stated at this stage
- (b) The company has paid Rs.6624/- towards legal charges on 02/02/2017, however only Rs. 5630/- has been debited under the head "Legal Charges" and the balance Rs. 994/- (Rs.6624 - Rs. 5630) has been debited under the head "Consultancy Charges". In view of the same, legal charges for the period under the head "Other Expenses" (Schedule 23) stands understated to the extent of Rs.994/- and consultancy charges for the period under the head "Other Expenses" (Schedule 23) stands overstated to the same extent.
- (c) During the year under audit the company has made sale of raw materials on 31/03/2017 for Rs. 4308/- , payment for which has been received on 11/04/2017. However, the company has not considered this sale as revenue from operation during the year under audit. In view of the same, "Revenue from Operation" (Schedule 17) and "Trade Receivables" (Schedule 13) stands understated to the extent of Rs. 4308/- each.

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



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

VI Tax Deduction at Source:-

- (a) On 03/06/2016, the Company paid Rs.104877.00 (Total Bill Value Rs.114377.00 including consultancy fees of Rs. 95000/- less TDS of Rs.9500.00) towards consultancy charges. The company has deducted Rs. 9500/- but booked TDS liability of Rs. 950/- and accordingly deposited Rs.950/- only. In view of the same, Consultancy charges under the head "Other Expenses" (Schedule 23) and Liability for TDS under the head "Short term borrowings" (Schedule 5) stands understated to such extent of Rs. 8550/- each. Further, as a consequence of the same, interest on TDS under the head "Other Expenses" (Schedule 23) and "Short term borrowings" (Schedule 5) for the period under audit stands understated to the extent of Rs. 1283/- being the quantum of interest calculated upto March 2017) each. The TDS returns need to be rectified too
- (b) On 20/12/2016, the Company paid Rs. 32900/- towards consultancy charges. However, neither TDS has been deducted u/s 194J of the Income tax Act, 1961, for Rs. 3290/- nor this statutory dues has been deposited, thereby attracting Section 40(a)(ia) of the Income Tax Act, 1961, whereby subject to other conditions, 30% of this expenditure stands to be disallowed under the Income Tax Act, 1961.
- (c) No TDS on provision for audit fees and tax audit fees has been made by the Company resulting in non deduction of TDS u/s 194J of the Income Tax Act, 1961 to the extent of Rs. 9000/- for the financial year 2016-2017 thereby attracting Section 40(a)(ia) of the Income Tax Act, 1961 whereby 30% of this expenditure stands to be disallowed under the Income Tax Act, 1961 .
- (d) On 19/12/2016 the Company effected payment of Statutory Audit Fees and Tax Audit Fees pertaining to the year ending 31/03/2016 for Rs. 79002/- by NEFT after effecting TDS of Rs. 7524/-. The Company has neither deposited this TDS till date nor has recorded it in its books of accounts . The books of accounts records this payment at Rs. 79000/- instead of Rs. 79002/-. In this view of the matter, out of pocket expenses by Auditor stands understated by Rs. 5240/- and Service tax component of the audit fees stands understated by Rs. 2286/- under the category "Other Expenses" in Schedule 23 and consequently Profit for the year stands overstated by Rs. 7526/- while TDS payable under the head Current liabilities in Schedule 5 stands understated by Rs. 7524/-.

VII Trade Receivable (Schedule 13) :-

The entire Trade Receivable amount of Rs. 169145/- is over five years old with no correspondences or balance confirmation available. In our opinion, full provision should have been made against the same. In this view of the matter, Trade receivable and profit stands overstated by Rs. 169145/-



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

(a) The entire quantum of Long Term Borrowings aggregating to Rs. 23656639/- (out of which Rs. 17346752/- has been shown as being owed to Government of West Bengal) is subject to balance confirmation without which the impact, if any, cannot be ascertained at this stage. It is further understood that in so far as Unsecured Loan taken from Govt. of West Bengal amounting to Rs. 17346752/- is concerned, the Company suo moto has stopped providing for interest on Govt. loan. The management was unable to provide any reason for such discontinuance of interest provision except for the fact that In the notes to the Accounts appearing in Schedule 24 for the year under audit - no notes are appearing as Sl. No. 5 , which the management claim by inadvertance they have missed out on incorporation of the same, being a repetition of the note that was appearing for the financial year ended 31/03/2016, the facts according to the management remaining the same and being as follows :- " *The Finance costs for the current year has been to be as nil as the company could not locate any supporting documents for the accrual of interest pertaining to a loan taken from the Govt. of WB more than 20 years ago. Moreover, over the years, there has been no communication/claim in this regard from the Govt. of WB and the company has continued to charge interest on loan in its books. The matter will be taken up with the Govt. of WB as this company is a wholly owned Govt. of WB undertaking which is aided by the Govt. of WB* " - in absence of the information the actual liability to the Government of West bengal cannot be stated

(b) The amount of Unsecured loan from NDITA shown at Rs. 6046943/- has reportedly emanated for reasons mentioned below. The amount of loan taken from NDITA for total amount of Rs. 75.40 lakh against which State Fisheries Development Corporation Ltd (Company) had already repaid Rs. 7.98 lakh (first installment), upto financial year 2013-14. As per the term of the agreement repayment would be done on 50:50 ratio out of revenue earned by SFDC from car parking at Nalban Food Park. Against the remaining dues i.e., Rs. 67.42 lakh, the second installment was due to be repaid in 2014-15 and the total revenue earned during the year was Rs. 13.89 lakh resulting in liability of repayment of loan to the tune of Rs. 6.95 lakh. The provision against the same should have been booked during the financial year 2014-15. However, the company neither made any provision nor repaid any amount during 2014-15. The company booked the liability of repayment for the financial year 2014-2015 in the financial year 2015-16 instead of booking under prior period adjustment. Further under similar lines the Company had earned Rs. 20.78 lacs during 2015-16 out of which Rs. 10.39 lakhs was repayable to NDITA. However, no such provision had been made by the Company resulting in understatement of Current liabilities by Rs. 10.39 lacs with corresponding over statement of Non current liabilities .

Further during the year under audit, the company earned Rs. 37.43 lakh as parking fees from Nalban Food Park of which Rs. 18.72 lakh was repayable to NDITA. However, the company has not booked any liability against the same. In this view of the matter, Current Liabilities stands understated while Long Term Borrowings stands overstated by Rs. 29.11 lakh (Rs. 10.39 lakh plus Rs. 18.72 lakh)each.

IX Deferred Tax :-

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



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X Grants :-

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

(a) Under Capital Reserve (Schedule 2) -	Rs.312633593.00	(Closing Balance- Rs.300635609.00)
(b) Under Other Current Liabilities (Schedule 7) -	Rs.39152854.00	(Closing Balance- Rs.198541958.00)
(c) Under Other Income (Schedule 18) -	Rs.215188138.00	
TOTAL	Rs.566974585.00	

(a) The Grantwise utilization is under reconciliation by the Company. The Company has not been able to appropriately clarify the reasons of the varied treatment it has been making as such and made for the year under audit for each of these Grants in the books of accounts. Instances have been found that (i) In the case of "GA Fish Festival " grant shown under Schedule 18 "Other Income" , Rs. 471890/- has been reflected in the Profit & Loss Statement which is the unutilised balance (closing balance)of this grant. and (ii) Even for the grant coming in under the same sanction (Revenue) - the Company has split the grant between Capital Reserve (Schedule 2), Other Current Liabilities (Schedule 7) and Other Income (Schedule 18). The Company has clarified that the grants held by it as custodian for Project of others' have been all parked under Other Current Liabilities (Schedule 7) and are released by it on receipt of appropriate instructions from the appropriate authority. However, as is evident from Schedule 7, the Grants are not necessarily utilized within one year in which case it ought to be shown under Other Long Term Liabilities (Schedule 4). The Company was unable to provide any indication as to the periodicity of the utilization. The amount is not determined even as of now. In this view of the matter, the impact, if any, of overstating of Other Current Liabilities (Schedule 7) with corresponding understating of Other Long Term Liabilities (Schedule 4) cannot be stated. Further, the impact, if any, of splitting the other grants between Capital and Revenue Grants cannot be determined at this stage.

(b) Some specific erroneous accounting treatment is stated as follows. The Company had received Rs. 1760108/- during 2015-16 as grant for Building at Digha and during the year under audit it had expended Rs. 1421219/- towards the same - the net balance of Rs. 338889/- has been reflected under Capital reserve in Schedule 2; however at the same time the Company had shown Capital Work-in-Progress in Schedule 10 of the same project at Rs. 39764/- which ultimately found itself relected as a Non-Current Asset on the face of the Balance Sheet . In our opinion, this amount should have been shown as a deduction from Capital Reserve and the net Capital Reserve on account of this project at Digha and the Non-Current Assets accordingly stands overstated to the extent of Rs. 39764/-

XI Prior Period Adjustment :-

As per Paragraph 15 of Accounting Standard – 5 on "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies" the nature and amount of prior period items should be separately disclosed in the statement of Profit & Loss in a manner that their impact on the current profit or loss can be perceived. The company neither discloses the amount of prior period items in Profit & Loss Statement nor discloses the nature of prior period items, which is not in conformity with the requirements of AS-5. It was found during the year under audit that besides other items, expenses amounting to Rs. 1081882/- pertaining to the financial year 2015-2016 were booked in the respective revenue expenditure heads and not booked through Prior period adjustment. In this view of the matter, the relevant Revenue Expenses (being Other Expenses in Schedule 23 and Employee benefit Expenses in Schedule 21) stood overstated and Prior period Expenditure stands understated by Rs. 1081882/-



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XII Input Tax Credit – Rs. 554569.67/- shown under the head Short term Loans and Advances (Schedule 15)

- (a) It was reported within the Statutory Audit Report of 2015-2016 that during the year ended 31/03/2016, Input Tax Credit Account (referred to as "ITC" hereafter) had been created for Rs. 793095/- on 01/04/15 by crediting Prior Period Adjustment by this amount and stating such sum to be emanating from 2014-2015. However, since then, the Company was not able to provide further details in this matter. Moreover, the books of accounts of 2014-2015 did not create this Input Tax Credit Account for Rs. 793095/-, thereby prejudicing conformity to the provisions of Section 22 and Section 63 of the West Bengal Value Added Tax Act, 2003 read with Rule 87 of the West Bengal Value Added Tax Rules, 2005. Hence, in the last year's statutory report it was opined that creating this ITC in the year 2015-2016 for an issue pertaining to 2014-2015 is not likely to find favour with the West Bengal VAT authorities and as such, full provision for this amount should be made, however no such provision has been made till date. The Company could not furnish any further information on this to warrant any reversal of this opinion. In this view of the matter Prior period adjustment and as a consequence thereof, profit for the period stands overstated by Rs. 793095/- while Input Tax Credit Account under the head "Short terms loans and advances" in Schedule 15 stands overstated by Rs. 793095/-.
- (b) Further, it was stated in the Audit Report of last year that the closing balance of ITC at Rs. 47575/- reflected under "Short Term Loans" in Schedule 15 was not correct in as much as the same was excess payment and not ITC. Excess payment in one financial year is not allowed to be carried forward to the next financial year. Further, in view of what has been stated in Sl. XII (a) above, this excess payment will not stand, but be adjusted against reversal of ITC during the year under audit. The situation remains unchanged this year
- (c) It was further stated in the Audit Report of last year in Note No. 5 XI (c) i.e. year ended 31/03/2016 that "the Company has taken and availed fresh ITC of Rs. 414369/-, out of which ITC to the extent of Rs. 79671/- has been claimed and booked on purchases specified in the Negative list of Section 22 of the West Bengal Value Added Tax Act, 2003, viz. Computers, Motor Cars, Air Conditioning Machines, Refrigerators, etc.. This has had the effect of understating of Fixed Assets to the extent of ITC claimed on them and consequent under-provision of Depreciation, overstating of ITC and loss to the extent of depreciation and ITC claimed. Accordingly Fixed Assets to the net extent of Rs.75596/-, consequent depreciation thereon and loss for the period stand understated to the extent of Rs.4075/- each, while ITC Account stands overstated to the extent of Rs. 79671/-" Further, during this year under audit i.e. year ended 31/03/2017, the Company has taken and availed fresh ITC of Rs. 89559/- on purchases specified in the Negative list of Section 22 of the West Bengal Value Added Tax Act, 2003, viz. Computers, Motor Cars, Air Conditioning Machines, Refrigerators, etc.. This has had the effect of understating of Fixed Assets to the extent of ITC claimed on them and consequent under-provision of Depreciation, overstating of ITC to the extent of depreciation and ITC claimed. Accordingly Fixed Assets to the net extent of Rs.82279/-, consequent depreciation thereon stand understated to the extent of Rs.7280/-, while ITC Account stands overstated to the extent of Rs. 89559/-.
- (d) In view of what has been stated above, it was stated in the Audit Report of last year that Input Tax Credit shown under the head Short term Loans and Advances (Schedule 15) for Rs. 47575/- on the asset side, becomes a net liability for the Company for Rs. 825191/- for the year ended 31/03/2016. On the same lines, in view of what has been stated in Sl. XII(a) to Sl. XII(c) above, Input Tax Credit shown under the head Short term Loans and Advances (Schedule 15) for Rs. 554569.67 on the asset side, becomes a net liability for the Company for Rs. 407755/-

XIII Service tax return and VAT Return:-



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The service tax return and the VAT return vis-à-vis the books of accounts of the Company is under reconciliation by the Company. The resultant impact on the bottom line, if any, cannot be ascertained at this stage.

XIV Inventories (Schedule 12) and Note No. I. 7 and Note No. II. 8, both in NOTES FORMING INTEGRAL PART OF THESE FINANCIAL STATEMENTS (Schedule 24) :-

The entire stocks are under reconciliation. It was stated in the last year's Audit report vide Note No. 5 XIII as follows :
"Stock of liquor at Rs.473628/- and stock of raw materials at Rs. 171753/- has been brought into the ambit of books of accounts for the first time by the Company as at 31/03/2016. Reference in this aspect is made to Note No. II 15. of Schedule 24. The Company has clarified that they did not ascertain the closing stock of liquor and raw materials as on 31st March, 2015 to bring it within the ambit of books of accounts. The stock is under reconciliation. In this view of the matter, the loss for the current period stands understated to the extent of unascertained opening stock at the commencement of business on 01/04/2015 (being closing stock as at 31/03/2015). The full impact, if any, can only be ascertained on completion of reconciliation ." The reconciliation is yet to be completed and accordingly the full impact on the financial statements can only be ascertained after reconciliation. It may be further added that the stock of fish was incorporated in the accounts as per the certificate of closing stocks forwarded by various project offices of the company. The certificate consists of the quantity of fish (in Kg./Mt) of different variety and the rate per kg of the fish. The basis of determination of the quantity of fish at different project offices could not be ascertained. The company has not formulated any explainable method of determination of either ascertaining the physical stock or appropriate valuation of such stock . In view of the aforesaid the import and impact of any on the Profit of the Company or its Assets cannot be stated at this stage

XV Cash and cash equivalents (Schedule 14) :-

- (a) Bank Accounts mentioned at Rs. 339609406.18/- in this schedule include the following balances aggregating to Rs. 130417984.84, for which balance confirmation were not available :-

BANK NAME	AMOUNT (Rs.)
Nalan Food Park HDFC Bank	248202.28
Nalan Food Park ICICI Bank	2592069.66
Nalan Food Park IOB Bank	262165.18
Chotkhand SBI Bank 11877242533	190926.00
Frsergunje PNB Bank 2182002100002110	62126.00
Mangrovr ICICI Bank	45631.00
Goltala Andhra Bank 102311011000326	2829307.55
HIP-A PNB Bank 2182002100001342	1643806.99
HIP-A ICICI BANK 271301000223	1000329.00
HIP B PNB Bank 2182002100001740	258395.27
Jamunadighi SBI Bank 11875996740	40746.95
Krishnabundh SBI Bank 32191062562	100764.58
Nalban Sec A IOB Bank 164202000000040	2178125.02
HO AXIS Bank 914020036320552	6670034.88
HO AXIS Bank NFDB 915010009645620	420000.00
HO AXIS Bank RKVY 915010009770056	57198937.64
HO ICICI Bank 105601002018	21400074.00
HO Yes Bank RKVY 019094600001522	20789611.84
HO SBI Auto Sweep	12486731.00
TOTAL	130417984.84



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- (b) Balance in "Deposit with Treasury" of Rs.329561017/- is subject to reconciliation and balance confirmation.
- (c) It was found that a bank account with YES Bank, Dalhousie Branch, Kolkata has been opened on 09/08/2016 in the name of The SFDCL CAPTN BHRY ECO AND AQUIC, being A/c No. 019094600001534 , the A/c type being that of a Trust, during the year under audit. The account statement of the bank disclosed a closing balance of Rs. 451475.90 as at 31/03/2017. This bank account or anything related to it has not been reflected within the books of accounts of the Company or the financial statements except that a sum of Rs. 190000/- was paid by the Company from United Bank of India, A/c No. 07250050102697, Salt Lake Branch on 14/02/2017 which has been booked as Security Deposit for Rs. 100000/- and Rent for Rs. 90000/-. Proper clarification of this venture could not be furnished by the Management. It appears that an agreement dated as 01/08/2016 was entered into between the Company and Captain Bhery Fishermen's Co-operative Society Limited , by virtue of which a Partnership/Joint Venture had been formed. The Management states that amount received from Government of West Bengal had been channelled through this account - however complete accounts or the result and/or otherwise import and impact of this agreement appears nowhere in the books of accounts or the financial statements. As a consequence of this, we are unable to comment upon the resultant impact and import it has on the profits of the Company and its Assets or liabilities thereof.
- (d) Further the following discrepancies have been found in recording of bank transactions :-
- (i) In case of Andhra Bank (Saltlake) A/C No.102311011000326 of Goltala Fisheries Project , bank charges amounting to Rs. 132/- has not been debited in the Profit & Loss Statement of the year under audit. In view of the same, bank charges for the period under the head "Other Expenses" (Schedule 23) stands understated to the extent of Rs.132/- and profit for the period under audit alongwith the Bank Balance stands overstated to the same extent.
- (ii) On 20/12/2016, advertisement charges of Rs.5000/- had been paid to Dum Dum Christ Church Girls' High School vide cheque no. 286281 dated 20/12/2016 and Rs. 10000/- had been paid to Sibarani Prokashani vide cheque no. 286282 dated 20/12/2016 from UBI Bank of Head Office (A/c No.0720050102697), however these cheques had not been presented for clearance by the payees as at 31/03/2017. The validity of these cheques have expired and reversal of the same by way of increasing the bank balance and Outstanding creditors for expenses for the period under the head "Other Current Liabilities" (Schedule 7) by Rs.15000/- has not been effected thereby leading to these balances being understated to the extent of Rs. 15000/-
- (iii) On 26/12/2016, security deposit of Rs.10000/- had been refunded to Awadh Security Services (P) Ltd. vide cheque no. 286292 dated 26/12/2016 from UBI Bank of Head Office (A/c No.0720050102697), however this cheque had not been presented for clearance by the payee as at 31/03/2017. The validity of this cheque has expired and reversal entry for this has not been passed by the auditee. In view of the same, both Security Deposit for the period under the head "Current Liabilities (formerly Short Term Borrowing)" (Schedule 5) and the Bank Balance stands understated to the extent of Rs.10000/-
- (e) The Company needs to strengthen its system with respect to exercising control over its Cash and cash equivalents

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



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

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

No provision has been made, nor the disputed matters detailed in Note No. 4 and Note No. 6. I aggregating to Rs. 89970062/- pertaining to Income tax matters as well as Note Nos. 6 II., aggregating to Rs.42729673/- pertaining to Provident Fund matters appearing in Schedule No. 24 have been disclosed as Contingent Liability. In our considered opinion these disputed matters should have been disclosed under Contingent Liability. In this respect, it may be stated that under Note No. 6 II, the following further matter had been recorded in the earlier year, but evidently, and as explained, inadvertently, the same had been missed out for incorporation in the Notes within the Current year's accounts. The issue is as follows :- "In the High Court: AST No. 255 of 2007, SFDC vs Regional Provident Fund Commissioner- Regional Provident Fund Commissioner issued an attachment order on UBI B.D Market Branch to pay Rs.4754563.75 on 13.04.07 for interest and penalty for delay in depositing of PF dues within due dues for the period 01/04 to 11/04 & 12/04 to 12/05. The Hon'ble High Court was moved and the HC stayed the order of the RP Commissioner dated 13.04.2007. On the same day the amount of Rs.4754563.75 was remitted to the Regional Provident Fund Commissioner by UBI. The case is pending". The management states there has been no change in status regarding this. In other words, further quantum of Rs. 4754563.75 should have been disclosed towards Contingent Liability under Provident Fund matters in the year under audit

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

No provision has been made in the accounts for the year under audit for expenses that have accrued during the year. The Company appears to have booked its expenditure on cash basis except for Provision of Audit Fees and Tax Audit Fees. From the sample checks conducted, revenue expenses aggregating to Rs. 3160448/- under the following specified heads and Capital expenditure for Rs. 965806/- were found to be understated and correspondingly "Other Current liabilities" reflected in Schedule 7 stood understated to the extent of Rs. 4126254.00, detailed as below :-

(i) Other Expenses (Schedule 23)	1310182.00	
(ii) Employee Benefit Expenses (Schedule 21)	134820.00	
(iii) Purchase of Stock in trade (Schedule 19)	1715446.00	3160448.00
(iv) Fixed Assets (Schedule 9)		965806.00
		<u>4126254.00</u>

XIX Earning per Equity Share (EPS) not stated in Profit and Loss Account

It is found that the Company has not stated the EPS during the year under audit. The same should have been stated at Rs. 2633.84 in the current year. Further, the EPS for the year ended 31/03/2016 actually stood at Rs. (21566.60) [negative value]; however the same had been stated at Rs. (58.00)



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XX Holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016

The Company has not provided full requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

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

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

(i) Profit for the period as per the audited Profit & Loss account is Rs.711135.88. Taking into consideration the impact of Sl No. 5 I (b), 5 II (a), 5 III (b) & III (c) (ix), 5 IV (c), 5 V (a) & (b), 5 VI (a) & (d), 5 VII, 5 XII (a) & (c), 5 XV (d) (i), 5 XVIII of this report as mentioned above, this account stood overstated at the level of Profit before taxes by Rs. 1772138/-, now resulting in balance of Rs.1061002/- (Dr).

(ii) "Other Expenses" in Schedule 23 - Amount as per the audited Profit & Loss account is Rs.76049369.04. Taking into consideration the impact of Sl No. 5 III (b), 5 V(a) & 5 V (b), 5 VI (a) & VI (d), 5 XI, 5 XV (d) (i), 5 XVIII of this report as mentioned above, this account stood understated by Rs.718692/-, now resulting in balance of Rs.76768061.04

(iii) "Employee Benefit Expenses" in Schedule 21 - Amount as per the audited Profit & Loss account is Rs.218296323.20. Taking into consideration the impact of Sl No. 5 XI & 5 XVIII of this report as mentioned above, this account stood overstated by Rs.277179/-, now resulting in balance of Rs.218019144.20

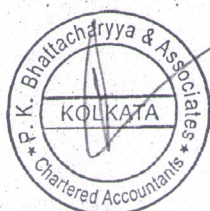
(iv) Prior Period Adjustment currently appearing under "Reserves & Surplus" in Schedule 2 -Balance as per audited Balance Sheet is Nil. Taking into consideration the impact of Sl. No. 5. I (b), 5.II (a), 5 XI, 5 XII (a) & 5 XII (c) of this report as mentioned above - this account stood understated by Rs.552464/- , now resulting in balance of Rs. 552464/- and to appear in the Profit and Loss Account separately as a part of Total Revenue

(v) Accrued Interest on FD appearing under "Other Current Assets" in Schedule 16 - Balance as per audited Balance Sheet is Rs.5541030/- .Taking the impact of Sl.No. 5.II (a) and 5.II(b) of this report as mentioned above, this account stood understated by Rs.3839782/- , now resulting in balance of Rs.9380812/-.

(vi) Fixed Assets created out of General Fund appearing under "Fixed Assets & Depreciation" in Schedule 9 - Balance as per audited Balance Sheet is Rs.18654561.25. Taking the impact of Sl. No. 5.III (b) & (c), 5 XII (c) and 5.XVIII of this report as mentioned above - this account stood understated by Rs.1132805/- , now resulting in balance of Rs.19787366.25

(vii) Other Current Liabilities in Schedule 7 - Balance as per audited Balance Sheet is Rs.202721697/- . Taking impact of Sl.No.5.V (a) & (b) and 5 XVIII of this report as mentioned above - this account stood understated by Rs.4347073/-, now resulting in balance of Rs.207068770/-

(viii) "Depreciation & amortization Expenses" appearing in Schedule 9 as well as on the face of the Profit and Loss Account - The amount has been stated at Rs. 2456500/-. Taking the impact of Sl. No. 5.III(b)(iii), 5.III(c)(ix) and 5.XII(c), of this report as mentioned above - this account stood understated by Rs.82477/- , now resulting in balance of Rs. 2538977/-



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(ix) "Current Liabilities (Short Term Borrowing)" appearing in Schedule 5 - Balance as per audited Balance Sheet is 47083711/-. Taking the impact of Sl.No. 5.VI (a) & (d), 5 VIII (b) and 5 XV (d) (ii) & 5 XV (d) (iii) of this report as mentioned above, this account stood understated by Rs.9833/-, now resulting in balance of Rs.47093544/-

(x) Input Tax Credit appearing under "Short Term Loans and Advances" in Schedule 15 - Balance as per audited Balance Sheet is Rs.554569.67 (Dr.). Taking the impact of Sl.No. 5.XII (a) & (c) of this report as mentioned above, this account stood overstated by Rs.962325/-, now resulting in balance of Rs.407755.33 (Cr.)

(xi) " Revenue from Operation" in Schedule 17- Amount as per audited Profit & Loss Account is Rs.174852537.76. Taking the impact of Sl. No.5. IV (c) of this report as mentioned above this report as mentioned above, this account stood understated by Rs. 4308/-, now resulting in balance of Rs.174856845.76

(xii) " Trade Receivable" in Schedule 13- Amount as per audited Balance Sheet is Rs.169145/-. Taking the impact of Sl. No.5. IV (c) and 5 VII of this report as mentioned above, this account stood overstated by Rs. 164837/-, now resulting in balance of Rs. 4308/-

(xiii) Fixed Deposit (Current Investment) appearing under " Cash & Cash Equivalents " in Schedule 14- Amount as per audited Balance Sheet is Rs.89408668.29. Taking the impact of Sl. No.5. II (b) of this report as mentioned above, this account stood overstated by Rs. 4280899/-, now resulting in balance of Rs. 85127769.29

(xiv) " Long Term Borrowings " in Schedule 3- Amount as per audited Balance Sheet is Rs. 23656639/-. Taking the impact of Sl. No.5. VIII (b) of this report as mentioned above, this account stood overstated by Rs. 2911000/-, now resulting in balance of Rs. 20745639/-

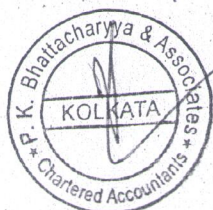
(xv) Bank Accounts appearing under " Cash & Cash Equivalents " in Schedule 14- Amount as per audited Balance Sheet is Rs.339609406.18. Taking the impact of Sl. No.5. XV (d) (i), XV (d) (ii) and XV (d) (iii) of this report as mentioned above, this account stood understated by Rs. 24868/-, now resulting in balance of Rs. 339634274.18

(xvi) "Purchase of Stock in Trade " in Schedule 19 - Amount as per audited Balance Sheet is Rs.339609406.18. Taking the impact of Sl. No.5. XVIII of this report as mentioned above, this account stood understated by Rs. 1715446/-, now resulting in balance of Rs. 30807593/-

XXII Current Tax, Provision for Taxation appearing under the head "Short Term Provisions" (Schedule 8) and Profit for the period from continuing operations :-

In terms of Sl. 5 XXI (i) above of this report, the Company has actually incurred loss of Rs. 1061002/- However as per the audited Profit and Loss Statement the company has shown a profit of Rs. 711135.88, hence, Provision for Income Tax should be made taking in to consideration Section 115JB of the Income Tax Act, 1961. In this view of the matter, Current Tax appearing on the face of the Profit and Loss Account and Provision for Taxation appearing under the head "Short Term Provisions" (Schedule 8) both stand understated to the extent of Rs. 135507/- each. The loss for the period from continuing operations accordingly stands at Rs. 1196509/- (Rs. 1061002/- as Loss plus Current Taxes at Rs. 135507/-).

XXIII Provision for Corporate Social responsibility, Provision for Taxation appearing under the head "Short Term Provisions" (Schedule 8) :-



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Short Term Provision appearing in Schedule 8 - Balance as per audited Balance Sheet is Rs.66252560/- comprising amongst others :- Provision for Corporate Social Responsibility at Rs. 2948229/- and Provision for Taxation at Rs. 19444453/- . Taking the impact of Sl.No.5.I (b) of this report as mentioned above, Provision for Corporate Social responsibility stood overstated by Rs. 2948229/-, now resulting in balance of Rs. NIL. Further taking the impact of Sl.No.5.I XXII of this report as mentioned above, Provision for Taxation stood understated by Rs. 135507/-, now resulting in balance of Rs. 19579960/-. In totality Short Term Provision appearing in Schedule 8 stood overstated by Rs. 2812722/- (Rs. 2948229/- less Rs. 135507/-), now resulting in balance of Rs. 63439838/-

XXIV "Reserves & Surplus" (Schedule 2) :-

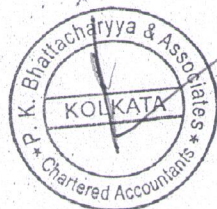
Reserves & Surplus appearing in Schedule 2 - Balance as per audited Balance Sheet is Rs. 361725735.58 comprising amongst others :- Profit/Loss for the period at Rs. 711135.88 (Cr.) and Prior Period Adjustment at Nil balance. Taking the impact of Sl.No.5.XXI (i) and 5 XXII of this report as mentioned above, the Profit for the period, being Profit for the period from continuing operations stood overstated by Rs. 1907645/- (Rs. 1772138/- plus Rs. 135507/-), now resulting in balance of Rs. 1196509/- (Dr.). Further taking the impact of Sl. No. 5. I (b) , 5.II (a), 5 XI, 5 XII (a) & 5 XII (c) of this report as mentioned above, Prior Period Adjustment stood understated by Rs. 552464/-, now resulting in balance of Rs. 552464 (Cr.) in as much as it should have been shown in the Profit and Loss Account. In totality, Reserves & Surplus appearing in Schedule 2 stood overstated by Rs. 1907645/- , now resulting in balance of Rs. 359818090/-

XXV Due to Micro and Small Enterprises

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

XXVI Cash Flow Statement :-

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



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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion** paragraph above, the aforesaid financial statements give the information required in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India state of affairs of the Company as at 31st March, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 6 As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143 (11) of the Act, we enclose in the annexure a statement on matters specified in paragraph 3 & 4 of the said order marked as **Annexure "A"**
- 7 As required by Section 143 (3) of the Act, we report that:
 - a.) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b.) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c.) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d.) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e.) The provisions of Section 164(2) of the Companies Act, 2013 are not applicable to this Government Company in terms of Notification no. GSR 463(E)[F.NO.1/2/2014-CL-V], DATED 5-6-2015
 - g.) With respect to the adequacy of the internal financial controls over financial reporting of the Company under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"), we refer to our separate report enclosed and marked as **Annexure "B"**.



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- h.) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements in Notes – Refer Note II) 1 disclosed as Contingent liability, and further Note Nos. 4, 6 I. pertaining to Income tax matters as well as Note Nos. 6 II. pertaining to Provident Fund matters, for which neither any provision has been made nor disclosed as Contingent liability
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - The Company has not provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

Place :- Kolkata

Date :-

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



Prasun Kumar Bhattacharyya
Partner
Membership No. 053002



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ANNEXURE - A Report under the Companies (Auditor's Report) Order, 2016 The State Fisheries Development Corporation Limited Referred to in of our report of even date

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

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

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

- 2 As explained to us, Stock of liquor and stock of raw materials has been brought into the ambit of books of accounts for the first time by the Company as at 31/03/2016. The Company has represented that they did not ascertain the closing stock of liquor and raw materials as on 31st March, 2015 to bring it within the ambit of books of accounts. The stock is under reconciliation. The inventory has been ascertained as at the year end by the management. In our opinion, the frequency of verification is not reasonable. The discrepancies between the physical stocks and the book records, if any, accordingly, could not be ascertained during the year under audit. The basis of determination of the quantity of fish at different project offices could not be ascertained. The company has not formulated any explainable method of determination of either ascertaining the physical stock or appropriate valuation of such stock . In view of the aforesaid the import and impact of any on the Profit of the Company or its Assets cannot be stated at this stage
- 3 As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.



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The State Fisheries Development Corporation Limited

Referred to in of our report of even date

- 4 The company has not given any loans, investments guarantees, and security
- 5 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- 6 It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.
- 7 a.) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it, save and except for Service Tax on Lawyers Fees and Rent-a-cab under Reverse Charge Mechanism of Service Tax of Rs.192496/-, Swachh Bharat Cess of Rs. 6695/-, Krishi Kalyan Cess of Rs. 2875/- and interest of Rs. 18753/- (interest calculated upto March 2017) has neither been paid nor provided for under the Finance Act, 1994 AND instances of TDS liability under the Income Tax Act, 1961 for Rs. 12290/-, which had neither been deducted nor booked in the books of Accounts nor this statutory due had been deposited and TDS for Rs. 16074/-, which had been deducted but strangely neither booked in the books of Accounts nor this statutory due had been deposited. Other than these, according to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.
- 7 b.) According to the information and explanations given to us, the dues of sales tax, income tax, custom duty, wealth tax, excise duty and Cess that have not been deposited with appropriate authorities on account of any dispute and the forum where the disputes are pending are given below

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	23,447,521.00	Assessment Year 2005 - 2006	High Court, Calcutta
Income Tax Act, 1961	Income Tax	29,519,646.00	Assessment Year 2006 - 2007	High Court, Calcutta
Income Tax Act, 1961	Income Tax	7,011,591.00	Assessment Year 2007 - 2008	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	12,322,540.00	Assessment Year 2012 - 2013	Commissioner of Income Tax (Appeal)
Income Tax Act, 1962	Income Tax	38,599,934.00	Assessment Year 2014 - 2015	Commissioner of Income Tax (Appeal)
Employees Provident Fund & Misc Provision Act, 1952	Provident Fund Contribution	7,196,209.00	October 2005 to October 2006	Regional Provident Fund Commissioner
Employees Provident Fund & Misc Provision Act, 1952	Provident Fund Contribution	19,284,466.00	1980 to 2001	High Court, Calcutta



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

The State Fisheries Development Corporation Limited

Referred to in of our report of even date

Employees Provident Fund & Misc Provision Act, 1952	Interest on delay payment of Provident Fund	14,189,108.00	October 2005 to October 2006	Regional Provident Fund Commissioner
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- 8 Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
- 9 According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loans.
- 10 Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
- 11 The provisions of section 197 read with Schedule V to the Companies Act pertaining to Managerial remuneration is not applicable to this Company in terms of NOTIFICATION NO. GSR 463(E)[F.NO.1/2/2014-CL-V], DATED 5-6-2015
- 12 The company is not a Nidhi Company hence this clause is not applicable.
- 13 According to the information and explanation given to us, the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. Further, in terms of information and explanation given to us, the provision of first and second proviso to sub-section (1) of section 188. of the Companies Act, 2013, in terms of NOTIFICATION NO. GSR 463(E)[F.NO.1/2/2014-CL-V], DATED 5-6-2015 is not applicable to the Company in so far as it relates to contracts or arrangements entered into by it with any other Government company which the Company has entered into. In this respect, however, it may be stated that the Company has entered into an agreement with Captain Bhery Fishermens' Cooperative Society Ltd. on 01/08/2016 the import and impact of which cannot be stated in absence of appropriate recording and in absence of clarification by the management
- 14 The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15 According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- 16 The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For P. K. Bhattacharyya & Associates

CHARTERED ACCOUNTANTS

FRN 317002E



Prasun Kumar Bhattacharyya

Partner

Membership No. 053002

Place :- Kolkata

Date :-

25/9/2017



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The State Fisheries Development Corporation Limited

Period :- Year ended 31st March, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of The State Fisheries Development Corporation Limited (hereinafter referred to as "the Company") as at 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act and Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.



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The State Fisheries Development Corporation Limited

Period :- Year ended 31st March, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



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The State Fisheries Development Corporation Limited

Period :- Year ended 31st March, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

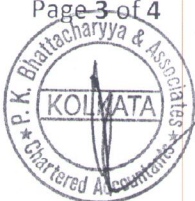
possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal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

Qualified Opinion

According to the information & explanations given to us and based on our audit, the following material weakness have been identified as at 31st March 2017:-

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

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



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The State Fisheries Development Corporation Limited

Period :- Year ended 31st March, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

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

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

Prasun Kumar Bhattacharyya
Partner

Membership No. 053002

Kolkata, the 25th day of September, 2017

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

The State Fisheries Development Corporation Limited

Period :- Year ended 31st March, 2017

(I) Valuation of Assets & Liabilities

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

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

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

(III) Inventories

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

(IV) Legal/ arbitration cases

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

(V) Title/Lease deeds

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

For P. K. Bhattacharyya & Associates

CHARTERED ACCOUNTANTS

FRN 317002E

Prasun Kumar Bhattacharyya

Partner

Membership No. 053002

Attached :- Annexure GD(IV)



P. K. BHATTACHARYYA & ASSOCIATES

Chartered Accountants

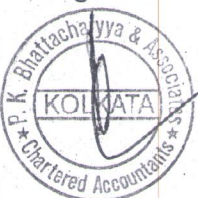
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Annexure to General Direction under Section 143(5) of the Companies Act, 2013
The State Fisheries Development Corporation Limited
Period :- Year ended 31st March, 2017

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

INCOME TAX CASES

1. **For the AY 06-07 (Appeal No. 339/CIT(A)-1/C-2/08-09):**
Tax claimed by the Dept. is Rs. 2,95,19,646. The case is pending with the ITAT.
Appeal was made challenging the :-
 - a. Disallowance of a sum of Rs. 4,60,00,000 as grants-in-aid for salary, PF & flood relief.
 - b. Disallowance of a sum of Rs. 2,62,816 for interest paid on account of PF contribution deposited after due date.
2. **For the AY 07-08: (Appeal No.355/CIT(A)-1/C-1/09-10):**
Tax claimed by the Dept. is Rs.70,11,591. The case is pending with the CIT(A).
Appeal was made challenging the
 - (a) Disallowance of a sum of Rs. 4,28,32,604 as grants-in-aid for salary, PF etc.
 - (b) Disallowance of employees PF contribution of Rs.10,41,759
 - (c) Disallowance of a sum of Rs. 2,76,056 for interest paid on account of PF contribution deposited after due date.
3. **In the High Court: W.P. No. 1153 of 2010, SFDC vs The Commissioner of Income Tax, Circle 2, Kol and ors:**
SFDC had challenged the notice issued u/s 226(3) and the subsequent withdrawal of an amount of Rs. 91,04,987 from SFDC's bank a/c by the Commissioner of Income Tax.
4. **For the AY 12-13**
Tax claimed by the Deptt. is Rs.1,23,22,540/-. Appeal pending before CIT(A)
5. **For the AY 14-15**
Tax claimed by the Deptt. is Rs.3,85,99,934/-. Appeal pending before CIT(A)



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**Annexure to General Direction under Section 143(5) of the Companies Act, 2013
The State Fisheries Development Corporation Limited
Period :- Year ended 31st March, 2017**

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

PROVIDENT FUND CASES

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

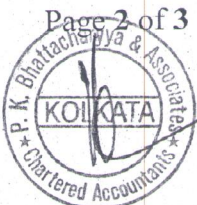
The Department claims an amount of Rs. 71,96,209 on account of liability arising out of non-payment of dues pertaining to the Security Contractors engaged by them as well as the differential liability accruing on account of payment at the rate of 10% instead of 12% for the period from 10/2005 to 2/2006.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

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

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

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

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



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Annexure to General Direction under Section 143(5) of the Companies Act, 2013
The State Fisheries Development Corporation Limited
Period :- Year ended 31st March, 2017

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

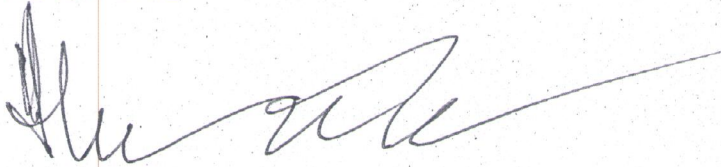
3. In the High Court: AST No. 255 of 2007, SFDC vs Regional Provident Fund Commissioner –

Regional Provident Fund Commissioner issued an attachment order on UBI, B.D. Market Branch to pay `47,54,563,75 on 13.04.07 for interest and penalty for delay in depositing of PF dues within due date for the period 01/04 to 11/04 & 12/04 to 12/05. The Hon'ble High Court was moved and the HC stayed the order of the RPF Commissioner dated 13.04.2007. On the same day the amount of `47,54,563.75 was remitted to the Regional Provident Fund Commissioner by UBI. The case is pending. Further details not available with the company.

4. SFDC vs Regional Provident Fund Commissioner –

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

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



Prasun Kumar Bhattacharyya
Partner
Membership No. 053002
Kolkata, the 2nd day of September, 2017



P. K. BHATTACHARYA & ASSOCIATES

Chartered Accountants

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

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

Email :- prasuntax@gmail.com; alpana.jb@gmail.com

Sector Specific Sub-directions under Section 143(5) of the Companies Act, 2013.

The State Fisheries Development Corporation Limited

Period :- Year ended 31st March, 2017

1. Examine and report the cases of dispute if any on the contract relating to supply of hardware as well as software. In the event of such assets remaining with the company, please report on its valuation and accounting in the books.

On the basis of explanations and clarifications given to us, it has emanated that the Company does not have any dispute pertaining to supply of hardware as well as software. Computers created out of General Fund revealed that though the Computers (old) were shown depreciated to a large extent, the same was shown depreciated only through one year (up to 31/03/2014). The Company is neither maintaining any Fixed Asset Register nor any explanation was received relating to date of acquisitions of these assets. Instead date of acquisition of all computers (old) were shown on 01/04/2013. Since as per new Companies Act, 2013 depreciation is calculated after considering remaining useful life of assets (from 01/04/2014), showing of fictitious remaining useful life by the corporation has led to incorrect calculation of depreciation and loss, the quantum whereof cannot be ascertained at this stage in absence of details of the exact date of addition and original cost of these assets. Further, the Company has not appropriately recorded the addition of fixed assets during the year of audit in its books of accounts, specifically :-

- (i) On different dates computers have been purchased for Rs.101031.00 however while calculating depreciation, the date of acquisition of all these assets has been taken as 09/03/2017. In view of this matter depreciation for the period under audit has been under charged to the extent of Rs.15548/-.
 - (ii) On different dates computers have been purchased for Rs.370647.00 however while calculating depreciation, the date of acquisition of all these assets has been taken as 09/01/2017. In view of this matter depreciation for the period under audit has been under charged to the extent of Rs.37316/-.
2. What Is the system of recovering fees/ charges in regard to providing manpower to various agencies? Report the cases where no such recovery has been affected and accounted for.

On the basis of explanations and clarifications given to us, it has emanated that the Company does not provide manpower service



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The State Fisheries Development Corporation Limited

Period :- Year ended 31st March, 2017

3. What is the system of receiving revenue share from the franchise?

Not applicable

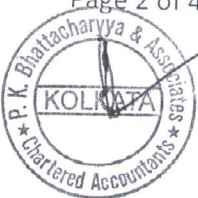
4. Report the cases wherein software, hardware or IT enabled system is lying redundant/ outdated.

No such cases were found or detected during the year under audit

5. What is the system of accounting of grants/ subsidies received from Central/ State Government or its agencies for performing certain activity? Comment on the cases of diversion wherein the grants were not utilized for the purpose for which these were received.

The Grantwise utilization is under reconciliation by the Company. The Company has not been able to appropriately clarify the reasons of the varied treatment it has been making as such and made for the year under audit for each of these Grants in the books of accounts. Instances have been found that (i) In the case of "GA Fish Festival " grant shown under Schedule 18 "Other Income" , Rs. 471890/- has been reflected in the Profit & Loss Statment which is the unutilised balance (closing balance)of this grant. and (ii) Even for the grant coming in under the same sanction (Revenue) - the Company has split the grant between Capital Reserve (Schedule 2), Other Current Liabilities (Schedule 7) and Other Income (Schedule 18). The Company has clarified that the grants held by it as custodian for Project of others' have been all parked under Other Current Liabilities (Schedule 7) and are released by it on receipt of appropriate instructions from the appropriate authority. However, as is evident from Schedule 7, the Grants are not necessarily utilized within one year in which case it ought to be shown under Other Long Term Liabilities (Schedule 4). The Company was unable to provide any indication as to the periodicity of the utilization. The amount is not determined even as of now. In this view of the matter, the impact, if any, of overstating of Other Current Liabilities (Schedule 7) with corresponding understating of Other Long Term Liabilities (Schedule 4) cannot be stated. Further, the impact, if any, of splitting the other

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Sector Specific Sub-directions under Section 143(5) of the Companies Act, 2013.

The State Fisheries Development Corporation Limited

Period :- Year ended 31st March, 2017

grants between Capital and Revenue Grants cannot be determined at this stage. A specific erroneous accounting treatment is stated as follows. The Company had received Rs. 1760108/- during 2015-16 as grant for Building at Digha and during the year under audit it had expended Rs. 1421219/- towards the same - the net balance of Rs. 338889/- has been reflected under Capital reserve in Schedule 2; however at the same time the Company had shown Capital Work-in-Progress in Schedule 10 of the same project at Rs. 39764/- which ultimately found itself relected as a Non-Current Asset on the face of the Balance Sheet . In our opinion, this amount should have been shown as a deduction from Capital Reserve and the net Capital Reserve on account of this project at Digha and the Non-Current Assets accordingly stands overstated to the extent of Rs. 39764/-

6. Examine the system of effective utilization Loans/ Grant-in-Aid/ Subsidy. List the case of diversion of funds.

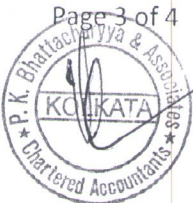
None could be detected on test check basis

7. Examine the cost benefit analysis of major capital expenditure/ expansion including IRR and payback period. -

No such analysis is available with the Company.

8. If the audit entity has computerized its operations or part of it, assess and report, how much of the data in the company is in electronic format, which of the area such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and the company has evolved proper security policy for data/ software/hardware?

The Company is in a transition phase wherein all data relating to operations are being computerized. The accounting records are being maintained both in manual form and entered subsequently in the Tally ERP package. The financial statements are prepared



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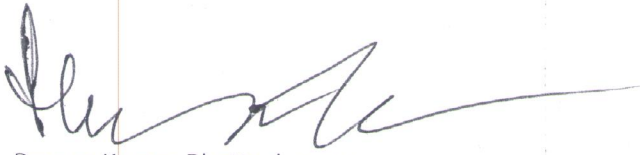
Sector Specific Sub-directions under Section 143(5) of the Companies Act, 2013.

The State Fisheries Development Corporation Limited

Period :- Year ended 31st March, 2017

on the basis of balances evolving out of the ERP package; however sufficient security policy for data/ software is yet to be implemented. The Company is yet to evolve a suitable and comprehensive system of Internal Financial Controls.

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



Prasun Kumar Bhattacharyya
Partner

Membership No. 053002

Kolkata, the 25th day of September, 2017



The State Fisheries Development Corporation Limited

Balance Sheet as as at 31st March, 2017

Particulars	Note No.	Figures as at the end of	Figures as at the end of
		current reporting period	previous reporting period
		Amount [Rs.]	Amount [Rs.]
Equity & Liabilities			
Shareholders' Fund			
Share Capital	1	27,000,000.00	27,000,000.00
Reserve & Surplus	2	361,725,735.58	144,925,528.70
Non-Current Liabilities			
Long Term Borrowings	3	23,656,639.00	23,656,639.00
Other Long term liabilities	4	26,255,547.00	26,255,547.00
Long-Term Provisions	24	122,899,047.00	122,899,047.00
Current Liabilities			
Short Term Borrowing	5	47,083,711.00	31,330,856.00
Trade Payables	6	193,196.00	193,196.00
Other Current Liabilities	7	202,721,697.00	326,346,285.00
Short Term Provision	8	66,252,560.00	66,372,560.00
Total		877,788,132.58	768,979,658.70
Assets			
Non Current Assets			
Fixed Assets	9	31,207,275.25	28,487,957.00
Tangible Assets			
Capital Work in Progress	10	322,996.00	39,764.00
Intangible Assets under development			
Non Current Investment	11	1,500,000.00	1,500,000.00
Deferred Tax Assets (net)			0.00
Long-Term Loans & Advances			0.00
Other Non-Current Assets			0.00
Current Assets			
Current Investments			0.00
Inventories	12	43,539,588.00	31,907,454.00
Trade Receivables	13	169,145.00	169,145.00
Cash & Cash equivalents	14	766,268,952.16	673,539,878.70
Short Term Loan & Advances	15	19,984,075.67	19,583,886.00
Other current Assets	16	14,796,100.50	13,751,574.00
Total		877,788,132.58	768,979,658.70

The accompanying notes are integral part of the financial statements.

As per our report of even date

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

Firm Registration No. 317002E

Chartered Accountants

Prasun Kumar Bhattacharyya

Partner

Membership No: 053002

Place : Kolkata

Date : 25.09.2017


Managing Director


Chairman


Secretary


Chief Accounts Officer



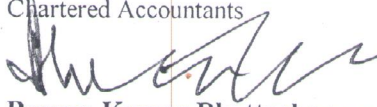
The State Fisheries Development Corporation Limited

Statement of Profit and Loss for the Year ended 31st March, 2017

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		Amount [Rs.]	Amount [Rs.]
Revenue From Operations	17	174,852,537.76	137,240,992.95
Other Income	18	270,487,111.80	224,319,479.11
Total Revenue		445,339,649.56	361,560,472.06
Expenses			
Purchase of Stock in Trade	19	29,092,147.00	16,879,667.17
Cultural Expenditure	25	130,366,308.44	87,938,393.37
Changes of Inventories of finished goods Work in Progr	20	(11,632,134.00)	(3,373,764.00)
Employee Benefit Expenses	21	218,296,323.20	206,217,299.81
Finance Cost	22	0.00	0.00
Depreciation and amortization expenses	9	2,456,500.00	2,938,501.00
Other expenses	23	76,049,369.04	56,799,018.01
Total Expenses		444,628,513.68	367,399,115.36
Profit before exceptional and extraordinary items and tax		711,135.88	(5,838,643.30)
Exceptional Items			0.00
Profit before extraordinary items and tax			(5,838,643.30)
Extraordinary Items			0.00
Profit before tax			(5,838,643.30)
Tax Expenses			
Current tax			0.00
Deferred tax			0.00
Profit/(Loss) from the period from continuing operations		711,135.88	(5,838,643.30)
Profit/(Loss) from discontinuing operations			0.00
Tax expense of discounting operations			0.00
Profit/(Loss) from Discontinuing operations			0.00
Profit/(Loss) for the year		711,135.88	(5,838,643.30)
Earning per Equity Share			
Basic			(58.00)
Diluted			(58.00)

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **P. K. Bhattacharyya & Associates**
Firm Registration No. 317002E
Chartered Accountants


Prasun Kumar Bhattacharyya
Partner

Membership No: 053002

Place : Kolkata

Date : 25.09.2017


Managing Director


Chairman


Secretary


Chief Accounts Officer



1	Share Capital	31/Mar/2017		31-Mar-2016	
		Number	Amount [Rs]	Number	Amount [Rs]
	Equity Share Capital				
	Authorised				
	Equity shares of Rs. 1,00,000 each	300	30,000,000	300	30,000,000
	Issued				
	Equity shares of Rs. 1,00,000 each	270	27,000,000	270	27,000,000
	Subscribed & fully Paid up				
	Equity shares of Rs. 1,00,000 each	270	27,000,000	270	27,000,000
	Total	270	27,000,000	270	27,000,000

1 (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		31-Mar-2017	31-Mar-2016
		Amount [Rs]	Amount [Rs]
	Equity Shares		
	Particulars		
	Shares outstanding at the beginning of the Year	270	270
	Shares Issued during the Year	-	-
	Shares bought back during the Year	-	-
	Any other movement	-	-
	Shares outstanding at the end of the Year	270	270

1 (b)	Terms / rights attached to equity shares The company has only one class of equity shares having par value of ` 1,00,000 per share. Each holder of equity shares is entitled to one vote per share.
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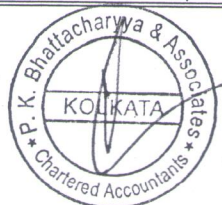
1 (c) Details of shareholders holding more than 5% shares in the Company				
Equity Shares	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Name of Shareholder				
Governor of W.B Through the Secretary of Fisheries Dept.	266	98.5%	266	98.5%


Managing Director


Chairman



2	Reserves & Surplus Surplus / Deficit	31/Mar/2017 Amount [Rs]	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]	31/Mar/2016 Amount [Rs]
	Capital Reserve				
	Grant From GOI Under CSRE Scheme Balance as per last A/C	22,852.00			
	Add: Grant From GOI Under CSRE Scheme received			23,819.00	
	Less: Dep-Grant From GOI Under CSRE Scheme A/c	967.00	21,885.00	967.00	22,852.00
	Grant from GOI (ASIDE) Balance as per last A/C	2,760,535.00			
	Add: Grant from GOI (ASIDE) received			3,164,881.00	
	Less: Dep-Grant from GOI (ASIDE) A/c	392,164.00	2,368,371.00	404,346.00	2,760,535.00
	Grant from Govt of WB (Flood) Balance as per last A/C	5,521,681.00			
	Add: Grant from Govt of WB (Flood) received			5,849,719.00	
	Less: Dep-Grant from Govt of WB (Flood) A/c	300,101.00	5,221,580.00	328,038.00	5,521,681.00
	Grant from Govt of WB for Eco-Tourism & Road (HIP) Balance as per last A/C	7,816,328.00			
	Add: Grant from Govt of WB for Eco-Tourism & Road (HIP)			8,306,907.00	
	Less: Dep-Grant from Govt of WB for Eco-Tourism & Road (HIP)	311,580.00	7,504,748.00	490,579.00	7,816,328.00
	Grants for R.K.V.Y Development Balance as per last A/C	78,701,998.00			
	Add: During the year	182,713,000.00		3,538,600.00	
	Less: Expenditure	71,365,186.00	190,049,812.00	82,408,000.00	78,701,998.00
	Grants for N.M.P.S. Balance as per last A/C	8,881,049.00			
	Less: Expenditure	5,840,704.00	3,040,345.00	13,601,381.00	8,881,049.00
	Grant from Govt. (R.K.V.Y. Scheme) Goltala Balance as per last A/C	2,195,993.00			
	Less: Expenditure	1,793,410.00	402,583.00	2,991,106.00	2,195,993.00
	Grants from NFDB Balance as per last A/C	22,720.00			
	Add: During the year	3,767,038.00		2,920,251.00	
	Less: Expenditure	2,489,487.00	1,300,271.00	0.00	22,720.00
	E.K.W.M.A. Balance as per last A/C	679,553.00			
	Less: Expenditure	504,204.00	175,349.00	765,342.00	679,553.00
	GA Nalban Goltala Jamunadighi Balance as per last A/C	20,487,123.00			
	Add: During the year	2,791,523.00		97,067,200.00	
	Less: Expenditure	27,109,679.00	(3,831,033.00)	0.00	20,487,123.00
	GA Development Balance as per last A/C	1,500,719.00			
	Add: During the year	8,922,575.00		4,201,367.00	
	Less: Expenditure	11,746,192.00	(1,322,898.00)	8,830,000.00	1,500,719.00
	GA Beautification of Nalban Food Park Balance as per last A/C	3,836,105.00			
	Add: During the year			16,773,318.00	
	Less: Expenditure	3,965,400.00	(129,295.00)	0.00	3,836,105.00
	GA Building at Digha Balance as per last A/C	1,760,108.00			
	Less: Expenditure	1,421,219.00	338,889.00		1,760,108.00
	GA Inland & Marine Fishing Villages & Cold Storage		114,109,457.00		
	GA RIDF: During the year	82,436,228.00			
	Less: Expenditure	51,740,457.00	30,695,771.00		
	GA Utsav & Mela		330,000.00		
	Net Surplus/Deficit in Profit & Loss Account: Balance as per last financial statements	10,738,764.70		10,041,468.00	
	Add/Less: Prior Period Adjustment			6,535,940.00	
	Add: Profit/(Loss) for the period	711,135.88	11,449,900.58	(5,838,643.30)	10,738,764.70
	Total		361,725,735.58		144,925,528.70



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3	Long Term Borrowings	31/Mar/2017 Amount [Rs]	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]	31-Mar-2016 Amount [Rs]
	Unsecured Loan From W.B. State Fisheries Co-Op. Federation Ltd.		30,000.00		30,000.00
	Unsecured Loan From Govt. of W.B.		17,346,752.00		17,346,752.00
	Unsecured Loan From NDITA		6,046,943.00		6,046,943.00
	Unsecured Loan From W.B. Fisheries Corp		232,944.00		232,944.00
	Total		23,656,639.00		23,656,639.00

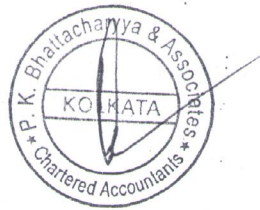
4	Other Long term liabilities	31/Mar/2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	Interest on Govt. Loan Accrued & Due	24,933,573.00	24,933,573.00
	Interest on Moratorium As Govt. Loan	1,321,974.00	1,321,974.00
	Total	26,255,547.00	26,255,547.00



Managing Director



Chairman



5	Current Liabilities (formerly Short Term Borrowing)	31/Mar/2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	Computer Loan	750.00	-
	Employees Contribution to Provident Fund	2,416,202.00	2,516,524.00
	GPF	11,000.00	-
	Group Insurance	240.00	-
	Professional Tax	13,473.00	38,510.00
	Employees Co-Operative Credit Society	391,733.00	629,324.00
	Life Insurance Corporation of India	173,095.00	206,953.00
	Labour Cess	1,322.00	-
	Security Deposit	44,071,929.00	27,939,545.00
	Works Contract Tax	3,967.00	-
	Total	47,083,711.00	31,330,856.00

6	Trade Payables	31/Mar/2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	Trade Payables	193,196.00	193,196.00
	Total	193,196.00	193,196.00

7	Other Current Liabilities	31 March 2017 Amount [Rs]	31 March 2017 Amount [Rs]	31 March 2016 Amount [Rs]	31 March 2016 Amount [Rs]
	Grant in aid (Beautification of Captain Bhery)				
	Balance as per last A/C	3,353,731.00		21,417,813.00	
	Add: During the year	910,663.00		1,700,000.00	
	Less: Expenditure	4,616,416.00	(352,022.00)	19,764,082.00	3,353,731.00
	Deposit Work (HIDCO)				
	Balance as per last A/C	4,116,739.00		6,513,010.00	
	Less: Expense		4,116,739.00	2,396,271.00	4,116,739.00
	Outstanding Creditors for Expenses - Outstanding creditors				151,891.00
	GA Feed				
	Balance as per last A/C	317,781,867.00		109,256,117.00	
	Add: During the year	30,904,000.00		264,308,200.00	
	Less: Purchase of Feed	157,296,436.00	191,389,431.00	55,782,450.00	317,781,867.00
	Fund for POL (Motor Vehicle) - Kept as custodian				
	Balance as per last A/C	852,057.00		999,219.00	
	Add: During the year	64,411.00		-	
	Less: Expenditure	569,699.00	346,769.00	147,162.00	852,057.00
	GA Hilsa Conservation - Kept as custodian				
	Balance as per last A/C			11,465,600.00	
	Add: During the year	4,600,000.00			
	Less: Expenditure		4,600,000.00	11,465,600.00	-
	GA Consultancy Charges				
	Balance as per last A/C	20,000.00			
	Add: During the year	143,000.00			
	Less: Expenditure	163,000.00	0.00		20,000.00
	GA Bengal Fish Festival		2,530,780.00		
	Liability for Statutory Audit Fees		45,000.00		35,000.00
	Liability for Tax Audit Fees		45,000.00		35,000.00
	Total		202,721,697.00		326,346,285.00

8	Short Term Provisions	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]
	Provision for Bonus	1,250,000.00	1,250,000.00
	Provision for Gratuity	25,619,363.00	25,619,363.00
	Provision for Leave Encashment	16,990,515.00	16,990,515.00
	Provision for Corporate Social Responsibility	2,948,229.00	2,948,229.00
	Provision for Taxation	19,444,453.00	19,564,453.00
	Total	66,252,560.00	66,372,560.00

10	Capital Work in Progress	31/Mar/2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	Exp. For Beautification of Nalban	283,232.00	-
	Building at Digha	39,764.00	39,764.00
	Total	322,996.00	39,764.00

Managing Director

Chairman



11	Non Current Investment	31/Mar/2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	West Bengal Fisheries Corporation Limited	1,500,000.00	1,500,000.00
	Total	1,500,000.00	1,500,000.00

12	Inventories	31/Mar/2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	As valued and certified by the management		
	Stock of Liquor	257,919.00	473,628.00
	Stock of Raw Materials	1,760,107.00	171,753.00
	Stock of Fish	41,521,562.00	31,262,073.00
	Total	43,539,588.00	31,907,454.00


13	Trade Receivables	31/Mar/2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	Unsecured Considered good		
	Trade Receivables		
	-- Debts outstanding for a period exceeding six months	169,145.00	169,145.00
	Total	169,145.00	169,145.00

14	Cash & Cash equivalents	31/Mar/2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	Cash Balances	1,132,886.69	1,024,191.96
	Remittance in Transit Projects	6,508,000.00	
	Bank Accounts	339,609,406.18	420,306,535.45
	Deposit with Treasury	329,561,017.00	167,081,382.00
	Fixed Deposit (Current Investment)	89,408,668.29	85,127,769.29
	Security Deposit WBSEDCL	48,974.00	
	Term Deposit Of NFP	-	-
	Total	766,268,952.16	673,539,878.70

15	Short Term Loans and Advance	31/Mar/2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	Advance Payment of Income Tax (Asset)	14,102,092.00	14,102,092.00
	Input Tax Credit	554,569.67	47,575.00
	Advance (Staff & Outsiders)	5,287,156.00	5,392,011.00
	Festival Advance	40,258.00	42,208.00
	Total	19,984,075.67	19,583,886.00

16	Other Current Assets	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]
	Accrued Interest on FD	5,541,030.00	5,541,030.00
	Vat Deposit	329,921.00	
	Income tax (TDS Receivable)	1,398,047.50	683,442.00
	Advance Tax	5,000,000.00	5,000,000.00
	Income Tax Refundable	2,527,102.00	2,527,102.00
	Total	14,796,100.50	13,751,574.00


Managing Director


Chairman



17	Revenue From Operations	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]
	Revenue From Pisciculture		
	Sale of Fish	145,324,955.19	113,954,252.28
	Revenue From Guest Houses		
	Sale of Beverages	686,513.00	673,387.00
	Sale of Food	15,162,169.00	9,772,893.50
	Sale of Liquor	7,841,210.00	8,737,894.00
	Room Rent	1,412,252.00	1,489,162.00
	Misc Sale	354,397.50	254,266.00
	Revenue From Stalls	4,071,041.07	2,359,138.17
	Total	174,852,537.76	137,240,992.95

18	Other Income	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]
	Entry Fees	2,290,611.00	3,012,403.00
	Grant in Aid (Fish Festival)	471,890.00	-
	Grant in Aid (Pisciculture)	53,821,200.00	16,700,000.00
	Grant in Aid (Salary)	160,895,048.00	147,889,000.00
	GA RKVY Administrative Cost	-	750,000.00
	Interest Income	17,276,886.84	17,103,834.29
	License Fees received	-	600,000.00
	Miscellaneous Receipt	23,842,137.72	13,030,608.82
	Parking Fees	3,743,761.00	2,742,581.00
	Tender Fees/Form	149,400.00	57,500.00
	GA Feed SFDC	-	17,609,860.00
	Rent received	7,996,177.24	4,823,692.00
	Total	270,487,111.80	224,319,479.11

19	Purchase of Stock in Trade	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]
	Purchase of Raw Materials and Spice	22,739,585.00	11,938,641.17
	Purchase of Fish	3,097,253.00	1,161,747.00
	Purchase of Liquor	3,255,309.00	3,779,279.00
	Total	29,092,147.00	16,879,667.17

20	Changes of Inventories of finished goods Work in Progress & Stock in trade	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]
	Changes in Stock of Fish	(10,259,489.00)	(2,728,383.00)
	Changes in Stock of Liquor	215,709.00	(473,628.00)
	Changes in Stock of Raw Materials	(1,588,354.00)	(171,753.00)
	Total	(11,632,134.00)	(3,373,764.00)

21	Employee Benefit Expenses	31/Mar/2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	Administrative Charges	1,017,863.00	1,142,054.00
	Allowance of Staff	2,672,303.00	2,683,006.00
	Bonus	1,368,929.00	1,268,031.00
	Corporation Provident Fund	14,243,912.00	14,257,551.00
	DLI	538,416.00	593,206.00
	Ex Gratia	724,122.00	604,830.00
	Gratuity	14,948,843.00	26,884,176.00
	Leave Salary	9,310,388.00	16,823,390.00
	Liveries	28,412.00	129,306.81
	Salary and Wages	172,756,569.00	141,129,005.00
	Staff Welfare	686,566.20	702,744.00
	Total	218,296,323.20	206,217,299.81

22	Finance Cost	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]
	Interest on Govt Loan		0
	Total		

Managing Director

Chairman



23	Other expenses	31-Mar-2017 Amount [Rs]	31-Mar-2016 Amount [Rs]
	Advertisement	2,089,455.00	1,319,533.00
	Bank Charges	153,483.79	147,873.60
	Books & Periodicals	5,834.00	1,050.00
	Bengal Fish Festival		563,847.00
	Consultancy Charges	289,266.00	746,883.00
	Coolie & Cartage	422,305.50	384,829.00
	Entertainment	421,119.23	370,162.00
	Filing Charges	167,660.00	36,069.00
	Fish Processing Expense	149,065.00	-
	Insurance	31,353.00	80,481.00
	Other Audit Fees	22,225.00	
	ISO Audit Fees	184,000.00	29,650.00
	Legal Charges	1,147,030.00	206,690.00
	License Fees	316,763.00	322,763.00
	Misc./General Expenditure	2,871,983.70	2,093,122.02
	Motor Up Keeping	3,081,064.91	1,537,876.44
	Office Rent	69,810.00	-
	Postage & Telegraph	10,487.00	8,491.00
	Power & Fuel	9,670,793.21	7,217,378.20
	Printing & Stationery	1,251,466.00	1,032,018.00
	Professional tax (Company)	2,500.00	2,500.00
	Provision for CSR		1,847,416.00
	Provision for Long Term Gratuity		3,844,506.00
	Provision for Long Term Leave Salary		1,240,617.00
	Provision for Bonus		-
	Rent, Rates & Taxes	521,803.00	76,512.00
	Repairs & Maintenance	26,871,564.17	11,228,900.76
	Registration Fees for Trade Mark		5,000.00
	Running Cost	2,904,256.20	1,953,900.00
	Sales Tax	1,048,500.00	1,216,044.00
	Sale Promotion Expense	13,579.00	-
	Security Charges	9,827,567.00	8,736,849.00
	Selling Expenditure	7,756,498.33	5,843,530.49
	Statutory Audit Fees	45,000.00	35,000.00
	Stall Expenses	2,192,492.00	1,927,090.00
	Tax Audit Fees	45,000.00	35,000.00
	Telephone & Trunk Call	347,151.00	299,572.00
	Travelling & Conveyance	430,396.00	287,497.50
	Vehicle Hire Charges	1,687,898.00	2,120,367.00
	Total	76,049,369.04	56,799,018.01

24	Long Term Provisions	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]
	Long Term Provision for Gratuity	72,157,963.00	72,157,963.00
	Long Term Provision for Leave Encashment	50,741,084.00	50,741,084.00
	Total	122,899,047.00	122,899,047.00

25	Cultural Expenditure	31/Mar/2017 Amount [Rs]	31/Mar/2016 Amount [Rs]
	Cultural Expenditure	126,972,041.25	84,681,908.37
	Catching Commission	1,175,064.00	1,300,603.00
	Harvesting Cost of Fish	2,219,203.19	1,955,882.00
	Total	130,366,308.44	87,938,393.37


Managing Director

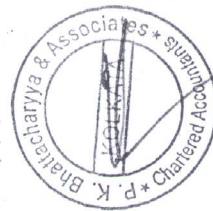

Chairman



9 Fixed Assets & Depreciation												
Sl No.	Particulars	Gross Block			Depreciation			Net Block				
		As on 1/Apr/2016 (Rs.)	Addition (Rs.)	As on 31/Mar/2017 (Rs.)	As on 1-Apr-16 (Rs.)	For the year (Rs.)	Changes in Retained Earnings (Rs.)	As on 31/Mar/2017 (Rs.)	As on 31/Mar/2016 (Rs.)			
	<u>Tangible Assets</u>											
	Created Out Of General Fund	38,042,578.00	6,180,630.25	44,223,208.25	23,112,147.00	2,456,500.00	0.00	25,568,647.00	18,654,561.25	14,930,431.00		
	Created Out Of Grant-In-Aid-Cstre	211,311.00	0.00	211,311.00	192,665.00	967.00	0.00	193,632.00	17,679.00	18,646.00		
	Created Out Of Grant-In-Aid-Aside	16,506,325.00	0.00	16,506,325.00	13,747,248.00	392,164.00	0.00	14,139,412.00	2,366,913.00	2,759,077.00		
	Created Out Of Flood Grant	9,642,670.00	0.00	9,642,670.00	4,131,640.00	300,101.00	0.00	4,431,741.00	5,210,929.00	5,511,030.00		
	Created Out Of Grant-In-Aid, Eco Tourism & Road (Hip)	8,209,445.00	0.00	8,209,445.00	2,940,672.00	311,580.00	0.00	3,252,252.00	4,957,193.00	5,268,773.00		
	Created out of Grant in Aid (Total)	34,569,751.00	0.00	34,569,751.00	21,012,225.00	1,004,812.00	0.00	22,017,037.00	12,552,714.00	13,557,526.00		
	Grand Total	72,612,329.00	6,180,630.25	78,792,959.25	44,124,372.00	3,461,312.00	0.00	47,585,684.00	31,207,275.25	28,487,957.00		
	Previous Year	70,855,277.00	1,757,052.00	72,612,329.00	39,961,941.00	4,162,431.00	0.00	44,124,372.00	28,487,957.00	30,893,336.00		


Managing Director


Chairman



FIXED ASSETS CREATED OUT OF GENERAL FUND

Description of item	Gross Block			Depreciation			Net Block		
	As at 01-04-2016 Rs	Addition Rs.	As at 31-03-2017 Rs	As at 01-04-2016 Rs	For the year Rs.	Deduction/Adjust ment RS	Changes in Retained Earnings	As at 31-03-2017 Rs	As at 31-03-2016 Rs
Aquarium	133,503.00	450,100.00	583,603.00	58,131.00	47,369.00		0.00	105,500.00	478,103.00
Aquaguard	10,490.00		10,490.00	3,069.00	993.00		0.00	4,062.00	6,428.00
Bicycle	52,384.00		52,384.00	37,220.00	2,029.00		0.00	39,249.00	13,135.00
Boat	411,842.00	203,783.25	615,625.25	269,027.00	29,558.00		0.00	298,585.00	317,040.25
Building	5,538,921.00		5,538,921.00	4,066,393.00	51,620.00		0.00	4,118,013.00	1,420,908.00
Computer	1,580,571.00	541,280.00	2,121,851.00	1,335,527.00	171,258.00		0.00	1,506,785.00	615,066.00
Cultural tools	242,461.00		242,461.00	185,372.00	25,826.00		0.00	211,198.00	31,263.00
Electric installation	5,085,348.00	1,858,935.00	6,944,283.00	1,611,914.00	542,411.00		0.00	2,154,325.00	4,789,958.00
Fishery Lake	2,281,352.00		2,281,352.00	0.00	0.00		0.00	0.00	2,281,352.00
Furniture & Fixture	1,932,091.00	696,422.00	2,628,513.00	1,550,440.00	45,051.00		0.00	1,695,491.00	933,022.00
Godown	382,443.00		382,443.00	302,727.00	36,062.00		0.00	338,789.00	43,654.00
Intercom Telephone	76,143.00		76,143.00	55,136.00	3,913.00		0.00	59,049.00	17,094.00
Motor Vehicle	2,036,474.00	434,969.00	2,471,443.00	1,274,820.00	129,869.00		0.00	1,404,689.00	1,056,754.00
Office cum Staff Quarter	1,175,962.00		1,175,962.00	652,048.00	18,366.00		0.00	670,414.00	761,654.00
Office Equipment	347,674.00	52,000.00	399,674.00	232,377.00	46,972.00		0.00	279,349.00	533,914.00
Plant & Machinery	3,440,291.00	1,814,593.00	5,254,884.00	1,309,440.00	206,854.00		0.00	1,516,294.00	115,297.00
Pump & Engine	444,932.00		444,932.00	245,892.00	37,076.00		0.00	282,968.00	3,738,590.00
Parking Zone	7,128,485.00		7,128,485.00	5,956,698.00	745,697.00		0.00	6,702,395.00	151,964.00
Refrigerator	396,014.00	53,828.00	449,842.00	7,269.00	49,806.00		0.00	57,075.00	388,745.00
Television	369,534.00	74,720.00	444,254.00	214,261.00	22,829.00		0.00	237,090.00	155,273.00
Tractor	1,081,074.00		1,081,074.00	1,069,677.00	2,123.00		0.00	1,071,800.00	207,164.00
Tubewell	2,016,068.00		2,016,068.00	789,904.00	228,403.00		0.00	1,018,307.00	11,397.00
Watchershed	1,754,945.00		1,754,945.00	1,754,015.00	0.00		0.00	1,754,015.00	997,761.00
Xerox (Canon)	123,576.00		123,576.00	30,790.00	12,415.00		0.00	43,205.00	930.00
Total	38,042,578.00	6,180,630.25	44,223,208.25	23,117,147.00	2,456,500.00	0.00	0.00	25,568,647.00	18,654,561.25
Previous Year (2015-16)	36,285,526.00	1,757,052.00	38,042,578.00	20,173,646.00	2,938,501.00	0.00	0.00	23,112,147.00	14,930,431.00

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

Description of item	Gross Block			Depreciation			Net Block		
	As at 01-04-2016 Rs	Addition Rs	As at 31-03-2017 Rs	As at 01-04-2016 Rs	For the year Rs	Deduction/Adjust ment RS	Changes in Retained Earnings	As at 31-03-2017 Rs	As at 31-03-2016 Rs
Godown	35,013.00	0.00	35,013.00	34,847.00	0.00		0.00	34,847.00	166.00
Office cum Staff Quarter	155,766.00	0.00	155,766.00	137,342.00	967.00		0.00	138,309.00	17,457.00
Tubewell	19,868.00	0.00	19,868.00	19,812.00	0.00		0.00	19,812.00	18,424.00
Furniture & Fixture	664.00	0.00	664.00	664.00	0.00		0.00	664.00	56.00
Total	211,311.00	0.00	211,311.00	192,665.00	967.00	0.00	0.00	193,632.00	17,679.00
Previous Year (2015-16)	211,311.00	0.00	211,311.00	191,698.00	967.00	0.00	0.00	192,665.00	18,646.00



Managing Director

Chairman

FIXED ASSETS CREATED OUT OF GRANT-IN-AID-ASIDE

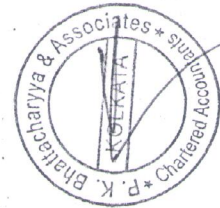
Description of item	Gross Block			Depreciation			Net Block		
	As at 01-04-2016 Rs	Addition Rs	As at 31-03-2017 Rs	As at 01-04-2016 Rs	For the year RS	Deduction/Adjustment RS	Changes in Retained Earnings	As at 31-03-2017 RS	As at 31-03-2016 Rs
Motor Vehicle	1,900,731.00	0.00	1,900,731.00	1,894,955.00	0.00			5,776.00	5,776.00
Plant & Machinery	7,241,245.00	0.00	7,241,245.00	6,010,631.00	191,653.00			1,038,961.00	1,230,614.00
Office cum Staff Quarter	896,178.00	0.00	896,178.00	350,754.00	24,557.00			520,867.00	545,424.00
Electric Installation	1,235,044.00	0.00	1,235,044.00	1,096,607.00	119,559.00			18,878.00	138,437.00
Bridge	444,597.00	0.00	444,597.00	174,006.00	12,183.00			258,408.00	270,591.00
Building	832,061.00	0.00	832,061.00	317,132.00	23,184.00			491,745.00	514,929.00
Pump & Engine	671,401.00	0.00	671,401.00	664,284.00	0.00			7,117.00	7,117.00
Tractor	2,327,318.00	0.00	2,327,318.00	2,323,813.00	0.00			3,505.00	3,505.00
Tubewell	572,461.00	0.00	572,461.00	554,202.00	0.00			18,259.00	18,259.00
Boat	136,000.00	0.00	136,000.00	116,932.00	16,468.00			2,600.00	19,068.00
Furniture	109,969.00	0.00	109,969.00	104,689.00	4,560.00			720.00	5,280.00
Computer	139,320.00	0.00	139,320.00	139,243.00	0.00			77.00	77.00
Total	16,506,325.00	0.00	16,506,325.00	13,747,248.00	392,164.00	0.00	0.00	2,366,913.00	2,759,077.00
Previous Year (2015-16)	16,506,325.00	0.00	16,506,325.00	13,342,902.00	404,346.00	0.00	0.00	13,747,248.00	3,163,423.00

FIXED ASSETS CREATED OUT OF FLOOD GRANT

Description of item	Gross Block			Depreciation			Net Block		
	As at 01-04-2016 Rs	Addition Rs	As at 31-03-2017 Rs	As at 01-04-2015 Rs	For the year RS	Deduction/Adjustment RS	Changes in Retained Earnings	As at 31-03-2017 Rs	As at 31-03-2016 Rs
Electric Installations	670,067.00	0.00	670,067.00	537,740.00	59,862.00			72,465.00	132,327.00
Tubewell	57,975.00	0.00	57,975.00	55,972.00	0.00			2,003.00	2,003.00
Pump & Engine	59,107.00	0.00	59,107.00	58,170.00	0.00			937.00	937.00
Furniture & Fixture	175,529.00	0.00	175,529.00	154,591.00	9,472.00			11,466.00	20,938.00
Office Equipment	31,526.00	0.00	31,526.00	30,965.00	670.00			561.00	561.00
Boat	6,750.00	0.00	6,750.00	5,269.00	670.00			811.00	1,481.00
Building	8,641,716.00	0.00	8,641,716.00	3,288,933.00	230,097.00			5,122,686.00	5,352,783.00
Total	9,642,670.00	0.00	9,642,670.00	4,131,640.00	300,101.00	0.00	0.00	5,210,929.00	5,511,030.00
Previous Year (2015-16)	9,642,670.00	0.00	9,642,670.00	3,803,602.00	328,038.00	0.00	0.00	4,131,640.00	5,839,068.00

Managing Director

Chairman



Fixed Assets Created Out of Grant-in-Aid, Eco Tourism & Road (HIP)

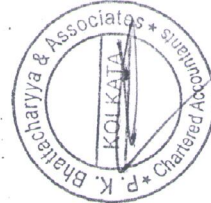
Description of item	Gross Block			Depreciation			Net Block		
	As at 01-04-2016 Rs	Addition Rs	As at 31-03-2017 Rs	As at 01-04-2016 Rs	For the year RS	Deduction/Adjust ment RS	Changes in Retained Earnings	As at 31-03-2017 Rs	As at 31-03-2016 Rs
Furniture & Fixtures	413,095.00	0.00	413,095.00	299,548.00	21,151.00			320,699.00	113,547.00
Office equipments	43,960.00	0.00	43,960.00	42,560.00	0.00			42,560.00	1,400.00
Bicycle	8,520.00	0.00	8,520.00	5,959.00	477.00			6,436.00	2,561.00
Electric Installations	833,267.00	0.00	833,267.00	478,538.00	66,077.00			544,615.00	354,729.00
Pump & Engine	67,110.00	0.00	67,110.00	45,642.00	6,579.00			52,221.00	21,468.00
Plant & Machinery	732,823.00	0.00	732,823.00	334,043.00	37,509.00			371,552.00	398,780.00
Television	103,321.00	0.00	103,321.00	64,035.00	7,318.00			71,363.00	39,286.00
Building	5,513,023.00	0.00	5,513,023.00	1,226,894.00	162,224.00			1,389,118.00	4,286,129.00
Road (HIP)	421,000.00	0.00	421,000.00	403,558.00	0.00			403,558.00	17,442.00
Intercom Telephone Installation	73,326.00	0.00	73,326.00	39,895.00	10,245.00			50,140.00	23,186.00
Total	8,209,445.00	0.00	8,209,445.00	2,940,672.00	311,580.00	0.00	0.00	3,252,252.00	4,957,193.00
Previous Year (2015-16)	8,209,445.00	0.00	8,209,445.00	2,450,093.00	490,579.00	0.00	0.00	2,940,672.00	5,268,773.00



Managing Director



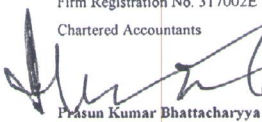
Chairman



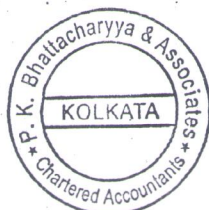
The State Fisheries Development Corporation Limited
Cash Flow Statement for the year ended 31st March,2017

Details	31-Mar-17		31-Mar-16	
	Amount [Rs.]	Amount [Rs.]	Amount [Rs.]	Amount [Rs.]
A. Cash Flow From Operating Activities				
Revenue form Operation	17,48,21,837.76		13,72,40,992.95	
Miscellaneous Receipt	3,91,88,825.96		4,26,26,644.82	
Purchase of Raw Materials	-2,90,92,147.00		-1,68,79,667.17	
Cultural Expenditure	-13,03,66,308.44		-8,79,38,393.37	
Employee Benefit Expenses	-21,38,20,179.20		-18,52,34,413.81	
Payment to Creditors	-1,51,891.00		-14,01,986.00	
Payment to Taxes,Deposits etc.	-1,53,35,835.97		-50,00,000.00	
Other Expenses	-7,12,12,402.74		-4,96,84,588.01	
Net Cash Inflow/(Outflow) from Operating Activities		-24,59,68,100.63		-16,62,71,410.59
B. Cash Flow From Investing Activities				
Interest on Fixed Deposit	42,80,899.00		68,35,937.29	
Expenditure for Dev work at Nalban	-53,22,728.00		48,74,591.00	
Development HIPA	-4,99,159.00			
GA Development	-1,02,70,289.00		-27,00,648.00	
Building at Digha	-11,93,680.00		17,60,108.00	
Purchase of Fixed Assets	-61,80,630.25		-17,57,052.00	
Net Cash Inflow/(Outflow) from Investing Activities		-1,91,85,587.25		90,12,936.29
C. Cash Flow From Financing Activities				
Interest Income	1,26,56,322.84		96,24,328.00	
Deposit Work (HIDCO)			-10,30,271.00	
GA RKVY Development	15,03,87,454.00		7,51,63,398.00	
Grants for RKVY Goltala	-3,19,459.00		-7,95,113.00	
Grants for NFD B	16,02,179.00		-28,97,531.00	
Fund from EKWMA	-4,38,606.00		-85,789.00	
Fund for Beautification for Captain Bhery	-45,94,789.00		-1,80,64,082.00	
GA Nalban,Goltala,Jamunadighi	-52,26,289.00		-7,65,80,077.00	
GA Consultancy Charges	-3,700.00			
GA Feed	-12,63,92,436.00		20,62,06,486.00	
GA Inland and Marine Fishing	11,41,09,457.00			
GA Building at Digha	-4,07,511.00			
GA NMPS	-59,35,411.00			
Grants for Pisciculture	5,38,21,200.00		1,67,00,000.00	
GA RKVY	-7,05,46,789.00			
Grants for Salary	16,08,95,048.00		14,78,89,000.00	
Fund from POI (Motor Vehicle)	-5,58,661.00		-1,47,162.00	
GA Fish Festival	30,90,780.00			
Remittance	-17,98,59,744.00			
GA RIDF	-44,77,390.00			
Remittance in Transit	65,08,000.00			
Security Deposit	-30,75,933.00			
Grants for Hilsa Conservation	46,00,000.00		-1,15,21,600.00	
Unsecured Loan from NDITA			-6,94,667.00	
Increase/(Decrease) in Liabilities			1,09,72,414.00	
Recovery of Loan & Advances			1,62,464.00	
Increase/(Decrease) in Current Assets	25,20,49,038.50			
Source from N M P S			-47,20,332.00	
Net Cash Inflow/(Outflow) from Financing Activities		35,78,82,761.34		35,01,81,466.00
Net Increase/(Decrease) in Cash and Cash Equivalents		9,27,29,073.46		19,29,22,991.70
Opening Cash and Cash Equivalents		67,35,39,878.70		48,06,16,887.00
Closing Cash and Cash Equivalents		76,62,68,952.16		67,35,39,878.70

As per our report of even date
For P. K. Bhattacharyya & Associates
Firm Registration No. 317002E
Chartered Accountants


Prasun Kumar Bhattacharyya
Partner

Membership No 053002
Place : Kolkata
Date : 25.09.2017




Managing Director


Secretary


Chairman


Chief Accounts Officer

THE STATE FISHERIES DEVELOPMENT CORPORATION LIMITED

NOTES FORMING INTEGRAL PART OF THESE FINANCIAL STATEMENTS – 24

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

(I) Significant Accounting Policies

1. Accounting Convention:

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

2. Revenue Recognition:

Revenue is recognized in compliance with the following:-

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

3. Government Grants:

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

4. Fixed Assets:

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

5. Depreciation:

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

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

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

With reference to the amount of Rs.34,61,312/- representing depreciation for the year, Rs.24,56,500/- was considered for arriving at the profit/loss. The balance amount of Rs.10,04,812/- was adjusted against the specific reserves against the respective grants received from time to time.

6. Investments:

The long term investments are stated at cost.




Managing Director


Chairman

7. Inventories:

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

8. Employee Benefits:

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

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

9. AS 22: Accounting for taxes on income:

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

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

10. Provisions & Contingent Liabilities:

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

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

b) Contingent liability is disclosed in the case of:

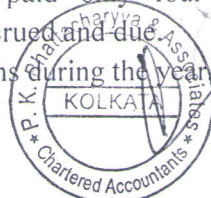
- i) a present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- ii) A present obligation when no reliable estimate is possible, and
- iii) A possible obligation, arising from past events where the probability of outflow of Resources is remote.

11. Prior Period Items:

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

II) Notes to Accounts

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



Managing Director

Chairman

4. The Company did not make any provision for income Tax in the years 2005-06 & 2006-07 treating Government Grants in Aid received by it as tax free income. However Income Tax department while assessing income for the above years, treated the Government Grants in Aid as Taxable Income and assessed Income Tax to the tune of Rs.1,72,75,285 payable by the Company. A sum of Rs.1,41,02,092 was recovered by the Tax Recovery Officer by attaching The Company's Bank Accounts after the Balance Sheet Date in the FY 2009-10. The Amount so recovered by the Income tax Department is shown as Advance Payment of Income Tax under the head "Loans & Advances."

6. Disputes pending with Taxation and other Authorities:

I.Income Tax Matter :

- a) The Income Tax Deptt. challenged the order of the Income Tax Appellate Tribunal (ITAT) for treating the grant in aid to the tune of Rs.2,38,41,000 in relation to AY 2005-06 as capital in nature and not liable to tax. The case is pending before the High Court, Calcutta.
- b) A demand raised by Income Tax Department for the amount of Rs. 2,95,19,646, for the A.Y. 2006-07 is pending in appeal before the High Court, Calcutta.
- c) A demand has been raised by Income Tax authority for the amount of Rs.70,11,591 for the A.Y. 2007-08 and is pending in appeal before the CIT(A).
- d) A demand has been raised by Income Tax authority for the amount of Rs.1,23,22,540 for the A.Y. 2012-13 and is pending in appeal before the CIT(A).
- e) For the AY 12-13: Tax claimed by the Deptt. is Rs.1,23,22,540/-. Appeal pending before CIT(A)

II.Provident Fund Matter :

- a) Proceedings u/s 7A of the EPF & Misc Provisions Act, 1952 in respect of SFDC by the Regional Commissioner for determination of dues for the period 10/05 to 10/06.
The Department claims an amount of Rs.71,96,209 on account of liability arising out of non-payment of dues pertaining to the Security Contractors engaged by them as well as the differential liability accruing on account of payment at the rate of 10% instead of 12% for the period from 10/2005 to 2/2006. Case pending.
 - b) In the High Court: W.P. No. 20398 (W) of 2011, SFDC v Regional Provident Fund Commissioner II and Anr for the period 1980 to 2001- The P.F. Authorities demanded interest and damages under section 7Q and 14B of the Employee's Provident fund to the tune of Rs.20,59,890 and Rs.1,92,84,466 respectively for delay in remitting the P.F. dues to the Corporation. S.F.D.C. filed a writ petition No.20398 [W] of 2011 before the Hon'ble High court, Kol, challenging the decision of the PF Commissioner. The Hon'ble Justice Aniruddha Bose directed to R.P.F. authorities to allow installment payment of Rs.20,59,890/- for making payment of interest and restrained the authorities from taking any step for recovery of the damages until further order. But the P.F. authorities filed a writ petition. CAN No.7202 of 2012.M.A.T.No.695 of 2012 before the Hon'ble High court against the said order on 08.12.11. The W.P.No.20398 [w] of 2011 is pending.
 - c) Proceedings u/s 7Q/14B of the EPF & Misc Provisions Act, 1952 in respect of SFDC by the Regional Commissioner for determination of dues for the period 10/05-10/16: The EPFO claims an amount of Rs.1,41,89,108 for interest on delayed payment.
7. Disclosure as required by Accounting Standard (AS)-15 (Revised) 'Employees Benefits'

a) **Defined Contribution Plans**

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

b) **Defined Benefit Plans**



Managing Director

Chairman

The Company has defined benefit plans namely Gratuity and Leave Encashment Facility for the employees. Such benefits are paid at the time of retirement or termination of employment. Provisions for Gratuity and Leave Encashment have been made in the Accounts on the basis of Actuarial Valuation. The Principal Assumptions used in determining the Corporation's obligation in respect of Gratuity and Leave Encashment are given below:

	<u>2016-17</u>	<u>2015-16</u>
- Discounted Rate	7.54%	7.54%
- Future Salary Increase	5.00%	5.00%
- Employees Turnover	2.00%	2.00%
- Retirement Age	60 years	60 years
- Mortality Rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

The Company has provided liability on account of Gratuity and Leave encashment on the basis of Actuarial Valuation for its Permanent Employees.

8. Particulars in respect of sales / stocks:

For the year ended 31st March, 2017 For the year ended 31st March, 2016

	<i>Quantity (Kg)</i>	<i>Value (Rs.)</i>	<i>Quantity (Kg)</i>	<i>Value (Rs.)</i>
<i>Opening Stock:</i> <i>Fish</i>	4,22,460	3,12,62,073	3,43,910	2,60,04,690
<u><i>Sales:</i></u> <i>Fish and shrimps</i>	-----	14,53,24,955	-----	11,39,54,252
<i>Closing stock:</i> <i>Fish</i>		4,15,21,562	3,86,914	3,12,62,073

9. Particulars of raw materials consumed:

For the year ended 31st March, 2017 For the year ended 31st March, 2016

	<i>Quantity (Kg)</i>	<i>Value (Rs.)</i>	<i>Quantity (Kg)</i>	<i>Value (Rs.)</i>
<i>Fish, vegetables and spices</i>	-----	1,39,88,995	-----	1,92,63,617

10. Remuneration to Managing Director:

	<i>For the year ended 31st March 2017</i> <i>(Rs.)</i>	<i>For the year ended 31st March 2016</i> <i>(Rs.)</i>
<i>Salary</i>	11,43,272	10,24,630

11. Auditor's Fees :

1	<i>Audit Fees</i>	45,000/-	35,000/-
2	<i>Tax Audit Fees</i>	45,000/-	35,000/-



Managing Director

Chairman

12. The following funds have been received during the year by SFDC Ltd from the Fisheries Deptt., Govt. of WB as custodian for the purpose and classified as mentioned against each.

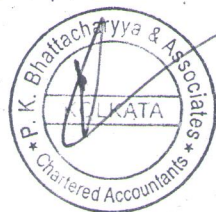
Sl. No.	Purpose	Classified under	Amount received during the year
1	POL for office vehicles (Balance amt: Rs.3,46,069)	Other Current Liabilities	64,411
2	Hilsa Conversation & Research Centre (Balance amt: Rs.46,00,000)	Other Current Liabilities	46,00,000
3	Feed (Balance amt: Rs.28,97,89,431)	Other Current Liabilities	12,93,04,000

The liability to spend the money depends on the instruction of the Govt. of WB.

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

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

15. The information on Specified Bank Notes (SBN) is available only for Head Office which is given as below. The information on SBN is not available for the Projects:




Managing Director


Chairman

HEAD OFFICE

	SBNs		OTHER DENOMINATION NOTES		TOTAL	
	Denomination	Amount	Denomination	Amount	Denomination	Amount
Closing Balance as at 8 th November 2016	1000 x 10	10,000.00	100 x 69	6900.00	1000 x 10	10,000.00
	500 x 223	1,11,500.00	10x8 (coin)	80.00	500 x 223	1,11,500.00
			Coin	3.00	100 x 69	6900.00
					10 x 8	80.00
					Coin	3.00
		1,21,500.00		6983.00		1,28,483.00
Transactions between 9 November 2016 and 30 December 2016						
Add: Withdrawal from Bank accounts			2000 x 36	72,000.00	2000 x 36	72,000.00
			100 x 200	20,000.00	100 x 200	20,000.00
						92,000.00
Add: Receipts for permitted transactions			2000 x 280	5,60,000.00	2000 x 280	5,60,000.00
			100 x 6	600.00	100 x 6	600.00
			10 x 8	80.00	10 x 8	80.00
			Coin	2.00	Coin	2.00
						5,60,682.00
Add: Receipts for non-permitted transactions (if any)	500 x 66	33,000.00			500 x 66	33,000.00
Less: Paid for Permitted transactions			2000 x 280	5,60,000.00	2000 x 280	5,60,000.00
			100 x 800	80000.00	100 x 800	80000.00
			50 x 80	4000.00	50 x 80	4000.00
			20 x 45	900.00	20 x 45	900.00
			10 x 3	30.00	10 x 3	30.00
			Coin	2.00	Coin	2.00
			6,44,932.00		6,44,932.00	
Less: Paid for non- Permitted transactions						
Less: Deposited in bank accounts	1000 x 85	85,000.00			1000 x 85	85,000.00
	500 x 83	41,500.00			500 x 83	541,00.00
		1,26,500.00				1,26,500.00
Closing balance as at 30 December			2000 x 35	70,000.00	2000 x 35	70,000.00
			100 x 70	7000.00	100 x 70	7000.00
			50 x 4	200.00	50 x 4	200.00
			10 x 3	30.00	10 x 3	30.00
			Coin	3.00	Coin	3.00
				77,233.00		77,233.00

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


Secretary


Chief Accounts Officer


Managing Director


Chairman

As per our report attached
For **P. K. Bhattacharyya & Associates**
Chartered Accountants
Firm Registration No.317002E


Prasun Kumar Bhattacharyya
Partner
Membership No.053002
Place : Kolkata
Dated : 25.09.2017

