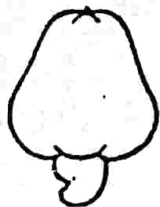




# 40<sup>th</sup> ANNUAL REPORT

## 2018-19



**ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD.**  
(A GOVERNMENT OF ODISHA UNDERTAKING)

Head Office: GHATIKIA, BHUBANESWAR-751003

ଓଡ଼ିଶା ରାଜ୍ୟ କାଜୁ ଉନ୍ନୟନ ନିଗମ ଲିଡ.  
(ରାଜ୍ୟ ସରକାରଙ୍କର ଏକ ସଂସ୍ଥା)

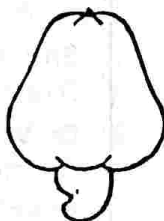








# 40<sup>th</sup> ANNUAL REPORT 2018-2019



**ODISHA STATE CASHEW DEVELOPMENT  
CORPORATION LIMITED  
BHUBANESWAR - 751003**

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**HEAD OFFICE :**

**Ghatikia, Khordha  
Bhubaneswar-751003**

**REGIONAL OFFICES :**

**Divisional Manager**

O.S.C.D.C. Ltd., Khordha,  
Pitapalli, Khordha-752055

**Divisional Manager**

O.S.C.D.C. Ltd., Sonapur  
Koraput-764020

**Divisional Manager**

O.S.C.D.C. Ltd., Bhangamal,  
Shankarpur, Dhenkanal-759013

**Divisional Manager**

O.S.C.D.C. Ltd., Purunapani  
Jharia, Baripada,  
Mayurbhanja-757016

**Divisional Manager**

O.S.C.D.C. Ltd.,  
At.- Solar Nursery,  
P.O.- Chhatia, Dist.- Jajpur-754023

**Assistant Manager**

O.S.C.D.C. Ltd., Bhedabahal,  
Sundargarh-770073

**BOARD OF DIRECTORS**

**Amarendra Das,**  
Chairman

**Shri Hemanta Kumar Panda**  
Director, Soil Conservation  
Watershed Development, Bhubaneswar.

**Sri Akshaya Kumar Sethi**  
Additional Secretary to Govt.  
Public Enterprises Dept., Odisha, Bhubaneswar

**Shri Rohit Kumar Lenka, IFS**  
Director Horticulture Govt. of Odisha

**Dr. Venkatesh N. Hubballi,**  
Director, Cashewnut and Cocoa Development,  
Government of India, Cochin, Kerala

**Sri Satyabrata Rout, OAS**  
Joint Secretary Finance Dept., Govt. of Odisha

**Sri Kiran Kumar Parida, Agriculturist**  
Agriculture & F.E. Dept., Odisha, Bhubaneswar

**Dr. Gouri Sankar Sahu, Professor OUAT,**  
Bhubaneswar

**CA Bijay Kumar Dash,**  
Independent Director

**Dr. Pravu Charan Lenka,**  
Retd. Professor OUAT  
Bhubaneswar, Independent Director.

**Shri Sadananda Nayak, OAS(SAG)**  
Managing Director

**AUDITORS**

For PPB & Co.  
Chartered Accountants, Bhubaneswar

**BANKERS**

AXIS Bank Limited  
Indian Overseas Bank  
Syndicate Bank

**REGISTERED OFFICE**

Ghatikia  
Bhubaneswar-751003



**ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD.**

(A Government of Odisha Undertaking)  
Ghatikia, Bhubaneswar-751003

No. 3354/OSCDC

Date- 23.12.2020

**NOTICE**

Notice is hereby given that the adjourned 40<sup>th</sup> Annual General Meeting of Odisha State Cashew Development Corporation Ltd. will be held on 30<sup>th</sup> December 2020 Wednesday at 4:00 PM at shorter notice in the Registered Office of the Corporation at Kaju Bhawan, AVPo: Ghatikia, Bhubaneswar-751029, to transact the following business.

**ORDINARY BUSINESS****1. Adoption of Annual Accounts**

To receive, consider and adopt the audited accounts of the Corporation for the year ending 31.03.2019 and the Auditors' Report along with the Comments of the C & A.G. of India and the Directors' Report.

**2. To declare Dividend**

In view of the accumulated profit, the Board of Directors have recommended for declaration of dividend @ 30% on its paid up equity Share Capital for payment to the Government of Odisha out of its net profit for the year 2018-19.

The members may kindly approve it.

By order of the Board of Directors

Sd/-

**MANAGING DIRECTOR**

**Note :**

1. A member is entitled to attend and vote at the meeting, may appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Corporation. The proxy must be lodged with the Corporation not less than 48 hours before the scheduled time of the Meeting (The proxy form is enclosed).



## **DIRECTORS' REPORT**

To  
The Shareholders of  
**ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD.**  
Bhubaneswar

The Directors of Odisha State Cashew Development Corporation Ltd, avails this privilege in presenting the 40<sup>th</sup> Annual Report, together with the Audited Statement of Accounts and the Auditors' Report and Management's replies thereto including the comments of the Comptroller & Auditor General of India, U/s 143(5) of the Companies Act, 2013 of the Corporation, for the Period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 (the "Period").

### **1. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS.**

The Odisha State Cashew Development Corporation Ltd. since its inception took up only one project namely I.D.A. assisted Multi State Cashew Project which was sanctioned by the NABARD in December, 1981 and was completed in the year 1987-88, with their financial support the Corporation could be able to raise new plantation on 11419 hectre of land and undertaken for rejuvenation of old plantation over 4518 ha. of land respectively. Further, the government had decided vide letter No. GUU(H) 3/93/28127/Ag., dated 08.09.93 that the Odisha State Cashew Development Corporation Ltd. would function as the nodal agency for promotion & development of cashew cultivation in the state of Odisha. Accordingly, existing cashew plantations were transferred from the Soil Conservation Department. At present, the Corporation is in possession over 27941.012 ha. of cashew plantations spreading all over the State of Odishain 20 nos. of districts.

The present activities of the Corporation is to up-keep and maintenance of existing cashew plantations in the State of Odisha, alongwith taking of rejuvenation / replanting programme in place of senile & old/ uneconomic cashew plantation in phased manner for better production and productivity and ensure the proper harvest from the same through temporary /long term lease or through departmental collections. During the year 2018-19, the Corporation has achieved 565.00 Hact. under replanting programme by planting high yielding variety cashew grafts.

The Corporation is providing latest technology on cashew to the Farmers' in the State by organizing Training Programme with the active participation of scientists of A.I.C.R.P. (Cashew) O.U.A.T.

Since then, the Corporation's activities have been diversified and taken up production of hybrid cashew grafts from the year 1996 and not confined to maintain only the existing plantations transferred from





the soil conservation department. Besides proper maintenance of those plantations, the Corporation has established twenty-two nos. of regional clonal nurseries at various places including two nos. of nurseries which are established during the financial year 2018-19 for raising high yielding cashew clonal grafts so as to provide a boost to cashew cultivation in Odisha. The Corporation's role has been recognized as the vital in promoting cashew as one of the most important horticultural & plantation crop in the State which gives the highest return on utilizing the degraded and waste lands.

## 2. FINANCIAL RESULTS :

(Rs. In Lakhs)

Description	2018-19	2017-18
Income from plantations.	1458.36	2179.38
Income from nurseries.	802.42	784.61
Other income.	275.88	189.42
Total Income.	2536.66	3153.41
Total Expenditure.	1355.87	1555.67
Gross Profit before interest & depreciation.	1180.79	1597.74
Depreciation.	279.99	195.85
Net Profit.	900.80	1401.89

## 3. AUDITORS

M/s PPB & Co, Chartered Accountants, Bhubaneswar were the auditors of the Corporation for the year 2018-19. The Comptroller & Auditor General of India also re-appointed M/s PPB & Co, Chartered Accountants, Bhubaneswar as Statutory Auditors of the Corporation for the year 2019-20.

## 4. BOARD OF DIRECTORS.

The Members of the Board of Directors on the date of this report are :

1. **Amarendra das**  
Chairman
2. **Shri Hemanta Kumar Panda**  
Director, Soil Conservation  
Watershed Development, Odisha, Bhubaneswar.
3. **Sri Akshaya Kumar Sethi**  
Additional Secretary to Govt  
Public Enterprises Department, Odisha, Bhubaneswar.



4. **Shri Rohit Kumar Lenka, IFS**  
Director Horticulture Govt of Odisha
5. **Dr. Venkatesh N. Hubballi,**  
Director, Cashewnut and Cocoa Development,  
Government of India, Cochin, Kerala,
6. **Sri Satybrata Rout, OAS**  
Joint Secretary Finance Department,  
Govt of Odisha
7. **Sri Kiran Kumar Parida , Agriculturist,**  
Agriculture & F.E. Department, Odisha  
Bhubaneswar
8. **Dr Gouri Sankar Sahu, Professor OUAT**  
Bhubaneswar.
9. **C A Bijay Kumar Dash,**  
Independent Director
10. **Dr Pravu Charan Lenka,**  
Retd Pofessor OUAT  
Bhubaneswar
11. **Shri Sadananda Nayak, OAS(SAG)**  
Managing Director

#### **5. DIRECTORS' RESPONSIBILITY STATEMENT.**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:-

- a). in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts ongoing concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention



and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 6. DIVIDEND

In view of the profit for the Financial Year 2018-19 and accumulated profit made by the Corporation up to 2017-18, the Board recommended for declaration of dividend @ 30 % on its paid up equity capital for the year 2018-19.

#### 7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND.

Dividend declared for the FY 2017-18 has been handed over in Govt of Odisha

#### 8. SHARE CAPITAL

During the Period, the authorized share capital of the Company was Rs. 5,00,00,000/- and the paid-up capital of the Company is Rs 1,55,04,000/- divided into 15,504 no.s equity shares of Rs. 1000/- each.

#### 9. CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars regarding conservation of energy, technology, absorption, foreign exchange earning and out-go etc. as required by the Company (Amendment Act, 1988) does not apply to this Corporation.

#### 10. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS.

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

#### 11. DECLARATION OF INDEPENDENT DIRECTORS.

The Corporation has received necessary declaration from the independent directors under Section 149 (7) of the Companies Act 2013 that he /she meets the criteria of independence as laid down u/s 149(6) of the Companies Act 2013.

#### 12. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM.

The Corporation has constituted Audit committee of the Corporation with its Independent Director as chairman of the Committee.

Name of the members of the Audit Committee are given below;

1. CA Sri Himanshu Sekhar Satpathy, Independent Director,

2. Shri Satyabrata Rout, Director,

3. Dr. Gouri Sankar Sahu, Director



13. **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.**

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

14. **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.**

In 199th Meeting of the Board of Directors held on 20th March 2019 the Board has constituted a Committee on Corporate Social Responsibility (CSR) of the corporation.

15. **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY.**

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

16. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**

There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

17. **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES.**

The Company does not have any Subsidiary, Joint venture or Associate Company.

18. **DEPOSITS.**

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

19. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES.**

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

20. **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

21. **ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure 1 and is attached to this Report.



**22. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW.**

The Company has conducted four Board meetings during the financial year regarding business discussion and other matters. The date of the Board meetings are 29.05.2018, 20.09.2018, 26.12.2018 & 20.03.2019.

**23. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS.**

Replies on the observations of the Statutory Auditors Report is enclosed which may be read as addendum to the Report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

**24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS.**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

**25. ACKNOWLEDGEMENT**

The Board of Directors wish to express their sincere gratitude to the Agriculture & F.E. Department, Odisha & Horticulture Dept, Govt of Odisha, OUAT, Odisha and other Govt Agencies, Commercial Banks, Bidders and Employees for their continued co-operation and assistance.

For and on behalf of the Board

Shri Satyabrata Rout, OAS  
Director

Sri Sadananda Nayak, OAS (SAG)  
Managing Director

Place: Bhubaneswar

Date: 23.12.2020



**Management reply on the observation of Statutory Auditor Report for the year 2018-19.**

Sl. No.	Observation	Compliance
i)	The company has classified trade receivables into more than one year and less than one year. The aggregate amount of trade receivables outstanding for a period exceeding six months from the date they are due for payment and other should be separately stated.	Noted.
ii)	Confirmation from creditors, other liabilities and sundry debtors including govt agencies could neither be obtained directly by us nor by the company for our verification. Hence the impact of these figures could not be studied.	Noted
iii)	Depreciation of Rs.2,79,99,169/-, Shown Separately after Total Expenses, but as per Sch-III of the Companies Act, 2013, it should be shown under the head Total Expenses.	Noted
iv)	Building Material of Rs.40,621/- has been included both in Inventories (both in opening and closing) which should not have shown under this head, as building material is not a part of company's trade.	Noted



**MANAGEMENT REPLY ON COMMENTS OF THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON  
THE FINANCIAL STATEMENTS OF ODISHA STATE CASHEW DEVELOPMENT  
CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019**

Sl. No.	Observation	Compliance
i)	<b>A. COMMENTS ON PROFITABILITY STATEMENT OF PROFIT AND LOSS DIRECT EXPENSES (NOTE NO.-16) Rs 6.29 CRORE NURSERY EXPENSES Rs 5.26 CRORE</b> The above does not include Rs 0.59 crore being the nursery expenses payable for the Financial Year 2018-19. This has resulted in understatement of nursery expenses and overstatement of profit by Rs 0.59 crore with consequential understatement of Current Liabilities (Short Term Provisions) to the same extent.	Noted for Future guidance
ii)	<b>EMPLOYEE BENEFIT EXPENSES (NOTE NO.-17) Rs 6.76 CRORE</b> The above does not include Rs 0.54 crore being the leave salary benefit of 12 employees of the Company retired during the year 2018-19. This has resulted in understatement of Employee benefit expenses and overstatement Profit by Rs 0.54 crore with consequential understatement of Current Liabilities (Short Term Provisions) to that extent.	Noted for Future guidance
iii)	<b>EMPLOYEE BENEFIT EXPENSES (NOTE NO.-17) Rs 6.76 CRORE</b> The Board of Directors of the Company decided in the 198 <sup>th</sup> meeting held on 26.12.2018 to release 40 per cent arrear salary w.e.f 01.01.2016 to 31.08.2018 in favour of the eligible employees of the Company amounting Rs 1.28 crore in consonance with the release of arrear amount to the State Government Employees by Government of Odisha. However, no provision was made towards that in the accounts during 2018-19 which resulted in understatement of Employee benefit expenses and overstatement of Profit by Rs 1.28 crore with consequential understatement of Current Liabilities (Short-term Provision) to the same extent.	Noted for Future guidance
iv)	<b>B.COMMENTS ON FINANCIAL POSITION BALANCE SHEET RESERVE &amp; SURPLUS (NOTE NO.-4)</b> <b>SURPLUS IN THE STATEMENT OF PROFIT &amp; LOSS Rs 88.36 CRORE</b> Finance Department, Govt. of Odisha had issued (17 <sup>th</sup> February 2016) guideline for payment of dividend by the State Public Sector Undertakings (SPSU) and according to the guideline a SPSU would pay the annual dividend @ 30 per cent of Profit After Tax (PAT) or Equity of State Government, whichever is higher. But in contravention to the Govt. guideline, the Company calculated and made provision for dividend for the year 2018-19 @ 30 per cent on the State Govt's Equity which was lower. The dividend @ 30 per cent of profit after tax works out to Rs 2.80 crore (including Dividend distribution tax of Rs 0.41 crore @ 17.304 % on dividend) against which the Company has made a provision of Rs 0.56 crore in the accounts towards dividend for the year 2018-19. This has resulted in overstatement of Reserve and Surplus by Rs 2.24 crore with consequent understatement of provision for dividend by Rs 1.91 crore <sup>1</sup> and understatement of provision for Income Tax by Rs 0.33 crore <sup>2</sup> for the year 2018-19.	Profit of the Corporation is depending upon Climatic conditions. Since maximum plantation of the Corporations are more than 40 years old and need immediate replacement the Management is very reserve in declaration of Dividend to meet future fund requirement for replacement of existing Cashew Plantations.



प्रधान महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखा परीक्षा) कार्यालय  
ओड़िशा, भुवनेश्वर - 751001

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL  
(ECONOMIC & REVENUE SECTOR AUDIT)  
ODISHA, BHUBANESWAR

No. AMG-I (Tech)/Accounts/OSCDC/2018-19/149

Date: 27.11.2020

To,

The Managing Director,  
Odisha State Cashew Development Corporation Limited,  
2<sup>nd</sup> Floor, F-4 Block,  
IRC Village, Bhubaneswar-751015

**Sub: Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the Financial Statements of Odisha State Cashew Development Corporation Limited for the year ended 31 March 2019.**

Sir,

I forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on Financial Statements of Odisha State Cashew Development Corporation Limited for the year ended 31 March 2019.

Three copies of the Annual Reports for the year 2018-19 placed before the Annual General Meeting of the Company may please be furnished to this office indicating the date of the meeting.

Yours faithfully,

Encl.: As stated above

Sd/-

Deputy Accountant General (AMG-I)





Date : 26/05/2019

To,  
The Managing Director / Board of Directors,  
Odisha State Cashew Development Corporation Limited,  
II Floor, F-4 Block, Indradhanu Market Complex,  
IRC Village, Nayapalli, Bhubaneswar- 751015

With reference to CAG letter No-CA.V/COY/ODISHA.ORCSHW(1)/1443 dated 04.10.2018 for FY-2018-19, We are hereby give our consent to act as statutory auditor of the company in accordance with the provisions of the Companies Act, 2013 for fy-2018-19 and declare that :

1. We are eligible for appointment and are not disqualified for Appointment under Section 141(1) of the Companies Act, 2013 and rules or regulations made under Chartered Accountants Act, 1949.
2. The proposed appointment is as per the terms provided under the Act.
3. The proposed appointment is within the limits laid down under the Act.
4. There is no Proceedings against the auditor or audit firm or any partner of the audit firm with respect to professional misconduct.

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ODISHA STATE CASHW DEVELOPMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019**

The preparation of financial statements of Odisha State Cashew Development Corporation Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act, is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 August 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Odisha State Cashew Development Corporation Limited for the year ended 31 March 2019 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6) (b) of the Act, which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

**A. COMMENTS ON PROFITABILITY**

**STATEMENT OF PROFIT AND LOSS**

**DIRECT EXPENSES (NOTE NO.-16) ₹ 6.29 CRORE**

**NURSERY EXPENSES ₹ 5.26 CRORE**

1. The above does not include ₹ 0.59 crore being the nursery expenses payable for the Financial Year 2018-19. This has resulted in understatement of nursery expenses and overstatement of





profit by ₹ 0.59 crore with consequential understatement of Current Liabilities (Short Term Provisions) to the same extent.

#### **EMPLOYEE BENEFIT EXPENSES (NOTE NO.-17) ₹ 6.76 CRORE**

2. The above does not include ₹ 0.54 crore being the leave salary benefit of 12 employees of the Company retired during the year 2018-19. This has resulted in understatement of Employee benefit expenses and overstatement Profit by ₹ 0.54 crore with consequential understatement of Current Liabilities (Short Term Provisions) to that extent.

#### **EMPLOYEE BENEFIT EXPENSES (NOTE NO.-17) ₹ 6.76 CRORE**

3. The Board of Directors of the Company decided in the 198<sup>th</sup> meeting held on 26.12.2018 to release 40 per cent arrear salary w.e.f 01.01.2016 to 31.08.2018 in favour of the eligible employees of the Company amounting ₹ 1.28 crore in consonance with the release of arrear amount to the State Government Employees by Government of Odisha. However, no provision was made towards that in the accounts during 2018-19 which resulted in understatement of Employee benefit expenses and overstatement of Profit by ₹ 1.28 crore with consequential understatement of Current Liabilities (Short-term Provision) to the same extent.

### **B.COMMENTS ON FINANCIAL POSITION**

#### **BALANCE SHEET**

#### **RESERVE & SURPLUS (NOTE NO.-4)**

#### **SURPLUS IN THE STATEMENT OF PROFIT & LOSS ₹ 88.36 CRORE**

4. Finance Department, Govt. of Odisha had issued (17<sup>th</sup> February 2016) guideline for payment of dividend by the State Public Sector Undertakings (SPSU) and according to the guideline a SPSU would pay the annual dividend @ 30 per cent of Profit After Tax (PAT) or Equity of State Government, whichever is higher. But in contravention to the Govt. guideline, the Company calculated and made provision for dividend for the year 2018-19 @ 30 per cent on the State Govt's Equity which was lower. The dividend @ 30 per cent of profit after tax works out to ₹ 2.80 crore (including Dividend distribution tax of ₹ 0.41 crore @ 17.304 % on dividend) against which the Company has made a provision of ₹ 0.56 crore in the accounts towards dividend for

the year 2018-19. This has resulted in overstatement of Reserve and Surplus by ₹ 2.24 crore with consequent understatement of provision for dividend by ₹ 1.91 crore<sup>1</sup> and understatement of provision for Income Tax by ₹ 0.33 crore<sup>2</sup> for the year 2018-19.

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

*Sd/-*

**Place: Bhubaneswar**

**Date: 27.11.2020**

**(MS. SMRITI)**

**ACCOUNTANT GENERAL (AUDIT-I)**

<sup>1</sup> ₹ (22436257/117.304)X100 = ₹ 1,91,26,591.59

<sup>2</sup> ₹ (22436257/117.304) X17.30 = ₹ 33,08,900





**PPB & Co.**  
**CHARTERED ACCOUNTANTS**

BBSR, Dated 17.08.2020

To

The Principal Accountant General,  
(Economic & Revenue Sector Audit)  
Bhubaneswar.

**Sub: Statutory Audit of Odisha Cashew Development Corporation Ltd for the year 2018-19.**

Sir,

We have completed the statutory audit of Odisha Cashew Development Corporation Ltd for the financial year 2018-19. Please find enclosed two copies of audit report, audited accounts, notes to accounts and compliances of direction under section 143(5) of the Companies Act, 2013 of the aforesaid company.

Thanking you.

Yours faithfully,

For M/s. PPB & CO.,

Chartered Accountants  
F.R.N.-324735E

Date : 17<sup>th</sup> Day of August, 2020

Place : Bhubaneswar

Sd/-  
(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Encl: - As above

Copy to: - Managing Director  
Odisha State Cashew Development Corporation Ltd  
Bhubaneswar

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS**

To  
**THE MEMBERS OF**  
**Odisha State Cashew Development Corporation Limited,**  
**II Floor, F-4 Block, Indradhanu Market Complex,**  
**IRC Village, Nayapalli, Bhubaneswar- 751015**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Odisha State Cashew Development Corporation Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2019**, the Statement of Profit and Loss for the year then ended, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these (Standalone) financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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**

Our responsibility is to express an opinion on these (Standalone) financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its Profit and its Cash Flow for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in **Annexure-I** herewith a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 purpose of our audit;
  - b) Our qualifications, reservations or adverse remarks relating to the maintenance of accounts and others matters connected therewith are given in **Annexure-IV** enclosed.
  - c) 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;
  - d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - e) In our opinion, 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.
  - f) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-A**".
  - 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:

- (1) The Company has pending litigations as at March 31, 2019 and are reported in **Annexure III**, but disclosure of impact on its financial position in its financial statements could not be ascertained by us.
- (2) The Company did not have any long-term contracts including derivative contracts as at March 31, 2019 for which there were any material foreseeable losses.;
- (3) The company has not declared any dividend till the year ended 31st March, 2019 hence transfer to, the Investor Education and Protection Fund by the Company does not arise.
- 3) We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-II-B & II-C** on the directions and sub-directions issued by Comptroller and Auditor General of India.

For **M/s PPB & CO.**  
Chartered Accountants  
F.R.N.-324735E

Sd/-

Date : 17<sup>th</sup> Day of August, 2020  
Place : Bhubaneswar

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No. -060642

**UDIN No-20060642AAAAAM6391**



**Annexure-A to the Independent Auditor's Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

We have audited the internal financial controls over financial reporting of Odisha State Cashew Development Corporation Limited, as on 31st March 2019, in conjunction with our audit of the standalone financial Statements of the company for the year ended on that date.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors are 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. 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 companies policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

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.

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 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.

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.

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

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the 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 Control over Financial Reporting**

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 effectiveness of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31.03.2019**, 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.

For **M/s. PPB & CO.,**  
Chartered Accountants  
F.R.N.-324735E

Sd/-

Date: 17<sup>th</sup> Day of August, 2020  
Place: Bhubaneswar

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642



**Annexure-I to Auditors Report****Companies (Auditor's Report) Order, 2016****of Odisha State Cashew Development Corporation Limited**

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **Odisha State Cashew Development Corporation Limited** on the financial statements of the Company for the year ended **March 31, 2019**.

Our reporting on the Order are given here-under:

- i. In respect of the fixed assets of the Company
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As per the information and explanations given to us, the fixed assets have been physically verified by the management at regular intervals during the year 2018-19.
  - (c) According to the information and explanation given to us, the title deeds of the immovable properties are in the name of the company.
- ii. As explained to us, the inventories have been physically verified during the year under audit by the Management. The corporation has maintained proper records for receipt, issue and consumption of stocks. Since the figures between book records & the physical inventories have not been reconciled the discrepancies have not been assessed, so there is no consideration in books of account.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the companies Act, 2013 ('the Act').
  - (a) Paragraph 3 (iii) (a) of the order is not applicable to the company, in respect to whether the terms and conditions of the loan are prejudicial to the Company's interest as there is no such loan.
  - (b) Paragraph 3 (iii) (b) of the order is not applicable to the company, in respect of repayment of principal and interest amount as there is no such loan.
  - (c) There are no overdue of amounts for more than ninety days in respect of loans granted to body corporate in the register maintained under section 189 of the Act.
- iv. According to the information and explanation given to us, the company has not given any loans, investments, guarantees and securities in respect of loans, investments, guarantees and security under section 185 and 186 of the Act. Hence, the provisions of Clause (iv) of paragraph 3 of the CARO, 2016 are not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India as per the provisions of section 73 & 76 of the Act or any other relevant provisions of the act and the Companies (Acceptance of Deposit) Rules, 2015. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148, of the Act for any services rendered by the company. Hence, the provisions of clause 3 (vi) of the Order are not applicable to the Company.



- vii. In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of our examination of the records maintained by the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, GST, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been regularly deposited with the appropriate authorities. However Sales tax payable of Rs.6,335/- and bonus payable of Rs.1,41,749/- are pending for more than six months as on 31.03.2019 although no legal disputes are pending.
  - b) According to the information and explanations given to us, there are no material dues of income tax, GST, sales tax, service tax, duty of custom/excise or value added tax or Cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank, Government or dues to any debenture holders during the year.
- ix. In our opinion and according to the information and explanation given to us, the company has not raised money by way of initial public offer or further public offer (including Debt instrument and term loans).
- x. According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion, the entity is not a Nidhi Company. Hence, compliance with the provisions of nidhi Company under nidhi rules, 2014 is not required. So, reporting under clause (xii) of paragraph 3 of the order is not applicable.
- xiii. According to the information and explanations given to us, the company has not entered into any related party transaction. Hence, compliance with section 177, 178 and other disclosures are not applicable.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year ending on 31<sup>st</sup> march, 2019. Hence clause (xiv) of the paragraph 3 is not applicable.
- xv. According to the information and explanations given to us, the company has not entered into any non-cash transaction with the Directors or persons connected with him during the financial year. Hence, reporting under clause (xv) of the paragraph 3 is not applicable.
- xvi. In our opinion and according to the information and explanation given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For M/s. PPB & CO.,  
Chartered Accountants  
F.R.N.-324735E

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Date : 17<sup>th</sup> Day of August, 2020  
Place : Bhubaneswar





### COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of ODISHA STATE CASHEW DEVELOPEMENT CORPORATION LIMITED) for the year ended 31st March, 2019 in accordance with the directions/sub-direction issue by the, Comptroller and Auditor General of India under Section 143(5) of the companies Act, 2013 and certify that we have complied with all the directions /sub-directions issued to us.

For M/s. PPB & CO.,  
Chartered Accountants  
F.R.N.-324735E

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Date: 17<sup>th</sup> Day of August, 2020

Place: Bhubaneswar

**Directions under Section 143(5) of the Companies Act 2013**

Sl. No.	Directions
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold and for which title/lease deeds are not available?  <i>Yes</i>
2.	Whether there are any cases of waiver/write off of debits/loans/interest etc, if yes, the reasons there for and the amount involved.  <i>No such cases noticed</i>
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants (s) from Government or other Authorities.  <i>No such cases noticed</i>

For M/s. PPB & CO.,  
Chartered Accountants  
F.R.N -324735E

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No -060642

Date : 17<sup>th</sup> Day of August, 2020  
Place : Bhubaneswar



## Directions under Section 143(5) of the Companies Act 2013

## Sector Specific Additional Directions

Sl. No.	Directions	Comments
1	Whether the land owned by the company is encroached, under litigation, not put to use or declared surplus, details may be provided.	No Such Cases
2	Whether physical verification and valuation of standing crops/tress was done at the end of the financial year in accordance with the standard industry practices?	Yes
3	Whether the stock of seeds packing/certification materials and other items has been taken on the basis of stock records after adjustment of shortage/excess found on physical verification and whether due consideration has been given for deterioration in the quality of old stocks which may result into overvaluation of stock?	Not Applicable
4	Whether all the agriculture produce procured are properly stored and adequately insured. If any insurance claims are rejected, the details may be reported.	Properly stored but no Insurance taken.
5	Whether the company has an effective mechanism for disbursement or loans/subsidies/agro inputs and agriculture machineries to beneficiaries and recovery thereof (loans) along with interest, if any, from beneficiaries?	No such transactions
6	The grants/subsidies for implementing various schemes are accounted for as per the accounting standards and utilized for intended purpose.	Grants and Subsidies received are properly accounted as per accounting standards and utilized for intended purpose. But no grants and subsidies are given.
7	Whether the cost incurred on abandoned projects has been written off?	No such projects
8	Whether requisite permission for clearing of forest/existing plants etc. have been obtained under the prevailing rules and regulations in compliance of Forest Conservation Act so as to protect/preserve forest cover. Has the company taken adequate steps to stop unauthorized felling of trees for conservation	No such cases

9	Whether management has monitored that by-product/scrap is produced within the norms.	Yes
10	Whether the policy of accounting for trees felled after economic life of rubber/cashew plantation is in accordance with the standard practices followed in similar industries?	Yes
11	Whether re-plantation reserves has been utilized for intended purposes and meet the requirement of compensatory afforestation under respective legislation.	No re-plantation reserve
12	Report the cases of diversion of grants subsidies received from centre/state government or their agencies for performing certain activities.	No such cases noticed or come across during our audit.
13	Cases of wrong accounting of interest earned on account of non-utilization of amount received for certain projects or schemes may be reported.	NIL
14	Examine pricing policy framed by the Company to ensure that all cost components are covered.	Properly Priced
15	Report on the extent of utilization of plant and machinery and its obsolescence, if applicable.	Not applicable

For **M/s. PPB & CO.,**  
Chartered Accountants  
F.R.N.-324735E

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Date: 17<sup>th</sup> Day of August, 2020  
Place: Bhubaneswar



**STATEMENT OF LEGAL CASES INVOLVING ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD. FOR THE YEAR 2018-19.**

Sr. No.	Case No.	Name of the parties	Brief nature of the case	Name of court	Status of the case ending 31st March, 2019
1	2	3	4	5	6
1	Misc. Case No. 92/93	(K.N. Gumansingh Vrs. OSCDC Ltd.)	Service matters	Labour Court, Bhubaneswar	Pending for final orders.
2	I.D. Case No. 65 of 2005	(D.M., OSCDC, Khurda- Vrs- Ujala Gouda)	Service matters	Labour Court, Bhubaneswar	Pending for orders.
3	Misc Case No. 106/2005	(Narayan Pradhan & 6 others Vrs. D. M., Khurda)	Service matters	Labour Court, Bhubaneswar	Pending for orders.
4	O.J.C.No.4398/1995	(D.M., OSCDC, Dhenkanal Vrs. Presiding Officer, Labour Court, Bhubaneswar & another)	Service matters	Orissa High Court, Cuttack	Pending for final orders.
5	O.J.C.No.6358/1996	(Bijay Kumar Pradhan Vrs. OSCDC Ltd.)	Service matters	Orissa High Court, Cuttack	Pending for orders.
6	O.J.C.No.2630/1997	(P.K. Dehury Vrs. OSCDC Ltd.)	Service matters	Orissa High Court, Cuttack	Pending for orders.
7	W.P.(c) No. 8454 of 2006	(Nagen Ku. Pradhan Vrs. OSCDC.)	Service matters	Orissa High Court, Cuttack	Pending for orders.
8	W.P.(C) No.11661 of 2010	(H.S.Panda -Vrs- State of Orissa & others)	Service matters	Orissa High Court, Cuttack	Pending for orders.
9	WPC No.22363 of 2010	(S. Barik and another-Vrs- OSCDC)	Service matters	Orissa High Court, Cuttack	Pending for final orders.
10	WPC No.18535 of 2010	(Bhimasen Palei-vrs- OSCDC Ltd.)	Service matters	Orissa High Court, Cuttack	Pending for orders.
11	WPC No.135 of 2012	(OSCDC Ltd -Vrs- S. C. Dash & other)	Service matters	Orissa High Court, Cuttack	Pending for final orders.
12	WPC No.136 of 2012	(OSCDC Ltd -Vrs- U.K.Samantaray & other)	Service matters	Orissa High Court, Cuttack	Pending for final orders.
13	WPC No.137 of 2012	(OSCDC Ltd -Vrs- S. Swain & other)	Service matters	Orissa High Court, Cuttack	Pending for final orders.
14	WPC No.22971 of 2012	(Ashok Ku. Mohanty-vrs- OSCDC Ltd. & others)	Service matters	Orissa High Court, Cuttack	Pending for final orders.
15	WPC No.20753 of 2012	(Lalmohan Tripathy-Vrs- State of Orissa & others)	Service matters	Orissa High Court, Cuttack	Pending for orders.
16	WPC No.25140 of 2012	(Nabakishore Rana & others-Vrs-OSCDC)	Service matters	Orissa High Court, Cuttack	Pending for orders.
17	WPC No.12368 of 2013	(Somanath Das-vrs-M.D., OSCDC Ltd.)	Service matters	Orissa High Court, Cuttack	Pending for orders.
18	WPC No.1500 of 2014	(S.P.Sahoo-vrs-State of Odisha & others)	Service matters	Orissa High Court, Cuttack	The case is being dealt at the Govt. level.
19	WPC No.12416 of 2014	(Bijay Kumar Nath-vrs- State of Odisha & others)	Service/Recovery matters	Orissa High Court, Cuttack	Pending for final orders.
20	WPC No.12417 of 2014	(Sudarshan Majhi-vrs- State of Odisha & others)	Service/Recovery matters	Orissa High Court, Cuttack	Pending for final orders.
21	WPC No.12418 of 2014	(Jatin Chandra Mohapatra-vrs-State of Orissa & others)	Service/Recovery matters	Orissa High Court, Cuttack	Pending for final orders.
22	WPC No.14579 of 2014	(Suman Charan Rout-vrs- State of Odisha & others)	Service/Recovery matters	Orissa High Court, Cuttack	Pending for final orders.
23	WPC No.11415 of 2015	(Nirangan Parida-vrs- OSCDC Ltd. & Anr.)	Service/Recovery matters	Orissa High Court, Cuttack	Pending for orders.

Sl. No.	Case No.	Name of the parties	Brief nature of the case	Name of court	Status of the case ending 31st March, 2019
24	WPC No.1196 of 2016	(Ranjana Mishra-vrs-State of Odisha & others)	Service matters	Orissa High Court, Cuttack	Pending for orders
25	CONTC No.1138 of 2016	(Kishore Ch. Samal-vrs-Hementa Ku. Panda, M.D., OSCDC Ltd.)	Service matters	Orissa High Court, Cuttack	Pending for orders
26	CMAPL Case No.2017	(OSCDC Ltd. Vrs. State of Orissa & Others)	Service matters	Orissa High Court, Cuttack	Pending for orders.
27	WPC No.6031 of 2018	(Amulya Ku. Swain-vrs-OSCDC & others)	Service matters	Orissa High Court, Cuttack	Pending for orders.
28	WPC No.7553 of 2018	(Byasadeba Sarangi-vrs-OSCDC & Another)	Service matters	Orissa High Court, Cuttack	Pending for orders.
29	WPC No.12726 of 2018	(Debashis Mohapatra-vrs-M.D.,OSCDC & Another)	Service matters	Orissa High Court, Cuttack	Pending for orders.
30	WPC No.18589 of 2018	(Managing Director, OSCDC & Another-vrs-ALC, Khordha & Another)	Service matters	Orissa High Court, Cuttack	Pending for orders.
31	T.S. No.53/1998	(Secretary, Orissa General Plantation Co-operative Society -vrs- Managing Director, OSCDC Ltd. & others.)	Plantation / Land matters.	Civil Judge (Senior Dvn.), Bhubaneswar.	Pending for orders.
32	T.S. No.263/2001 136/1999	(S.N.Pattanaik -vrs- State of Orissa represented through the Collector, Puri & others.)	Plantation / Land matters.	Civil Judge (Senior Dvn.), Puri	Pending for orders.
33	O.J.C.No.17293/1998	(A. Baral Vrs. State & others.)	Plantation / Land matters.	Orissa High Court, Cuttack	The case is being dealt at the Govt. level.
34	Misc. Appeal No. 3/16 of 2005	(Shradhanjali Panigrahi Vrs State of Orissa and others)	Plantation / Land matters.	District Judge, Khurda at Bhubaneswar	Pending for orders.
35	R.S.A. No.22/2005 arising out of T.A. No.10.2002 (T.A. No.15/2001)	(OSCDC Ltd. -vrs- Gadadhar Parida & others.)	Plantation / Land matters.	Orissa High Court, Cuttack	Pending for orders.
36	R.S.A. No.23/2005	(OSCDC Ltd. -vrs- Arjun Parida .)	Plantation / Land matters.	Orissa High Court, Cuttack	Pending for orders.
37	W.P.(c) No. 10996 of 2006.	(Kachera Sahoo-vrs-Collector, Dhenkanal & others.)	Plantation / Land matters.	Orissa High Court, Cuttack	Pending for orders.
38	W.P.(c) No. 1009 of 2007	(Reli Badanayak & others Vrs. State & others.)	Plantation / Land matters.	Orissa High Court, Cuttack	Pending for orders.
39	W.P.(c) No. 1022 of 2007	(Dhanu Muduli & others Vrs. State & others.)	Plantation / Land matters.	Orissa High Court, Cuttack	Pending for orders.
40	W.P.(c) No. 1905 of 2007	(Jagu Rudei & others Vrs. OSCDC & others.)	Plantation / Land matters.	Orissa High Court, Cuttack	Pending for orders.
41	Sairat Revision No. 5 / 2008	(OSCDC-vrs-State of Orissa and others)	Plantation / Land matters.	Additional District Magistrate, Puri.	Pending for orders
42	Lease Appeal No. 3 / 2008	(OSCDC-vrs-State of Orissa and others)	Plantation / Land matters.	Sub-Collector, Puri.	Pending for orders
43	I. A. No. 24/2007 (Arising out of C. S. No. 16/2007)	(Muralidhar Sahoo-vrs-OSCDC)	Land matters.	Civil Judge (Junior Dvn.), Bhubaneswar.	Pending for orders



Sl. No.	Case No.	Name of the parties	Brief nature of the case	Name of court	Status of the case ending 31st March, 2019
44	CONTC No.532 of 2012 (Arising out of W.P.(C) No.30635 of 2011 disposed of on 08.12.2011)	(N.K.Mohapatra-Vrs-State of Odisha & others)	Plantation / Land matters.	Orissa High Court, Cuttack	Pending for orders
45	W.P.(C) (PIL) No.24755 of 2017	(Ramesh Harichandan-Vrs-State of Orissa & others)	Plantation / Land matters.	Orissa High Court, Cuttack	Pending for orders
46	Civil Suit No. 67 / 2006	(K. Kondala Rao-Vrs-OSCDC & Other)	Auction matters.	Civil Judge (Sr. Dvn.), Nabarangapur.	Pending for orders.
47	W.P.(c) No. 6430 of 2007	(Narayan Tripathy-Vrs-OSCDC & others)	Auction matters.	Orissa High Court, Cuttack	Pending for orders.
48	R.F.A. No.90/2007	(OSCDC Ltd. -vrs-Chakradhar Srichandan.)	Auction matters.	Orissa High Court, Cuttack	Pending for orders.
49	Consumer Complaint Case No.118 of 2012	(Judhistira Bhoi-Vrs-M.D.,OSCDC Ltd.)	Auction matters.	District Consumer Disputes Redressal Forum, Puri	Pending for orders.
50	W.P.(C) No.4960 of 2015	(Sanjay Singh-Vrs.-OSCDC Ltd. & Anr.)	Auction matters.	Orissa High Court, Cuttack	Pending for orders.
51	Money Suit No. 32 of 2001	(Shyam Kamal Tung Vrs. M/S Oswal Chemicals and Fertilisers & two others)	Crop damage compensation matters.	Civil Judge (Senior Division), Jagatsinghpur.	Pending for orders.
52	Misc. Case No. 165/111 of 2001/2002	(R.K.Mohapatra Vrs. Pitambar Patra & others)	Accident compensation matters.	Major Accident Claims Tribunal, Bhubaneswar.	Pending for orders.
53	F.A.O. No. 128 of 2010	(OSCDC Vrs. Sankhi Nayak & others)	Death compensation matters.	Orissa High Court, Cuttack	Pending for final orders
54	P. G. Case No.9 / 2018	(Dhusasan Jena Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
55	P. G. Case No.10 / 2018	(Dhusasan Champati Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
56	P. G. Case No.11 / 2018	(Santilata Jena Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
57	P. G. Case No.12 / 2018	(Dharmananda Ranasingh Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
58	P. G. Case No.13 / 2018	(Nirmal Pattnaik Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
59	P. G. Case No.14 / 2018	(Ananta Biswal Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.

SL No.	Case No.	Name of the parties	Brief nature of the case	Name of court	Status of the case ending 31st March, 2019
60	P. G. Case No.15 / 2018	(Santan Behera Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
61	P. G. Case No.16 / 2018	(Shyamsundar Muduli Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
62	P. G. Case No.17 / 2018	(Dhusasan Baliarsingh Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
63	P. G. Case No.18 / 2018	(Haribol Bhujabal Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
64	P. G. Case No.19 / 2018	(Mahendra Bhujabal Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
65	P. G. Case No.20 / 2018	(Thabir Srichandan Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
66	P. G. Case No.21 / 2018	(Godabarj Behera Vrs. OSCDC)	Gratuity compensation matters.	Controlling Authority under Payment of Gratuity Act-Cum-Asst. Labour Commissioner, Khordha	Pending for orders.
67	R.P. Case No.21 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
68	R.P. Case No.23 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
69	R.P. Case No.24 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
70	R.P. Case No.25 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
71	R.P. Case No.36 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
72	R.P. Case No.22 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
73	R.P. Case No.27 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
74	R.P. Case No.28 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.



Sl. No.	Case No.	Name of the parties	Brief nature of the case	Name of court	Status of the case ending 31st March, 2019
75	R.P. Case No.26 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
76	R.P. Case No.40 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
77	R.P. Case No.29 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
78	R.P. Case No.30 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
79	R.P. Case No.37 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
80	R.P. Case No.31 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
81	R.P. Case No.38 / 2019	(OSCDC-Vrs-Tahasildar, Darpan)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
82	R.P. Case No.33 / 2019	(OSCDC-Vrs-Tahasildar, Dharmasala)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
83	R.P. Case No.35 / 2019	(OSCDC-Vrs-Tahasildar, Dharmasala)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
84	R.P. Case No.41 / 2019	(OSCDC-Vrs-Tahasildar, Dharmasala)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
85	R.P. Case No.32 / 2019	(OSCDC-Vrs-Tahasildar, Sukinda)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
86	R.P. Case No.39 / 2019	(OSCDC-Vrs-Tahasildar, Sukinda)	Revision of Land R.O.R. in favour of OSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.
87	R.P. Case No.34 / 2019	(OSCDC-Vrs-Tahasildar, Danagadi)	Revision of Land R.O.R. in favour of QSCDC.	Commissioner, Land Records and Settlement, Odisha, Cuttack	Pending for orders.

For M/s. PPB & CO.,  
Chartered Accountants  
F.R.N.-324735E

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Date: 17<sup>th</sup> Day of August, 2020  
Place: Bhubaneswar

**Odisha State Cashew Development Corporation Limited****Observations:-**

- i) The company has classified trade receivables into more than one year and less than one year. The aggregate amount of trade receivables outstanding for a period exceeding six months from the date they are due for payment and other should be separately stated.
- ii) Confirmation from creditors, other liabilities and sundry debtors including govt agencies could neither be obtained directly by us nor by the company for our verification. Hence the impact of these figures could not be studied.
- iii) Depreciation of Rs.2,79,99,169/-, Shown Separately after Total Expenses, but as per Sch-III of the Companies Act, 2013, it should be shown under the head Total Expenses.
- iv) Building Material of Rs.40,621/- has been included both in Inventories (both in opening and closing) which should not have shown under this head, as building material is not a part of company's trade.
- v) In Sch-12, Sundry Debtors of Rs.2,32,16,990/- shown under the head Loans & Advances under (Non Current) and Rs.5,79,13,248/- as current, thereby this has impact on the current assets/trade receivables and thus the current assets/trade receivables are under stated by these amount and loans and advances are over stated by these amounts.

For **M/s. PPB & CO.,**  
Chartered Accountants  
F R N -324735E

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Date : 17<sup>th</sup> Day of August, 2020  
Place : Bhubaneswar



**ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD.**

A GOVT. OF ODISHA UNDERTAKING

**FINANCIAL STATEMENTS**

FOR THE YEAR

**2018-2019**

Regd. Office:

Ghatikia

Bhubaneswar-751003

**ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD. BHUBANESWAR**

**BALANCE SHEET AS AT MARCH 31, 2019**

(All Amounts in Indian Rupees unless otherwise stated)

Particulars	Notes	As on March 31, 2019		As on March 31, 2018	
<b>I. EQUITY AND LIABILITIES</b>					
1. Shareholders' funds					
a. Share Capital	3	15,504,000		15,504,000	
b. Reserves and Surplus	4	883,613,520		762,289,352	
			899,117,520		777,793,352
2. Non-Current Liabilities					
a. Other Long-term liabilities	5	30,967,753		40,014,565	
b. Long-term Provisions	6	36,406,258		44,115,759	
			67,374,011		84,130,324
3. Current Liabilities					
a. Other current liabilities	5	22,148,890		15,420,084	
b. Short-term Provisions	6	37,099,572		6,520,504	
			59,248,462		21,940,588
<b>TOTAL</b>			<b>1,025,739,993</b>		<b>883,864,264</b>
<b>II. ASSETS</b>					
1. Non-current assets					
a. Fixed assets					
i) Tangible assets	7	263,274,907		212,078,826	
ii) Capital Work In Progress	8	109,361,171		93,085,718	
			372,636,078		305,164,544
b. Long-Term Loans & Advances	12	44,310,654		33,611,990	
c. Other non-Current Assets	13	4,426,116		4,426,116	
			48,736,770		38,038,106
2. Current assets					
a. Inventories	9	11,058,582		9,935,221	
b. Trade Receivables	10	19,323,425		12,363,118	
c. Cash and Cash Equivalents	11	495,211,766		468,490,681	
d. Loans & Advances	12	67,086,559		41,179,295	
e. Other Current Assts	13	11,686,813		8,693,299	
			604,367,145		540,661,614
<b>TOTAL</b>			<b>1,025,739,993</b>		<b>883,864,264</b>
Summary of Significant accounting	2.1				

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

**For PPB & Co**

Firm Registration Number : 324735E

Chartered Accountants

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Sd/-

**Mr. P. K. Sahoo**  
GM (Finance)  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Sd/-

**Mr. Satyabrata Rout, O.A.S**  
Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Sd/-

**Mr. Sadananda Nayak, O.A.S(SAO)**  
Managing Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Date: 17.08.2020  
Place: Bhubaneswar



## ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD. BHUBANESWAR

**PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019**

(All Amounts in Indian Rupees unless otherwise stated)

Particulars		March 31, 2019		March 31, 2018	
<b>Revenue from Operation</b>					
Income from Plantations	14	145,836,485		217,937,474	
Income from Nurseries	14	80,241,873		78,461,007	
Other income	15	27,588,062		18,942,292	
<b>Total Revenue (A)</b>			253,666,420		315,340,773
<b>Direct Expenses</b>	16	62,866,771		62,825,024	
Change of Inventories	9	(1,123,361)		(1,676,948)	
Employee benefit expense	17	67,628,968		89,578,202	
Other expenses	18	6,214,296		4,840,930	
<b>Total Expenses (B)</b>			135,586,674		155,567,208
<b>Profit before depreciation, amortisation and tax (EBIDTA) (A - B)</b>			118,079,746		159,773,565
Depreciation			27,999,169		19,584,891
<b>Profit before Tax and Exceptional items</b>			90,080,578		140,188,674
<b>Exceptional Items</b>					
Prior Year Adjustments ( Refer note -23)			2,824,470		352,029
<b>Profit before Extra- Ordinary items and Tax</b>			87,256,108		139,836,645
<b>Net current tax expense</b>					
(1) Current tax			7,567,083		5,234,646
(2) Deferred tax					
<b>Profit /(Loss) after tax</b>			79,689,025		134,601,999
<b>Earnings per equity share:</b>					
Basic			5.140		8.682
Diluted			5.140		8.682
Nominal Value of Share			1,000		1,000
Summary of Significant accounting policies	2.1				

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

**For PPB & Co**

Firm Registration Number : 324735E

Chartered Accountants

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Sd/-

Mr. P. K. Sahoo  
GM (Finance)  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Sd/-

Mr. Satyabrata Rout, O.A.S  
Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Sd/-

Mr. Sadananda Nayak, O.A.S(SAG)  
Managing Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Date: 17.08.2020

Place: Bhubaneswar

**ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

**1. Corporate Information**

Odisha State Cashew Development Corporation Ltd (OSCDC Ltd) was incorporated under The Companies Act, 1956 on 6th April, 1979 for development of cashew in the State of Odisha. The main objective of OSCDC Ltd. is to give thrust on development of cashew plantation and strengthen the economy of the State by commercially exploiting cashew crops in the State. Initially, OSCDC Ltd. embarked upon its activities in the then 7 nos. of undivided Districts of Odisha. During its 40 years of existence, the OSCDC Ltd. has expanded its activities and is now having 604 nos. of cashew plantations over possession area of 27,941.012 hectares under 20 nos. of Revenue districts of the State. In the year 1993, the Government of Odisha have declared OSCDC Ltd. as the Nodal Agency for cashew cultivation / expansion in the State. The OSCDC is developing new cashew plantations since 1999-2000 investing its own fund as well as with partial assistance from Directorate of Cashew nut & Cocoa Development, GOI. By the FY 2018-19, 8,111.15 ha. new plantations have been developed. The OSCDC Ltd. has 21 nos. of cashew clonal nurseries with a production capacity of 30.00 lakhs high yielding cashew grafts. The OSCDC Ltd. has its own mango scion banks to produce quality mango grafts and in the year 2011-12 has established a medicinal plants nursery under the National Mission on Medicinal Plants (NMMP).

**2. Basis of preparation**

The financial statements have been prepared to comply in accordance with generally accepted accounting principles in India (Indian GAAP). The company has complied in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out.

The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

**2.1 Summary of significant accounting policies**

**a) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**b) Fixed assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

However,

i) The Plantation transferred from Soil Conservation Department, Govt of Odisha have not been included in the Fixed Assets pending Transfer of Legal Ownership in favour of the Corporation as well as the finalisation of the Terms and conditions of such transfer. However contingent liability exists towards



the cost of such land and plantations if any, the value of which can't be ascertained. At present the Corporation is in advance possession over 27,878.83 hact. of cashew plantation spreading all over the State of Odisha in 20 nos. of districts, out of which only 627.42 acr. of land lease has been sanctioned in favour of the Corporation.

ii) Valuation of Plantations in Work In Progress is made on the basis of direct cost incurred. Plantation after Completion of the 3rd. Year have been transferred to the New Plantation Account

iii) Writing on account of Plantation have been effected from 10th Year of Planting and expenditure and income from the 4th year to 9th Year of planting shall be treated as revenue expenditure and income

**c) Depreciation on tangible fixed assets**

Depreciation on fixed assets is calculated on WDV basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013, whichever is higher. Depreciation on assets purchased / installed during the year is calculated on a pro-rata basis from the date of such purchase / installation.

**d) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. As per the followed policy entire income from plantations are recognised on season basis once the auction process for the started.

**e) Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Since Income of the Corporation is agricultural income within the meaning of S. 2(1) Of the Indian Income tax Act 1961 Tax Provisions are made for Income from other sources i.e Income from Interest.

**f) Earnings Per Share ('EPS')**

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period. And diluted earnings per share are calculated by dividing the net profit for the year attributed to equity shareholders by the weighted average number of equity share outstanding during the year.

**g) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**h) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond control



of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but disclose its existence in the financial statements.

**i) Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investment with an original maturity of three months or less.

**j) Grants**

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants related to assets is presented in the statement of financial crediting the amount to Capital reserve. Government grants related to revenue is deducted, in reporting the related expense.

**k) Employee Benefit accounting.**

The Corporation has undertaken Group Gratuity -Cum Life Insurance Scheme thorough LIC of India for Coverage of Gratuity and Group Insurance Payment to the employees at the time of retirement / death /resignation The Corporation has provided Leave encashment benefit to its employees at the time of their retirement /death /resignation as per Govt Rules and not created any fund for the above contrary to AS-15.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

**For PPB & Co**

Firm Registration Number : 324735E

Chartered Accountants

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Date: 17.08.2020

Place: Bhubaneswar

For and on behalf of the Board of Directors of  
**ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD**

Sd/-

**Mr. P. K. Sahoo**  
GM (Finance)  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Sd/-

**Mr. Satyabrata Rout, O.A.S**  
Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Sd/-

**Mr. Sadananda Nayak, O.A.S(SAG)**  
Managing Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar



# ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD. BHUBANESWAR

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(Unless other wise stated all amounts are in Indian Rupees)

### 3 Share capital

Particulars	March 31, 2019	March 31, 2018
Authorised capital :		
50,000 (March 31, 2019 : 50,000) Equity Shares of Rs 1000/- each	50,000,000	50,000,000
Total	50,000,000	50,000,000
Issued, subscribed and fully paid-up shares :		
15,504 (March 31, 2019 : 15,504) Equity Shares of Rs 1000/- each	15,504,000	15,504,000
Total issued, subscribed and fully paid-up share capital	15,504,000	15,504,000

### a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2019		March 31, 2018	
	Numbers	Amount	Numbers	Amount
As at, April 1, 2018	15,504	15,504,000	15,504	15,504,000
Issued during the year				
As at, March 31, 2019	15,504	15,504,000	15,504	15,504,000

### b) Terms/rights attached to equity shares

The Corporation has only one class of equity shares having a par value of Rs 1000/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c) Shares held by Holding /Ultimate Holding Company and /or their Subsidiaries/Associates

Particulars	March 31, 2019		March 31, 2018	
	Numbers	Amount	Numbers	Amount
The Corporation is an wholly owned Govt of Odisha undertaking	15,504	15,504,000	15,504	15,504,000

### d) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019		March 31, 2018	
	Numbers	% of holding	Numbers	% of holding
The Corporation is an wholly owned Govt of Odisha undertaking	15,504	100%	15,504	100%
Equity shares of Rs 1000 each fully paid up	15,504	100%	15,504	100%

### 4 Reserves and surplus

Particulars	March 31, 2019	March 31, 2018
a) Opening Balance	371,163,428	257,760,508
Add : Grant-in-Aid received towards Capital Development	47,242,411	111,182,920
	418,405,839	371,163,428
b) Surplus in the statement of Profit and loss		
Balance at April 1, 2018	391,125,924	262,122,000
Add : Income for the Period	79,689,025	134,601,999
	470,814,949	396,723,999
Less: Prov. for Dividend	5,607,268	5,598,075
Closing Balance	465,207,681	391,125,924
Total (a + b)	883,613,520	762,289,352

### 5 Other Current Liabilities

Particulars	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Sundry Creditors	3,082,461	412,511		
EMD and other SD Roundable	5,765,113		10,004,831	6,795,641
Other liabilities				
Accrued Expenses	2,699,643	21,834,196	1,019,093	1,588,910
Others Liabilities	19,420,536	14,053,857	13,124,966	7,035,533
Total Other Current Liabilities	30,967,753	46,301,565	14,148,890	15,410,084

### 6 Provisions

Particulars	Non-Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for employee benefits	993,521	25,060,617	23,145,399	10,260,993
Provision for Expenses	19,978,956	9,103,906	739,822	842,611
Provision for Income Tax	10,781,581	5,234,046	7,567,083	
Provision for Dividend	4,651,200	4,651,200	5,607,268	4,651,200
Total Provisions	36,405,258	44,115,759	37,059,572	6,520,594

Fixed Assets

Sl No.	Particulars	Gross Block			Depreciation				Net Block	
		Balance as at 1 April 2018	Additions	Disposals/Adjustment	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciation charge for the year	Adjustment due to revaluations/additions/disposals	Balance as at 31 March 2019	Balance as at 31 March 2018
a	Tangible Assets									
1	Land	184,903			184,903	-	-		184,903	184,903
2	Plantation.	88,981,181	8,578,412		97,559,593	42,653,321	6,907,619		49,560,940	46,327,860
3	Nursery	187,044,837	68,478,257		255,523,094	39,458,244	19,164,125		58,622,369	147,586,593
4	Civil Work (Plantations.)	4,919,323			4,919,323	2,073,208	338,621		2,411,829	2,846,115
5	Cemented well.	108,567			108,567	74,528	4,444		78,972	34,039
6	Head Office Building.	16,964,996	1,694,508		18,659,504	3,303,005	735,370		4,038,375	13,661,991
7	Motor Vehicle.	2,210,371			2,210,371	1,959,045	97,130		2,056,175	251,326
8	Agriculture equipment.	986,531			986,531	782,564	49,057		831,620	203,967
9	Office equipment/AC.	1,155,560	55,085		1,210,645	981,113	120,783		1,101,896	174,447
10	Furniture & Fixture	1,115,020	210,686		1,325,706	990,917	114,114		1,105,032	124,102
11	Computer & Faxmachine	1,162,748			1,162,748	1,002,981	93,604		1,096,585	159,767
12	Electrical Equipments & Generator	332,415	178,301		510,716	285,437	45,908		331,344	46,978
13	Plant & Machinery	221,020			221,020	123,778	39,650		163,428	97,242
14	Web Site Development	756,436			756,436	376,942	288,743		665,685	379,494
	Total	306,143,908	79,195,249	-	385,339,157	94,065,081	27,999,169	-	122,064,250	212,078,826

a. Depreciation on tangible fixed assets is provided on W D V method at the rates determined based on the useful lives of respective assets as per prescribed in the Schedule II of the Companies Act.2013.

b. Depreciation for assets purchased/sold during the year is proportionately charged.



## 8 Capital WIP

## Particulars

	Building WIP	New Plantations	Plantation WIP	Trg.Centre.	Total Rupees
At at March 31, 2017	1,329,718	-	76,795,099	4,927,321	83,052,138
Additions			18,844,988	6,675,558	25,520,546
Transfer to Fixed Assts			3,884,087	11,602,879	15,486,966
At at March 31, 2018	1,329,718	-	91,756,000	-	93,085,718
Addition			24,853,865		24,853,865
Transfer to Fixed Assts			8,578,412		8,578,412
At at March 31, 2019	1,329,718		108,031,453	-	109,361,171

## 9 Inventories ( Valued at lower of cost &amp; net realizable value )

	March 31, 2019	March 31, 2018
Cashew Grafts	11,017,961	9,894,600
Stock Of Buildings Material	40,621	40,621
	11,058,582	9,935,221

## 10 Trade Receivables

	March 31, 2019	March 31, 2018
Auction sale receivable	19,323,425	12,152,674
Receivables from Grafts - More Than One Year		210,444
- Less Than One Year		
	19,323,425	12,363,118

## 11 Cash and Bank balances

	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Balances with banks :		
STD with Schedule Bank	439,561,901	351,912,130
Balances with Scheduled Banks in savings Account	54,429,693	115,243,514
Cash on hand	880,689	963,193
DD In Transit	339,483	371,844
	495,211,766	468,490,681

## 12 Loans and Advances :

Unsecured, considered good unless stated otherwise

	Non - Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
A Security Deposit				
Unsecured, considered good	199,983	428,819		
	199,983	428,819		
B Loan and advances				
Advance Income Tax	11,310,849	6,046,110	7,567,083	
Advance for Works	9,582,832	7,299,738	1,606,228	9,737,712
Sundry Debtors	23,216,990	19,837,323	57,913,248	31,441,583
	44,110,671	33,183,171	67,086,559	41,179,295
TOTAL ( A + B )	44,310,654	33,611,990	67,086,559	41,179,295

## 13 Other Current Assets

	Non - Current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Interest Receivable on STD				
Salary Receivable from Govt.	508,273	508,273	11,686,813	8,693,299
Other Current Assets	3,917,843	391,7843		
	4,426,116	4,426,116	11,686,813	8,693,299

## 14 Revenue From Operation

	March 31, 2019	March 31, 2018
Income from Plantations	145,836,485	217,937,474
Income from Nurseries	80,241,873	78,461,007
	226,078,358	296,398,481

## 15 Other Income

Particulars	March 31, 2019	March 31, 2018
Interest on Bank Deposit	27,588,062	18,942,292
Total other income	27,588,062	18,942,292

## 16 Direct Expenses

	March 31, 2019	March 31, 2018
Plantation Expenses	10,251,479	11,664,861
Rejuvenation Expenses	-	2,153,404
Nursery expenses	52,615,292	49,006,759
	62,866,771	62,825,024

# Odisha State Cashew Dev. Corpn. Ltd.

## 17 Employee Benefits Expenses

	March 31, 2019	March 31, 2018
Salaries, wages and Bonus	50,341,047	65,822,431
Director Remuneration/TA	2,097,770	18,000
Gratuity/leave Expenses	15,076,451	23,707,135
Staff Welfare expenses	113,700	30,636
	<b>67,628,968</b>	<b>89,578,202</b>

## 18 Other Expenses

	March 31, 2019	March 31, 2018
Administrative Expenses	564,694	468,421
Rent	54,000	89,500
Ground Rent	1,129,822	1,118,888
Rates & Taxes	121,578	65,108
Insurance	11,986	14,991
Travelling and Conveyance	156,246	202,288
Communications costs	718,757	500,594
Professional Fees	150,990	57,590
Payment to auditor	63,100	61,800
Motor Car Expenses	2,351,726	1,059,791
Market Promotion	144,444	119,100
Miscellaneous Expenses	43,448	32,540
Seminar Expense/Krusha Moahastave Exp.	703,505	1,050,319
Total Other Expenses	<b>6,214,296</b>	<b>4,840,930</b>

19 Pending execution of the lease deed regarding transfer of land and plantation from the Government of Odisha to the Corporation and pending finalization of terms and conditions of valuation of plantations, premium, ground rent and cess have been deposited, paid or provided for as the case may be on estimated basis.

20 The Corporation has disposed some of the cashew plantations on long term Lease basis (3year Lease) and as per the Long Term Lease policy the bidders have deposited 40% of the bid value in first year of the lease and balance 30% each in 2nd and 3rd year of the lease period.

21 Pending Check Measurement of work and finalization of bills, no provision has been made for the work done on building and the same has not been included in the fixed assets of the Corporation.

22 Claims against the Corporation not acknowledged as liabilities amounting to Rs.49.09 lakhs in pending 88 nos. of legal cases.

23 As per the standard accounting policy, adjustments on the following heads relating to earlier years have been made through "Prior Period Adjustment Account".

b) Arrear Salary etc..	Rs 19,99,371 (Dr)
a) Plantation Expenses.	Rs 74,626 (Dr)
b) Income from Plantation	Rs 6,43,751 (Dr)
c) Dividend Tax	Rs 1,04,264 (Dr)
d) Enumeration Expenses.	Rs 5,591 (Cr)
d) Depreciation.	Rs 8,047 (Dr)
<b>Total</b>	<b>Rs. 28,24,470 (Dr)</b>

24 The method adopted for valuation of stock being "Cost or Market value which ever is lower" different items of closing stocks are valued as under :

	At Cost	Market value
a Cashew graft	Rs 1,10,17,961	Rs.2,03,59,277
b Building materials.	Rs 40,621	Rs 40,621
<b>Total</b>	<b>Rs.1,10,58,582</b>	<b>Rs.2,03,99,898</b>

25 Related party transactions:  
Salary paid to Managing Director

2018-19	2017-18
1,310,394	

26 The Income from Plantation includes Rs 3,33,31,200/- (Rs7,36,17,988/- for 2017-18) towards compensation against acquisition of cashew trees by the Govt.

27 As the Corporation is a Plantation Company, Furnishing of information regarding capacity production and consumption of raw materials does not arise.

28 There were no employees employed during the whole year or part of the year, who were in receipt of remuneration as per provisions of Section 134 of the Companies Act, 2013.

29 Previous Year's figure have been regrouped and rearranged wherever necessary.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

**For PPB & Co**

Firm Registration Number : 324735E

Chartered Accountants

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Sd/-

**Mr. P. K. Sahoo**  
GM (Finance)  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Sd/-

**Mr. Satyabrata Rout, O.A.S**  
Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Sd/-

**Mr. Sadananda Nayak, O.A.S(SAG)**  
Managing Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Date: 17.08.2020

Place: Bhubaneswar



## ODISHA STATE CASHEW DEVELOPMENT CORPORATION LTD

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(All Amounts in Indian Rupees unless otherwise stated)

Particulars	Year Ended March 31, 2019		Year Ended March 31, 2018	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit/(Loss) before Tax		90,080,578		140,752,740
Adjustments for :				
Provision for Depreciation	27,999,169		18,755,620	
Interest received		118,079,746		159,508,360
Operating Loss before Working Capital Changes		27,588,062		18,938,210
Adjustments for :		90,491,684		140,570,150
(Increase)/Decrease in Stock	(1,123,361)		627,852	
Decrease/(Increase) in advance	(40,857,952)		(21,108,247)	
Increase/(Decrease) in Provisions	22,869,567		8,521,421	
Decrease /(Increase) in Bills Receivable	(6,960,307)		(40,231,908)	
Decrease/(Increase) in Current Assets	(2,993,514)		(8,175,141)	
(Decrease)/Increase in Bills Payable	2,318,005	(26,747,563)	17,365,677	(43,000,548)
<b>CASH GENERATED FROM OPERATIONS</b>		63,744,122		97,569,604
Direct taxes paid (net of refund)		7,567,083		5,217,951
<b>Net Cash generated/(used) in operating activities (A)</b>		56,177,039		92,351,653
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES :</b>				
Purchase of fixed assets	(70,616,837)		(51,424,030)	
Increase in WIP	(16,275,453)		(10,408,913)	
<b>Net Cash generated/(used) in investment activities (B)</b>		(86,892,290)		(61,832,943)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Interest received	27,588,062		18,938,210	
Grant in in Aid received	47,242,411		113,382,920	
Dividend	(5,607,268)		(5,598,075)	
<b>Net Cash generated/(used) in financing activities (C)</b>		69,223,205		126,723,055
<b>NET INCREASE/(DECREASE) IN CASH AND CASH</b>		38,507,954		157,241,765
Closing Balance		495,211,766		457,435,583
Opening Balance		457,435,583		300,193,818
<b>NET INCREASE/(DECREASE) IN CASH AND CASH</b>		37,776,183		157,241,765
Components of Cash and Cash Equivalents				
Cash and Cheques on hand	880,689		430,691	
With Banks :				
On Savings Account	54,429,693		105,092,762	
on STD	439,561,901		351,912,130	
	494,872,283		457,435,583	

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For PPB &amp; Co

Firm Registration Number : 324735E

Chartered Accountants

Sd/-

(Pankaj Kumar Mohapatra, FCA)  
Partner, M. No.-060642

Sd/-

Mr. P. K. Sahoo  
GM (Finance)Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Sd/-

Mr. Satyabrata Rout, O.A.S  
Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Sd/-

Mr. Sadananda Nayak, O.A.S(SAG)  
Managing Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar

Date: 17.08.2020

Place: Bhubaneswar

**ODISHA STATE CASHEW DEVELOPMENT CORPORATION LIMITED,  
BHUBANESWAR-751003**

**Delay Statement for submission of 40th Annual Report for the Year 2018-2019**

- 1) Date on which the Accounts were compiled by the Corporations : 30.04.2020
- 2) Date on which the Statutory Auditors were appointed. : 04.10.2018
- 3) Date on which the Accounts were handed over to them for Audit. : 12.06.2020
- 4) Date on which accounts were referred to C & A.G. of India : 17.08.2020
- 5) Date on which audit certificates were received from C & A.G. of India. : 27.11.2020
- 6) Date on which the Annual Report was presented and approved by the General Meeting. : 30.12.2020
- 7) Date on which the Annual Report was sent to concerned Department. : 05.02.2021

\* \* \* \* \*

Sd/-  
**Sri Sadananda Nayak, O.A.S (SAG)**  
Managing Director  
Odisha State Cashew  
Development Corporation Ltd.  
Bhubaneswar







