



**ಕರ್ನಾಟಕ ರಾಜ್ಯ ಬೀಜ ಮತ್ತು
ಸಾವಯವ ಪ್ರಮಾಣನ ಸಂಸ್ಥೆ**

(ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಒಂದು ಸಂಸ್ಥೆ)

ಬ್ಯಾಪ್ಟಿಸ್ಟ್ ಆಸ್ಪತ್ರೆ ಎದುರು, ಬೆಳ್ಳಾರಿ ರಸ್ತೆ, ಹೆಬ್ಬಾಳ, ಬೆಂಗಳೂರು-560 024



Karnataka State Seed and Organic Certification Agency
(Govt. of Karnataka Organisation)

Opp. Baptist Hospital, Bellary Road, Hebbal, Bengaluru-560024

Ph: 080-23415505 /23418302 Fax : 080-23415506

e-Mail : dscbng@gmail.com Website : www.kssoca.org

ಲೆಕ್ಕ ಪರಿಶೋಧನಾ ವರದಿ
Audit Report
2017-18



**ಕರ್ನಾಟಕ ರಾಜ್ಯ ಬೀಜ ಮತ್ತು
ಸಾವಯವ ಪ್ರಮಾಣನ ಸಂಸ್ಥೆ**

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Audit Report

FINANCIAL YEAR

2017-18

SRIDHARA & SASTRY

CHARTERED ACCOUNTANTS

No.02, 6th Cross, 2nd Stage, Manjunathanagar, Bengaluru



C.N. Sridhara

B.Com, B.L., F.C.A.

SRIDHARA & SASTRY

CHARTERED ACCOUNTANT

2, 2nd Phase, 6th Cross, Manjunathanagara, Bengaluru-560 010.

Ph.: 080-2335 2061 Mob: 96324 99965

E-mail : cnsridhara@gmail.com

AUDITORS' REPORT

We have audited the attached Balance Sheet of KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY, Hebbal, Bengaluru as at 31st March 2018 and also the Income & Expenditure Account for the year ended on that date annexed thereto. These Financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

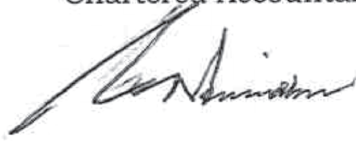
We have conducted the audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subject to the above we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.
- b) The Balance Sheet and Income & Expenditure account dealt with by this report are in agreement with the Books of Accounts.
- c) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India.

- 1) In the case of Balance Sheet, of the state of affairs of KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY, Hebbal, Bengaluru as at 31st March 2018, and
- 2) In the case of Income & Expenditure Account of KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY, **the Excess of Income over Expenditure for the year ended on that date.**

For, SRIDHARA & SASTRY
Chartered Accountants



(C.N.SRIDHARA)
Proprietor

Membership No: 007430

C.N. SRIDHARA
(Membership No. 74301)
SRIDHARA & SASTRY
Chartered Accountants
No. 2, 6th Cross, 2nd Phase,
Manjunathnagar, Bangalore-560 010

Date: 30.11.2018
Place: Bengaluru

KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY
Hebbal, Bengaluru – 560 024

**Accounting policies and notes forming part of the accounts for the year
ended 31st March 2018**

Overview of the Agency: Karnataka State Seed and Organic Certification Agency is an autonomous body established in the year 1974 under the provisions of Section 8 of the Seeds Act 1966 and registered under the Karnataka Society's Registration Act 1960.

The main objective of this organization is to ensure the quality of seeds of various notified crop varieties after conducting necessary lab tests as per the prescribed norms under the Seed Act and to ensure quality control.

The revenue of this organization is through the service charges collected on the various certification services.

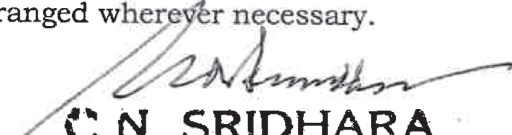
The organization has a governing Board under the Chairman appointed by Govt of Karnataka, with other members consisting of representatives of the Department of Agriculture, The Deputy Secretary Finance, GOK and others.

1. **SYSTEM OF ACCOUNTING :** The Accounts have been prepared under the historical cost convention on accrual basis, and as per applicable Accounting Standards except leave encashment of employees which is on payment basis.
2. **FIXED ASSETS:** Fixed assets are stated at original cost less accumulated depreciation. Cost includes invoice price and wherever applicable duties, taxes and expenses related to their acquisition and installation.
3. **DEPRECIATION:** Depreciation has been charged on WDV method, at rates prescribed by the Income Tax Act, 1961.
4. **INVENTORIES:** Inventories of Tags and packing bags are valued at cost.
5. **GRANT-IN-AID FOR ACQUISITION OF FIXED ASSETS:** Grant-in-aid for acquisition of specific fixed assets is transferred to General reserve fund for the value of Fixed Assets acquired. The fixed assets are shown at the Gross Value. Depreciation charged in respect of such assets is transferred to Income and Expenditure account.
6. **Government grants related to Revenue is shown after deducting the related Expenses against such grant:** Swabeeja and Small & Medium Farmers Grant received from Government of Karnataka on 1/4/2013 of Rs 2.5 crores and 1.74 Crores respectively are not distributed to the farmers and the balance amount is not reconciled between branch balances and the general ledger. Rs 1, 73,75,534/- is the balance as per general ledger as on 31st March 2018. Grant received on account of Seed Mission during the year 2008/09 has an amount of Rs 11, 70,966/- remains unutilized as on 31st March 2018.

7. **RETIREMENT BENEFITS TO EMPLOYEES:** Gratuity for employees is covered under a Group Gratuity Scheme of Life Insurance Corporation of India and contributions in respect of such scheme are provided in Income and Expenditure Account. The accumulated Balance of Gratuity Liability amounting to Rs. 71, 53,293/- as per the confirmation received by LIC as on 31-03-2018 is included under Reserves & Surplus, instead of Current Liability & Provisions as this amount is kept in the Trust of LIC.

8. The Grant of Rs. 2, 00, 00,000 received from Government of Karnataka during the year towards Strengthening the Agency is taken as income for the year 2017-18 and includes in Income & Expenditure Account

9. Previous year figures have been re grouped and re arranged wherever necessary.


C.N. SRIDHARA
(Membership No. 7430)
SRIDHARA & SASTRY
Chartered Accountants
No. 2, 6th Cross, 2nd Phase,
Manjunathnagar, Bangalore-560 010

KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY
Bellary Road, Hebbal, Bengaluru 560024
BALANCE SHEET AS AT 31ST MARCH 2018

As at 31.03.2017 Rs.	SOURCES OF FUNDS	Sch No	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.	APPLICATION OF FUNDS	Sch No	As at 31.03.2018 Rs.
8,66,63,323	Capital Fund	1	9,54,31,826	3,68,17,631	Fixed Assets	4	4,90,10,939
1,56,45,781	Reserves and Surplus	2	4,60,80,026	2,90,03,363	Gross Block		3,03,50,374
1,17,02,600	Current Liabilities and Provisions	3	79,09,251	78,14,270	Less: Depreciation		1,86,60,565
					Current Assets		
				26,93,206	Inventories	5	30,54,418
				10,17,30,931	Cash and Bank Balance	6	12,59,98,758
				1,04,100	Loans And Advances	7	1,17,500
				16,69,197	Other Current Assets	8	15,89,862
11,40,11,704	Total		14,94,21,103	11,40,11,704	Total		14,94,21,103

For KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY

AS PER OUR REPORT OF EVEN DATE

(T RAMACHANDRAIAH)

Director

Director

Karnataka State Seed and
Organic Certification Agency
Bengaluru.

SRIDHARA & SASTRY

Chartered Accountants

(C.N.SHIDHARA)

Proprietor

Membership No : 007430

C.N. SRIDHARA

(Membership No. 7111)

SRIDHARA & SASTRY

Chartered Accountants

No. 2, 6th Cross, 2nd

Manjunathnagar, Bangalore-560010

Date: 30.11.2018

Place: Bangalore

KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY
Bellary Road, Hebbal, Bengaluru 560024

Income and Expenditure Account for the year ending 31st March 2018

Previous Year Rs.	Particulars	Sch No	Current Year Rs	Previous Year Rs	Particulars	Sch No	Current Year Rs
41,96,903	Tag Printing Charges	12	31,23,052.00	7,09,80,186	Income from operation	9	6,59,55,357.61
4,08,880	Purchase of Cloth Bags	13	5,17,607.00	10,88,930.00	Variations in inventories	10	3,61,212.00
4,69,497	GOT Expenses	14	2,17,100.00		Other Income	11	48,67,070.00
6,67,896	STL Expenses	15	5,56,84,235.00	38,03,514	Revenue Grant from GOK		2,00,00,000.00
4,00,61,480	Establishment Expenses		2,45,500.00				
2,27,758	Rent	16	6,55,728.00				
3,21,425	Electricity and Water	17	7,80,784.00				
1,34,764	Travelling Expenses		56,372.00				
95,501	Meeting and seminar	18	4,92,285.00				
4,35,986	Postage	19	1,24,752.00				
61,627	Repairs and Maintenance		2,82,840.00				
1,71,620	Printing and Stationery		3,41,935.00				
1,02,727	Advertisement		13,52,913.53				
14,72,639	Vehicle Maintenance	20	2,15,989.00				
98,617	Vehicle Insurance		5,37,188.00				
3,47,940	Rates and Taxes		90,500.00				
70,000	Legal and Professional		30,442.00				
30,086	Bank Charges		75,000.00				
75,000	Audit Fee		23,415.00				
22,445	Books and Periodicals	21	4,04,577.00				
2,84,593	Courier/Transport Exp		1,15,214.00				
	Loss of sale of Fixed Assets	22	4,00,411.47				
3,43,127	Miscellaneous Expenses	4	18,77,877.21				
8,83,676	Depreciation						
	Excess of Income over		2,35,37,922.40				
	Expenditure						
2,48,88,443							
7,58,72,630	Total		9,11,83,639.61	7,58,72,630	Total		9,11,83,639.61

For KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY

AS PER OUR REPORT OF EVEN DATE

(T RAMACHANDRAIAH)
Directors
Director
Karnataka State Seed and
Organic Certification Agency
Bengaluru.

C.N. SRIDHARA SRIDHARA & SASTRY
(Membership No. 7430) Chartered Accountants
SRIDHARA & SASTRY (C.N.SRIDHARA)
Chartered Accountants Proprietor
No. 2, 6th Cross, 2nd Phase,
Manjunathnagar, Bangalore-560 010

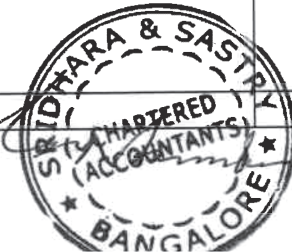
Date :30.11.2018
Place: Bengaluru

KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY
Bellary Road, Hebbal, Bengaluru 560024

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2018

Schedule No 01

	Current Year	Previous Year
Capital Fund	Rs.	Rs.
Capital Fund	17,23,000	17,23,000
Capital Fund - NSP -III	2,30,67,157	2,30,67,157
a	2,47,90,157	2,47,90,157
Government Grants :		
(a) GOI Grants for GOT Development and RKVY	2,98,93,865	1,52,67,757
(b) Karnataka Seed Mission 2008-09	11,70,966	11,70,966
(c) GOI - Establishment of Organic certification	47,63,189	82,39,864
(d) GOK - Swabeeja	1,74,99,552	1,73,75,535
Grants from Govt, of India		
(a) Savayava Bhagya Organic	34,562	15,59,395
(b) NAMAT	68,05,187	1,58,52,017
(c) RKVY Grant Haveri Bld	(4,07,050)	20,83,000
(d) RKVY Grant Raichur Bld	2,66,398	3,24,632
(e) RKVY Grant Gulbarga Bld	39,16,666	
(f) RKVY Grant Gadag Bld	32,86,667	
(g) RKVY Grant Bagalkot Bld	34,11,667	
b	7,06,41,669	6,18,73,166
Total (a+b)	9,54,31,826	8,66,63,323
Schedule No 02		
Reserves and Surplus		
a) General Fund	1,25,06,903	1,25,06,903
b) Income and Expenditure Account:		
Balance as per last Balance sheet	31,38,878	2,17,49,565
Less : Surplus/Deficit	2,35,37,922	2,48,88,443
Add: Group Gratuity reversed	71,53,293	
Less : TDS Refund	2,56,970	
	3,35,73,123	(31,38,878)
Total	4,60,80,026	1,56,45,782
Schedule No 03		
Current Liabilities and Provisions:		
Salary Payable	24,12,168	21,99,602
Salary Deduction Payable	8,99,649	7,35,998
Audit fee Payable	75,000	75,000
Security Deposit	2,00,650	2,06,475
Group Gratuity Payable	13,78,780	71,53,293
Group Gratuity Payable to Employees	15,37,548	12,63,833
Creditors for Expenses	68,400	68,400
EMD	1,00,000	-
Contractor Salary payable	12,37,056	
Total	79,09,251	1,17,02,601



KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY
Bellary Road, Hebbal, Bengaluru 560024

Schedule 04 - Fixed Assets Schedule

Particulars	Rate	Gross Block				Depreciation Block				Net Block	
		Additions		Balance as on 01.04.2017	Balance as on 31.03.2018	Balance as on 01.04.2017	Written drawn	for the Year	Balance as on 31.03.2018	Balance as on 31.03.2018	Balance as on 31.03.2017
		Before 01.10.17	After 01.10.17								
Land				9,89,207	9,89,207					9,89,207	9,89,207
Building	10%			54,26,032	54,26,032	41,00,222		1,32,581	42,32,803	11,93,229	13,25,810
R.K.Shala Building	10%			40,69,589	40,69,589	24,00,439		1,66,915	25,67,354	15,02,235	16,69,150
Mini STL Building B'lore	10%			53,04,573	37,81,288	43,34,367		11,90,025	55,24,392	1,26,00,869	9,70,206
Green house	10%			6,46,081	(6,46,081)		5,30,867				
Interior Decoration	10%			1,40,600		1,16,920		2,368	1,19,288	21,312	23,680
Sprinklers and Borewell	15%			5,07,165		4,78,070		4,364	4,82,434	24,731	29,095
Borewell	15%			3,65,677		2,99,629		9,907	3,09,536	56,141	66,048
STL Lab Equipments	15%			51,98,380		44,61,166		1,10,582	45,71,748	6,26,632	7,37,214
Tag Printing Machine	15%			1,97,512		1,92,356		773	1,93,129	4,383	5,156
Building Machine	15%			10,197		9,930		40	9,970	227	267
Furniture and Fixture	10%			28,35,254		23,03,472		53,178	23,56,650	4,78,604	5,31,782
Office Equipments	15%			11,13,192		10,74,157		5,855	10,80,012	33,180	39,035
Telephone and EPBX	15%			1,41,163		1,35,523		846	1,36,369	4,794	5,640
Fax and Scanner	15%			1,67,906		1,62,764		771	1,63,535	4,371	5,142
Computers	40%			27,11,770		27,11,063		283	27,11,346	424	707
Audio Visual Equipments	15%			2,13,886		2,05,869		1,203	2,07,072	6,814	8,017
Air conditioners	15%			9,47,793		7,97,419		22,556	8,19,975	1,27,818	1,50,374
Generators	15%			2,20,556		2,11,717		1,326	2,13,043	7,513	8,839
Sign Panel Board	15%			1,00,549		90,641		1,486	92,127	8,422	9,908
Library Books	15%			1,47,396		1,40,815		987	1,41,802	5,594	6,581
vehicles	15%			31,91,455		21,79,219		1,51,835	23,31,054	8,60,401	10,12,236
Toyota Qualies	15%			4,86,268		4,64,701		3,235	4,67,936	18,332	21,567
TATA Sumo Gold	15%			5,21,664		4,59,801		9,279	4,69,080	52,584	61,863
Tempo Trax	40%			10,66,369		10,64,325		818	10,65,143	1,226	2,044
Lawn Movers	15%			2,195		2,036		24	2,060	135	159
Camera	15%			95,202		75,876		2,899	78,775	16,427	19,326
Web Designig	40%				18,698			3,740	3,740	14,958	
TOTAL				3,68,17,631	31,53,905	2,90,03,364		18,77,877	3,03,50,374	1,86,60,562	76,99,053

[Signature]



Schedule No 05 Inventories (Valued at Cost and as certified by the Management) Tags Bags Stickers Polythene covers	28,01,874 1,48,647 36,401 67,496	23,45,819 3,47,387
Total	30,54,418	26,93,206
Schedule No 06 Cash and Bank Balances Balances with Banks-With Scheduled Bank in India On Saving Bank Account H.O On Saving Bank Account Branches On Saving Bank Account - Swabeeja On Deposit Account Cheque in transit Cash on Hand	5,70,89,951 31,03,487 - 6,49,79,542 8,13,954 11,824	4,93,29,912 36,79,305 1,12,45,700 3,66,25,588 8,40,674 9,753
Total	12,59,98,758	10,17,30,931
Schedule No 07 Loans and Advances: Advance paid to Employee Computer Advance Festival Advance Motor Cycle Advance Gen Advance to Master Mind -for Feature Film Travel Advance	28,500 59,000 30,000	- 34,500 24,600 30,000 15,000
Total	1,17,500	1,04,100
Schedule No 08 Other Current Assets: Prepaid Expenses Interest accrued on Fixed Deposit Income tax Refund Receivable KPTCL Power Deposit Telephone Deposit	20,021 5,42,258 7,86,580 1,59,300 81,703	56,270 5,64,790 8,07,135 1,59,300 81,703
Total	15,89,862	16,69,198

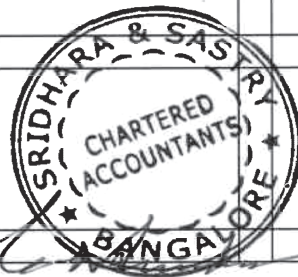


KARNATAKA STATE SEED AND ORGANIC CERTIFICATION AGENCY

Bellary Road, Hebbal, Bengaluru 560024

SCHEDULE TO INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2018

Particulars	Current Year	Previous Year
Schedule -9	Rs.	Rs.
Income from operation		
Tag Certification Charges	1,30,05,592	1,56,87,185
Inspection Chares	1,88,06,465	2,09,31,168
Supervision Charges	1,13,68,034	1,34,49,707
GOT Charges	10,09,428	15,68,433
Application & Registration	23,92,293	18,52,146
Couriers Charges Collected	7,96,920	6,06,415
Sale of old Seeds	2,02,288	1,34,474
Land Lease Received	9,97,750	9,00,000
ISOPAM/OPP Subsidy	43,787	10,634
Revalidation charges	5,30,156	5,83,384
STL Charges	35,63,762	42,03,360
Service Charges from Organic	1,18,53,056	1,00,08,800
Sale of Cloth/Polythene Bags	9,51,990	7,69,533
Rent Receiveed	68,812	71,557
Miscellaneous Income	3,65,025	2,03,391
Total	6,59,55,358	7,09,80,187
Schedule -10		
Change in Inventories		
Inventories at the end of the year		
Tags	28,01,874	23,45,819
Bags	1,48,647	3,47,387
Stickers	36,401	
Polythene covers	67,496	
	30,54,418	26,93,206
Inventories at the beginning of the year		
Tags	23,45,819	11,99,195
Bags	3,47,387	4,05,081
	26,93,206	16,04,276
Increase/(Decrease) in Inventories	3,61,212	10,88,930
Other Income - 11		
Interest on Bank Deposits	47,52,251	38,03,514
Interest on MCA, Solar and Computer Advance	1,14,819	
Total	48,67,070	38,03,514
Schedule 12 : Tag Printing Charges		
Tag Purchases Account	25,63,091	33,42,857
Tag Printing (lot Details)	5,59,961	8,54,046
Total	31,23,052	41,96,903
Schedule 13: GOT Expenses		
Fertilizers & Pesticiders	70,762	45,463
GOT Farm Maintenance	4,46,845	4,24,034
Total	5,17,607	4,69,497



Schedule 14: STL Expenses		
Germination Papers	2,17,100	6,67,896
Total	2,17,100	6,67,896
Schedule 15: Establishment Expenses		
Salaries and Wages	3,43,89,731	2,93,43,702
EPF Employers Contribution	39,83,750	34,88,806
Group Gratuity Contribution	13,78,580	(47,00,418)
Pension Contribution	-	35,000
Salaries of Contract Employees	1,57,63,424	1,18,94,390
Staff Welfare	1,68,750	
Total	5,56,84,235	4,00,61,480
Schedule 16: Electricity and Water Charges		
Electricity Charges	4,81,548	2,69,048
Generator Expenses		3,775
Water Charges	1,74,180	48,602
Total	6,55,728	3,21,425
Schedule 17: Traveling and Conveyance		
Travelling	7,74,784	1,34,764
Transfer Grant	6,000	
Total	7,80,784	1,34,764
Schedule 18: Postage and Telephones		
Postage	44,135	50,934
Telephone charges	2,37,875	1,88,848
Mobile charges	2,10,275	1,96,204
Total	4,92,285	4,35,986
Schedule 19: Repairs and Maintenance		
Computer and UPS		
Repairs of equipments	1,24,752	50,846
Computer software	-	10,781
Total	1,24,752	61,627
Schedule 20: Rates and Taxes		
PF Administration Charges	2,78,918	2,62,801
Filing Fee - Register of Societies	81,270	77,175
Renewal fee	1,77,000	
Interest on TDS	-	7,964
Total	5,37,188	3,47,940
Schedule 21 :Transport and Courier		
Courier charges	3,34,487	2,06,132
Transportation	70,090	78,461
Total	4,04,577	2,84,593
Schedule 22: Miscellaneous Expenses		
Courtesy Expenditure	1,93,666	1,15,270
Misc. Expenses	1,51,850	1,68,332
Petty Purchases	54,597	59,525
Total	3,99,113	3,43,127



