



# KERALA STATE WAREHOUSING CORPORATION



**60<sup>th</sup> ANNUAL REPORT &  
AUDITED ACCOUNTS  
FOR 2019-20**

# K S W C

# **60<sup>th</sup> ANNUAL REPORT & AUDITED ACCOUNTS FOR 2019-20**

P. B. No. 1727, Kochi - 682016

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## BOARD OF DIRECTORS

### Nominated by State Government

- 1 Sri. P Muthupandy**  
Chairman, KSWC  
Near KDH Club, 3 Room Lane,  
Old Munnar P.O.  
Idukki-658 612
- 2 Sri. W.J Suthan,**  
Deputy Secretary,  
Finance Department,  
Government of Kerala,  
Thiruvananthapuram
- 3 Sri. Sivarama Krishnan,**  
Deputy Director  
Agriculture Department  
Government of Kerala,  
Thiruvananthapuram
- 4 Sri. S.Sabir Hussain,**  
Additional Secretary  
Agriculture Department  
Government of Kerala,  
Thiruvananthapuram
- 5 Dr. Babu Thomas,**  
Managing Director,  
Oil Palm India Limited,  
Kodimatha, Kottayam- 686 039.

**Managing Director**  
Dr. Babu Thomas

### Executive Committee Members

- 1 Sri. A.M.Rao,**  
GGM (System & Personnel)  
Central Warehousing Corporation,  
4/1, Siri Institutional Area,  
Hauz Khas,  
New Delhi – 110 016.
  - 2 Dr. Monika Singh,**  
Director (FC/ACs),  
Department of Food and Public Distribution,  
Ministry of Consumer Affairs,  
Food and Public Distribution,  
Govt. of India, Room No.294, Krishi Bhavan,  
New Delhi-100 001.
  - 3 Sri. B.R Maneesh,**  
Regional Manager,  
Central Warehousing Corporation,  
Regional Office, Maveli Road,  
Gandhi Nagar, Kadavanthra.P.O,  
Kochi 682 020
  - 4 Sri. Prashant Kumar**  
Deputy General Manager(B&O),  
State Bank of India,  
Administrative Office,  
Shanmugham Road, Kochi - 682 031.
  - 5 Sri. Pradeep Kumar Dixit,**  
32-D/229-A/105-D-1  
Alka Kunju, Kamala Nagar,  
Agra -282 005
- 1 Sri. P Muthupandy**  
Chairman, KSWC  
Near KDH Club, 3 Room Lane,  
Old Munnar P.O.  
Idukki-658 612
  - 2 Sri. B.R Maneesh,**  
Regional Manager,  
Central Warehousing Corporation,  
Regional Office, Maveli Road,  
Gandhi Nagar, Kadavanthra.P.O,  
Kochi 682 020
  - 3 Sri. W.J Suthan,**  
Deputy Secretary,  
Finance Department,  
Government of Kerala,  
Thiruvananthapuram
  - 4 Sri. S.Sabir Hussain,**  
Additional Secretary  
Agriculture Department  
Government of Kerala,  
Thiruvananthapuram
  - 5 Managing Director**  
Dr. Babu Thomas

**Auditors**  
**M/s. Korah & Korah**  
Chartered Accountants,  
Ernakulam.

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## DIRECTORS' REPORT

*Gentlemen,*

We have great pleasure in presenting the 60<sup>th</sup> Annual Report on the working of the Corporation together with the audited statements of accounts and auditors report for the year ended 31<sup>st</sup> March 2020.

### **Performance**

The turnover of your Corporation for the year 2019-20 is Rs. 37.39 crore as compared to Rs. 36.16 crore in the previous year i.e. increase of Rs. 1.23 crore i.e. increase of 3.4%. Net profit for the year 2019-20 is Rs. 1.12 crore as against Rs.9.43 crore in the previous year.

The constructed storage capacity of the Corporation during the year under report is 1.98 lakh MTs while the hired accommodation is 0.54 lakh MTs. The total occupancy position of the godowns as on the 31<sup>st</sup> March 2020 is 2.20 lakh MTs against the 2.42 lakh MTs of the previous year. Corporation had deposited 1.00 lakh MTs of goods during the year where as the total deposit for the last year was 1.33 lakh MTs.

The Warehousing charge earned during the year under report was Rs.29.01 crore as against Rs.28.63 crore earned during previous year. Total earnings of the Corporation during 2019-20 is Rs.34.60 crores as against 33.49 crores of the previous year. The Establishment cost during the year 2019-20 is Rs. 16.17 crores as against Rs.13.20 crores of the previous year.

Total expenditure for the reporting year is Rs.33.56 crores as against Rs.24.25 crores for the previous year.

### **Capacity and occupancy**

<b>Description</b>	<b>2018-19</b>	<b>2019-20</b>
Figures Mts in lakh		
<b>Capacity</b>		
Owned	1.98	1.98
Hired	0.61	0.54
<b>Total</b>	2.59	2.52
<b>Occupancy</b>	2.42	2.20
<b>Deposits Received</b>	1.33	1.00

## Working Results

Description	2018-19	2019-20
<b>Income</b>		
Warehousing Income	2863.09	2900.94
Net income from handling	64.86	89.05
Income from other activity	421.29	469.56
<b>Total</b>	3349.24	3459.55
<b>Expenditure</b>		
Establishment	1320.22	1616.60
Other Expenses	1104.51	1739.66
<b>Total</b>	2424.73	3356.26
Profit/Loss	924.51	103.29
Excess provision written back	18.89	8.30
<b>Net Profit/Loss</b>	<b>943.40</b>	<b>111.59</b>

### Finance

#### a) Share Capital.

Authorized Share Capital remained as Rs.1500 lakh. The paid up Capital is Rs.1150 lakh, divided into 1150000 shares of Rs 100 each contributed equally by both the shareholders, namely Central Warehousing Corporation and Government of Kerala.

#### b) Loan

1. As per G.O(Rt) No.204/96/AD dated 08.02.1996 an interest free loan of Rs.50.00 lakh was sanctioned by Government of Kerala for meeting cost incurred in connection with the acquisition of land by KSWC at Muvattupuzha; and the loan is yet to be repaid.

2. Government of Kerala has accorded administrative sanction vide G.O. dated 17-03-2012 to Kerala State Warehousing Corporation for the construction of 80 (Eighty) Warehousing Projects under NABARD Rural Infrastructure Development Fund (RIDF) XVII for a total financial outlay of Rs.119.44 Crores. Out of the total sanctioned amount, Rs.113.34 Crores is Loan from NABARD and Rs.6.10 Crores is the share from Government of Kerala. Corporation has availed Rs.32.44 crores as on 31.03.2019 as follows.

- a) Government has sanctioned an amount of Rs.2266.85 Lakh as Start up Advance vide G.O. dated 22-06-2012. Later as per G.O. dated 17-10-2012 the Corporation received an amount of Rs.1133 lakh (being 50% of startup advance) at an interest rate of 7.5% from the Government Contingency Fund. The loan to be repaid in five equal annual installments commencing from 01.11.2015. Corporation has started repayment during March 2020.

- b) As per G.O.(Rt)No.1349/14/AD dated 02.08.2014, Corporation received an amount of Rs.802.26 Lakh at an interest rate of 7.5% as Second allotment from the Government on 19.12.14. The loan to be repaid five installments commencing from 01.11.2017.
- c) As per G.O.(Rt)No.1883/2015/AD dated 11.11.2015, Corporation received an amount of Rs.500 Lakh, towards balance of the mobilization advance for the RIDF XVII project at an interest of 7.5%, on 17.12.2015.
- d) As per G.O(Rt) No.79/2017 Agri dated 28.01.17, Corporation received an amount of 50.70 lakh at an interest rate of 5.25% on 05.02.2017.
- e) As per G.O(Rt) No.556/2017 Agri dated 29.05.17, Corporation received an amount of 131.59 lakh at an interest rate of 5.25% on 22.06.2017.
- f) As per G.O(Rt) No.869/2017 Agri dated 14.09.17, Corporation received an amount of 626.60 lakh at an interest rate of 4.75% on 25.10.2017.
- g) As per G.O(Rt) No.667/2019 Agri dated 20.07.19, Corporation received an amount of Rs.45.32 lakh at an interest rate of 4.50% 29.02.2020.

3. Government of Kerala had sanctioned a Working Capital Loan of Rs. 5.00 Crore to Kerala State Warehousing Corporation vide G.O(MS) No:75/13/AD Dated 25.03.13 to meet various statutory liabilities. Corporation has received the Loan on 27.04.2013.

The rate of Interest is 13.5% per annum. The Loan shall be repaid in equal quarterly installments along with interest. The repayment of Loan shall commence on the first anniversary of the drawal of the loan. However, Corporation has started repayment during March 2020. The amount overdue as on 31.03.2020 is Rs.4.75 crore and Rs.3.99 crore towards principal and interest portion respectively.

#### **b) Subsidy for Construction of Godowns**

The subsidy/Grants is being set off against the asset as prescribed in the Accounting Standards 12, 'Accounting for Government Grants'.

#### **Dividend**

Since Corporation has accumulated loss of Rs.16.15 crores as on 31.03.2020 and dividend is not declared.

#### **Welfare Measures**

The Corporation is maintaining a very good Employee Employer relationship. The revision of dearness allowance made by State Government from time to time was made applicable to the employees of this Corporation also. Corporation continues to extend subsidy for the interest on House Building advance availed by the employees from financial institutions. Corporation has introduced a Medical Insurance scheme for our employees and Corporation's contribution towards this is Rs.13,85,090/-.

Bonus @ 8 1/3% was paid to the employees coming under the line of Bonus Act during the year under report. Festival allowance Rs.2750/- was paid to those employees who were beyond the prescribed limit of Bonus Act.

### **Conservation of Energy, Technology Observation, Foreign Exchange Earnings and outgo**

Being a Statutory Organization established under the Warehousing Corporations Act, 1962, the provisions of the Companies Act, 1956 is not applicable to Kerala State Warehousing Corporation as such.

### **Directors' Responsibility Statement**

Directors wish to place on record:

- (i) that in preparing the Annual Accounts, applicable Accounting Standards have been followed.
- (ii) that the accounting policies adopted are expressly disclosed and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of the Corporation at the end of Financial year and of the Profit and Loss account of the Corporation for the Financial Year, under review.
- (iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Corporation and for preventing/detecting fraud and other irregularities, and
- (iv) that the Annual Accounts have been prepared on a going concern basis.

### **Organization and Meetings**

Sri. Vazhoor Soman was the Chairman of the Corporation up to 17.03.2021. The present Chairman Sri. P.Muthupandi is appointed by the State Government on 23.12.2021 and took over the charge on 29.12.2021. Sri. P.H.Ashraf, IPS(Rtd) was the Managing Director of the Corporation up to 17.11.2021. The present Managing Director Sri. Dr. Babu Thomas took over the charge on 22.11.2021.

The following changes have taken place in the Directorship during the financial year under report.

<b>List of Directors during 01.04.2019 to 31.03.2020</b>				
<b>Sl.No</b>	<b>Name</b>	<b>Designation</b>	<b>Period</b>	
			<b>From</b>	<b>To</b>
1	Sri.Vazhoor Soman	Chairman	21.12.2016	17.03.2021
2	Smt.Mary Sagaya D (SBI)	Director	31.12.2018	09.11.2021
3	Sri.Pradeep Kumar Dixit	Director	05.04.2019	continuing
5	Sri.Manoj Kumar Gupta	Director	19.05.2015	31.10.2019
6	Sri.V.C.Sudeesh	Director	31.10.2019	30.10.2020
6	Sri.P.R.K.Nair	Director	10.08.2016	31.05.2021
7	Sri.A.M.Rao	Director	18.09.2017	Continuing
8	Sri. S.Anil Kumar	Director	16.10.2017	04.10.2021
10	Sri. Sabir Hussain	Director	02.03.2019	Continuing
11	Dr.Babu Thomas	Director	14.03.2018	Continuing
12	Sri.P.H.Ashraf.IPS(Retd)	MD	11.01.2017	17.11.2021
13	Sri.Sunil Kumar.A.M.	Director	13.07.2018	31.07.2019
14	Sri.P.J.Jayachandran	Director	28.10.2019	30.06.2020

### **Auditors**

M/s Korah&Korah, Chartered Accountants, Ernakulam has been appointed as the statutory auditors of the Corporation as per Sec 31 (3) of the Warehousing Corporations Act, 1962 for the year under report. We place on record our sincere thanks to them for their excellent co-operation and guidance rendered to us.

### **Acknowledgement**

The Board of Directors has great pleasure in expressing their sincere gratitude to its valued customers and depositors for the esteemed patronage, co-operation and confidence they have shown to the Corporation.

Board of Directors also expresses their grateful thanks to the State Government and Central Warehousing Corporation as well as various Banks for all valuable help, co-operation and guidance extended by them in conducting the affairs of the Corporation.

The Directors finally wish to place on record their deep appreciation for continued, sincere and dedicated service of whole employees for the further development of Corporation and achievement of Profit during the reporting year.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Ernakulam**  
**Date : 14.02.2022**

**Sd/-**  
**P. Muthupandi**  
**Chairman**

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## ANNEXURE-I

### STORAGE CAPACITY & OCCUPANCY FOR THE YEAR 2019-20(IN MT)

SI No	Name of centre	Date of opening	Capacity as on 31.03.2020			Occupancy as on 31.03.2020	Total occupancy including vacant space in reservation as on 31.03.2020 in MT
			Owned	Hired	Total		
1	2	3	4	5	6	7	8
<b>Trivandrum Region</b>							
1	Trivandrum	6-Sep-64	2000	0	2000	139	2068
2	Attingal	1-Jul-75	3100	2789	5889	282	5762
3	Nedumangad	9-Jan-61	4058	3563	7621	130	7723
4	Neyyattinkara	4-Jan-80	2276	500	2776	0	2776
5	Pallichal	1-Apr-91	2333	0	2333	0	2333
<b>Kollam Region</b>							
6	Kollam	1-Oct-71	0	4690	4690	150	1310
7	Karikode	10-Dec-75	15601	1736	17337	456	15546
8	Kottarakkara	1-Oct-72	4125	892	5017	201	4798
9	Karunagapally	5-Jan-81	6730	0	6730	481	3467
10	Punalur	1-Jan-73	3000	1179	4179	0	4094
11	Pathanamthitta	1-Aug-75	3540	4163	7703	0	7940
12	Parakode	4-Jan-62	1200	0	1200	81	1205
<b>Alappuzha Region</b>							
13	Alappuzha	16-Dec-67	5150	2340	7490	447	6243
14	Cherthala	13-Jan-73	2300	1897	4197	350	3997
15	Haripad	17-Mar-75	5180	0	5180	0	4060
16	Kayamkulam	25-Oct-62	1000	0	1000	72	100
17	Mavelikkara	23-Jul-76	2000	0	2000	0	2000
18	Thakazhy	24-Jan-62	1800	0	1800	0	1800
<b>Kottayam Region</b>							
19	Kottayam	10-Feb-64	9050	3331	12381	1855	11161
20	Changanassery	22-Oct-62	2341	0	2341	0	2341
21	Ettumanoor	26-Jan-76	3262	0	3262	2297	3140
22	Ponkunnam	13-Dec-61	1271	456	1727	287	1837
23	Pala	15-Apr-74	1700	1500	3200	44	2511
24	Thodupuzha	25-Jan-62	1016	550	1566	0	1566
25	Vandanmedu	1-Nov-63	4186	0	4186	1203	4026
26	Kattappana	1-Dec-72	2800	0	2800	152	2896
<b>Ernakulam Region</b>							
27	Tripunithura	11-Jul-73	4887	0	4887	217	4491
28	Aluva	17-Oct-64	5700	1307	7007	95	257
29	Eroor	1-Apr-85	4400	667	5067	658	4757
30	North Parur	25-Feb-01	5350	0	5350	4	4865

## KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

### ANNEXURE-I (Contd.....)

<b>Trissur region</b>							
31	Chalakydy	9-Jun-76	3900	999	4899	33	4899
32	Kunnamkulam	28-Feb-63	2000	0	2000	0	1957
33	Wadakkancherry	26-Dec-72	3250	2859	6109	14	5691
34	Nattika	2-Mar-01	3000	530	3530	10	95
<b>Palakkad Region</b>							
35	Palakkad	30-Jan-63	9064	919	9983	388	8816
36	Perinthalmanna	11-Nov-75	4250	1856	6106		6106
37	Alathur	1-Jan-73	2600	3097	5697		5697
38	Kozhinjampara	17-Jan-62	1000	0	1000	269	1164
39	Muthalamada	1-Feb-61	4875	3863	8738	6226	10467
<b>Kozhikode Region</b>							
40	Manjeri	22-Apr-76	6100	0	6100	92	6057
41	Nilambur	8-Apr-75	6500	0	6500	5140	6256
42	Kozhikode	15-Jun-84	0	1333	1333	0	1333
43	Vadakara	28-Oct-60	0	0	0	0	0
44	Kalpetta	15-Apr-83	5880	2537	8417	2856	7956
45	S. Bathery	13-Jan-66	1555	0	1555	282	1213
46	Mananthavady	9-Jan-63	1500	0	1500	416	469
<b>Kannur Region</b>							
47	Kannur	23-Jul-61	4794	0	4794	0	4916
48	Thalassery	1-May-60	3270	0	3270	67	3104
49	Thaliparamba	4-Jan-71	3400	770	4170	273	3317
50	Iritty	12-Jul-84	3250	0	3250	1899	2696
51	Payyanur	24-Jan-73	3850	0	3850	0	2845
52	Nileswar	10-Nov-60	1307	0	1307	2	1309
53	Kanhangad	15-Jun-62	5550	0	5550	136	5016
54	Kasaragod	1-Jan-73	2050	2625	4675	0	4675
55	Padannakkad	19-Apr-03	3900	853	4753	804	2520
	<b>Total</b>		<b>198201</b>	<b>53801</b>	<b>252002</b>	<b>28508</b>	<b>219644</b>

## KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

### ANNEXURE-II

#### STATEMENT OF STOCK HANDLED DURING THE YEAR 2019-20(IN MT)

SI No	Name of centre	Opening balance in MT	Deposit in MT	Release in MT	Closing balance as on 31.03.2020 in MT	Total occupancy including vacant space in reservation as on 31.03.2020 in MT
1	2	3	4	5	6	7
<b>Trivandrum Region</b>						
1	Trivandrum	71	2706	2638	139	2068
2	Attingal	464	2927	3109	282	5762
3	Nedumangad	162	1693	1725	130	7723
4	Neyyattinkara	459	584	1043	0	2776
5	Pallichal	0	231	231	0	2333
<b>Kollam Region</b>						
6	Kollam	974	2623	3447	150	1310
7	Karikode	948	4479	4971	456	15546
8	Kottarakkara	188	2358	2345	201	4798
9	Karunagapally	642	718	879	481	3467
10	Punalur	0	0	0	0	4094
11	Pathanamthitta	0	0	0	0	7940
12	Parakode	303	959	1181	81	1205
<b>Alappuzha Region</b>						
13	Alappuzha	686	166	405	447	6243
14	Cherthala	788	2126	2564	350	3997
15	Haripad	328	630	958	0	4060
16	Kayamkulam	126	1439	1493	72	100
17	Mavelikkara	0			0	2000
18	Thakazhy	0			0	1800
<b>Kottayam Region</b>						
19	Kottayam	3225	12221	13591	1855	11161
20	Changanassery	5		5	0	2341
21	Ettumanoor	1596	5836	5135	2297	3140
22	Ponkunnam	292	700	705	287	1837
23	Pala	187	674	817	44	2511
24	Thodupuzha	0			0	1566
25	Vandanmedu	255	2725	1777	1203	4026
26	Kattappana	62	129	39	152	2896
<b>Ernakulam Region</b>						
27	Tripunithura	287	818	888	217	4491
28	Aluva	912	5646	6463	95	257
29	Eroor	735	3002	3079	658	4757
30	North Parur	138	0	134	4	4865

## KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

### ANNEXURE-II (Contd.....)

<b>Trissur Region</b>						
31	Chalakydy	430	4363	4760	33	4899
32	Kunnamkulam	0			0	1957
33	Wadakkancherry	20	215	221	14	5691
34	Nattika	263	247	500	10	95
<b>Palakkad Region</b>						
35	Palakkad	934	5099	5645	388	8816
36	Perinthalmanna					6106
37	Alathur					5697
38	Kozhinjampara	160	257	148	269	1164
39	Muthalamada	15957	405	10136	6226	10467
<b>Kozhikode Region</b>						
40	Manjeri	1293	546	1747	92	6057
41	Nilambur	3986	14306	13152	5140	6256
42	Kozhikode	0			0	1333
43	Vadakara	0			0	0
44	Kalpetta	3599	4433	5176	2856	7956
45	S. Bathery	340	761	819	282	1213
46	Mananthavady	424	2245	2253	416	469
<b>Kannur Region</b>						
47	Kannur	0	0	0	0	4916
48	Thalassery	38	1535	1506	67	3104
49	Thaliparamba	38	2067	1832	273	3317
50	Iritty	2147	3134	3382	1899	2696
51	Payyanur	2845	0	2845	0	2845
52	Nileswar	1309	0	1307	2	1309
53	Kanhangad	14	1359	1237	136	5016
54	Kasaragod	0	0	0	0	4675
55	Padannakkad	1462	3846	4504	804	2520
	<b>Total</b>	<b>49092</b>	<b>100208</b>	<b>120792</b>	<b>28508</b>	<b>219644</b>

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

Annexure III

COMMODITY WISE DEPOSIT FOR THE YEAR 2019-20 (IN MT)

Sl. No.	COMMODITY	QUANTITY in MT
1.	Boiled Rice	11922
2.	Raw Rice	1416
3.	Wheat	405
4.	Paper	43
5.	Pepper	294
6.	sugar	1819
7.	paddy	5448
8.	Grams/Pulses/food items	4450
9.	Lobia	201
10.	fertilizer	39520
11.	Rubber	25053
12.	Corriander	280
13.	Others	6997
14.	Chilly	220
15.	Atta	121
16.	Copra	78
17.	Cashew	1942
	<b>Total</b>	<b>100208</b>

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## ANNEXURE-IV 2019-20

Year	No. of Deposits	Deposits Received MT	Bank Advance		Storage Charges	
			Rs.	Ps.	Rs.	Ps.
1960-61	361	725	4,44,000.00		2,669.00	
1961-62	827	5939	24,00,000.00		28,780.00	
1962-63	1811	14545	48,24,600.00		76,448.00	
1963-64	2447	13490	73,83,782.00		92,361.00	
1964-65	3357	25052	78,53,797.00		1,00,554.00	
1965-66	3932	40465	82,34,629.00		1,72,782.00	
1966-67	5042	54256	86,07,409.00		2,39,447.00	
1967-68	5512	66282	70,56,221.00		3,97,375.00	
1968-69	5366	68726	76,85,132.00		4,22,018.00	
1969-70	5400	60929	93,56,235.00		5,13,764.00	
1970-71	5471	89011	60,44,089.00		5,48,392.00	
1971-72	7803	164859	1,08,601.00		8,43,914.00	
1972-73	8922	169586	1,44,28,000.00		10,27,979.00	
1973-74	10918	227037	1,68,55,088.00		12,52,020.00	
1974-75	13123	277951	2,40,00,252.00		20,89,685.00	
1975-76	18000	517177	2,70,00,000.00		40,52,674.00	
1976-77	16877	442545	1,85,00,000.00		59,11,133.00	
1977-78	11550	336364	1,82,60,700.00		44,22,402.00	
1978-79	14352	283756	1,80,22,105.00		40,09,876.00	
1979-80	14978	317442	1,19,05,113.00		51,49,697.00	
1980-81	19913	467704	92,88,615.00		57,30,034.00	
1981-82	22420	406949	94,60,000.00		95,90,159.00	
1982-83	19351	382252	1,15,10,000.00		71,03,475.00	
1983-84	21335	421557	1,60,57,205.00		1,36,98,635.00	
1984-85	20945	454523	1,93,20,313.00		1,21,25,692.92	
1985-86	19947	445116	1,37,64,468.65		1,42,40,640.71	
1986-87	18987	442513	86,98,443.60		1,44,62,286.24	
1987-88	14915	292862	92,21,947.40		1,09,82,061.40	
1988-89	15973	301426	54,73,257.40		1,23,21,930.68	
1989-90	14961	260229	2,16,26,371.25		1,23,03,822.23	
1990-91	16400	281359	2,52,86,051.50		1,38,72,050.38	
1991-92	15919	303384	89,78,087.00		1,73,70,156.87	
1992-93	12113	316216	1,04,39,161.00		1,96,61,118.95	
1993-94	14716	520522	2,03,11,445.00		2,60,18,266.64	
1994-95	18400	305585	4,59,90,774.00		4,72,75,606.64	
1995-96	12193	264899	3,17,16,070.00		4,42,87,415.60	
1996-97	11037	227570	1,72,59,178.00		4,80,76,583.08	
1997-98	13239	249841	3,09,76,133.00		6,73,09,525.92	
1998-99	18074	234833	1,47,70,050.00		6,73,91,860.96	
1999-00	12989	282230	5,32,11,824.00		5,93,99,964.00	
2000-01	16881	249037	8,45,37,091.00		10,16,86,334.54	
2001-02	4978	105417	2,34,37,469.00		7,76,88,187.29	
2002-03	5556	144495	11,66,43,043.00		3,87,14,224.56	
2003-04	5844	163273	15,50,19,629.00		4,14,71,395.03	
2004-05	5926	156877	13,05,69,291.00		4,06,37,209.15	
2005-06	4956	151173	13,05,69,291.00		4,89,02,527.87	
2006-07	10427	200797	66,89,05,139.00		5,02,16,519.03	
2007-08	10860	248658	90,09,95,202.00		7,38,78,774.24	
2008-09	9890	311877	29,46,31,272.00		9,34,90,266.37	
2009-10	11499	296441	24,92,70,507.00		10,01,58,059.11	
2010-11	9170	270077	35,72,21,472.00		9,94,21,283.97	
2011-12	8639	298750	44,09,02,521.00		9,05,61,005.34	
2012-13	10855	299581	38,67,23,034.00		13,91,94,563.57	
2013-14	21738	227105	52,20,28,550.00		13,14,94,671.58	
2014-15	7978	175273	55,35,91,135.00		15,03,89,347.60	
2015-16	7761	151210	77,60,36,302.00		16,29,85,991.08	
2016-17	7434	164042	86,10,58,077.00		16,77,87,392.45	
2017-18	4390	255458	86,10,58,077.00		27,90,33,729.35	
2018-19	5063	132992	43,29,93,707.00		28,63,09,188.00	
2019-20	3466	100208	10,83,55,253.00		29,00,93,844.32	

**KERALA STATE WAREHOUSING**  
**BALANCE SHEET AS AT**  
**(Form A)**

Figures as at 31.03.2019		CAPITAL AND LIABILITIES	Schedule	Figures as at 31.03.2020	
Rs.	Ps.			Rs.	Ps.
11,50,00,000.00		SHARE CAPITAL	"A"	11,50,00,000.00	
1,50,00,000.00		SHARE CAPITAL ADVANCE (Note No.3)		1,50,00,000.00	
		RESERVE FUND			
NIL		(i) RESERVE (Under Section 30 (i) )		NIL	
NIL		(ii) CAPITAL RESERVE			
		(iii) FUND RECEIVED FROM GOVT	2,90,97,157.00		
		UNDER 100%CSS(Note No.6(a))			
2,90,97,157.00		Less Depreciation (Note 6 (c) )	5,65,720.00	2,85,31,437.00	
		(iv) ASSISTANCE FROM GOK (Note 6(b))	21,19,003.00		
21,19,003.00		Less Depreciation (Note 6( c) )	39,491.00	20,79,512.00	
		(Note 7(f))		65,16,800.00	
		PROVISION FOR BAD AND DOUBTFUL DEBTS(Under Section 30(2))		3,94,62,849.93	
3,98,26,249.93		BONDS AND DEBENTURES (Under Section 27 (i))		NIL	
NIL		OTHER FUNDS		NIL	
		BORROWING FROM:			
		(i) The Reserve Bank of India (Under Section 27 (2) (i))		NIL	
		(ii) The State Bank(Under Section 27 (2) (ii))		NIL	
6,26,807.00		(iii) From Nationalised Banks (Under Section 27 (2) (iii))		5,63,128.00	
3,76,204.00		(iv) From Other Financial Institutions (Under Section 27 (2) (iv))		-	
5,50,00,000.00		(v) State Government (Under Section 27 (3)) (Note No.07 (a)&(b))		5,25,00,000.00	
32,44,15,000.00		(vi) Loan from Govt of Kerala under NABARD RIDF Scheme (Note No.07(C))		32,59,47,000.00	
NIL		(vii) Central Warehousing Corporation (Under Section 27 (3))		NIL	
NIL		ADVANCES RECEIVED FOR PURCHASE OF AGRICULTURAL COMMODITIES AS AN AGENT		NIL	
NIL		LIABILITY UNDER GUARANTEE BY STATE GOVERNMENT FOR BONDS AND DEBENTURES AS PER CONTRA (Under Section 27 (4))		NIL	
<b>58,14,60,420.93</b>		<b>Carried Over</b>		<b>58,56,00,726.93</b>	

# CORPORATION, ERNAKULAM

31st MARCH, 2020

## Rule 19)

Figures as at 31.03.2019		PROPERTY AND ASSETS	Schedule	Figures as at 31.03.2020	
Rs.	Ps.			Rs.	Ps.
		CASH IN HAND :-			
		(i) D.D and Cheques in Hand	2,000.00		
		(ii) Cash and Stamps In Hand	1,08,041.46		
15,62,408.39			1,10,041.46		
		(iii) Cash at AM's/ZM's Bank A/c	40,66,247.24		41,76,288.70
-		CASH IN TRANSIT			-
		CASH IN BANK			
		(a) Reserve Bank of India	-		
		(b) State Bank of India	2,92,89,346.48		
		(c) Scheduled Banks	1,02,84,354.55		
		(d) Co-operative Banks	-		
5,50,25,007.69		(e) Treasury Savings Banks	4,49,794.00		4,00,23,495.03
1,95,43,362.35		FIXED DEPOSIT WITH BANKS	(Annexure V)		7,33,26,529.35
		FIXED ASSETS	"C"		
43,35,78,124.37		(i) KSWC-Assets:-Original Cost	54,21,43,572.70		
		Less: Accumulated Depreciation	10,51,17,476.83		43,70,26,095.87
2,90,97,157.00		(ii) Godown Constructed under RPDS (Note No 6(a)):- Original Cost	3,87,25,000.00		
		Less: Accumulated Depreciation	1,01,93,563.00		2,85,31,437.00
21,19,003.00		(iii) Godown Constructed with Assistance from GOK (Note 6(b)):- Original Cost	25,00,000.00		
		Less Accumulated Depreciation	4,20,488.00		20,79,512.00
1,27,97,453.00		CAPITAL WORK IN PROGRESS			3,12,72,074.00
5,19,312.00		CONSTRUCTION MATERIALS AT SITE	(Annexure IV)		5,11,264.00
		OUTSTANDING DUES FOR PURCHASES MADE ON BEHALF OF			
NIL		a) Central Warehousing Corporation			NIL
NIL		b) Central Government			NIL
NIL		c) State Government			NIL
<b>55,42,41,827.80</b>		<b>Carried Over</b>			<b>61,69,46,695.95</b>

**KERALA STATE WAREHOUSING**  
**BALANCE SHEET AS AT**  
**(Form A)**

Figures as at 31.03.2019	CAPITAL AND LIABILITIES	Schedule	Figures as at 31.03.2020
Rs.      Ps.			Rs.      Ps.
58,14,60,420.93	Brought Forward		58,56,00,726.93
3,72,51,829.25	PROVISION FOR TAXES	(Annexure I)	3,72,19,632.25
26,77,41,546.35	OTHER LIABILITIES	"B"	37,14,86,843.76
-	PROVISION FOR RETIREMENT BENEFITS AS PER ACTUARIAL VALUATION		
-	Group Gratuity Liability	-	
2,10,74,362.00	Surrender Leave Allowance Fund	2,08,59,412.00	2,08,59,412.00
NIL	SUSPENSE		NIL
	OTHER ITEMS :		
44,814.00	(i) Employees Welfare Fund Collected		47,892.00
3,76,96,284.00	(ii) Receipt from GOK for construction of MRM (Note No.19(a)&(b))		3,76,96,284.00
74,16,768.00	(iii) Amount Received from GOK for supply of Fertilizer Kit(Note No.20)		-
	Notes	"E"	
<b>95,26,86,024.53</b>	<b>Total</b>		<b>1,05,29,10,790.94</b>

**FOR AND ON BEHALF OF THE BOARD,**

PLACE : ERNAKULAM

DATE : 12-01-2022

Sd/-  
**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-  
**P MUTHUPANDI**  
CHAIRMAN

**CORPORATION, ERNAKULAM****31st MARCH, 2020****Rule 19)**

Figures as at 31.03.2019		<b>PROPERTY AND ASSETS</b>	Schedule	Figures as at 31.03.2020	
Rs.	Ps.			Rs.	Ps.
55,42,41,827.80		Brought Forward		61,69,46,695.95	
NIL		GUARANTEE BY GOVERNMENT AS PER CONTRA		NIL	
NIL		SUSPENSE		-	
18,61,82,011.73		CURRENT ASSETS, LOANS &ADVANCES	'D'	23,06,77,562.88	
42,42,001.00		Plan Assets (Gratuity)		81,03,647.00	
		OTHER ITEMS :			
44,814.00		Employees Welfare Fund Invested		47,892.00	
3,52,73,643.75		Construction of MRM(WIP)(Note No19(b))		3,55,91,942.75	
17,27,01,726.25		Accumulated Loss		16,15,43,050.36	
		Notes	'E'		
<b>95,26,86,024.53</b>		<b>Total</b>		<b>1,05,29,10,790.94</b>	

AS PER OUR REPORT OF EVEN DATE ATTACHED

**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**  
**FRN: 006138S**

Sd/-  
**RAVINDRAN. V. F C A**  
 (Partner)  
 Memb No. 214242

**KERALA STATE WAREHOUSING  
PROFIT AND LOSS ACCOUNT FOR THE  
(Form B)**

Figures for the Year Ended 31.03.2019 Rs. Ps.		EXPENDITURE	Schedule	Figures for the Year Ended 31.03.2020 Rs. Ps.	
		To Interest on:-			
NIL		(a) Loans from Reserve Bank of India	NIL		
NIL		(b) Loans from Central Warehousing Corporation	NIL		
NIL		(c) Loans from State Banks	NIL		
65,432.00		(d) Loans from Nationalized Banks (Car Loans)	44,477.00		
51,912.00		(e) Loan from Other Financial Institutions	-		
2,11,34,553.00		(f) Loan from Govt of Kerala under NABARD RIDF Scheme	2,22,70,241.00		
87,82,019.00		(g) Interest & penal Interest on Working Capital Loan	67,50,000.00		
-		(h) Interest on OverDraft (DLB)	-		
3,00,33,916.00					2,90,64,718.00
		<b>ESTABLISHMENT CHARGES</b>			
		To Pay and Allowances of :-			
11,44,574.00		1) Managing Director	10,60,045.00		
10,33,02,504.00		2) Officers and Others	11,57,84,938.00		
81,46,727.00		To Group Gratuity Expenses	1,60,70,472.00		
90,10,753.00		To Terminal Surrender & SLA	1,00,42,302.00		
92,53,093.00		To Employers Contribution to Pension Fund	1,24,64,090.00		
4,504.00		To Employers Contribution to Welfare Fund	4,296.00		
17,660.00		To Employers Contribution to ESI	38,836.00		
		To 10th Pay Revision Arrear (expenses)	37,85,924.00		
-		To Increment arrears AM (2016 batch)	6,49,289.00		
-		To Employers Contribution to Medical Insurance (SBI)	3,49,179.00		
1,16,832.00		To Bonus for the Year	2,18,513.00		
7,09,500.00		To Festival Allowance / Incentive	7,87,270.00		
11,51,017.00		To Medical Reimbursement	10,36,000.00		
13,28,57,164.00			16,22,91,154.00		
8,35,460.00		Less: Supervisory charges on Construction	6,30,836.00		
<b>13,20,21,704.00</b>					<b>16,16,60,318.00</b>
16,15,612.00		To Professional Charges			19,43,054.00
64,38,169.91		Warehouses	"F"		62,75,921.23
2,40,000.00		To Honararium to Chairman			2,40,000.00
1,08,444.00		To Directors T.A. and Sitting Fees			37,810.00
4,26,93,700.00		To Rent			4,03,37,947.00
36,31,775.50		To Rates and Taxes			35,53,267.00
76,21,730.00		To Depreciation	93,32,898.00		
		Less: Fund apportioned ( Note 6(c))	6,05,211.00		87,27,687.00
10,45,695.50		To Repairs & Maintenance Buildings	16,62,661.00		
3,30,580.50		To Repairs & Maintenance Buildings(NABARD)	13,022.00		
30,66,523.00		To Repair others	41,21,206.00		57,96,889.00
<b>22,88,47,850.41</b>		<b>Carried Over</b>			<b>25,76,37,611.23</b>

**CORPORATION, ERNAKULAM**  
**YEAR ENDED 31st MARCH, 2020**

**Rule 19)**

Figures for the Year Ended 31.03.2019		INCOME	Schedule	Figures for the Year Ended 31.03.2020	
Rs.	Ps.			Rs.	Ps.
28,63,09,188.00		By Warehouse Charges			29,00,93,844.32
		By Interest on :-			
		a) Securities	NIL		
		b) Bank Accounts	30,08,752.88		
		c) Advance to Staff	NIL		
		d) Others	NIL		
8,91,985.03		e) IT Refund	8,83,200.00		38,91,952.88
NIL		By Dividend on share in Co-operative Societies			NIL
1,98,47,165.00		By Handling & Transportation Receipts			2,88,05,724.57
14,90,163.62		By Other Receipts	"H"		14,00,655.29
89,400.00		By Sale of Cement (MCL)			-
NIL		By Service Charges from godown construction on behalf of other Public Sector Undertakings			NIL
-		Profit on Sale of Fixed Assets			1,39,20,190.50
1,91,60,752.00		Fumigation & Spraying Income			2,05,38,631.14
1,79,23,702.00		Rat Bait Income			44,88,298.06
54,31,922.00		By Live & Licence Fee			1,00,16,541.00
<b>35,11,44,277.65</b>		<b>Carried Over</b>			<b>37,31,55,837.76</b>

**KERALA STATE WAREHOUSING  
PROFIT AND LOSS ACCOUNT FOR THE  
(Form B**

Figures for the Year Ended 31.03.2019 Rs.      Ps.	EXPENDITURE	Schedule	Figures for the Year Ended 31.03.2020 Rs.      Ps.
22,88,47,850.41	Brought Forward		25,76,37,611.23
1,51,010.00	To Staff Welfare Expenses		1,36,300.00
2,21,960.00	To Auditors Fees and Expenses (Statutory Audit)		2,44,260.00
-	To Auditors Fees and Expenses (Internal Audit)		1,41,600.00
8,260.00	To Tax Audit fee		35,400.00
2,12,742.00	To Printing and Stationary		11,10,416.20
44,91,386.00	To Warehouse Expenses	"G"	53,89,807.00
6,79,621.00	To Advertisement and Publicity		10,35,692.00
98,462.00	To Interest on addl compensation (Mutpza)		-
10,959.00	To Loss on Sale of stock of construction materials		4,010.00
88,673.00	To Staff training expenses		17,550.00
1,33,61,056.22	To Handling and Transportation Expenses		1,99,00,205.44
55,32,759.50	To Fumigation Expenses		54,64,688.00
59,36,988.00	To Rat Bait Expenses		18,34,070.00
76,65,054.00	To Construction Wing Expenses		77,19,061.00
-	To Provision for Bad and Doubtful debts		-
-	To Loss on Sale of fixed Assets		17,854.00
-	To Adjustment relating to Prior Years	"T"	6,21,39,243.00
<b>9,43,40,571.62</b>	<b>Net Profit</b>		<b>1,11,58,675.89</b>
	NOTES	"E"	
<b>36,16,47,352.75</b>	<b>TOTAL</b>		<b>37,39,86,443.76</b>

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 12-01-2022

Sd/-  
**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-  
**P MUTHUPANDI**  
CHAIRMAN

**CORPORATION, ERNAKULAM**  
**YEAR ENDED 31st MARCH, 2020**

**Rule 19)**

Figures for the Year Ended 31.03.2019		INCOME	Schedule	Figures for the Year Ended 31.03.2020	
Rs.	Ps.			Rs.	Ps.
35,11,44,277.65		Brought Forward		37,31,55,837.76	
18,89,367.00		By Excess Provision written back		8,30,606.00	
86,13,708.10		By Adjustment relating to Prior Years	"I"	-	
		NOTES	"E"		
<b>36,16,47,352.75</b>		<b>TOTAL</b>		<b>37,39,86,443.76</b>	

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/s. KORAH & KORAH  
 CHARTERED ACCOUNTANTS  
 FRN: 006138S

Sd/-  
**RAVINDRAN. V. F C A**  
 (Partner)  
 Memb No. 214242

**KERALA STATE WAREHOUSING**  
**PROFIT & LOSS APPROPRIATION ACCOUNT**

Figures for the Year Ended 31.03.2019 Rs.      Ps.	EXPENDITURE	Schedule	Figures for the Year Ended 31.03.2020 Rs.      Ps.
26,70,42,297.87	To Accumulated Loss		17,27,01,726.25
<b>26,70,42,297.87</b>	<b>TOTAL</b>		<b>17,27,01,726.25</b>

**FOR AND ON BEHALF OF THE BOARD,**

PLACE : ERNAKULAM

DATE : 12-01-2022

Sd/-  
**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-  
**P MUTHUPANDI**  
CHAIRMAN

**CORPORATION, ERNAKULAM**  
**FOR THE YEAR ENDED 31ST MARCH 2020**

Figures for the Year Ended 31.03.2019		INCOME	Schedule	Figures for the Year Ended 31.03.2020	
Rs.	Ps.			Rs.	Ps.
9,43,40,571.62		By Net Profit c/d			1,11,58,675.89
17,27,01,726.25		Amount transferred to Accumulated Loss			16,15,43,050.36
<b>26,70,42,297.87</b>		<b>TOTAL</b>			<b>17,27,01,726.25</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/s. KORAH & KORAH  
 CHARTERED ACCOUNTANTS  
 FRN: 006138S

Sd/-  
**RAVINDRAN. V. F C A**  
 (Partner)  
 Memb No. 214242

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## SCHEDULE - A SHARE CAPITAL

Figures as at 31.03.2019	Particulars		Figures as at 31.03.2020
Rs.      Ps.			Rs.      Ps.
<b>15,00,00,000.00</b>	<b>AUTHORISED :</b>  1500000 Equity Shares of Rs. 100/- each		<b>15,00,00,000.00</b>
<b>11,50,00,000.00</b>	<b>ISSUED AND SUBSCRIBED :</b>  1150000 Equity Shares of Rs. 100/- Each		<b>11,50,00,000.00</b>
11,50,00,000.00	<b>PAID UP :</b>  575000 Equity Shares of Rs. 100/- each held by the Government of Kerala	5,75,00,000.00	11,50,00,000.00
11,50,00,000.00	575000 Equity Shares of Rs. 100/- each held by the Central Warehousing Corporation	5,75,00,000.00	
<b>11,50,00,000.00</b>	<b>TOTAL</b>		<b>11,50,00,000.00</b>

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 12-01-2022

**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**

FRN: 006138S

Sd/-

**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-

**P MUTHUPANDI**  
CHAIRMAN

Sd/-

**RAVINDRAN. V. F C A**  
(Partner)

Memb No. 214242

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## SCHEDULE - B OTHER LIABILITIES

Figures as at 31.03.2019	Particulars	Figures as at 31.03.2020
Rs.      Ps.		Rs.      Ps.
1,71,88,833.00	Security Deposit	1,76,82,787.00
30,40,354.00	Earnest Money Deposit	34,97,137.00
14,61,999.00	Retention Money	15,72,741.00
2,01,870.00	Provident Fund Deduction	16,99,512.00
7,78,532.50	Income Tax Deducted at Source	4,27,991.00
18,53,01,350.99	Outstanding Expenses (Annexure II)	29,06,65,645.49
7,17,086.00	Provision for Bonus	8,18,767.00
63,14,666.65	Sundry Creditors	61,16,425.65
1,98,528.00	Advance received from Debtors	2,41,155.00
57,15,695.00	Amount Payable to Contractors (NABARD)	60,84,660.50
13,71,967.00	Amount Payable to Contractors (KSWC)	44,23,006.50
0.00	Amount Payable to Suppliers (KSWC)	16,680.00
85,66,728.00	Unpaid Dividend	85,66,728.00
3,68,83,936.21	Other Liabilities (Annexure III)	2,96,73,607.62
<b>26,77,41,546.35</b>	<b>TOTAL</b>	<b>37,14,86,843.76</b>

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 12-01-2022

**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**

FRN: 006138S

Sd/-

**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-

**P MUTHUPANDI**  
CHAIRMAN

Sd/-

**RAVINDRAN. V. F C A**  
(Partner)

Memb No. 214242

**KERALA STATE WAREHOUSING**  
**SCHEDULE - C .**

SL. NO	NAME OF ASSET	ORIGINAL COST			
		GROSS BLOCK AS ON 31.03.2019	ADDITION DURING THE YEAR	DELETION DURING THE YEAR	GROSS BLOCK AS ON 31.03.2020
1	LAND	3,65,47,950.17	-	28,217.50	3,65,19,732.67
2	<b>BUILDING</b>				
	a)WAREHOUSE	14,56,65,712.62	61,44,637.00	1,64,822.00	15,16,45,527.62
	b)WAREHOUSE(NABARD)	31,91,10,361.00	11,99,908.00	-	32,03,10,269.00
	c)WAREHOUSE(LEASE)	19,24,885.00	-	-	19,24,885.00
	d)ROLLING SHUTTERS	4,26,568.44	-	-	4,26,568.44
	e)FENCING	49,961.52	-	-	49,961.52
3	<b>ELECTRICAL INSTALLATION</b>	17,45,737.48	5,66,654.00	-	23,12,391.48
4	<b>FURNITURE &amp; FIXTURES</b>				
	a)FURNITURE & FIXTURES	27,79,176.19	1,55,949.00	-	29,35,125.19
	b)WOODEN CRATES	44,29,410.21	-	-	44,29,410.21
5	<b>VEHICLE</b>				
	a)OFFICE VEHICLE	39,18,643.00	7,70,261.00	9,78,024.00	37,10,880.00
	b)MOPED	51,003.00	-	-	51,003.00
	c)CYCLE	38,890.00	-	-	38,890.00
	d)ACTIVA	1,29,548.00	-	-	1,29,548.00
6	<b>FORK LIFT</b>	15,73,862.00	-	7,35,614.00	8,38,248.00
7	<b>OFFICE EQUIPMENTS</b>				
	a)OFFICE EQUIPMENTS	17,45,522.64	27,605.00	-	17,73,127.64
	b)GENERAL EQUIPMENTS	53,19,766.53	9,36,525.00	4,58,042.50	57,98,249.03
	c)MOBILE PHONE	91,573.90	-	-	91,573.90
8	<b>COMPUTER</b>				
	a)SERVERS AND NETWORKS	4,85,109.00	26,48,587.00	-	31,33,696.00
	b)COMPUTER	60,24,486.00	-	-	60,24,486.00
	<b>TOTAL</b>	<b>53,20,58,166.70</b>	<b>1,24,50,126.00</b>	<b>23,64,720.00</b>	<b>54,21,43,572.70</b>
9	<b>WAREHOUSE UNDER CSS 100%</b>	3,87,25,000.00	-	-	3,87,25,000.00
10	<b>GODOWN CONSTRUCTED WITH ASSISTANCE WITH GOK</b>	25,00,000.00	-	-	25,00,000.00
	<b>TOTAL</b>	<b>4,12,25,000.00</b>	<b>-</b>	<b>-</b>	<b>4,12,25,000.00</b>

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 12-01-2022

Sd/-  
**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-  
**P MUTHUPANDI**  
CHAIRMAN

**CORPORATION, ERNAKULAM**

**PROPERTY PLANT & EQUIPMENT 2019-2020**

DEPRECIATION				NET CARRYING AMOUNT	
UPTO 31.03.2019	FOR THE YEAR	ON DELETION	AS ON 31.03.2020	NET BLOCK AS ON 31.03.2020	NET BLOCK AS ON 31.03.2019
				3,65,19,732.67	3,65,47,950.17
6,44,41,360.91	19,13,137.00	92,099.89	6,62,62,398.02	8,53,83,129.60	8,12,24,352.00
1,06,12,727.00	50,49,663.00	-	1,56,62,390.00	30,46,47,879.00	30,84,97,634.00
27,702.00	61,019.00	-	88,721.00	18,36,164.00	18,97,183.00
3,74,193.40	3,233.00	-	3,77,426.40	49,142.04	52,375.00
49,960.52	-	-	49,960.52	1.00	1.00
14,18,893.00	76,332.00	-	14,95,225.00	8,17,166.48	3,26,844.00
22,76,459.18	73,064.00	-	23,49,523.18	5,85,602.01	5,02,717.00
44,29,408.21	-	-	44,29,408.21	2.00	2.00
23,88,918.00	3,73,677.00	8,64,179.00	18,98,416.00	18,12,464.00	15,29,725.00
49,614.00	-	-	49,614.00	1,389.00	1,389.00
38,889.00	-	-	38,889.00	1.00	1.00
45,656.00	12,309.00	-	57,965.00	71,583.00	83,892.00
8,34,902.00	53,061.00	6,98,833.00	1,89,130.00	6,49,118.00	7,38,960.00
16,19,398.44	34,316.00	-	16,53,714.44	1,19,413.20	1,26,124.20
45,58,701.54	3,44,152.00	4,35,140.38	44,67,713.16	13,30,535.87	7,61,065.00
84,325.90	1,853.00	-	86,178.90	5,395.00	7,248.00
4,56,415.96	1,46,757.00	-	6,03,172.96	25,30,523.04	28,693.04
47,72,517.04	5,85,114.00	-	53,57,631.04	6,66,854.96	12,51,968.96
<b>9,84,80,042.10</b>	<b>87,27,687.00</b>	<b>20,90,252.27</b>	<b>10,51,17,476.83</b>	<b>43,70,26,095.87</b>	<b>43,35,78,124.37</b>
96,27,843.00	5,65,720.00	-	1,01,93,563.00	2,85,31,437.00	2,90,97,157.00
3,80,997.00	39,491.00	-	4,20,488.00	20,79,512.00	21,19,003.00
<b>1,00,08,840.00</b>	<b>6,05,211.00</b>	-	<b>1,06,14,051.00</b>	<b>3,06,10,949.00</b>	<b>3,12,16,160.00</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED

**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**  
**FRN: 006138S**

Sd/-  
**RAVINDRAN. V. F C A**  
 (Partner)  
 Memb No. 214242

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## SCHEDULE - D

### CURRENT ASSETS , LOANS AND ADVANCES

Figures as at 31.03.2019 Rs. Ps.	Particulars		Figures as at 31.03.2020 Rs. Ps.
	<b>1. CURRENT ASSETS</b>		
	Closing Stock (Certified by MD)		
	a. Chemicals	5,10,364.00	
	Less Provn for loss on Clsg stock of Chemicals	<u>26,868.00</u>	
9,86,858.00	b Stationary	4,83,496.00	6,80,030.00
	Sundry Debtors (Subject to Confirmation of balance)		
8,62,51,206.35	RS.3,16,25,083.35 Considered as doubtful for which provision has already been made		9,88,68,553.51
23,61,217.00	Storage charges accrued (Rs. 23,53,276.00 considered as doubtful and provided for)		23,53,276.00
1,25,182.00	Live & Licence Fee Accrued		1,01,225.00
6,79,674.36	Interest accrued		16,26,049.24
34,286.00	Diary income accrued		0.00
6,42,62,538.97	Income tax deducted at source		8,08,33,781.58
2,19,612.00	Input tax (VAT)		2,19,612.00
1,97,500.00	Subsidy for Rubber receivable(Considered as doubtful & provision has already been made)		1,97,500.00
0.00	Receivable from Government of Kerala (Resumption fund)		99,82,643.00
33,71,875.00	Receivable from Government of Kerala(Considered as doubtful& provision has already been made)		33,71,875.00
39,78,918.00	Receivable from IT Department		83,54,498.00
0.00	Interest on IT Refund Receivable		0.00
0.00	Receivable from Gratuity Trust		0.00
18,63,811.00	Receivable and Advance to Staff (Rs.1,72,282/-Considered as doubtful&provision has already been made)		18,69,908.00
71,163.00	Receivable from KSSDA(Construction Account)		71,163.00
<b>16,44,03,841.68</b>	<b>Total (1)</b>		<b>20,85,30,114.33</b>
	<b>2. LOANS AND ADVANCES</b>		
	<i>(RECOVERABLE IN CASH OR IN KIND)</i>		
1,72,47,293.54	Advance Sales Tax Paid		1,72,47,293.54
17,23,276.50	Prepaid Expenses		18,36,223.00
20,000.00	Other Advance		33,000.00
19,477.00	T.A. Advance		35,200.00
1,42,485.00	Rent Advance Inland waterways		1,42,485.00
2,81,705.00	Security Deposit with Customers/Suppliers (Rs.1,60,705/- Considered as doubtful & provision has already been made)		2,51,705.00
54,229.36	Advance to Suppliers (Rs.26,408.36 considered as doubtful debts&provision has already been made)		54,229.36
32,408.66	Advance with HLWW Board		32,408.66
1,20,061.00	Advance to Suppliers & Contractors( NABARD )		1,20,061.00
3,91,200.00	Festival Advance		5,12,000.00
2,000.00	Library Deposit		2,000.00
17,31,033.99	Receivable from Contract work(Rs.10,62,628.99 considered as doubtful&provision has already been made)		18,67,842.99
13,000.00	Advance to Contractors(Rs.13,000/- considered as doubtful&provision has already been made)		13,000.00
<b>2,17,78,170.05</b>	<b>Total (2)</b>		<b>2,21,47,448.55</b>
<b>18,61,82,011.73</b>	<b>GRAND TOTAL (1 + 2)</b>		<b>23,06,77,562.88</b>

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 12-01-2022

Sd/-

**BABU THOMAS**

MANAGING DIRECTOR

Sd/-

**P MUTHUPANDI**

CHAIRMAN

AS PER OUR REPORT OF EVEN DATE ATTACHED

**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**

FRN: 006138S

Sd/-

**RAVINDRAN. V. F C A**  
(Partner) Memb No. 214242

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## SCHEDULE - E

### NOTES ATTACHED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT AND BALANCE SHEET FOR THE YEAR ENDED

31<sup>st</sup> MARCH 2020

1. Fumigation and spraying activities relating to Rat bait are considered to be incidental to the storage function. Though not specifically covered under Section 24 of the Warehousing Corporation Act, 1962 and Rule 16 and 16A of the Kerala State Warehousing Corporation Rules, 1968, these activities were taken up at the behest of the Govt. of Kerala. Moreover, Government of Kerala vide G.O. No.637/06/LSGD dated 06.03.2006, has recognized KSWC as a nodal agency to supply the Rat poison bait, 'RODOFOE'. In addition to that as part of diversified activities, Corporation is undertaking Disinfestations/Pest Control Services for farmers, Central/State Government Departments, High Court of Kerala, Public Sector Undertakings, Private institutions etc.
2. Chapter II, Rule 4 of the Warehousing Corporation Rules, 1968 now reads that "The authorized share capital of the Corporation shall be 3 Crore 80 Lakhs Rupees divided into 380000 shares of Rs.100 each". Then, the Authorized Share Capital Limit of the Corporation was enhanced gradually to Rs.15.00 Crores through Extra Ordinary Gazette Notifications; in exercise of the powers conferred by the proviso to Sub-section (1) of Section 19 of the Warehousing Corporation Act, 1962 (58 of 1962) by Central Government after consultation with Government of Kerala. In compliance of the remarks of Comptroller and Auditor General of India (C&AG) that the Kerala State Warehousing Corporation Rules, 1968 are also to be amended to that effect, the matter had been taken up with Government of Kerala and is now in process with Government.
3. Government of Kerala had released Rs.50 lakh each for the years 2011-12, 2012-13 and 2017-18 towards their Capital Contribution. As per the stipulation under Chapter III, Clause 19(2) of The Warehousing Corporation Act, 1962, Central Warehousing Corporation has to subscribe remaining fifty per cent. Since remaining matching contribution is not subscribed by Central Warehousing Corporation, Rs.1.50 Crores received from Government of Kerala is accounted as 'Share Capital Advance'.
4. In some of the Godowns of Kerala State Warehousing Corporation, storage facilities at rebated rates are being provided to State PSUs like Kerala State Beverages Corporation, Kerala State Civil Supplies Corporation and Kerala Medical Service Corporation. The matter of getting rent from KSBC at the rates as per the storage charge schedule of Warehousing Corporation had been taken up with Government of Kerala.
5. As per the decision of the 282<sup>nd</sup> Board dated 25.04.2017 and 292<sup>nd</sup> Board dated 16.07.2018, Corporation has entered into a new venture of leasing vacant land which is not suitable for construction of Godowns to telecom Companies, for the installation of Mobile Towers. Sanction from Government of Kerala and Central Warehousing Corporation had also been obtained vide G.O.(Rt) No.865/2017/Agri dated 14.09.2017 and Letter No.CW/967 dated 06.07.2017 respectively. Accordingly, the Letter of Award was issued vide letter No.KSWC/Mktg/M.T/18-19 dated 17.09.2018 to M/s. Reliance Jio Infocom Ltd.; awarding 38 locations. As per the agreement dated 08.11.2018, the party has remitted Rs.3,40,50,000/- (excluding GST) as Rent advance for 5 years from 08.11.2018 to 07.11.2023 during November 2018. The rent element pertaining to the current year amounts to Rs.68,10,000/- and is booked under Live and License Fee receipts of the current year. Remaining portion of Rs.2,45,53,315/- is treated as Rent Advance.

6. a) Government of Kerala had availed Rs.3,87,25,000/- from Government of India during 2001 to 2003 for the construction of godowns in the State under Revamped Public Distribution Scheme, which is a 100% Centrally Sponsored scheme of Government of India, 50% of which is subsidy and balance 50% loan. State Government had entrusted the construction of godowns with Kerala State Warehousing Corporation on land owned by the Corporation and the fund was given to Corporation. As per the terms and conditions prescribed by Government of India the ownership of the godowns constructed utilizing the fund will rest with Government of Kerala. Hence it is shown separately in the Balance Sheet as liability and the cost of completed works shown as assets. The liability is reduced every year by charging depreciation on this asset as shown in Schedule C. Thus, the liability is reduced to Rs 2,85,31,437/- as at 31<sup>st</sup> March 2020.

The Corporation had paid Rs.20,75,000/- lakhs to Government of Kerala being repayment of loan and Rs.12,96,875/- being interest on loan during previous years. As per the original terms & conditions prescribed by Government of India the loan need not be repaid by the Corporation and hence this amount of Rs.33,71,875/- is refundable by Government of Kerala. Hence it is treated as Current Asset and equivalent provision towards doubtful debts is held during FY 2011-12.

b) Government of Kerala had provided Rs.25 lakhs as assistance to KSWC for the development of infrastructure facilities for Warehousing during 2008. Fund was utilized for the construction of godown at North Paravoor. The liability is being reduced every year by charging depreciation on this asset as shown in Schedule C. Thus, the liability is reduced to Rs.20,79,512/- as at 31<sup>st</sup> March 2020.

c) The depreciation on the Godowns constructed utilizing assistance from Government (a&b above) (Rs.5,65,720 + Rs.39,491) is apportioned from the funds provided for this purpose and is reduced from the total depreciation as shown in Schedule C.

7. a) **Interest Free Loan from Government of Kerala:-** As per G.O.(Rt) No.204/96/Ad dated 08.02.1996 an interest free loan of Rs.50,00,000/- (Rs.50 Lakhs) was sanctioned by Government of Kerala for meeting cost incurred in connection with the acquisition of land at Muvattupuzha. The loan had to be repaid in 5 equal installments within two and half years, commencing from 01.04.2011 as intimated vide letter dated 23.06.2011 of Government of Kerala. Repayment is yet to be started. Hence, the loan amount of Rs.50.00 lakhs stand as overdue since 2014.

**b) Working Capital Loan from Government of Kerala:-** Government of Kerala had sanctioned Rs. 5 Crores as Working Capital Loan to Kerala State Warehousing Corporation vide G.O.(MS) No.75/13/AD Dated 25.03.2013 to meet the various statutory liabilities and settle various pending court cases. Corporation has received the Loan on 27.04.2013. The rate of Interest is 13.5% per annum.

As per the sanction letter, the Loan shall be repaid in 20 equal quarterly installments along with interest and the repayment of Loan shall commence on the first anniversary of the drawal of the loan. The Board of Directors of the Corporation in its 299th meeting held on 24.02.2020 had resolved to repay the Working Capital loan by quarterly instalments as per the availability of fund. Accordingly, during March 2020, Corporation has refunded Rs.25,00,000/- to Government

as the 1<sup>st</sup> installment. As on 31.03.2020, Outstanding amounts of principal amount is Rs.4,75,00,000/- and interest Rs.4,67,46,062/-. As per the general instructions regarding repayment of principal and interest, penal interest not less than 2.5% above the normal rate of interest shall be levied in the event of default in repayment of installments and /or interest. As KSWC is allotting Godowns to other State Public Sector undertakings at subsidized rates; Corporation has requested Government of Kerala to waive interest and penal interests. Government has not rejected this proposal and it is now under process. Hence, penal interest is not provided this year. If it is claimed in future, it will be accounted on actual basis.

The loan amount of Rs.5.00 Crores stands as overdue since 2019. Corporation has started repayment during March 2020 by equal quarterly instalments of Rs.25.00 lakhs and accordingly repaid Rs. 2 Crores to Government of Kerala up to December 2021.

**c) Loan from Government of Kerala under NABARD RIDF Scheme :-** Government of Kerala has accorded administrative sanction vide G.O.(Rt) No.618/2012/AD dated 17.03.2012 to Kerala State Warehousing Corporation for the construction of 80 (Eighty) Warehousing Projects under NABARD Rural Infrastructure Development Fund (RIDF) XVII for a total financial outlay of Rs.119.44 Crores. The total amount of loan availed as on 31.03.2020 is Rs.32,89,47,000/- as follows:

i) Government had sanctioned an amount of Rs.22.6685 Crores as Startup Advance vide G.O. (Rt) No.1301/2012/AD dated 22.06.2012. As per G.O. (MS) No.239/2012/AD dated 17.10.2012, the Corporation received an amount of Rs.11,33,00,000/- (being 50% of startup advance) at an interest rate of 7.5% per annum from the Government Contingency Fund.

The loan amount of Rs.11.33 Crores stands as overdue since 2019. The Corporation has started repayment of the loan by equal quarterly instalments of Rs.30.00 Lakhs from March 2020. Accordingly, Corporation has repaid Rs.2.4 Crores to Government of Kerala upto December 2021.

ii) As per G.O.(Rt) No. 1349/14/AW dated 02.08.2014, the Corporation received an amount of Rs.8,02,26,000/- at an interest rate of 7.5% per annum as second allotment from the Government on 19.12.2014. The above loan is to be repaid in five installments commencing from 01.11.2017 as per the terms of G.O. The repayment is not yet started.

iii) As per G.O.(Rt) No. 1883/2015/AD dated 11.11.2015, the Corporation received an amount of Rs.5 Crores at an interest rate of 5% per annum as third allotment from the Government on 17.12.2015. The repayment is not yet started.

iv) As per G.O. (Rt) No.79/2017/Agri dated 28.01.2017, Corporation received an amount of Rs.50,70,000/- at an interest rate of 5.25% as fourth allotment on 05.02.2017. The repayment is not yet started.

v) As per G.O. (Rt) No.556/2017/AGRI dated 29.05.2017, Corporation received an amount of Rs.1,31,59,000/- bearing interest at the rate of 5.25% per annum as fifth allotment on 22.06.2017. The repayment is not yet started.

- vi) As per G.O.(Rt) No.869/2017/AGRI dated 14.09.2017, Corporation received an amount of Rs.6,26,60,000/- bearing interest at the rate of 4.75% per annum as sixth allotment on 25.10.2017. The repayment is not yet started.
- vii) As per G.O.(Rt) No.667/2019/AGRI dated 20.07.2019, Corporation received an amount of Rs.45,32,000/- bearing interest at the rate of 4.50% per annum as Seventh allotment on 29.02.2020. The repayment is not yet started

The loan is repayable in 7 years with grace period of 2 years i.e. the loan should be repaid in 5 equal annual installments after a grace period of 2 years. In the sanction letter, Government of Kerala has stated that penal interest @ 2.5% per annum shall be charged in addition to the normal rate of interest, in case of default. As KSWC is allotting Godowns to other State Public Sector undertakings at subsidized rates without any financial backing from Government of Kerala; Corporation has requested Government of Kerala to waive penal interest clause. Government has not rejected this proposal and it is now under process. If it is claimed in future, it will be accounted on actual basis. Hence no provision is made for penal interest on NABARD Loan this year also as has been done in pre-years.

The Board of Directors of the Corporation in its 299th meeting held on 24.02.2020 had resolved to repay the NABARD RIDF XVII loan by quarterly instalments as per the availability of fund. Accordingly, Corporation had remitted Rs.30,00,000/- to Government during March 2020, as the 1<sup>st</sup> installment.

The above loan amount was utilized for both construction of New Godowns/renovation and Repair & Maintenances. The interest amount pertaining to construction of New Godowns/renovation has been capitalized in proportionate manner based on total amount utilized from the loan as on 31.03.2020.

**d) Loan from Government of Kerala under NABARD WIF(2017-18) Scheme:** Government of Kerala has issued Administrative sanction vide G.O. (Rt) No.997/2019/AGRI dated 26.10.2019 for the Construction of Multistoried/Single storied Warehouses at Muthalamada, North Paravur and Punalur with a total financial outlay of Rs.1175.00 lakhs under NABARD WIF Scheme(2017-18).

**e) Loan from Government of Kerala under NABARD WIF(2018-19) Scheme:** Government of Kerala has issued Administrative Sanction vide G.O (Rt) No.216/2019/AGRI dated 02.03.2019 for the construction of Godowns at Kozhinjampara, Mavelikkara, Harippad, Sasthamkotta (lease land) and Thalasseri with a total financial outlay of Rs.1,330.50 Lakhs under NABARD WIF (2018-19) Scheme.

**f) Rashtriya Krishi Vikas Yojana (RKVY) Scheme-** As per G.O.(MS) No.57/2019/AD dated 25.03.2019, Government of Kerala has sanctioned a Grant of Rs.65,16,800/- under RKVY Scheme in 2018-19 for setting up of a Scientific Storage and Cold Storage for agriculture produce in Vandanmedu, Idukki District. Corporation has spent Rs.7,86,752/- during this year and accounted as Capital Work in Progress. The work is nearing completion.

8. Provision for rent arrears' amounting to Rs.48,70,784/- which is grouped under other liabilities relates to the demand for enhancement of rent for PWD godown hired out by the Corporation for the period from 1-8-1982 to 31-3-2020. Corporation had not paid the amount but liabilities in this regard are being provided since 1995-96. Presently, the files and documents relating to this matter are not available, to measure the prudence in continuing the previous practice of making provision every year without any further correspondence from PWD in this regard. However, in the absence of supporting files, Rs.1,32,204/- relating to current year is also charged to Profit and Loss Account based on the treatment of this rent arrears as in the previous year.
9. Corporation had entered into an agreement with Alappuzha Coir Cluster Development Society (ACCDS) on 11<sup>th</sup> day of March 2008 for providing consultancy services for the construction of their Business Development Centre at Thiruvizha and Factory Building and Allied works at Pallipuram. As per this Agreement, ACCDS had deposited an amount of Rs.4,19,68,944/- with the Corporation during the period from 2008 to 2012. The Projects were completed during 2012. As per the records, Corporation had accounted an amount of Rs.10,87,642/- as Interest for ACCDS deposits for the project period. After adjusting final installment of centage charge and excess amount spent by Corporation for the said Projects; balance amount of Rs.6,33,248.85 is shown as liability. But, ACCDS has not agreed to the interest amount which is calculated by Corporation and in turn they have put forth a claim for higher interest. Hence, the matter is now under litigation.
10. a) Corporation was appointed by Government of Kerala as an agent for distribution of imported cement to actual users from 1983-84 to 1987-88. Since no sale was involved, the Corporation was of the view that the transaction would not attract sales tax. But as per Sales Tax assessment orders issued during 2002 the total sales tax liability with interest for the above years comes to Rs.9,51,00,000/-. Corporation had worked out the disputed tax liability as Rs.3,71,50,332/- and the liability for the same is provided under suspense tax account and is grouped under 'Other Liabilities'. The balance disputed tax liability (including interest) amounting to Rs.5,79,49,668/-, is treated as Contingent Liability. Further the advance sales tax paid Rs.1,72,47,293.54 is grouped under 'Current Assets Loans and Advances'. This issue is now pending before the High Power Committee of Government of Kerala for disposal, and hence no provision had been made in the accounts for the interest portion.

According to the judgment in W.P.(C) No.13587 of 2004-P dated 14.11.2016, the Kerala State Warehousing Corporation is granted an exemption from Sales Tax upto a turnover of Rs.3.05 Crores. The Kerala State along with others had filed a writ appeal against the said Order and which is now pending.

b) Sales tax assessments of the Corporation upto 2004-05 are over. The assessment pertaining to 1987-88 to 1990-91 and for 1997-98 are under dispute and are at various stages of appeal.
11. Dividend Payable to Government of Kerala from 1982-83 to 1987-88 & 1996-97 to 2001-02 totalling Rs.85,66,728/- had been provided in the Accounts during the respective previous years. Considering the financial stringencies of the Corporation during the period from 2002-03 onwards, Government of Kerala has not claimed the amount.

12. Corporation was running in loss from FY 2002-03 to 2016-17. The accumulated loss as on 31.03.2020 is Rs. 16.15 Crores. Further, Corporation has no General reserve Fund. In this context, no provision is made for dividend during this year also.

13. **Employee Benefits:-**

A. Defined Benefit Plans

Description of the Corporation's defined benefit plan.

**a) Gratuity Scheme: -**

Corporation is having a Group Gratuity Cash Accumulation Scheme with LIC of India for the payment of Gratuity to its employees on superannuation. The annual premium for the renewal of the policy is worked out by LIC on the basis of the pay scale of each employee as on 1<sup>st</sup> March at the existing rates of DA. Gratuity is worked out as ½ month's emoluments for every completed year of service. Here the month means 26 days i.e. excluding the Sundays in a month. The scheme provides for a lump sum payment to vested employees on retirement/ death. Vesting occurs upon completion of five years of service.

The Gratuity Scheme is governed by Group Gratuity Cum Life Assurance Scheme Rules of Kerala State Warehousing Corporation. As per the Rules, the benefits payable under this Scheme is limited to “Fifteen days salary of the member as on the date of retirement or death, as the case may be, for each year of service subject to a maximum of 20 months' salary”.

The Corporation had made actuarial valuation of Employee Benefits as specified in Accounting Standard 15 in the case of Gratuity. Pre-revised salary was taken for valuation as the order for sanctioning the Pay Revision is received during February 2021 only.

i. Reconciliation of changes in the Present value of benefit obligation:

(Amount in Rupees)

Particulars	FY:2019-20	FY:2018-19
Present Value of the benefit obligation on 1st April	4,83,26,108	5,71,00,222
Current Service Cost	36,56,775	30,25,739
Interest Cost	32,86,175	43,96,717
Benefit Paid	(1,05,11,173)	(1,80,40,655)
Actuarial (Gain)/Loss (Balancing Fig)	1,28,96,789	18,44,085
Present Value of the benefit Obligations on 31st March	5,76,54,674	4,83,26,108

ii. Reconciliation of Changes in the Fair value of Plan Assets: (Amount in Rupees)

Particulars	FY:2019-20	FY:2018-19
Fair Value of Plan assets as at 1st April	5,25,68,109	1,21,51,105
Expected return on Plan Assets	38,94,944	23,77,399
Contribution	1,99,32,118	5,67,15,894
Benefits Paid	(1,05,11,173)	(1,80,40,655)
Actuarial (Gain)/Loss (Balancing Fig)	(1,25,677)	(6,35,634)
Present Value of Plan Assets as at 31st March	6,57,58,321	5,25,68,109

iii. Expenses recognized in Profit and Loss Account: (Amount in Rupees)

Particulars	2019-20	2018-19	2017-18 (Rev)	2016-17 (Rev)	2015-16
Current Service Costs	36,56,775	30,25,739	33,83,076	35,77,752	37,60,383
Interest Costs	32,86,175	43,96,717	45,23,720	44,50,664	45,99,932
Expected Return on Plan Assets	(38,94,944)	(23,77,399)	(9,29,474)	(9,94,398)	(16,61,927)
Net Actuarial (Gain)/ Loss	1,30,22,465	24,79,719	5,25,763	(4,60,443)	94,41,863
Costs of Obligation (in P&L)	1,60,70,472	75,24,776	75,03,086	65,73,574	1,61,40,251

iv. Reconciliation of Net Liability recognized in Balance Sheet: (Amount in Rupees)

Particulars	2019-20	2018-19	2017-18 (Rev)	2016-17 (Rev)	2015-16
Present Value of Obligation as at the end of the year	5,76,54,674	4,83,26,108	5,71,00,222	5,87,49,613	6,01,44,103
Less: Fair Value of Plan assets at the end of the year	6,57,58,321	5,25,68,109	1,21,51,105	1,30,22,638	1,44,90,702
Net Liability/(Asset) recognized in Balance Sheet	(81,03,647)	(42,42,001)	4,49,49,117	4,57,26,975	4,56,53,401

v. Principal Actuarial Assumptions:

Method Used	Projected Unit Credit Method
Discount Rate	6.80%
Rate of Escalation on Salary	5.00%

## b) Leave Encashment:-

The Corporation provides for Earned Leave Benefit to the employees of the Corporation which accrue annually at 33 days i.e. one earned leave for every 11 days worked. 30 days Earned Leave is en-cashable every year end and maximum 300 days at the time of superannuation. The liability for the same is recognized on the basis of Actuarial Valuation.

The Corporation had made actuarial valuation of Employee Benefits as specified in Accounting Standard 15 in the case of Leave Surrender.

### i. Reconciliation of changes in the Present value of obligation: (Amount in Rupees)

Particulars	FY:2019-20	FY:2018-19
Present Value of the obligation on 1st April	2,10,74,362	2,65,55,934
Current Service Cost	26,41,635	16,80,705
Interest Cost	14,33,057	20,44,807
Benefit Paid	(37,52,327)	(74,69,888)
Actuarial (Gain)/Loss (Balancing Fig)	(5,37,315)	(17,37,196)
Present Value of the Obligations on 31st March	2,08,59,412	2,10,74,362

### ii. Reconciliation of Changes in the Fair value of Plan Assets of Leave: (Amount in Rupees)

Particulars	FY:2019-20	FY:2018-19
Fair Value of Plan assets as at 1st April	0	0
Expected return on Plan Assets	0	0
Contribution	0	0
Benefits Paid	0	0
Actuarial (Gain)/Loss (Balancing Fig)	0	0
Present Value of Plan Assets at 31st March	0	0

### iii. Expenses recognized in Profit and Loss Account of Leave: (Amount in Rupees)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Current Service Costs	26,41,635	16,80,705	27,80,785	27,05,186	1,00,34,713
Interest Costs	14,33,057	20,44,807	22,28,679	19,90,713	24,14,979
Expected Return on Plan Assets	0	0	0	0	0
Net Actuarial(Gain/Loss)	(5,37,315)	(17,37,196)	(28,60,813)	11,54,001	(53,17,656)
Past Service Costs	0	0	0	0	0
Costs of Obligation (in P&L)	35,37,377	19,88,316	21,48,651	58,49,900	71,32,036

## iv. Reconciliation of Net Liability recognized in Balance Sheet of Leave:

(Amount in Rupees)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of Obligation as at the end of the year	2,08,59,412	2,10,74,362	2,65,55,934	2,89,43,889	2,69,01,531
Less: Fair Value of Plan assets at the end of the year	0	0	0	0	0
Past Service Costs	0	0	0	0	0
Net Liability in Balance Sheet	2,08,59,412	2,10,74,362	2,65,55,934	2,89,43,889	2,69,01,531

## v. Principal Actuarial Assumptions of Leave:

Method Used	Projected Unit Credit Method
Discount Rate	6.80%
Rate of Escalation on Salary	5.00%

**B. Defined Contribution Plans**

1. Corporation had introduced a pension scheme for the employees who retired from service on or after 01-02-1996 in lieu of Contributory Provident Fund (CPF) with the approval of the State Government. As per the rules defined for the Scheme, the Corporation is required to contribute amount @10% of Basic Pay + DA to Pension Fund. Corporation during this year had recognized Rs.1,24,64,090/- as expenses towards contribution to this fund.

Government of Kerala vide G.O.(Rt) No.221/2021 AGRI dated 26.02.2021 has sanctioned to enhance employer contribution from 10% to 12 % after making necessary amendments in the Rule. The Rule amendment is in progress with the Government. However, based on the Government sanction, necessary provision has been made in current year accounts.

Presently, Pension is being paid on the basis of the pre-revised scale of pay. Some employees challenged this method of pension calculation before the Hon'ble High Court and filed an SLP vide No.3679-3680/2017 in the Supreme Court. The Hon'ble Supreme Court vide its Order dated 14/11/2017 stated that "pension may be calculated in accordance with the rules as per applicable pay scales at the relevant time".

Then the pensioners again approached Hon'ble High Court seeking direction to the Kerala State Warehousing Corporation Pension Trust and Kerala State Warehousing Corporation to refix the pension benefits due to them taking into account the last drawn salary as on the date of their retirement. The Hon'ble Court Ordered that the petitioners would be eligible for pension at the revised rate subject to the ceiling of Rs.3,650/- with eligible dearness relief for a period up to 12.04.2018. Corporation filed appeal against this Order. Meanwhile, some pensioners again filed a Direction Petition, M.A No-40-41/2019 in Hon'ble Supreme Court for Clarification of the Order SLP No.3679-3680/2017. The same was dismissed by the Hon'ble Supreme Court on 20/01/2020. Thereafter the pensioners filed Contempt of Court case which is pending before the Hon'ble High Court.

Due to insufficient fund in the Trust, Pension revision is not yet implemented. Further, it is provided in the Pension Regulation 3 (2) (a) , that “no further contribution shall be made by the Corporation, except as provided in the regulation, for any reason what so ever and it shall be the duty of the Trustee Committee to keep the fund financially sound”. The financial commitment that would have arisen for implementing Pension Revision is not considered as a Contingent Liability.

Now, Corporation has entrusted Centre for Management Development (CMD), an autonomous body of Government of Kerala, to carry out a study about the existence of the present Pension Scheme.

14. a) The D.A. of staff has been revised at par with State Government employees' w.e.f. 01-01.2019. The liability on account of the same including the employer's Contribution to pension fund for the period up to 31.03.2020 has been worked out and provided in the accounts.
- b) The pay scale of the State Government employees had been revised w.e.f. 01-07-2004. The State Government had accorded sanction to revise the pay scales of the employees of the Corporation w.e.f. 01.07.2004 and also to implement the same w.e.f. 01.09.2007. The notification amending the regulation has not yet been released. The revised pay is being paid to the employees w.e.f. 05.02.2009 i.e. from the date of Government Order. As per the Board decision the pay revision arrear during the period from 01.09.2007 to 04.02.2009 has been provided in this year's accounts.
- c) i) Further, considering the recommendations of the Board vide resolution No.3448 on 16.02.2019 to implement 10<sup>th</sup> Pay revision in the Corporation, the State Cabinet on 03.02.2021 approved the 9<sup>th</sup> (notional with effect from 01.09.2012) and 10<sup>th</sup> Pay Revision with effect from 01.09.2017 to the employees of the Corporation. Accordingly, the 303<sup>rd</sup> Board on 05.02.2021 vide its resolution No.3621 had accorded sanction to implement the 10<sup>th</sup> Pay revision, subject to G.O. (Rt) No.22/2021/Agri dated 08.02.2021. Moreover, the Board directed Managing Director to disburse the arrears of the pay revision from 01.09.2017 in installments, subject to the availability of fund in the Corporation.
- ii) Accordingly, during the year 2021-22, Corporation has disbursed Rs.2,24,75,000/- on estimation as 1<sup>st</sup> Installment of Pay revision arrears as advance to the present employees and corresponding provision has been made in current year accounts on an estimation.
- iii) Corporation has also provided an amount of Rs.1,44,87,289/- on an estimation towards Pay revision arrears payable to the retired employees during the period from 01.09.2017 to 31.03.2020.

15. Provisions held as on 31.03.2020 in respect of employees are:- (Amount in Rupees)

Sl. No.	Particulars	FY:2019-20	FY:2018-19
1	Employers Contribution to Pension Fund pending remittance to the KSWC Employees Pension & Other Retirement Benefits Fund (Refer Note A below) due to Pay revisions and DA revisions.	1,17,03,237.00	4,13,051.00
2	Terminal Surrender payable in respect of retired employees (Refer Note B below)	2,47,428.00	33,04,596.00
3	Group Gratuity Liability- in respect of retired employees- amount payable by KSWC (Refer Note C below)	31,87,615.49	36,85,688.49
4	Surrender Leave Allowance payable to employees	Nil	36,41,807.00

Note A. Corporation has liability amounting to Rs.1,17,03,237/- on account of Employer's Contribution to Pension Fund due to 08<sup>th</sup> to 10<sup>th</sup> Pay revisions and DA revisions for the periods of 01.01.2019 to 31.03.2020 provided based on independent valuation and the provision made by the Corporation is considered adequate. Hence, the amount is shown under "Outstanding expenses-Other Liabilities"- Schedule B and is paid during 2020-21.

Note B. Corporation has estimated and provided for an amount of Rs.2,47,428/- towards terminal surrender liability in respect of retired employees. This amount is pending for disbursement to employees as on 31<sup>st</sup> March, 2020 and is shown under "Outstanding expenses-Other Liabilities"- Schedule B.

Note C. The Corporation had also estimated and provided Gratuity liability for the intervening period of 55 to 58 years, i.e. over and above the amount covered under GGCA Policy of retired employees. The amount pending for disbursal to employees as on 31<sup>st</sup> March, 2020 is Rs.31,87,615.49 which is shown under "Outstanding expenses-Other Liabilities"-Schedule B.

16. Corporation was enjoying exemption from the provisions of ESI vide Government Order No: 707/2010/LBR Dated 13<sup>th</sup> April 2010. However, the validity of this exemption was till 30.09.2009. Later, KSWC received Government Order No: 1443/2011/LBR dated 30th September 2011 by which the ESIC exemption has been extended for the period beginning from 1st October 2011 till 30.09.2012. Consequently, for the interim period of 2 years (01.10.2009 to 30.09.2011) and for the subsequent period from 01.10.2012, there is no Order exempting the Corporation from the provisions of ESI. The Corporation has requested Government for extending the exemption for the above mentioned periods vide letter dated 26/08/2013, which is now pending for disposal. Corporation has introduced ESI Scheme for its permanent employees from 01<sup>st</sup> June 2015.

17. The incorrect pay fixation had resulted an excess payment of pay and allowances to Sri. P.H. Ashraf, IPS (Rtd.), Managing Director, during the period from 16.01.2017 to 31.10.2018, and the details of recovery made from his salary is as follows.

<b>Years</b>	<b>Excess</b>	<b>Recovery</b>
2016-17	32,300.00	-----
2017-18	1,30,659.00	-----
2018-19	87,202.00	47,104.00
2019-20	-----	2,03,057.00
<b>Total</b>	<b>2,50,161.00</b>	<b>2,50,161.00</b>

18. The Board of Directors in its 290<sup>th</sup> Meeting held on 24.03.2018 had decided to regularize the service of Class IV Grade II employees appointed during 2009 with all withheld service benefits like increment, promotion etc. retrospectively from February 2014. However, decision of the Hon'ble High Court of Kerala in WPC No. 10791/2013 regarding the same is still pending. Comptroller and Auditor General of India qualified that the establishment charges payable Rs.64,53,656/- includes the promotion and increment arrears payable to Class IV employees ignoring the directions contained in the G.O. (P) No. 515/07/Fin dated 19<sup>th</sup> October 2007. Complying the audit remarks of FY:2017-18, the matter had since been taken up with Government of Kerala vide letter No. KSWC/EST/Class IV/2019-20 dated 23.10.2019. Further, the 298<sup>th</sup> Board dated 14.11.2019, after considering the above facts, resolved vide resolution No.3514 to defer the re-calculation/rectification/adjustment of excess paid benefits in the annual accounts until a decision on the above mentioned letter is received from Government of Kerala. Since the matter is pending with Government, re-calculation/rectification in this regard is not carried out.

19. a) Government of Kerala had entrusted the work of construction of Modern Rice Mills at Alathur and Thakazhy with KSWC during the year 2000 and had sanctioned Rs.1,01,96,284/- during the year 2000-01. Corporation had utilized Rs.1,25,17,353.48 in this project till 31.03.2006. The balance amount for the completion of the project had not been received from Government. In that context, in order to recoup the excess amount spent by Corporation from its own resources, share capital advance of Rs.25 Lakhs received from Government of Kerala during 1999-00 was adjusted as Grant during 2004. Ratification from Government for this adjustment is not received but had directed Corporation to refund Rs.25 Lakhs to Government of Kerala.

b) Then, Government of Kerala had released Rs.2,50,00,000/- to resume the construction of Rice Mills at Alathur and Thakazhy on condition that the Mill should be run by Kerala State Warehousing Corporation on its completion. On getting the funds released, Corporation had restarted the construction work at Alathur and the milling unit was inaugurated on 01.01.2008. After the erection of other machineries like par boiling unit and boiler, the mill was fully commissioned on 27.11.2008. As decided by the Board of the Corporation, since the Government has not agreed to sign MOU for making good the loss if any on account of the running of the Mills and as necessary working capital has not been provided by Government, the running expense is being met from the amount received from Government. The net working result of the Mill has been adjusted under the head Construction of MRM (WIP) on the Asset side of the Balance Sheet. Corporation has spent Rs.3,18,299/- for the maintenance and running of MRM (Alathur) during 2019-20. Hence an amount of Rs.3,55,91,942.75 is shown on the Asset side of the Balance Sheet under Construction of MRM (WIP) and total fund received for the MRM Projects amounting to Rs.3,76,96,284/- is shown on the liability side of the Balance Sheet.

c) Corporation had sought clarification regarding ownership of Modern Rice Mills (MRM) from The Director of Agriculture, Government of Kerala. As per the direction from Hon. Minister for Agriculture (Minutes dated 07.03.2018), the mill at Alathur was temporarily handed over to Oil Palm India Ltd. from 20.09.2018, for operating the Mill for one year. However, Oil Palm India

Ltd.; had not signed the MOU prepared by KSWC. Electricity charges incurred during the period in which the Mill was operated by Oil Palm India Ltd.; was paid by them except for the months of August and September 2019. Hence, considering the good relationship with Oil Palm, Corporation had paid the electricity charges for the two months amounting to Rs.87,065/-. The 298<sup>th</sup> Board convened on 14.11.2019 vide resolution No.3509 has ratified this payment. Further, Corporation has not received any income during the period in which the Mill was operated by Oil Palm India Limited.

20. State Government had entrusted the Corporation as an agency for the implementation of the scheme of spraying on coconut trees against the attack of Eriophyid mite. The scheme includes spraying with bio pesticides and application of a mixture of manures on coconut trees utilizing the Central assistance and by collecting a nominal amount from the farmers. For the preparation of fertilizer kits Corporation had procured Urea for Rs.93,31,125/- utilizing the fund provided by the Government. Since required funds were not released from Government of Kerala, the scheme could not be implemented. The stock of fertilizer was subsequently disposed off at a lower rate for an amount of Rs.72,23,380/- by 2008-09. As per the Balance sheet; liability booked is Rs.74,16,768/- . The additional amount claimed by Government of Kerala over the liability already booked by Corporation amounts to Rs.19,14,357/- (Rs.93,31,125/- - Rs.74,16,768/-) is shown under Contingent Liabilities. Then, after adjusting the advertisement expenditure incurred for the sale of Rs.1,98,588/- and notional storage charge of Rs.22,50,090/- the amount payable to Government is re-calculated as Rs.51,66,678/- for which correspondences are going on with GOK for getting confirmation. Government had earlier admitted the refundable amount as Rs.51,66,678/- but later it was directed to refund the entire amount of Rs.93,31,125/-.

Government of Kerala has directed Corporation to recover the loss on sale of urea amounting Rs.21,07,835/- from the former employees of the Corporation based on PAC recommendations. As directed, Corporation has sent notices for recovery of the loss from the former Managing Director and retired officials of the Corporation connected with the purchase and sale of urea during 2004-05. The 294<sup>th</sup> Board considered matter and directed the MD to place the matter before the EC. The 228<sup>th</sup> Executive Committee Meeting considered the matter and directed MD to write to Government recommending to take action against the officers responsible for the loss.

Further, as per the decision of the 297<sup>th</sup> Board Meeting dated 29.07.2019 vide resolution No.3498 Corporation has refunded Rs.51,66,678/- to Government of Kerala and Rs.22,50,090/- due from Government of Kerala as storage charge of Urea from 2005 to 2007 is accounted as prior income during this year.

21. Extra expenditure including demurrage incurred by the Corporation due to deserting of the transportation work by the Transport Contractor (K.K.Transport) during its execution amounting to Rs.17,21,342/- had been debited to the Profit and Loss Account for the year 1994-95 and 1995-96. The Corporation holds Rs.1,00,000/- as security deposit and Rs.4,06,538/- is payable to the contractor. Suit was filed to recover the balance amount of Rs.12,14,804/- from the contractor. Mean while the contractor also had filed a suit to realize the security amount and balance bill amount from the Corporation. The suit was allowed partly in the lower Court. As per the decree, Corporation has to release the amount of Rs 2,07,651/- to the Contractor after adjusting Rs.2,98,887/- towards its damages. The said amount plus interest @12% per annum is to be paid to the Contractor. Corporation has filed appeal against the decree and hence no adjustments are made in the accounts.

**22. Claims not acknowledged as Debt:-**

i) Amount claimed by Government of Kerala as refund of Share Capital[Ref. Note:19(a)]	: -	25,00,000.00
ii) Additional claim made by Government of Kerala against Amount received from GOK For supply of Fertilizer Kit [Ref.Note:20]	: -	19,14,357.00

**23. Contingent Liabilities as on 31.03.2020 are:-**

i) Sales Tax Liability with interest (Note:11)	: -	5,79,49,668.00
ii) Amount Payable to Contractor (Ref. Note:21)	: -	2,07,651.00
iii) Case pending- M/s Divine International for refund of demurrage.	: -	7,70,062.00
iv) Penalty imposed (vide SCN 70/2017) by Addl. Commissioner of Central Excise & Customs for availing ineligible Cenvat Credit on Works Contract Services during 2012-13 and 2013-14 against which the appeal filed is pending for disposal.	: -	21,15,610.00
v) Claim for stocks damaged in flood 2018 ( Ref. Note 26)	: -	1,40,52,545.00

**24.** The Joint Commissioner Central Tax & Central Excise had issued Show Cause Notice No.61/2017 dated 19.10.2017 by demanding Rs.1,19,25,813/- being the Service Tax and Cess which was assumed to be short paid by the Corporation during the period from 2012-13 and 2013-14 under the provision to Section 73(1) of the Finance Act, 1994 and against which Corporation had filed an appeal. The appeal was allowed in favour of the Corporation and the Excise Department has dropped all the proceedings against the Corporation in this case and Joint Commissioner has issued Order No.C./ST/15/77/2017/ST Adj.dated 08.09.2020 to that effect.

**25.** Corporation had filed Special Leave Petition (Case No.25483/2019) before the Hon. Supreme Court against the impugned final judgment and Order dated 11.07.2019 in ITA No.144/2019 passed by the Hon. High Court of Kerala related to AY 2010-11 and the case is pending.

**26.** In connection with the flood disaster which occurred during August 2018, stocks in State Warehouse Chalakudy belonging to KSCSC, Shivashakthi Dall Industries, Falcon Agro Foods, MJ Traders, IFFCO and NAFED had been damaged. Subsequently, claim of Rs.1,41,61,425/- was submitted to Kerala State Insurance Department .

The Insurance Department vide their letter KSID/F1/T001812940 dated 06.03.2019 sanctioned Rs.1,08,880/- only. Hence Corporation filed an appeal before the Principal Secretary, Finance Department, Government of Kerala and which is now under process. Hence, Rs.1,40,52,545/- (Rs.1,41,61,425/- – Rs.1,08,880/-) is shown under Contingent liabilities.

**27.** As per the Resolution number 3571(A) of the 300<sup>th</sup> Board Meeting convened on 11.08.2020, Board authorized Managing Director to file Appeal before the Regional Joint Labour Commissioner to defend the Corporation against the huge claim of gratuity for the period during which the employees worked on daily wages in the Corporation. Accordingly Corporation has filed appeal petitions before the Regional Joint Labour Commissioner on G.C No.95/2018 and 341/2018.

Further, complying with the Board decision No.3571(B) dated 11.08.2020, Corporation has filed appeal petition before the Regional Joint Labour Commissioner on the Order of Deputy Labour Commissioner (C/345/2018) for the payment of interest for the delayed payment of gratuity in respect of Sri. V.C. Lalgı.

Moreover, Government of Kerala directed Corporation vide letter No.AGRI-PU2/34/2021-AGRI dated 17.08.2021 to file appeal before the Hon. High Court for obtaining favourable orders, if necessary.

28. Government of Kerala entrusted both Kerala State Rubber Co-operative Marketing Federation and Kerala State Warehousing Corporation for purchasing rubber during the year 2001. Corporation claimed subsidy of Rs.1,82,238/-, Rs.1,46,440/-, Rs.51,060/- for the years 1998-99, 1999-00, 2000-01 respectively. The subsidy for the year 1998-99 amounting to Rs.1,82,238/- was released from Government of Kerala during the year 2002-03. The balance amount of Rs.1,97,500/- is yet to be received from GOK. Hence, Rs.1,97,500/- is shown under current assets and an equal amount of provision has been made in the accounts during 2011-12.
29. As per Significant Accounting Policy of the Corporation, during the financial year 2019-20 also, Corporation has capitalized a portion of its establishment expenditure amounting to Rs.6,30,836/- equivalent to 2.5% of the construction expenditure, by charging the same to the construction cost of various Warehouses and crediting establishment charges account, in view of the fact that the staff of the Head Office and Warehouses are spending a portion of their time on works connected with construction.
30. For the work of Cochin Metro, 1.31 ares of land in Sy.No.1317/1-8 of State Warehouse Thripunithura was acquired and awarded Rs.90,78,854/- to Corporation vide Award No.49/17 of LAC No.36/17 dated 27.01.2018 of Land Acquisition Officer, Office of the Special Tahsildar(LA) NH No.III, Vyttila. Corporation has filed an appeal for enhanced compensation before the LA Authorities. The case is pending.
31. For the construction of Karnagapally-Maliyekal Railway over bridge , 01.03 ares of land in Sy No.195/40 of State Warehouse Karunagapally was acquired and awarded Rs.46,63,267/- vide Award No.A/1624/2017 of Spl. Tahsildar, Kollam dated 23.12.2019.
32. As part of four lining of NH 17( New 66) the Special Tahsildar, Kasargod had acquired 69 sq.meters of land in RS No.545/2 in Kanhangad Village and awarded Rs.11,36,688/-.
33. For the Kochi Metro Rail Project, 0.0100 hectares of land in Sy. No.1317/1-15 in Poonithura Village had been acquired by Special Tahsildar, Kakkanad and awarded Rs.81,35,043/- vide order dated 30.08.2019. Corporation has filed an appeal for enhanced compensation before the LA Authorities, which is pending.
34. With respect to the deposit of latex in Ponkunnam Warehouse, a vigilance case was registered on 27.04.2011 (No.02/11/ERK) at Vigilance & Anti-Corruption Bureau, Kottayam against the then Senior Assistant Manager Smt. Lalithakumari, and Sri. Kuruvila K Thomas, the then MD of KRS Latex(P) Ltd; and the case is under progress. No income has been accounted as due from M/s. KRS Latex Pvt. Ltd since 2013-14 while an amount of Rs.23,53,276/- has been created as provision for the Income from Warehousing Charge accounted till 2012-13.
35. Sri. K.V. Kumaran, former Deputy Manager of the Corporation was dismissed from the service of the Corporation in connection with the misappropriation of money and irregularities in Mite

Spraying Work executed by him. Corporation had ordered to recover the pecuniary loss sustained to the Corporation from him. He has challenged this order before the Hon. High Court in WP(C) No.22201/2011. The case is pending.

36. M/s. Unicorp International Limited had imported 20 containers (4352 bags) Raw Cashew through M/s. JN Freight, Customs House Agent, at Container Freight Station, (CFS) Petta during 14.06.2006 to 04.07.2006. Out of which, the un-lifted 3434 bags were auctioned by Corporation during 2010. Regarding the Loss incurred in connection with sale of un-lifted imported cashew at CFS Petta, the vigilance enquiry finalized in the matter and reported that there are no lapses found on the part of accused employees of the Corporation in discharging their duties. Further, Government of Kerala directed Corporation vide File No.Agri-PU2/84/2018 dated 14.5.2018, to ascertain the actual loss by engaging a Government agency, and the same is under process. Hence, the loss is yet to be quantified.
37. During the period from October 2016 to March 2019, used Digital Multifunction Printers imported vide 21 Bills of Entry in the name of M/s. Atul Automations Ltd., and 7 Bills of Entry in the name of M/s. Parag Domestic Appliances, were de-stuffed at the Container Freight Station, Petta. After that the importers were not permitted to release the cargo by the Customs Authorities on the ground that the cargo comes under e-waste category. Challenging the order passed by the Commissioner of Customs, the importers secured favourable order from CESTAT, Bangalore, and the Hon'ble High Court. The Hon'ble High Court of Kerala vide Judgment dated 13.04.2018 Ordered that "In any event, the goods will be released on or before 25.04.2018 failing which the demurrage will be the liability of the Department". Though the said Order was challenged by the Customs before the Hon'ble Supreme Court of India, the Court made it clear that "we therefore find no reason to interfere with the impugned Orders". Hence the matter was again put up for the consideration of the Division Bench of the Hon'ble High Court.

The Hon'ble High Court of Kerala vide Judgment dated 08.03.2019 ordered that "the Customs Authorities shall issue the necessary undertaking and/or furnish security to the Container Freight Station for payment of demurrage on the consignments relating to the petitioner, stored therein, within three days from the Order so that an expeditious clearance of the goods to the petitioner is effected immediately thereafter". Since the cargo was not released within three days as ordered by the Hon'ble High Court, vide Judgment dated 08.03.2019, the matter was again considered by the Court on 15.03.2019. The stipulation in the Judgment dated 15.03.2019 is as follows: - "Notwithstanding the clear order passed by this court, we find that the Customs Authorities have recently written a letter dated 11.03.2019 where they have taken a stand that the demurrage charges accrued on the goods after 26.04.2018 alone, will be the responsibility of the Customs Department. In respect of this liability also, waiver is sought. However the most disturbing aspect of the letter is that the demurrage charges prior to 26.04.2018, is made payable by the importers. This is clearly against this Court's order dated 13.04.2018, which had attained finality through the Supreme Court's dismissal (24.01.2019) of the S.L.P. and the Civil Appeals, filed by the Commissioner of Customs."

Subsequently, the Commissioner of Customs has executed an undertaking to the Manager, CFS Petta with the following :- "To honour and make good any or all legitimately due demurrage charges due to Kerala State Warehousing Corporation, including for the date 18.03.2019". Later the Hon'ble High Court ordered the closure of the proceedings with direction to the respondents to ensure release of the goods to the petitioners, within two weeks from the date of order.

In compliance of the Judgment dated 19.03.2019 of the Hon'ble High Court, Corporation had released the cargo to the importers. The 296th Board Meeting held on 28.03.2019 ratified the

action of releasing the cargo to the importers in compliance of the Judgment of the Hon'ble High Court dated 19.03.2019. Considering the request from the Commissioner of Customs, 298<sup>th</sup> Board dated 14.11.2019 had approved to allow 10% special rebate to Customs Department which amounts to Rs.18.81 Lakhs. Accordingly, Corporation had raised bill on 05.12.2019 and Customs Department has remitted Rs.1,99,78,414/- (including GST) to Corporation's Account on 06.12.2019.

38. The Tahsildar, Karthikapally Taluk, Haripad vide letter No.F2-5383/2017 dated 05.05.2017 informed that out of 1.0010 Ha of land, held by the Corporation, (as per Resurvey 659/12), 3.24 Ares of land does not belong to the Corporation. Similarly, as per the letter No.LRB/1/316/2017 dated 15.05.2017 of District Survey Superintendent of Thrissur, a shortage of 0.0726 Ha was noticed in the land owned by the Corporation in Thalapilly in Wadakkancherry. These two matters have been taken up with the Revenue Department and are pending for disposal.
39. Government of Kerala vide G.O.(MS) No.348/2017/Rev dated 17.10.2017 has allotted 40.47 ares (99.96 cents) of land at Sasthamkotta, Kollam District with lease rent @ Rs.42,340/year for 30 years to KSWC to operate Godowns. Accordingly, Corporation has spent Rs.19,24,885/- for the renovation of the existing building in the said land to convert it as a Godown.
40. As per the Board decision and approval from Government of Kerala, Corporation had taken a dealership of M/s. Malabar Cements Ltd.; during 2015, on an experimental basis. As part of this, Malabar Cement was traded through our various warehouses. While trading the Malabar Cement at State Warehouses Nileswar and Padanakad; Sri. K. Prakashan who was holding the charge of the said Warehouses had committed serious lapses and delinquencies. After having conducted a preliminary enquiry, Corporation had issued order vide proceedings of the Managing Director No. KSWC/Admn/DA-205/2016-17 dated 30.12.2016 to withhold an amount of Rs.6,22,125/- towards the cost of 1579 bags of cement till the realization of the said amount from the parties concerned. He was also directed to remit the said amount within the stipulated period of three months; otherwise, the amount will be recovered with interest. Further it was held that he is also responsible for the loss sustained to the Corporation due to the improper storage of Cement at State Warehouse Nileswar. His suspension period was treated as eligible leave in his credit. As the actual loss suffered by the Corporation in this regard is yet to be quantified, the retirement benefits of Sri. K.Prakashan amounting to Rs.8,07,369/- is withheld by Corporation as per Gratuity Rules and adjusted during March 2021 vide Managing Director's order dated 30.03.2021.
41. Government had acquired 43 cents of land for and on behalf of KSWC at Payyannur. Now the landlord has filed LAR No.35/2013 before the Hon'ble Sub Court at Payyannur for enhanced compensation @ Rs. 3 Lakh per cent. The case is now under the consideration of Sub Court Payyannur.
42. Corporation had availed guarantee from State Government vide G.O.(Rt) No.736/AD dated 19/5/1987 for Agricultural Term Loan of Rs.299.42 Lakhs (Principal) plus interest availed by Corporation under NABARD refinance scheme for construction of godowns. Corporation was regularly paying the guarantee commission to Government of Kerala for the above guarantee. The payment continued till 2001-02 even after the expiry of the deed on 19/8/1996 resulting in excess payment of Rs.8.98 Lakhs. Then, Govt. of Kerala vide letter dated 03/10/2012 suggested refund/adjustment of the overpaid amount but not issued any orders for the same. Hence, the excess paid amount had not been brought into the Accounts for want of proper confirmation from GOK.

From the year 2012-13 to 2016-17, Corporation had not made any payment towards guarantee commission on 'Self Indemnification Scheme', but requested for adjustment from the above mentioned excess commission remitted. Adjustment was requested for the following periods.

2012-13 (2 <sup>nd</sup> half)	- Rs. 1,26,310
2013-14	- Rs. 2,25,532
2014-15	- Rs. 59,947
2015-16 (2 <sup>nd</sup> half)	- Rs. 1,41,570
2016-17	- Rs. 1,08,822

Government of Kerala has not issued any order on Self Indemnification Guarantee Scheme during 2012-13 to 2015-16. Then order for sanctioning the Scheme was issued from GOK during the period from 2016-17 to 2020-21. Corporation has remitted Guarantee Commission for the year 2018-19 amounting to Rs.1,51,082/- to Government of Kerala in two installments during June 2018 and September 2018.

43. M/s. Ferrous Traders, North Parur (Cochin Air Cargo) had imported three containers of potato powder in May 2009. These were de-stuffed and 2798 bags of potato powder were stacked at Container Freight Station (CFS), Petta in July 2009. The Corporation had raised ground rent bills up to 2010-11 (Rs. 4,64,925/-) against which provision was made during the period 2009 to 2011.

M/s. Amba Bhavani Devi Traders, Bangalore had imported 197 bags of silk waste in a 40 feet container in April 2006 and stacked it at CFS, Petta. The Corporation had raised ground rent bills for Rs.5,15,646/- up to February 2009 against which full provision has been made in the Accounts during 2008-09.

44. Audit Fee & Expenses includes the following: (Amount in Rupees)

Particulars	FY:2019-20	FY:2018-19
Statutory Audit Fee	2,00,000	1,35,000
TA/DA/Incidental Expenses for 10 site visits	-	40,000
PF Trust Fund Audit fee	3,500	3,500
Pension Fund Trust Audit fee	3,500	3,500
Tax Audit fee	30,000	7,000
Goods and Services Tax	42,600	34,020
Internal Audit Fee and Travelling Expenses	1,20,000	-
Goods and Services Tax	21,600	-

45. Corporation is holding deposit receipts in the name of contractors endorsed in favour of the Corporation for a sum of Rs.60,36,965/- as on 31.03.2020 towards the security for proper execution of work.
46. Corporation is holding Security Deposits and Earnest Money Deposits which were received from various contractors in relation to the contract works carried out by them for the Corporation; of which major portion of deposits relates to financial years 1995-96 to 2014-15. Based on the qualification of the previous Statutory Auditors; the process of releasing the amounts is in progress. The remaining deposits which stands as unclaimed and unidentified, will be adjusted in the next year's accounts after verification and subject to Board decision.

47. As per C&AG's Audit Remarks 2017-18; in order to confirm the accuracy of quantum of depreciation; Corporation has prepared item wise details of all assets including Land and building after the physical verification report is obtained from the Regional Managers. The reconciliation of the same with Consolidated Property, Plant & Equipment Register is in progress.
48. Complying with C&AG's audit remarks 2017-18, Corporation has created a Policy for creation of Provision for bad and doubtful debts, in the 298<sup>th</sup> Board dated 14.11.2019 (Resolution No. 3513).As per this policy, provision for bad doubtful debts will be created for the debtors which stands as unsettled for 3 years, in the next financial year. Accordingly, no provision is created for doubtful debts during 2019-20.
49. For the amounts which stands as unsettled towards repair works done for FBF Godowns at Thalasserry, Aluva and TBS godown at Kollam; necessary provision had been created during 2013-14 , as considered as doubtful.
50. Sundry Debtors, Sundry Creditors, Security Deposit with Customers are subject to confirmation by the Parties concerned. Corporation had sent letter for confirmation of balances of debtors with a condition that the response to be received within 15 days of receipt of the letter; otherwise the balance shown in the books of accounts of the Corporation will be treated as confirmed. Some of the parties had responded. After the reconciliation, necessary adjustments will be made.
51. Based on the audit remarks, the accounts of creditors like Ramco Industries, Travancore Cements and Director of Agriculture (Rubber) are verified. The first two items pertain to about 12 years back and sum payable to GOK related to the year 2001-2002. Corporation had received Rs.40,00,000/- towards Market Intervention Scheme for Rubber during 2001-2002. Then, Corporation had adjusted Rs.2,58,690/- as rubber subsidy on 2,58,690 kgs @ Rs.1/- procured . Thus, the net amount payable to GOK Rs.37,41,310/- had been included under Sundry Creditors and is carried forward since 2001-02. The related files for the above three parties are yet to be traced for taking further action.
52. The protest complaint filed by the Corporation before the CJM Court, Ernakulam as CC 23/2016 with respect to the diversion of Gratuity Trust Fund during 2006-07 to 2010-11 is pending.
53. Corporation had spent Rs.38,212/- as advertisement charge for SW Palai during 2012-13; where no construction is done as permission had not been obtained.
54. Where the rental dues from a customer is disputed; Corporation discontinues further billing to the party and the disputed stock will be withheld until all the upto date dues, are settled or recovered through auction of goods.
55. In the absence of virtual certainty about future profit to set off carried forward unabsorbed business loss and depreciation, deferred tax asset in respect of the same has not been recognized.
56. Recovery of advances from the dismissed employees is held up as their appeal is pending at various stages and necessary provision has been made in the accounts.
57. The loss crystallized after domestic enquiry and ordered to be recovered from retired / dismissed employees is not provided for since their appeal is pending at various stages and hence not taken into accounts.

58. All known income, expenditure, assets and liabilities relevant to the reporting year, up to the date of finalization of accounts 12-01-2022 is incorporated in the accounts.
59. Corporation follows Indirect Method as per AS-3 for the preparation of Cash Flow Statement.
60. Previous year figures have been regrouped/ re-casted wherever necessary.

**FOR AND ON BEHALF OF THE BOARD,**

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

PLACE : ERNAKULAM

DATE : 12-01-2022

**FOR M/s. KORAH & KORAH  
CHARTERED ACCOUNTANTS**

**FRN: 006138S**

**Sd/-**

**RAVINDRAN. V. F C A**

**(Partner)**

**Memb No. 214242**

**Sd/-**

**BABU THOMAS**

**MANAGING DIRECTOR**

**Sd/-**

**P MUTHUPANDI**

**CHAIRMAN**

## **IMPORTANT ACCOUNTING POLICIES**

### **1. Significant Accounting Policies**

#### **1.1. Accounting Convention**

The financial statements are prepared as per the prescribed Proforma stipulated in Clause 19 of Kerala State Warehousing Corporation Rules, 1968.

#### **1.2. Use of Estimate:**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities, disclosure of contingent liabilities and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialized.

#### **1.3. Revenue Recognition**

1. Income is accounted on accrual basis.
2. Storage charges are accounted net of rebate.
3. Interest on income tax refund is accounted on cash basis.

#### **1.4. Government Grants**

Grants received from Government in relation to specific property, plant and equipment are treated as a reserve and reduced by charging the depreciation on the specific asset over the useful life of the asset.

#### **1.5. Contingent Liability**

Contingent liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that an out flow of resources will be required to settle the obligation. Contingent liabilities include possible losses due to shortage of warehoused goods in excess of permissible limits.

Contingent assets are neither recognized nor disclosed in the accounts.

#### **1.6. Defined Contribution Plans**

##### **a) Pension**

The Corporation has defined contribution plans for employees towards Pension Fund under which the Corporation pays specified contributions to a separate Trust. The contributions paid/payable to these plans during the period is recognized as an expense in the Profit and Loss Account.

##### **b) Provident Fund**

The eligible employees of the Corporation are entitled to receive benefits under the provident fund, a defined contribution plan, in which employees make monthly contributions at a specified percentage of the employees' salary. The contributions as specified under the KSWC Employee Provident Fund Regulation are paid to the provident fund set up as a separate Trust.

## **1.7. Defined Benefit Plans**

### **a) Gratuity**

The net present value of the obligation for gratuity benefits as determined by an annual independent actuarial valuation, using the projected unit credit method, is recognized in the accounts. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur.

Corporation has an insurance scheme with LIC of India for the payment of Gratuity to the retired staff. The annual premium for the policy is worked out by LIC on the basis of the pay scale of each employee as on 1<sup>st</sup> March.

### **a) Terminal Surrender:**

The Corporation has a scheme for compensation absences/terminal surrender of leaves for employees, the liability of which is determined on the basis of an annual independent actuarial valuation, using the projected unit credit method and is recognized in the accounts. Actuarial gains and losses are recognized in full in the Profit and Loss Account for the period in which they occur.

## **1.8. Property, Plant and Equipment**

1. Property, plant and equipment (other than those which have been revalued) are stated at historical cost. Land/Building costs include preliminary expenses like advertisement charges, inauguration expenses, cost of acquisition including interest, Building tax paid by the Corporation as per Kerala Building Tax Act, etc.
2. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Direct costs attributable for bringing the assets to its working condition until such assets are ready for use are capitalized.
3. Liability for additional compensation awarded by the Court if any, for the land acquired will be accounted as and when they are crystallized. The interest accrued on additional compensation is treated as revenue expenditure.

## **1.9. Inventories**

Stock of Chemicals and Stationery are valued at Cost price or Net realizable Value whichever is lower. Costs include all direct and indirect expenses incurred to bring the inventories to the present location and condition.

## **1.10. Borrowing Cost**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

## **1.11. Taxes on income**

Deferred tax on account of timing difference between taxable and accounting income is accounted using the tax rates and the tax laws enacted or substantively enacted by the balance sheet date. Deferred tax assets in respect of unabsorbed depreciation or carried forward losses are recognized if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized to the extent there is reasonable certainty of their realization.

**1.12. Festival Allowance/Incentive**

Festival Allowance/Incentive paid to Staff and Managing Director is accounted on cash basis.

**1.13. Recovery from employees**

Any amount recoverable from employees involved in defalcation will be accounted on receipt basis.

**1.14. Depreciation Policy**

Depreciation on Property, plant and equipment is provided on Straight-line method based on useful life of the Asset as prescribed in Schedule II of the Companies Act, 2013 w.e.f. 01.04.2014.

The assets having value up Rs.500/- will be charged to Revenue in the year of acquisition itself. Further, Assets having value more than Rs.500/- and up to Rs.5,000/- will be capitalized and depreciation thereon is charged @ 100% leaving a nominal value of Rs.1/- for each such asset, in the year of acquisition.

**1.15. Policy for creating provision for bad and doubtful debts.**

Provision for bad and doubtful debts in respect of the debtor balances remaining unsettled for 3 years will be created in the subsequent financial year.

**1.16. Construction Expenses**

Establishment expenditure equivalent to 2.5% of the construction expenditure is capitalized by charging the same to the construction cost of various Warehouses and crediting Establishment charges account, in view of the fact that the staffs of the Head Office and Warehouses are spending a portion of their time on works connected with construction.

**FOR AND ON BEHALF OF THE BOARD,**

**AS PER OUR REPORT OF EVEN DATE ATTACHED**

PLACE : ERNAKULAM

DATE : 12-01-2022

**FOR M/s. KORAH & KORAH  
CHARTERED ACCOUNTANTS**

**FRN: 006138S**

**Sd/-**

**RAVINDRAN. V. F C A**

**(Partner)**

**Memb No. 214242**

**Sd/-**

**BABU THOMAS**

**MANAGING DIRECTOR**

**Sd/-**

**P MUTHUPANDI**

**CHAIRMAN**

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## SCHEDULE - F

### OFFICE & ADMINISTRATIVE EXPENSES AT HEAD OFFICE & WAREHOUSES

Figures as at 31.03.2019		Particulars	Figures as at 31.03.2020	
Rs.	Ps.		Rs.	Ps.
		TRAVEL EXPENSES OF :-		
5,63,533.00		Officers & Others	5,85,597.00	5,85,597.00
1,40,067.00		Group Gratuity Life Cover Premium		1,17,882.00
9,67,872.00		Vehicle Maintenance		7,29,014.50
2,74,141.00		Board Meeting Expenses		2,23,509.00
10,500.00		Legal Expenses		11,000.00
2,78,260.50		Postage		2,72,125.00
7,38,534.00		Telephone & Telex		7,24,152.00
12,94,345.00		Electricity & Water charges		13,09,556.00
1,72,542.00		Books & Periodicals		1,63,700.90
3,69,926.00		Entertainment Expenses		4,09,269.00
3,540.00		Membership Fee		0.00
33,359.00		Land Acquisition (Exp) Parasuram		44,950.00
968.00		Reimbursement of Official Tour Expenses- chairman		5,700.00
2,28,999.00		General Expenses		1,34,550.50
37,495.00		Other Expenses (NABARD)		0.00
50,539.41		Bank Charges		51,886.33
1,71,530.00		Conferences & Seminars		41,929.00
49,142.00		Official tour expenses to MD (P H Asharaf)		1,18,694.00
69,042.00		Consultancy Charges		39,085.00
0.00		Work Study (IMG)		2,25,000.00
9,83,835.00		Business Promotion Expenses		10,68,321.00
<b>64,38,169.91</b>		<b>TOTAL</b>		<b>62,75,921.23</b>

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 12-01-2022

**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**

FRN: 006138S

Sd/-

**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-

**P MUTHUPANDI**  
CHAIRMAN

Sd/-

**RAVINDRAN. V. F C A**  
(Partner)

Memb No. 214242

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## SCHEDULE - G

### WAREHOUSE EXPENSES

Figures as at 31.03.2019		Particulars	Figures as at 31.03.2020	
Rs.	Ps.		Rs.	Ps.
5,59,127.00		Insurance	14,49,221.00	
1,61,459.00		Disinfestation in the Warehouses & Chemicals consumed	2,25,202.00	
41,977.00		Bamboo mats, Polythene sheets and Tarpaulin	71,390.00	
11,83,081.00		Restacking, weighing and cleaning	13,44,115.00	
26,272.00		Transport of crates & equipments	36,455.00	
6,87,260.00		Conveyance expenses	8,93,888.00	
1,51,082.00		Self Indemnification Gurarantee Commission	1,75,206.00	
16,81,128.00		Miscellaneous expenses	11,94,330.00	
<b>44,91,386.00</b>		<b>TOTAL</b>	<b>53,89,807.00</b>	

FOR AND ON BEHALF OF THE BOARD,

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PLACE : ERNAKULAM

DATE : 12-01-2022

**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**

FRN: 006138S

Sd/-

**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-

**P MUTHUPANDI**  
CHAIRMAN

Sd/-

**RAVINDRAN. V. F C A**  
(Partner)

Memb No. 214242

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## SCHEDULE - H

### OTHER RECEIPTS

Figures as at 31.03.2019		Particulars	Figures as at 31.03.2020	
Rs.	Ps.		Rs.	Ps.
		Agricultural Income	31,513.00	
30,387.00		Less Expenditure	0.00	31,513.00
24,218.00		Advertisement Receipts		0.00
1,24,049.00		Sale of Tender Forms		1,88,748.00
1,07,479.00		Parking fee		1,24,020.00
12,04,030.62		Miscellaneous Receipt		10,56,374.29
<b>14,90,163.62</b>		<b>TOTAL</b>		<b>14,00,655.29</b>

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 12-01-2022

**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**

FRN: 006138S

Sd/-

**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-

**P MUTHUPANDI**  
CHAIRMAN

Sd/-

**RAVINDRAN. V. F C A**  
(Partner)

Memb No. 214242

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## SCHEDULE - I

### ADJUSTMENT RELATING TO PRIOR YEARS

	Particulars		Figures as at 31.03.2020	
			Rs.	Ps.
<b>INCOME</b>	Excess audit fee	1807.00		
	Gratuity amount received ( Deputation Staff)	162115.00		
	Penalty received from AM sw Thodupuzha	55679.00		
	Storage Charge Income (fertilizer kit)	2250090.00		
	Rent TDS	2962.00		
	TDS received from IT Dept	424691.00		
	<b>Total</b>	<b>28,97,344.00</b>		
	<b>Less Pasafic Agro Tech</b>	14975		<b>28,82,369.00</b>
<b>EXPENDITURE</b>	Short Provision (diary payment)	9,000.00		
	Short Provision on Salary	80,600.00		
	Bill settlement by various party	39,423.00		
	PTS contribution to ESI	44,652.00		
	Gratuity arrear	95,348.00		
	Short Provision on audit fee	73,775.00		
	Short Provision on SLA	95,997.00		
	Short Provision on Retainer Fee	1,18,000.00		
	Short Provision on Exgratia	29,00,000.00		
	Increment arrear & contribution to pension fund	25,32,091.00		
	Short Provision on Rent	8,772.00		
	Pay revision arrear (8th Pay )	2,11,61,722.00		
	Pay revision arrear (10th Pay )	3,64,94,001.00		
	Provision Corp. Contribution Enhancement	2,14,824.00		
	Previsous years expenses (Rates & Taxes)	12,98,757.00		
	<b>Total</b>	<b>6,51,66,962.00</b>		
	<b>Less</b>			
	Pay revision arrear (8th Pay ) SFA reversed	1,45,350.00		
	<b>Total</b>	<b>1,45,350.00</b>		<b>6,50,21,612.00</b>
	<b>Net Expenses to Profit &amp; Loss Account</b>			<b>(6,21,39,243.00)</b>

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 12-01-2022

**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**

FRN: 006138S

Sd/-

**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-

**P MUTHUPANDI**  
CHAIRMAN

Sd/-

**RAVINDRAN. V. F C A**  
(Partner)

Memb No. 214242

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## ANNEXURE I PROVISION FOR TAXES

Particulars	Figures as at 31.03.2020	
	Rs.	Ps.
Suspense Tax Account	3,71,50,332.25	
Provison for Service Tax on Audit Fee		0.00
Provision for Swachh Bharath Cess on Audit Fee		0.00
Provision for Krishi Kalyan Cess on Audit Fee		0.00
Provision for SGST on Audit Fee		34,650.00
Provision for CGST on Audit Fee		34,650.00
<b>Total</b>		<b>3,72,19,632.25</b>

## ANNEXURE II OUTSTANDING EXPENSES PAYABLE

Particulars	Figures as at 31.03.2020	
	Rs.	Ps.
Interest on Working Capital loan Payable		4,67,46,062.00
Penal Interest on Working Capital loan Payable		60,26,426.00
Interest Payable on NABARD Loan under RIDF XVII		12,00,60,655.00
Provision for Rent Arrears		48,70,784.00
Interest on Guarantee Commission on T/L Payable		17,54,249.00
Payable A/C		<b>10,77,33,856.99</b>
TA Payable	96996.00	
Establishment Charges - Payable	83614026.49	
Advertisement and Publicity (Payable)	1927737.00	
Employers' contribution to Pension fund Payable	10809421.00	
Books & Periodicals Payable	6987.00	
Electricity & Water Charges - Payable	48203.00	
Fumigation Expense -Payable	479928.00	
H.B.A./h.D.F.C. Interest Subsidy - Payable	16871.00	
Postage - Payable	1884.00	
Rat Bait Expenses Payable	40279.00	
Rent -Payable	10616875.00	
Telephone & Telex - Payable	49901.00	
Vehicle Running & Maint.(Payable)	24748.50	
Interest Payable on Government Loan		3,57,813.00
Service charge payable - Imported Cement		6,48,963.50
Guarentee Commission Payable T/L		11,88,020.00
Provision for Auditors Fee		3,85,000.00
Employers Contribution to Pension Fund Payable due to Pay Revision		8,93,816.00
<b>Total</b>		<b>29,06,65,645.49</b>

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## ANNEXURE III OTHER LIABILITIES

Particulars	Figures as at 31.03.2020	
	Rs.	Ps.
Kerala GST	28,66,382.31	
Sale proceeds of Tobacco Auction	18,583.00	
LIC Premia deduction	2,07,618.00	
GSLIS deduction	4,220.00	
GSLIS Assigned claim	1,77,316.00	
Out Put Tax Due	5,755.00	
Service Tax collected	3,18,522.00	
Service Tax	4,63,762.31	
Kerala Construction workers welfare board	91,118.00	
Licence Fee received in Advance	2,46,10,138.00	
Group Gratuity Transaction	43,827.00	
Deposit Work (ACCDS )	6,33,248.85	
ESI Deduction	5,226.00	
Loan Attachment	6,72,249.00	
<b>Total A</b>	<b>3,01,17,965.47</b>	
<b>Less</b>		
Purchase Tax,SC,ST deducted from Contractors	24,679.00	
Service Tax on Works Contract Services	1,83,096.00	
VAT Collected	2,36,582.85	
<b>Total B</b>	<b>4,44,357.85</b>	
<b>Grant Total (A-B)</b>	<b>2,96,73,607.62</b>	

## ANNEXURE IV CONSTRUCTION MATERIALS AT SITE

Particulars	Figures as at 31.03.2020	
	Rs.	Ps.
Construction Materials at Site (NABARD)	3,74,250.00	
Materials at site	4,233.00	
Suspense Stock of AC Materials	39,141.00	
Suspense Stock of AC Materials (NABARD)	82,846.00	
Suspense Stock of Cement(NABARD)	10,794.00	
<b>Total</b>	<b>5,11,264.00</b>	

## ANNEXURE V FIXED DEPOSIT WITH BANKS

Particulars	Figures as at 31.03.2020	
	Rs.	Ps.
Dhanalakshmi Bank	45,04,107.35	
State Bank of India	5,34,70,422.00	
Dist.Treasury, Ernakulam	1,53,52,000.00	
<b>Total</b>	<b>7,33,26,529.35</b>	

FOR AND ON BEHALF OF THE BOARD,  
PLACE : ERNAKULAM  
DATE : 12-01-2022

AS PER OUR REPORT OF EVEN DATE ATTACHED  
**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**

Sd/-  
**BABU THOMAS**  
MANAGING DIRECTOR

Sd/-  
**P MUTHUPANDI**  
CHAIRMAN

FRN: 006138S  
Sd/-  
**RAVINDRAN. V. F C A**  
(Partner) Memb No. 214242

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020**  
**(INDIRECT METHOD)**

Particulars	Figures for the year ended 31.03.2020 (in Rs.)		Figures for the year ended 31.03.2019 (in Rs.)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit/ (Loss) as per Profit and Loss Account		1,11,58,675.89		9,43,40,571.62
Adjustments for:				
Depreciation	87,27,687.00		76,21,730.00	
Loss on Sale of Stock of constructional Material	4,010.00		10,959.00	
Loss on Sale of Fixed Assets	17,854.00			
Profit on Sale of Fixed Assets	(1,39,20,190.50)			
Interest & Bank Charges Paid	2,90,64,718.00		3,00,33,916.00	
Interest Received	(38,91,952.88)		(8,91,985.03)	
Materials used for repair	942.00			
Excess Provision Write back	(8,30,606.00)		(18,89,367.00)	
Forfeiture of SD & EMD	(40,050.00)			
Prior Period Expenses	6,33,26,136.00			
Prior Period Income	(26,61,613.00)		(86,12,918.00)	
		7,97,96,934.62		2,62,72,334.97
<b>Operating Profit before Working Capital Changes</b>		<b>9,09,55,610.51</b>		<b>12,06,12,906.59</b>
Adjustments for working capital changes:				
(Increase)/Decrease in Current Assets	(5,27,78,309.27)		2,55,39,217.51	
(Increase)/Decrease in Loans & Advances				
Increase/(Decrease) in other Liabilities	(1,57,15,173.59)		(4,21,23,445.86)	
Increase/(Decrease) in Provision for Retirement Benefits	(2,14,950.00)		(54,81,572.00)	
Increase/(Decrease) in Provisions	(36,465.00)			
		(6,87,44,897.86)		(2,20,65,800.35)
<b>Cash generated from operations</b>		<b>2,22,10,712.65</b>		<b>9,85,47,106.24</b>
Direct Taxes Paid/refund		67,66,570.00		0.00
<b>Net Cash from in Operating Activities (A)</b>		<b>2,89,77,282.65</b>		<b>9,85,47,106.24</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	(20,93,259.00)		(26,60,015.00)	
Sale of Fixed Assets	1,41,76,804.00		13,416.00	
Capital Work in Progress	(11,89,100.00)		(3,40,51,262.20)	
Sale of Construction Materials	3,096.00		8,44,158.00	
Construction of MRM	(3,18,299.00)		(2,80,033.00)	
Interest Received	19,41,248.00		8,91,985.03	
<b>Net Cash used in Investing Activities (B)</b>		<b>1,25,20,490.00</b>		<b>(3,52,41,751.17)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Borrowings from Nationalised Banks	6,00,000.00		(2,45,534.00)	
Repayment of loan from Nationalised Banks	(6,63,679.00)			
Borrowings from Financial Institutions	(3,76,204.00)		(1,27,247.00)	
Borrowings from GOK working capital loan	(25,00,000.00)			
Borrowings from Rashtriya krishi vikas yojana fund	65,16,800.00			
Borrowings from Nabard RIDF	15,32,000.00			
Repayment of GOK for fertiliser kit	(51,66,678.00)			
Interest & Bank Charges Paid	(44,477.00)		(3,00,33,916.00)	
<b>Net Cash used in Financing Activities (C)</b>		<b>(1,02,238.00)</b>		<b>(3,04,06,697.00)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>4,13,95,534.65</b>		<b>3,28,98,658.07</b>
Cash & Cash Equivalents at the beginning of the year		7,61,30,778.43		4,32,32,120.36
Cash & Cash Equivalents at the end of the year		<b>11,75,26,313.08</b>		<b>7,61,30,778.43</b>

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

**FOR M/s. KORAH & KORAH**  
**CHARTERED ACCOUNTANTS**

DATE : 12-01-2022

FRN: 006138S

Sd/-  
**BABU THOMAS**  
**MANAGING DIRECTOR**

Sd/-  
**P MUTHUPANDI**  
**CHAIRMAN**

Sd/-  
**RAVINDRAN. V. F C A**  
**(Partner)**  
**Memb No. 214242**

# **INDEPENDENT AUDITOR'S REPORT**

## **TO THE MEMBERS OF KERALA STATE WAREHOUSING CORPORATION**

### ***Opinion***

We have audited the accompanying financial statements of **Kerala State Warehousing Corporation** (“the Corporation”), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2020, the Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our Report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Corporation as at March 31<sup>st</sup>, 2020; and
- b) in the case of the Profit and Loss Account and Cash Flow Statement, of the profit and its cash flows, for the year ended on that date.

### ***Basis for Qualified Opinion***

1) *As per Accounting Standard 4 "Contingencies and Events Occurring After the Balance Sheet Date", Events occurring after the balance sheet date are those significant events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the financial statements are approved by the Board of Directors in case of a Corporation, and, by the corresponding approving authority in the case of any other entity. Adjustments to assets and liabilities are required for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date.*

*Board Meeting No. 303 held on 05.02.2021 vide BM Resolution No. 3621 recommended Implementation of 10th Pay Revision in Kerala State Warehousing Corporation, based on the State Cabinet approval on 03.02.2021 and the subsequent GO (Rt) No.22/2021/Agri dated 08.02.2021 issued on this subject. In the following instances the requirements of the Accounting Standard 4 are not fully met:*

- i. *Rs.2,47,22,500/- has been provided in the books towards pay revision arrears 1st instalment disbursed to existing employees in FY:2021-22. Provision has been done only to the extent of payment made to the employees and not for the entire amount of pay revision arrears.*
- ii. *Rs.1,60,11,736/- has been provided in the books towards contribution to Pension fund and arrear salary payable for retired employees. Provision has been made on an adhoc basis and not for the entire amount of arrears.*

*Since the workout for the total pay revision arrears has not been provided for audit, we are not in a position to comment on the impact of such under provision on the Financial Statements in this regard.*

2) *Board Meeting No. 305 held on 10.03.21 vide BM Resolution No. 3639 recommended Enhancement of Employer's contribution to Pension Fund from 10% to 12% of the basic plus DA drawn by each subscriber during the year to his account w.e.f. 16.02.2019. An amount of Rs.19,49,615/- has been provided in the books towards this enhancement. However, provision has not been made for the entire amount and hence requirements of the Accounting Standard 4 are not fully complied with.*

3) As per Note No. 48, it has been mentioned that provision for bad and doubtful debts have been made only for unrealised receivables over three years and not based on realisability of the amount from the customers. Further, balance confirmations from sundry debtors were not available for our verification. The impact if any, which may result due to the non realisability of debtor balances on the Financial Statements is not ascertainable at this stage.

4) Sundry Creditors include old outstanding balances which are subject to confirmation. Further this includes Rs.37,41,310/- payable to Director of Agriculture (Rubber), Rs.4,21,803/- to Ramco Industries and Rs. 3,03,525/- to Travancore Cement which remain payable for more than 13 years. In view of the above, the impact if any, which may result on reconciliation/confirmation on the Financial Statements is not ascertainable at this stage.

5) Attention is invited to Note No. 7(b) regarding working capital loan availed from Government of Kerala and non-provision of penal interest for the period of default. Consequently, the profit relating to the financial year 2019-20 is overstated and outstanding interest included under other current liabilities are understated by the amount of penal interest.

6) Attention is invited to Note No. 7(c) regarding loan availed from Kerala under NABARD RDIF scheme and non-provision of penal interest for the period of default. Consequently, the profit relating to the financial year 2019-20 is overstated and outstanding penal interest included under other current liabilities are understated by the amount of penal interest.

7) Corporation claimed exemption against income from fumigation and spraying in the returns filed with KVAT, which claim, in our opinion, is not in accordance with the Rule 10(2)(b) of Kerala VAT Rules, 2008, resulting in short provision of VAT Liability for the financial year upto 2016-17 amounting to Rs. 4,04,783/- (approx.).

8) Income as per Profit and Loss Account is subject to reconciliation with monthly and Annual Goods and Services Tax returns, Kerala Flood Cess returns and Form No.26AS as per Income Tax Act, 1961. Pending such reconciliation, impact if any, on the Financial Statements is not ascertainable.

9) The Inspection wing of C&AG had pointed out instances of non-booking of revenues, in cases where the issue has moved to litigation on account of Ground rent, Destuffing and Stuffing charges relating to the period 2000 to 2018 aggregating Rs.73,93,782 (approx.) which has not been recognized in the books of accounts of the Corporation. Impact of the said issue on the financial statement for the financial year ended 31.03.2020 remains unascertainable.

10) With regard to the various loans availed from Government of Kerala and interest liability on thereon is pending for reconciliation. Hence, we are not in a position to comment on the correctness of the amounts reflected relating to these loans in the Financial Statements.

11) Corporation is holding Security deposit worth Rs.1,76,82,787/- and retention money worth Rs.15,72,741/- as on 31.03.2020, which are subject to confirmation. Pending such confirmation, the impact thereof on the Financial Statements, if any, is not ascertainable.

12) Attention is invited to Schedule C, Depreciation with effect from 01.04.2014, the Corporation is providing depreciation as per schedule II of the Companies Act 2013, based on the useful life of the asset. The Corporation has prepared item wise details of all assets including land and building after physical verification by the Regional Managers. The reconciliation of the same with the Consolidated Property, Plant and Equipment register is in progress. In the absence of the same we are not in a position to comment on the correctness of the depreciation debited to the Profit and Loss Account and

accumulated loss during the year and consequently the carrying value of property, plant and equipment as at the end of the year.

13) On the basis of information gathered and explanations given to us we are of the opinion that the Corporation has not complied with the Accounting Standard 28 (AS 28) on Impairment of Assets in the preparation of the financial statement during the year. In the absence of details, we are unable to quantify the impact thereon on the financial statements.

14) Attention is invited to the Note No. 8 regarding the provision for rent arrears amounting to Rs.48,70,784/- relating to the demand for the enhancement of rent for PWD godown hired out by the Corporation for the period from 01/08/1982 to 31/3/2020. Corporation had not paid the amount, but liabilities in this regard are being provided since 1995-96. Presently, the files related to the matter are not available to measure the prudence in continuing the previous practice of making provision every year in the absence of any further correspondence from PWD in this regard. However, in the absence of supporting documentation, Rs.1,32,204/- relating to current year is also charged to Profit and Loss Account by considering the precedence. Since the documents are not available for verification, we are not in the position to comment on the correctness of the same.

15) Attention is invited to Note No. 9 which states that the Corporation had entered into an agreement with Alappuzha Coir Cluster Development Society (ACCDS) on 11th day of March 2008 for providing consultancy services for the construction of their Business Development Centres. As per this Agreement, ACCDS had deposited an amount of Rs.4,19,68,944/- with the Corporation during the period from 2008 to 2012. The Projects were completed during 2012. As per the records, Corporation had accounted an amount of Rs.10,87,642/- as Interest for ACCDS deposits for the project period. After adjusting final instalment of centage charge and excess amount spent by Corporation for the said Projects; balance amount of Rs.6,33,248.85 is shown as liability. But, ACCDS has not agreed to the interest amount which is calculated by Corporation and in turn they have put forth a claim for higher interest. Since the matter is now under litigation and the outcome of the same is not certain, the liability for the same is not provided in the books and further this is not shown as a contingent liability.

16) Attention is invited to Note No. 10(a) regarding sales tax liability relating to import of cement during the years 1983-84 to 1987-88. The Government of Kerala has gone on further appeal against the Hon'ble High Court's Order in this matter. Considering that the matter is now pending with the Court and also with the High-Power Committee of Government of Kerala, no provision has been made in the accounts for the balance tax Rs.5,79,49,668/-and interest thereon. Hence, we are not in a position to comment upon the ultimate outcome and consequential impact, if any, on the accounts of the Corporation.

17) Attention is invited to Note No. 11 where the dividend payable to Government of Kerala from 1982-83 to 1987-88 & 1996-97 to 2001-02 is Rs.85,66,728/- and which has been provided in the Accounts during the respective previous years. Considering the financial stringencies of the Corporation during the period from 2002-03 onwards, Government of Kerala has not claimed the amount.

18) Attention is invited to Note No. 13(A) which details the Gratuity Scheme and Leave encashment for the year 2019-20. It has been noted that the payroll data provided for the Actuarial valuation was without considering the revisions in payroll made for 10<sup>th</sup> payroll revision scales (BM 303 dt. 05.02.2021), revision on Dearness Allowances (BM 304 dated 15.02.2021) and Enhancement of Employer's contribution to Pension Fund from 10% to 12% (BM 305 (10.03.2021). Impact of the same is not ascertainable and hence not provided in the Financial Statements.

19) Attention is invited to Note No. 13(B), where it is stated that presently, pension is being paid on the basis of the pre-revised scale of pay. Some employees challenged this method of pension calculation before the Hon'ble High Court and filed an SLP vide No.3679-3680/2017 in the Supreme Court. The Hon'ble Supreme Court vide its Order dated 14/11/2017 stated that "pension may be calculated in accordance with the rules as per applicable pay scales at the relevant time". Due to insufficient fund in the Trust, Pension revision is not yet implemented. Further, it is provided in the Pension Regulation 3 (2) (a), that "no further contribution shall be made by the Corporation, except as provided in the regulation, for any reason what so ever and it shall be the duty of the Trustee Committee to keep the fund financially sound". Hence, the financial commitment that would have been arisen for implementing Pension Revision is not provided in the Books nor considered as a Contingent Liability.

20) Attention is invited to Note No. 16, which states that an application is pending before the Government of Kerala for extending the ESIC exemption for the interim period of two years (01.10.2009 to 30.09.2011) and for the subsequent period from 01.10.2012 onwards. No provision has been made in the books for this liability. In the absence of details, we are unable to quantify the impact thereof in the Financial Statements.

21) Further, attention is invited to Note No. 16, which states that only permanent employees of the Corporation are covered under the Employees' State Insurance Act, 1948, (ESI). As per the Employees' State Insurance Act, 1948, an employee means any person employed for wages in or in connection with the work of a factory or establishment to which this Act applies and

i. who is directly employed by the principal employer on any work of, or incidental or preliminary to or connected with the work of, the factory or establishment, whether such work is done by the employee in the factory or establishment or elsewhere; or

ii. who is employed by or through an immediate employer on the premises of the factory or establishment or under the supervision of the principal employer or his agent on work which is ordinarily part of the work of the factory or establishment or which is preliminary to the work carried on in or incidental to the purpose of the factory or establishment; or

iii. whose services are temporarily lent or let on hire to the principal employer by the person with whom the person whose services are so lent or let on hire has entered into a contract of service; [and includes any person employed for wages on any work connected with the administration of the factory or establishment or any part, department or branch thereof or with the purchase of raw materials for, or the distribution or sale of the products of, the factory or establishment ;--or

iv. any person engaged as an apprentice, not being an apprentice engaged under the Apprentices Act, 1961 (52 of 1961), [and includes such person engaged as apprentice whose training period is extended to any length of time]

Considering the above, during the period under audit, it has been noted that ESI benefits were not extended to the employees appointed on a temporary/ contract basis which is not in compliance with the provisions of the ESI Act. The liability on account of the non-compliance is not ascertained and hence not provided in the Financial Statements

22) Attention is invited to Note No. 18, which states that the Board of Directors had decided to regularize the service of Class IV Grade II employees appointed during 2009 with all with held service benefits like increment, promotion etc. retrospectively from February 2014. However, decision of the

High Court of Kerala in WPC No. 10791/2013 regarding the same is still pending. Comptroller and Auditor General of India (C&AG) qualified that the establishment charges payable of Rs.64,53,656/- includes the promotion and increment arrears payable to Class IV employees ignoring the directions contained in the G.O (P) No. 515/07/Fin dated 19<sup>th</sup> October 2007. Further, the 298<sup>th</sup> Boardmeeting dated 14.11.2019, after considering the above facts, resolved vide resolution No.3514 to defer the re-calculation/rectification/adjustment of excess paid benefits in the annual accounts until a decision on the above-mentioned letter is received from Government of Kerala. Hence, re-calculation/rectification in this regard is not carried out and impact of the same in the Financial Statement is not ascertained.

23) Attention is invited to Note No. 19(a) to (c) regarding the accounting of amounts spent by the Corporation on assets acquired relating to Modern Rice Mills (MRM), amount received from the Government of Kerala relating to MRM and adjustment of working results of MRM against Construction of MRM. In the absence of clarity as to the ownership of assets constructed/ acquired relating to MRM out of funds provided by the Government of Kerala, we are not in a position to comment on the disclosure of assets and liabilities in the Balance sheet of the Corporation as at 31.03.2020 relating to these transactions.

24) Attention is invited to the Note No. 21, where extra expenditure including demurrage incurred by the Corporation due to deserting of the transportation work by the Transport Contractor (K.K.Transport) during its execution amounting to Rs.17,21,342/- had been debited to the profit and loss account for the year 1994-95 and 1995-96. The Corporation holds Rs.1,00,000/- as security deposit and Rs.4,06,538/- is payable to the contractor. Suit was filed to recover the balance amount of Rs.12,14,804/- from the contractor. Meanwhile the contractor also had filed a suit to realize the security amount and balance bill amount from the Corporation. The suit was allowed partly in the lower Court. As per the decree, Corporation has to release the amount of Rs.2,07,651/- to the Contractor after adjusting Rs.2,98,887/- towards its damages. The said amount plus interest @ 12% per annum is to be paid to the Contractor. Corporation has filed appeal against the decree and hence no adjustments are made in the accounts. The impact of the same is not ascertained.

25) Attention is invited to the Note No. 25, where Corporation had filed Special Leave Petition (Case No.25483/2019) before the Honourable Supreme Court against the impugned final Judgment and Order dated 11.07.2019 in ITA No.144/2019 passed by the Honourable High Court of Kerala relating to AY:2010-11 which is pending. Impact of the same in the Financial Statement is not ascertainable.

26) Attention is invited to Note No. 29, relating to the capitalisation of a portion of its establishment expenditure amounting to Rs.6,30,836/- equivalent to 2.5% of the construction expenditure. The manner of arriving at the amount to be capitalised is not in accordance with Accounting Standard 10 which specifies that cost of a self-constructed fixed asset should comprise those costs that relate directly to the specific asset and those that are attributable to the construction activity in general and can be allocated to the specific asset. In the absence of details, we are unable to quantify the impact thereon on the financial statements.

27) Attention is invited to the Note No. 34, with respect to the deposit of latex in Ponkunnam Warehouse, a vigilance case was registered on 27.04.2011 (No.02/11/ERK) at Vigilance & Anti-Corruption Bureau, Kottayam against the then Senior Assistant Manager against Smt. Lalithakumari, Sri. Kuruvila K Thomas, the then MD of KRS Latex(P) Ltd; and the case is pending. Therefore, no income has been accounted (since 2013-14) as due from M/s KRS Latex Pvt Ltd; and an amount of Rs.23,53,276/- has

been created as provision for the Income from Warehousing Charge accounted till 2012-13. Since the documents were not made available for our verification, we are not in a position to comment on the same.

28) Attention is invited to Note No. 36, which states that Corporation has not recorded any income/loss in the books of accounts in the case of Unicorp International Limited depositing Imported Raw Cashew Nuts with the Corporation and later on, the Corporation selling unlisted stock in an auction to realize unbilled dues. Since the outcome of the above transaction are yet to be quantified, the impact in the financial statements cannot be ascertained at this stage.

29) Attention is invited to Note No. 40, regarding the irregularities in the sale of cement from Nileswar and Padanakad warehouses for which detailed verification is being undertaken by the Corporation. The retirement benefit of Sri K.Prakashan amounting to Rs.8,07,369/- was withheld in this regard. The impact of irregularities in the current year financial statement is not ascertained and is not quantifiable at this stage.

30) Attention is invited to the Note No.47 which states that the Consolidated Property, Plant and Equipment register is being updated and reconciliation of the same is still in progress. Hence, we are unable to ascertain whether complete particulars of property, plant and equipment are available in this register and the full value of discarded / impaired value of assets have been provided for.

31) Attention is invited to the Note no. 54 which describes that where the rental dues from a customer is disputed, the Corporation discontinues further billing to the party and the disputed stock will be withheld until all the upto date dues, are settled or recovered through auction of goods. However, non-issuance of GST invoices and non-remittance of taxes will result in the non-compliance of GST provisions as below:

(i) As per Section 30(2) read with Rule 47 of the CGST Rules 2017, a registered person supplying taxable services shall before or after the provision of service but within 30 days, issue a tax invoice, showing the description, value, tax charged thereon

(ii) As per Section 122(1)(i) of the CGST Act, 2017, where a taxable person supplies any services without the issue of any invoice with regard to any such supply, then he shall be liable to pay a penalty of Rs.10,000 or the amount equivalent to the amount of GST evaded, whichever higher.

(iii) As per Section 122(2) of the CGST Act, 2017, any registered person who supplies any services on which tax has not been paid for any reason other than fraud, then he shall be liable to a penalty of Rs.10,000 or the amount of tax due, whichever is higher.

Considering the above, KSWC will be liable to issue invoices as per section 31(2) and if the Corporation fails to do so, then the penalty provisions under Section 122 may apply. No provision for such penalty & interest have been made in the Financial Statements.

32) Capital work-in-progress is subject to reconciliation for cost over-run, estimated cost of completion, expected date of completion etc. Pending such reconciliation, impact if any, on the Financial Statements is not ascertainable.

33) Attention is invited to the misstatement of subsidized rates in the Scheduled book for Boiled Rice/Raw Rice, which was meant only for Kerala State Civil Supplies Corporation (KSCSC), but since it was not specifically mentioned in the Books, the same subsidized rate was also used by others. We are unable to quantify the amount of loss in this regard to the Corporation.

34) Attention is invited to amount recoverable on account of excess TA/DA paid to employees during the period 01.07.2005 to 31.03.2010 has not been recognized in the books of accounts of the Corporation. In the absence of details, we are not able to quantify the impact thereof on the financial statements.

35) Attention is invited to excess travelling expenses allowed to the Chairman of the Corporation amounting to Rs.2,04,105/-, to be recovered vide order of the Finance Department, Government of Kerala dated 28.09.2015, which has not been recognized as recoverable in the books of accounts of the Corporation. Consequently, the accumulated loss is overstated and Current Asset is understated to that extent.

### **Emphasis of Matter**

1) Attention is invited to Note No. 41, where it states that Government had acquired 43 cents of land for and on behalf of KSWC at Payyannur. The landlord has filed LAR No.35/2013 before the Hon'ble Sub Court at Payyannur for enhanced compensation @ Rs.3 Lakhs per cent. The case is now under the consideration of Sub Court Payyannur.

Since the outcome of the case is not ascertainable at this stage, financial impact, if any could not be ascertained and not provided in the books.

2) Attention is invited to the Board Meeting Resolution number 3571 passed in the Board Meeting number 300 conducted on 11.08.2020 regarding the following petitions:

i. The Board opined that the present order of the Hon'ble Deputy Labour Commissioner will channelise nearly 170 retired employees of this Corporation to file such cases which will cause huge financial liability. Hence, Board authorised MD to remit the principal amount Ordered by Deputy Labour Commissioner in G.C. No.95/2018 and 341/2018 and file Appeal before the regional Joint Labour Commissioner.

ii. The issue relating to the Order of Deputy Labour Commissioner (C/345/2018) for the payment of interest for the delayed payment of gratuity in respect of Sri. V.C. Lalgı was discussed in detail by the Board and directed the MD to file appeal in this case also as per law.

Since, the proceedings are at the Appellate stage, we are unable to comment on the financial implication to the Corporation.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section and in 'Appendix A' to our report. We are independent of the Corporation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 / Section 41 of the Warehousing Act 1962 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management/Those Charged With governance for the Financial Statements**

The Management is responsible for the preparation of these financial statements in forms prescribed under Rule 19 of the Kerala State Warehousing Corporation Rules, 1968 framed under section 41 of the Warehousing Act 1962, that give a true and fair view of the financial position, financial performance, cash flows in accordance with the accounting principles generally accepted in India. This responsibility

also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

The management is also responsible for overseeing the Corporation's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

With respect to the additional responsibilities for the audit of the financial statements as required under SA 700, refer '**Appendix A**'.

### **Other Matters**

Further to the continuous spreading of COVID -19 across India, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended till June 30, 2020 across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, most of the audit work was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the Corporation without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

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

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

1.As required by section 31(5) of the Warehousing Corporation Act,1962, we report that:

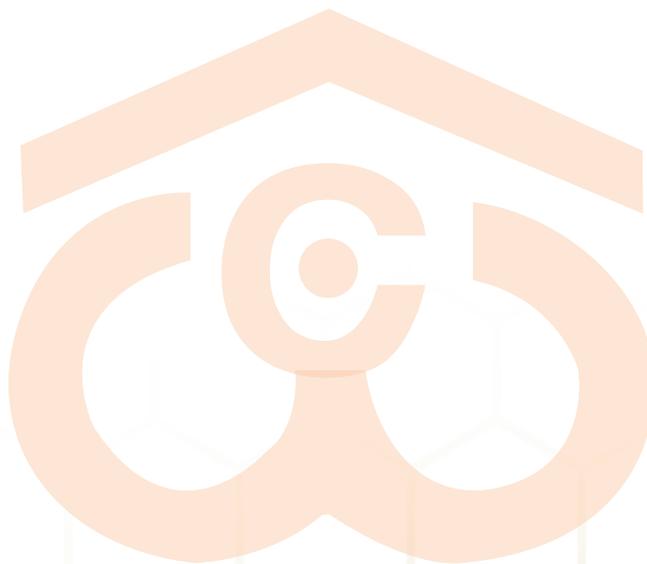
a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit other than the instances pointed out above.

b. In our opinion,the Corporation has kept proper books of account as required under section 31(1) of the Warehousing Corporation Act,1962 so far as it appears from our examination of those books.

c. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion and according to the information and explanation given to us, the aforesaid financial statements comply with the Accounting Standards generally accepted in India,except those referred to in Para 2 above.

Place: Cochin  
Date: 12-01-2022



**For Korah & Korah**  
**Chartered Accountants**  
**FRN No. 006138S**

**Sd/-**  
**Ravindran. V., FCA**  
**Partner**  
M No. 214242

## 'APPENDIX A'

### TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KERALA STATE WAREHOUSING CORPORATION

#### *Auditor's Responsibilities for the Audit of the Financial Statements (Continued...)*

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- iv. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Place: Cochin  
Date: 12-01-2022

**For Korah & Korah**  
**Chartered Accountants**  
**FRN No. 006138S**

**Sd/-**  
**Ravindran. V., FCA**  
**Partner**  
M No. 214242

## Reply to the Audit Report of Statutory Auditors on the accounts of the Corporation for the year 2019-20.

1) i & ii) Orders for implementing 10<sup>th</sup> and 11<sup>th</sup> Pay Revision in the Corporation was issued vide GO(Rt) No.22/2021/Agri dated 08.02.2021. Accordingly the revised salary has been paying since March 2021. But, calculation of pay revision arrears for the period from 01.09.2017 to 31.03.2021 has not been completed while finalizing the accounts. Hence, on a rough calculation, an amount of Rs.4.07 crore has been provided in the books towards pay revision arrears payable to existing employees and retired employees. Further, corresponding Corporation Contribution payable to the Pension Trust has also been provided as disclosed under Schedule E, Note No.15 (c).

2) Corporation had introduced a pension scheme for the employees who retired from service on or after 01-02-1996 in lieu of CPF with the approval of the State Government. As per the rules defined for the Scheme, Corporation is required to contribute amount @10% of Basic Pay + DA to Pension Fund. Corporation during this year had recognized Rs.1,02,75,409/- as expenses towards contribution to this fund.

Government of Kerala vides GO (Rt) No.221/2021 AGRI dated 26.02.2021 has sanctioned to enhance employer contribution from 10% to 12 % after making necessary amendments in the Rule. The Rule amendment is in progress with the Government. However, based on a rough calculation an amount of Rs.19.50 crores has been made as a provision for this enhancement as disclosed in Schedule E, Note no.13 (B).

3) Provision for bad and doubtful debts being created in line with the prevailing accounting policy which is approved by Board. Corporation had sent letter for confirmation of balances of debtors with a condition that the response to be received within 15 days of receipt of the letter; otherwise the balance shown in the books of accounts of the Corporation will be treated as confirmed. Some of the parties had responded. After its reconciliation, necessary adjustments will be made in our books.

4) Audit observation in respect of long pending Sundry Creditors is noted and the matter has been disclosed in Schedule E, Note no.51.

- 5) Audit observation regarding non-provisioning of penal interest on Working Capital Loan is noted. Corporation has disclosed this matter in Schedule E, Note no.7 (b). Corporation has started repayment of the loan during March 2020 and remitted Rs.2.00 crores to Government upto December 2021.
- 6) Audit observation regarding non-provisioning of penal interest on NABARD RIDF loan is noted. The matter is disclosed in Schedule E, Note no.7 (c). Corporation has started repayment of the loan during March 2020 and remitted Rs.2.40 crores to Government upto December 2021.
- 7) Audit observation is noted. Subject to the outcome of VAT assessment of the respective years that will be regularized.
- 8), 9), 10&11) Audit observations are noted.
- 12) Audit observation is noted. The matter is disclosed in Schedule E, Note no. 47.
- 13) Audit observation is noted for guidance.
- 14) Audit observation is noted. The matter is disclosed in Schedule E, Note no.8
- 15) Audit observation is noted. The matter is disclosed in Schedule E, Note No.9.
- 16) Audit observation is noted. The matter is disclosed in Schedule E, Note no.10 (a) & (b).
- 17) Audit observation is noted. The matter is disclosed in Schedule E, Note no.11.
- 18) Audit observation is noted. The matter is disclosed in Schedule E. Note no.13 (A).
- 19) Audit observation is noted. The matter is disclosed in Schedule E, Note no.13 (B).
- 20) Audit observation is noted. The matter is disclosed in Schedule E, Note no.16.
- 21) Audit observation is noted for guidance.
- 22) Audit observation is noted. The matter is disclosed in Schedule E, Note no.18.
- 23) Audit observation is noted. The matter is disclosed in Schedule E, Note no.19 (a).

- 24) Audit observation is noted. The matter is disclosed in Schedule E, Note no.21.
- 25) Audit observation is noted. The matter is disclosed in Schedule E, Note no.25.
- 26) Audit observation is noted. The matter is disclosed in Schedule E, Note no.29.
- 27) Audit observation is noted. The matter is disclosed in Schedule E, Note no.34.
- 28) Audit observation is noted. The matter is disclosed in Schedule E, Note no.36.
- 29) Audit observation is noted. The matter is disclosed in Schedule E, Note no.40.
- 30) Audit observation is noted. The matter is disclosed in Schedule E, Note no.47.
- 31) Audit observation is noted. As per clause 6(l) of handling of Cargo in Customs Area Regulations 2009, 'the Cargo Service provider shall not charge any rent or demurrage on the goods seized or detained or confiscated by the proper officer'.
- 32&33) Audit observations are noted for guidance.
- 34&35) Audit observations are noted.

**Sd/-  
Managing Director**



**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I) KERALA,  
THIRUVANANTHAPURAM**

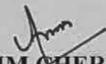
**AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 31(10) OF THE WAREHOUSING CORPORATIONS ACT 1962 ON  
THE ACCOUNTS OF KERALA STATE WAREHOUSING CORPORATION, KOCHI FOR  
THE YEAR ENDED 31 MARCH 2020**

The preparation of financial statements of **Kerala State Warehousing Corporation, Kochi** for the year ended **31 March 2020** in accordance with the financial reporting framework prescribed under the Warehousing Corporations Act, 1962 is the responsibility of the Management of the Corporation. The Statutory Auditors appointed by the Government of Kerala on the advice of the Comptroller and Auditor General of India under Section 31(3) of the Act *ibid* is responsible for expressing opinion on these financial statements under Section 31(5) of the Act *ibid* based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them *vide* their Audit Report dated 12 January 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 31(8) of the Act *ibid* of the financial statements of **Kerala State Warehousing Corporation, Kochi** for the year ended **31 March 2020**. 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 the Corporation's personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 31(10) of the Act *ibid*.

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

Thiruvananthapuram  
Dated: 07.03.2022

  
ANIM CHERIAN  
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I),  
KERALA



# **KERALA STATE WAREHOUSING CORPORATION**

P. B. No. 1727, Kochi - 682016

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