



KERALA STATE WAREHOUSING CORPORATION



61st

**ANNUAL REPORT &
AUDITED ACCOUNTS
FOR 2020-21**

KSWC 

61st
ANNUAL REPORT &
AUDITED ACCOUNTS
FOR 2020-21

P.B. No. 1727, Kochi - 682 016

Tel: 0484-2375537, 2376269, 2375180, 2376616

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www.kerwacor.com

BOARD OF DIRECTORS

Nominated by State Government

- 1 **Sri. P Muthupandi**
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

Nominated by Central Warehousing Corporation

- 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

- 4 **Sri. S.Sabir Hussain**
Additional Secretary
Agriculture Department
Government of Kerala,
Thiruvananthapuram
- 5 **Sri. Dr. James Jacob**
Director

Managing Director
Dr. James Jacob

Executive Committee Members

- 1 **Sri. P Muthupandi**
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
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Thiruvananthapuram
- 4 **Sri. S.Sabir Hussain**
Additional Secretary
Agriculture Department
Government of Kerala,
Thiruvananthapuram
- 5 **Dr. James Jacob**
Managing Director

Auditors

M/s. Sunny Joseph & Associates
Chartered Accountants,
Ernakulam.

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM
DIRECTORS' REPORT

Gentlemen,

We have great pleasure in presenting the 61st Annual Report on the working of the Corporation together with the audited statements of accounts and auditors report for the year ended 31st March 2021.

Performance

The turnover of the Corporation for the year 2020-21 is Rs. 3641.88 lakh as compared to Rs. 3753.90 lakh in the previous year i.e. decrease of Rs. 112.02 lakhs. Net profit for the year 2020-21 is Rs. 112.56 lakh as against Rs.111.59 lakh in the previous year.

The constructed storage capacity of the Corporation during the year under report is 1.99 lakh MTs while the hired accommodation is 0.45 lakh MTs. The total occupancy position of the godowns as on the 31st March 2021 is 2.05 lakh MTs against the 2.20 lakh MTs of the previous year. Corporation had deposited 1.33 lakh MTs of goods during the year where as the total deposit for the last year was 1.00 lakh MTs.

The Warehousing charge earned during the year under report was Rs. 2830.83 lakh as against Rs.2900.94 lakh earned during previous year. Total earnings of the Corporation during 2020-21 is Rs.3271.54 lakh as against Rs. 3459.55 lakh of the previous year.

The Establishment cost during the year 2020-21 is Rs. 1895.96 lakh as against Rs.1616.60 lakh of the previous year. Total expenditure for the reporting year is Rs.3233.66 lakh as against Rs.3356.26 lakh for the previous year.

Capacity and occupancy

Description	2019-20	2020-21
Figures Mts in lakh		
Capacity		
Owned	1.98	1.99
Hired	0.54	0.45
Total	2.52	2.44
Occupancy	2.20	2.05
Deposits Received	1.00	1.33

Working Results

Description	2019-20	2020-21
Figures in lakh		
Income		
Warehousing Income	2900.94	2830.83
Net income from handling	89.05	116.66
Income from other activity	469.56	324.05
Total	3459.55	3271.54
Expenditure		
Establishment	1616.60	1895.96
Other Expenses	1739.66	1337.70
Total	3356.26	3233.66
Profit/Loss	103.29	37.88
Excess provision written back	8.30	74.68
Net Profit/Loss	111.59	112.56

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) Loans from Government

1. Interest Free Loan – Rs.50.00 lakhs :

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. Working Capital Loan – Rs.500.00 lakhs : .

Government of Kerala had sanctioned a Working Capital Loan of Rs. 500.00 lakhs to Kerala State Warehousing Corporation vide G.O(MS) No:75/13/AD Dated 25.03.13 to meet various statutory liabilities. 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 release of the loan. Corporation has started repayment during March 2020. The overdue amount of principal and interest portion of this loan is Rs.375 lakhs and Rs.527 lakhs respectively as on 31-03-2021.

3. NABARD RIDF XVII Scheme Loans – 3289.47 lakhs :

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.

- a) 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.

Outstanding loan amount and interest as on 31-03-2021 is Rs. 31,39,47,000.00 and Rs.14,19,23,651.00 respectively.

4. Government of Kerala has accorded Administrative Sanction for Rs.2505.50 lakh as loan for the construction of 8 godowns under NABARD WIF Scheme vide GO (Rt) No.997/2019/AGRI dated 26.10.2019 for Rs.1175 lakh and GO (Rt) No.216/2019/AGRI dated 02-03-2019 for Rs.1330.50. Under this scheme, Corporation has availed Rs.110.69 lakhs as loan during the year 2020-21. The rate of interest of loan is 2.75% per annum.

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

As the accumulated loss of the Corporation as on 31-03-2021 is Rs.1502.87 lakh and Net Worth is negative, Provision for dividend is not created this year also.

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.

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. Dr. Babu Thomas was the Managing Director of the Corporation up to 14.03.2022. The present Managing Director Sri. James Jacob took over the charge on 14.03.2022.

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

List of Directors during 01.04.2020 to 31.03.2021				
Sl.No	Name	Designation	Period	
			From	To
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
4	Sri.Prashant Kumar	Director	10.11.2021	Continuing
5	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	Dr. Monika Singh	Director	01.11.2020	Continuing
9	Sri. S.Anil Kumar	Director	16.10.2017	04.10.2021
10	Sri. Sabir Hussain	Director	02.03.2019	Continuing
11	Sri. P.J.Jayachandran	Director	28.10.2019	29.06.2020
12	Sri. Sivaramakrishnan	Director	30.06.2020	Continuing
13	Dr.Babu Thomas	Director	14.03.2018	14.03.2022
14	Sri.P.H.Ashraf.IPS(Retd)	MD	11.01.2017	17.11.2021

Auditors

M/s Sunny Joseph & Associates, 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 : 28.06.2022



P. Muthupandi
Chairman

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE-I

STORAGE CAPACITY & OCCUPANCY FOR THE YEAR 2020-21(IN MT)

Sl No	Name of centre	Date of opening	Capacity as on 31.03.2021			Occupancy as on 31.03.2021	Total occupancy including vacant space in reservation as on 31.03.2021 in MT
			Owned	Hired	Total		
1	2	3	4	5	6	7	8
Trivandrum Region							
1	Trivandrum	6-Sep-64	2000	0	2000	175	1856
2	Attingal	1-Jul-75	3100	2789	5889	621	6101
3	Nedumangad	9-Jan-61	4058	1426	5484	246	5702
4	Neyyattinkara	4-Jan-80	2276	0	2276	0	2276
5	Pallichal	1-Apr-91	2560		2560	21	2354
Kollam Region							
6	Kollam	1-Oct-71	0	4723	4723	300	1127
7	Karikode	10-Dec-75	15601	0	15601	900	15711
8	Kottarakkara	1-Oct-72	4125	892	5017	280	4891
9	Karunagapally	5-Jan-81	6730	0	6730	685	6034
10	Punalur	1-Jan-73	3000	1179	4179	0	4094
11	Pathanamthitta	1-Aug-75	3540	4163	7703	0	7978
12	Parakode	4-Jan-62	1200	0	1200	104	1309
Alappuzha Region							
13	Alappuzha	16-Dec-67	5150	681	5831	10	3849
14	Cherthala	13-Jan-73	2300	1580	3880	562	3892
15	Haripad	17-Mar-75	5180	0	5180	111	4171
16	Kayamkulam	25-Oct-62	1000	0	1000	182	182
17	Mavelikkara	23-Jul-76	2000	0	2000	0	0
18	Thakazhy	24-Jan-62	1800	0	1800	0	0
Kottayam Region							
19	Kottayam	10-Feb-64	9050	2000	11050	1725	11069
20	Changanassery	22-Oct-62	2341	0	2341	0	2346
21	Ettumanoor	26-Jan-76	3262		3262	1222	3060
22	Ponkunnam	13-Dec-61	1271	456	1727	280	1830
23	Pala	15-Apr-74	1700	1500	3200	419	2886
24	Thodupuzha	25-Jan-62	1016	550	1566	0	1566
25	Vandanmedu	1-Nov-63	4186	0	4186	449	3884
26	Kattappana	1-Dec-72	2800	0	2800	77	2776

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE-I (Cont.....)

Ernakulam Region							
27	Tripunithura	11-Jul-73	4887	0	4887	111	90
28	Aluva	17-Oct-64	5700	1307	7007	170	6065
29	Eroor	1-Apr-85	4400	0	4400	561	3763
30	North Parur	25-Feb-01	5352	0	5352	6	6
Trissur region							
31	Chalakydy	9-Jun-76	3900	708	4608	403	4608
32	Kunnamkulam	28-Feb-63	2000	0	2000	0	1957
33	Wadakkancherry	26-Dec-72	3250	2859	6109	222	6075
34	Nattika	2-Mar-01	3000	530	3530	18	3373
Palakkad Region							
35	Palakkad	30-Jan-63	9064	919	9983	790	10229
36	Perinthalmanna	11-Nov-75	4250	1739	5989	0	5989
37	Alathur	1-Jan-73	2973	2374	5347	0	5347
38	Kozhinjampara	17-Jan-62	1000	0	1000	21	1061
39	Muthalamada	1-Feb-61	4875	3103	7978	2966	101
Kozhikode Region							
40	Manjeri	22-Apr-76	6100	0	6100	949	5672
41	Nilambur	8-Apr-75	6500	0	6500	4881	1325
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	3337	9217	5277	10062
45	S. Bathery	13-Jan-66	1555	1775	3330	2888	3802
46	Mananthavady	9-Jan-63	1500	0	1500	721	782
Kannur Region							
47	Kannur	23-Jul-61	4794	0	4794	0	4916
48	Thalassery	1-May-60	3270	0	3270	433	3471
49	Thaliparamba	4-Jan-71	3400	0	3400	440	3053
50	Iritty	12-Jul-84	3250	0	3250	2248	2260
51	Payyanur	24-Jan-73	3850	0	3850	917	3878
52	Nileswar	10-Nov-60	1307	0	1307	0	1307
53	Kanhangad	15-Jun-62	5550	0	5550	290	5170
54	Kasaragod	1-Jan-73	2050	2625	4675	0	4675
55	Padannakkad	19-Apr-03	3900	853	4753	1692	3993
Total			198803	45401	244204	34372	205307

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE-II

STATEMENT OF STOCK HANDLED DURING THE YEAR 2020-21 (IN MT)

SI No	Name of centre	Opening balance in MT	Deposit in MT	Release in MT	Closing balance as on 31.03.2021 in MT	Total occupancy including vacant space in reservation as on 31.03.2021 in MT
1	2	3	4	5	6	7
Trivandrum Region						
1	Trivandrum	139	2258	2222	175	1856
2	Attingal	282	4106	3767	621	6101
3	Nedumangad	130	3049	2933	246	5702
4	Neyyattinkara	0	0	0	0	2276
5	Pallichal	0	396	375	21	2354
Kollam Region						
6	Kollam	150	1800	1650	300	1127
7	Karikode	456	4928	4484	900	15711
8	Kottarakkara	201	3038	2959	280	4891
9	Karunagapally	481	674	470	685	6034
10	Punalur	0	0	0	0	4094
11	Pathanamthitta	0	0	0	0	7978
12	Parakode	81	944	921	104	1309
Alappuzha Region						
13	Alappuzha	447	269	706	10	3849
14	Cherthala	350	1014	802	562	3892
15	Haripad	0	1474	1363	111	4171
16	Kayamkulam	72	1946	1836	182	182
17	Mavelikkara	0	0	0	0	0
18	Thakazhy	0	0	0	0	0
Kottayam Region						
19	Kottayam	1855	13159	13289	1725	11069
20	Changanassery	0	0	0	0	2346
21	Ettumanoor	2297	4805	5880	1222	3060
22	Ponkunnam	287	54	61	280	1830
23	Pala	44	2271	1896	419	2886
24	Thodupuzha	0	0	0	0	1566
25	Vandanmedu	1203	2189	2943	449	3884
26	Kattappana	152	133	208	77	2776

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE-II (Cont.....)

Ernakulam Region						
27	Tripunithura	217	1316	1422	111	90
28	Aluva	95	8061	7986	170	6065
29	Eroor	658	3527	3624	561	3763
30	North Parur	4	2	0	6	6
Trissur Region						
31	Chalakydy	33	3954	3584	403	4608
32	Kunnamkulam	0	0	0	0	1957
33	Wadakkancherry	14	1453	1245	222	6075
34	Nattika	10	101	93	18	3373
Palakkad Region						
35	Palakkad	388	5291	4889	790	10229
36	Perinthalmanna	0	0	0	0	5989
37	Alathur	0	1	1	0	5347
38	Kozhijampara	269	10	258	21	1061
39	Muthalamada	6226	657	3917	2966	101
Kozhikode Region						
40	Manjeri	92	1588	731	949	5672
41	Nilambur	5140	23528	23787	4881	1325
42	Kozhikode	0	0	0	0	1333
43	Vadakara	0	0	0	0	0
44	Kalpetta	2856	5711	3290	5277	10062
45	S. Bathery	282	5186	2580	2888	3802
46	Mananthavady	416	3254	2949	721	782
Kannur Region						
47	Kannur	0	0	0	0	4916
48	Thalassery	67	4661	4295	433	3471
49	Thaliparamba	273	2377	2210	440	3053
50	Iritty	1899	3191	2842	2248	2260
51	Payyanur	0	917	0	917	3878
52	Nileswar	2	0	2	0	1307
53	Kanhangad	136	1741	1587	290	5170
54	Kasaragod	0	0	0	0	4675
55	Padannakkad	804	7486	6598	1692	3993
	Total	28508	132520	126655	34372	205307

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE-III

COMMODITY WISE DEPOSIT FOR THE YEAR 2020-21 (IN MT)

Sl. No.	COMMODITY	QUANTITY in MT
1	Boiled Rice	12401
2	Raw Rice	1061
3	Wheat	288
4	Paper	13
5	pepper	875
6	sugar	6059
7	paddy	256
8	Grams/Pulses/food items	3288
9	Lobia	158
10	fertilizer	44951
11	Rubber	32623
12	Corriander	228
13	Others	28066
14	Chilly	167
15	Atta	296
16	Copra	178
17	Cashew	1612
	Total	132520

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE-IV 2020-21

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	4,84,600.00			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
2020-21	4138	132520	52,95,62,546.00			28,30,83,016.65

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

Figures as at 31.03.2020 Rs. Ps.	CAPITAL AND LIABILITIES	Schedule	Figures as at 31.03.2021 Rs. Ps.
15,00,00,000.00	SHARE CAPITAL	"A"	15,00,00,000.00
	AUTHORISED : 1500000 Equity Shares of Rs. 100/- each		
11,50,00,000.00	ISSUED AND SUBSCRIBED : 1150000 Equity Shares of Rs. 100/- Each		11,50,00,000.00
	PAID UP :		
5,75,00,000.00	575000 Equity Shares of Rs. 100/- each held by the Government of Kerala	5,75,00,000.00	
5,75,00,000.00	575000 Equity Shares of Rs. 100/- each held by the Central Warehousing Corporation	5,75,00,000.00	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		NIL
NIL	(ii) CAPITAL RESERVE		NIL
2,85,31,437.00	(iii) FUND RECEIVED FROM GOVT UNDER 100%CSS (Note No.7a)	2,79,65,717.00	
20,79,512.00	(iv) ASSISTANCE FROM GOK (Note No.7b)	20,40,021.00	
65,16,800.00	(v) RKVY FUND (Note No.7c)	64,65,654.00	
-	(vi) Assistance from GOK (Plan fund K.para)(Note No.7e)	30,00,000.00	
-	(vii) Spl Assistance For Computerization (Note No.7d)	22,80,286.00	4,17,51,678.00
3,94,62,849.93	PROVISION FOR BAD AND DOUBTFUL DEBTS (Under Section 30(2))	(Annexure III)	4,45,92,661.93
NIL	BONDS AND DEBENTURES		NIL
NIL	OTHER FUNDS		NIL
	BORROWING FROM:		
NIL	(i) The Reserve Bank of India (Under Section 27(2)(i))		NIL
NIL	(ii) The State Bank (Under Section 27(2)(ii))		NIL
5,63,128.00	(iii) Nationalised Banks (Under Section 27(2)(iii))		4,72,669.22
-	(iv) Other Financial Institutions (Under Section 27(2)(iv))		-
5,25,00,000.00	(v) State Government (Under Section 27(3))(Note 8a&b)		4,25,00,000.00
32,59,47,000.00	(vi) Loan from Govt of Kerala under NABARD RIDF Scheme (Note No.8c)		31,39,47,000.00
NIL	(vii) Central Warehousing Corpn. (Under Section 27(3))		NIL
NIL	(viii) Loan from Govt of Kerala under NABARD WIF Scheme (Note No.8f)		1,10,69,000.00
58,56,00,726.93	Carried Over		58,43,33,009.15

CORPORATION
31st MARCH, 2021
Rule 19)

Figures as at 31.03.2020		PROPERTY AND ASSETS	Schedule	Figures as at 31.03.2021	
Rs.	Ps.			Rs.	Ps.
		CASH IN HAND :-			
1,100,41.46		(i) D.D and Cheques in Hand	8,76,281.00		10,23,436.10
		(ii) Cash and Stamps In Hand	1,47,155.10		
	-	CASH IN TRANSIT			-
11,74,16,271.62		CASH IN BANK			
		(a) Reserve Bank of India	-		
		(b) State Bank of India	7,42,15,563.90		
		(c) Scheduled Banks	1,46,53,851.63		
		(d) Co-operative Banks	-		
		(e) Treasury Savings Banks	32,25,349.00		
		(f) Fixed Deposit with Treasury/Banks (Annexure VI)	7,31,79,550.00		1,652,74,314.53
NIL		INVESTMENTS			NIL
		FIXED ASSETS	"C"		
3,65,19,732.67		LANDS	3,65,19,732.67		
42,25,27,264.64		BUILDINGS & WAREHOUSES	44,83,84,465.14		
60,83,779.56		OTHER ASSETS	74,86,132.56		
25,06,268.00		INTAGIBLE ASSETS	16,16,033.00		49,40,06,363.37
NIL		VALUE OF DEAD STOCK			NIL
3,12,72,074.00		CAPITAL WORK IN PROGRESS	(Annexure VIII)		2,80,82,439.00
5,11,264.00		CONSTRUCTION MATERIALS AT SITE	(Annexure V)		5,03,584.00
61,69,46,695.95		Carried Over			68,88,90,137.00

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

Figures as at 31.03.2020		CAPITAL AND LIABILITIES	Schedule	Figures as at 31.03.2021	
Rs.	Ps.			Rs.	Ps.
58,56,00,726.93		Brought Forward		58,43,33,009.15	
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		NIL	
3,72,19,632.25		PROVISION FOR TAXES	(Annexure I)	3,72,59,772.25	
37,19,31,201.61		OTHER LIABILITIES	"B"	40,31,97,365.20	
		PROVISION FOR RETIREMENT BENEFITS AS PER ACTUARIAL VALUATION			
		Group Gratuity Liability	80,64,815.00		
2,08,59,412.00		Surrender Leave Allowance Fund	3,00,91,562.00	3,81,56,377.00	
NIL		SUSPENSE		NIL	
		OTHER ITEMS :			
47,892.00		(i) Employees Welfare Fund Collected		50,777.00	
3,76,96,284.00		(ii) Receipt from GOK for construction of MRM (Note No.20 a&b)		3,76,96,284.00	
		Notes	"E"		
1,05,33,55,148.79		Total		1,10,06,93,584.60	

Schedules & Annexures referred to above form an integral part of the Accounts.

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM
DATE : 13-05-2022

James Jacob

**JAMES JACOB
MANAGING DIRECTOR**

P Muthupandi

**P MUTHUPANDI
CHAIRMAN**

CORPORATION
31st MARCH, 2021
Rule 19)

Figures as at 31.03.2020		PROPERTY AND ASSETS	Schedule	Figures as at 31.03.2021	
Rs.	Ps.			Rs.	Ps.
61,69,46,695.95		Brought Forward		68,88,90,137.00	
	NIL	OUTSTANDING DUES FOR PURCHASES MADE ON BEHALF OF			
		a) Central Warehousing Corporation		NIL	
		b) Central Government		NIL	
		c) State Government		NIL	
	NIL	GUARANTEE BY GOVERNMENT AS PER CONTRA		NIL	
	NIL	SUSPENSE		NIL	
23,11,21,920.73		CURRENT ASSETS, LOANS & ADVANCES	"D"	22,55,00,401.13	
81,03,647.00		Plan Assets (Gratuity)		-	
	47,892.00	OTHER ITEMS : Employees Welfare Fund Invested		50,777.00	
3,55,91,942.75		Construction of MRM(WIP) (Note No.20b)		3,59,64,989.75	
16,15,43,050.36		Accumulated Loss		15,02,87,279.72	
		Notes	"E"		
1,05,33,55,148.79		Total		1,10,06,93,584.60	

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/s. SUNNY JOSEPH & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 010911S



SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

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

Figures for the Year Ended 31.03.2020 Rs. Ps.		EXPENDITURE	Schedule	Figures for the Year Ended 31.03.2021 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		
44,477.00		(d) Loans from Nationalized Banks (Car Loans)	44,959.22		
NIL		(e) Loan from Other Financial Institutions	-		
2,22,70,241.00		(f) Loan from Govt of Kerala under NABARD RIDF Scheme	2,16,87,471.00		
67,50,000.00		(g) Interest & penal Interest on Working Capital	59,41,848.00		
-		(h) Loan from GOK under NABARD WIF Scheme	9,800.00		
2,90,64,718.00					2,76,84,078.22
		ESTABLISHMENT CHARGES			
		To Pay and Allowances of :-			
10,60,045.00		1) Managing Director	12,93,273.00		
11,57,84,938.00		2) Officers and Others	12,15,09,590.00		
1,60,70,472.00		To Group Gratuity Expenses	2,70,78,206.00		
1,00,42,302.00		To Terminal Surrender & SLA	1,96,27,948.00		
1,24,64,090.00		To Employers Contribution to Pension Fund	1,19,25,644.00		
4,296.00		To Employers Contribution to Welfare Fund	2,136.00		
38,836.00		To Employers Contribution to ESI	2,40,262.00		
37,85,924.00		To 10th Pay Revision Arrear (expenses)	59,64,786.00		
6,49,289.00		To Increment arrears AM (2016 batch)	4,84,340.00		
3,49,179.00		To Employers Contribution to Medical Insurance (SBI)	3,47,407.00		
2,18,513.00		To Bonus for the Year	21,000.00		
7,87,270.00		To Festival Allowance / Incentive	8,08,870.00		
10,36,000.00		To Medical Reimbursement	9,24,000.00		
16,22,91,154.00			19,02,27,462.00		
6,30,836.00		Less: Supervisory charges on Construction	6,31,820.00		
16,16,60,318.00					18,95,95,642.00
19,43,054.00		To Professional Charges			13,10,060.00
62,75,921.23		To Office and Administrative Expenses at H.O. & Warehouses	"F"		64,41,220.17
2,40,000.00		To Honararium to Chairman			2,20,000.00
37,810.00		To Directors T.A. and Sitting Fees			36,173.00
4,03,37,947.00		To Rent & Lease Rent			3,39,67,461.00
35,53,267.00		To Rates and Taxes			42,70,587.20
93,32,898.00		To Depreciation			1,04,13,309.00
16,62,661.00		To Repairs & Maintenance Buildings	37,95,244.00		
13,022.00		To Repairs & Maintenance Buildings(NABARD)	-		
41,21,206.00		To Repair others	39,93,850.72		77,89,094.72
25,82,42,822.23		Carried Over			28,17,27,625.31

CORPORATION
YEAR ENDED 31st MARCH, 2021

Rule 19)

Figures for the Year Ended 31.03.2020 Rs. Ps.		INCOME	Schedule	Figures for the Year Ended 31.03.2021 Rs. Ps.	
29,00,93,844.32				By Warehouse Charges	
30,08,752.88		By Interest on :- a) Securities	NIL		
		b) Bank Accounts	41,96,470.76		
		c) Advance to Staff	NIL		
8,83,200.00		d) Others	NIL		
		e) IT Refund	17,55,234.00	59,51,704.76	
NIL		By Dividend on share in Co-operative Societies		NIL	
2,88,05,724.57		By Handling & Transportation Receipts		3,53,06,502.71	
14,00,655.29		By Other Receipts	"H"	13,41,888.82	
NIL		By Service Charges from godown construction on behalf of other Public Sector Undertakings		NIL	
1,39,20,190.50		By Profit on Sale of Fixed Assets		-	
2,13,36,987.14		By Fumigation & Spraying Income		1,82,18,160.26	
44,88,298.06		Rat Bait Income		19,48,689.18	
1,00,16,541.00		By Live & Licence Fee		99,92,818.93	
6,05,211.00		By Deferred Income (Fund Apportioned) (Note No.7 a to e)	(Annexure VII)	8,76,071.00	
37,45,59,404.76		Carried Over		35,67,18,852.31	

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

Figures for the Year Ended 31.03.2020		EXPENDITURE	Schedule	Figures for the Year Ended 31.03.2021	
Rs.	Ps.			Rs.	Ps.
25,82,42,822.23		Brought Forward			28,17,27,625.31
1,36,300.00		To Staff Welfare Expenses			7,24,143.00
2,44,260.00		To Auditors Fees and Expenses (Statutory Audit)			2,44,260.00
1,41,600.00		To Auditors Fees and Expenses (Internal Audit)			-
35,400.00		To Tax Audit fee			35,400.00
11,10,416.20		To Printing and Stationary			10,36,388.00
51,64,605.00		To Warehouse Expenses	"G"		63,09,364.56
10,35,692.00		To Advertisement and Publicity			1,81,728.00
-		To Interest on addl compensation			4,323.00
4,010.00		To Loss on Sale of stock of construction materials			4,744.00
17,550.00		To Staff training expenses			55,218.80
1,99,00,205.44		To Handling and Transportation Expenses			2,36,39,743.00
54,64,688.00		To Fumigation Expenses			44,68,644.00
15,43,558.00		To Chemicals consumption	(Annexure IX)		10,88,414.00
13,14,070.00		To Rat Bait Expenses			3,63,928.00
77,19,061.00		To Construction Wing Expenses			89,54,328.00
-		To Provision for Bad and Doubtful debts			51,32,279.00
17,854.00		To Loss on Sale of fixed Assets			-
6,21,39,243.00		To Adjustment relating to Prior Years	"I"		1,89,61,403.00
1,11,58,675.89		Net Profit			1,12,55,770.64
		NOTES	"E"		
37,53,90,010.76		TOTAL			36,41,87,704.31
Earning per Share					
9.70		Basic			9.79
9.70		Diluted			9.79

Schedules & Annexures referred to above form an integral part of the Accounts.

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM
DATE : 13-05-2022


JAMES JACOB
MANAGING DIRECTOR


P MUTHUPANDI
CHAIRMAN

CORPORATION
YEAR ENDED 31st MARCH, 2021
Rule 19)

Figures for the Year Ended 31.03.2020		INCOME	Schedule	Figures for the Year Ended 31.03.2021	
Rs.	Ps.			Rs.	Ps.
37,45,59,404.76		Brought Forward		35,67,18,852.31	
8,30,606.00		By Excess Provision written back		74,68,852.00	
		NOTES	"E"		
37,53,90,010.76		TOTAL		36,41,87,704.31	

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/s. SUNNY JOSEPH & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 010911S



SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

KERALA STATE WAREHOUSING PROFIT & LOSS APPROPRIATION ACCOUNT

Figures for the Year Ended 31.03.2020 Rs. Ps.	EXPENDITURE	Schedule	Figures for the Year Ended 31.03.2021 Rs. Ps.
17,27,01,726.25	To Accumulated Loss		16,15,43,050.36
-			
17,27,01,726.25	TOTAL		16,15,43,050.36

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 13-05-2022

James Jacob
JAMES JACOB
MANAGING DIRECTOR

P Muthupandi
P MUTHUPANDI
CHAIRMAN

CORPORATION
FOR THE YEAR ENDED 31st MARCH, 2021

Figures for the Year Ended 31.03.2020 Rs. Ps.	INCOME	Schedule	Figures for the Year Ended 31.03.2021 Rs. Ps.
1,11,58,675.89	By Net Profit c/d		1,12,55,770.64
16,15,43,050.36	Amount transferred to Accumulated Loss		15,02,87,279.72
172,701,726.25	TOTAL		161,543,050.36

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/s. SUNNY JOSEPH & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 010911S



SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

KERALA STATE WAREHOUSING CORPORATION

SCHEDULE - A SHARE CAPITAL

Figures as at 31.03.2020 Rs. Ps.	Particulars		Figures as at 31.03.2021 Rs. Ps.
15,00,00,000.00	AUTHORISED : 1500000 Equity Shares of Rs. 100/- each		15,00,00,000.00
11,50,00,000.00	ISSUED AND SUBSCRIBED : 1150000 Equity Shares of Rs. 100/- Each		11,50,00,000.00
	PAID UP :		
	575000 Equity Shares of Rs. 100/- each held by the Government of Kerala	57,500,000.00	
11,50,00,000.00	575000 Equity Shares of Rs. 100/- each held by the Central Warehousing Corporation	57,500,000.00	11,50,00,000.00
11,50,00,000.00	TOTAL		11,50,00,000.00

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD, AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM
DATE : 13-05-2022

FOR M/s. SUNNY JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS

FRN: 010911S



JAMES JACOB
MANAGING DIRECTOR



P MUTHUPANDI
CHAIRMAN



SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

KERALA STATE WAREHOUSING CORPORATION

SCHEDULE - B OTHER LIABILITIES

Figures as at 31.03.2020	Particulars	Figures as at 31.03.2021
Rs. Ps.		Rs. Ps.
1,76,82,787.00	Security Deposit	1,77,73,512.00
34,97,137.00	Earnest Money Deposit	34,31,359.00
15,72,741.00	Retention Money	23,60,294.00
16,99,512.00	Provident Fund Deduction	38,385.00
4,27,991.00	Income Tax Deducted at Source	5,28,630.00
29,06,65,645.49	Outstanding Expenses (Annexure II)	32,85,54,131.99
8,18,767.00	Provision for Bonus	7,66,583.00
61,16,425.65	Sundry Creditors	64,59,508.65
2,41,155.00	Advance received from Debtors	2,51,451.00
60,84,660.50	Amount Payable to Contractors (NABARD)	16,32,594.00
44,23,006.50	Amount Payable to Contractors (KSWC)	40,98,786.00
16,680.00	Amount Payable to Suppliers (KSWC)	0.00
85,66,728.00	Unpaid Dividend	85,66,728.00
3,01,17,965.47	Other Liabilities (Annexure IV)	2,87,35,402.56
37,19,31,201.61	TOTAL	40,31,97,365.20

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD, AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM
DATE : 13-05-2022

FOR M/s. SUNNY JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS

FRN: 010911S



JAMES JACOB
MANAGING DIRECTOR



P MUTHUPANDI
CHAIRMAN



SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

KERALA STATE WAREHOUSING SCHEDULE - C, PROPERTY PLANT &

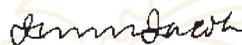
SL. No.	NAME OF ASSET	ORIGINAL COST			
		GROSS BLOCK AS ON 31.03.2020	ADDITION DURING THE YEAR	DELETION DURING THE YEAR	GROSS BLOCK AS ON 31.03.2021
1	TANGIBLE ASSETS				
	LAND	3,65,19,732.67	-	-	3,65,19,732.67
	TOTAL	3,65,19,732.67	-	-	3,65,19,732.67
2	BUILDING				
	a) WAREHOUSE	15,16,45,527.62	90,65,858.50	-	16,07,11,386.12
	b) WAREHOUSE(NABARD)	32,03,10,269.00	1,28,88,693.00	-	33,31,98,962.00
	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
	f) WAREHOUSE UNDER CSS 100%	3,87,25,000.00	-	-	3,87,25,000.00
	g) GODOWN CONSTRUCTED WITH ASSISTANCE WITH GOK	25,00,000.00	-	-	25,00,000.00
	h) WAREHOUSE (RKVY Fund)		44,58,598.00	-	44,58,598.00
	i) WAREHOUSE (NABARD WIF Fund)		73,31,664.00	-	73,31,664.00
	TOTAL	51,55,82,211.58	3,37,44,813.50	-	54,93,27,025.08
3	ELECTRICAL INSTALLATION	23,12,391.48	30,701.00	-	23,43,092.48
4	FURNITURE & FIXTURES				
	a) FURNITURE & FIXTURES	29,35,125.19	90,618.00	-	30,25,743.19
	b) WOODEN CRATES	44,29,410.21	-	-	44,29,410.21
5	VEHICLE				
	a) OFFICE VEHICLE	37,10,880.00	-	-	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	FORK LIFT	8,38,248.00	-	-	8,38,248.00
7	OFFICE EQUIPMENTS				
	a) OFFICE EQUIPMENTS	17,73,127.64	16,520.00	-	17,89,647.64
	b) GENERAL EQUIPMENTS	57,98,249.03	3,24,654.00	-	61,22,903.03
	c) MOBILE PHONE	91,573.90	-	-	91,573.90
8	COMPUTER				
	a) SERVERS AND NETWORKS	4,85,109.00	-	-	4,85,109.00
	b) COMPUTER	60,24,486.00	75,321.00	-	60,99,807.00
	c) SPL ASSISTANCE FROM GOK (Computerisation)		25,00,000.00	-	25,00,000.00
	TOTAL	2,86,18,041.45	30,37,814.00	-	3,16,55,855.45
	INTANGIBLE ASSETS				
9	COMPUTER SOFTWARE	26,48,587.00	-	-	26,48,587.00
	G. TOTAL	58,33,68,572.70	3,67,82,627.50	-	62,01,51,200.20

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 13-05-2022



JAMES JACOB
MANAGING DIRECTOR



P MUTHUPANDI
CHAIRMAN

CORPORATION
EQUIPMENT STATEMENT AS ON 31st MARCH, 2021

DEPRECIATION				NET CARRYING AMOUNT	
UPTO 31.03.2020	FOR THE YEAR	ON DELETION	AS ON 31.03.2021	NET BLOCK AS ON 31.03.2021	NET BLOCK AS ON 31.03.2020
				3,65,19,732.67	3,65,19,732.67
-	-	-	-	3,65,19,732.67	3,65,19,732.67
6,62,62,398.02	19,97,931.00		6,82,60,329.02	9,24,51,057.10	8,53,83,129.60
1,56,62,390.00	51,30,036.00		2,07,92,426.00	31,24,06,536.00	30,46,47,879.00
88,721.00	61,019.00		1,49,740.00	17,75,145.00	18,36,164.00
3,77,426.40	3,233.00		3,80,659.40	45,909.04	49,142.04
49,960.52	-		49,960.52	1.00	1.00
1,01,93,563.00	5,65,720.00	-	1,07,59,283.00	2,79,65,717.00	2,85,31,437.00
4,20,488.00	39,491.00	-	4,59,979.00	20,40,021.00	20,79,512.00
	51,146.00	-	51,146.00	44,07,452.00	-
	39,037.00	-	39,037.00	72,92,627.00	-
9,30,54,946.94	78,87,613.00	-	10,09,42,559.94	44,83,84,465.14	42,25,27,264.64
14,95,225.00	97,267.00		15,92,492.00	7,50,600.48	81,71,66.48
23,49,523.18	96,586.00		24,46,109.18	5,79,634.01	58,56,02.01
44,29,408.21	-		44,29,408.21	2.00	2.00
18,98,416.00	3,97,508.00		22,95,924.00	14,14,956.00	18,12,464.00
49,614.00	-		49,614.00	1,389.00	1,389.00
38,889.00	-		38,889.00	1.00	1.00
57,965.00	12,309.00		70,274.00	59,274.00	71,583.00
1,89,130.00	53,061.00		2,42,191.00	5,96,057.00	6,49,118.00
16,53,714.44	37,147.00		16,90,861.44	98,786.20	119,413.20
44,67,713.16	4,04,190.00		48,71,903.16	12,50,999.87	13,30,535.87
86,178.90	816.00		86,994.90	4,579.00	5,395.00
4,60,853.96	-		4,60,853.96	24,255.04	24,255.04
53,57,631.04	3,16,863.00		56,74,494.04	4,25,312.96	6,66,854.96
0.00	2,19,714.00		2,19,714.00	22,80,286.00	0.00
2,25,34,261.89	16,35,461.00	-	2,41,69,722.89	74,86,132.56	60,83,779.56
1,42,319.00	8,90,235.00		10,32,554.00	16,16,033.00	25,06,268.00
11,57,31,527.83	1,04,13,309.00	-	12,61,44,836.83	49,40,06,363.37	46,76,37,044.87

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/s. SUNNY JOSEPH & ASSOCIATES

CHARTERED ACCOUNTANTS



FRN: 010911S

SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

KERALA STATE WAREHOUSING CORPORATION
SCHEDULE - D
CURRENT ASSETS, LOANS AND ADVANCES

Figures as at 31.03.2020		Particulars	Figures as at 31.03.2021	
Rs.	Ps.		Rs.	Ps.
1. CURRENT ASSETS				
Closing Stock (Certified by MD)				
a. Chemicals (Annexure IX)				
Less Provn for loss on Clsg stock of Chemicals				
		7,63,389.00		
		<u>29,260.00</u>		
		7,34,129.00		
6,80,030.00	b. Stationary	1,23,437.00	8,57,566.00	
9,88,68,553.51	Sundry Debtors			
		6,85,05,615.28		
		<u>3,67,54,895.35</u>		
		10,52,60,510.63		
23,53,276.00	Considered Good			
Storage charges accrued (Rs. 23,53,276.00 considered as				
doubtful and provided for)				
		23,53,276.00		
1,01,225.00	Live & Licence Fee Accrued			
		5,99,546.00		
16,26,049.24	Interest accrued			
		18,19,126.00		
8,08,33,781.58	Income tax deducted at source			
		7,16,07,593.10		
2,19,612.00	Input tax (VAT)			
Subsidy for Rubber receivable(Considered as doubtful				
&provision has already been made)				
		1,97,500.00		
1,97,500.00	Receivable from Government of Kerala (Resumption fund)			
		0.00		
99,82,643.00	Receivable from Government of Kerala(Considered as			
doubtful& provision has already been made)				
		33,71,875.00		
33,71,875.00	Receivable from IT Department			
		83,54,498.00		
83,54,498.00	Purchase Tax,SC,ST deducted from Contractors			
		24,679.00		
24,679.00	Service Tax on Works Contract Services			
		1,83,096.00		
1,83,096.00	VAT Collected			
		2,36,582.85		
2,36,582.85	Employees welfare fund collected			
		4.00		
		0.00		
G.S.L.I.S Deductions				
		20.00		
		0.00		
LIC Deduction				
Receivable and Advance to Staff (Rs.1,72,282/-Considered				
as doubtful&provision has already been made)				
		45,97,425.00		
18,69,908.00	Receivable from KSSDA(Construction Account)			
		71,163.00		
71,163.00	Receivable from Deputy Labour Commissioner (Gratuity)			
		21,04,688.00		
0.00				
20,89,74,472.18	Total (1)			20,18,59,276.58
2. LOANS AND ADVANCES				
<i>(RECOVERABLE IN CASH OR IN KIND)</i>				
Advance Sales Tax Paid				
				1,72,47,293.54
1,72,47,293.54	Prepaid Expenses			
				20,43,985.00
18,36,223.00	Other Advance			
				0.00
33,000.00	T.A. Advance			
				0.00
35,200.00	Rent Advance Inland waterways			
				0.00
1,42,485.00	Security Deposit with Customers/Suppliers (Rs.1,60,705/-			
Considered as doubtful &provision has already been made)				
				3,44,378.00
2,51,705.00	Advance to Suppliers (Rs.26,408.36 considered as doubtful			
debts&provision has already been made)				
				54,229.36
54,229.36	Advance with HLWW Board			
				32,408.66
32,408.66	Advance to Suppliers & Contractors(NABARD)			
				1,20,061.00
1,20,061.00	Festival Advance			
				8,59,250.00
5,12,000.00	Library Deposit			
				2,000.00
2,000.00	Receivable from Contract work(Rs.10,62,628.99 considered			
as doubtful&provision has already been made)				
				29,24,518.99
18,67,842.99	Advance to Contractors(Rs.13,000/- considered as			
doubtful&provision has already been made)				
				13,000.00
13,000.00				
22,147,448.55	Total (2)			2,36,41,124.55
23,11,21,920.73	GRAND TOTAL (1 + 2)			22,55,00,401.13

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD, AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/s. SUNNY JOSEPH & ASSOCIATES

CHARTERED ACCOUNTANTS

PLACE : ERNAKULAM

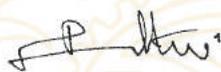
DATE : 13-05-2022

FRN: 010911S



JAMES JACOB

MANAGING DIRECTOR



P MUTHUPANDI

CHAIRMAN



SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

KERALA STATE WAREHOUSING CORPORATION

SCHEDULE - E

NOTES ATTACHED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT AND BALANCE SHEET FOR THE YEAR ENDED 31st MARCH 2021

1. Fumigation and spraying activities relating to Ratbait 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 3,80,000 shares of Rs.100 each". Then, the Authorized Share Capital Limit of the Corporation was enhanced gradually to Rs.15,00,00,000/- (Rs.15.00 Crore) 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. As C&AG remarked that the Kerala State Warehousing Corporation Rules, 1968 also to be amended to that effect, the matter had been taken up with Government of Kerala and now in process with Government.
3. Government of Kerala had released Rs.50,00,000/- (Rs.0.50 crores) 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.1,50,00,000/- (Rs.1.50 Crore) received from Government of Kerala is now accounted as 'Share Capital Advance'. The Board of Directors of Central Warehousing Corporation in its 369th meeting held on 23.03.2022 has approved the release of additional share capital amounting to Rs.1.50 crore to Kerala State Warehousing Corporation. Further, as per GO (Rt) No.681/AGRI dated 02.09.2021, Government of Kerala have sanctioned Rs.25,00,000/- (Rs.0.25 crore) as Share Capital Contribution for the year 2021-22 and as part of treasury restrictions of Government of Kerala, the fund is resumed on 31st March 2022. Further, Corporation's proposal for the enhancement of Authorized Share Capital limit is under process with Government.
4. In some of the Godowns of Kerala State Warehousing Corporation, storage facilities at rebated rates 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 282nd Board dated 25.04.2017 and 292nd 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 had remitted Rs.3,40,50,000/- (Rs.3.405 crores) (excluding GST) as Rent advance for 5 years from 08.11.2018 to 07.11.2023 during November 2018. The rent element pertains to this current year amounts to Rs.68,10,000/- is booked under Live and License Fee receipts of the current year. Remaining portion of Rs. 1,77,43,315.00 is treated as Advance.

6. Accounting of Government Grants: - In previous years, Corporation was deducting depreciation on assets created by utilizing Grant both in Profit and Loss account and reserve in Balance Sheet. AG remarked that as per AS 12: Accounting for Grants, under the other method, grants related to depreciable assets are treated as deferred income which is recognized in the profit and loss statement on rational basis over the useful life of the asset. Hence, allocation of depreciation is changed to that method as advised by AG for the assets as mentioned in note no.7 below.
7. 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 was subsidy and balance 50% loan. During previous years, Corporation had paid Rs.20,75,000.00 to Government of Kerala being repayment of loan and Rs.12,96,875.00 being interest on loan. As per the original terms & conditions prescribed by Government of India, the loan need not be repaid by Corporation and hence this amount of Rs.33,71,875/- is refundable by Government of Kerala and it is treated as Current Asset. However, equivalent provision towards doubtful debts had also been made during 2011-12 as its receipt is not confirm.

Under this Scheme, State Government had entrusted the construction of godowns with Kerala State Warehousing Corporation in the 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. The balance amount of this assistance as on 31.03.2021 is Rs.2,79,65,717.00 after adjusting depreciation for the year Rs.5,65,720.00.

b) Government of Kerala had provided Rs.25 lakhs as assistance to KSWC during the year 2008 for the development of infrastructure facilities for Warehousing. Fund was completely utilized for the construction of godown at North Paravoor. The liability is being reduced every year by charging depreciation on this asset. Thus the liability is reduced to Rs.20,40,021/- as at 31st March 2021 after adjusting depreciation for the year Rs. 39,491.00.

c) **Rashtriya Krishi Vikas Yojana (RKVY) Scheme-** As per GO (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 completed the construction of Cold Storage room on 09.07.2020 with a total cost of Rs.44,58,598.00. The works of other components of this scheme such as installation of lift, DG set, Lab equipment etc. are in progress and for which Rs.8,57,689.00 is utilized from the fund during 2020-21 and shown as Work-in-progress in this year accounts. The amount of Grant as on 31.03.2021 is Rs.64,65,654.00 after adjusting depreciation for the year Rs. 51,146.00.

d) As per GO (Rt) No.602/2020/AGRI dated 30.06.2020, Government of Kerala sanctioned Rs.25,00,000/- as assistance for the purchase of computers and accessories as part of the computerization of the Corporation. The fund has been utilized for the specified scheme. The amount of Grant as on 31.03.2021 is Rs.22,80,286.00 after adjusting depreciation for the year Rs.2,19,714.00.

e) As per Go (Rt) No.585/2020/AGRI dated 29.06.2020, Government of Kerala has released Rs.30,00,000/- as assistance for construction of Godown at Kozhinjampara at Palakkad District. The work is in progress and spent Rs.11,67,318.00.

8. **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.Fifty 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. But, repayment is not started. Hence, the loan amount of Rs.50.00 lakhs stands as overdue since 2014.

b) Working Capital Loan from Government of Kerala: - Government of Kerala had sanctioned Rs.5,00,00,000/- (Rs. 5.00 Crores) as Working Capital Loan to Kerala State Warehousing Corporation vide G.O.(MS) No.75/13/AD Dated 25.03.2013 to meet 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 installments as per the availability of fund. Accordingly, Corporation has started repayment during March 2020. As on 31.03.2021, the Outstanding amount of loan is Rs.3,75,00,000/- and interest Rs.5,26,87,910.00. 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 the interest and penal interests on this loan. 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, that will be accounted on actual basis.

The loan amount of Rs.5,00,00,000/- stands as overdue since 2019. Corporation has started repayment during March 2020 by equal quarterly instalments of Rs.25,00,000/- and accordingly repaid Rs.2,25,00,000/- (Rs.2.25 Crore) to Government of Kerala up to March 2022.

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 Start up 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.11,33,00,000/- (Rs.11.33 Crore) stands as overdue since 2019. But, Corporation has started repayment of the loan by equal quarterly instalments of Rs.30,00,000/- since March 2020. Accordingly, Corporation has repaid Rs.2,70,00,000/- (Rs.2.70 Crore) to Government of Kerala up to March 2022.

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 Rs.7.5% per annum as second allotment from the Government on 19.12.2014. The above loan 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.5,00,00,000/- (Rs.5 Crore) at an interest rate of 7.5% per annum as third allotment from the Government on 17.12.2015.
- 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% per annum as forth allotment on 05.02.2017.
- 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 @ 5.25% per annum as fifth allotment on 22.06.2017.
- 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 @ 4.75% per annum as sixth allotment on 25.10.2017.
- 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 @ 4.50% per annum as Seventh allotment on 29.02.2020.

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, that 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 above loan amount was utilized for both constructions 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 31.03.2021.

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). Financial progress of these Projects:

(Amount in Rupees)

Projects	Current Year Expenses	Financial Progress as on 31.03.2021
Muthalamada	0	2,70,304
North Parur	56,51,834	73,31,664
Punalur	0	6,59,628

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. Financial Progress of these Projects:

(Amount in Rupees)

Projects	Current Year Expenses	Financial Progress as on 31.03.2021
Haripad	86,566	3,40,675
Kozhinjampara	13,638	2,50,464
Mavelikkara	88,479	1,62,674
Sasthamkotta (Lease Land)	73,327	1,35,527
Thalsserry	27,94,057	29,35,504

f) As per GO (Rt) No.768/2020/AGRI dated 14.09.2020 and Order No.TM (1) 1868/2020 dated 18.03.2021, Government of Kerala has released an aggregate loan amount Rs.1,10,69,000.00 during 2020-21 for NABARD WIF (Warehouse Infrastructure Fund) schemes mentioned in note no. 8(d) and (e) with 2.75% interest rate with same terms and conditions of NABARD RIDF XVII loans as mentioned in Note no.8 (c).

1. Provision for rent arrears' amounting to Rs.50,02,988/- which is grouped under other liabilities is the demand for enhancement of rent for PWD godown hired out to Corporation for the period from 1-8-1982 to 31-3-2020. Corporation had not paid the amount but liabilities in this regard being provided since 1995-96.
2. 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 Centre at Thiruvizha and Factory Building and Allied works at Pallipuram. For that Deposit Works, ACCDS had deposited an amount of Rs.4,19,68,944/- with 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/- shown as liability. But, ACCDS has not agreed 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 and the case is pending with Sub Court Alappuzha.
3. 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 provided under suspense tax account is grouped under 'Provision for Taxes'. The balance disputed tax liability (including interest) amounts 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 of turnover of Rs.3,05,00,000/-(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 up to 2004-05 are over. The assessment pertaining to 1987-88 to 1990-91 and for 1997-98 are under dispute and at various stages of appeal.
4. Dividend Payable to Government of Kerala from 1982-83 to 1987-88 & 1996-97 to 2001-02 is 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.
5. Corporation was running in huge loss from FY 2002-03 to 2016-17. The figure of accumulated loss as on 31.03.2021 is Rs.15,02,87,279.72 (Rs.15.03 crores). Since the working capital position of the Corporation is not sound, provision for dividend is not created during this year also.

6. 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 1st March at the existing rates of DA. Gratuity is worked out as ½ months 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 Rule, 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.

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

(Amount in Rupees)

Particulars	FY:2020-21	FY:2019-20
Present Value of the benefit obligation on 1st April	5,76,54,674	4,83,26,108
Current Service Cost	48,07,857	36,56,775
Interest Cost	36,95,843	32,86,175
Benefit Paid	(66,08,080)	(1,05,11,173)
Actuarial (Gain)/Loss (Balancing Fig)	2,06,72,400	1,28,96,789
Present Value of the benefit Obligations on 31st March	8,02,22,693	5,76,54,674

ii. Reconciliation of Changes in the Fair value of Plan Assets:

(Amount in Rupees)

Particulars	FY:2020-21	FY:2019-20
Fair Value of Plan assets as at 1st April	6,57,58,321	5,25,68,109
Expected return on Plan Assets	45,32,406	38,94,944
Contribution	83,97,488	1,99,32,118
Benefits Paid	(66,08,080)	(1,05,11,173)
Actuarial (Gain)/Loss (Balancing Fig)	77,743	(1,25,677)
Present Value of Plan Assets as at 31st March	7,21,57,878	6,57,58,321

iii. Expenses recognized in Profit and Loss Account:

(Amount in Rupees)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Current Service Costs	48,07,857	36,56,775	30,25,739	33,83,076	35,77,752
Interest Costs	36,95,843	32,86,175	43,96,717	45,23,720	44,50,664
Expected Return on Plan Assets	(45,32,406)	(38,94,944)	(23,77,399)	(9,29,474)	(9,94,398)
Net Actuarial (Gain)/ Loss	2,05,94,656	1,30,22,465	24,79,719	5,25,763	(4,60,443)
Costs of Obligation (in P&L)	2,45,65,950	1,60,70,472	75,24,776	75,03,086	65,73,574

iv. Reconciliation of Net Liability recognized in Balance Sheet:

(Amount in Rupees)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Present Value of Obligation as at the end of the year	8,02,22,693	5,76,54,674	4,83,26,108	5,71,00,222	5,87,49,613
Less: Fair Value of Plan assets at the end of the year	7,21,57,878	6,57,58,321	5,25,68,109	1,21,51,105	1,30,22,638
Net Liability/(Asset) recognized in Balance Sheet	80,64,815	(81,03,647)	(42,42,001)	4,49,49,117	4,57,26,975

v. Principal Actuarial Assumptions:

Method Used	Projected Unit Credit Method
Discount Rate	6.93%
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	2020-21	2019-20
Present Value of the obligation on 1st April	2,08,59,412	2,10,74,362
Current Service Cost	36,98,289	26,41,635
Interest Cost	13,29,715	14,33,057
Benefit Paid	(26,09,573)	(37,52,327)
Actuarial (Gain)/Loss (Balancing Fig)	68,13,719	(5,37,315)
Present Value of the Obligations on 31st March	3,00,91,562	2,08,59,412

ii. Reconciliation of Changes in the Fair value of Plan Assets of Leave:

(Amount in Rupees)

Particulars	2020-21	2019-20
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	2020-21	2019-20	2018-19	2017-18	2016-17
Current Service Costs	36,98,289	26,41,635	16,80,705	27,80,785	27,05,186
Interest Costs	13,29,715	14,33,057	20,44,807	22,28,679	19,90,713
Expected Return on Plan Assets	0	0	0	0	0
Net Actuarial (Gain/Loss)	68,13,719	(5,37,315)	(17,37,196)	(28,60,813)	11,54,001
Past Service Costs	0	0	0	0	0
Costs of Obligation (in P&L)	1,18,41,723	35,37,377	19,88,316	21,48,651	58,49,900

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

(Amount in Rupees)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Present Value of Obligation as at the end of the year	3,00,91,562	2,08,59,412	2,10,74,362	2,65,55,934	2,89,43,889
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	3,00,91,562	2,08,59,412	2,10,74,362	2,65,55,934	2,89,43,889

v. Principal Actuarial Assumptions of Leave:

Method Used	Projected Unit Credit Method
Discount Rate	6.93%
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 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.1,19,25,644/- as expenses towards contribution to this fund @ 10% contribution up to the month of February 2021 and after wards 12% based on the following amendment.

The 295th Board Meeting of Corporation dated 16.02.2019 had resolved to enhance employer contribution from 10% to 12 %. Considering this, Government of Kerala had issued sanction order for the proposed enhancement vide G.O.(Rt) No.221/2021 AGRI dated 26.02.2021 and to amend the Kerala State Warehousing Corporation Employees' Pension and Other Retirement Benefits Fund Regulation. Subsequently, the 305th Board dated 10.03.2021 had decided to amend the regulation to incorporate the clause 'enhancement of employer contribution with effect from 16.02.2019'. Accordingly, Corporation had provided Rs.19,49,615.00 additionally during 2019-20. But, as per the Gazette Notification dated 28.12.2021, the effective date of enhancement is 26.02.2021. Accordingly, the excess provision of Rs.19,49,615/- accounted in the year 2019-20 is written back this year.

Pension is being calculated based on 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 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 pensionary 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. Then the pensioners filed a Contempt of Court case and 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 also 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 would have been arise for implementing Pension Revision is not considered as a Contingent Liability of the Corporation.

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. Their final report is awaiting.

15. a) The D.A. of staff has been revised from 275% to 334% at par with State Government employees' w.e.f. 01.01.2019 vide GO(P) No.25/2021/Fin. Dated 08.02.2021. The liability on account of the same including the employer's Contribution to pension fund for the period up to 31.03.2021 has been worked out and provided in the accounts.
- b) Considering the recommendations of the Board vide resolution No.3448 on 16.02.2019 to implement 10th Pay revision in the Corporation, the State Cabinet on 03.02.2021 approved the 9th (notional with effect from 01.09.2012) and 10th Pay Revision with effect from 01.09.2017 to the employees of the

Corporation. Accordingly, the 303rd Board on 05.02.2021 vide its resolution No.3621 had accorded sanction to implement the 10th 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.

Revised pay is being disbursed with effect from March 2021. Computation of arrears of pay revision of employees up to the level of Class IV has been completed and disbursed on 27.01.2022 and its provision is made during 2020-21. Further, Corporation has disbursed Rs.69,50,000/- (Rs. 50,000/- each to 139 employees) on 06.04.2022 as the 2nd installment of pay revision arrears as advance and its corresponding provision is made in the current year accounts.

Corporation has created an additional provision of Rs.46,90,743/-towards pay revision arrears payable to retired employees during this year accounts and whole amount is disbursed during 2021-22.

16. Provisions held during 31.03.2021 in respect of employees are: -

(Amount in Rupees)

Sl. No.	Particulars	2020-21	2019-20
1	Employers Contribution payable to KSWC Employees Pension & Other Retirement Benefits Fund due to Pay revisions and DA revisions(Refer Note A below).	77,98,542.00	1,17,03,237.00
2	Terminal Leave Surrender Allowance difference amount payable to retired employees due to 10 th pay revision (Refer Note B below)	63,47,253.00	2,47,428.00
3	Group Gratuity difference amount payable to retired employees due to 10 th Pay revision. (Refer Note C below)	1,39,68,290.49	31,87,615.49
4	Surrender Leave Allowance payable to employees	Nil	Nil

Note A. Employers Contribution of Rs.77,98,542/- is payable to KSWC Employees Pension & Other Retirement Benefits Fund due to the implementation of 10th Pay revision and DA revisions during the period from 01.01.2019 to 01.07.2020. Hence, the amount is shown under “Outstanding Expenses-Other Liabilities”- Schedule B.

Note B. Corporation has estimated and provided for an amount of Rs.63,47,253/- as terminal surrender liability in respect of retired employees. This amount also includes the additional financial commitment of Rs.42,72,741/- for Terminal Leave Surrender Allowance due to 10th Pay revision. This amount is pending for disbursement to employees as on 31st March, 2021 and is shown under “Outstanding Expenses-Other Liabilities”- Schedule B.

Note C. Corporation has also estimated and provided Gratuity liability of Rs.1,39,68,290.49 payable to retired employees due to 10th Pay revision over and above the amount received from LIC under GGCA Policy and is shown under “Outstanding expenses-Other Liabilities”-Schedule B.

17. The DA arrear provided but not disbursed to the terminated staffs during the period from 2012-13 to 2016-17 of Rs.23,96,289/- is written back this year after setting of a short provision of Rs. 61,012.00

18. Corporation was enjoying exemption from the provisions of ESI vide Government Order No: 707/2010/LBR Dated 13th 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. Now Corporation has introduced ESI Scheme for its permanent employees since 1st June 2015.
19. The Board of Directors in its 290th 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. AG 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 19th October 2007. Complying the audit remarks of FY 2017-18, the matter had since then been taken up with Government of Kerala vide letter No. KSWC/EST/Class IV/2019-20 dated 23.10.2019. Since no response is received from Government of Kerala, the excess provided amount of Rs.31,71,071/- is written back this year and action is being taken to recover the excess amount paid from the pay revision arrears payable.
20. 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.25,00,000/- to Government.
- 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 adjusted under the head Construction of MRM (WIP) on the Asset side of the Balance Sheet. Corporation has spent Rs.3,73,047/- for the maintenance and running of MRM (Alathur) during 2020-21. Hence an amount of Rs.3,59,64,989.75 shown in 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/- shown in 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.

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/-. Then in the 298th 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. Presently the mill is not operated by Oil Palm.

Further, as per the direction of Board a technical evaluation through the experts in Kerala Agriculture University was conducted and in the Technical evaluation and assessment of present value of MRM, Alathur submitted by the Associate Director of

Research (Agri. Engineering) Kerala Agricultural University, Vellanikkara, Thrissur, it was inferred that the rice mill and the machinery has to be retained within the Government sector. If that is not an optable decision, the mill may be leased out to NGO's/Co-operative societies. If both the options are not viable, the mill may be leased out to private sector players in order to ensure the utilization of potential of the mill and for generation steady revenue to Kerala state warehousing Corporation.

These matters were taken up with the Principal Secretary to Government during June 2021 vide letter dated 28.06.2021 requesting sanction for leasing out the Mill to NGO's/ Co-operative societies and awaiting reply.

21. 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 GOK than the liability already booked by Corporation amounts to Rs.19,14,357/- (Rs.93,31,125/- - Rs.74,16,768/-) is shown under 'Claims not acknowledged as debt' (note no.23(ii)). 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/- and the 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 294th Board considered matter and directed the MD to place the matter before the EC. The 228th Executive Committee Meeting considered the matter and directed MD to write to Government recommending to take action against the officers responsible for the loss. Then the 300th Board Meeting dated 11.08.2020 vide resolution No.3583 had resolved to appoint an advocate for inquire. Accordingly Adv.Sri.Sivaji.B.S has submitted his report and this will be submitted before the coming Board for deciding the further course of action in this regard.

Further, as per the decision of the 297th 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 the year 2019-20.

22. 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% is to be paid to the Contractor. Corporation has filed appeal against the decree and hence no adjustments are made in the accounts.

23. 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

24. Contingent Liabilities as on 31.03.2021 are: -

i) Sales Tax Liability with interest (Ref. 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. (Ref. Note.43)	: -	7,77,062.00
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.27)	:-	1,40,52,545.00
vi) Estimated amount of contracts remaining to be executed but not provided.	:-	10,12,51,531.00

25. 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. Then the appeal was allowed in favour of the Corporation and 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.

26. 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. Further Corporation's various income tax appeals against the assessment orders issued by disallowing the delayed remittances of employees contributions to Employees Provident Fund Trust in respect of previous years are pending at various stages of appeal.

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

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

28. As per the Resolution number 3571(A) of the 300th Board Meeting convened on 11.08.2020, Board authorized Managing Director to file Appeal before the Regional Joint Labour Commissioner to defend Corporation from a huge financial liability of claiming gratuity for the period in 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 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. Lalgil.

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.

29. 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.

30. As per Significant Accounting Policy 1.16 of the Corporation, during the financial year 2020-21 Corporation has capitalized a portion of its establishment expenditure amounting to Rs.6,31,820.00 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.

31. a) 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, which is pending.

b) Further, Kochi Metro Rail Project had acquired 0.0100 hectares of land in Sy. No.1317/1-15 in Poonithura Village by Special Tahsildar, Kakkanad and awarded Rs.81,35,043/- vide order dated 30.08.2019. The appeal filed by Corporation for an enhanced compensation is also pending.

32. As part of four lining of NH 17 (New 66) the Special Tahsildar, Kasargod had acquired 69 sq.meteres of land in RS No.545/2 in Kanhangad Village and awarded Rs.11,36,688/-. Corporation has filed appeal for an enhanced compensation and which is pending.

33. 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 going on. 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.

34. 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.
35. 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 is 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.
36. The Tahsildar, Karthikapally Taluk, Haripad vide letter No. F2-5383/2017 dated 05.05.2017 informed that out of 1.0010 Hectres (247.250) of land held by the Corporation, (as per Resurvey 659/12), 3.24 Ares of land does not belong to the Corporation. This matter had been taken up with revenue authorities and which is pending.
37. 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 Hectre was noticed in the land owned by the Corporation in Thalapilly in Wadakkancherry. Corporation has filed a civil suit against the Railway authorities and which is pending.
38. Government of Kerala have allotted the following revenue lands on lease basis to Corporation.

Location	Area in Ares (Cents)	Government Order	Village/ Survey Number	Yearly Lease rent as per GO (Rs)	Terms of Lease
Ernakulam	5.62(13.88)	L5-19366/96(1) dated 06.02.2021	Elamkulam /341/3	29,453	3 months (applied for further extension)
Perumbavoor	36.41(89.90)	GO(Ms) No.244/2020/Rev dated 12.10.2020	Kunnathunadu /175/4	3,60,459	30 Years
Konni	61.02(150)	G.O (Ms) No.22/2020/RD dated 09.01.2020	Airavan/120/2	35,440	12 Years
Sasthamkotta	40.47(99.96)	GO(Rt) No.348/2017/Rev dated 17.10.2017	Sasthamkotta /12/1	42,340	30 Years

Out of the above four lease lands, Godown Construction is started in Sasthamkotta land under NABARD WIF Scheme. Further, Corporation had spent Rs.19,24,885/- from own fund for the renovation of the existing building there for storage of food grains. The basic lease rent fixed is revised subject to the change in the prevailing market value and which is to be paid accordingly.

39. 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 withheld 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 and adjusted during March 2021 vide Managing Director's order dated 30.03.2021.
40. 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.
41. Corporation had acquired 28.20 ares (70 cents) of land in Cherthala Village during 1985 and an LAR case (No.10/87) was pending with Sub Court Cherthala. During 2020-21, as per the letter 'LAR 10/87 dated 10.06.2020 from the office of the Revenue Divisional Officer, Alappuzha', Corporation has remitted Rs.6,05,772.00 towards interest on additional compensation, of which interest portion pertains to the reporting year is Rs.4323.00 only and the balance amount of Rs.6,01,449.00 is booked as prior year expenditure.
42. 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.
43. M/s Divine International had filed a writ petition vide W.P.(C) No.26832/2013 before the Hon.High Court prayed to declare that levying of ground rent/demurrage charge on imported goods which are detained /seized by the Customs department is perse illegal, and Corporation to refund the demurrage charge of Rs.7,77,062/- with 12% interest. Since the case is pending, Rs.7,77,062/- is shown as contingent liabilities (Note No.24(iii)).

44. Audit Fee & Expenses includes the following:

(Amount in Rupees)

Particulars	2020-21	2019-20
Statutory Audit Fee	2,00,000	2,00,000
PF Trust Fund Audit fee	3,500	3,500
Pension Fund Trust Audit fee	3,500	3,500
Tax Audit fee	30,000	30,000
Goods and Services Tax	42,660	42,600
Internal Audit Fee and Travelling Expenses	-	1,20,000
Goods and Services Tax	-	21,600

45. M/s. Abraham Thomas&Co; Chartered Accountants was entrusted with the internal audit for the year 2020-21 for an audit fee of Rs.1,32,000/- plus GST. But, they had not taken up the audit on their own reasons. In the meantime, statutory audit was started. Hence provision for internal Audit fee is not created this year.
46. Corporation is holding deposit receipts in the name of contractors endorsed in favour of the Corporation for a sum of Rs.93,81,115.00 as on 31.03.2021 towards the security for proper execution of work.
47. 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 Statutory Auditors (previous years); the process of releasing the amounts is in progress. The remaining deposits which stands as unclaimed and unidentified since the past, will be adjusted in the coming year's accounts after verification and subject to Board decision.
48. As per the advice of Statutory Auditors, fixed deposits with treasuries/banks are shown under Cash in Bank in the accounts and the Long term and Short term deposits are separately disclosed in Annexure VI forming part of the accounts.
49. Depreciation on Fixed Assets 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. Useful lives of the assets are as follows.

Property, Plant & Equipments	Useful life (in years)	Residual Value
TANGIBLE ASSETS		
Buildings	60	5
Buildings(Lease)	30	5
Rolling Shutters	30	5
Fencing	5	5
Furniture & Fixtures	10	5
Electrical Installation	10	5
Wooden Crates	10	5
Vehicle	8	5
Motor Scooter	10	5
Forklift	15	5
Office Equipment	5	5
Mobile Phone	5	5
Computer	3	5
Servers & Networks	6	5
INTANGIBLE ASSETS		
Software	3	Nil

The useful life of godown constructed in lease lands at Sastahmkotta is restricted to the lease period of 30 years. Corporation has prepared item wise details of all assets including Land and building based on the physical verification report obtained from the Regional Managers. The discrepancies noticed while on reconciling the same with the Consolidated Property, Plant & Equipment Register are under review and it will be rectified immediately. In the haste of clearing the arrears of accounts finalization within the time line as directed by Chief Secretary, AG's Draft comments (A.I) regarding depreciation on additions to existing asset as per AS 10 could not be complied this year. The same will be reviewed and rectified in the coming year accounts. Further as advised in AG's Audit Comment (B) Corporation has verified and ensured that only expenses of capital nature are capitalized.

50. For the amounts 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. Further, renovation works of FBF godowns being carried out by KSWC. Hence no provision is made for rent payable to KSCSC for FBF Godowns during this year. Further, based on auditors opinion, the excess rent provided for the FBF Godowns at Thalassery, Parakod, Aluva, Ponkunnam, Alappuzha and Kozhijampara for Rs.16,38,297.00 is written back this year.
51. 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. Further based on auditor's opinion long outstanding creditors of Rs. 33,063/- is written back this year.

52. 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.
53. In connection with the Covid pandemic financial regulatory measures, Government of Kerala directed vide GO(P) No.46/2020/Fin dated 23.04.2020 to defer 6 days salary of employees for 5 month from May 2020 to September 2020. Accordingly, Corporation had deferred 30 days salary of employees. Then the deferred salary of Rs.54,80,905/- has been disbursed during April 2021 as per GO No.6936/legal/2020 dated 30.09.2020.
54. 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.
55. 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.
56. When the settlement of overdue from a party is turned to litigation, Corporation discontinues further billing to the party and the disputed stock will be withheld until the dues are settled or auctioned. Further, as per Custom Area Regulations 2009, the Customs Cargo Service Provider shall not charge any rent or demurrage on the goods seized or detained or confiscated by the proper officer.
57. 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.
58. 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.
59. 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.
60. All known income, expenditure, assets and liabilities relevant to the reporting year, up to the date of finalization of accounts 13-05-2022 is incorporated in the accounts.
61. Corporation follows Indirect Method as per AS-3 for the preparation of Cash Flow Statement.
62. The cost of inventories are assigned by using First-in-, First - out (FIFO) method and is valued at Cost Price or Net realizable value whichever is lower.
63. As per Section 30 of The Warehousing Corporation Act 1962, every Warehousing Corporation shall establish a reserve fund out of its annual net profits. Since Corporation has adjusted entire amount of net profit towards accumulated loss, reserve fund is not created in the reporting year.
64. During the supplementary audit for the year 2019-20, it has been observed that out of the total land under the possession of the Corporation at different parts of the State, 16 Acres 26 cents at 13 centres were granted by GOK under pattayam/conditional pattayam. The control over the land, purpose and right to transfer etc. are restricted and different across such lands. The matter is being verified and will be properly disclosed after a detailed review
65. Corporation do not have any dues to Micro, Small & Medium Enterprise vendors as on 31st March 2021.
66. As per Corporation's approved storage charge schedule, the customer is liable to pay interest at the rate of 18 per cent on account of delay in payment of warehousing charges. However, interest on delayed settlement is not accounted on accrual basis.

The useful life of godown constructed in lease lands at Sastahmkotta is restricted to the lease period of 30 years. Corporation has prepared item wise details of all assets including Land and building based on the physical verification report obtained from the Regional Managers. The discrepancies noticed while on reconciling the same with the Consolidated Property, Plant & Equipment Register are under review and

Sl. No.	Name of the Related Party	Relationship	Transactions during the reporting year	Amount
1	Sri. Vazhoor Soman	Chairman (till 17.03.2021)	a) Honorarium paid. b) Official Tour Expense . c) Sitting fee (Board & EC @ Rs.500/- each)	a) 2,20,000.00 b) 14,738.00 c) 15,000.00
2	Sri. P.H Ashraf	Managing Director (till 17.11.2021)	a) Salary and allowances. b) Official Tour Expense .	a) 12,93,273 .00 b) 42,136.00
3	Sri. Ragesh D	General Manager (on deputation from GOK till 04.03.2021)	Salary and Allowances	13,28,347.00

68. 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 : 13-05-2022



JAMES JACOB
MANAGING DIRECTOR



P MUTHUPANDI
CHAIRMAN



FOR M/s. SUNNY JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 010911S
SUNNY JOSEPH Bsc, FCA,DISA
(Partner)
Memb No. 206098

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 1st March.

b) 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 : 13-05-2022

FOR M/s. SUNNY JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS

FRN: 010911S



JAMES JACOB
MANAGING DIRECTOR



P MUTHUPANDI
CHAIRMAN



SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

KERALA STATE WAREHOUSING CORPORATION

SCHEDULE - F

OFFICE & ADMINISTRATIVE EXPENSES AT HEAD OFFICE & WAREHOUSES

Figures as at 31.03.2020	Particulars	Figures as at 31.03.2021
Rs. Ps.		Rs. Ps.
	TRAVEL EXPENSES OF :-	
5,85,597.00	Officers & Others	3,73,882.00 3,73,882.00
1,17,882.00	Group Gratuity Life Cover Premium	1,08,757.06
7,29,014.50	Vehicle Maintenance	9,71,746.00
2,23,509.00	Board Meeting Expenses	2,15,735.00
11,000.00	Legal Expenses	2,08,000.00
2,72,125.00	Postage	2,46,840.00
7,24,152.00	Telephone & Telex	8,30,130.00
13,09,556.00	Electricity & Water charges	13,36,785.60
1,63,700.90	Books & Periodicals	1,76,840.00
4,09,269.00	Entertainment Expenses	2,45,786.00
44,950.00	Land Acquisition (Exp) Parasuram	99,718.00
5,700.00	Reimbursement of Official Tour Expenses- chairman	14,738.00
1,34,550.50	General Expenses	1,51,780.00
51,886.33	Bank Charges	55,096.01
41,929.00	Conferences & Seminars	3,000.00
1,18,694.00	Official tour expenses to MD (P H Asharaf)	42,136.00
39,085.00	Consultancy Charges	52,670.00
10,68,321.00	Business Promotion Expenses	13,07,580.50
2,25,000.00	Work Study (IMG)	0.00
62,75,921.23	TOTAL	64,41,220.17

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD, AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 13-05-2022

FOR M/s. SUNNY JOSEPH & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 010911S



JAMES JACOB
MANAGING DIRECTOR



P MUTHUPANDI
CHAIRMAN



SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

KERALA STATE WAREHOUSING CORPORATION

SCHEDULE - G WAREHOUSE EXPENSES

Figures for the 31.03.2020		Particulars	Figures as at 31.03.2021	
Rs.	Ps.		Rs.	Ps.
14,49,221.00		Insurance	20,88,581.00	
71,390.00		Bamboo mats, Polythene sheets and Tarpaulin	5,880.00	
13,44,115.00		Restacking, weighing and cleaning	18,62,479.06	
36,455.00		Transport of crates & equipments	14,855.00	
8,93,888.00		Conveyance expenses	6,72,583.00	
0.00		Covid - 19 (Rebate)	33,898.00	
1,75,206.00		Self Indemnification Gurarantee Commission	1,51,326.00	
11,94,330.00		Miscellaneous expenses	14,79,762.50	
51,64,605.00		TOTAL	63,09,364.56	

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD, AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 13-05-2022



JAMES JACOB
MANAGING DIRECTOR



P MUTHUPANDI
CHAIRMAN



SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

FOR M/s. SUNNY JOSEPH & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 010911S

KERALA STATE WAREHOUSING CORPORATION

SCHEDULE - H OTHER RECEIPTS

Figures as at 31.03.2020	Particulars		Figures as at 31.03.2021
Rs. Ps.			Rs. Ps.
	Agricultural Income	6,33,419.00	
31,513.00	Less Expenditure	0.00	6,33,419.00
1,88,748.00	Sale of Tender Forms		3,29,790.00
1,24,020.00	Parking fee		1,13,592.00
10,56,374.29	Miscellaneous Receipt		2,65,087.82
14,00,655.29	TOTAL		13,41,888.82

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD, AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM
DATE : 13-05-2022

FOR M/s. SUNNY JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 010911S


JAMES JACOB
MANAGING DIRECTOR


P MUTHUPANDI
CHAIRMAN


SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

KERALA STATE WAREHOUSING CORPORATION

SCHEDULE - I

ADJUSTMENT RELATING TO PRIOR YEARS

	Particulars	Figures as at 31.03.2021	
		Rs.	Ps.
INCOME			
	Medical Insurance Scheme SBI	89.00	
	Festival Advance to Staff	2,27,706.00	
	8th pay salary arrear	4,74,932.00	
	Receivable from staff (IR 9th pay)	37,42,842.00	
	Input tax(VAT) Chemical stock	3,31,991.00	
	Rent	16,38,297.00	
	Total	64,15,857.00	
			64,15,857.00
EXPENDITURE			
	Short Provision ESI Deduction	21,628.00	
	Short Provision on Professional Charge	2,05,000.00	
	Suspension Salary	20,342.00	
	Short Settlement of Corp. Contribution	1,94,002.00	
	Short Settlement of Corp. Contribution	1,77,760.00	
	Short Settlement of decreetal amount	6,01,449.00	
	Short Settlement of GST	63,566.00	
	Short Provision on Gratuity(deputation)	15,444.00	
	Short Provision on Rent	1,17,371.00	
	Group Gratuity Liability due to pay revision	82,68,419.00	
	Terminal Surrender arrear due to pay revision	42,72,741.00	
	Pay revision arrear (10th Pay)	1,14,19,538.00	
	Total	2,53,77,260.00	
			2,53,77,260.00
	Net Expenses to Profit & Loss Account		(1,89,61,403.00)

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD, AS PER OUR REPORT OF EVEN DATE ATTACHED

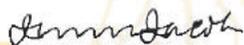
PLACE : ERNAKULAM

DATE : 13-05-2022

FOR M/s. SUNNY JOSEPH & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 010911S



JAMES JACOB
MANAGING DIRECTOR



P MUTHUPANDI
CHAIRMAN



SUNNY JOSEPH Bsc, FCA,DISA
(Partner)

Memb No. 206098

KERALA STATE WAREHOUSING CORPORATION

ANNEXURE - I PROVISION FOR TAXES

Figures as at 31.03.2020 Rs. Ps.	Particulars	Figures as at 31.03.2021 Rs. Ps.
3,71,50,332.25	Suspense Tax Account	3,71,50,332.25
34,650.00	Provision for SGST on Audit Fee	54,720.00
34,650.00	Provision for CGST on Audit Fee	54,720.00
3,72,19,632.25	Total	3,72,59,772.25

ANNEXURE - II OUTSTANDING EXPENSES PAYABLE

Figures as at 31.03.2020 Rs. Ps.	Particulars	Figures as at 31.03.2021 Rs. Ps.
4,67,46,062.00	Interest on Working Capital loan Payable	5,26,87,910.00
60,26,426.00	Penal Interest on Working Capital loan Payable	60,26,426.00
12,00,60,655.00	Interest Payable on NABARD Loan underRIDF XVII	14,19,23,651.00
0.00	Interest Payable on NABARD WIF Loan	41,632.00
48,70,784.00	Provision for Rent Arrears	50,02,988.00
17,54,249.00	Interest on Guarantee Commission on T/L Payable	17,54,249.00
	Payable A/C	11,60,00,041.49
96,996.00	TA Payable	89,491.00
8,36,14,026.49	Establishment Charges - Payable	10,22,31,495.49
19,27,737.00	Advertisement and Publicity (Payable)	16,40,788.00
1,08,09,421.00	Employers' contribution to Pension fund Payable	54,84,104.00
6,987.00	Books & Periodicals Payable	10,571.00
48,203.00	Electricity & Water Charges - Payable	1,34,618.00
4,79,928.00	Fumigation Expense -Payable	6,26,948.00
16,871.00	H.B.A./h.D.F.C. Interest Subsidy - Payable	13,287.00
1,884.00	Postage - Payable	11,928.00
40,279.00	Rat Bait Expenses Payable	12,394.00
1,06,16,875.00	Rent -Payable	56,43,558.00
49,901.00	Telephone & Telex - Payable	84,339.00
0.00	Professional Charges -Payable	16,520.00
24,748.50	Vehicle Running & Maint.(Payable)	0.00
3,57,813.00	Interest Payable on Government Loan	3,57,813.00
6,48,963.50	Service charge payable - Imported Cement	6,48,963.50
11,88,020.00	Guarentee Commission Payable T/L	11,88,020.00
3,85,000.00	Provision for Auditors Fee	6,08,000.00
8,93,816.00	Employers Contribution to Pension Fund Payable due to Pay Revision	23,14,438.00
29,06,65,645.49	Total	32,85,54,131.99

Annexures forming part of Accounts

KERALA STATE WAREHOUSING CORPORATION

ANNEXURE - III

PROVISION FOR BAD AND DOUBTFUL DEBTS

Figures as at 31.03.2020		Particulars	Figures as at 31.03.2021	
Rs.	Ps.		Rs.	Ps.
3,16,25,083.35		Sundry Debtors	3,67,54,895.35	
78,37,766.58		Deposit with Customers	78,37,766.58	
3,94,62,849.93		Total	4,45,92,661.93	

ANNEXURE - IV

OTHER LIABILITIES

Figures as at 31.03.2020		Particulars	Figures as at 31.03.2021	
Rs.	Ps.		Rs.	Ps.
28,66,382.31		Goods & Service Tax	34,46,520.40	
0.00		Covid -19 fund	54,80,905.00	
18,583.00		Sale proceeds of Tobacco Auction	18,583.00	
2,07,618.00		LIC Premium deduction	0.00	
4,220.00		GSLIS deduction	0.00	
1,77,316.00		GSLIS Assigned claim	2,01,204.00	
5,755.00		Out Put Tax Due	5,755.00	
3,18,522.00		Service Tax collected	3,18,522.00	
4,63,762.31		Service Tax	4,63,762.31	
91,118.00		Kerala Construction workers welfare board	1,81,516.00	
2,46,10,138.00		Licence Fee received in Advance	1,77,93,263.00	
0.00		Storage Charge Received in Advance	21,612.00	
43,827.00		Group Gratuity Transaction	43,827.00	
6,33,248.85		Deposit Work (ACCDS)	6,33,248.85	
5,226.00		ESI Deduction	284.00	
0.00		Kerala State Group Insurance Scheme	66,900.00	
0.00		Kerala State Life Insurance Policy	59,500.00	
6,72,249.00		Loan Attachment	0.00	
3,01,17,965.47		Total	2,87,35,402.56	

Annexures forming part of Accounts

KERALA STATE WAREHOUSING CORPORATION

ANNEXURE - V

CONSTRUCTION MATERIALS AT SITE

Figures as at 31.03.2020		Particulars	Figures as at 31.03.2021	
Rs.	Ps.		Rs.	Ps.
3,74,250.00		Construction Materials at Site (NABARD)	3,74,250.00	
4,233.00		Materials at site	4,233.00	
39,141.00		Suspense Stock of AC Materials	39,141.00	
82,846.00		Suspense Stock of AC Materials (NABARD)	82,846.00	
10,794.00		Suspense Stock of Cement(NABARD)	3,114.00	
5,11,264.00		Total	5,03,584.00	

ANNEXURE - VI

FIXED DEPOSIT WITH TREASURY/BANKS

Figures as at 31.03.2020		Particulars	Figures as at 31.03.2021	
Rs.	Ps.		Rs.	Ps.
78,52,000.00		Long Term Deposit with Banks Dist.Treasury, Ernakulam	4,83,52,000.00	
6,54,74,529.35		Short Term Deposit with Banks State Bank of India	2,48,27,550.00	
7,33,26,529.35		Total	7,31,79,550.00	

ANNEXURE - VII

DEFERRED INCOME-FUND APPORTIONED

Particulars	Opening balance as on 01-04-2020	Addition (fund) 2020-21	AppORTIONED portion for 2020-21	Closing balance as on 31-03-2021
WAREHOUSE UNDER CSS 100%	2,85,31,437.00	-	5,65,720.00	2,79,65,717.00
GODOWN CONSTRUCTED WITH ASSISTANCE WITH GOK	20,79,512.00	-	39,491.00	20,40,021.00
SPECIAL ASSISTANCE FROM GOK (Computerisation)	-	25,00,000.00	2,19,714.00	22,80,286.00
GODOWN CONSTRUCTED WITH ASSISTANCE WITH GOK (RKVY FUND)	65,16,800.00	-	51,146.00	64,65,654.00
Total :	3,71,27,749.00	25,00,000.00	8,76,071.00	3,87,51,678.00

Annexures forming part of Accounts

KERALA STATE WAREHOUSING CORPORATION

ANNEXURE - VIII WORK IN PROGRESS

Particulars	Opening balance as on 01-04-2020	Addition 2020-21	Capitalized portion for 2020-21	Closing balance as on 31-03-2021
OWN FUND WORK	32,23,856.00	89,40,923.50	90,66,563.50	30,98,216.00
NABARD-RIDF-XVII FUND WORK	2,38,82,927.00	72,10,206.00	1,28,88,693.00	1,82,04,440.00
NABARD WIF FUND WORK	33,78,539.00	87,07,901.00	73,31,664.00	47,54,776.00
PLAN FUND WORK	-	11,67,318.00	-	11,67,318.00
RASHTRIYA KRISHI VIKAS YOJANA FUND WORK	7,86,752.00	45,29,535.00	44,58,598.00	8,57,689.00
Total :	3,12,72,074.00	3,05,55,883.50	3,37,45,518.50	2,80,82,439.00

ANNEXURE - IX STOCK OF CHEMICALS

Particulars	Opening balance as on 01-04-2020	Purchase 2020-21	Consumption for 2020-21	Closing balance as on 31-03-2021
CHEMICAL STOCK	5,10,364.00	13,41,439.00	10,88,414.00	7,63,389.00
Total :	5,10,364.00	13,41,439.00	10,88,414.00	7,63,389.00
(Changes in Inventory)				

Annexures forming part of Accounts

FOR AND ON BEHALF OF THE BOARD, AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM
DATE : 13-05-2022


JAMES JACOB
MANAGING DIRECTOR


P MUTHUPANDI
CHAIRMAN

FOR M/s. SUNNY JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS


SUNNY JOSEPH Bsc, FCA, DISA
(Partner)
Memb No. 206098

FRN: 010911S

KERALA STATE WAREHOUSING CORPORATION
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021
(INDIRECT METHOD)

Particulars	Figures for the year ended 31.03.2021 (in Rs.)	Figures for the year ended 31.03.2020 (in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/ (Loss) as per Profit and Loss Account	1,12,55,770.64	1,11,58,675.89
Adjustments for:		
Depreciation	1,04,13,309.00	93,32,898.00
Loss on Sale of Stock of constructional Material	4,744.00	4,010.00
Loss on Sale of Fixed Assets	-	17,854.00
Profit on Sale of Fixed Assets	-	(1,39,20,190.50)
Deferred Income (Fund Apportioned)	(8,76,071.00)	(6,05,211.00)
Interest & Bank Charges	2,76,84,078.22	2,90,64,718.00
Materials used for repair	-	942.00
Provision for Bad and Doubt ful debt	51,32,279.00	-
Excess Provision Write back	(74,68,852.00)	(8,30,606.00)
Forfeiture of SD & EMD	-	(40,050.00)
Prior Period Expenses	2,42,83,069.00	6,33,26,136.00
Prior Period Income	(64,15,857.00)	(26,61,613.00)
	5,27,56,699.22	8,36,88,887.50
Operating Profit before Working Capital Changes	6,40,12,469.86	9,48,47,563.39
Adjustments for working capital changes:		
(Increase)/Decrease in Current Assets	(97,90,772.40)	(5,47,29,014.15)
Increase/(Decrease) in Other Liabilities	(1,60,30,617.91)	1,33,05,067.41
Increase/(Decrease) in Provision for Retirement Benefits	1,72,96,965.00	(2,14,950.00)
Increase/(Decrease) in Provisions	37,673.00	(36,465.00)
	(84,86,752.31)	(4,16,75,361.74)
Cash generated from operations	5,55,25,717.55	5,31,72,201.65
Direct Taxes (Paid)/ Refund	2,99,31,796.00	67,66,570.00
Net Cash from in Operating Activities (A)	8,54,57,513.55	5,99,38,771.65
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(26,07,476.00)	(20,93,259.00)
Sale of Fixed Assets	-	1,41,76,804.00
Capital Work in Progress	(5,02,952.00)	(11,89,100.00)
Sale of Construction Materials	2,936.00	3,096.00
Construction of MRM	(3,73,047.00)	(3,18,299.00)
Net Cash used in Investing Activities (B)	(34,80,539.00)	1,05,79,242.00
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings from Nationalised Banks	-	6,00,000.00
Repayment of loan from Nationalised Banks	(90,458.78)	(6,63,679.00)
Borrowings from Financial Institutions	-	(3,76,204.00)
Receipt of RKVY fund	-	(25,00,000.00)
Repayment GOK working capital loan	(1,00,00,000.00)	-
Borrowings from GOK under NABARD RIDF	-	65,16,800.00
Repayment of Loan from GOK under NABARD RIDF	(1,20,00,000.00)	15,32,000.00
Borrowings from GOK under NADARD WIF	110,69,000.00	(51,66,678.00)
Interest & Bank Charges	(2,76,84,078.22)	(2,90,64,718.00)
Assistance Received from GOK (Plan Fund)	30,00,000.00	-
Assistance Received from GOK Computerisation	25,00,000.00	-
Net Cash used in Financing Activities (C)	(3,32,05,537.00)	(2,91,22,479.00)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	4,87,71,437.55	4,13,95,534.65
Cash & Cash Equivalents at the beginning of the year	11,75,26,313.08	7,61,30,778.43
Cash & Cash Equivalents at the end of the year	16,62,97,750.63	11,75,26,313.08

FOR AND ON BEHALF OF THE BOARD, AS PER OUR REPORT OF EVEN DATE ATTACHED

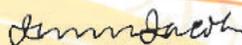
FOR M/s. SUNNY JOSEPH & ASSOCIATES

PLACE : ERNAKULAM

DATE : 13-05-2022

CHARTERED ACCOUNTANTS

FRN: 010911S



JAMES JACOB

MANAGING DIRECTOR



P MUTHUPANDI

CHAIRMAN



SUNNY JOSEPH Bsc, FCA, DISA

(Partner)

Memb No. 206098

INDEPENDENT AUDITOR'S REPORT

To the Members of Kerala State Warehousing Corporation

This revised Independent Auditor's Report is being issued in suppression of earlier Independent Audit Report dated 15th March 2022 at the instance of the Comptroller Audit General of India through the office of the Principal Accountant General (Audit 1) Kerala, Thiruvananthapuram. The revised report is being issued in view of Qualified Opinion to be expressed for making it more transparent and in compliance of SA 705 and change in our opinion as expressed earlier, as pointed out by the office of the Principal Accountant General (Audit 1) Kerala, Thiruvananthapuram. Further, we confirm that none of the figures have undergone any change in the financial statements of the Corporation as at 31st March 2021.

Additional qualifications based on the supplementary audit conducted by C&AG".

- 1. Item no. 5, the quantification of impact of non-provision of penal interest of Rs. 23,50,509/- is added.**
- 2. Item no. 26, the quantification of impact of 9th and 10th pay revision arrear of Rs. 2,16,79,053/- is added.**

Opinion

We have audited the accompanying financial statements of **Kerala State Warehousing Corporation** ("the Corporation"), which comprises the Balance Sheet as at 31st March, 2021, 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 31st, 2021; 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

- As per the policy of Corporation provision for bad and doubtful debts has been made 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's on the Financial Statement is not ascertainable at this stage.*
- With regard to the various loans availed from Government of Kerala and interest liability 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.*
- Attention is invited to Note No. 8(a) regarding interest free loan received from government of Kerala of Rs. 50,00,000.00 on 08-02-1996. Repayment was not yet started and loan amount stand overdue since 2014.*

4. *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 this account w.e.f. 16.02.2019. But, as per the Gazette Notification dated 28.12.2021, the effective date of enhancement is 26.02.2021. An excess amount of Rs.19,49,615.00 has been provided in the books towards this enhancement in the year 2019-20 is written back in this year.*
5. *Attention is invited to Note No. 8(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 2020-21 is overstated by Rs. 23,50,509.00 and outstanding interest included under other current liabilities are understated by Rs. 23,50,509.00 the amount of penal interest.*
6. *Attention is invited to Note No. 8(c) regarding loan availed from Government of Kerala under NABARD RDIF scheme and non-provision of penal interest for the period of default. Consequently, the profit relating to the financial year 2020-21 is overstated and outstanding penal interest included under other current liabilities are understated by the amount of penal interest.*
7. *Corporation is holding Security deposit worth Rs.1,77,73,512.00, Earnest Money Deposit worth Rs.34,31,359.00 and Retention money worth Rs.23,60,294.00 as on 31.03.2021, which are subject to confirmation. Pending such confirmation, the impact thereof on the Financial Statements, if any, is not ascertainable.*
8. *Attention is invited to the declaration of dividend. Corporation was running in huge loss from FY 2002-03 to 2016-17. The figure of accumulated loss as on 31.03.2021 is Rs.15,02,87,279.72 and provision for dividend is not created during this year also.*
9. *Attention is invited to Note No. 12 where the dividend payable to Government of Kerala from 1982-83 to 1987-88 & 1996-97 to 2001-02 is Rs.85,66,728.00 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. Further applicability of interest, if any, not disclosed. As per dividend payment rule, where a dividend has been declared, but has not been paid or claimed within thirty days from the date of the declaration, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened on behalf in any scheduled bank to be called the Unpaid Dividend Account.

*Further, any money transferred to the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred along with interest accrued, if any, thereon to the Investor Education and Protection Fund.**
10. *Attention is invited to the to the transfer of amount to the Reserve Fund, As per Section 30 of The Warehousing Corporation Act 1962, every Warehousing Corporation shall establish a reserve fund out of its annual net profits. Since Corporation has adjusted entire amount of net profit towards accumulated loss, reserve fund is not created in the reporting year.*
11. *Attention is invited to the net worth of the corporation. Net worth of the Corporation shows a negative balance in the reporting year and in the previous year as well.*
12. *Attention is invited to the Note No. 22, 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.17,21,342.00 had been debited to the profit and loss account for the year 1994-95 and 1995-96. The Corporation holds Rs.1,00,000.00/- as security deposit and Rs.4,06,538.00 is payable to the contractor. Suit was filed to recover the balance amount of Rs.12,14,804.00 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.2,07,651.00 to the Contractor after adjusting Rs.2,98,887.00 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. But corporation has provided a contingent liability of Rs.2,07,651.00.

13. Attention is invited to the Note No. 50-Sundry Creditors include old outstanding balances which are subject to confirmation. Further this includes Rs.37,41,310.00 payable to Director of Agriculture (Rubber), Rs.4,21,803.00 to Ramco Industries and Rs. 3,03,525.00 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.
14. Attention is invited to the Note No. 9 regarding the provision for rent arrears amounting to Rs.50,02,988.00 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 31/3/2021. 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.1,32,204.00 rent 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. Corporation has not calculated Deferred Tax as per Accounting Standard 22 Accounting for taxes on income. The impact thereon on the financial statement is not ascertainable.
16. As per Accounting Standard (AS) 16 Borrowing Cost, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalized as part of the cost of that asset.

And as per Accounting Standard (AS) 10 Property, Plant and Equipment, the cost of an item of property, plant and equipment comprise any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

On the basis of information gathered, explanations received and audit procedures performed, inappropriate and inconsistent formulas are used while capitalizing interest on loan. In this context Capital Work in Progress and Fixed Assets are lower stated and Capital nature expenditure (interest on loan) debited to Profit and Loss Account, subject to this profits are under stated. Since the loan was sanctioned from 2012, we are unable to quantify its impact on Financial Statements. Further, we are not in a position to comment on the correctness of carrying value of property, plant and equipment, Capital Work in Progress, Accumulated Losses and depreciation debited to the Profit and Loss Account.

17. Attention is invited to Note No. 30, relating to the capitalization of establishment expenditure subject to 2.5% of the construction expenditure. Since actual effect of borrowing cost is not considered in the

capitalization of work in progress (construction expenditure), amount capitalized from establishment expense are not as per the policy of Corporation.

Further, 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.

18. *Attention is invited to Note No.48, and 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. Periodic verification done by the Regional Managers of the corporation. The discrepancies noticed while reconciling the same with the Consolidated Property, Plant & Equipment Register are under review. Since the discrepancies are under review we are not in a position to comment on the correctness of the depreciation debited to the Profit and Loss Account and accumulated loss and consequently the carrying value of property, plant and equipment as at the end of the year.*
19. *Attention invited to the maintenance of fixed asset register – Fixed assets have been physically verified and revalued by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and revaluation is based on the valuation by a registered valuer, if so, the same have been properly dealt with in the books of account and fixed asset register. It is noticed that Corporation has not maintained proper fixed assets register. So we are not in the position to comment on the correctness of the same.*
20. *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 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.*
21. *Attention is invited to Note No. 20(a) to (c) regarding the accounting of amounts spent by the Corporation on assets constructed/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 31.03.2021 relating to these transactions.*
22. *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.*
23. *Income as per Profit and Loss Account is subject to reconciliation with monthly and Annual GST 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.*
24. *Live and Licence fee accrued include an amount of Rs.5,91,520.00 for which GST invoices are not issued. Provision for GST is not made for the same and subject to this current liabilities and current assets are lower stated.*

25. Attention is invited to the Note no. 55 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 up to 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 provisions for such penalty & interest have been made in the Financial Statements.

26. Attention is invited to the Note no.15 Board vide resolution No.3448 on 16.02.2019 to implement 10th Pay revision in the Corporation, the State Cabinet on 03.02.2021 approved the 9th (notional with effect from 01.09.2012) and 10th Pay Revision with effect from 01.09.2017 to the employees of the Corporation. Accordingly, the 303rd Board meeting on 05.02.2021 vide its resolution No.3621 had accorded sanction to implement the 10th 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 instalments, subject to the availability of fund in the Corporation.

Revised pay is being disbursed with effect from March 2021. Computation of arrears of pay revision of all retired employees and present employees up to the level of Class IV has been completed and provided this year.

Further, Corporation has provided for Rs.46,90,743.00 as pay revision arrears to the retired employees and Rs.48,41,621.00 to existing employees during 2020-21. And Corporation decided to disburse pay revision arrear advance of Rs.50,000.00 each to 139 current employees during April 2022. Hence, an amount of Rs.69,50,00.00 is provided during 2020-21 for this.

Provision has been made for only to the extent of payment made to the employees in the subsequent years and not for the entire amount of pay revision arrears. Since the estimated liability is Rs. 7,31,52,883 and provision made is only Rs. 5,34,44,653/- there is a short provision of Rs. 1,97,08,230/- . In addition to that, 10% provision for employer contribution to Provident Fund Rs. 19,70,823.00 also to be added.

So this resulted in overstatement of profit by Rs.2,16,79,053 and understatement of liability by same amount.

27. 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 up to 2016-17 amounting to Rs. 4,04,783.00 (approximately).

28. *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.73,93,782.00 (approximately) which has not been recognized in the books of accounts of the Corporation. As per regulation no.6 (i) of Handling of Cargo in Customs Areas Regulations, 2009, subject to any other law for the time being in force, shall not charge any rent or demurrage on the goods seized or detained or confiscated by the proper officer. Impact of the said issue, if any, on the financial statement for the financial year ended 31.03.2021 remains unascertainable.*
29. *Attention is invited to Note No. 10 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.4,19,68,944.00 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.10,87,642.00 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.*
30. *Attention is invited to Note No. 11(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.5,79,49,668.00 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.*
31. *Attention is invited to Note No. 14(A) which details the Gratuity Scheme and Leave encashment: It has been noted that for the year 2019-20 the payroll data provided for the Actuarial valuation was without considering the revisions in payroll made for 10th 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). As per the information gathered and explanations given to us actuarial valuation of current year is conducted on the basis of the revised pay scale as on 1st March, 2020, in this regard Rs.2,45,65,950.00 as gratuity expense and Rs.1,18,41,723.00 as Leave Surrender are recognised as Cost of obligation in Profit and Loss Account. The cost of obligation recognised in the current year includes the impact of previous year. Subject to this current year expenses are overstated and the quantum of impact is not ascertainable.*
32. *Attention is invited to Note No. 14(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.

33. *Attention is invited to Note No. 18, 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.*

Further, 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

34. *Attention is invited to the Note No. 19, The Board of Directors in its 290th 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. AG qualified that the establishment charges payable Rs. 64,53,656.00 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 19th October 2007. Complying the audit remarks of FY 2017-18, the matter had*

since then been taken up with Government of Kerala vide letter No.KSWC/EST/Class IV/2019-20 dated 23.10.2019. Since no response is received from Government of Kerala, the excess provided amount of Rs.31,71,071.00 is written back this year and action is being taken to recover the excess amount paid from the pay revision arrears payable. Since the calculation of pay revision arrears are not completed, impact if any on financial statements are not ascertainable.

35. Attention is invited to the Note No. 26, where 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. Further Corporation's various income tax appeals against the assessment orders issued by disallowing the delayed remittances of employees contributions to Employees Provident Fund Trust in respect of previous years are pending at various stages of appeal.Impact of the same in the Financial Statement is not ascertainable.
36. Attention is invited to the Note No. 33, 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, 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.23,53,276.00 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.
37. Attention is invited to Note No. 35, which states that 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 CFSPetta, the vigilance enquiry finalized in the matter and reported that there is 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. Since, the loss is yet to be quantified the impact in the financial statements cannot be ascertained at this stage.
38. Attention is invited to Note No. 39, 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.8,07,369.00 was withheld in this regard, the same is adjusted during March,2021.As the actual loss suffered by the corporation is yet to be quantified, the impact in the financial statement is not ascertainable at this stage.
39. 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.
40. 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.

41. *Attention is invited to Note no.40- 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. 3,00,000.00 per cent. 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.*
42. *Attention is invited to excess travelling expense allowed to the Chairman of the Corporation amounting to Rs.2,04,105.00 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 the note No.28- Board Meeting Resolution No.3571(A) passed in the Board Meeting No.300 conducted on 11.08.2020 regarding financial liability of claiming gratuity for the period in which the employees worked on daily wages in corporation. Accordingly, Corporation has filed appeal petitions before the Regional Joint Labour Commissioner G.C No.95/2018 and 341/2018.

Further, 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. Lalgil.

Since, the proceeding are at the Appellate stage, we are unable to comment on the financial Implication to the Corporation.*
- 2) *Attention is invited to the note No.49- Corporation has prepared item wise details of all assets including Land and building based on the physical verification report obtained from the Regional Managers. The discrepancies noticed while on reconciling the same with the Consolidated Property, Plant & Equipment Register are under review. It is noticed that Corporation has not maintained proper fixed assets register.*
- 3) *Attention is invited to Note no.3- Government of Kerala had released Rs.50,00,000.00 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.1,50,00,000.00 received from Government of Kerala is now accounted as 'Share Capital Advance'. The Board of Directors of Central Warehousing Corporation in its 369th meeting held on 23.03.2022 has approved the release of additional share capital amounting to Rs.1,50,00,000.00 to Kerala State Warehousing Corporation. Further, as per GO (Rt) No.681/AGRI dated 02.09.2021, Government of Kerala have sanctioned Rs.25,00,000.00 as Share Capital Contribution for the year 2021-22, After subscription of remaining fifty percent of share capital by Central Warehousing Corporation, Corporation has to enhance its Authorized capital.*
- 4) *The corporation has not conducted any internal audit for the year 2020-21.*

Our opinion is not modified in respect of the above matter

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, and 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

Since the corporation is in the process of computerization, manual accounting/records are followed/maintained at the centers and Centralized accounting is followed. We have taken due consideration

of ICAI accounting and auditing advisory due to COVID-19 fall out and obtained management assertion of correct, complete and reliable information for web based remote audit wherever necessary to obtain sufficient and appropriate audit evidence. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions. Our audit report 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.

PLACE : ERNAKULAM

DATE : 18-07-2022

FOR M/s. SUNNY JOSEPH & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 010911S



**SUNNY JOSEPH Bsc, FCA, DISA
(Partner)**

Memb No. 206098

'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.

FOR M/s. SUNNY JOSEPH & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 010911S



**SUNNY JOSEPH Bsc, FCA, DISA
(Partner)**

Memb No. 206098

PLACE : ERNAKULAM

DATE : 18-07-2022

Reply to the Audit Report of Statutory Auditors on the Accounts of the Corporation for the year 2020-21

- 1) Audit observation is noted for compliance. Provision for bad and doubtful debts being created in line with the prevailing accounting policy of the Corporation.
- 2) Corporation has accounted all types of loans availed from GOK and interest liability thereon in our books. Provision for penal interest on Government loans are not accounted as its waiver request is under the consideration of Government.
- 3) Audit observation is noted. Corporation has disclosed the matter in Note No.8(a).
- 4) Audit observation is noted. Corporation has disclosed the matter in Note No.14(B), Para 2.
- 5&6) Audit observations are noted. These matters are disclosed in Note No.8 (b) & 8(c) respectively.
- 7) Audit observation is noted. Then matter is disclosed in Note No.47.
- 8) Audit observation is noted. Considering negative net worth and feeble working capital position of the Corporation, provision for dividend is not created this year also.
- 9) Audit observation is noted for guidance.
- 10) Audit observation is noted. The matter is disclosed in Note No.63.
- 11) Audit observation is noted.
- 12) Audit observation is noted. The matter is disclosed in Note No.22.
- 13 &14) Audit observations are noted. These matters are disclosed in Note Nos.52 and 9 respectively.
- 15) Audit observation is noted for guidance.
- 16) Audit observation is noted.
- 17) This practice being followed as per the significant accounting policy of the Corporation and it is disclosed in Note No.30.
- 18,19&20) Audit observations are noted. The matter is disclosed in Note No.49.The discrepancies noticed are under verification.
- 21) Audit observation is noted. The matter is disclosed in Note No.20(a).
- 22) 23&24) Audit observations are noted for guidance.
- 25) Audit observation is noted. The matter is disclosed in Note No.56.
- 26) Audit observation is noted. The remaining provision of pay revision arrears will be provided in the coming year accounts. The matter is disclosed in Note No.15.

- 27) Audit observation is noted. Subject to the outcome of VAT assessment of the respective years that will be regularized.
- 28) Audit observation is noted. The matter is disclosed in Schedule E, Note no.56.
- 29) Audit observation is noted. The matter is disclosed in Schedule E, Note no.10.
- 30) Audit observation is noted. The matter is disclosed in Note No.11(a).
- 31& 32) Audit observations are noted.
- 33) Audit observation is noted. The matter is disclosed in Note No.18.
- 34) Audit observation is noted. The matter is disclosed in Note No.19.
- 35) Audit observation is noted. The matter is disclosed in Note No.26.
- 36) Audit observation is noted. The matter is disclosed in Note No.33.
- 37) Audit observation is noted. The matter is disclosed in Note No.35.
- 38) Audit observation is noted. The matter is disclosed in Note No.39.
- 39&40) Audit observations are noted.
- 41) Audit observation is noted. The matter is disclosed in Note No.40.
- 42) Audit observation is noted.



Amr Jaesh

Managing Director.



सत्यमेव जयते

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

**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER
SECTION 31(10) OF THE WAREHOUSING CORPORATION ACT, 1962 ON THE ACCOUNTS
OF KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM FOR THE YEAR
ENDED 31 MARCH 2021**

The preparation of financial statements of **Kerala State Warehousing Corporation, Ernakulam for the year ended 31 March 2021** in accordance with the financial reporting framework prescribed under the Warehousing Corporation Act, 1962 is the responsibility of the management of the Corporation. The Statutory Auditor 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 Revised Audit Report dated 18 July 2022 which supersedes their earlier Audit Report dated 13 May 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, Ernakulam for the year ended 31 March 2021**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries to the Statutory Auditors and the Corporation's personnel and a selective examination of some of the accounting records.

In view of the revision made in the Statutory Auditors' report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to Statutory Auditors' report under Section 31(10) of the Act.

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

Thiruvananthapuram
Dated: 03.08.2022


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



KERALA STATE WAREHOUSING CORPORATION

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