

K S W C B

**59th ANNUAL REPORT &
AUDITED ACCOUNTS
FOR 2018-19**

P.B. No.1727, Kochi - 682016

Tel: 0484-2375537, 2376269, 2375180, 2376616

E-mail: kerwacor@gmail.com

www.kerwacor.com

BOARD OF DIRECTORS

Nominated by State Government

- 1 **Sri Vahzoor Soman**
Chairman, KSWC
Kuttu's Nivas
Vandiperiyar P.O,
Idukki-685533
 - 2 **Sri.S.Anil Kumar,**
Additional Secretary,
Finance Department,
Government of Kerala,
Thiruvanthapuram
 - 3 **Sri. Sivarama Krishnan,**
Deputy Director
Agriculture Department
Government of Kerala,
Thiruvananthapuram.
 - 4 **Sri.S.Sabir Hussain,**
Additional Secretary
Agriculture Department
Government of Kerala,
Thiruvananthapuram
 - 5 **Dr.Babu Thomas,**
Managing Director,
Oil Palm India Limited,
Kodimatha, Kottayam- 686039.
- Managing Director**
Sri. P.H.Ashraf. IPS(Retd)

Nominated by Central Warehousing Corporation

- 1 **Sri.A.M.Rao,**
General Manager(System),
Central Warehousing Corporation,
4/1, Siri Institutional Area,
Hauz Khas,
New Delhi – 110 016.
- 2 **Sri.V.C. Sudeesh,**
Director (FC /ACs),
Department of Food and Public Distribution,
Ministry of Consumer Affairs,
Food and Public Distribution,
Govt. of India, Krishi Bhavan,
New Delhi-100 001.
- 3 **Sri P.R.K.Nair,**
Regional Manager,
Central Warehousing Corporation,
Regional Office, Maveli Road,
Gandhi Nagar, Kadavanthra.P.O,
Kochi 682 020
- 4 **Ms. D.Mary Sagaya,**
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

Executive Committee Members

- 1 **Sri Vazhoor Soman**
Chairman, KSWC
Kuttu's Nivas
Vandiperiyar P.O,
Idukki-685533
- 2 **Sri P.R.K.Nair,**
Regional Manager,
Central Warehousing Corporation,
Regional Office, Maveli Road,
Gandhi Nagar, kadavanthra.P.O,
Kochi 682 020
- 3 **Sri.S.Anil Kumar,**
Additional Secretary,
Finance Department,
Government of Kerala,
Thiruvanthapuram
- 4 **Sri.S.Sabir Hussain,**
Additional Secretary
Agriculture Department
Government of Kerala,
Thiruvananthapuram
- 5 **Sri.P.H.Ashraf. IPS (Retd)**
Managing Director

Auditors

M/s. John & Jose,
Chartered Accountants,
Ernakulam.

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

DIRECTORS' REPORT

Gentlemen,

We have great pleasure in presenting the 59th Annual Report on the working of the Corporation together with the audited statements of accounts and auditors report for the year ended 31st March 2019.

Performance

Corporation was running loss since 2002-2003 to 2016-17. But, Corporation earned a remarkable Profit of Rs.6.57 crores during 2017-18. Further, during the reporting year 2018-19, Corporation has registered a Record Profit of Rs.9.43 crores.

The constructed storage capacity of the Corporation during the year under report is 1.98 lakh MTs while the hired accommodation is 0.61 lakh MTs. The total occupancy position of the godowns as on the 31st March 2019 is 2.42 lakh MTs against the 2.43 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 2.55 lakh MTs.

The Warehousing charge earned during the year under report was Rs.2863.09 lakh against Rs.2790.34 lakh earned during previous year. The gross earnings of the Corporation during 2018-19 is Rs.3349.24 lakh as against 3207.12 lakh of the previous year. The Establishment cost during the year 2018-19 is Rs 1320.22 lakh against Rs 1499.10 lakh of the previous year. Total expenditure for the reporting year is Rs.2424.73 lakh as against Rs.2553.27 lakh for the previous year.

Capacity and occupancy

Description	2017-18	2018-19
Figures Mts in lakh		
Capacity		
Owned	1.95	1.98
Hired	0.72	0.61
Total	2.67	2.59
Occupancy	2.43	2.42
Deposits Received	2.55	1.33

Working Results

Description	2017-18	2018-19
Figures Rs in lakh		
Income		
Warehousing Income	2790.34	2863.09
Net income from handling	63.85	64.86
Income from other activity	352.93	421.29
Total	3207.12	3349.24
Expenditure		
Establishment	1499.10	1320.22
Other Expenses	1054.17	1104.51
Total	2553.27	2424.73
Profit/Loss	653.85	924.51
Appropriation	3.17	18.89
Net Profit/Loss	657.02	943.40

Finance

a) Share Capital.

Authorized Share Capital of the Corporation is Rs.1500 lakh, divided into 1500000 shares of Rs.100 each. The paid up Capital is Rs.1150 lakh, divided into 1150000 shares of Rs.100 each contributed equally by both the shareholders, namely Central Warehousing Corporation and Government of Kerala.

b) Loan

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

2. Government of Kerala has accorded administrative sanction vide G.O. dated 17-03-2012 to Kerala State Warehousing Corporation for the construction of 80 (Eighty) Warehousing Projects under NABARD Rural Infrastructure Development Fund (RIDF) XVII for a total financial outlay of Rs.119.44 Crores. Out of the total sanctioned amount, Rs.113.34 Crores is Loan from NABARD and Rs.6.10 Crores is the share from Government of Kerala. Corporation has availed Rs.32.44 crores as on 31-03-2019 as follows.

- a) Government has sanctioned an amount of Rs.22.6685 Crores as Start up Advance vide G.O. dated 22-06-2012. Later as per G.O. dated 17-10-2012 Corporation received an amount of Rs.11.33 Crores (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.
- b) As per G.O.(Rt)No.1349/14/AD dated 02.08.2014, the 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 in 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.5.00 Crore, 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 Rs.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 Rs.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 Rs.626.60 lakh at an interest rate of 4.75% on 25.10.2017.

3. Government of Kerala had sanctioned a Working Capital Loan of Rs. 5.00 Crore to Kerala State Warehousing Corporation vide G.O(MS) No:75/13/AD Dated 25.03.13 to meet various statutory liabilities. Corporation has received the Loan on 27.04.2013. The rate of Interest is 13.5% per annum. The Loan shall be repaid in equal quarterly installments along with interest. The repayment of Loan shall commence on the first anniversary of the drawl of the loan. The amount overdue as on 31.03.2019 is Rs.5.00 crore and Rs.3.99 crore towards principal and interest portion respectively.

b) Subsidy for Construction of Godowns

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

Dividend

Since Corporation has accumulated loss of Rs.17.27 crores as on 31.03.2019; dividend is not declared.

Welfare Measures

The Corporation is maintaining a very good Employee Employer relationship. The revision of dearness allowance made by State Government from time to time was made applicable to the employees of this Corporation also. Corporation continues to extend subsidy for the interest on House Building advance availed by the employees from financial institutions. First time in the history of KSWC, introduced a Medical Insurance Scheme during 2018-19 for our employees and Corporation's contribution towards the premium is Rs.13,67,974/- 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

Kerala State Warehousing Corporation is a Statutory Corporation established under the Warehousing Corporations Act, 1962, hence 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 concept basis.

Organization and Meetings

Sri.Vazhoor Soman is the Chairman of the Corporation appointed by State Government on 21.12.2016 and took over the charge on 23.12.2016. Sri. P.H. Ashraf IPS (Retd.) is the Managing Director of the Corporation and took over charge on 16-01-2017.

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

List of Directors during 01.04.2018 to 31.03.2019				
Sl. No	Name	Designation	Period	
			From	To
1	Sri.Vazhoor Soman	Chairman	23.12.16	Continuing
2	Smt.Mary Sagaya D SBI	Director	31.12.18	Continuing
3	Sri.Anirudha Manik Adsul	Director	05.04.16	05.04.19
4	Sri.Manoj Kumar Gupta	Director	19.05.15	31.10.19
5	Sri.P.R.K.Nair	Director	10.08.16	Continuing
6	Sri.A.M.Rao	Director	18.09.17	Continuing
7	Sri.Sabir Hussain	Director	02.03.19	Continuing
8	Sri.Gopu G,DGM(B&O) SBI	Director	01.08.17	31.12.18
9	Dr.Babu Thomas	Director	14.03.18	Continuing
10	Smt.Shaher Banu	Director	01.12.17	02.03.19
11	Sri.S.Anil Kumar	Director	16.10.17	Continuing
12	Sri.P.H.Ashraf.IPS (Retd)	MD	16.01.17	Continuing

Auditors

M/s John & Jose, 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 express 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 the continued, sincere and dedicated service of the employees of the Corporation at all levels for the further development and growth of the Corporation.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ernakulam
Date : 19.06.2020

Sd/-
Chairman
Vazhoor Soman

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE - I

STORAGE CAPACITY & OCCUPANCY FOR THE YEAR 2018-19 (IN MT)

Sl. No.	Name of Centre	Date of Opening	Capacity as on 31/03/2019			Occupancy as on 31-03-19	Total Occupancy Including Vacant Space in reservation as on 31-03-19 in MT
			Owned	Hired	Total		
1	2	3	4	5	6	7	8
<u>Trivandrum Region</u>							
1	Trivandrum	6-Sep-64	2000	0	2000	1766	1766
2	Attingal	1-Jul-75	3100	2192	5292	5348	5348
3	Nedumangad	9-Jan-61	4058	1528	5586	5750	5750
4	Neyyattinkara	4-Jan-80	2276	1486	3762	3561	3561
5	Pallichal	1-Apr-91	2560	0	2560	2333	2333
<u>Kollam Region</u>							
6	Kollam	1-Oct-71	0	4183	4183	2363	2363
7	Karikode	10-Dec-75	15718	0	15718	9745	9745
8	Kottarakkara	1-Oct-72	4125	1847	5972	4540	4540
9	Karunagapally	5-Jan-81	6730	0	6730	4521	4521
10	Punalur	1-Jan-73	3000	1179	4179	4094	4094
11	Pathanamthitta	1-Aug-75	3540	4163	7703	7940	7940
12	Parakode	4-Jan-62	1200	0	1200	117	1408
<u>Alappuzha Region</u>							
13	Alappuzha	16-Dec-67	5150	2500	7650	6479	6479
14	Cherthala	13-Jan-73	2300	1955	4255	4243	4243
15	Haripad	17-Mar-75	5180	0	5180	4144	4144
16	Kayamkulam	25-Oct-62	1000	0	1000	590	590
17	Mavelikkara	23-Jul-76	2000	0	2000	2000	2000
18	Thakazhy	24-Jan-62	1800	0	1800	1800	1800
<u>Kottayam Region</u>							
19	Kottayam	10-Feb-64	9050	2617	11667	11224	11224
20	Changanassery	22-Oct-62	3166	0	3166	5	3000
21	Ettumanoor	26-Jan-76	3262	0	3262	3178	4669
22	Ponkunnam	13-Dec-61	1271	456	1727	1842	1842
23	Pala	15-Apr-74	1700	1500	3200	2653	2653
24	Thodupuzha	25-Jan-62	1016	550	1566	1566	1566
25	Vandanmedu	1-Nov-63	3406	0	3406	3424	3424
26	Kattappana	1-Dec-72	2800	0	2800	2509	2509

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE - I (Contd.....)

1	2	3	4	5	6	7	8
	<u>Ernakulam Region</u>						
27	Tripunithura	11-Jul-73	4887	0	4887	4561	4561
28	Aluva	17-Oct-64	5700	1723	7423	5990	5990
29	Eroor	1-Apr-85	4400	0	4400	3926	3926
30	North Parur	25-Feb-01	5350	0	5350	5336	5336
	<u>Trissur Region</u>						
31	Chalakydy	9-Jun-76	3900	2391	6291	430	6291
32	Kunnamkulam	28-Feb-63	2000	0	2000	1957	1957
33	Wadakkancherry	26-Dec-72	3250	692	3942	3795	3860
34	Nattika	2-Mar-01	3000	531	3531	3294	3294
	<u>Palakkad Region</u>						
35	Palakkad	30-Jan-63	9064	4262	13326	12724	12724
36	Perinthalmanna	11-Nov-75	4250	3886	8136	8136	8136
37	Alathur	1-Jan-73	2600	2766	5366	5366	5366
38	Kozhinjampara	17-Jan-62	1000	0	1000	1164	1164
39	Muthalamada	1-Feb-61	4875	10024	14899	20147	20147
	<u>Kozhikode Region</u>						
40	Manjeri	22-Apr-76	6100	750	6850	20	6389
41	Nilambur	8-Apr-75	6500	0	6500	6256	6256
42	Kozhikode	15-Jun-84	0	1333	1333	1333	1333
43	Vadakara	28-Oct-60	0	0	0	0	0
44	Kalpetta	15-Apr-83	5880	2537	8417	351	7955
45	S. Bathery	13-Jan-66	1555	0	1555	340	1254
46	Mananthavady	9-Jan-63	1500	0	1500	424	777
	<u>Kannur Region</u>						
47	Kannur	23-Jul-61	4794	0	4794	4916	4916
48	Thalassery	1-May-60	3270	0	3270	3075	3075
49	Thaliparamba	4-Jan-71	3400	770	4170	3085	3085
50	Iritty	12-Jul-84	3250	0	3250	3186	3186
51	Payyanur	24-Jan-73	3850	0	3850	2845	2845
52	Nileswar	10-Nov-60	1307	0	1307	1309	1309
53	Kanhangad	15-Jun-62	5550	0	5550	4884	4940
54	Kasaragod	1-Jan-73	2050	2625	4675	4675	4675
55	Padannakkad	19-Apr-03	3900	853	4753	2315	3436
	Total		198590	61299	259889	213575	241695

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM
ANNEXURE - II

STATEMENT OF STOCK HANDLED DURING THE YEAR 2018-19 (IN MT)

SL. No.	NAME OF CENTRE	OPENING BALANCE IN MT	DEPOSIT IN MT	RELEASE IN MT	Closing Balance As on 31-03-2019 IN MT	Total Occupancy including vacant space in reservation as on 31.03.19 In MT
1	2	3	4	5	6	7
Trivandrum Region						
1	Trivandrum	194	2828	2951	71	1766
2	Attingal	420	3046	3002	464	5348
3	Nedumangad	192	2146	2176	162	5750
4	Neyyattinkara	635	4500	4676	459	3561
5	Pallichal	2366	365	2731	0	2333
Kollam Region						
6	Kollam	665	3348	3039	974	2363
7	Karikode	211	7248	6511	948	9745
8	Kottarakkara	233	3426	3471	188	4540
9	Karunagapally	234	2117	1709	642	4521
10	Punalur	0	0	0	0	4094
11	Pathanamthitta	38	0	38	0	7940
12	Parakode	6	1094	797	303	1408
Alappuzha Region						
13	Alappuzha	1371	1075	1760	686	6479
14	Cherthala	170	2295	1677	788	4243
15	Haripad	3291	1731	4694	328	4144
16	Kayamkulam	194	1262	1330	126	590
17	Mavelikkara	0	0	0	0	2000
18	Thakazhy	0	0	0	0	1800
Kottayam Region						
19	Kottayam	3237	14971	14983	3225	11224
20	Changanassery	5	0	173	5	3000
21	Ettumanoor	1874	4078	4356	1596	4669
22	Ponkunnam	291	74	73	292	1842
23	Pala	1144	946	1903	187	2653
24	Thodupuzha	1	0	1	0	1566
25	Vandanmedu	8232	1169	9146	255	3424
26	Kattappana	604	2193	2735	62	2509
Ernakulam Region						
27	Tripunithura	241	992	946	287	4561
28	Aluva	777	7607	7472	912	5990
29	Eroor	320	2000	1585	735	3926
30	North Parur	213	0	75	138	5336

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE - II (Contd....)

SL. No.	NAME OF CENTRE	OPENING BALANCE MT	DEPOSIT MT	RELEASE MT	Closing Balance As On 31-03-2019 MT	Total Occupancy including vacant space in reservation as on 31-3-19 MT
1	2	3	4	5	6	7
	Trissur Region					
31	Chalakydy	124	3702	3396	430	6291
32	Kunnamkulam	5	0	5	0	1957
33	Wadakkancherry	173	507	660	20	3860
34	Nattika	196	821	754	263	3294
	Palakkad Region					
35	Palakkad	1010	3687	3763	934	12724
36	Perinthalmanna	0	0	0	0	8136
37	Alathur	0	0	0	0	5366
38	Kozhinjampara	129	1559	1528	160	1164
39	Muthalamada	22464	5000	11507	15957	20147
	Kozhikode Region					
40	Manjeri	657	3513	2877	1293	6389
41	Nilambur	4169	15859	16042	3986	6256
42	Kozhikode	0	0	0	0	1333
43	Vadakara	0	0	0	0	0
44	Kalpetta	6135	3848	6384	3599	7955
45	S. Bathery	746	2125	2531	340	1254
46	Mananthavady	597	2353	2526	424	777
	Kannur Region					
47	Kannur	0	0	0	0	4916
48	Thalassery	430	2517	2909	38	3075
49	Thaliparamba	468	1967	2397	38	3085
50	Iritty	2266	3875	3994	2147	3186
51	Payyanur	0	2845	0	2845	2845
52	Nileswar	11	1307	9	1309	1309
53	Kanhangad	5112	999	6097	14	4940
54	Kasaragod	0	0	0	0	4379
55	Padannakkad	1306	5997	5841	1462	3436
	Total	73157	132992	157057	49092	241695

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM
ANNEXURE - III

COMMODITY WISE DEPOSITS FOR THE YEAR 2018-19 (In MT)

SL NO.	COMMODITY	QUANTITY in MT
1	Boiled Rice	18560
2	Raw Rice	8596
3	Wheat	10210
4	Paper	1250
5	pepper	5321
6	sugar	8115
7	paddy	5241
8	Grams/Pulses/food items	11412
9	Lobia	1245
10	fertilizer	16061
11	Rubber	18262
12	Corriander	1462
13	Others	16180
14	Chilly	3154
15	Atta	2181
16	Copra	4170
17	Cashew	1572
	Total	132992

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE - IV 2018-19

Year	No. of Deposits	Deposits Received M.T	Bank Advance		Storage Charges	
			Rs.	Ps.	Rs.	Ps.
1960-61	361	725	4,44,000.00		2,669.00	
1961-62	827	5,939	24,00,000.00		28,780.00	
1962-63	1811	14,545	48,24,600.00		76,448.00	
1963-64	2,447	13,490	73,83,782.00		92,361.00	
1964-65	3,357	25,052	78,53,797.00		1,00,554.00	
1965-66	3,932	40,465	82,34,629.00		1,72,782.00	
1966-67	5,042	54,256	86,07,409.00		2,39,447.00	
1967-68	5,512	66,282	70,56,221.00		3,97,375.00	
1968-69	5,366	68,726	76,85,132.00		4,22,018.00	
1969-70	5,400	60,929	93,56,235.00		5,13,764.00	
1970-71	5,471	89,011	60,44,089.00		5,48,392.00	
1971-72	7,803	1,64,859	1,08,601.00		8,43,914.00	
1972-73	8,922	1,69,586	1,44,28,000.00		10,27,979.00	
1973-74	10,918	2,27,037	1,68,55,088.00		12,52,020.00	
1974-75	13,123	2,77,951	2,40,00,252.00		20,89,685.00	
1975-76	18,000	5,17,177	2,70,00,000.00		40,52,674.00	
1976-77	16,877	4,42,545	1,85,00,000.00		59,11,133.00	
1977-78	11,550	3,36,364	1,82,60,700.00		44,22,402.00	
1978-79	14,352	2,83,756	1,80,22,105.00		40,09,876.00	
1979-80	14,978	3,17,442	1,19,05,113.00		51,49,697.00	
1980-81	19,913	4,67,704	92,88,615.00		57,30,034.00	
1981-82	22,420	4,06,949	94,60,000.00		95,90,159.00	
1982-83	19,351	3,82,252	1,15,10,000.00		71,03,475.00	
1983-84	21,335	4,21,557	1,60,57,205.00		1,36,98,635.00	
1984-85	20,945	4,54,523	1,93,20,313.00		1,21,25,690.92	
1985-86	19,947	4,45,116	1,37,64,468.65		1,42,40,640.71	
1986-87	18,987	4,42,513	86,98,443.60		1,44,62,286.24	
1987-88	14,915	2,92,862	92,21,947.40		1,09,82,061.40	
1988-89	15,973	3,01,426	54,73,257.40		1,23,21,930.68	
1989-90	14,961	2,60,229	2,16,26,371.25		1,23,03,822.23	
1990-91	16,400	2,81,359	2,52,86,051.50		1,38,72,050.38	
1991-92	15,919	3,03,384	89,78,087.00		1,73,70,156.87	
1992-93	12,113	3,16,216	1,04,39,161.00		1,96,61,118.95	
1993-94	14,716	5,20,522	2,03,11,445.00		2,60,18,266.64	
1994-95	18,400	3,05,585	4,59,90,774.00		4,70,75,606.64	
1995-96	12,193	2,64,899	3,17,16,070.00		4,42,87,415.60	
1996-97	11,037	2,27,570	1,72,59,178.00		4,80,76,583.08	
1997-98	13,239	2,49,841	3,09,76,133.00		6,73,09,525.92	
1998-99	18,074	2,34,833	1,47,70,050.00		6,73,91,860.96	
1999-00	12,989	2,82,230	5,32,11,824.00		5,93,99,964.00	
2000-01	16,881	2,49,037	8,45,37,091.00		10,16,86,334.54	
2001-02	4,978	1,05,417	2,34,37,469.00		7,76,88,187.29	
2002-03	5,556	1,44,495	11,66,43,043.00		3,87,14,224.56	
2003-04	5,844	1,63,273	15,50,19,629.00		4,14,71,395.03	
2004-05	5,926	1,56,877	13,05,69,291.00		4,06,37,209.15	
2005-06	4956	1,51,173	13,05,69,291.00		4,89,02,527.87	
2006-07	10,427	2,00,797	66,89,05,139.00		5,02,16,519.03	
2007-08	10,860	2,48,658	90,09,95,202.00		7,38,78,774.24	
2008-09	9,890	3,11,877	29,46,31,272.00		9,34,90,266.37	
2009-10	11,499	2,96,441	24,92,70,507.00		10,01,58,059.11	
2010-11	9,170	2,70,077	35,72,21,472.00		9,94,21,283.97	
2011-12	8,639	2,98,750	44,09,02,521.00		9,05,61,005.34	
2012-13	10,855	2,99,581	38,67,23,034.00		13,91,94,563.57	
2013-14	21,738	2,27,105	52,20,28,550.00		13,14,94,671.58	
2014-15	7,978	1,75,273	55,35,91,135.00		15,03,89,347.60	
2015-16	7,761	1,51,210	77,60,36,302.00		16,29,85,991.08	
2016-17	7,434	1,64,042	86,10,58,077.00		16,77,87,392.45	
2017-18	4,930	2,55,458	86,10,58,077.00		27,90,33,729.35	
2018-19	5,063	1,32,992	43,29,93,707.00		28,63,09,188.00	

KERALA STATE WAREHOUSING
BALANCE SHEET AS AT
(FORM A)

Figures as at 31.03.2018 Rs. Ps.	CAPITAL AND LIABILITIES	Schedule	Figures as at 31.03.2019 Rs. Ps.
11,50,00,000.00	SHARE CAPITAL	“A”	11,50,00,000.00
1,50,00,000.00	SHARE CAPITAL ADVANCE (Note No.3)		1,50,00,000.00
	RESERVE FUND		
NIL	(i) RESERVE (Under Section 30 (i))		NIL
NIL	(ii) CAPITAL RESERVE		NIL
	(iii) FUND RECEIVED FROM GOVT UNDER 100%CSS(Note No.6(a))	2,96,62,877.00	
2,96,62,877.00	Less Depreciation (Note 6 (c))	5,65,720.00	2,90,97,157.00
	(iv) ASSISTANCE FROM GOK (Note 5(b))	21,58,494.00	
21,58,494.00	Less Depreciation (Note 6(c))	39,491.00	21,19,003.00
3,98,78,757.93	PROVISION FOR BAD AND DOUBTFUL DEBTS(Under Section 30(2))		3,98,26,249.93
NIL	BONDS AND DEBENTURES (Under Section 27 (i))		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
8,72,341.00	(iii) From Nationalised Banks (Under Section 27 (2) (iii))		6,26,807.00
50,34,51.00	(iv) From Other Financial Institutions (Under Section 27 (2) (iv))		3,76,204.00
5,50,00,000.00	(v) State Government (Under Section 27 (3)) (Note No.07 (a)&(b))		5,50,00,000.00
32,44,15,000.00	(vi) Loan from Govt of Kerala under NABARD RIDF Scheme (Note No.08(a))		32,44,15,000.00
NIL	(vii) Central Warehousing Corporation (Under Section 27 (3))		NIL
NIL	ADVANCES RECEIVED FOR PURCHASE OF AGRICULTURAL COMMODITIES AS AN AGENT		NIL
NIL	LIABILITY UNDER GUARANTEE BY STATE GOVERNMENT FOR BONDS AND DEBENTURES AS PER CONTRA (Under Section 27 (4))		NIL
58,24,90,920.93	Carried Over		58,14,60,420.93

CORPORATION, ERNAKULAM

31st MARCH, 2019

RULE 19)

Figures as at 31.03.2018 Rs. Ps.		PROPERTY AND ASSETS	Schedule	Figures as at 31.03.2019 Rs. Ps.	
18,68,330.59		CASH IN HAND :- (i) D.D and Cheques in Hand (ii) Cash and Stamps In Hand (iii) Cash at AM's/ZM's Bank A/c	1,69,986.00 1,81,996.50 12,10,425.89	15,62,408.39	
30,000.00		CASH IN TRANSIT CASH IN BANK (a) Reserve Bank of India (b) State Bank of India & State Bank of Travancore	- 4,58,73,755.09	-	
2,74,62,336.42		(c) Scheduled Banks (d) Co-operative Banks (e) Treasury Savings Banks	72,28,402.60 - 19,22,850.00	5,50,25,007.69	
1,38,71,453.35		FIXED DEPOSIT WITH BANKS FIXED ASSETS	(Annexure V "C")	1,95,43,362.35	
35,71,62,033.17		(i) KSWC-Assets:-Original Cost Less: Accumulated Depreciation	53,20,58,166.70 9,84,80,042.33	43,35,78,124.37	
2,96,62,877.00		(ii) Godown Constructed under RPDS (Note No 6(a)):- Original Cost Less: Accumulated Depreciation	3,87,25,000.00 96,27,843.00	2,90,97,157.00	
21,58,494.00		(iii) Godown Constructed with Assistance from GOK (Note 6(b)):- Original Cost Less Accumulated Depreciation	25,00,000.00 3,80,997.00	21,19,003.00	
6,01,37,413.00		CAPITAL WORK IN PROGRESS		1,27,97,453.00	
13,74,429.00		CONSTRUCTION MATERIALS AT SITE OUTSTANDING DUES FOR PURCHASES MADE ON BEHALF OF	(Annexure IV)	5,19,312.00	
NIL		a) Central Warehousing Corporation		NIL	
NIL		b) Central Government		NIL	
NIL		c) State Government		NIL	
49,37,27,366.53		Carried Over		55,42,41,827.80	

KERALA STATE WAREHOUSING
BALANCE SHEET AS AT
(FORM A)

Figures as at 31.03.2018 Rs. Ps.	CAPITAL AND LIABILITIES	Schedule	Figures as at 31.03.2019 Rs. Ps.
58,24,90,920.93	Brought Forward		58,14,60,420.93
3,72,84,769.25	PROVISION FOR TAXES	(Annexure I)	3,72,51,829.25
26,25,25,498.21	OTHER LIABILITIES	"B"	26,77,41,546.35
	PROVISION FOR RETIREMENT BENEFITS AS PER ACTUARIAL VALUATION		
5,37,33,767.00	Group Gratuity Liability	-	
2,65,55,934.00	Surrender Leave Allowance Fund	2,10,74,362.00	2,10,74,362.00
NIL	SUSPENSE		NIL
	OTHER ITEMS :		
41,902.00	(i) Employees Welfare Fund Collected		44,814.00
3,76,96,284.00	(ii) Receipt from GOK for construction of MRM (Note No.20(a)&(b))		3,76,96,284.00
74,16,768.00	(iii) Amount Received from GOK for supply of Fertilizer Kit(Note.21)		74,16,768.00
	Notes	"E"	
1,00,77,45,843.39	Total		95,26,86,024.53

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 24-02-2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOR SOMAN
CHAIRMAN

CORPORATION, ERNAKULAM**31st MARCH 2019****RULE 19)**

Figures as at 31.03.2018 Rs. Ps.	PROPERTY AND ASSETS	Schedule	Figures as at 31.03.2019 Rs. Ps
49,37,27,366.53	Brought Forward		55,42,41,827.80
NIL	GUARANTEE BY GOVERNMENT AS PER CONTRA		NIL
NIL	SUSPENSE		-
21,19,40,666.24	CURRENT ASSETS, LOANS &ADVANCES	"D"	18,61,82,011.73
	Plan Assets (Gratuity)		42,42,001.00
41,902.00	OTHER ITEMS :		44,814.00
3,49,93,610.75	Employees Welfare Fund Invested		3,52,73,643.75
	Construction of MRM(WIP)(Note No. 20(b))		
26,70,42,297.87	Accumulated Loss		17,27,01,726.25
	Notes	"E"	
1,00,77,45,843.39	Total		95,26,86,024.53

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR JOHN & JOSE
 CHARTERED ACCOUNTANTS
 FRN:007046 S
 Sd/-
P.KJOSE FCA
 (Partner)
 Membership No. 027426

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

Figures for the year ended 31.03.2018 Rs. Ps.	EXPENDITURE	Schedule	Figures for the year ended 31.03.2019 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	
61,108.00	(d) Loans from Nationalized Banks (Car Loans)	65,432.00	
51,912.00	(e) Loan from Other Financial Institutions	51,912.00	
1,75,30,652.00	(f) Loan from Govt of Kerala under NABARD RIDF Scheme	2,11,34,553.00	
-	(g) Guarantee Commission	-	
NIL	(h) Debentures	NIL	
83,63,268.00	(i) Interest & penal Interest on Working Capital Loan	87,82,019.00	
39,448.00	(j) Interest on OverDraft (DLB)	-	3,00,33,916.00
	ESTABLISHMENT CHARGES		
	To Pay and Allowances of :-		
11,64,239.00	1) Managing Director	11,44,574.00	
11,65,59,786.80	2) Officers and Others	10,33,02,504.00	
87,84,921.00	To Group Gratuity Expenses	81,46,727.00	
1,00,39,723.00	To Terminal Surrender & SLA	90,10,753.00	
97,52,650.00	To Employers Contribution to Pension Fund	92,53,093.00	
2,400.00	To Employers Contribution to Welfare Fund	4,504.00	
21,965.00	To Employers Contribution to ESI	17,660.00	
-	To Group Gratuity Cash Accumulated scheme -premium	-	
22,92,469.00	To Promotion & Increment arrears CL IV staff	-	
-	To Bonus for the Year	1,16,832.00	
7,24,130.00	To Festival Allowance / Incentive	7,09,500.00	
16,06,000.00	To Medical Reimbursement	11,51,017.00	
15,09,48,283.80		13,28,57,164.00	
10,38,157.00	Less: Supervisory charges on Construction	8,35,460.00	
14,99,10,126.80			13,20,21,704.00
19,58,533.00	To Professional Charges		16,15,612.00
62,67,142.13	To Office and Administrative Expenses at H.O. and Warehouses	"F"	64,38,169.91
2,40,000.00	To Honararium to Chairman		2,40,000.00
92,641.00	To Directors T.A. and Sitting Fees		1,08,444.00
3,72,66,697.00	To Rent		4,26,93,700.00
25,38,902.55	To Rates and Taxes		36,31,775.50
-	To Commercial Tax		-
NIL	To Guarantee commission to Government for loan from State Banks		NIL
63,46,985.00	To Depreciation	82,26,941.00	
	Less: Fund apportioned (Note 6c)	6,05,211.00	76,21,730.00
15,59,271.00	To Repairs & Maintenance Buildings	10,45,695.50	
29,57,650.00	To Repairs & Maintenance Buildings(NABARD)	3,30,580.50	
20,42,004.59	To Repair others	30,66,523.00	44,42,799.00
23,72,26,341.07	Carried Over		22,88,47,850.41

CORPORATION, ERNAKULAM
YEAR ENDED 31st MARCH, 2019

RULE 19)

Figures for the year ended 31.03.2018 Rs. Ps.	INCOME	Schedule	Figures for the year ended 31.03.2019 Rs. Ps.
27,90,33,729.35	By Warehouse Charges		28,63,09,188.00
	By Interest on :-		
	a) Securities	NIL	
	b) Bank Accounts	8,91,985.03	
	c) Advance to Staff	NIL	
	d) Others	NIL	
	e) IT Refund	-	
	f) Additional Compensation (Alathur)	-	
40,91,558.33	g) Breach of Contract	-	8,91,985.03
NIL	By Dividend on share in Co-operative Societies		NIL
2,12,40,720.80	By Handling & Transportation Receipts		1,98,47,165.00
7,80,416.32	By Other Receipts	"H"	14,90,163.62
-	By Sale of Cement (MCL)		89,400.00
NIL	By Service Charges from godown construction on behalf of other Public Sector Undertakings		NIL
91,93,274.50	Profit on Sale of Fixed Assets		-
1,82,23,434.98	Fumigation & Spraying Income		1,91,60,752.00
58,98,059.00	Rat Bait Income		1,79,23,702.00
25,04,467.00	By Live & Licence Fee		54,31,922.00
34,09,65,660.28	Carried Over		35,11,44,277.65

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

Figures for the year ended 31.03.2018 Rs. Ps.	EXPENDITURE	Schedule	Figures for the year ended 31.03.2019 Rs. Ps.
23,72,26,341.07	Brought Forward		22,88,47,850.41
1,62,368.00	To Staff Welfare Expenses		1,51,010.00
1,67,560.00	To Auditors Fees and Expenses (Statutory Audit)		22,19,60.00
1,59,300.00	To Auditors Fees and Expenses (Internal Audit)		-
6,015.00	To Auditors Fees and Expenses		-
8,260.00	To Tax Audit fee		8,260.00
9,91,244.11	To Printing and Stationary		2,12,742.00
42,27,380.70	To Warehouse Expenses	“G”	44,91,386.00
5,68,977.00	To Advertisement and Publicity		6,79,621.00
-	To Interest on addl compensation (Mutpa)		98,462.00
16,579.00	To Loss on Sale of stock of construction materials		10,959.00
81,040.00	To Staff training expenses		88,673.00
1,48,55,377.76	To Handling and Transportation Expenses		1,33,61,056.22
45,11,579.55	To Fumigation Expenses		55,32,759.50
19,90,997.00	To Rat Bait Expenses		59,36,988.00
90,59,037.00	To Construction Wing Expenses		76,65,054.00
26,18,735.00	To Provision for Bad and Doubtful debts		-
33,954.00	To Loss on Sale of fixed Assets		-
6,57,02,716.09	Net Profit		9,43,40,571.62
	NOTES	“E”	
34,23,87,461.28	TOTAL		36,16,47,352.75

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 24-02-2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOR SOMAN
CHAIRMAN

CORPORATION, ERNAKULAM
YEAR ENDED 31st MARCH, 2019

RULE 19)

Figures for the year ended 31.03.2018 Rs. Ps.	INCOME	Schedule	Figures for the year ended 31.03.2019 Rs. Ps.
34,09,65,660.28	Brought Forward		35,11,44,277.65
3,17,092.00	By Excess Provision written back		18,89,367.00
11,04,709.00	By Adjustment relating to Prior Years	"I"	86,13,708.10
	NOTES	"E"	
34,23,87,461.28	TOTAL		36,16,47,352.75

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR JOHN & JOSE
 CHARTERED ACCOUNTANTS
 FRN:007046 S
 Sd/-
P.K JOSE FCA
 (Partner)
 Membership No. 027426

KERALASTATE WAREHOUSING
PROFIT & LOSS APPROPRIATION ACCOUNT

Figures for the year ended 31.03.2018 Rs. Ps.	EXPENDITURE	Schedule	Figures for the year ended 31.03.2019 Rs. Ps.
33,27,45,013.96	To Accumulated Loss		26,70,42,297.87
33,27,45,013.96	TOTAL		26,70,42,297.87

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 24-02-2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOR SOMAN
CHAIRMAN

CORPORATION, ERNAKULAM**FOR THE YEAR ENDED 31st MARCH 2019**

Figures for the year ended 31.03.2018 Rs. Ps.	INCOME	Schedule	Figures for the year ended 31.03.2019 Rs. Ps.
6,57,02,716.09	By Net Profit c/d		9,43,40,571.62
26,70,42,297.87	Amount transferred to Accumulated Loss		17,27,01,726.25
33,27,45,013.96	TOTAL		26,70,42,297.87

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S
Sd/-
P.K JOSE FCA
(Partner)
Membership No. 027426

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

**SCHEDULE - A
SHARE CAPITAL**

Figures as at 31.03.2018 Rs. Ps.			Figures as at 31.03.2019 Rs. Ps.
15,00,00,000.00	AUTHORISED : 15,00,000 Equity Shares of Rs. 100/- each		15,00,00,000.00
11,50,00,000.00	ISSUED AND SUBSCRIBED : 11,50,000 Equity Shares of Rs. 100/- Each		11,50,00,000.00
	PAID UP : 5,75,000 Equity Shares of Rs. 100/- each held by the Government of Kerala	5,75,00,000.00	
11,50,00,000.00	5,75,000 Equity Shares of Rs. 100/- each held by the Central Warehousing Corporation	5,75,00,000.00	11,50,00,000.00
11,50,00,000.00	TOTAL		11,50,00,000.00

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 24-02-2020

FOR JOHN & JOSE

CHARTERED ACCOUNTANTS

FRN:007046 S

Sd/-

P.K JOSE FCA

(Partner)

Membership No. 027426

Sd/-

Sd/-

P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

VAZHOOR SOMAN
CHAIRMAN

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

SCHEDULE - B

OTHER LIABILITIES

Figures as at 31.03.2018 Rs. Ps.		Figures as at 31.03.2019 Rs. Ps
93,36,272.00	Security Deposit	1,71,88,833.00
27,59,215.00	Earnest Money Deposit	30,40,354.00
50,75,205.00	Retention Money	14,61,999.00
72,568.00	Provident Fund Deduction	2,01,870.00
14,06,850.50	Income Tax Deducted at Source	7,78,532.50
20,94,65,145.99	Outstanding Expenses (Annexure II)	18,53,01,350.99
6,46,278.00	Provision for Bonus	7,17,086.00
68,36,310.65	Sundry Creditors	63,14,666.65
7,22,357.54	Advance received from Debtors	1,98,528.00
76,770.00	Other Advance	0.00
1,03,58,550.00	Amount Payable to Contractors (NABARD)	57,15,695.00
11,48,002.00	Amount Payable to Contractors (KSWC)	13,71,967.00
6,82,239.00	Amount Payable to Suppliers (NABARD)	0.00
85,66,728.00	Unpaid Dividend	85,66,728.00
53,73,006.53	Other Liabilities (Annexure III)	3,68,83,936.21
26,25,25,498.21	TOTAL	26,77,41,546.35

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 24-02-2020

Sd/-

P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-

VAZHOOR SOMAN
CHAIRMAN

FOR JOHN & JOSE

CHARTERED ACCOUNTANTS

FRN:007046 S

Sd/-

P.K JOSE FCA

(Partner)

Membership No. 027426

KERALA STATE WAREHOUSING

SCHEDULE - C

ORIGINAL COST									
Sl No.	Name of ASSET	Gross Block As on 31.03.2018		Addition During the year		Deletion During the year		Gross Block as on 31.03.2019	
		Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
1	LAND	3,65,47,950.17		-		-		3,65,47,950.17	
2	BUILDING								
	a) WAREHOUSE	1,40,61,067.62		50,04,645.00		-		14,56,65,712.62	
	b) WAREHOUSE(NABARD)	2,42,23,113.00		7,63,87,248.00		-		31,91,10,361.00	
	c) WAREHOUSE(LEASE)		-	19,24,885.00		-		19,24,885.00	
	d) ROLLING SHUTTERS	4,26,568.44		-		-		4,26,568.44	
	e) FENCING	49,961.52		-		-		49,961.52	
3	ELECTRICAL INSTALLATION	17,17,747.48		27,990.00		-		17,45,737.48	
4	FURNITURE & FIXTURES								
	a) FURNITURE & FIXTURES	25,78,390.19		2,00,786.00		-		27,79,176.19	
	b) WOODEN CRATES	44,29,410.21		-		-		44,29,410.21	
5	VEHICLE								
	a) OFFICE VEHICLE	39,18,643.00		-		-		39,18,643.00	
	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	15,73,862.00		-		-		15,73,862.00	
7	OFFICE EQUIPMENTS								
	a) OFFICE EQUIPMENTS	17,29,038.64		29,900.00		13,416.00		17,45,522.64	
	b) GENERAL EQUIPMENTS	52,00,566.53		1,19,200.00		-		53,19,766.53	
	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	56,80,648.00		3,43,838.00		-		60,24,486.00	
	TOTAL	44,80,33,090.70		8,40,38,492.00		13,416.00		53,20,58,166.70	
9	WAREHOUSE UNDER CSS 100%	3,87,25,000.00		-		-		3,87,25,000.00	
10	GODOWN CONSTRUCTED WITH ASSISTANCE WITH GOK	25,00,000.00		-		-		25,00,000.00	
	TOTAL	4,12,25,000.00		-		-		4,12,25,000.00	

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 24-02-2020

Sd/-

P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

CORPORATION, ERNAKULAM

FIXED ASSETS 2018-2019

DEPRECIATION				NET CARRYING AMOUNT							
upto 31.03.2018		For the Year		On Deletion		As on 31.03.2019		Net Block As on 31.03.2019		Net Block As on 31.03.2018	
Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
								3,65,47,950.17		3,65,47,950.17	
6,26,13,380.62		18,27,980.00		-		6,44,41,360.62		8,12,24,352.00		7,80,47,687.00	
64,49,499.00		41,63,228.00		-		1,06,12,727.00		30,84,97,634.00		23,62,73,614.00	
-		27,702.00		-		27,702.00		18,97,183.00		-	
3,70,782.44		3,411.00		-		3,74,193.44		52,375.00		55,786.00	
49,960.52		-		-		49,960.52		1.00		1.00	
13,79,809.48		39,084.00		-		14,18,893.48		3,26,844.00		3,37,938.00	
22,14,077.19		62,382.00		-		22,76,459.19		5,02,717.00		3,64,313.00	
44,29,408.21		-		-		44,29,408.21		2.00		2.00	
20,03,106.00		3,85,812.00		-		23,88,918.00		15,29,725.00		19,15,537.00	
49,614.00		-		-		49,614.00		1,389.00		1,389.00	
38,889.00		-		-		38,889.00		1.00		1.00	
33,347.00		12,309.00		-		45,656.00		83,892.00		96,201.00	
7,81,841.00		53,061.00		-		8,34,902.00		7,38,960.00		7,92,021.00	
15,97,157.64		34,986.00		12,745.20		16,19,398.44		1,26,124.20		1,31,881.00	
43,08,843.53		2,49,858.00		-		45,58,701.53		7,61,065.00		8,91,723.00	
82,472.90		1,853.00		-		84,325.90		7,248.00		9,101.00	
4,28,083.96		28,332.00		-		4,56,415.96		28,693.04		57,025.04	
40,40,785.04		7,31,732.00		-		47,72,517.04		12,51,968.96		16,39,862.96	
9,08,71,057.53		76,21,730.00		12,745.20		9,84,80,042.33		43,35,78,124.37		35,71,62,033.17	
90,62,123.00		5,65,720.00		-		96,27,843.00		2,90,97,157.00		2,96,62,877.00	
3,41,506.00		39,491.00		-		3,80,997.00		21,19,003.00		21,58,494.00	
94,03,629.00		6,05,211.00		-		1,00,08,840.00		3,12,16,160.00		3,18,21,371.00	

AS PER OUR REPORT OF EVEN DATE ATTACHED

Sd/-
VAZHOOOR SOMAN
CHAIRMAN

FOR JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S
Sd/-
P.K JOSE F C A
(Partner)
Membership No. 027426

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

SCHEDULE - D

CURRENT ASSETS, LOANS AND ADVANCES

Figures as at 31.03.2018 Rs. Ps.			Figures as at 31.03.2019 Rs. Ps.
	1. CURRENT ASSETS		
	Closing Stock (Certified by MD)		
	a. Chemicals	6,51,460.00	
	Less Provn for loss on Clsg stock of Chemicals	51,328.00	
		6,00,132.00	
9,92,300.00	b Stationary	3,86,726.00	9,86,858.00
	Sundry Debtors (Subject to Confirmation of balance)		
83,91,94,36.31	RS.3,19,88,483.35 Considered as doubtful for which provision has already been made		8,62,51,206.35
26,00,457.00	Storage charges accrued (Rs. 23,53,276.00 considered as doubtful and provided for)		23,61,217.00
46,625.00	Live & Licence Fee Accrued		1,25,182.00
17,95,382.33	Interest accrued		6,79,674.36
20,002.00	Diary income accrued		34,286.00
3,48,40,210.67	Income tax deducted at source		6,42,62,538.97
2,19,612.00	Input tax (VAT)		2,19,612.00
1,97,500.00	Subsidy for Rubber receivable(Considered as doubtful & provision has already been made)		1,97,500.00
5,73,97,291.00	Receivable from Government of Kerala (Resumption fund)		0.00
33,71,875.00	Receivable from Government of Kerala(Considered as doubtful& provision has already been made)		33,71,875.00
39,78,918.00	Receivable from IT Department		39,78,918.00
0.00	Interest on IT Refund Receivable		0.00
0.00	Receivable from Gratuity Trust		0.00
18,17,159.88	Receivable and Advance to Staff (Rs.1,72,282/-Considered as doubtful& provision has already been made)		18,63,811.00
71,163.00	Receivable from KSSDA(Construction Account)		71,163.00
19,12,67,932.19	Total (1)		16,44,03,841.68
	2. LOANS AND ADVANCES		
	(RECOVERABLE IN CASH OR IN KIND)		
1,72,47,293.54	Advance Sales Tax Paid		1,72,47,293.54
5,31,441.00	Prepaid Expenses		17,23,276.50
26,863.50	Other Advance		20,000.00
17,949.00	T.A. Advance		19,477.00
1,35,051.00	Rent Advance Inland waterways		1,42,485.00
3,16,705.00	Security Deposit with Customers/Suppliers (Rs.1,60,705/- Considered as doubtful & provision has already been made)		2,81,705.00
54,229.36	Advance to Suppliers (Rs.26,408.36 considered as doubtful debts& provision has already been made)		54,229.36
32,408.66	Advance with HLWW Board		32,408.66
1,25,490.00	Advance to Suppliers & Contractors(NABARD)		1,20,061.00
4,17,434.00	Festival Advance		3,91,200.00
2,000.00	Library Deposit		2,000.00
17,52,868.99	Receivable from Contract work(Rs.10,62,628.99 considered as doubtful& provision has already been made)		17,31,033.99
13,000.00	Advance to Contractors(Rs.13000/- considered as doubtful& provision has already been made)		13,000.00
2,06,72,734.05	Total (2)		2,17,78,170.05
21,19,40,666.24	GRAND TOTAL (1 + 2)		18,61,82,011.73

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 24-02-2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOR SOMAN
CHAIRMAN

FOR JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S
Sd/-
P.K JOSE FCA
(Partner)
Membership No. 027426

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

SCHEDULE – E

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

31st MARCH 2019

1. Fumigation and spraying activities relating to Rat bait are considered to be incidental to the storage function. Though not specifically covered under Section 24 of the Warehousing Corporation Act, 1962 and Rule 16 and 16A of the Kerala State Warehousing Corporation Rules, 1968, these activities were taken up at the behest of the Govt. of Kerala. Moreover, the Government of Kerala vide G.O No.637/06/LSGD dated 06.03.2006, has recognized KSWC as a nodal agency to supply 'RODOFOE'. In addition to that as part of diversified activities, Corporation is undertaking Disinfestations/Pest Control Services for farmers, Central/ State Government Departments, 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 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. In compliance of the remarks of C&AG, for effecting corresponding amendment in Kerala State Warehousing Corporation Rules, 1968, the matter had been taken up with Government of Kerala and is being regularly followed up.
3. Government of Kerala had released Rs.50 lakh each for the years 2011-12, 2012-13 and 2017-18 towards their Capital Contribution. As per the stipulation under Chapter III, Clause 19(2) of The Warehousing Corporation Act 1962, Central Warehousing Corporation has to subscribe remaining fifty per cent. Since remaining matching contribution is not subscribed by Central Warehousing Corporation, Rs.1.50 crore received from Government of Kerala is accounted as 'Share Capital Advance'.
4. In some of the Godowns of Kerala State Warehousing Corporation, storage facilities at rebated rates are being provided to State PSUs like Kerala State Beverages Corporation, Kerala State Civil Supplies Corporation and Kerala Medical Service Corporation. The matter of getting rent from KSBC at the rates as per the storage charge schedule of Warehousing Corporation had been taken up with Government of Kerala.
5. As per the decision of the 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 GO(Rt) No.865/2017/Agri dated 14.09.2017 and Letter No.CW/967 dated 06.07.2017 respectively. Accordingly, the Letter of Award was issued vide letter No.KSWC/Mktg/M.T/18-19 dated 17.09.2018 to M/s. Reliance Jio Infocom Ltd; awarding 38 locations. As per the agreement dated 08.11.2018, the party has remitted Rs.3,40,50,000(excluding GST) as Rent advance for 5 years from 08.11.2018 to 07.11.2023 during November 2018. The rent element pertains to the current year amounts to Rs.26,86,685/- is booked under Live and License Fee receipts. The balance amount of Rs.3,13,63,315/- is treated as Rent Advance.
6. a) Government of Kerala had availed Rs.3,87,25,000/- from Government of India during 2001 to 2003 for the construction of godown in the State under Revamped Public Distribution Scheme, which is a 100% Centrally Sponsored scheme of Government of India. 50% of which is subsidy and balance 50% loan.

State Government had entrusted the construction of godown with Kerala State Warehousing Corporation on land owned by the Corporation and the fund was given to Corporation. As per the terms and conditions prescribed by Government of India the ownership of the godown constructed utilizing the fund will rest with Government of Kerala. Hence it is shown separately in the Balance Sheet as liability and the cost of completed works shown as assets. The liability is reduced every year by charging depreciation on this asset as shown in Schedule C. Thus the liability is reduced to Rs 2,90,97,157/- as at 31st March 2019.

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

b) Government of Kerala had provided Rs 25 lakhs as assistance for the development of infrastructure facilities for Warehousing. The liability is reduced every year by charging depreciation on this asset as shown in Schedule C. Thus the liability is reduced to Rs 21,19,003/- as at 31st March 2019.

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

7. a) As per G.O(Rt) No.204/96/Ad dated 08.02.1996 an interest free loan of Rs.50 Lakh was sanctioned by GOK for meeting cost incurred in connection with the Acquisition of land by KSWC 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. The amount overdue as on 31.03.2019 is Rs. 50 Lakhs.

b) The Government of Kerala has sanctioned Rs. 5 Crore as Working Capital Loan to Kerala State Warehousing Corporation vide G.O(MS) No.75/13/AD Dated 25.03.13 to meet the various statutory liabilities & 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 terms, 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 amount overdue as on 31.03.2019 is Rs.5,00,00,000/- and Rs. 3,99,96,062/- towards the principal portion and interest portion respectively. As per the general instructions concerning repayment period, penal clause, default in payments etc, penal rate of 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. The provision for penal interest @ 2.5% has been made for this year also. The penal interest due as on 31.03.2019 is Rs.60,26,426/-. Corporation has requested Government of Kerala to waive the interest and penal interest portion. Our request is now under consideration with GOK. The repayment of the loan is yet to be started.

8. a) 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. 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.

The total amount of loan availed as on 31.03.2019 is Rs.32,44,15,000/- as follows:

i) Government has 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% from the Government Contingency Fund.

- 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% 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 GO.
- iii) As per G.O.(Rt) No. 1883/2015/AD dated 11.11.2015, the Corporation received an amount of Rs.5 crore at an interest rate of Rs.7.5% 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 Rs.5.25% as fourth 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/- with interest @ 5.25% 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/- with interest @ 4.75% as sixth allotment on 25.10.2017.

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. Since KSWC is allotting Godown space 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 on NABARD Loan. GOK has not rejected the proposal and it is now under the consideration of GOK. It is presumed that GOK will not demand penal interest from Corporation. 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. The repayment of loan is yet to be started.

The above loan amount was utilized for both construction of New Godowns/renovation and Repair & Maintenance. 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 31.03.2019.

b) 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). The WIF loan portion is Rs.1047.50 lakh. GOK Share is Rs.127.50 lakh. Fund is yet to be released.

c) 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.1330.50 lakh under NABARD WIF (2018-19) Scheme. The WIF loan portion is Rs.1083.38 lakh and GOK share is Rs.247.12. Fund is yet to be released.

During 2018-19, Corporation had spent an aggregate amount of Rs.17,20,187/- for the Eight Projects mentioned in (b) and (c) above .

9. 'Provision for rent arrears' amounting Rs.47,38,580/- which is grouped under other liabilities is the demand for enhancement of rent for PWD godown hired out by the Corporation for the period from 1-8-1982 to 31-3-2019. Corporation had not paid the amount but liabilities in this regard are being provided since 1995-96. Presently, the files related to the matter is not available to measure the prudence in continuing the previous practice of making provision every year without any further correspondence from PWD in this regard.

However, in the absence of supporting files, Rs.1,32,204/- relating to current year is charged to Profit and Loss Account by considering the precedence.

10. Corporation had entered into an agreement with ACCDS (Alappuzha Coir Cluster development Society) 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.
11. 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 'Other Liabilities'. 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 Crores. The Kerala State along with others had filed a writ appeal against the said order and which is now pending.

- b) Sales tax assessments of the Corporation upto 2004-05 are over. The assessment pertaining to 1987-88 to 1990 -91 and for 1997-98 are under dispute and at various stages of appeal.
12. 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.
13. Corporation was running in loss from FY 2002-03 to 2016-17. The figure of accumulated loss as on 31.03.2019 is Rs.17.27 crores. Further, Corporation has no General reserve Fund. In this context, no provision is made for dividend during this year.

14. Employee Benefits:-

A . Defined Benefit Plans

Description of the Company'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. Further, based on the AG’s remarks, the valuations reports are revised by considering the upper limit of benefits as per Kerala State Warehousing Corporation Group Gratuity Cum Life Assurance Scheme Rules and its corresponding effects are brought into this year’s accounts.

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

	2018-19	2017-18(Rev)
Present Value of the benefit obligation on 1st April	5,71,00,222	5,87,49,613
Current Service Cost	30,25,739	33,83,076
Interest Cost	43,96,717	45,23,720
Benefit Paid	(1,80,40,655)	(99,79,156)
Actuarial (Gain)/Loss (Balancing Fig)	18,44,085	4,22,969
Past Service Cost	0	0
Present Value of the benefit Obligations on 31st March	4,83,26,108	5,71,00,222

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

	2018-19	2017-18
Fair Value of Plan assets as at 1st April	1,21,51,105	1,32,97,392
Expected return on Plan Assets	23,77,399	9,29,474
Contribution	5,67,15,894	80,06,190
Benefits Paid	(1,80,40,655)	(99,79,156)
Actuarial (Gain)/Loss (Balancing Fig)	(6,35,634)	(1,02,795)
Present Value of Plan Assets as at 31st March	5,25,68,109	1,21,51,105

iii. Expenses recognized in Profit & Loss:

	2018-19	2017-18(Rev)	2016-17(Rev)	2015-16	2014-15
Current Service Costs	30,25,739	33,83,076	35,77,752	37,60,383	31,98,008
Interest Costs	43,96,717	45,23,720	44,50,664	45,99,932	46,05,670
Expected Return on Plan Assets	(23,77,399)	(9,29,474)	(9,94,398)	(16,61,927)	(20,00,473)
Net Actuarial (Gain)/ Loss	24,79,719	5,25,763	(4,60,443)	94,41,863	27,07,866
Costs of Obligation (in P&L)	75,24,776	75,03,086	65,73,574	1,61,40,251	85,11,071

iv. Reconciliation of Net Liability recognized in Balance Sheet:

	2018-19	2017-18(Rev)	2016-17(Rev)	2015-16	2014-15
Present Value of Obligation as at the end of the year	4,83,26,108	5,71,00,222	5,87,49,613	6,01,44,103	5,56,18,958
Less: Fair Value of Plan assets at the end of the year	5,25,68,109	1,21,51,105	1,30,22,638	1,44,90,702	2,07,74,092
Net Liability/ (Asset) recognized in Balance Sheet	(42,42,001)	4,49,49,117	4,57,26,975	4,56,53,401	3,48,44,866

v. Principal Actuarial Assumptions:

Method Used	Projected Unit Credit Method
Discount Rate	7.70%
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 encashable 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:

	2018-19	2017-18
Present Value of the obligation on 1st April	2,65,55,934	2,89,43,889
Current Service Cost	16,80,705	27,80,785
Interest Cost	20,44,807	22,28,679
Benefit Paid	(74,69,888)	(45,36,606)
Actuarial (Gain)/Loss (Balancing Fig)	(17,37,196)	(28,60,813)
Past Service Cost	0	0
Present Value of the Obligations on 31st March	2,10,74,362	2,65,55,934

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

	2018-19	2017-18
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 & Loss of Leave:

	2018-19	2017-18	2016-17	2015-16	2014-15
Current Service Costs	16,80,705	27,80,785	27,05,186	1,00,34,713	84,02,020
Interest Costs	20,44,807	22,28,679	19,90,713	24,14,979	24,04,849
Expected Return on Plan Assets	0	0	0	0	0
Net Actuarial (Gain/Loss)	(17,37,196)	(28,60,813)	11,54,001	(53,17,656)	(61,70,307)
Past Service Costs	0	0	0	0	0
Costs of Obligation (in P&L)	19,88,316	21,48,651	58,49,900	71,32,036	46,36,562

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

	2018-19	2017-18	2016-17	2015-16	2014-15
Present Value of Obligation as at the end of the year	2,10,74,362	2,65,55,934	2,89,43,889	2,69,01,531	2,51,69,883
Less: Fair Value of Plan assets at the end of the year	0	0	0	0	0
Past Service Costs	0	0	0	0	0
Net Liability in Balance Sheet	2,10,74,362	2,65,55,934	2,89,43,889	2,69,01,531	2,51,69,883

v. Principal Actuarial Assumptions of Leave:

Method Used	Projected Unit Credit Method
Discount Rate	7.70%
Rate of Escalation on Salary	5.00%

B. Defined Contribution Plans

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. The Corporation during the year had recognized Rs. 92,53,093/- (after set off Rs.86,751/-) as expenses towards contribution to this fund. Presently the Pension is being paid on the basis of the pre-revised scale of pay.

15. a) The D.A. of staff has been revised at par with State Government employees' w.e.f. 01-07-2018. The liability on account of the same including the employer's Contribution to pension fund for the period up to 31.03.19 has provisionally been worked out and provided in the accounts.

b) The pay scale of the State Government employee had been revised w.e.f 01-07-2004. The State Government had accorded sanction to revise the pay scales of the employees of the Corporation w.e.f 01.07.2004 and also to implement the same w.e.f 1.09.07 without any arrears as per the recommendation of the Board. The notification amending the regulation has not yet been released. The revised pay is being

paid to the employees w.e.f 05.02.2009 i.e. from the date of Government Order. Decision regarding the payment of arrear for the period from 01.09.2007 to 04.02.2009 has not been taken by the Board and hence not arrived at/ provided in the accounts.

16. Provisions held as on 31.03.19 in respect of employees are:-

Sl.No	Particulars	2018-19	2017-18
1	Employers Contribution to Pension Fund pending remittance to the KSWC Employees Pension & Other Retirement Benefits Fund (Refer Note A below)	4,13,051.00	46,86,595.00
2	Terminal Surrender payable in respect of retired employees (Refer Note B below)	33,04,596.00	2,84,21,512.00
3	Increment Arrears payable to employees due to Enhancement of Retirement age 55to58 for 2006-07 to 2018-19	Nil	3,91,319.00
4	Group Gratuity Liability- in respect of retired employees- amount payable by KSWC (Refer Note C below)	36,85,688.49	88,96,241.49
5	Surrender Leave Allowance payable to employees	36,41,807.00	78,91,072.00

Note A. Corporation has liability amounting to Rs.4,13,051/- on account of Employer's Contribution to Pension Fund due to DA revision for the periods of 01.07.2018 to 31.03.2019 provided based on independent valuation and the provision made by the company is considered adequate. Hence, the amount is shown under "Outstanding expenses-Other Liabilities"- Schedule B and is paid during 2019-20. Further, the excess provision created during previous years is written back this year, amounting to Rs.18,36,859

Note B. Corporation has estimated and provided for an amount of Rs.33,04,596/- towards terminal surrender liability in respect of retired employees. This amount is pending disbursement to employees as on 31st March, 2019 and is shown under "Outstanding expenses-Other Liabilities"- Schedule B.

Note C. The Corporation had also estimated and provided Gratuity liability for the intervening period of 55 to 58 years, ie. over and above the amount covered under GGCA Policy of retired employees. The amount pending for disbursal to employees as on 31st March, 2019 Rs. 36,85,688.49 is shown under "Outstanding expenses-Other Liabilities"-Schedule B.

17. 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 eligible employees since 1st June 2015.

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

Years	Excess	Recovery
2016-17	32,300.00	—
2017-18	1,30,659.00	—
2018-19	87,202.00	47,104.00
2019-20	—	1,79,312.00(upto 31/12/19)
Total	2,50,161.00	2,26,416.00

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 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. Further, the 298th Board dated 14.11.2019 , after considering the above facts, resolved vide resolution No.3514 to defer the re-calculation/rectification/adjustment of excess paid benefits in the annual accounts until a decision on the above mentioned letter is received from Government of Kerala. Hence, re-calculation/rectification in this regard is not carried out.
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. In that context, in order to recoup the excess amount already spent by Corporation from its own resources, share capital advance of Rs. 25 lakhs received from Government of Kerala during 1999-00 had been adjusted during 2004. Ratification from Government for this adjustment is not received but had directed Corporation to refund Rs.25 lakh to GOK.
- 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 1.1.2008. After the erection of other machineries like par boiling unit and boiler, the mill was fully commissioned on 27.11.08. 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 met from the advance amount received from Government. The net working result of the Mill is adjusted under the head Construction of MRM (WIP) on the Asset side of the Balance Sheet. Corporation has spent Rs.6,55,561/- for maintenance and running of MRM during 2018-19. The income received on account of sale of Rice to KSCSC and sale of chafts amounting Rs.3,75,228/- during 2018-19 is also credited to this MRM Account. Hence an amount of Rs.3,52,73,643.75 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 from The Director of Agriculture, Government of Kerala. As per the direction from Hon.Minister for Agriculture (Minutes dated 07.03.2018), the mill at Alathur was temporarily handed over to Oil Palm India Ltd from 20.09. 2018, for operating the Mill for one year. However, Oil Palm India Ltd; had not signed the MOU prepared by KSWC. Electricity charge incurred during the period the Mill was operated by Oil Palm India Ltd; had been 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 charge for the two months amounting to Rs.87,065/- .Then the 298th Board dated 14.11.2019 vide resolution No.3509 has ratified this payment. Further, Corporation has not received any income during the period the Mill was operated by Oil Palm India Limited.
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 eriophid 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 Contingent Liabilities. /-. Then, after adjusting the advertisement expenditure incurred for the sale of Rs. 1,98,588/- and notional storage charge of Rs 22,50,000/- the amount payable to Government is re-calculated as Rs.51,66,768/- and the correspondences are going on with GOK for getting confirmation. Government had earlier admitted the refundable amount as Rs.51,66,768/- 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.

Further, the 297th Board Meeting dated 29.07.2019 vide resolution No.3498 has decided that the matter for considering the booking of prior storage income due from GOK amounting to Rs.22,50,000/- in the annual accounts has to brought before the Board after the sale value of Urea Rs.51,66,768/- is fully remitted to GOK. Accordingly, Corporation has refunded an amount of Rs.25,83,340/- from the sale value of urea to GOK till December 2019.

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:20(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:21]	:-	19,14,357.00

24. Contingent Liabilities as on 31.03.19 are:-

i) Sales Tax Liability with interest (Note:11)	:-	5,79,49,668.00
ii) Amount Payable to Contractor (Ref. Note:22)	:-	2,07,651.00
iii) Case pending- M/s Divine International for refund of demurrage.	:-	7, 70,062.00
iv) Service Tax Liability (Ref.Note:25)	:-	1,19,25,813.00
v) 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

25. The Joint Commissioner Central Tax & Central Excise vide Show Cause Notice No.61/2017 dated 19.10.2017 has demanded Rs.1,19,25,813/- being the Service Tax and cess which was alleged 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 the appeal filed by the Corporation is pending for adjudication.
26. Corporation has 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. Presently, the case is pending with Hon.Supreme Court.
27. Government of Kerala entrusted both Kerala State Rubber Co-operative Marketing Federation and Kerala State Warehousing Corporation for purchasing rubber during the year 2001. As per the order of Agriculture Department, all facilities and subsidies made available to KSCRMF will be made available to KSWC also. Corporation claimed subsidy of Rs.1,82,238/-, Rs.1,46,440/-, Rs.51,060/- for the year 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. Correspondence with Government is going on for the balance amount of Rs.1,97,500/-, which is shown under current assets and an equal amount of provision has been made in the accounts during 2011-12.
28. As per Significant Accounting Policy of the Corporation, during the financial year 2018-19 also, Corporation has capitalized a portion of its establishment expenditure amounting to Rs.8,35,460/- 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.
29. For the work of Cochin Metro, 1.31 ares of land in Sy.No.1317/1-8 of State Warehouse Thripunithura was acquired and awarded Rs.90,78,854/- to Corporation vide Award No.49/17 of LAC No.36/17 dated 27.01.2018 of Land Acquisition Officer, Office of the Special Tahsildar(LA) NH No.III, Vyttila. Corporation has filed an appeal for enhanced compensation before the LA Authorities. The case is pending.
30. 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.
31. 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.
32. M/s Unicorn International Limited had imported 20 containers (4352 bags) Raw Cashew through M/s JN Freight, Customs House Agent, at 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.
33. During the period from October 2016 to March 2019, used Digital Multifunction Printers imported vide 21 Bills of Entry in the name of M/s Atul Automations Ltd., and 7 Bills of Entry in the name of M/s Parag

Domestic Appliances, were de-stuffed at our Container Freight Station. After that the importers were not permitted to release the cargo by the Customs Authorities on the ground that the cargo comes under e-waste category. Challenging the order passed by the Commissioner of Customs, the importers secured favourable order from CESTAT, Bangalore, and the Hon'ble High Court. The Hon'ble High Court of Kerala vide Judgment dated 13.04.2018 ordered that "In any event, the goods will be released on or before 25.04.2018 failing which the demurrage will be the liability of the department". Though the said order was challenged by the Customs before the Hon'ble Supreme Court of India, the court made it clear that "we therefore find no reason to interfere with the impugned orders". Hence the matter was again put up for the consideration of the Division Bench of the Hon'ble High Court.

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

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

In compliance of the Judgment dated 19.03.2019 of the Hon'ble High Court, Corporation had released the cargo to the importers. The 296th Board Meeting held on 28.03.2019 ratified the action of releasing the cargo to the importers in compliance of the Judgment of the Hon'ble High Court dated 19.03.2019. Considering the request from the Commissioner of Customs, 298th Board dated 14.11.2019 had approved to allow 10% special rebate to Customs Department which amounts to Rs.18.81 lakhs. Accordingly, Corporation had raised bill on 05.12.2019 and Customs Department has remitted Rs.1,99,78,414/-(including GST) to Corporation's Account on 06.12.2019.

34. The Tahsildar, Karthikapally Taluk, Haripad vide letter No.F2-5383/2017 dated 05.05.2017 informed that out of 1.0010 Ha of land, held by the Corporation, (as per Resurvey 659/12), 3.24 Ares of land does not belong to the Corporation. Similarly, as per the letter No.LRB/1/316/2017 dated 15.05.2017 of District Survey Superintendent of Thrissur, a shortage of 0.0726 Ha was noticed in the land owned by the Corporation in Thalapilly in Wadakkancherry. These two matters have been taken up with the Revenue Department and pending for disposal.
35. Government of Kerala vide G.O(Ms) No.348/2017/Rev dated 17.10.2017 has allotted 40.47 ares (99.96 cents) of land at Sasthamkotta, Kollam District with lease rent @ Rs.42,340/year for 30 years to KSWC to operate Godowns . Accordingly, Corporation has spent Rs.19,24,885/- for the renovation of the existing building in the said land to convert as Godown.

- 36.** 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 is 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.
- 37.** 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.
- 38.**Corporation had availed guarantee from State Government vide GO(Rt) No.736/AD dated 19/5/1987 for Agricultural Term Loan of Rs. 299.42 lakh (Principal) plus interest availed by Corporation under NABARD refinance scheme for construction of godowns. Corporation was regularly paying the guarantee commission to GOK for the above guarantee. The payment continued till 2001-02 even after the expiry of the deed on 19/8/1996 resulting in excess payment of Rs.8.98 lakh. Then, Govt. of Kerala vide letter dated 3/10/2012 suggested refund/adjustment of the overpaid amount but not issued any orders for the same. Hence, the excess paid amount had not been brought into the Accounts for want of proper confirmation from GOK.

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

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

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

- 39.** 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 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.

40. Audit Fee & Expenses includes the following:

Particulars	2018-19	2017-18(Rev)
Statutory Audit Fee	1,35,000	1,35,000
TA/DA/Incidental Expenses for 10 site visits	40,000	40,000
PF Trust Fund Audit fee	3500	3500
Pension Fund Trust Audit fee	3500	3500
Tax Audit fee	7000	7000
Goods & Service Tax	34,020	34,020
Internal Audit Fee and Travelling Expenses	-	1,35,000
Goods & Service Tax	-	24,300

41. Corporation is holding deposit receipts in the name of contractors endorsed in favour of the Corporation for a sum of Rs.57,92,145/- as on 31.03.2019 towards the security for proper execution of work.
42. 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.
43. As per Audit Remarks 2017-18; in order to confirm the accuracy of quantum of depreciation; Corporation has prepared item wise details of all assets including Land and building after the physical verification report is obtained from the Regional Managers. The reconciliation of the same with Consolidated Fixed Asset Register is in progress.
44. Complying the AG's audit remarks 2017-18, Sundry debtors, namely; (a) Bank of India Rs.5.06 lakh (b) JK Cement Rs.6,713/- (c) National Trading Agency Rs.2,539/- and Rubco Rs.1,918/- were showing credit balance and which is carried forwarded for several years without any transactions and confirmation is adjusted in this year's accounts ; as directed.
45. Complying AG's audit remarks 2017-18, Corporation has created a Policy for creation of Provision for bad and doubtful debts, in the 298th Board dated 14.11.2019(Resolution No. 3513).As per this policy, provision for bad doubtful debts will be created for the debtors stands as unsettled for 3 years, in the next financial year. Accordingly, no provision is created for doubtful debts during 2018-19.
46. 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.
47. 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 in coming year's accounts.
48. 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 forwarded since 2001-02. The related files for the above three parties are yet to be traced for taking further necessary action.

49. 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.
50. 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.
51. While the settlement of overdue from a party is turned to litigation; Corporation discontinues further billing to the party to control out flow of tax amount without getting any revenue. Corporation will not release the disputed stock to the party until the complete settlement of dues.
52. Expense for soil test for the construction of godown at SW Punalur amounting to Rs.2,04,369/- was incurred by the Corporation during February 2018, but, payment was made to College of Engineering in April 2018. During 2017-18, that amount had not been booked as payable due to oversight, but accounted this year.
53. 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.
54. 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.
55. 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.
56. All known income, expenditure, assets and liabilities relevant to the reporting year, up to the date of finalization of accounts 24-02-2020 is incorporated in the accounts.
57. Corporation follows Indirect Method as per AS-3 for the preparation of Cash Flow Statement.
58. Previous year figures have been regrouped/ re-casted wherever necessary.

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 24.02.2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOOR SOMAN
CHAIRMAN

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/S JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S
Sd/-
CA: P.K JOSE FCA
(Partner)
Membership No. **027426**

IMPORTANT ACCOUNTING POLICIES

1. Significant Accounting Policies

1.1. Accounting Convention

The financial statements are prepared as per the prescribed Performa 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 and Expenditure are accounted on accrual basis and due basis respectively.
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 fixed assets 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 assets are neither recognized nor disclosed in the accounts.

Contingent Liability for making good the loss in shortage of warehoused goods in excess of the permissible limit, if any, will be accounted on cash basis.

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 & 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 (currently 12% of 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 on independent actuarial valuation, conducted annually using the projected unit credit method is recognized in the accounts. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

Corporation had arranged an insurance scheme with LIC of India for the payment of Gratuity to the retired staff. The annual premium for the revival of 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 company has a scheme for compensation absences/terminal surrender for employees, the liability of which is determined on the basis of an independent actuarial valuation, conducted annually using the projected unit credit method and is recognized in the accounts. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

1.8. Fixed Assets

1. Fixed Assets (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

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.

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

Provision for bad and doubtful debts in respect of the debts stands as unsettled for 3 years will be created in the next financial year.

1.16. Construction Expenses

The Corporation is capitalizing a portion of its establishment expenditure 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 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,

PLACE : ERNAKULAM

AS PER OUR REPORT OF EVEN DATE ATTACHED

DATE : 24.02.2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOOR SOMAN
CHAIRMAN

FOR M/S JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S
Sd/-
P.K JOSE FCA
(Partner)
Membership No. **027426**

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

SCHEDULE - F

OFFICE & ADMINISTRATIVE EXPENSES AT HEAD OFFICE & WAREHOUSES

Figures as at 31-03-2018 Rs. Ps.			Figures as at 31-03-2019 Rs. Ps.
	TRAVEL EXPENSES OF :-		
5,68,136.00	Officers & Others	5,63,533.00	5,63,533.00
3,38,915.76	Group Gratuity Life Cover Premium		1,40,067.00
9,01,627.00	Vehicle Maintenance		9,67,872.00
3,81,836.00	Board Meeting Expenses		2,74,141.00
10,000.00	Legal Expenses		10,500.00
3,96,401.50	Postage		2,78,260.50
8,22,297.00	Telephone & Telex		7,38,534.00
13,76,246.00	Electricity & Water charges		12,94,345.00
1,61,058.00	Books & Periodicals		1,72,542.00
3,85,545.00	Entertainment Expenses		3,69,926.00
10,050.00	Membership Fee		3,540.00
64,582.00	Land Acquisition (Exp) Parasuram		33,359.00
0.00	Reimbursement of Official Tour Expenses- chairman		968.00
1,88,470.64	General Expenses		2,28,999.00
4,000.00	Other Expenses (NABARD)		37,495.00
1,51,153.23	Bank Charges		50,539.41
45,483.00	Conferences & Seminars		1,71,530.00
69,716.00	Official tour expenses to MD (P H Asharaf)		49,142.00
31,998.00	Consultancy Charges		69,042.00
290.00	Service Tax on TA of Directors		0.00
3,59,337.00	Business Promotion Expenses		9,83,835.00
62,67,142.13	TOTAL		64,38,169.91

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

AS PER OUR REPORT OF EVEN DATE ATTACHED

DATE : 24-02-2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOR SOMAN
CHAIRMAN

FOR JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S
Sd/-
P.K JOSE F C A
(Partner)
Membership No. 027426

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

SCHEDULE - G
WAREHOUSE EXPENSES

Figures for the 31-03-2018 Rs. Ps.		Figures as at 31-03-2019 Rs. Ps.
1,24,509.00	Warehouse Licence Fee	0.00
6,13,987.00	Insurance	5,59,127.00
1,62,400.00	Disinfestation in the Warehouses & Chemicals consumed	1,61,459.00
46,488.00	Bamboo mats, Polythene sheets and Tarpaulin	41,977.00
12,15,960.00	Restacking, weighing and cleaning	11,83,081.00
87,527.00	Transport of crates & equipments	26,272.00
6,65,456.00	Conveyance expenses	6,87,260.00
1,55,120.00	Self Indemnification Gurarantee Commission	1,51,082.00
11,55,933.70	Miscellaneous expenses	16,81,128.00
42,27,380.70	TOTAL	44,91,386.00

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

AS PER OUR REPORT OF EVEN DATE ATTACHED

DATE : 24-02-2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOOR SOMAN
CHAIRMAN

FOR JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S
Sd/-
P.K JOSE F C A
(Partner)
Membership No. 027426

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

SCHEDULE - H

OTHER RECEIPTS

Figures as at 31-03-2018 Rs. Ps.			Figures as at 31-03-2019 Rs. Ps.	
		Agricultural Income	30,387.00	
13,371.00		Less Expenditure	0.00	30,387.00
62,967.00		Advertisement Receipts		24,218.00
1,16,764.00		Sale of Tender Forms		1,24,049.00
72,208.00		Commission on Sale of Malabar Cement		1,07,479.00
5,15,106.32		Miscellaneous Receipt		12,04,030.62
7,80,416.32				14,90,163.62

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

AS PER OUR REPORT OF EVEN DATE ATTACHED

DATE : 24-02-2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOOR SOMAN
CHAIRMAN

FOR JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S
Sd/-
P.K JOSE F C A
(Partner)
Membership No. 027426

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

SCHEDULE - I

ADJUSTMENT RELATING TO PRIOR YEARS

			Figures as at 31-03-2019 Rs. Ps.
INCOME	Office Equipment	556.10	556.10
	Total	556.10	
	EXPENDITURE		
	Prepaid Insurance	2,50,216.00	
	Office Equipment	894.00	
	Promotion arrears	94,152.00	
	Salary arrear	29,165.00	
	Short Provision on audit fee	40,000.00	
	Terminal Surrender	2,33,302.00	
	Rent	91,332.00	
	Festival advance	41,434.00	
	Construction materials at site (NABARD)	4,557.00	
	Total	7,85,052.00	
	Less		
	TQ Service	76,770.00	
Gratuity contribution Deput staff	2,17,121.00		
Inrement arrear	1,08,342.00		
Excess provision on DA Arrear	92,018.00		
Gratuity expenses due to DA revision	73,279.00		
Group Gratuity	87,84,650.00		
Excess Bonus Provision	46,024.00		
Total	93,98,204.00	(86,13,152.00)	
Net Expenses to Profit & Loss Account		86,13,708.10	

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

AS PER OUR REPORT OF EVEN DATE ATTACHED

DATE : 24-02-2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOOR SOMAN
CHAIRMAN

FOR JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S
Sd/-
P.K JOSE F C A
(Partner)
Membership No. 027426

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

ANNEXURE - I

PROVISION FOR TAXES

	Figures as at 31-03-2019	
	Rs.	Ps.
Suspense Tax Account	3,71,50,332.25	
Provision for Service Tax on Audit Fee	2,717.00	
Provision for Swachh Bharath Cess on Audit Fee	70.00	
Provision for Krishi Kalyan Cess on Audit Fee	70.00	
Provision for SGST on Audit Fee	49,320.00	
Provision for CGST on Audit Fee	49,320.00	
Total	3,72,51,829.25	

ANNEXURE - II

OUTSTANDING EXPENSES PAYABLE

Interest on Working Capital loan Payable		3,99,96,062.00
Penal Interest on Working Capital loan Payable		60,26,426.00
Interest Payable on NABARD Loan under RIDF XVII		9,76,69,988.00
Provision for Rent Arrears		47,38,580.00
Interest on Guarantee Commission on T/L Payable		17,54,249.00
Payable A/C		3,19,53,898.49
TA Payable	2,85,714.00	
Establishment Charges - Payable	2,14,36,366.49	
Advertisement and Publicity (Payable)	15,00,755.00	
Board Meeting Expenses Payable	19,457.00	
Books & Periodicals Payable	9,963.00	
Electricity & Water Charges - Payable	1,35,640.00	
Fumigation Expense - Payable	5,19,409.00	
H.B.A./H.D.F.C. Interest Subsidy - Payable	21,518.00	
Postage - Payable	10,970.00	
Professional Charges - Payable	60,700.00	
Rat Bait Expenses Payable	2,61,683.00	
Rent - Payable	74,21,781.00	
Repair Others - Payable	7,700.00	
Staff Training & Recruitment Expns (Payable)	19,477.00	
Stock of Polypouches (Payable)	1,04,724.00	
Telephone & Telex - Payable	57,411.00	
Vehicle Running & Maint. (Payable)	80,630.00	
Interest Payable on Government Loan		3,57,813.00
Service charge payable - Imported Cement		6,48,963.50
Guarentee Commission Payable T/L		11,88,020.00
Provision for Auditors Fee		5,54,300.00
Employers Contribution to Pension Fund		
Payable due to Pay Revision		4,13,051.00
Total		18,53,01,350.99

KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

**ANNEXURE - III
OTHER LIABILITIES**

	Figures as at 31-03-2019	
	Rs.	Ps.
Kerala GST	43,22,722.90	
Sale proceeds of Tobacco Auction	18,583.00	
LIC Premium deduction	4,125.00	
GSLIS deduction	510.00	
GSLIS Assigned claim	1,77,316.00	
Out Put Tax Due	5,755.00	
Service Tax collected	3,18,522.00	
Service Tax	4,63,762.31	
Kerala Construction workers welfare board	1,18,272.00	
Licence Fee received in Advance	3,14,22,838.00	
Group Gratuity Transaction	43,827.00	
Deposit Work (ACCDS)	6,33,248.85	
ESI Deduction	546.00	
Total A	3,75,30,028.06	
Less		
Purchase Tax,SC,ST deducted from Contractors	24,679.00	
Flood Relief Fund 2018	2,01,586.00	
Service Tax on Works Contract Services	1,83,096.00	
VAT Collected	2,36,582.85	
Employees Welfare Fund Collected	68.00	
Loan Attachment	80.00	
Total B	6,46,091.85	
Grant Total (A-B)	3,68,83,936.21	

**ANNEXURE - IV
CONSTRUCTION MATERIALS AT SITE**

Construction Materials at Site (NABARD)	3,81,356.00
Materials at site	36,631.00
Suspense Stock of AC Materials	76,066.00
Suspense Stock of AC Materials (NABARD)	82,846.00
Suspense Stock of Electrical Goods	112.20
Suspense - Stock of Cement KSWC	870.00
Truss Fabrication Unit (Alathur)	30,086.57
Suspense Stock of Cement(NABARD)	10,794.00
Total A	6,18,761.77
Less	
Non Moving Stock - Provision	99,449.77
Total B	99,449.77
Grant Total (A-	5,19,312.00

**ANNEXURE - V
FIXED DEPOSIT WITH BANKS**

Dhanalakshmi Bank	42,18,705.35
State Bank of India	1,49,72,657.00
Dist. Treasury, Ernakulam	3,52,000.00
Total	1,95,43,362.35

FOR AND ON BEHALF OF THE BOARD,
PLACE : ERNAKULAM

AS PER OUR REPORT OF EVEN DATE ATTACHED

DATE : 24-02-2020

FOR JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

Sd/-
VAZHOOR SOMAN
CHAIRMAN

Sd/-
P.K JOSE F C A
(Partner) Membership No. 027426

KERALA STATE WAREHOUSING
CASH FLOW STATEMENT FOR THE YEAR

Particulars	Figures for the year ended
A. CASH FLOW FROM OPERATING ACTIVITIES:	
Profit/ (Loss) as per Profit and Loss Account	
Adjustments for:	
Depreciation	76,21,730.00
Loss on Sale of Stock of constructional Material	10,959.00
Loss on Sale of Fixed Assets	
Profit on Sale of Fixed Assets	
Interest & Bank Charges Paid	3,00,33,916.00
Interest Received	(8,91,985.03)
Provision for Bad and Doubtful debts	
Excess Provision Write back	(18,89,367.00)
Provision for Tax	
Supervisory Charges	
Prior Period Income	(86,12,918.00)
Operating Profit before Working Capital Changes	
Adjustments for working capital changes:	
(Increase)/Decrease in Current Assets	2,55,39,217.51
(Increase)/Decrease in Loans & Advances	
Increase/(Decrease) in other Liabilities	(4,21,23,445.86)
Increase/(Decrease) in Provision for Retirement Benefits	(54,81,572.00)
Increase/(Decrease) in Provisions	
Cash generated from operations	
Direct Taxes Paid	
Net Cash from in Operating Activities (A)	
B. CASH FLOW FROM INVESTING ACTIVITIES:	
Purchase of Fixed Assets	(26,60,015.00)
Sale of Fixed Assets	13,416.00
Capital Work in Progress	(3,40,51,262.20)
Construction Materials	8,44,158.00
Construction of MRM	(2,80,033.00)
Interest Received	8,91,985.03
Net Cash used in Investing Activities (B)	
C. CASH FLOW FROM FINANCING ACTIVITIES:	
Borrowings from Nationalised Banks	(2,45,534.00)
Borrowings from Financial Institutions	(1,27,247.00)
Share Capital Advance from GOK	
Borrowings from Startup Advance from GOK under NABARD RIDF Scheme	
Interest & Bank Charges Paid	(3,00,33,916.00)
Net Cash used in Financing Activities (C)	
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	
Cash & Cash Equivalents at the beginning of the year	
Cash & Cash Equivalents at the end of the year	

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 24-02-2020

Sd/-
P. H. ASHRAF IPS(Retd)
MANAGING DIRECTOR

CORPORATION, ERNAKULAM

ENDED 31st MARCH 2019

31.03.2019 (in Rs.)	Figures for the year ended 31.03.2018 (in Rs.)	
9,43,40,571.62		6,57,02,716.09
	63,46,985.00	
	16,579.00	
	33,954.00	
	(91,93,274.50)	
	2,60,46,388.00	
	(40,91,558.33)	
	26,18,735.00	
	(3,17,092.00)	
	(14,520.00)	
	(10,38,157.00)	
	(11,04,709.00)	
2,62,72,334.97		1,93,03,330.17
12,06,12,906.59		8,50,06,046.26
	(7,46,60,036.49)	
	(1,86,983.66)	
	(2,33,81,440.55)	
	(21,37,510.00)	
	23,01,643.00	
(2,20,65,800.35)		(9,80,64,327.70)
9,85,47,106.24		(1,30,58,281.44)
-		0.00
9,85,47,106.24		(1,30,58,281.44)
	(25,63,385.00)	
	93,08,854.00	
	(427,87,574.91)	
	(8,49,809.00)	
	(9,33,803.00)	
	33,55,487.05	
(3,52,41,751.17)		(3,44,70,230.86)
	4,79,114.00	
	(17,74,371.90)	
	50,00,000.00	
	7,58,19,000.00	
	(2,60,46,388.00)	
(3,04,06,697.00)		5,34,77,354.10
3,28,98,658.07		59,48,841.80
4,32,32,120.36		3,72,83,278.56
7,61,30,778.43		4,32,32,120.36

AS PER OUR REPORT OF EVEN DATE ATTACHED

Sd/-
VAZHOORSOMAN
CHAIRMAN

FOR JOHN & JOSE
CHARTERED ACCOUNTANTS, FRN:007046 S
Sd/-
P.K JOSE F C A
(Partner) Membership No. 027426

AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE KERALA STATE WAREHOUSING CORPORATION

1. Report on the Financial Statements

We have audited the accompanying financial statements of Kerala State Warehousing Corporation (the "Corporation"), which comprises of the Balance Sheet as at 31st March, 2019, the Profit and Loss Account and the Cash Flow Statement for the year then ended annexed thereto in which, are incorporated the accounts of the Head Office and 56 warehouses and a Summary of Significant Accounting Policies and Notes forming part of Accounts.

We have audited the accounts of the Corporation at the Head Office and also the Warehouses at Pallichal, Kottarakkara, Alappuzha, Harippad, Perinthalmanna, Mananthavady, Kanjanghad, Ettumanoor, CFS and Chalakudy. In respect of warehouses not visited by us, we have verified the un-audited returns received from such warehouses which have been incorporated in the Head Office books.

2. Management's Responsibility 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 Corporation Act, 1962, that give a true and fair view of the financial position and financial performance and Cash Flows of the corporation in accordance with the Accounting Standards and 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal financial control relevant to the Corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the corporation has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. Basis for Qualified Opinion

- a. *The Corporation is holding Security and Earnest Money Deposits which were collected from various contractors in relation to the contract works carried out by them for the Corporation, amounting to Rs 1,71,88,833 and Rs 30,40,354 respectively, out of which deposits amounting to Rs 86,85,176 relates to financial years 1995-96 to 2014-15. These deposits are subject to confirmation. The Corporation is also holding Retention Money from the contractors in respect of the incomplete contract works. The balance amount outstanding in this regard as on 31.03.2019 amounts to Rs.14,61,999 which is also subject to confirmation. Pending such confirmations, the impact thereof on the financial statement, if any, is not ascertainable.*
- b. *Sundry Debtors include long outstanding balances that are subject to confirmation. The impact, if any, which may result on reconciliation/ confirmation on the financial statements is not ascertainable at this stage.*
- c. *Sundry Creditors include long outstanding balances which are subject to confirmation. Further, this includes Rs 37,41,310 payable to Director of Agriculture (RUBBER), Government of Kerala, Rs 4,21,802 to Ramco Industries and Rs 3,03,525 to Travancore Cement which are payable for more than 12 years. The details pertaining to the nature of this liability is not ascertainable since the related files are yet to be traced. In view of the above, impact, if any, which may result on reconciliation/ confirmation on the financial statement is not ascertainable at this stage.*
- d. *Attention is invited to Note No: 8(a) regarding loan availed from Government of Kerala under NABARD RIDF Scheme and non-provision of penal interest for the period of default. Consequently, the loss relating to the financial year 2018-19 and Outstanding expenses included under Other Liabilities (Schedule B) are understated by the amount of penal interest.*
- e. *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 High Court order in matter. Considering that the matter is now pending with the court and also with the High Power Committee of Government of Kerala, no provision has been made in the accounts for the balance tax Rs 5,79,49,668 and interest thereon. We are not in a position to comment upon the ultimate outcome and consequential impact, if any, on the accounts of the Corporation.*
- f. *Attention is invited to Note No: 17 of the Notes to Accounts regarding application pending before the Government of Kerala for extending the ESIC exemption for the interim period of 2 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 accounts for this liability. In the absence of details, we are unable to quantify the impact thereof on the financial statements.*
- g. *Attention is invited to Note No:20 (a) to (c), regarding accounting of amounts expended by the corporation/ assets acquired relating to Modern Rice Mill (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 for MRM out of funds provided by Government of Kerala and the nature of receipts from the Government of Kerala, we are not in a position to comment on the disclosure of assets and liabilities*

relating to MRM in the Balance Sheet of the Corporation as at 31st March, 2019. MRM at Alathur has been temporarily handed over to Oil Palm India Ltd. from 20.09.2018 for a period of one year. The documentation is not produced for the handing over of MRM, to ascertain the income and expenses thereof. The electricity expenses of MRM Alathur for the months of August and September 2019 was borne by the Corporation. No other expenses have been met by the Corporation towards administrative expenses. Further, in the absence of documentation as to the role of Corporation and the beneficiary of the operational results of MRM, we are not in a position to comment on the treatment of the net working results and the effect of hand over of the Mill to Oil Palm India Ltd. in the financial statements.

- h. On the basis of the information gathered and explanations given to us we are of the opinion the corporation has not complied with applicable Accounting Standard 28 (AS-28) in preparation of the financial statement during the year. In the absence of details, we are unable to quantify the impact thereof on the financial statements.*
- i. Attention is invited to Note No: 28 of the Notes to Accounts relating to capitalization of establishment expenses amounting to Rs 8,35,460, being a portion equivalent to 2.5% of the construction expenses. The manner of arriving at the amount to be capitalized is not in accordance with Accounting Standard 10 which specifies that cost of a self-constructed fixed asset should comprise those costs that relate directly to the specific asset and those that are attributable to the construction activity in general and can be allocated to the specific asset. In the absence of details, we are unable to quantify the impact thereof on the financial statements.*
- j. The Corporation has not recorded any income/ loss in the books of accounts in the case of Unicorp International Limited depositing Imported Raw Cashew Nuts with the Corporation and later on, the Corporation selling unlisted stock in an auction to realize unbilled dues. Since the outcomes of the above transactions are yet to be quantified, the impact in the financial statements cannot be ascertained at this stage.*
- k. 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 unable to quantify the impact thereof on the financial statements.*
- l. Excess travelling expenses allowed to the chairman of the Corporation amounting to Rs 2,04,105.00, to be recovered vide order of Finance Department, Government of Kerala dated 28.09.2015, 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.*
- m. Attention is invited to Schedule C, Depreciation. With effect from 01.04.2014, the corporation is providing depreciation as per schedule II of the Companies Act, 2013, based on the useful life of the assets. The Corporation has prepared item-wise details of all assets including land and building after physical verification by Regional Managers. The reconciliation of the same with Consolidated Fixed Asset Register is in progress. In the absence of Fixed Assets Register showing complete details relating to item wise fixed assets since inception of the Corporation and their life as at 31.03.2014, we are not in a position to comment on the correctness of the depreciation debited to the Profit and*

Loss Account and Accumulated Loss during the year and consequently the carrying value of fixed assets as at the end of the year.

- n. Income as per Profit and Loss Account is subject to reconciliation with Kerala Value Added Tax (KVAT) Returns, Service Tax Returns, GST Returns and Annual Tax Statement in Form 26AS as per Income Tax Act, 1961. Pending such reconciliation, impact, if any, on the financial statements is not ascertainable. In respect of GST, no communication from the concerned Department has been noticed so far.*
- o. Corporation is claiming exemption against income from Fumigation and Spraying in the returns filed with KVAT, which claim, in our opinion, is not in accordance with Rule 10(2)(b) of Kerala VAT Rules, 2008, resulting in short provision of VAT liability for the financial year upto 2016-17 amounting to Rs. 4,04,783.00(approx.).*
- p. The inspection Wing of the Comptroller and Auditor General of India had pointed out instances of non-booking of revenue, in cases where the issue has moved to litigation on account of Ground Rent, Destuffing and Stuffing charges relating to the period 2000 to 2018 aggregating Rs.73,93,782(approx.) which has not been recognized in the books of accounts of the Corporation. Impact of the said issue on the financial statements for the year 31.03.2019 remains unascertainable.*
- q. Attention is invited to Note No: 36 regarding the irregularities in the sale of cement from Nileswar and Padanakad warehouses for which a detailed verification is being undertaken by the Corporation. The retirement benefit amounting to Rs.8,07,369 proposed to be withheld in the name of Sri.K.Prakashan in this regard is not found withheld in the accounts. The impact of irregularities for the current year financial statements is not ascertained and is not quantifiable at this stage.*
- r. Some bill amounts received in banks through online transfers (NEFT, RTGS, etc.) during 2018-19 have not been accounted in the financial year 2018-19. Therefore, the closing balances of banks are subject to reconciliations thereof.*
- s. Based on our enquiry, we are of the opinion that the complete details and particulars of properties and fixed assets are not available adequately.*
- t. Attention is invited to the misstatement of subsidized Rates in the Schedule Book for Boiled Rice/ Raw Rice, which was meant only for KSCSC; but since it was not specifically mentioned in the book, the same subsidized rate was also used by others. We are unable to quantify the amount of loss in this regard to the Corporation.*

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Warehousing Corporation Act, 1962 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance sheet, of the state of affairs of the Corporation as at 31st March 2019; and
- (ii) In the case of the Profit and Loss Account, of the Profit of the Corporation for the year ended on that date;

(iii) In the case of Cash Flow Statement of the Cash flow for year ended on that date.

6 Emphasis of Matter

Attention is invited to Note No.15 (b) of Schedule E regarding Arrears of revised pay for the period from 01.09.2007 to 04.02.2009 for which decision of the Board of Directors is pending.

Our opinion is not qualified in respect of the above matter.

7 Report on other Legal and Regulatory Requirements

As required by Section 31(5) of the Warehousing Corporations 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 purpose of our audit;
- 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 and Profit and Loss Account and Cash flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement comply with the Accounting Standards generally accepted in India, except those referred to in Para 4 above.

PLACE : Kochi
DATE : 24-02-2020

FOR JOHN & JOSE
CHARTERED ACCOUNTANTS
FRN:007046 S
Sd/-
P.K JOSE F C A
(Partner) Membership No. 027426

Reply to the Audit report of Statutory Auditors on the Accounts of the Corporation for the year 2018-19

- a) Audit observation is noted. Complying the audit remarks, Corporation has completed the release of a major portion of long pending deposits for which files are traced. The remaining unclaimed and unidentified deposits pertain to backyears will be adjusted in the coming year's accounts after the verification of old files ; subject to Board approval.
- b) Based on the audit remarks, letters for confirmation of balances of debtors were sent to the parties 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 were responded and the financial effect in this regard will be brought in coming year's accounts.
- c) Audit observation is noted. The present status is disclosed in Schedule E (Note No.48) forming part of Accounts.
- d) Audit observation is noted. Corporation's request for the waiver of penal interest on NABARD RIDF loan is under the consideration of Government of Kerala, as disclosed in Schedule E (Note No.8) forming part of Accounts.
- e) Audit observation is noted, since the matter is under the consideration of Hon.High Court of Kerala, no provision is made for additional tax demand. Status is disclosed in Schedule E (Note No.11) forming part of Accounts.
- f) Audit observation is noted. The matter is under the consideration of High Power Committee of Government of Kerala as disclosed in Schedule E (Note No.17) forming part of Accounts. Hence no provision is made.
- g) Audit observation is noted. Present status is disclosed in Schedule E (Note No.20), forming part of accounts.
- h) Audit observation is noted for future compliance.
- i) Audit observation is noted. As per Significant Accounting Policy 1.15, Corporation is capitalizing a portion of its establishment expenditure which is equivalent to 2.5% of the Construction expenditure by charging the same to the construction cost of the Warehouse and crediting establishment charges account.
- j) Audit observation in this regard is noted. The Vigilance and Anti-Corruption Bureau (VACB) had conducted an enquiry with respect to the Import of Raw Cashew Nuts and its subsequent auction of un-lifted stocks at CFS and submitted their report. Then, GOK had directed KSWC to depute an outside Government Agency to assess the actual loss suffered to the Corporation. The matter is in process as disclosed in Schedule E (Note No.32) forming part of Accounts.
- k) Audit observation is noted. The matter is now under the consideration of Government of Kerala
- l) Audit observation is noted. The matter is now under the consideration of Government of Kerala.
- m) Complying the audit remarks, Corporation has prepared item wise details of all assets including Land and Building. The reconciliation of the same with the Consolidated Fixed Asset Register at Head Office is in progress. The matter is disclosed in Schedule E (Note No.43) forming part of Accounts.
- n) Audit observation is noted. Reconciliation is in progress.
- o) Audit observation is noted.
- p) Audit observation is noted. The matter is disclosed in Schedule E (Note No.51) forming part of Accounts.
- q) Audit observation is noted. The matter is under process as disclosed in Schedule E (Note No.36) forming part of Accounts.
- r) Audit observation is noted for compliance. Further, necessary steps are taken to avoid recurrence. Further, strict instructions were given to the Warehouse Managers for not to repeat the mistake further.
- s) Audit observation is noted. The matter is under process as disclosed in Schedule E (Note No. 43) forming part of Accounts.
- t) Audit observation is noted. Necessary steps are taken for rectification.

Sd/-

Managing Director



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

**AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 31(10) OF THE WAREHOUSING CORPORATIONS ACT 1962 ON
THE ACCOUNTS OF KERALA STATE WAREHOUSING CORPORATION,
ERNAKULAM FOR THE YEAR ENDED 31 MARCH 2019**

The preparation of financial statements of **Kerala State Warehousing Corporation, Ernakulam** for the year ended **31 March 2019** in accordance with the financial reporting framework prescribed under the Warehousing Corporations Act, 1962 is the responsibility of the Management of the Corporation. The Statutory Auditors appointed by the Government of Kerala on the advice of the Comptroller and Auditor General of India under Section 31(3) of the Act *ibid* is responsible for expressing opinion on these financial statements under Section 31(5) of the Act *ibid* based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them *vide* their Audit Report dated **24 February 2020**.

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 2019**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the Corporation's personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 31(10) of the Act *ibid*.

For and on behalf of
The Comptroller and Auditor General of India

S. SUNIL RAJ

ACCOUNTANT GENERAL (AUDIT-II), KERALA

Thiruvananthapuram

Dated: 26/06.2020