

# 64<sup>th</sup>

## ANNUAL REPORT & AUDITED ACCOUNTS

2023-24



**KERALA STATE WAREHOUSING CORPORATION**

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

Tel: 0484 2375537, 2376269, 2375116, 2376709

E-mail: [kerwacor@gmail.com](mailto:kerwacor@gmail.com) | [www.kerwacor.com](http://www.kerwacor.com)

**64<sup>th</sup>**  
**ANNUAL REPORT**  
**AND**  
**AUDITED ACCOUNTS**  
**FOR**  
**2023-24**



**KERALA STATE WAREHOUSING CORPORATION**

**ERNAKULAM, KOCHI - 682 016**

**Tel: 0484 2375537, 2376269, 2375116, 2376709**

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## BOARD OF DIRECTORS

### Nominated by State Government

- 1. Sri. P Muthupandy**  
Chairman, KSWC  
Near KDH Club, 3 Room Lane,  
Old Munnar P.O.  
Idukki-658 612
- 2. Sri. W.J Suthan,**  
Joint Secretary,  
Finance Department,  
Government of Kerala,  
Thiruvananthapuram
- 3. Smt. Saleenamma,**  
Additional Director,  
Agriculture Dev.& Farmers  
Welfare Department.  
Government of Kerala,  
Thiruvananthapuram
- 4. Dr. James Jacob,**  
Managing Director,  
Plantation Corporation Kerala Ltd,  
Muttambalam P. O.  
Kottayam - 686 004.
- 5. Sri. Ajith K Joseph,**  
Additional Secretary  
Agriculture Department  
Government of Kerala,  
Thiruvananthapuram

**Managing Director**  
**Sri. Thomas Samuel**

### Nominated by Central Warehousing Corporation

- 1. Ms. Jessy Jacob,**  
Senior General Manager (Finance) & Secretary,  
Central Warehousing Corporation,  
4/1, Siri Institutional Area,  
Hauz Khas, New Delhi – 110 016.
- 2. Sri. Arvind Kumar Rawat,**  
Director (DSVO),  
Department of Food and Public Distribution,  
Ministry of Consumer Affairs,  
Food and Public Distribution,  
Govt. of India, Room No.294, Krishi Bhavan,  
New Delhi-100 001.
- 3. Sri. Sundara Moorthi G S R,**  
Regional Manager,  
Central Warehousing Corporation,  
Regional Office, Maveli Road,  
Gandhi Nagar, Kadavanthra.P.O,  
Kochi 682 020.

### Executive Committee Members

- 1. Sri. P Muthupandy**  
Chairman, KSWC  
Near KDH Club, 3 Room Lane,  
Old Munnar P.O.  
Idukki-658 612
- 2. Sri. Sundara Moorthi G S R,**  
Regional Manager,  
Central Warehousing Corporation,  
Regional Office, Maveli Road,  
Gandhi Nagar, Kadavanthra.P.O,  
Kochi 682 020
- 3. Sri. W.J Suthan,**  
Joint Secretary,  
Finance Department,  
Government of Kerala,  
Thiruvananthapuram
- 4. Managing Director**  
Sri. Thomas Samuel

### Auditors

**M/s. Ayyar & Cherian**  
Chartered Accountants,  
Ernakulam.

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## DIRECTORS' REPORT

Gentlemen,

We have great pleasure in presenting the 64<sup>th</sup> Annual Report on the working of the Corporation together with the audited statements of accounts and auditors report for the year ended 31<sup>st</sup> March 2024.

### **Performance**

The turnover of the Corporation for the year 2023-24 is Rs. 3845.47 lakh as compared to Rs. 3564.26 lakh in the previous year i.e. increase of Rs. 281.21 lakhs. Net profit for the year 2023-24 is Rs. 330.68 lakh as against Rs. 188.75 lakh in the previous year.

The constructed storage capacity of the Corporation during the year under report is 2.05 lakh MTs while the hired accommodation is 0.33 lakh MTs. The total occupancy position of the godowns as on the 31<sup>st</sup> March 2024 is 1.93 lakh MTs against the 2.05 lakh MTs of the previous year. Corporation had deposited 0.66 lakh MTs of goods during the year where as the total deposit for the last year was 0.89 lakh MTs.

The Warehousing charge earned during the year under report was Rs.2938.84 lakh as against Rs.2756.18 lakh earned during previous year. Total earnings of the Corporation during 2023-24 is Rs.3548.91 lakh as against Rs.3307.09 lakh of the previous year.

The Establishment cost during the year 2023-24 is Rs. 1824.85 lakh as against Rs. 1710.19 lakh of the previous year. Total expenditure for the reporting year is Rs.3250.57 lakh as against Rs. 3129.48 lakh for the previous year.

### **Capacity and occupancy**

Description	2022-23	2023-234
Figures Mts in lakh		
<b>Capacity</b>		
Owned	2.02	2.05
Hired	0.38	0.33
<b>Total</b>	2.40	2.38
<b>Occupancy</b>	2.05	1.93
<b>Deposits Received</b>	0.89	0.66

## Working Results

Description	2022-23	2023-24
Figures Rs. in lakh		
<b>Income</b>		
Warehousing Income	2756.18	2938.84
Net income from handling	120.28	100.98
Income from other activity	430.63	509.09
<b>Total</b>	3307.09	3548.91
<b>Expenditure</b>		
Establishment	1710.19	1824.85
Other Expenses	1419.29	1425.72
<b>Total</b>	3129.48	3250.57
Profit	177.61	298.34
Excess provision written back	11.14	32.34
<b>Net Profit</b>	188.75	330.68

### Finance

#### a) Share Capital

Authorized Share Capital limit of the Corporation is Rs.1500 lakh. Out of which the amount of paid up Capital is Rs.1450 lakh, divided into 1450000 shares of Rs 100 each contributed equally by both the shareholders, namely Central Warehousing Corporation and Government of Kerala.

#### b) Loans from Government

##### 1. Interest Free Loan – Rs.50.00 lakhs :

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

##### 2. Working Capital Loan – Rs.500.00 lakhs : .

Government of Kerala had sanctioned a Working Capital Loan of Rs.500.00 lakhs to Kerala State Warehousing Corporation vide G.O(MS) No:75/13/AD Dated 25.03.13 to meet various statutory liabilities. The rate of interest is 13.5% per annum. The loan shall be repaid in equal quarterly installments along with interest. The repayment of loan shall commence on the first anniversary of the release of the loan. Corporation has started repayment during March 2020. The overdue amount of principal and interest portion of this loan is Rs.100 lakhs and Rs.623.60 lakhs respectively as on 31-03-2024.

3. NABARD RIDF XVII Scheme Loans – 3289.47 lakhs :

Government of Kerala has accorded administrative sanction vide G.O. dated 17-03-2012 to Kerala State Warehousing Corporation for the construction of 80 (Eighty) Warehousing Projects under NABARD Rural Infrastructure Development Fund (RIDF) XVII for a total financial outlay of Rs.119.44 Crores. Corporation availed Rs.32.89 crores under this scheme which has been utilized for the construction of 15 additional godowns and renovation of existing 43 godowns.

As per the loan sanction letter loans are to be repayable in 7 years with a grace period of 2 years i.e, the loan should be repaid in 5 equal annual installments after a grace period of 2 years. Corporation has been repaying the loan in quarterly instalments of Rs.30,00,000/- since March 2020. Outstanding loan amount and interest as on 31-03-2024 is Rs.28,09,47,000.00 and Rs.20,20,79,351.00 respectively

4. NABARD WIF Scheme Loans – 1615.48 lakhs

Government of Kerala accorded Administrative Sanction for Rs.2505.50 lakh as loan for the construction of 8 godowns under NABARD WIF Scheme vide GO (Rt) No.997/2019/AGRI dated 26.10.2019 for Rs.1175 lakh and GO (Rt) No.216/2019/AGRI dated 02-03-2019 for Rs.1330.50. with same terms conditions of the NABARD RIDF loans. Under this scheme, Corporation has availed Rs.1615.48 lakhs as on 31-03-2024 and it has been utilized for the construction of 6 godowns and construction of one godown in progress at Sasthamkotta lease land.

### **Dividend**

The accumulated loss of the Corporation as on 31-03-2024 is Rs.775.00 lakh. Since the financial position of the Corporation is not sound, Provision for dividend is not created this year also

### **Welfare Measures**

The Corporation is maintaining a very good Employer Employee relationship. The revision of dearness allowance made by State Government from time to time was made applicable to the employees of this Corporation also. Corporation continues to extend subsidy for the interest on House Building advance availed by the employees from financial institutions. Corporation has introduced a Medical Insurance scheme for our employees.

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

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

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

## Directors' Responsibility Statement

Directors wish to place on record:

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

## Organization and Meetings

The present Chairman Sri. P.Muthupandi is appointed by the State Government on 23.12.2021 and took over the charge on 29.12.2021. Sri. S. Anil Das took over the charge as the Managing Director on 17.01.2023 and continued till 09.06.2025. The present Managing Director Sri. Thomas Samuel took over the charge on 12.06.2025.

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

<b>List of Directors during 01.04.2023 to 31.03.2024</b>				
<b>Sl.No</b>	<b>Name</b>	<b>Designation</b>	<b>Period</b>	
			<b>From</b>	<b>To</b>
1	Sri. Muthupandy	Chairman	29.12.2021	Continuing
2	Sri. Pradeep Kumar Dixit	Director	05.04.2019	Continuing
3	Sri. Pradipta Kumar Pradhan	Director	25.07.2023	Continuing
4	Sri. Prashant Kumar	Director	10.11.2021	24.07.2023
5	Sri. B.R. Maneesh	Director	01.06.2021	Continuing
6	Sri. P.K.Saw	Director	09.10.2023	Continuing
7	Sri. A.M.Rao	Director	18.09.2017	17.09.2023
8	Dr. Monika Singh	Director	01.11.2020	Continuing
9	Sri. R.Sunilkumar	Director	28.08.2022	31.05.2023
10	Sri. Sabir Hussain	Director	02.03.2019	31.03.2024
11	Sri. W.J. Suthan	Director	19.01.2022	Continuing
12	Sri. George Sebastian	Director	01.09.2023	Continuing
13	Dr. James Jacob	Director	20.09.2023	Continuing
14	Sri. S. Anil Das	MD	17.01.2023	09.06.2025
15	Sri. Thomas Samuel	MD	12.06.2025	Continuing

## Auditors

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

## Acknowledgement

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

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

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

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

Ernakulam  
Date : 25.07.2025

  
**P. Muthupandi**  
Chairman

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**ANNEXURE - I**  
**STORAGE CAPACITY & OCCUPANCY FOR THE YEAR 2023-24 (IN MT)**

Sl. No.	Name of Centre	Date of Opening	Capacity as on 31/03/2024			Occupancy as on 31-03-2024	Total Occupancy including Vacant Space in reservation as on 31-03-2024 in MT
			Owned	Hired	Total		
1	2	3	4	5	6	7	8
<b>Trivandrum Region</b>							
1	Trivandrum	6-Sep-64	2000	0	2000	2260	2260
2	Attingal	1-Jul-75	3100	2144	5244	4836	4836
3	Nedumangad	9-Jan-61	4058	838	4896	5029	5029
4	Neyyattinkara	4-Jan-80	2276	0	2276	2276	2276
5	Pallichal	1-Apr-91	2560	0	2560	2560	2560
<b>Kollam Region</b>							
6	Kollam	1-Oct-71	0	4402	4402	2172	2172
7	Karikode	10-Dec-75	15601	0	15601	86	86
8	Kottarakkara	1-Oct-72	4125	892	5017	4878	4878
9	Karunagapally	5-Jan-81	7063	0	7063	3647	3647
10	Punalur	1-Jan-73	3000	1179	4179	4094	4094
11	Pathanamthitta	1-Aug-75	3540	3106	6646	6527	6527
12	Parakode	4-Jan-62	1200	0	1200	98	98
<b>Alappuzha Region</b>							
13	Alappuzha	16-Dec-67	5150	0	5150	5150	5150
14	Cherthala	13-Jan-73	2300	767	3067	3067	3067
15	Haripad	17-Mar-75	5180	0	5180	3582	3582
16	Kayamkulam	25-Oct-62	1000	0	1000	573	741
17	Mavelikkara	23-Jul-76	3435	0	3435	3435	3435
18	Thakazhy	24-Jan-62	1800	0	1800	1800	1800
<b>Kottayam Region</b>							
19	Kottayam	10-Feb-64	9050	0	9050	6445	6445
20	Changanassery	22-Oct-62	2341	0	2341	2346	2346
21	Ettumanoor	26-Jan-76	3262		3262	2882	2882
22	Ponkunnam	13-Dec-61	1271	0	1271	1158	1158
23	Pala	15-Apr-74	1700	1500	3200	2566	2566
24	Thodupuzha	25-Jan-62	1016	0	1016	1016	1016
25	Vandanmedu	1-Nov-63	5946	0	5946	5974	5974
26	Kattappana	1-Dec-72	2800	0	2800	2626	2626

## KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

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

1	2	3	4	5	6	7	8
	<b>Ernakulam Region</b>						
27	Tripunithura	11-Jul-73	4887	0	4887	4776	4776
28	Aluva	17-Oct-64	5700	1307	7007	6549	6549
29	Eroor	1-Apr-85	4400	0	4400	4022	4022
30	North Parur	25-Feb-01	6050	0	6050	5377	5377
	<b>Trissur Region</b>						
31	Chalakydy	9-Jun-76	3900	0	3900	3900	3900
32	Kunnamkulam	28-Feb-63	2000	0	2000	1957	1957
33	Wadakkancherry	26-Dec-72	3250	2134	5384	5250	5250
34	Nattika	2-Mar-01	3000	530	3530	2838	2838
	<b>Palakkad Region</b>						
35	Palakkad	30-Jan-63	9064	1922	10986	7011	7011
36	Perinthalmanna	11-Nov-75	4250	1739	5989	5989	5989
37	Alathur	1-Jan-73	2973	2374	5347	5347	5347
38	Kozhinjampara	17-Jan-62	2177	0	2177	1868	1868
39	Muthalamada	1-Feb-61	4717	0	4717	4356	4356
	<b>Kozhikode Region</b>						
40	Manjeri	22-Apr-76	6100	0	6100	6099	6099
41	Nilambur	8-Apr-75	6500	0	6500	6156	6156
42	Kozhikode	15-Jun-84	0	0	0	0	0
43	Vadakara	28-Oct-60	0	0	0	0	0
44	Kalpetta	15-Apr-83	5880	1417	7297	6597	6597
45	S. Bathery	13-Jan-66	1555	3383	4938	6019	6019
46	Mananthavady	9-Jan-63	1602	200	1802	1703	1703
	<b>Kannur Region</b>						
47	Kannur	23-Jul-61	4794	0	4794	3894	3894
48	Thalassery	1-May-60	4525	0	4525	0	0
49	Thaliparamba	4-Jan-71	3400	0	3400	2727	2727
50	Iritty	12-Jul-84	3250	0	3250	1965	1965
51	Payyanur	24-Jan-73	3850	0	3850	2805	2805
52	Nileswar	10-Nov-60	1307	0	1307	1307	1307
53	Kanhangad	15-Jun-62	5550	0	5550	5047	5047
54	Kasaragod	1-Jan-73	2050	2625	4675	4675	4675
55	Padannakkad	19-Apr-03	3900	0	3900	3045	3045
	<b>Total</b>		<b>205405</b>	<b>32459</b>	<b>237864</b>	<b>192362</b>	<b>192530</b>

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**ANNEXURE - II**

**STATEMENT OF STOCK HANDLED DURING THE YEAR 2023-24 (IN MT)**

SI. No.	Name of Centre	Opening Balance in MT	Deposit in MT	Release in MT	Closing Balance As on 31-03-2024 in MT	Total Occupancy including Vacant Space in reservation as on 31-03-2024 in MT
1	2	3	4	5	6	7
<b>Trivandrum Region</b>						
1	Trivandrum	0	891	891	0	2260
2	Attingal	164	1078	1242	0	4836
3	Nedumangad	93	1027	959	161	5029
4	Neyyattinkara	0	0	0	0	2276
5	Pallichal	0	27	27	0	2560
<b>Kollam Region</b>						
6	Kollam	13	802	131	684	2172
7	Karikode	8	1284	936	356	86
8	Kottarakkara	361	2377	2591	147	4878
9	Karunagapally	0	626	587	39	3647
10	Punalur	0	0	0	0	4094
11	Pathanamthitta	0	0	0	0	6527
12	Parakode	51	150	174	27	98
<b>Aappuzha Region</b>						
13	Alappuzha	0	0	0	0	5150
14	Cherthala	0	0	0	0	3067
15	Haripad	97	741	713	125	3582
16	Kayamkulam	214	4074	3804	484	741
17	Mavelikkara	0	0	0	0	3435
18	Thakazhy	0	0	0	0	1800
<b>Kottayam Region</b>						
19	Kottayam	2111	4741	5774	1078	6445
20	Changanassery	0	0	0	0	2346
21	Ettumanoor	917	1761	2211	467	2882
22	Ponkunnam	281	29	30	280	1158
23	Pala 74	462	436	100	2566	
24	Thodupuzha	0	0	0	0	1016
25	Vandanmedu	166	978	721	423	5974
26	Kattappana	138	387	230	295	2626

## KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

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

Sl. No.	Name of Centre	Opening Balance in MT	Deposit in MT	Release in MT	Closing Balance As on 31-03-2023 in MT	Total Occupancy including Vacant Space in reservation as on 31-03-2023 in MT
1	2	3	4	5	6	7
	<b>Ernakulam Region</b>					
27	Tripunithura	0	0	0	0	4776
28	Aluva	1296	5644	6800	140	6549
29	Eroor	888	2835	3093	630	4022
30	North Parur	6	0	0	6	5377
	<b>Trissur Region</b>					
31	Chalakydy	0	0	0	0	3900
32	Kunnamkulam	0	0	0	0	1957
33	Wadakkancherry	38	16	45	9	5250
34	Nattika	69	209	267	11	2838
	<b>Palakkad Region</b>					
35	Palakkad	1424	3660	3941	1143	7011
36	Perinthalmanna	0	0	0	0	5989
37	Alathur	0	0	0	0	5347
38	Kozhinjampara	137	1426	693	870	1868
39	Muthalamada	854	463	852	465	4356
	<b>Kozhikode Region</b>					
40	Manjeri	408	1981	1558	831	6099
41	Nilambur	3941	13200	14139	3002	6156
42	Kozhikode	0	0	0	0	0
43	Vadakara	0	0	0	0	0
44	Kalpetta	5159	823	5587	395	6597
45	S. Bathery	2850	5582	3326	5106	6019
46	Mananthavady	114	295	244	165	1703
	<b>Kannur Region</b>					
47	Kannur	0	4	4	0	3894
48	Thalassery	90	139	229	0	0
49	Thaliparamba	181	665	596	250	2727
50	Iritty 1733	2480	3143	1070	1965	
51	Payyanur	0	25	25	0	2805
52	Nileswar	0	0	0	0	1307
53	Kanhangad	178	772	783	167	5047
54	Kasaragod	0	0	0	0	4675
55	Padannakkad	447	4074	3994	527	3045
	<b>Total</b>	<b>24500</b>	<b>65727</b>	<b>70775</b>	<b>19452</b>	<b>192530</b>

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**ANNEXURE - III**

**COMMODITY WISE DEPOSITS FOR THE YEAR 2023-24 (In MT)**

SL NO.	COMMODITY	QUANTITY in MT
1	Boiled Rice	9075
2	Raw Rice	1264
3	Wheat	2075
4	Paper	34
5	Pepper	469
6	Sugar	4528
7	Paddy	879
8	Grams/Pulses/food items	2443
9	Lobia	68
10	fertilizer	10901
11	Rubber	21703
12	Corriander	600
13	Others	8024
14	Chilly	241
15	Atta	750
16	Copra	660
17	Cashew	2013
	<b>Total</b>	<b>65727</b>

# KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM

## ANNEXURE - IV 2023-24

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	5939	24,00,000.00		28,780.00	
1962-63	1811	14545	48,24,600.00		76,448.00	
1963-64	2447	13490	73,83,782.00		92,361.00	
1964-65	3357	25052	78,53,797.00		1,00,554.00	
1965-66	3932	40465	82,34,629.00		1,72,782.00	
1966-67	5042	54256	86,07,409.00		2,39,447.00	
1967-68	5512	66282	70,56,221.00		3,97,375.00	
1968-69	5366	68726	76,85,132.00		4,22,018.00	
1969-70	5400	60929	93,56,235.00		5,13,764.00	
1970-71	5471	89011	60,44,089.00		5,48,392.00	
1971-72	7803	164859	1,08,601.00		8,43,914.00	
1972-73	8922	169586	1,44,28,000.00		10,27,979.00	
1973-74	10918	227037	1,68,55,088.00		12,52,020.00	
1974-75	13123	277951	2,40,00,252.00		20,89,685.00	
1975-76	18000	517177	2,70,00,000.00		40,52,674.00	
1976-77	16877	442545	1,85,00,000.00		59,11,133.00	
1977-78	11550	336364	1,82,60,700.00		44,22,402.00	
1978-79	14352	283756	1,80,22,105.00		40,09,876.00	
1979-80	14978	317442	1,19,05,113.00		51,49,697.00	
1980-81	19913	467704	92,88,615.00		57,30,034.00	
1981-82	22420	406949	94,60,000.00		95,90,159.00	
1982-83	19351	382252	1,15,10,000.00		71,03,475.00	
1983-84	21335	421557	1,60,57,205.00		1,36,98,635.00	
1984-85	20945	454523	1,93,20,313.00		1,21,25,692.92	
1985-86	19947	445116	1,37,64,468.65		1,42,40,640.71	
1986-87	18987	442513	86,98,443.60		1,44,62,286.24	
1987-88	14915	292862	92,21,947.40		1,09,82,061.40	
1988-89	15973	301426	54,73,257.40		1,23,21,930.68	
1989-90	14961	260229	2,16,26,371.25		1,23,03,822.23	
1990-91	16400	281359	2,52,86,051.50		1,38,72,050.38	
1991-92	15919	303384	89,78,087.00		1,73,70,156.87	
1992-93	12113	316216	1,04,39,161.00		1,96,61,118.95	
1993-94	14716	520522	2,03,11,445.00		2,60,18,266.64	
1994-95	18400	305585	4,59,90,774.00		4,72,75,606.64	
1995-96	12193	264899	3,17,16,070.00		4,42,87,415.60	
1996-97	11037	227570	1,72,59,178.00		4,80,76,583.08	
1997-98	13239	249841	3,09,76,133.00		6,73,09,525.92	
1998-99	18074	234833	1,47,70,050.00		6,73,91,860.96	
1999-00	12989	282230	5,32,11,824.00		5,93,99,964.00	
2000-01	16881	249037	8,45,37,091.00		10,16,86,334.54	
2001-02	4978	105417	2,34,37,469.00		7,76,88,187.29	
2002-03	5556	144495	11,66,43,043.00		3,87,14,224.56	
2003-04	5844	163273	15,50,19,629.00		4,14,71,395.03	
2004-05	5926	156877	13,05,69,291.00		4,06,37,209.15	
2005-06	4956	151173	13,05,69,291.00		4,89,02,527.87	
2006-07	10427	200797	66,89,05,139.00		5,02,16,519.03	
2007-08	10860	248658	90,09,95,202.00		7,38,78,774.24	
2008-09	9890	311877	29,46,31,272.00		9,34,90,266.37	
2009-10	11499	296441	24,92,70,507.00		10,01,58,059.11	
2010-11	9170	270077	35,72,21,472.00		9,94,21,283.97	
2011-12	8639	298750	44,09,02,521.00		9,05,61,005.34	
2012-13	10855	299581	38,67,23,034.00		13,91,94,563.57	
2013-14	21738	227105	52,20,28,550.00		13,14,94,671.58	
2014-15	7978	175273	55,35,91,135.00		15,03,89,347.60	
2015-16	7761	151210	77,60,36,302.00		16,29,85,991.08	
2016-17	7434	164042	86,10,58,077.00		16,77,87,392.45	
2017-18	4390	255458	86,10,58,077.00		27,90,33,729.35	
2018-19	5063	132992	43,29,93,707.00		28,63,09,188.00	
2019-20	3466	100208	10,83,55,253.00		29,00,93,844.32	
2020-21	4138	132520	52,95,62,546.00		28,30,83,016.65	
2021-22	2991	78613	48,54,83,512.00		26,97,32,456.16	
2022-23	3129	88722	2,11,78,83,918.00		27,56,18,025.64	
2023-24	2489	65727	1,34,33,85,042.00		29,38,84,378.99	

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

Figure as at 31.03.2023		CAPITAL AND LIABILITIES	Schedule	Figure as at 31.03.2024	
Rs.	Ps.			Rs.	Ps.
15,00,00,000.00		<b>SHARE CAPITAL</b>	<b>"A"</b>		
		<b>AUTHORISED :</b> 1500000 Equity Shares of Rs. 100/- each			15,00,00,000.00
14,50,00,000.00		<b>ISSUED AND SUBSCRIBED :</b> 1450000 Equity Shares of Rs. 100/- Each			14,50,00,000.00
		<b>PAID UP :</b>			
7,25,00,000.00		725000 Equity Shares of Rs. 100/- each held by the Government of Kerala	7,25,00,000.00		
7,25,00,000.00		725000 Equity Shares of Rs. 100/- each held by the Central Warehousing Corporation	7,25,00,000.00		14,50,00,000.00
15,75,000.00		<b>SHARE CAPITAL ADVANCE (Note No.3)</b>			20,65,000.00
		<b>RESERVE FUND</b>			
	NIL	(I) RESERVE			NIL
	NIL	(ii) CAPITAL RESERVE			NIL
		<b>Deferred Government Grants</b>			
2,68,34,277.00		(i) FUND RECEIVED FROM GOVT UNDER 100%CSS (Note No.6a)	2,62,68,557.00		
19,61,039.00		(ii) ASSISTANCE FROM GOK (Note No.6b)	19,21,548.00		
61,80,318.00		(iii) RKVY FUND (Note No.6c)	60,17,791.00		
6,78,584.00		(iv) Spl Assistance For Computerization (CCTV)	10,54,746.00		
13,87,360.00		(v) Spl Assistance For Computerization (Note No.6d (ii&i))	5,68,452.00		
1,08,98,625.00		(vi) Assistance from GOK (Kozhijampara, Punalur) (Plan fund ) (Note No.6e(i&ii))	1,61,02,637.00		5,19,33,731.00
		<b>PROVISION FOR BAD AND DOUBTFUL DEBTS (Under Section 30(2))</b>			
4,75,40,547.65			(Annexure III)		4,83,26,175.65
		<b>BONDS AND DEBENTURES</b>			NIL
	NIL	<b>OTHER FUNDS</b>			NIL
		<b>BORROWING FROM:</b>			
	NIL	(i) The Reserve Bank of India (Under Section 27(2)(I))			NIL
	NIL	(ii) The State Bank (Under Section 27(2)(ii))			NIL
	NIL	(iii) Nationalised Banks (Under Section 27(2)(iii))			NIL
	-	(iv) Other Financial Institutions (Under Sec. 27(2)(iv))			-
2,50,00,000.00		(v) State Government (Under Section 27(3))(Note 7a&b)			1,50,00,000.00
		(vi) Loan from Govt of Kerala under NABARD RIDF Scheme (Note No.7c)			28,09,47,000.00
29,29,47,000.00		(vii) Central Warehousing Corpn. (Under Section 27(3))			NIL
	NIL	(viii) Loan from Govt of Kerala under NABARD WIF Scheme (Note No.7d)			16,15,48,000.00
9,00,04,000.00					
<b>65,00,06,750.65</b>					<b>70,48,19,906.65</b>

# CORPORATION ERNAKULAM

31st MARCH 2024

RULE 19)

Figure as at 31.03.2023		PROPERTY AND ASSETS	Schedule	Figure as at 31.03.2024	
Rs.	Ps.			Rs.	Ps.
52,988.10		<b>CASH IN HAND :-</b>			
		(i) D.D and Cheques in Hand	-		
		(ii) Cash in Hand	51,022.10		51,022.10
	NIL	<b>CASH IN TRANSIT</b>			NIL
2,78,14,753.73		<b>CASH IN BANK</b>			
		(a) Reserve Bank of India	-		
		(b) State Bank of India	2,74,72,344.85		
		(c) Scheduled Banks	1,66,41,173.32		
		(d) Co-operative Banks	-		
		(e) Treasury Savings Banks	40,89,193.00		
	-	(f) Fixed Deposit with Treasury/Banks	-		
					4,82,02,711.17
		<b>INVESTMENTS</b>			
		(a) Central Government Securities	-		
		(b) State Government Securities	-		
		(c) Other Investments			
10,01,69,243.00		Fixed Deposit with Treasury/Banks	(Annexure VI)		96,838,601.00
		<b>FIXED ASSETS</b>	<b>"C"</b>		
3,65,18,744.67		LANDS	3,65,18,744.67		
50,11,48,731.19		BUILDINGS & WAREHOUSES	54,54,28,896.75		
4,00,78,702.58		OTHER ASSETS	3,75,72,779.96		
0.00		INTANGIBLE ASSETS	68,796.00		61,95,89,217.38
	NIL	<b>VALUE OF DEAD STOCK</b>			NIL
6,03,60,412.50		<b>CAPITAL WORK IN PROGRESS</b>	(Annexure IX)		5,95,67,570.58
3,09,803.00		<b>CONSTRUCTION MATERIALS AT SITE</b>	(Annexure V)		3,09,040.00
<b>76,64,53,378.77</b>		<b>Carried Over</b>			<b>82,45,58,162.23</b>

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

Figure as at 31.03.2023 Rs. Ps.	CAPITAL AND LIABILITIES	Schedule	Figure as at 31.03.2024 Rs. Ps.
65,00,06,750.65 NIL	Brought Forward <b>ADVANCES RECEIVED FOR PURCHASE OF AGRICULTURAL COMMODITIES AS AN AGENT</b>		70,48,19,906.65 NIL
NIL	<b>LIABILITY UNDER GUARANTEE BY STATE GOVERNMENT FOR BONDS AND DEBENTURES AS PER CONTRA (Under Section 27(4))</b>		NIL
4,50,72,895.25	<b>PROVISION FOR TAXES</b>	(Annexure I)	6,36,01,098.25
41,76,87,356.67	<b>OTHER LIABILITIES</b>	<b>"B"</b>	43,40,60,612.06
-	<b>PROVISION FOR RETIREMENT BENEFITS AS PER ACTUARIAL VALUATION</b> Group Gratuity Liability	-	
3,30,54,869.00	Surrender Leave Allowance Fund	3,67,68,534.00	3,67,68,534.00
NIL	<b>SUSPENSE</b>		NIL
	<b>OTHER ITEMS :</b>		
56,250.00	(i) Employees Welfare Fund Collected		59,604.00
3,76,96,284.00	(ii) Receipt from GOK for construction of MRM (Note No.16 a&b)		3,76,96,284.00
	Notes	<b>"E"</b>	
<b>1,18,35,74,405.57</b>	<b>Total</b>		<b>1,27,70,06,038.96</b>

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

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM  
DATE : 21 - 01 -2025



**S ANIL DAS**  
**MANAGING DIRECTOR**



**P MUTHUPANDI**  
**CHAIRMAN**

**CORPORATION ERNAKULAM**

31st MARCH 2024

RULE 19)

Figure as at 31.03.2023		PROPERTY AND ASSETS	Schedule	Figure as at 31.03.2024	
Rs.	Ps.			Rs.	Ps.
76,64,53,378.77		Brought Forward			82,45,58,162.23
	NIL	<b>OUTSTANDING DUES FOR PURCHASES MADE ON BEHALF OF</b>			
		a) Central Warehousing Corporation			NIL
		b) Central Government			NIL
		c) State Government			NIL
	NIL	<b>GUARANTEE BY GOVERNMENT AS PER CONTRA</b>			NIL
	NIL	<b>SUSPENSE</b>			NIL
26,04,10,151.79		<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	<b>"D"</b>		31,89,98,536.49
98,41,422.00		Plan Assets (Gratuity)			1,93,76,058.00
		<b>OTHER ITEMS :</b>			
56,250.00		Employees Welfare Fund Invested			59,604.00
3,62,45,043.25		Construction of MRM(WIP) (Note No.16b)			3,65,13,342.73
11,05,68,159.76		<b>Accumulated Loss</b>			7,75,00,335.51
		Notes	<b>"E"</b>		
<b>1,18,35,74,405.57</b>		<b>Total</b>			<b>1,27,70,06,038.96</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/s. AYYAR & CHERIAN  
CHARTERED ACCOUNTANTS  
FRN: 000284S



VINCENT JOSE ACA  
(Partner)  
Memb No. 255375

**KERALA STATE WAREHOUSING**  
**PROFIT & LOSS ACCOUNT FOR THE**  
**(FORM B**

Figure as at 31.03.2023 Rs.      Ps.	EXPENDITURE	Schedule	Figure as at 31.03.2024 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	
NIL	(d) Loans from Nationalized Banks (Car Loans)	-	
NIL	(e) Loan from Other Financial Institutions	-	
1,98,53,729.00	(f) Loan from Govt of Kerala under NABARD RIDF Scheme	1,90,27,008.00	
32,16,884.00	(g) Working Capital Loan	19,51,952.00	
5,90,250.00	(h) Loan from GOK under NABARD WIF Scheme	29,20,109.00	
-	(i) ACCDS Interest on Bank Deposit(Delayed)	46,427.00	
-	(j) Interest on Income tax	1,665,300.00	
2,36,60,863.00			2,56,10,796.00
	<b>ESTABLISHMENT CHARGES</b>		
	To Pay and Allowances of :-		
1,75,401.00	1) Managing Director	8,82,700.00	
13,29,63,245.00	2) Officers and Others	13,03,98,786.00	
15,23,384.00	To Group Gratuity Expenses	17,86,011.00	
1,00,63,857.00	To Terminal Surrender & SLA	1,41,02,654.00	
1,58,58,979.07	To Employers Contribution to Pension Fund	1,68,70,913.00	
-	To Employers Contribution to Welfare Fund	-	
19,997.00	To Employers Contribution to ESI	20,409.00	
1,05,00,000.00	To 11th Pay Revision Expenses	1,75,34,364.00	
3,15,707.00	To Employers Contribution to Medical Insurance (SBI)	3,97,190.00	
21,000.00	To Bonus for the Year	21,000.00	
6,96,190.00	To Festival Allowance / Incentive	6,87,610.00	
9,64,000.00	To Medical Reimbursement	9,44,000.00	
17,31,01,760.07		18,36,45,637.00	
20,82,718.00	Less:Supervisory charges on Construction	11,60,831.00	
<b>17,10,19,042.07</b>			<b>18,24,84,806.00</b>
6,05,249.00	To Professional Charges		8,26,714.00
68,03,096.76	To Office and Administrative Expenses at H.O. & Warehouses	<b>"F"</b>	79,83,883.60
2,20,000.00	To Honararium to Chairman		2,40,000.00
3,600.00	To Directors T.A. and Sitting Fees		3,190.00
2,57,70,104.00	To Rent & Lease Rent		2,69,73,536.00
45,90,417.00	To Rates and Taxes		53,48,727.00
1,54,30,713.00	To Depreciation		1,68,12,140.00
72,42,891.06	To Repairs & Maintenance Buildings	60,38,022.64	
-	To Repairs & Maintenance Buildings(NABARD)	-	
32,59,677.76	To Repair others	47,49,412.00	1,07,87,434.64
<b>25,86,05,653.65</b>	<b>Carried Over</b>		<b>27,70,71,227.24</b>

**CORPORATION ERNAKULAM**  
**YEAR ENDED 31st MARCH, 2024**  
**RULE 19)**

Figure as at 31.03.2023		INCOME	Schedule	Figure as at 31.03.2024	
Rs.	Ps.			Rs.	Ps.
27,56,18,025.64		By Warehouse Charges			29,38,84,378.99
		By Interest on :-			
	-	a) Securities	NIL		
72,44,581.00		b) Bank Accounts	70,92,259.00		
	-	c) Advance to Staff	NIL		
	-	d) Others	NIL		
15,00,349.00		e) IT Refund	-		
					70,92,259.00
	NIL	By Dividend on share in Co-operative Societies			NIL
2,91,39,522.29		By Handling & Transportation Receipts			2,90,89,316.54
12,91,574.34		By Other Receipts	"H"		23,02,015.82
	NIL	By Service Charges from godown construction on behalf of other Public Sector Undertakings			NIL
	-	By Centage			12,60,029.00
8,140.00		By Profit on Sale of Fixed Assets			-
2,40,19,497.07		By Fumigation & Spraying Income			2,54,38,203.09
10,13,045.82		By Rat Bait Income			18,45,905.35
1,07,03,513.52		By Leave & Licence Fee			1,03,80,026.59
18,23,640.00		By Deferred Income (Fund Apportioned) (Note No.6 a to e)	(Annexure VIII)		18,36,472.00
<b>35,23,61,888.68</b>		<b>Carried Over</b>			<b>37,31,28,606.38</b>

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

Figure as at 31.03.2023	EXPENDITURE	Schedule	Figure as at 31.03.2024
Rs.      Ps.			Rs.      Ps.
25,86,05,653.65	Brought Forward		27,70,71,227.24
3,29,993.00	To Staff Welfare Expenses		4,63,318.00
3,11,081.00	To Auditors Fees and Expenses (Statutory Audit)		3,25,587.00
35,400.00	To Tax Audit fee		35,400.00
6,79,471.50	To Printing and Stationary		4,39,889.00
61,96,374.16	To Warehouse Expenses	<b>"G"</b>	61,39,845.00
4,73,868.00	To Advertisement and Publicity		4,35,568.38
75.00	To Loss on Sale of Fixed Assets		-
46,121.00	To Loss on Sale of stock of construction materials		335.12
-	To Staff training expenses		97,670.00
1,71,12,221.35	To Handling and Transportation Expenses		1,89,90,505.10
55,13,711.18	To Fumigation Expenses		54,17,730.78
13,31,850.00	To Consumption of Chemicals & Consumable Items	(Annexure X)	9,87,000.00
40,759.00	To Diminish in value of Chemicals		-
6,03,860.00	To Rat Bait Expenses		10,24,916.00
83,85,791.00	To Construction Wing Expenses		92,42,125.00
20,03,556.72	To Provision for Bad and Doubtful debts		12,96,294.00
29,50,722.00	To Indirect Expenses (KVIC)		81,84,669.00
69,62,510.19	To Adjustment relating to Prior Years	<b>"I"</b>	78,492.00
<b>4,48,43,209.93</b>	<b>Profit for the year</b>	<b>"E"</b>	<b>5,43,16,207.25</b>
	Notes		
<b>35,64,26,228.68</b>	<b>Total</b>		<b>38,45,46,778.87</b>
2,59,67,771.00	To Tax Expenses	(Annexure VII)	2,12,48,383.00
<b>1,88,75,438.93</b>	<b>Net Profit After Tax</b>		<b>3,30,67,824.25</b>
<b>4,48,43,209.93</b>	<b>TOTAL</b>		<b>5,43,16,207.25</b>
	<b>Earning per Share</b>		
<b>13.48</b>	Basic		<b>22.81</b>
<b>13.48</b>	Diluted		<b>22.81</b>

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

FOR AND ON BEHALF OF THE BOARD,



**S ANIL DAS**  
**MANAGING DIRECTOR**



**P MUTHUPANDI**  
**CHAIRMAN**

PLACE : ERNAKULAM

DATE : 21 - 01 - 2025

**CORPORATION ERNAKULAM**

31st MARCH 2024

RULE 19)

Figure as at 31.03.2023		INCOME	Schedule	Figure as at 31.03.2024	
Rs.	Ps.			Rs.	Ps.
35,23,61,888.68		Brought Forward		37,31,28,606.38	
11,13,618.00		By Excess Provision written back		32,33,503.49	
29,50,722.00		By Indirect Incomes (KVIC)		81,84,669.00	
		Notes	"E"		
<b>35,64,26,228.68</b>		<b>Total</b>		<b>38,45,46,778.87</b>	
<b>4,48,43,209.93</b>		By Profit Before Tax		<b>5,43,16,207.25</b>	
<b>4,48,43,209.93</b>		<b>TOTAL</b>		<b>5,43,16,207.25</b>	

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/s. AYYAR & CHERIAN  
CHARTERED ACCOUNTANTS  
FRN: 000284S



VINCENT JOSE ACA  
(Partner)  
Memb No. 255375

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

Figure as at 31.03.2023 Rs.      Ps.	EXPENDITURE	Schedule	Figure as at 31.03.2024 Rs.      Ps.
12,94,43,598.69	To Accumulated Loss		11,05,68,159.76
<b>12,94,43,598.69</b>	<b>Total</b>		<b>11,05,68,159.76</b>

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

FOR AND ON BEHALF OF THE BOARD,



**S ANIL DAS  
MANAGING DIRECTOR**



**P MUTHUPANDI  
CHAIRMAN**

PLACE : ERNAKULAM

DATE : 21 - 01 - 2025

**CORPORATION ERNAKULAM**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024**

Figure as at 31.03.2023 Rs. Ps.	INCOME	Schedule	Figure as at 31.03.2024 Rs. Ps.
1,88,75,438.93	By Net Profit c/d		3,30,67,824.25
11,05,68,159.76	Amount transferred to Accumulated Loss		7,75,00,335.51
<b>12,94,43,598.69</b>	<b>Total</b>		<b>11,05,68,159.76</b>

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

**FOR M/s. AYYAR & CHERIAN**  
**CHARTERED ACCOUNTANTS**  
**FRN: 000284S**



**VINCENT JOSE ACA**  
**(Partner)**  
**Memb No. 255375**

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**SCHEDULE - A**  
**SHARE CAPITAL**

Figure as at 31.03.2023 Rs.      Ps.	PARTICULARS		Figure as at 31.03.2024 Rs.      Ps.
15,00,00,000.00	<b>AUTHORISED :</b>  1500000 Equity Shares of Rs. 100/- each		15,00,00,000.00
14,50,00,000.00	<b>ISSUED AND SUBSCRIBED :</b>  1450000 Equity Shares of Rs. 100/- Each		14,50,00,000.00
14,50,00,000.00	<b>PAID UP :</b>  725000 Equity Shares of Rs. 100/- each held by the Government of Kerala	7,25,00,000.00	
	725000 Equity Shares of Rs. 100/- each held by the Central Warehousing Corporation	7,25,00,000.00	14,50,00,000.00
14,50,00,000.00	<b>Total</b>		14,50,00,000.00

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 21 - 01 - 2025

**FOR M/s. AYYAR & CHERIAN**  
**CHARTERED ACCOUNTANTS**  
**FRN: 000284S**



**S ANIL DAS**  
**MANAGING DIRECTOR**



**P MUTHUPANDI**  
**CHAIRMAN**



**VINCENT JOSE ACA**  
**(Partner)**  
**Memb No. 255375**

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**SCHEDULE - B**  
**OTHER LIABILITIES**

Figure as at 31.03.2023 Rs. Ps.	PARTICULARS	Figure as at 31.03.2024 Rs. Ps.
1,77,44,124.22	Security Deposit	1,80,40,986.22
39,06,064.00	Earnest Money Deposit	39,52,640.00
63,99,152.00	Retention Money	30,74,348.00
0.00	Provident Fund Deduction	0.00
22,72,719.39	Income Tax Deducted at Source	8,42,744.55
29,90,44,179.29	Outstanding Expenses (Annexure II)	33,39,82,584.40
7,66,583.00	Provision for Bonus	7,66,583.00
59,27,424.65	Sundry Creditors	59,27,424.65
3,94,685.00	Advance received from Debtors	3,29,507.00
1,87,87,821.00	Amount Payable to Contractors (NABARD)	85,03,387.00
99,94,726.00	Amount Payable to Contractors (KSWC)	54,94,555.00
0.00	Amount Payable to Contractors (RKVY)	0.00
10,88,498.00	Amount Payable to Contractors (Plan Fund)	51,42,690.00
9,79,361.00	Amount Payable to Contractors (Share Capital)	4,89,361.00
41,193.96	Amount Payable to Suppliers (KSWC)	38,964.00
85,66,728.00	Unpaid Dividend	85,66,728.00
4,17,74,097.16	Other Liabilities (Annexure IV)	3,89,08,109.24
<b>41,76,87,356.67</b>	<b>Total</b>	<b>43,40,60,612.06</b>

**Schedules forming part of Accounts**

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

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

PLACE : ERNAKULAM

DATE : 21 - 01 - 2025

**FOR M/s. AYYAR & CHERIAN**  
**CHARTERED ACCOUNTANTS**  
**FRN: 000284S**



**S ANIL DAS**  
**MANAGING DIRECTOR**



**P MUTHUPANDI**  
**CHAIRMAN**



**VINCENT JOSE ACA**  
**(Partner)**  
**Memb No. 255375**

**KERALA STATE WAREHOUSING**  
**SCHEDULE - C, PROPERTY, PLANT &**

<b>ORIGINAL COST</b>									
Sl. No.	Name of ASSET	Gross Block as on 31.03.2023		Addition during the year		Deletion during the year		Gross Block as on 31.03.2024	
		Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
<b>TANGIBLE ASSETS</b>									
<b>1</b>	<b>LAND</b>	3,65,18,744.67						3,65,18,744.67	
	<b>TOTAL</b>	<b>3,65,18,744.67</b>		-		-		<b>3,65,18,744.67</b>	
<b>2</b>	<b>BUILDING</b>								
	a)WAREHOUSE	18,38,85,330.04		1,29,20,278.56				19,68,05,608.60	
	b)WAREHOUSE(NABARD)	32,03,10,269.00						32,03,10,269.00	
	c)WAREHOUSE(LEASE)	19,24,885.00						19,24,885.00	
	d)ROLLING SHUTTERS	4,26,568.44						4,26,568.44	
	e)FENCING	49,961.52						49,961.52	
	f) WAREHOUSE UNDER CSS 100%	3,87,25,000.00						3,87,25,000.00	
	g) GODOWN CONSTRUCTED WITH ASSISTANCE WITH GOK	25,00,000.00						25,00,000.00	
	h)WAREHOUSE (RKVY Fund)	55,40,615.00						55,40,615.00	
	i)WAREHOUSE (PLAN Fund)	57,31,638.00		38,00,000.00				95,31,638.00	
	j)WAREHOUSE (NABARD WIF Fund)	6,01,16,787.13		3,85,84,611.00				9,87,01,398.13	
	<b>TOTAL</b>	<b>61,92,11,054.13</b>		<b>5,53,04,889.56</b>		-		<b>67,45,15,943.69</b>	
<b>3</b>	<b>ELECTRICAL INSTALLATION</b>	4,21,36,393.50		25,79,061.38				4,47,15,454.88	
<b>4</b>	<b>FURNITURE &amp; FIXTURES</b>								
	a)FURNITURE & FIXTURES	30,80,371.19		8,770.00				30,89,141.19	
	b)WOODEN CRATES	44,29,410.21						44,29,410.21	
<b>5</b>	<b>VEHICLE</b>								
	a)OFFICE VEHICLE	37,10,880.00						37,10,880.00	
	b)MOPED	51,003.00						51,003.00	
	c)CYCLE	38,890.00						38,890.00	
	d)ACTIVA	1,29,548.00						1,29,548.00	
<b>6</b>	<b>FORK LIFT</b>	22,69,150.00						22,69,150.00	
<b>7</b>	<b>OFFICE EQUIPMENTS</b>								
	a)OFFICE EQUIPMENTS	17,89,647.64						17,89,647.64	
	b)GENERAL EQUIPMENTS	64,16,201.03		38,380.00				64,54,581.03	
	c)MOBILE PHONE	91,573.90						91,573.90	
<b>8</b>	<b>COMPUTER</b>								
	a)SERVERS AND NETWORKS	6,75,864.00						6,75,864.00	
	b)COMPUTER	61,27,004.00		1,23,278.00				62,50,282.00	
	c) SPL ASSISTANCE FROM GOK (Computerisation)	33,10,000.00						33,10,000.00	
	d) SPL ASSISTANCE FROM GOK (CCTV)	6,80,000.00		5,30,000.00				12,10,000.00	
	<b>TOTAL</b>	<b>7,49,35,936.47</b>		<b>32,79,489.38</b>		-		<b>7,82,15,425.85</b>	
<b>INTANGIBLE ASSETS</b>									
<b>9</b>	<b>COMPUTER SOFTWARE</b>	26,48,587.00		70,800.00				27,19,387.00	
	<b>G. TOTAL</b>	<b>73,33,14,322.27</b>		<b>5,86,55,178.94</b>		-		<b>79,19,69,501.21</b>	

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM

DATE : 21 - 01 -2025



**S ANIL DAS**  
**MANAGING DIRECTOR**



**P MUTHUPANDI**  
**CHAIRMAN**

## CORPORATION, ERNAKULAM

### EQUIPMENT STATEMENT AS ON 31ST MARCH 2024

DEPRECIATION								NET CARRYING AMOUNT			
Upto 31.03.2023		For the year		On deletion		As on 31.03.2024		Net Block as on 31.03.2024		Net Block as on 31.03.2023	
Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
								3,65,18,744.67		3,65,18,744.67	
-		-		-		-		<b>3,65,18,744.67</b>		<b>3,65,18,744.67</b>	
7,30,53,198.02		39,13,494.00				7,69,66,692.02		1,1,98,38,916.58		11,08,32,132.02	
3,08,46,505.00		50,61,372.00				3,59,07,877.00		28,44,02,392.00		28,94,63,764.00	
2,71,778.00		61,019.00				3,32,797.00		1,5,92,088.00		16,53,107.00	
3,87,125.40		3,233.00				3,90,358.40		36,210.04		39,443.04	
49,960.52		-		-		49,960.52		1.00		1.00	
1,18,90,723.00		5,65,720.00		-		1,24,56,443.00		2,62,68,557.00		2,68,34,277.00	
5,38,961.00		39,491.00		-		5,78,452.00		19,21,548.00		19,61,039.00	
3,36,482.00		1,62,527.00		-		4,99,009.00		50,41,606.00		52,04,133.00	
16,375.00		95,988.00		-		1,12,363.00		94,19,275.13		57,15,263.00	
6,71,215.00		11,21,880.00				17,93,095.00		9,69,08,303.00		5,94,45,572.13	
<b>11,80,62,322.94</b>		<b>1,10,24,724.00</b>		-		<b>12,90,87,046.94</b>		<b>54,54,28,896.75</b>		<b>50,11,48,731.19</b>	
86,03,248.00		39,94,234.00				1,25,97,482.00		3,21,17,972.88		3,35,33,145.50	
26,27,015.18		88,605.00				27,15,620.18		3,73,521.01		4,53,356.01	
44,29,408.21		-				44,29,408.21		2.00		2.00	
28,75,376.00		1,85,991.00				30,61,367.00		6,49,513.00		8,35,504.00	
49,614.00		-				49,614.00		1,389.00		1,389.00	
38,889.00		-				38,889.00		1.00		1.00	
94,892.00		11,185.00				1,06,077.00		23,471.00		34,656.00	
5,24,750.00		1,43,637.00				6,68,387.00		16,00,763.00		17,44,400.00	
17,35,677.44		9,442.00				17,45,119.44		44,528.20		53,970.20	
54,53,345.16		3,25,222.00				57,78,567.16		6,76,013.87		9,62,855.87	
86,994.90		-				86,994.90		4,579.00		4,579.00	
4,69,209.96		30,197.00				4,99,406.96		1,76,457.04		2,06,654.04	
57,54,758.04		24,153.00				57,78,911.04		4,71,370.96		3,72,245.96	
21,12,640.00		8,18,908.00				29,31,548.00		3,78,452.00		11,97,360.00	
1,416.00		1,53,838.00				1,55,254.00		10,54,746.00		6,78,584.00	
<b>3,48,57,233.89</b>		<b>57,85,412.00</b>		-		<b>4,06,42,645.89</b>		<b>3,75,72,779.96</b>		<b>4,00,78,702.58</b>	
<b>26,48,587.00</b>		2,004.00				26,50,591.00		68,796.00		<b>0.00</b>	
<b>15,55,68,143.83</b>		<b>1,68,12,140.00</b>		-		<b>17,23,80,283.83</b>		<b>61,95,89,217.38</b>		<b>57,77,46,178.44</b>	

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR M/s. AYYAR & CHERIAN

CHARTERED ACCOUNTANTS

FRN: 0002845

*Vincent Jose*

VINCENT JOSE ACA

(Partner)

Memb No. 255375

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

Figure as at 31.03.2023		PARTICULARS	Figure as at 31.03.2024	
Rs.	Ps.		Rs.	Ps.
4,93,804.24		<b>1. CURRENT ASSETS</b>		
		Closing Stock (Certified by MD)		
		a. Chemicals (Annexure X)	3,36,844.04	
		b. Stationary	1,93,822.00	
		c. Stamps in Hand	5,495.20	5,36,161.24
11,27,94,216.51		Sundry Debtors		
		Considered Good	8,00,93,544.04	
		Considered Doubtful	3,97,02,781.07	11,97,96,325.11
23,54,753.00		Storage charges accrued (Rs. 23,53,276.00 considered as doubtful and provided for)		23,53,276.00
1,89,981.00		Leave & Licence Fee Accrued		23,63,029.00
10,01,020.00		Interest accrued		10,27,155.00
6,34,32,197.19		Income tax deducted at source		9,01,11,799.39
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
80,93,449.00		Receivable from Government of Kerala (Resumption fund)		3,25,75,362.00
		Receivable from Government of Kerala (Considered as doubtful& provision has already been made)		33,71,875.00
33,71,875.00		Receivable from IT Department		48,84,710.00
92,60,290.00		Purchase Tax, SC, ST deducted from Contractors		24,679.00
24,679.00		Service Tax on Works Contract Services		1,83,096.00
1,83,096.00		VAT Collected		2,36,582.85
2,36,582.85		Receivable from Party(Rent TDS excess paid)		0.00
0.00		LIC Deduction		0.00
1836.00		Receivable and Advance to Staff (Rs.1,32,282/-Considered as doubtful & provision has already been made)		13,98,456.00
14,77,290.00		Receivable from KSID (Flood insurance claim)		2,60,39,657.00
2,60,39,657.00		Receivable from KSSDA (Construction Account)		0.00
0.00		Receivable from Deputy Labour Commissioner (Gratuity)		31,96,475.00
28,66,640.00				
<b>23,22,38,478.79</b>		<b>Total (1)</b>		<b>28,85,15,750.59</b>
		<b>2. LOANS AND ADVANCES (RECOVERABLE IN CASH OR IN KIND)</b>		
1,72,47,293.54		Advance Sales Tax Paid		1,72,47,293.54
22,91,434.00		Prepaid Expenses		38,59,476.00
0.00		Other Advance		14,000.00
3,61,162.00		Security Deposit with Customers/Suppliers (Rs.1,60,705/- Considered as doubtful & provision has already been made)		3,61,162.00
54,229.36		Advance to Suppliers (Rs.26,408.36 considered as doubtful debts & provision has already been made)		54,229.36
1,49,272.11		Advance with HLWW Board		1,17,466.01
1,20,061.00		Advance to Suppliers & Contractors (NABARD )		1,20,061.00
14,28,000.00		Festival Advance		11,83,500.00
2,000.00		Library Deposit		2,000.00
65,05,220.99		Receivable from Contract work (Rs.10,62,628.99 considered as doubtful & provision has already been made)		65,05,220.99
13,000.00		Advance to Contractors (Rs.13,000/- considered as doubtful & provision has already been made)		10,18,377.00
<b>2,81,71,673.00</b>		<b>Total (2)</b>		<b>3,04,82,785.90</b>
<b>26,04,10,151.79</b>		<b>GRAND TOTAL (1 + 2)</b>		<b>31,89,98,536.49</b>

Schedules forming part of Accounts

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD,

FOR M/s. **AYYAR & CHERIAN**  
CHARTERED ACCOUNTANTS

FRN: 002845

PLACE : ERNAKULAM

DATE : 21- 01 -2025

**S ANIL DAS**  
MANAGING DIRECTOR

**P MUTHUPANDI**  
CHAIRMAN

**VINCENT JOSE ACA**  
(Partner)

Memb No. 255375

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**SCHEDULE - E**  
**NOTES ATTACHED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT**  
**AND BALANCE SHEET FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024**

1. Fumigation and spraying activities relating to Rat bait are considered to be incidental to the storage function. Though not specifically covered under Section 24 of the Warehousing Corporation Act, 1962 and Rule 16 and 16A of the Kerala State Warehousing Corporation Rules, 1968, these activities were taken up at the behest of the Govt. of Kerala. Moreover, Government of Kerala vide G.O No.637/06/LSGD dated 06.03.2006, has recognized KSWC as a nodal agency to supply the Rat poison bait, 'RODOFOE'. In addition to that as part of diversified activities, Corporation is undertaking Disinfestations/Pest Control Services for farmers, Central/State Government Departments, High Court of Kerala, Public Sector Undertakings, Private institutions etc.
2. Chapter II, Rule 4 of the Warehousing Corporation Rules, 1968 now reads that "The authorized share capital of the Corporation shall be 3 Crore 80 Lakhs Rupees divided into 3,80,000 shares of Rs. 100 each." Then, the Authorized Share Capital Limit of the Corporation was enhanced gradually to Rs.15,00,00,000/- (Rs.15.00 Crore) through Extra Ordinary Gazette Notifications in exercise of the powers conferred by the proviso to Sub-section (1) of Section 19 of the Warehousing Corporation Act, 1962 (58 of 1962) by Central Government after consultation with Government of Kerala. As the Kerala State Warehousing Corporation Rules, 1968 also to be amended to that effect, the matter had been taken up with Government of Kerala and it is under process.
3. Authorized Share Capital limit of the Corporation is Rs.15,00,00,000/- (Rs.15.00 crore) and Paid up Capital is Rs.14,50,00,000/- (14.50 crore) which was equally subscribed by Government of Kerala and Central Warehousing Corporation. Further, Government of Kerala has released an amount of Rs.20,65,000/- which is shown as Share Capital advance and on receipt of matching contribution from Central Warehousing Corporation this amount will be treated as Share Capital.
4. In some of the Godowns of Kerala State Warehousing Corporation, storage facilities at rebated rates being provided to State Public Sector Undertakings, viz. Kerala State Civil Supplies Corporation (KSCSC), Kerala Medical Service Corporation (KMSCL) and Kerala State Beverages Corporation (KSBC). Gross amount of rebate given to these Public Sector Undertakings is Rs. 4.81 crores during this year.
5. a) As per the decision of the 282<sup>nd</sup> Board dated 25.04.2017 and 292<sup>nd</sup> Board dated 16.07.2018, Corporation has entered into a new venture of leasing vacant land which is not suitable for construction of Godowns to telecom Companies, for the installation of Mobile Tower Sanction from Government of Kerala and Central Warehousing Corporation had also been obtained vide G.O (Rt) No.865/2017/Agri dated 14.09.2017 and Letter No. CW/967 dated 06.07.2017 respectively. Accordingly, the Letter of Award was issued vide letter No. KSWC/Mktg/M.T/18-19 dated 17.09.2018 to M/s. Reliance Jio Infocom Ltd; awarding 38 locations. As per the agreement dated 08.11.2018, the party had remitted Rs.3,40,50,000/- (Rs.3.405 crores) (excluding GST) as Rent advance for 5 years from 08.11.2018 to 07.11.2023 during November 2018. The rent amount pertains to this year till 07.11.2023 of Rs.41,23,315/- has been recorded under Leave and License fee .  
b) Following the expiry of the above License Agreement of the mobile towers installed in the warehouses premises, KSWC and RJIL mutually agreed and renewed the agreement for a further period of 5 years with 19% hike on the prevailing rates with effect from 08.11.2023. The rent pertaining the period; 08.11.2023 to 31.03.2024 of Rs.21,07,373/- (excluding GST) has been recorded under Leave and License fee.
6. a) Government of Kerala had availed Rs. 3,87,25,000/- from Government of India during 2001 to 2003 for the construction of godowns in the State under Revamped Public Distribution Scheme, which is a 100% Centrally Sponsored scheme of Government of India. 50% of which was subsidy and balance 50% loan. During previous years, Corporation had paid Rs. 20,75,000.00 to Government of Kerala being repayment of loan and Rs.12,96,875.00 being interest on loan . As per the original terms & conditions prescribed by Government of India, the loan need not be repaid by Corporation and hence this amount of Rs. 33,71,875/- is refundable by Government of Kerala is treated as Current Asset. However, equivalent provision towards doubtful debts had also been made during 2011-12 as its receipt is not confirm.  
Under this Scheme, State Government had entrusted the construction of godowns with Kerala State Warehousing Corporation in the land owned by the Corporation and the fund was given to Corporation.

The balance amount of this assistance as on 31.03.2024 is Rs. 2,62,68,557/- after adjusting depreciation for the year Rs.5,65,720.00 .

- b) Government of Kerala had provided Rs.25 lakhs as assistance to KSWC during the year 2008 for the development of infrastructure facilities for Warehousing. Fund was completely utilized for the construction of godown at North Paravoor. The liability is being reduced every year by charging deprecation on this asset. Thus the liability is reduced to Rs. 19,21,548 as at 31<sup>st</sup> March 2024 after adjusting depreciation for the year Rs.39,491.
- c) **Rashtriya Krishi Vikas Yojana (RKVY) Scheme-** As per GO (MS) No.57/2019/AD dated 25.03.2019, Government of Kerala has sanctioned a Grant of Rs. 65,16,800/- under RKVY Scheme in 2018-19 for setting up of a Scientific Storage and Cold Storage for agriculture produce in Vandanmedu in Idukki District. Corporation has completed the construction of Cold Storage room on 09.07.2020 with a total cost of Rs. 44,58,598/- and installation of lift, DG set, Lab equipment etc. were completed during 2021-22 of Rs. 10,82,017/-. The amount of Grant as on 31.03.2024 is Rs. 60,17,791/- after adjusting depreciation for the year Rs. 1,62,527/-.
- d) i) Government of Kerala sanctioned Rs. 35,00,000/- as assistance for the computerization of the Corporation . The amount of Grant as on 31.03.2024 is Rs. 5,68,452/- after adjusting depreciation of Rs. 8,18,908/-.
- ii) Government of Kerala sanctioned Rs.12,10,000/- as assistance for the installation of CCTV in Godowns. Out of which Rs. 5,30,000/- is received during this year. The outstanding amount of Grant as on 31.03.2024 is Rs. 10,54,746/- after depreciation amount of Rs. 1,53,838/- is adjusted.
- e) i) For the construction of Godown at Kozhinjampara, Government of Kerala has sanctioned Rs. 60,00,000/- as assistance during the FYs 2020-21 and 2021-22 @ Rs. 30,00,000/- each and Rs. 38,00,000/- lakh during this year. Outstanding amount of this Grant as on 31.03.2024 is Rs.96, 87,637/- after the depreciation is adjusted. Depreciation of Rs. 95988/- is adjusted during this year.
- ii) For the construction of Godown at Punalur, Government of Kerala has sanctioned Rs. 49,15,000/- as assistance during 2022-23 and Rs. 15,00,000/- during this year. The work is in progress.
7. a) **Interest Free Loan from Government of Kerala:-** As per G.O.(Rt) No.204/96/Ad dated 08.02.1996 an interest free loan of Rs. 50,00,000/- (₹ Fifty Lakhs) was sanctioned by Government of Kerala for meeting cost incurred in connection with the Acquisition of land at Muvattupuzha. The loan had to be repaid in 5 equal installments within two and half years, commencing from 01.04.2011 as intimated vide letter dated 23.06.2011 of Government of Kerala. Since the loan is not repaid Rs. 50.00 lakhs stands as overdue since 2014.
- b) **Working Capital Loan from Government of Kerala:-** Government of Kerala had sanctioned Rs. 5,00,00,000/- (Rs.5.00 Crores) as Working Capital Loan to Kerala State Warehousing Corporation vide G.O.(MS) No.75/13/AD Dated 25.03.2013 to meet various statutory liabilities and settle various pending court cases. Corporation has received the Loan on 27.04.2013.The rate of Interest is 13.5% per annum. As per the sanction letter, the Loan shall be repaid in 20 equal quarterly installments along with interest and the repayment of Loan shall commence on the first anniversary of the drawal of the loan. The loan amount of Rs. 5,00,00,000/- Crore was stands as overdue since 2019. The Board of Directors of the Corporation in its 299th meeting held on 24.02.2020 had resolved to repay the Working Capital loan by quarterly instalments as per the availability of fund. Accordingly, Corporation has started repayment during March 2020 and total amount repaid as on 31.03.2024 is Rs. 4,00,00,000/- and outstanding amount of loan and interest as on 31.03.2024 is Rs. 1,00,00,000/- and Rs. 6,23,59,829/- respectively. As per the general instructions in the sanction letter regarding repayment of principal and interest, penal interest not less than 2.5% above the normal rate of interest shall be levied in the event of default in repayment of installments and /or interest. Corporation has requested Government of Kerala for the waiver of the interest and penal interest considering the fact that KSWC is allotting godowns at the discounted rates to the State Public Sector Undertakings. Government has not rejected this proposal and it is now under process. Hence, penal interest is not provided this year also. If it is claimed in future, that will be accounted on cash basis.

- c) Loan from Government of Kerala under NABARD RIDF Scheme :-** Government of Kerala has accorded administrative sanction vide G.O.(Rt) No.618/2012/AD dated 17.03.2012 to Kerala State Warehousing Corporation for the construction of 80 (Eighty) Warehousing Projects under NABARD Rural Infrastructure Development Fund (RIDF) XVII for a total financial outlay of Rs. 119.44 Crores. The total amount of loan availed as on 31.03.2024 is Rs. 32,89,47,000/- as follows:
- i) Government had sanctioned an amount of Rs.22.6685 Crores as Start up Advance vide G.O. (Rt) No.1301/2012/AD dated 22.06.2012. As per G.O. (MS) No.239/2012/AD dated 17.10.2012, the Corporation received an amount of Rs.11,33,00,000/- (being 50% of startup advance) at an interest rate of 7.5% per annum from the Government Contingency Fund.  
The loan amount of Rs. 11,33,00,000/- (Rs. 11.33 Crore) stands as overdue since 2019. Corporation has started repayment of the loan by equal quarterly instalments of Rs. 30,00,000/- since March 2020. Accordingly, Corporation has repaid Rs. 5,70,00,000/- (Rs. 5.70 Crore) to Government of Kerala up to October 2024.
  - ii) As per G.O.(Rt) No. 1349/14/AW dated 02.08.2014, the Corporation received an amount of Rs. 8,02,26,000/- at an interest rate of Rs. 7.5% per annum as second allotment from the Government on 19.12.2014. The above loan to be repaid in five installments commencing from 01.11.2017 as per the terms of G.O. This loan stands as overdue since 2022.
  - iii) As per G.O.(Rt) No. 1883/2015/AD dated 11.11.2015, the Corporation received an amount of Rs. 5,00,00,000/- (Rs. 5 Crore) at an interest rate of 7.5% per annum as third allotment from the Government on 17.12.2015. This loan stands as overdue since 2023.
  - iv) As per G.O. (Rt) No.79/2017/Agri dated 28.01.2017, Corporation received an amount of Rs. 50,70,000/- at an interest rate of 5.25% per annum as forth allotment on 05.02.2017.
  - v) As per G.O. (Rt) No.556/2017/AGRI dated 29.05.2017, Corporation received an amount of Rs. 1,31,59,000/- bearing interest @ 5.25% per annum as fifth allotment on 22.06.2017.
  - vi) As per G.O (Rt) No.869/2017/AGRI dated 14.09.2017, Corporation received an amount of Rs. 6,26,60,000/- bearing interest @ 4.75% per annum as sixth allotment on 25.10.2017.
  - vii) As per G.O (Rt) No.667/2019/AGRI dated 20.07.2019, Corporation received an amount of Rs. 45,32,000/- bearing interest @ 4.50% per annum as Seventh allotment on 29.02.2020.
- These loans are 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 year In the sanction letter, it is stated that penal interest @ 2.5% per annum shall be charged in addition to the normal rate of interest, in case of default. As KSWC is allotting Godowns to other State Public Sector undertakings at subsidized rates; Corporation has requested Government of Kerala to exclude the penal interest clause. Government has not rejected this proposal. Hence no provision is made for penal interest on NABARD Loan this year also as has been done in pre-year. If it is claimed, that will be accounted on actual payment basis.
- The above loan amount was utilized for both construction of New Godowns/renovation and Repair & Maintenances. The interest amount pertaining to construction of New Godowns/renovation has been capitalized in proportionate manner based on the total amount utilized from the loan as on 31.03.2024.
- d) Loan from Government of Kerala under NABARD WIF Scheme:-**Government of Kerala has issued Administrative sanction vide G.O. (Rt) No.997/2019/AGRI dated 26.10.2019 and G.O (Rt) No.216/2019/AGRI dated 02.03.2019 for Rs. 11,75,00,000/- (₹1175 lakhs) and Rs. 13,30,50,000/- (Rs.1330.50 lakhs) respectively for the Construction of 8 numbers of Multistoried/Single storied Warehouses at Muthalamada, North Paravur, Punalur, Kozhinjampara, Mavelikkara, Harippad, Thalasserry and Sasthamkotta (lease land) with a total financial outlay of Rs. 25,05,50,000/- (₹2505.50 lakh) . Proposed capacity addition under this Scheme is 17455 MTs. The total loan amount availed as on 31.03.2024 is ₹16,15,48,000/- The interest rate varies from 2.75% to 5%. The loan is repayable in 7 years with grace period of 2 year. The godowns which were constructed by availing loans are being provided to Public Sector Undertakings at subsidized rents. Hence, Corporation had requested Government of Kerala to exclude the penal interest clause of NABARD loans and the Government has not rejected this request. Hence no provision is made for penal interest on NABARD WIF Loan also. If it is claimed in future, that will be accounted on actual payment basis.

8. 'Provision for rent arrears' amounting to Rs. 53,99,600/- which is grouped under 'Outstanding expenses Payable', is the demand for enhancement of rent for PWD godown hired by Corporation for the period from 1-8-1982 to 31-3-2024. Corporation had not paid the amount but liabilities in this regard being provided since 1995-96.
9. Corporation had entered into an agreement with Alappuzha Coir Cluster Development Society (ACCDS) on 11<sup>th</sup> day of March 2008 for providing consultancy services for the construction of their Business Development Centre at Thiruvizha and Factory Building and Allied works at Pallipuram. 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 the Corporation and in turn they have put forth a claim for higher interest and approached the Court and the case was decided in favor of the Corporation. The ACCDS filed an appeal before the Hon'ble Commercial Appellate Court, Alappuzha against the order of Commercial Court. KSWC also filed cross objection in the Court. Later ACCDS approached the Corporation for settlement in the case and agreed to the decree amount of Rs. 6,33,248/- with 6% interest ordered by the Commercial Court. Accordingly ACCDS and KSWC settled the matter before the Lok Adalath on 09.11.2024. As per the settlement, KSWC has to pay Rs. 6,33,248/- with 6% interest from 30.06.2021 to 19.09.2022 to ACCDS. Accordingly Corporation has paid Rs. 679675/- , including interest amount of Rs. 46427/- during 2024-25 and provision for interest has been created during the reporting year.
10. a) Corporation was appointed by Government of Kerala as the Nodal Agency for distribution of imported cement to actual users on behalf of State Trading Corporation during the period from 1983-84 to 1987-88. Accordingly, KSWC made newspaper advertisements and collected applications from actual users of cement along with approved plan and estimates. After consolidating all those applications, the required quantity of cement was intimated to STC and they have imported cement and distributed through KSWC. Corporation was of the view that, since no sale was involved the transactions 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 and it is grouped under 'Provision for Taxes'. The balance disputed tax liability (including interest) amounts Rs. 5,79,49,668/-, is treated as Contingent Liability. Further the advance sales tax paid Rs. 1,72,47,293.54 is grouped under 'Current Assets Loans and Advances'. This issue is now pending before the High Power Committee of Government of Kerala for disposal, and hence did not make provision for the interest portion.  
b) Sales tax assessments of the Corporation up to 2004-05 are over. The assessment pertaining to 1987-88 to 1990-91 and for 1997-98 are under dispute and at various stages of appeal.
11. Dividend Payable to Government of Kerala from 1982-83 to 1987-88 & 1996-97 to 2001-02 is ₹85,66,728/- had been provided in the Accounts during the respective previous year Considering the financial stringencies of the Corporation during the period from 2002-03 onwards, Government of Kerala has not claimed the amount.
12. Corporation was running in huge loss from FY 2002-03 to 2016-17. The figure of accumulated loss as on 31.03.2024 is ₹7,75,00,335.51. Since the financial status of the Corporation is not sound, provision for dividend is not created during this year also.
13. Employee Benefits:-  
A. Defined Benefit Plans  
Description of the Corporation's defined benefit plan.  
a) Gratuity Scheme:-  
Corporation is having a Group Gratuity Cash Accumulation Scheme with LIC of India for the payment of Gratuity to its employees on superannuation. The annual premium for the renewal of the policy is worked out by LIC on the basis of the pay scale of each employee as on 1<sup>st</sup> March at the existing rates of DA. Gratuity is worked out as ½ months emoluments for every completed year of service. Here the month means 26 days i.e. excluding the Sundays in a month. The scheme provides for a lump sum payment to vested employees on retirement/ death. Vesting occurs upon completion of five years of service.

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

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

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

Particulars	FY:2023-24	FY:2022-23
Present Value of the benefit obligation on 1st April	7,45,93,344	7,07,37,714
Current Service Cost	45,90,719	44,27,391
Interest Cost	53,84,051	49,31,049
Benefit Paid	14,76,110	27,68,006
Actuarial (Gain) / Loss (Balancing Fig)	12,08,039	27,34,804
Present Value of the benefit Obligations on 31st March	8,18,83,964	7,45,93,344

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

Particulars	FY:2023-24	FY:2022-23
Fair Value of Plan assets as at 1st April	8,44,34,767	6,05,36,823
Expected return on Plan Assets	65,14,128	49,72,426
Contribution	1,13,20,646	2,15,65,698
Benefits Paid	14,76,110	27,68,006
Actuarial (Gain) / Loss (Balancing Fig)	4,66,591	1,27,826
Present Value of Plan Assets as at 31st March	10,12,60,022	8,44,34,767

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

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Current Service Costs	45,90,719	44,27,391	44,30,969	48,07,857	36,56,775
Interest Costs	53,84,051	49,31,049	49,19,045	36,95,843	32,86,175
Expected Return on Plan Assets	65,14,128	(49,72,426)	(44,45,596)	(45,32,406)	(38,94,944)
Net Actuarial (Gain)/ Loss	(16,74,631)	(28,62,630)	(3,02,456)	2,05,94,656	1,30,22,465
Costs of Obligation (in P&L)	17,86,011	15,23,384	46,01,961	2,45,65,950	1,60,70,472

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

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Present Value of Obligation as at the end of the year	8,18,83,964	7,45,93,344	7,07,37,714	8,02,22,693	5,76,54,674
Less: Fair Value of Plan assets at the end of the year	10,12,60,022	8,44,34,767	6,05,36,823	7,21,57,878	6,57,58,321
Net Liability / (Asset) recognized in Balance Sheet	1,93,76,058	98,41,422	(1,02,00,891)	80,64,815	(81,03,647)

v. Principal Actuarial Assumptions:

Method Used	Projected Unit Credit Method
Discount Rate	7.29%
Rate of Escalation on Salary	5.00%
Expected return on assets	7.29%
Attrition Rate	5.00%

b) Leave Encashment:-

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

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

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

Particulars	FY:2023-24	FY:2022-23
Present Value of the obligation on 1st April	3,30,54,869	3,29,86,168
Employer expense	43,36,585	15,79,387
Benefit Paid	6,22,920	15,10,686
Present Value of the Obligations on 31st March	3,67,68,534	3,30,54,869

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

Particulars	FY:2023-24	FY:2022-23
Fair Value of Plan assets as at 1st April	0.00	0.00
Expected return on Plan Assets	0.00	0.00
Contribution	0.00	0.00
Benefits Paid	0.00	0.00
Actuarial (Gain) / Loss (Balancing Fig)	0.00	0.00
Present Value of Plan Assets as at 31st March	0.00	0.00

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

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Current Service Costs	–	–	55,47,629	36,98,289	26,41,635
Interest Costs/Benefits paid	6,22,920	15,10,686	17,56,338	13,29,715	14,33,057
Net Actuarial (Gain/Loss)/ Net increase in liability over the valuation period	37,13,665	68,701	50,85,794	68,13,719	(5,37,315)
Costs of Obligation (in P&L)	43,36,585	15,79,387	1,23,89,762	1,18,41,723	35,37,377

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

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Present Value of Obligation as at the end of the year	3,67,68,534	3,30,54,869	3,29,86,168	3,00,91,562	2,08,59,412
Less: Fair Value of Plan assets at the end of the year	0.00	0.00	0.00	0.00	0.00
Past Service Costs	0.00	0.00	0.00	0.00	0.00
Net Liability in Balance Sheet	3,67,68,534	3,30,54,869	3,29,86,168	3,00,91,562	2,08,59,412

v. Principal Actuarial Assumptions of leave:

Method Used	Projected Unit Credit Method
Discount Rate	7.22%
Rate of Escalation on Salary	5.00%
Attrition Rate	5.00%

**B. Defined Contribution Pension Plan.**

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. Corporation is required to contribute amount @12% of Basic Pay + DA to the Pension Fund.

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

Then the pensioners again approached Hon'ble High Court seeking direction to the Kerala State Warehousing Corporation Pension Trust and Kerala State Warehousing Corporation to refix the pensionary benefits due to them taking into account the last drawn salary as on the date of their retirement. The Hon'ble Court Ordered that the petitioners would be eligible for pension at the revised rate subject to the ceiling of Rs.3,650/- with eligible dearness relief for a period up to 12.04.2018. Corporation filed appeal against this Order. Meanwhile, some pensioners again filed a Direction Petition, M.A No-40-41/2019 in Hon'ble Supreme Court for Clarification of the Order SLP No.3679-3680/2017. The same was dismissed by the Hon'ble Supreme Court on 20/01/2020. Four Writ Appeals filed by KSWC Pension Trust and KSWC Pensions Association before the Hon'ble Division Bench of High Court of Kerala are dismissed and upheld the order passed by Single Bench of the Hon'ble High Court of Kerala vide order dated 12.11.2024.

Due to insufficient fund in the Trust, Pension revision is not yet implemented. Further, it is also provided in the Pension Regulation 3 (2) (a), that "no further contribution shall be made by the Corporation, except as provided in the regulation, for any reason whatsoever and it shall be the duty of the Trust Committee to keep the fund financially sound". Hence, the financial commitment which would have been arise for implementing Pension Revision is not considered as a Contingent Liability.

14. Provision of Rs.33,64,124/-has been created this year towards Employers Contribution payable to KSWC Employees Pension & Other Retirement Benefits Fund due to 11<sup>th</sup> Pay revision and it is shown under "Schedule B- Outstanding Expenses-Other Liabilities".

15. The Board of Directors in its 290<sup>th</sup> Meeting held on 24.03.2018 had decided to regularize the service of Class IV Grade II employees appointed during 2009 with all withheld service benefits like increment, promotion etc. retrospectively from February 2014. However, decision of the Hon'ble High Court of Kerala in WPC No. 10791/2013 regarding the same is still pending. 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 19<sup>th</sup> October 2007. Complying the audit remarks of FY 2017-18, the matter had since then been taken up with Government of Kerala vide letter No.KSWC/EST/Class IV/2019-20 dated 23.10.2019. Since no response was received from Government of Kerala, the excess provided amount of Rs.33,16,400/- was written back during 2020-21 and the excess amount paid has been recovered from pay revision arrears of the employees concerned during this year. Now the matter is pending with Government.
16. a) Government of Kerala had entrusted the work of construction of Modern Rice Mills at Alathur and Thakazhy with KSWC during the year 2000 and had sanctioned Rs.1,01,96,284/- during the year 2000-01. Corporation had utilized Rs.1,25,17,353.48 in this project till 31.03.2006. The balance amount for the completion of the project had not been received from Government. In that context, in order to recoup the excess amount spent by Corporation from its own resources, share capital advance of Rs.25 Lakhs received from Government of Kerala during 1999-00 was adjusted as Grant during 2004. Ratification from Government for this adjustment is not received but had directed Corporation to refund Rs.25,00,000/- to Government.
- b) Then, Government of Kerala had released Rs.2,50,00,000/- to resume the construction of Rice Mills at Alathur and Thakazhy on condition that the Mill should be run by Kerala State Warehousing Corporation on its completion. On getting the funds released, Corporation had restarted the construction work at Alathur and the milling unit was inaugurated on 01.01.2008. After the erection of other machineries like par boiling unit and boiler, the mill was fully commissioned on 27.11.2008. As decided by the Board of the Corporation, since the Government has not agreed to sign MOU for making good the loss if any on account of the running of the Mills and as necessary working capital has not been provided by Government, the running expense is being met from the amount received from Government. The net working result of the Mill has adjusted under the head Construction of MRM (WIP) on the Asset side of the Balance Sheet, that is Rs. Rs.3,65,13,342.73 and total fund received for the MRM Projects amounting to Rs.3,76,96,284/- shown in liability side of the Balance Sheet.
- c) Corporation had sought clarification regarding ownership of Modern Rice Mills (MRM) from The Director of Agriculture, Government of Kerala. As per the direction from Hon. Minister for Agriculture (Minutes dated 07.03.2018), the mill at Alathur was temporarily handed over to Oil Palm India Ltd. from 20.09.2018, for operating the Mill for one year. However, Oil Palm India Ltd.; had not signed the MOU. Electricity charges incurred during the period in which the Mill was operated by Oil Palm India Ltd.; was paid by them except for the months of August and September 2019. Hence, considering the good relationship with Oil Palm, Corporation had paid the electricity charges for the two months amounting to Rs.87,065/-. Then in the 298<sup>th</sup> Board convened on 14.11.2019 vide resolution No.3509 has ratified this payment. Corporation has not received any income during the period in which the Mill was operated by Oil Palm India Limited. Presently the mill is not operated by Oil Palm.

As per the direction of Board a technical evaluation through the experts in Kerala Agriculture University was conducted and in the Technical evaluation and assessment of present value of MRM, Alathur submitted by the Associate Director of Research (Agri.Engineering) Kerala Agricultural University, Vellanikkara, Thrissur, it was inferred that the rice mill and the machinery has to be retained within the Government sector. If that is not an optable decision, the mill may be leased out to NGO's/Co-operative societies. If both the options are not viable, the mill may be leased out to private sector players in order to ensure the utilization of potential of the mill and for generation steady revenue to Kerala state warehousing Corporation.

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

therefrom. In the meanwhile invited Expression of Interest (EOI) from external agencies during the month of July 2023 for renovating and running the Rice Mill and received some favorable responses from private parties and also from Alathur Co-operative Marketing Society. Being a government agency, given preference to Alathur Co-operative Marketing Society and had discussions with them. But after discussion and all they took nearly one year to reach a decision and finally they have intimated that they are not interested to proceed with the proposal and due to this long delay, private parties were also backed out from their proposal. So again given an advertisement in the newspaper on 24.01.2024. But we have not received any favorable response in favor of the corporation.

During the subject committee meeting conducted on 07.08.2024 at Kerala Legislative Assembly Hall, Trivandrum along with the Special Secretary (Agri.) the matter was discussed in detail, and the Managing Director has described the current situation of the project in the meeting. Since no favorable response has been received from our state, the committee directed KSWC to explore the possibility of giving advertisements over South India basis. In light of this, given newspaper advertisements by inviting Expression of Interest (EOI) in Tamilnadu, Karnataka, Andhra & Telengana states. But this time we have not received any response.

17. State Government had entrusted the Corporation as an agency for the implementation of the scheme of spraying on coconut trees against the attack of Eriophyid mite. The scheme includes spraying with bio pesticides and application of a mixture of manures on coconut trees utilizing the Central assistance and by collecting a nominal amount from the farmers. For the preparation of fertilizer kits Corporation had procured Urea for Rs.93,31,125/- utilizing the fund provided by the Government. Since required funds were not released from Government of Kerala, the scheme could not be implemented. The stock of fertilizer was subsequently disposed off at a lower rate for an amount of Rs.72,23,380/- by 2008-09. As per the Balance sheet; liability Booked is Rs.74,16,768/- . The additional amount claimed by GOK than the liability already booked by Corporation amounts to Rs.19,14,357/- (Rs.93,31,125/- - Rs.74,16,768/-) is shown under 'Claims not acknowledged as debt'(note no.19(ii)).

Then, after adjusting notional storage charge of Rs.22,50,090/- the amount payable to Government is re-calculated as Rs.51,66,678/-. Government had earlier admitted the refundable amount as Rs.51,66,678/- but later it was directed to refund the entire amount of Rs.93,31,125/-. As per the decision of the 297<sup>th</sup> Board Meeting dated 29.07.2019 vide resolution No.3498 Corporation has refunded Rs.51,66,678/- to Government of Kerala.

Government of Kerala directed Corporation to recover the loss on sale of urea amounting Rs.21,07,835/- from the former employees of the Corporation based on PAC recommendations. As directed, Corporation has sent notices for recovery of the loss from the former Managing Director and retired officials of the Corporation connected with the purchase and sale of urea during 2004-05. The 294<sup>th</sup> Board considered matter and directed the MD to place the matter before the EC. The 228<sup>th</sup> Executive Committee Meeting considered the matter and directed MD to write to Government recommending to take action against the officers responsible for the loss. Then the 300<sup>th</sup> Board Meeting dated 11.08.2020 vide resolution No.3583 had resolved to appoint an advocate for inquire. Accordingly Adv.Sri.Sivaji.B.S has submitted his report and this report was placed before the 310<sup>th</sup> Board Meeting held on 06.02.22 and the Board accorded sanction to write to Govt. Accordingly Corporation has sent letter dated 21.03.23 to the Govt. with all details along with the enquiry report and now the matter is pending with the Government.

18. 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.

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

i) Amount claimed by Government of Kerala as refund of Share Capital[Ref. Note:16(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:17]	:-	19,14,357.00

**20. Contingent Liabilities as on 31.03.2023 are:-**

i) Sales Tax Liability with interest (Note:10(a))	:-	5,79,49,668.00
ii) Amount Payable to Contractor (Ref. Note:18)	:-	2,07,651.00

**21.** Corporation's various income tax appeals against the assessment orders issued by disallowing the delayed remittances of employees contributions to Employees Provident Fund Trust in respect of previous years are pending at various stages of appeal. Corporation had filed Special Leave Petition (Case No.25483/2019) before the Hon.Supreme Court against the impugned final judgment and Order dated 11.07.2019 in ITA No.144/2019 passed by the Hon. High Court of Kerala related to AY 2010-11 and the case is adjudicated in favour of IT department and against which the review petition filed by the Corporation was not considered and dismissed vide order dated 03.04.2024. Hence, an amount of Rs.39,69,628/- booked as receivable from IT department is reversed and adjusted to prior year expenditure during this year 2022-23.

There was a total demand for Rs.75,78,080 for AY 2013-14. Out of this an amount of Rs.43,75,580 was adjusted from the refund of AY 2010-11 and the Corporation has accounted this amount as receivable from IT department. Balance Rs.32,02,500 was adjusted by the department from the refund of AY 2023-24 as per intimation u/s 245 CPC/2324/G8a/408473641 dated 12/12/2023. Since Corporation has accounted Rs. 32,02,500 as Tax Expense during FY 2023-24, the receivable amount form IT department RS.43,75,580 was also reversed as Tax expenses during 2023-24.

**22.** Corporation is carrying out the consultancy work of KVIC (Khadi and Village Industries Commission) for the renovation of their factory buildings at Kuttur, Thrissur District during this year with 15% Centage Charge on actual project expenditure excluding reimbursement of TA &DA of Corporation staffs for field visits, advertisement charges, quality testing charges etc.

**23.** In connection with the flood disaster occurred during 2018 and 2019, stocks in State Warehouse Pala and Chalakudy belongs to KSCSC, Shivashakthi Dall Industries, Falcon Agro Foods, MJ Traders, IFFCO and NAFED had been damaged. Subsequently, Corporation had submitted a claim of Rs.2,60,39,657/- to Kerala State Insurance Department. KSID vide their letter KSID/F1/T001812940 dated 06.03.2019 had admitted the claim only up to Rs.1,08,880/- . Hence Corporation filed an appeal before the Principal Secretary, Finance Department, Government of Kerala to get the damages completely and which is now under process. Hence, Rs.2,60,39,657/- is shown under outstanding liabilities and at the same time it is shown as receivable from KSID.

**24.** Former employees of the Corporation had filed gratuity cases before the Hon'ble Deputy Labour Commissioner, claiming the gratuity due to them for the period they worked on daily wages. In these cases Corporation appeared before the Gratuity Court through the Standing counsel. The Deputy Labour Commissioner after taking evidence ordered to pay the balance gratuity amounts to these former employees.

The above matter was placed before the 300<sup>th</sup> Board Meeting held on 11.08.2020. The Board after detailed discussion vide Resolution No.3571 directed the Managing Director to file appeal as per law. This matter was brought to the notice of the Government as per direction from Board. The Government of Kerala vide letter No.AGRI-PU2/34/2021-AGRI dated 17.08.2021 has directed to file appeal before the Appellate Authority and if the Appellate Authority also confirmed the decision of Deputy Labour Commissioner, Corporation should file Writ Petition against these orders before the Hon'ble High Court. As such Corporation filed appeal before the Regional Joint Labour Commissioner but the Appellate Authority confirmed the above order.

Then, Corporation filed 10 Writ Petitions before the Hon'ble High Court. The Hon'ble High Court after admitting the cases passed an interim order staying the orders of Deputy Labour Commissioner and Regional Joint Labour Commissioner. Now the matter is under the consideration of Hon'ble High Court. As the claims against the

Corporation are not being acknowledged as liability which are under the consideration of Court/arbitration, Corporation has not created a provision towards enhanced gratuity for the period in which the retired employees worked on daily wages.

25. Sri. V. C Lalg, the former employee of the Corporation filed a Gratuity case before the Deputy Labour Commissioner for paying interest for delayed disbursement of Gratuity. The Corporation appeared in the Gratuity Court through the Standing Counsel. The delay in disbursement of Gratuity to Sri.Lalgi was due to the disciplinary action initiated against him. After taking evidence the Deputy Labour Commissioner ordered to pay 10% interest of Rs. 1,25,707/-

The matter was placed before the 300<sup>th</sup> Board Meeting and Board vide Resolution No.3571(B) dated 11.08.2020 directed the Managing Director to file appeal as per Law. Accordingly Corporation filed appeal before the Regional Joint Labour Commissioner. The Appellate Authority also confirmed the earlier decision of Deputy Labour Commissioner. Aggrieved by the above order Corporation filed Writ Petition No.28/2022 before the Hon'ble High Court. The Hon'ble High Court after admitting the case passed an order to stay the order of Deputy Labour Commissioner and Regional Joint Labour Commissioner. Now the matter is under the consideration of Hon'ble High Court. In this context, Corporation did not create a provision for interest on gratuity for the delayed payment.

26. a) For the work of Cochin Metro, 1.31 ares of land in Sy.No.1317/1-8 of State Warehouse Thripunithura was acquired and awarded Rs. 90,78,854/- to Corporation vide Award No.49/17 of LAC No.36/17 dated 27.01.2018 of Land Acquisition Officer, Office of the Special Tahsildar(LA) NH No.III, Vyttila. Corporation has filed an appeal for enhanced compensation before the LA Authorities, which is pending.  
b) Further, Kochi Metro Rail Project had acquired 0.0100 hectares of land in Sy. No.1317/1-15 in Poonithura Village by Special Tahsildar, Kakkanad and awarded Rs. 81,35,043/- vide order dated 30.08.2019. The appeal filed by Corporation for an enhanced compensation is pending.
27. As part of four lining of NH 17( New 66) the Special Tahsildar, Kasargod had acquired 69 sq.meteres of land in RS No.545/2 in Kanhangad Village and awarded Rs.11,36,688/-. Corporation has filed appeal for an enhanced compensation and which is pending.
28. With respect to the deposit of latex in Ponkunnam Warehouse, a vigilance case was registered on 27.04.2011 (No.02/11/ERK) at Vigilance & Anti-Corruption Bureau, Kottayam against the then Senior Assistant Manager Smt. Lalithakumari, Sri. Kuruvila K Thomas, the then MD of KRS Latex (P) Ltd; and the case is 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.
29. 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. This petition is dismissed as infructuous vide judgment dated 17.02.2023.
30. M/s. Unicorp International Limited had imported 20 containers (4352 bags) Raw Cashew through M/s. JN Freight, Customs House Agent, at Container Freight Station, (CFS) Petta during 14.06.2006 to 04.07.2006. Out of which, the un-lifted 3434 bags were auctioned by Corporation during 2010. Regarding the Loss incurred in connection with sale of un-lifted imported cashew at CFS Petta, the vigilance enquiry finalized in the matter and reported that there is no lapses found on the part of accused employees of the Corporation in discharging their duties. Further, Government of Kerala directed Corporation vide File No.Agri-PU2/84/2018 dated 14.5.2018, to ascertain the actual loss by engaging a Government agency, and the same is under process with the Government (Finance Inspection Wing). Hence, the loss is yet to be quantified.
31. The Tahsildar, Karthikapally Taluk, Haripad vide letter No.F2-5383/2017 dated 05.05.2017 informed that out of 1.0010 Hectres (247.250) of land held by the Corporation, (as per Resurvey 659/12), 3.24 Ares of land does not belong to the Corporation. This matter had been taken up with revenue authorities and which is pending.
32. As per the letter No.LRB/1/316/2017 dated 15.05.2017 of District Survey Superintendent of Thrissur, a shortage of 0.0726 Hectre was noticed in the land owned by the Corporation in Thalapilly in Wadakkancherry. Corporation has filed a Civil suit No O.S.No.111/2020 against the Railway authorities and which is pending.

33. Government of Kerala have allotted following revenue lands on lease basis to Corporation.

Location	Area in Ares (Cents)	Government Order	Village/Survey Number	Basic Lease rent fixed as per GO	Terms of Lease
Ernakulam	5.62 (13.88)	L5-19366/96(1) dated 06.02.2021	Elamkulam /341/3	29,453	3 months (applied for further extension)
Perumbavoor	36.41 (89.90)	GO(Ms) No.244/2020 /Rev dated 12.10.2020	Kunnathunadu /175/4	3,60,459	30 Years
Konni (Pathanamthitta)	61.02 (150)	G.O(Ms) No.22/2020/ RD dated 09.01.2020	Airavan/120/2	35,440	12 Years
Sasthamkotta (Kollam)	40.47 (99.96)	GO(Rt) No.348/2017/ Rev dated 17.10.2017	Sasthamkotta/12/1	42,340	30 Years
Ambalavayal (Wayanad)	37.96(93.8)	GO(RT) No.309/2020 dated TVM dt.29.12.20	Ambalavayal /215/ 1A1A1	2,14,960	30 Years
Periya (Kasargod)	26 (64.22)	GO(Ms) No.298/2020/ Rev. dt.22.12.2020	Periya/215/1	93,184	30 Years
Peermedu	70.60 (174.38)	GO(Ms) No.115/2021/ Rev. dated 17.06.2021	Peermedu/1213/	1,25,000	30 Years

Out of the above lease lands Godown Construction has been started in Sasthamkotta land under NABARD WIF Scheme. The lease rent for the above lands shall be payable by the Corporation as per the prevailing market value.

(i) As per Government Order No. 268/2019 dated 20.08.2019 from the Revenue (L) Department, the Government allotted 1.21.37 hectares of revenue land at Puthenkurishu, Ernakulam District on a lease basis for a period of 12 years, with a lease amount of Rs.12,09,313/-. The lease agreement was executed on 30.11.2020. In the 311th Board meeting held on 30.05.2023, the matter regarding the return of this land was discussed. Out of the total land, the Corporation agreed to allocate 1.5 acres to the Motor Vehicles Department, following a request from the District Collector, Ernakulam. The Board noted that the Corporation requires a significant investment to convert the remaining land into a suitable site for constructing godowns. While the Corporation had requested an extension of the lease period from 12 years to 30 years, this request was rejected by the Government. In light of this, the Board resolved to return this land to the Government unless the lease period is extended to 30 years. Furthermore, in Corporation requested the Government to waive the lease amount of Rs.48,37,252/- for the period from 2019 to 2022 complying the Board direction. As a result, the lease amount for this land has not been accounted for or provided due to the ongoing uncertainty surrounding this lease agreement.

34. As per the Board decision and approval from Government of Kerala, Corporation had taken a dealership of M/s. Malabar Cements Ltd.; during 2015, on an experimental basis. As part of this, Malabar Cement was traded through our various warehouses. While trading the Malabar Cement at State Warehouses Nileswar and Padanakad; Sri. K. Prakashan who was holding the charge of the said Warehouses had committed serious lapses and delinquencies. After having conducted a preliminary enquiry, Corporation had issued order vide proceedings of the Managing Director No. KSWC/Admn/DA-205/2016-17 dated 30.12.2016 to withheld an amount of Rs.6,22,125/- towards the cost of 1579 bags of cement till the realization of the said amount from the parties concerned. He was also directed to remit the said amount within the stipulated period of three months; otherwise the amount will be recovered with interest. Further it was held that he is also responsible for the loss

sustained to the Corporation due to the improper storage of Cement at State Warehouse Nileswar. His suspension Period was treated as eligible leave in his credit. As the actual loss suffered by the Corporation in this regard is yet to be quantified the retirement benefits of Sri. K.Prakashan amounting to Rs.8,07,369/- is withheld and adjusted against the pecuniary loss .

35. As per LAC Award No.4/88 Dated 15/10/1999, 158.59 cents of land near Municipal Stadium at Muvattupuzha has been allotted to Corporation. But the required access facility to the land is not available at present. Therefore, in the light of the conviction with the Municipal Corporation, the municipal secretary has given permission to the Warehousing Corporation to construct a 220 meter long 10 meter wide road and a bridge across the stream to this land, where the cost should be borne by the Warehousing Corporation, but the full right of this road will be with the Municipal Corporation. Subsequently, during this year, Warehousing Corporation engaged Kerala Electrical & Allied Engineering Co.Ltd; (KEL) to prepare design & estimates for construction of this road subject to municipal approval and spent Rs.4,44,266/- on their behalf and Rs. 21,839/- for newspaper advertisement for inviting tenders. The said work was awarded to the contractor M/s Jacob Varghese & Co. for Rs.1.50 Crores. But when the contractor prepared to start the said work under the agreement, Municipality has canceled the permission on 06.12.2023 and on account of this the Warehousing Corporation has lost an amount of Rs.4,66,105/- and thus the possibility of building a warehouse on the 158.59 cents of land owned by the Warehousing Corporation is closed forever. On 13.08.2024, KSWC has given a letter to the Municipal Secretary to review the decision and give permission to KSWC to proceed with the said work or take action to compensate the financial loss incurred to the Corporation. But no reply has been received yet. Later, the issue has been raised before the Inter Departmental Dispute Resolution Committee (IDDR Committee), and requested the Government to review the decision of canceling the permission of Municipality. On 15.10.2024, a meeting was held under the chairmanship of Principal Secretary (Agri) and he has directed to send a legal notice to Muvattupuzha Municipality for reviewing their decision or taking action to compensate the financial loss incurred by the Corporation. In light of this, KSWC has sent a legal notice to Muvattupuzha City Council on 26.11.2024.
36. 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.

37. Audit Fee & Expenses includes the following:

(Amount in Rupees)

Particulars	FY:2023-24	FY:2022-23
Statutory Audit Fee	2,40,000	2,40,000
PF Trust Fund Audit fee	3,500	3,500
Pension Fund Trust Audit fee	3,500	3,500
Tax Audit fee	30,000	30,000
Goods and Services Tax	49,860	49,860

38. Corporation is holding deposit receipts in the name of contractors endorsed in favour of the Corporation for a sum of Rs.1,85,08,637/- as on 31.03.2024 towards the security for proper execution of works.
39. 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. The deposits which stands as unclaimed and unidentified since the past will be adjusted at the earliest after verification.
40. Depreciation on Fixed Assets is provided on Straight-line method based on useful life of the Asset as prescribed in Schedule II of the Companies Act, 2013 w.e.f. 01.04.2014. Useful life of the assets are as follows.

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

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

41. 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 and it is under review.
42. 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 being carried forwarded since 2001-02. The related files could not be traced for taking further action.
43. The protest complaint filed by the Corporation before the CJM Court, Ernakulam as CC 23/2016 with respect to the diversion of Gratuity Trust Fund during 2006-07 to 2010-11 is pending.
44. In Container Freight Station, as per Custom Area Regulations 2009, the Customs Cargo Service Provider shall not charge any rent or demurrage on the goods seized or detained or confiscated by the proper officer. Therefore, when the settlement of overdue from a party is turned to litigation, Corporation discontinues further billing to the party and the disputed stock will be withheld until the dues are settled or auctioned.
45. 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.
46. 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.
47. 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.
48. All known income, expenditure, assets and liabilities relevant to the reporting year, up to the date of finalization of accounts is incorporated in the accounts.

49. Corporation follows Indirect Method as per AS-3 for the preparation of Cash Flow Statement.

1. Cash and Cash Equivalents

Cash and cash equivalents consist of Cash, DD and Cheques in Hand and Balances with Bank. Cash and Cash Equivalents included in the cashflow statement comprises the following balance sheet amounts.

Particulars	Balance as on 31.03.2024 (in Rs.)	Balance as on 31.03.2023 (in Rs.)
Cash in hand	51,022.10	52,988.10
Cash at bank	4,82,02,711.17	2,78,14,753.73
<b>Cash and cash equivalents as restated</b>	<b>4,82,53,733.27</b>	<b>2,78,67,741.83</b>

50. Corporation deposited funds in treasury and other banks which are subject to approval of the Executive Committee.

51. Fixed deposits with maturity period more than three months have been recorded as Investments.

52. The Civil Supplies Corporation has sent letters requesting the return of certain warehouses built under the FBF Scheme. Corporation has treated the repair and renovation costs of these godowns as receivables from the government, following the same approach as last years. After the AG auditor's qualification, Corporation has reviewed this matter during preparation for presenting the matter to the Board, and it is found that the issue is still under government review. Since the matter is currently under the review of the government, it has not been brought before the Board and the existing accounting treatment continues.

53. The cost of inventories are assigned by using First-in, First - out (FIFO) method and is valued at Cost Price or Net realizable Value whichever is lower. Costs include all direct and indirect expenses incurred to bring the inventories to the present location and condition. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value. In such circumstances, the replacement costs of the materials are their net realizable value.

54. Based on the supply orders from Krishibhavans and Local bodies, Corporation formulates the rat poison bait named ' Rodofoe' . Only the actual quantity of ingredients required is being purchased to formulate the bait except Bromodialone. The value of stock of Bromadiolone has been brought into accounts.

55. Corporation formulates Rodofoe through hand mixing process with active ingredient as Bromadiolone and other ingredients like Atta, Sugar and Oil. Corporation has applied for the license renewal and which is pending with Government.

56. As per Section 30 of The Warehousing Corporation Act 1962, every Warehousing Corporation shall establish a reserve fund out of its annual net profits. Since Corporation has adjusted entire amount of net profit towards accumulated loss, reserve fund is not created in the reporting year.

57. Out of the total land under the possession of the Corporation at different parts of the State, 16 Acres 26 cents at 13 centres were granted by Government of Kerala under pattayam/conditional pattayam. The control over the land, purpose and right to transfer etc. are restricted and different across such lands.

58. Corporation do not have dues to Micro, Small & Medium Enterprise vendors as on 31<sup>st</sup> March 2024.

59. As Warehousing service is the major source of income of the Corporation, Management is of the view that the other income sources like Pest Control Activities, Sale of Rat bait, Leave and Licence fee from shopping complexes, Rent from mobile tower company, etc. are not to be considered as reportable segments of the Corporation.

60. As per Corporation's approved storage charge schedule, the customer is liable to pay interest at the rate of 18 per cent on account of delay in payment of warehousing charges. However, interest on delayed settlement is not being accounted on accrual basis.

**61. Earning Per Share :-**

Basic and diluted EPS has been calculated by below by dividing the profit for the year attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year.

Basic & Diluted	Year ended 31-03-2024	Year ended 31-03-2023
Number of Equity shares at the beginning of the year	1450000	1150000
Number of Equity shares at the end of the year	1450000	1450000
Weighted average number of Equity shares outstanding during the year	1450000	1400000
Face Value of each Equity Share (In Rs.)	100	100
Profit after Tax available for Equity shareholders (Amount In Rs.)	3,30,67,824.25	1,88,75,438.93
Earning Per Equity Share – Basic (In Rs.)	22.81	13.48
Earning Per Equity Share – Diluted (In Rs.)	22.81	13.48

Note :- No of Shares outstanding are calculated as under :-

(1450000 fully paid shares \* 12/12)

**62. Related Party Transactions.**

As per Accounting Standard 18 transactions with the related parties during this year are given below:

Sl. No.	Name of the Related Party	Relationship	Transactions during the reporting year	Amount
1	Sri. P. Muthupandi	Chairman (from 29.12.21)	a) Honorarium paid. b) Official Tour Expense. c) Sitting fee (Board & EC @ Rs.500/- each)	a) 2,40,000 b) 52,989 c) 1,000
2	Sri. S. Anil Das	Managing Director (from 17.01.23)	a) Salary and Allowances b) Official Tour Expense	a) 8,82,700 b) 82,052
<b>Post Retirement employee benefit trusts</b>				
1	KSWC Employee's Provident Fund Trust			2,82,78,100.00
2	KSWC Employee's Pension Fund Trust			1,68,70,913.00
3	KSWC Employee's Gratuity Fund Trust			1,13,20,647.00

63. Previous year figures have been regrouped/re-casted wherever necessary

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 21 - 01 -2025

FOR M/s. AYYAR & CHERIAN

CHARTERED ACCOUNTANTS

FRN: 000284S



**S ANIL DAS**  
MANAGING DIRECTOR



**P MUTHUPANDI**  
CHAIRMAN



**VINCENT JOSE ACA**  
(Partner)  
Memb No. 255375

## IMPORTANT ACCOUNTING POLICIES

### 1. Significant Accounting Policies

#### 1.1. Accounting Convention

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

#### 1.2. Use Of Estimate:

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

#### 1.3. Revenue Recognition

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

#### 1.4. Government Grants

Grants received from Government in relation to specific property, plant and equipment are treated as a reserve and reduced by charging the depreciation on the specific asset over the useful life of the asset. Based on the direction of C&AG audit this method of accounting depreciation was changed in that the depreciation charged on such assets are treated as expenditure and an equivalent amount is credited to Profit and Loss Account by adjusting the same against the grant.

#### 1.5. Contingent Liability

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

Contingent assets are neither recognized nor disclosed in the accounts.

#### 1.6. Defined Contribution Plans

##### a) Pension

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

##### b) Provident Fund

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

## **1.7. Defined Benefit Plans**

### **a) Gratuity**

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

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

### **b) Terminal Surrender:**

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

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

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

## **1.9. Inventories**

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

## **1.10. Borrowing Cost**

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

## **1.11. Taxes on income**

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

## **1.12. Festival Allowance/Incentive**

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

**1.13. Recovery from employees**

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

**1.14. Depreciation Policy**

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

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

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

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

**1.16. Construction Expenses**

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

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

PLACE : ERNAKULAM

DATE : 21 - 01 -2025



**S ANIL DAS  
MANAGING DIRECTOR**

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

**FOR M/s. AYYAR & CHERIAN  
CHARTERED ACCOUNTANTS  
FRN: 000284S**



**VINCENT JOSE ACA  
(Partner)  
Memb No. 255375**



**P MUTHUPANDI  
CHAIRMAN**

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**SCHEDULE - F**  
**OFFICE & ADMINISTRATIVE EXPENSES AT HEAD OFFICE & WAREHOUSES**

Figure as at 31.03.2023		PARTICULARS	Figure as at 31.03.2024	
Rs.	Ps.		Rs.	Ps.
8,62,416.00		Travel Expenses of Officers & Others	7,80,012.00	
1,62,620.74		Group Gratuity Life Cover Premium	1,64,362.19	
6,86,976.00		Vehicle Maintenance	9,89,836.00	
2,21,305.00		Board Meeting Expenses	1,37,166.00	
2,25,696.00		Legal Expenses	52,500.00	
2,52,460.00		Postage	2,58,059.00	
9,55,099.00		Telephone & Telex	11,98,574.00	
13,79,221.00		Electricity & Water charges	17,96,058.00	
1,85,344.00		Books & Periodicals	2,01,510.00	
3,95,715.00		Entertainment Expenses	2,95,107.00	
0.00		Membership Fee	3,05,000.00	
0.00		Land Acquisition (Exp) Parasuram	0.00	
50,878.00		Reimbursement of Official Tour Expenses- chairman	52,989.00	
1,48,479.00		General / Misc. Expenses at HO	87,274.92	
32,783.02		Bank Charges	5,354.84	
12,287.00		Conferences & Seminars	19,484.00	
79,642.00		Official tour expenses to MD	82,052.00	
32,730.00		Consultancy Charges	4,66,089.65	
4,62,806.00		Business Promotion Expenses	8,48,155.00	
5,62,858.00		Vehicle Hiring Charges	1,31,800.00	
93,781.00		Work Study (IMG)	1,12,500.00	
<b>68,03,096.76</b>		<b>TOTAL</b>	<b>79,83,883.60</b>	

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 21 - 01 -2025

FOR M/s. **AYYAR & CHERIAN**

CHARTERED ACCOUNTANTS

FRN: 0002845



**S ANIL DAS**  
MANAGING DIRECTOR



**P MUTHUPANDI**  
CHAIRMAN



**VINCENT JOSE ACA**  
(Partner)  
Memb No. 255375

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**SCHEDULE - G**  
**WAREHOUSES EXPENSES**

Figure as at 31.03.2023		PARTICULARS	Figure as at 31.03.2024	
Rs.	Ps.		Rs.	Ps.
25,68,685.00		Insurance	26,17,195.00	
	0.00	Bamboo mats, Polythene sheets and Tarpaulin		0.00
16,87,029.00		Restacking, weighing and cleaning	15,78,158.00	
	28,996.00	Transport of crates & equipments		2,090.00
5,74,491.00		Conveyance expenses	5,63,978.00	
3,27,687.16		Covid - 19 (Rebate)	1,57,159.00	
1,74,246.00		Self Indemnification Gurarantee Commission	13,356.00	
	0.00	Sale of Potatto Powder CFS expenses	4,17,875.00	
5,78,298.00		Kerala Security Force (CFS)	5,34,636.00	
2,56,942.00		Miscellaneous expenses	2,55,398.00	
<b>61,96,374.16</b>		<b>TOTAL</b>	<b>61,39,845.00</b>	

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 21 - 01 -2025

FOR M/s. AYYAR & CHERIAN  
 CHARTERED ACCOUNTANTS  
 FRN: 0002845



**S ANIL DAS**  
 MANAGING DIRECTOR



**P MUTHUPANDI**  
 CHAIRMAN



**VINCENT JOSE ACA**  
 (Partner)  
 Memb No. 255375

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**SCHEDULE - H**  
**OTHER RECEIPTS**

Figure as at 31.03.2023		PARTICULARS	Figure as at 31.03.2024	
Rs.	Ps.		Rs.	Ps.
		Agricultural Income	1,37,925.00	
14,450.00		Less Expenditure	630.00	1,37,295.00
1,34,100.00		Sale of Tender Forms		2,78,700.00
0.00		Application fee for Commerce trainee		0.00
1,55,344.00		Parking fee		1,45,355.60
8,15,080.34		Miscellaneous Receipt		17,22,039.22
1,72,600.00		Auction Sale of Trees		18,626.00
<b>12,91,574.34</b>		<b>TOTAL</b>		<b>23,02,015.82</b>

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 21 - 01 - 2025

FOR M/s. **AYYAR & CHERIAN**

CHARTERED ACCOUNTANTS

FRN: 0002845



**S ANIL DAS**  
**MANAGING DIRECTOR**



**P MUTHUPANDI**  
**CHAIRMAN**



**VINCENT JOSE ACA**  
**(Partner)**  
**Memb No. 255375**

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**SCHEDULE - I**  
**ADJUSTMENT RELATING TO PRIOR YEARS**

	PARTICULARS		Figure as at 31.03.2024	
			Rs.	Ps.
<b>INCOME</b>				
	<b>Total :</b>		<b>0.00</b>	
<b>EXPENDITURE</b>	IT Deducted from Contractors	324.00		
	Short payment audit fee	70,800.00		
	Short provision on Rent expens	2,799.00		
	Misc. Income adjustment	4,569.00		
	<b>Total :</b>	<b>78,492.00</b>		<b>78,492.00</b>
<b>Net Expenses to Profit &amp; Loss Account</b>				<b>(78,492.00)</b>

Schedules forming part of Accounts

FOR AND ON BEHALF OF THE BOARD,

AS PER OUR REPORT OF EVEN DATE ATTACHED

PLACE : ERNAKULAM

DATE : 21- 01 -2025

FOR M/s. **AYYAR & CHERIAN**  
**CHARTERED ACCOUNTANTS**  
 FRN: 000284S



**S ANIL DAS**  
**MANAGING DIRECTOR**



**P MUTHUPANDI**  
**CHAIRMAN**



**VINCENT JOSE ACA**  
 (Partner)  
 Memb No. 255375

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**

**ANNEXURE - I  
PROVISION FOR TAXES**

Figure as at 31.03.2023 Rs. Ps.	PARTICULARS	Figure as at 31.03.2024 Rs. Ps.
3,71,50,332.25	Suspense Tax Account	3,71,50,332.25
78,16,723.00	Provison for Income Tax	2,63,54,826.00
52,920.00	Provision for SGST on Audit Fee	47,970.00
52,920.00	Provision for CGST on Audit Fee	47,970.00
<b>4,50,72,895.25</b>	<b>Total</b>	<b>6,36,01,098.25</b>

**ANNEXURE - II  
OUTSTANDING EXPENSES PAYABLE**

Figure as at 31.03.2023 Rs. Ps.	PARTICULARS		Figure as at 31.03.2024 Rs. Ps.
6,04,07,877.00	Interest on Working Capital loan Payable		6,23,59,829.00
60,26,426.00	Penal Interest on Working Capital loan Payable		60,26,426.00
18,28,73,821.00	Interest Payable on NABARD Loan underRIDF XVII		20,20,79,351.00
21,35,346.00	Interest Payable on NABARD WIF Loan		70,94,632.00
52,67,396.00	Provision for Rent Arrears		53,99,600.00
17,54,249.00	Interest on Guarantee Commission on T/L Payable		17,54,249.00
	<b>Payable A/C</b>		<b>4,65,40,700.90</b>
1,76,164.00	TA Payable	2,68,066.00	
3,18,32,298.49	Establishment Charges - Payable	3,80,64,347.00	
18,53,602.30	Advertisement and Publicity (Payable)	17,92,766.90	
12,60,000.00	Employers' contribution to Pension fund Payable	33,64,124.00	
10,855.00	Books & Periodicals Payable	9,840.00	
1,14,419.00	Electricity & Water Charges - Payable	1,72,035.00	
9,24,400.00	Fumigation Expense -Payable	7,77,843.00	
20,993.00	H.B.A./h.D.F.C. Interest Subsidy - Payable	22,905.00	
15,514.00	Postage - Payable	14,144.00	
26,928.00	Construction wing expenses - Payable	0.00	
43,662.00	Kerala Security Force Payable	43,662.00	
700.00	Printing & Stationery - Payable	0.00	
8,077.00	Rat Bait Expenses Payable	0.00	
14,04,473.00	Rent -Payable	13,38,225.00	
0.00	CFS Expenses Payable (Potatto Powder)	5,000.00	
0.00	Repair Others -Payable	70,999.00	
1,01,682.00	Telephone & Telex - Payable	1,52,961.00	
0.00	Lease Rent -Payable	4,36,920.00	
2,500.00	Vehicle Running & Maint.(Payable)	6,863.00	
3,57,813.00	Interest Payable on Government Loan		3,57,813.00
6,48,963.50	Service charge payable - Imported Cement		6,48,963.50
11,88,020.00	Guarentee Commission Payable T/L		11,88,020.00
5,88,000.00	Provision for Auditors Fee		5,33,000.00
<b>29,90,44,179.29</b>	<b>Total</b>		<b>33,39,82,584.40</b>

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**ANNEXURE - III**  
**PROVISION FOR BAD AND DOUBTFUL DEBTS**

Figure as at 31.03.2023		PARTCULARS	Figure as at 31.03.2024	
Rs.	Ps.		Rs.	Ps.
3,97,02,781.07		Sundry Debtors	4,04,88,409.07	
78,37,766.58		Deposit with Customers	78,37,766.58	
<b>4,75,40,547.65</b>		<b>Total</b>	<b>4,83,26,175.65</b>	

**ANNEXURE - IV**  
**OTHER LIABILITIES**

Figure as at 31.03.2023		PARTCULARS	Figure as at 31.03.2024	
Rs.	Ps.		Rs.	Ps.
45,09,544.31		Goods & Service Tax	43,03,102.39	
	0.00	Deputation Recoveries	16,207.00	
	0.00	LIC Premium deduction	0.00	
	0.00	GSLIS deduction	0.00	
1,77,316.00		GSLIS Assigned claim	1,77,316.00	
5,755.00		Out Put Tax Due	5,755.00	
3,18,522.00		Service Tax collected	3,18,522.00	
	0.00	Service Tax	0.00	
88,735.00		Kerala Construction workers welfare board	1,18,346.00	
43,06,255.00		Leave & Licence Fee received in Advance	2,17,254.00	
1,72,747.00		Storage Charge Received in Advance	1,26,997.00	
	0.00	Group Gratuity Transaction	0.00	
6,33,248.85		Deposit Work (ACCDS )	6,79,675.85	
55,20,862.00		Deposit Work (KVIC)	69,04,878.00	
	391.00	ESI Deduction	399.00	
	0.00	Kerala State Group Insurance Scheme	0.00	
	0.00	Kerala State Life Insurance Policy	0.00	
1,064.00		Employees Welfare Fund Collected	0.00	
2,60,39,657.00		Flood Liability Various Parties	2,60,39,657.00	
<b>4,17,74,097.16</b>		<b>Total</b>	<b>3,89,08,109.24</b>	

**ANNEXURE - V**  
**CONSTRUCTION MATERIALS AT SITE**

Figure as at 31.03.2023		PARTCULARS	Figure as at 31.03.2024	
Rs.	Ps.		Rs.	Ps.
2,08,173.00		Construction Materials at Site (NABARD)	2,07,410.00	
3,709.00		Materials at site	3,709.00	
39,141.00		Suspense Stock of AC Materials	39,141.00	
55,666.00		Suspense Stock of AC Materials (NABARD)	55,666.00	
3,114.00		Suspense Stock of Cement(NABARD)	3,114.00	
<b>3,09,803.00</b>		<b>Total</b>	<b>3,09,040.00</b>	

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**ANNEXURE - VI**  
**FIXED DEPOSIT WITH TREASURY / BANKS**

Figure as at 31.03.2023		PARTICULARS	Figure as at 31.03.2024	
Rs.	Ps.		Rs.	Ps.
6,28,52,000.00		Long Term Deposit with Banks Dist.Treasury, Ernakulam	6,28,52,000.00	
3,73,17,243.00		Short Term Deposit with Banks State Bank of India	3,39,86,601.00	
<b>10,01,69,243.00</b>		<b>Total</b>	<b>9,68,38,601.00</b>	

**ANNEXURE - VII**  
**TAX EXPENSES**

Figure as at 31.03.2022		PARTICULARS	Figure as at 31.03.2023	
Rs.	Ps.		Rs.	Ps.
78,16,723.00		Current Tax	1,36,70,303.00	
1,81,51,048.00		Tax adjustments for previous years	32,02,500.00	
0.00		Tax adjustments for previous years	43,75,580.00	
<b>2,59,67,771.00</b>		<b>Total</b>	<b>2,12,48,383.00</b>	

**ANNEXURE - VIII**  
**DEFERRED INCOME - FUND APPORTIONED**

PARTICULARS	Opening balance as on 01-04-2023	Addition (fund) 2023-24	Apportioned portion for 2023-24	Closing balance as on 31-03-2024
Warehouse under CSS 100%	2,68,34,277.00	-	5,65,720.00	26,268,557.00
Godown constructed with assistance from GOK	19,61,039.00	-	39,491.00	19,21,548.00
Special assistance from GOK (computerisation)	13,87,360.00		8,18,908.00	5,68,452.00
Special assistance from GOK (CCTV)	6,78,584.00	5,30,000.00	1,53,838.00	10,54,746.00
Godown constructed with assistance from GOK (RKVY Fund)	61,80,318.00	-	1,62,527.00	60,17,791.00
Godown constructed with assistance from GOK (Plan Fund)	1,08,98,625.00	53,00,000.00	95,988.00	1.61.02,637.00
<b>Total</b>	<b>4,79,40,203.00</b>	<b>58,30,000.00</b>	<b>18,36,472.00</b>	<b>51,933,731.00</b>

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**ANNEXURE - IX**  
**WORK IN PROGRESS**

PARTICULARS	Opening balance as on 01-04-2023	Addition 2023-24	Capitalized portion for 2023-24	Closing balance as on 31-03-2024
Own Fund Work	38,02,399.32	1,17,43,885.00	1,47,63,862.62	7,82,421.70
NABARD-RIDF-XVII Fund Work	37,62,096.00	1,78,522.00	0.00	39,40,618.00
Nabard Wif Fund Work	4,58,31,234.18	3,58,63,496.70	3,93,69,075.00	4,23,25,655.88
Plan Fund Work	59,88,498.00	93,54,192.00	38,00,000.00	1,15,42,690.00
Rashtriya Krishi Vikas Yojana Fund Work	9,76,185.00	0.00	0.00	9,76,185.00
<b>Total</b>	<b>6,03,60,412.50</b>	<b>5,71,40,095.70</b>	<b>5,79,32,937.62</b>	<b>5,95,67,570.58</b>

**ANNEXURE - X**  
**STOCK OF CHEMICALS**

PARTICULARS	Opening balance as on 01-04-2023	Purchase 2023-24	Consumption for 2023-24	Closing balance as on 31-03-2024
CHEMICAL STOCK	2,51,156.04	10,40,183.00	9,54,495.00	3,36,844.04
CONSUMABLES (Poly pouches)	14,508.00	17,997.00	32,505.00	0.00
<b>Total</b>	<b>2,65,664.04</b>	<b>10,58,180.00</b>	<b>9,87,000.00</b>	<b>3,36,844.04</b>

(Changes in Inventory)

**KERALA STATE WAREHOUSING CORPORATION, ERNAKULAM**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024**  
**(INDIRECT METHOD)**

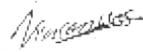
PARTICULARS	Figures for the year ended 31.03.2024 (in Rs.)		Figures for the year ended 31.03.2023 (in Rs.)	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
<b>Net Profit/(Loss) before taxation and extraordinary item</b>	5,43,16,207.25			4,48,43,209.93
Adjustments for:				
Depreciation	1,68,12,140.00		1,54,30,713.00	
Loss on Sale of Stock of constructional Material	335.12		46,121.00	
Loss on Sale of Fixed Assets	-		75.00	
Profit on Sale of Fixed Assets	-		(8,140.00)	
Deferred Income	(18,36,472.00)		(18,23,640.00)	
Interest Expense	2,56,10,796.00		2,36,60,863.00	
Interest Income	(70,92,259.00)		(72,44,581.00)	
Provision for Bad and Doubtful debt	12,96,294.00		20,03,556.72	
Excess Provision Write back	(32,33,503.49)		(11,13,618.00)	
Consumption of Chemical and Consumable Items	9,87,000.00		13,72,609.00	
Prior Period Adjustments	7,692.00		6,16,000.50	
		3,25,52,022.63		3,29,39,959.22
<b>Operating Profit before Working Capital Changes</b>		<b>3,25,52,022.63</b>		<b>7,77,83,169.15</b>
Adjustments for working capital changes:				
(Increase)/Decrease in Current Assets	(4,36,16,490.70)		(6,61,63,555.35)	
Increase/(Decrease) in other Liabilities	1,63,76,609.39		(2,64,47,264.70)	
Increase/(Decrease) in Provision for Retirement Benefits	37,13,665.00		(1,01,32,190.00)	
Increase/(Decrease) in Provisions	1,85,28,203.00		(24,660.00)	
		(49,98,013.31)		(10,27,67,670.05)
<b>Cash generated from operations</b>		<b>2,75,54,009.32</b>		<b>(2,49,84,500.90)</b>
Income Taxes (Paid)/ Refund		-		2,23,31,831.00
<b>Net Cash from Operating Activities (A)</b>		<b>2,75,54,009.32</b>		<b>(26,52,669.90)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	(5,86,55,178.94)		(8,73,14,374.57)	
Proceeds from Sale of Fixed Assets	-		12,000.00	
Capital Work in Progress	(3,89,24,342.46)		(60,01,004.50)	
Proceeds from Sale of Construction Materials	763.00		32,520.00	
Construction of MRM	(2,68,299.48)		(1,17,142.00)	
Fixed Deposit	33,30,642.00		(37,55,073.00)	
Interest Received	70,02,485.00		62,43,561.00	
<b>Net Cash used in Investing Activities (B)</b>		<b>(8,75,13,930.88)</b>		<b>(9,08,99,513.07)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Repayment of loan from Nationalised Banks				
Borrowings from GOK under NADARD WIF	7,15,44,000.00		6,14,15,000.00	
Repayment GOK working capital loan	(1,00,00,000.00)		(75,00,000.00)	
Repayment of Loan from GOK under NABARD RIDF	(1,20,00,000.00)		(90,00,000.00)	
Assistance Received from GOK (Plan Fund)	53,00,000.00		49,15,000.00	
Assistance Received from GOK Computerisation (CCTV)	5,30,000.00		6,80,000.00	
Resumption Fund	2,44,81,913.00		35,85,130.00	
Proceeds from share capital Advance	4,90,000.00		1,65,75,000.00	
<b>Net Cash used in Financing Activities (C)</b>		<b>8,03,45,913.00</b>		<b>7,06,70,130.00</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>2,03,85,991.44</b>		<b>(2,28,82,052.97)</b>
Cash & Cash Equivalents at the beginning of the period		<b>2,78,67,741.83</b>		<b>5,07,49,794.80</b>
Cash & Cash Equivalents at the end of the period		<b>4,82,53,733.27</b>		<b>2,78,67,741.83</b>

FOR AND ON BEHALF OF THE BOARD,

PLACE : ERNAKULAM  
DATE : 21 - 01 -2025

  
**S ANIL DAS**  
MANAGING DIRECTOR

  
**P MUTHUPANDI**  
CHAIRMAN

  
**VINCENT JOSE ACA**  
(Partner)  
Memb No. 255375

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR M/s. **AYYAR & CHERIAN**  
**CHARTERED ACCOUNTANTS**  
FRN: 0002845

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
Kerala State Warehousing Corporation

## Report on the Financial Statements

### Qualified Opinion

We have audited the financial statements of **Kerala State Warehousing Corporation ("The Corporation")**, which comprises of the Balance Sheet as at 31st March, 2024, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto in which, are incorporated the accounts of the Head Office, 55 Warehouses and 1 CFS (Container Freight Station) 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 Nedumangad, Karikkod, Alappuzha, Changanassery, Eroor, Nattika, Payyannur, Iritty, Kanhangad and Pattanakkad. 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.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our Report, the aforesaid Financial Statements, give the information required by the Kerala State Warehousing Corporation Rules, 1968 and applicable Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India, of the State of Affairs (Financial position) of the Corporation as at 31st March, 2024 and its Profits (Financial performance) and its Cash Flow for the year ended on that date.

### Basis for Qualified Opinions

- 1) With regard to the transfer of amount to the Reserve Fund, as per Section 30 of The Warehousing Corporation Act 1962, every Warehousing Corporation shall establish a reserve fund out of its annual net profits. Since the Corporation has adjusted the entire amount of net profit towards accumulated loss, the reserve fund is not created in the reporting year.
- 2) Confirmations in respect of outstanding balances of unsecured borrowings amounting to Rs. 45,74,95,000/- from NABARD and Government of Kerala were not available for verification. Hence, we are unable to comment on the impact of the same on the financial statements.
- 3) As per the general instructions regarding repayment of principal and interest of the Working Capital loan availed from Government of Kerala, NABARD Loan under Rural Infrastructure Development Fund (RIDF) XVII and NABARD Loan under WIF scheme, penal interest not less than 2.5% above the normal rate of interest shall be levied in the event of any default in repayment of instalments and /or interest.

The Corporation has defaulted in the repayments of above loans during the year resulting in penal interest liability of Rs. 71,72,505/-. However, the Corporation has not recognised the penal interest liability in respect of these defaults. Accordingly, the profit for the year is overstated and the current liability for the year is understated by Rs. 71,72,505/-

- 4) The Corporation is holding Security Deposits worth Rs. 1,80,40,986/-, Earnest Money Deposit worth Rs. 39,52,640/- and Retention Money worth Rs. 30,74,348/-, which are subject to confirmation. Pending such confirmation, the impact thereof on the financial statement if any, is not ascertainable.
- 5) The Corporation has recognised Provision for Rent Arrears amounting to Rs. 53,99,600/- relating to the demand for the enhancement of rent for PWD godown hired out by the Corporation at Kollam for the period from 01.08.1982 to 31.03.2024. The Corporation had not paid the amount till date, but liabilities in this regard have been provided since 1995-96.

Presently, the files relating to this matter are not available to measure the prudence in continuing the previous practice of making provision every year. Also, an amount of Rs. 1,32,204/- relating to current year is charged to Profit & Loss A/c. Since the documents are not available for verification, we are unable to comment on the correctness of the same.

- 6) The Sundry Creditors of the Corporation amounts to Rs. 59,27,424/-. However, the balance confirmations were not available for verification. In the absence of third-party confirmation, we are unable to comment upon such balances.
- 7) The Other Liabilities as at 31st March 2024 includes Guarantee Commission Payable of Rs. 11,88,020/-, Interest on Guarantee Commission on Term Loan Payable of Rs. 17,54,249/-. However, the Corporation has not provided any documents or confirmations for verification. Accordingly, we are unable to comment upon the impact thereof on the financial statement if any.
- 8) The Corporation claimed exemption against income from fumigation and spraying in the returns filed with KVAT, which claim, in our opinion, is not in accordance with the Rule 10(2)(b) of Kerala VAT Rules, 2008, resulting in short provision of VAT Liability for the financial year up to 2016- 17 amounting to Rs. 4,04,783/- (approximately).
- 9) The Other Liabilities as on 31st March 2024 includes outstanding balances of Pay Revision arrear provision (1997), Service Tax Collected, VAT Output Tax Due and Service Charges Payable (Imported Cement) amounting to Rs. 8,10,000/-, Rs. 3,18,522/-, Rs. 5,755/- and Rs. 6,48,964/-. However, the Corporation has not provided any documents or confirmations for verification. Accordingly, we are unable to comment upon the impact thereof on the financial statements if any.
- 10) The Government had acquired 43 cents of land for and on behalf of the Corporation at Payyannur. Now the landlord has filed LAR No.35/2013 before the Hon'ble Sub Court at Payyannur for enhanced compensation @ Rs. 3,00,000/- per cent. Since the matter is now under litigation and the outcome of the same is not certain, the liability for the same is not provided in the books and further this is not shown as a contingent liability.
- 11) The Land owned by the Corporation, grouped under Fixed Assets amounts to Rs. 3,65,18,745/- as on 31.03.2024 however, the Corporation has provided the title deeds for verification which totals to Rs. 2,10,47,007/- only. Accordingly, due to insufficient documents and workings relating to the closing balance of the Land as at 31st March 2024, the impact if any on the misstatement in the Financial Statement is not ascertainable.
- 12) With regard to maintenance of fixed asset register, the Corporation does not maintain proper records showing the full particulars of the assets purchased before 31.03.2007 including the quantitative details, date of disposal and situation of the asset. Accordingly, we are unable to comment on the accuracy of the carrying value of the assets disclosed in the financial statements.
- 13) The Sundry Debtors of the Corporation amounts to Rs. 11,97,96,325.11/- and out of which the Corporation has provided for doubtful debts amounting to Rs. 4,04,88,409.07/- as at 31<sup>st</sup> March 2024. However, the balance confirmations were not available and accordingly, we are unable to ascertain the impact if any on the realisability of sundry debtors amounting to Rs. 7,93,07,916.04/-.
- 14) The Corporation has recognised Income Tax Deducted at Source (TDS) of Rs. 2,66,79,602/- for the year. However, the Corporation while filing Income Tax Return for the financial year 2023-24 had claimed Tax Deducted at Source (TDS) of Rs. 2,71,20,298/-. The reconciliation of the difference of Rs. 4,40,696/- has not been provided and hence we are unable to comment on the same.
- 15) The Current Assets, Loans and Advances as on 31st March 2024 includes outstanding balances of Receivable from Government of Kerala, Subsidy of Rubber Receivable, Advance Sales Tax Paid, Service Tax on Works Contract, Pay Revision arrear advance (1997), VAT collected and Input Tax (VAT) amounting to Rs. 33,71,875/-, Rs. 1,97,500/-, Rs. 1,72,47,294/-, Rs. 1,83,096/-, Rs. 78,000/-, Rs. 2,36,583/- and Rs. 2,19,612/-. However, the Corporation has not provided any documents or confirmations for verification. Accordingly, we are unable to comment upon the impact thereof on the financial statements if any.

- 16) The current assets disclosed in the financial statements amounting to Rs. 28,85,15,751/- contains items which are outstanding for more than one year. However, the Corporation has not reclassified these items into non-current assets.
- 17) Attention is invited to Note 1.3 of Significant Accounting Policy regarding Revenue Recognition. The Corporation has not disclosed the revenue recognition policy in respect of sale of rat bait and pest control services.
- 18) With respect to the deposit of latex in Ponkunnam Warehouse, a vigilance case was registered on 27.04.2011 (No.02/11/ERK) at Vigilance & Anti- Corruption Bureau, Kottayam against the then Senior Assistant Manager Smt. Lalitha Kumari, Sri. Kuruville K Thomas, the then Managing Director of KRS Latex (P) Ltd; and the case is still pending. Therefore, the Corporation has not accounted for any income from the year 2013-14 as due from M/s KRS Latex Pvt. Ltd. Since the documents were not made available for our verification, we are not able to comment on the same.
- 19) The Inspection wing of C&AG had pointed out instances of non-booking of revenues, in cases where the issue has moved to litigation on account of Ground Rent, Destuffing and Stuffing charges relating to the period 2000 to 2018 aggregating Rs.73,93,782/- (approximately). The Corporation has not recognised this revenue till now.
- 20) An amount recoverable on account of excess TA/DA paid to employees during the period 01.07.2005 to 31.03.2010 has not been recognized in the books of accounts of the Corporation. In the absence of details, we are not able to quantify the impact thereof on the financial statements.
- 21) An excess travelling expense allowed to the Chairman of the Corporation amounting to Rs. 2,04,105/- to be recovered vide Order of the Finance Department, Government of Kerala dated 28-09-2015, which has not been recognized as recoverable in the books of accounts of the Corporation. Consequently, the accumulated loss is overstated and Current Asset is understated to that extent.
- 22) Only permanent employees of the Corporation are covered under the Employees' State Insurance Act, 1948, (ESI). As per the Employees' State Insurance Act, 1948, an employee means any person employed for wages in or in connection with the work of a factory or establishment to which this Act applies and
  - i. who is directly employed by the principal employer on any work of, or incidental or preliminary to or connected with the work of, the factory or establishment, whether such work is done by the employee in the factory or establishment or elsewhere; or
  - ii. who is employed by or through an immediate employer on the premises of the factory or establishment or under the supervision of the principal employer or his agent on work which is ordinarily part of the work of the factory or establishment or which is preliminary to the work carried on in or incidental to the purpose of the factory or establishment; or
  - iii. whose services are temporarily lent or let on hire to the principal employer by the person with whom the person whose services are so lent or let on hire has entered into a contract of service: [and Includes any person employed for wages on any work connected with the administration of the factory or establishment or any part, department or branch thereof or with the purchase of raw materials for, or the distribution or sale of the products of, the factory or establishment;-or
  - iv. any person engaged as an apprentice, not being an apprentice engaged under the Apprentices Act, 1961 (52 of 1961), [and includes such person engaged as apprentice whose training period is extended to any length of time]

Considering the above, during the period under audit, it has been noted that ESI benefits were not extended to the employees appointed on a temporary/contract basis which is not in compliance with the provisions of the ESI Act. The liability on account of the non-compliance is not ascertained and hence not provided in the Financial Statements.
- 23) Attention is invited to Note 1.16 of Significant Accounting Policies which describes that the Corporation has capitalised 2.5% of construction expenses consisting of cost of construction and borrowing cost as Supervisory charges. This is not in compliance with AS 10 – Property, Plant and Equipment, which states that cost of an item of property, plant and equipment includes only actual costs of employee benefits arising directly from the construction or acquisition of the item and not a fixed percentage of construction and borrowing costs.

- 24) Attention is invited to Note No. 16, which describes the accounting of amounts spent by the Corporation on assets constructed/acquired relating to Modern Rice Mills (MRM), amount received from the Government of Kerala relating to MRM and adjustment of working results of MRM against Construction of MRM. In the absence of clarity as to the ownership of assets constructed/ acquired relating to MRM out of funds provided by the Government of Kerala, we are not in a position to comment on the disclosure of assets and liabilities which amounts to Rs. 3,65,13,342.73/- and Rs. 3,76,96,284/- respectively in the Balance sheet of the Corporation as at 31.03.2024.
- 25) As per AS 16 Borrowing Costs, states that Capitalisation of borrowing costs should be suspended during extended periods in which active development is interrupted. However, capitalisation of borrowing costs is not normally suspended during a period when substantial technical and administrative work is being carried out. The Corporation has not suspended the capitalization of Interest of borrowing amounting to Rs. 1,76,978/- for the construction works interrupted, due to reasons other than for substantially technical or administrative work. Due to which the interest expense accounted in the Profit & Loss account is understated by Rs. 1,76,978/- in the current year and the balance of Capital Work in Progress is overstated by Rs. 1,76,978/-.
- 26) Corporation has not calculated Deferred Tax as per AS 22 Accounting for Taxes on Income. The impact thereon on the financial statement is not ascertainable.
- 27) On the basis of information gathered and explanations given to us we are of the opinion that the Corporation has not complied with the AS 28 Impairment of Assets in the preparation of the financial statement during the year. In the absence of details, we are unable to quantify the impact thereon on the financial statements.
- 28) The Corporation has deposited funds in treasury and other banks in contravention of Section 18(2) of Kerala State Warehousing Rules, 1968 as the necessary approval of the Executive Committee was not obtained.
- 29) Attention is invited to Note No.33(I), where the Corporation has obtained a lease for land measuring 01.21.37 hectares at Puthenkurishu, Ernakulam District for a period of 12 years. The lease agreement was executed on 20/08/2019. According to the terms of the agreement, the Corporation is required to pay an annual lease rent of Rs.12,09,313/- along with 18% GST starting from 30/08/2019. However, the Corporation has not accounted for the lease rent in the books of accounts for any financial year i.e., from 30/08/2019 to 31/03/2024. As a result, the rent expense during the year is understated and profit for the year is overstated by Rs.14,26,989/- and the accumulated loss and Current Liability as at 31/03/2024 is understated by Rs.65,87,608/-.

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our Report. We are independent of the Corporation in accordance with the code of ethics issued by ICAI that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

We draw attention to the following matters in the financial statements:

- 1) Attention is invited to Note No. 7 (a) in which as per G.O.(Rt) No.204/96/Ad dated 08.02.1996 an interest free loan of Rs. 50,00,000/- (Rs. Fifty Lakhs) was sanctioned by Government of Kerala for meeting cost incurred in connection with the Acquisition of land at Muvattupuzha. The loan had to be repaid in 5 equal installments within two and half years, commencing from 01.04.2011 as intimated vide letter dated 23.06.2011 of Government of Kerala. But repayment has not started and the loan amount stands overdue since 2014.
- 2) Attention is invited to Note No. 10 regarding sales tax liability relating to import of cement during the years 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 the suspense tax account is grouped under 'Provision for Taxes'. Considering that the matter is now pending with the High-Power Committee of Government of Kerala, the balance disputed tax liability (including interest) amounts Rs. 5,79,49,668/-, is treated as Contingent Liability and no provision was made for the same.

- 3) Attention is invited to Note No. 11 where Dividend Payable to Government of Kerala from 1982-83 to 1987-88 & 1996-97 to 2001-02 is Rs. 85,66,728/- and which has been provided in the Accounts during the respective previous years. Considering the financial stringencies of the Corporation during the period from 2002-03 onwards, Government of Kerala has not claimed the amount.
- 4) Attention is invited to Note No. 13 B where pension is being paid on the basis of the pre-revised scale of pay. Some employees challenged this method of pension calculation before the Hon'ble High Court and filed an SLP vide No.3679-3680/2017 in the Supreme Court. The Hon'ble Supreme Court vide its Order dated 14/11/2017 stated that "pension may be calculated in accordance with the rules as per applicable pay scales at the relevant time". Due to insufficient funds in the Trust, Pension revision is not yet implemented. Further, it is provided in the Pension Regulation 3 (2) (a), that "no further contribution shall be made by the Corporation, except as provided in the regulation, for any reason what so ever and it shall be the duty of the Trustee Committee to keep the fund financially sound". Hence, the financial commitment that would have been arisen for implementing Pension Revision is not provided in the Books nor considered as a Contingent Liability.
- 5) Attention is invited to Note No. 18 which mentions the 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. 1,00,000.00/- as security deposit and Rs. 4,06,538/- is payable to the contractor Suit was filed to recover the balance amount of Rs. 12,14,804/- from the contractor. Meanwhile the contractor also had filed a suit to realize the security amount and balance bill amount from the Corporation. The suit was allowed partly in the lower Court. As per the decree, the Corporation has to release the amount of Rs. 2,07,651/- to the Contractor after adjusting Rs. 2,98,887/- towards its damages. The said amount plus interest @ 12% per annum is to be paid to the Contractor Corporation has filed appeal against the decree and hence no adjustments are made in the accounts. The impact of the same is not ascertained. But Corporation has provided a contingent liability of Rs. 2,07,651/- till the date.
- 6) Attention is invited to Note No. 23 where in connection with the floods of 2018 and 2019, stocks in State Warehouse Pala and Chalakudy belonging to KSCSC, Shivashakthi Dall Industries, Falcon Agro Foods, MJ Traders, IFFCO and NAFED had been damaged. Corporation had submitted a claim of Rs. 2,60,39,657/- to Kerala State Insurance Department (KSID) and KSID, vide their letter KSID/F1/T001812940 dated 06.03.2019, had admitted the claim only up to Rs. 1,08,880/-. Hence Corporation filed an appeal before the Principal Secretary, Finance Department, Government of Kerala to claim the damages completely and negotiations on the matter are ongoing. Due to this the Corporation has refrained from booking provision for the disallowed claim and also has not recognised it as a contingent liability.
- 7) Attention is invited to Note No 30 where M/s. Unicorp International Limited had imported 20 containers (4352 bags) Raw Cashew through M/s. JN Freight, Customs House Agent, at Container Freight Station, (CFS) Petta during 14.06.2006 to 04.07.2006. Out of which, the un-lifted 3434 bags were auctioned by the Corporation during 2010. Regarding the Loss incurred in connection with sale of un-lifted imported cashew at CFS Petta, the vigilance enquiry finalized in the matter and reported that there are no lapses found on the part of accused employees of the Corporation in discharging their duties. Further, Government of Kerala directed Corporation vide File No. Agri-PU2/84/2018 dated 14.5.2018, to ascertain the actual loss by engaging a government agency, and the same is under process. Since, the loss is yet to be quantified the impact in the financial statements cannot be ascertained at this stage.
- 8) Attention is invited to Note No. 42 where the Corporation had received Rs. 40,00,000/- towards the Market Intervention Scheme for Rubber during 2001-2002. The net amount payable to Government of Kerala after adjusting the rubber subsidy of Rs. 2,58,690/- is Rs. 37,41,310/-. This has been included under Sundry Creditors and has been carried forward since 2001-02. The related files could not be traced for taking further action and its further the impact in the financial statements cannot be ascertained.

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

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Corporation's Management is responsible for the other information. The other information comprises the information included in the Annual report (which includes the Director's report and its annexures) but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of his auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that was operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit other than the instances pointed out above.
- b) In our opinion, the Corporation has kept proper books of account as required under section 31(1) of the Warehousing Corporation Act, 1962 so far as it appears from our examination of those books.
- c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion and according to the information and explanation given to us, the aforesaid financial statements comply with the Accounting Standards generally accepted in India.

PLACE : ERNAKULAM

DATE : 21 - 01 -2025

FOR M/s. AYYAR & CHERIAN  
CHARTERED ACCOUNTANTS  
FRN: 000284S



CA. VINCENT JOSE ACA  
(Partner)

Memb No. 255375

UDIN: 25255375BMMABV2428

**Reply to the Audit Report of Statutory Auditors on the Accounts of the Corporation**  
**for the year 2023-24**

1. Audit observation is noted. The matter is disclosed in Schedule E, Note no.56.
2. Audit observation is noted. Corporation has provided Government orders and proofs of loan repayments for verification.
3. Audit observation is noted. As Corporation's interest waiver request is under the consideration of Government, penal interest is not provided this year also. These facts are disclosed in Schedule E, Note no.7(b),(c)&(d).
4. Audit observation is noted. The matter is disclosed in Note No.39.
5. Audit observation is noted. The matter is disclosed in Note no.8
6. Audit observation is noted. The matter is disclosed in Note No.41.
- 7,8,&9. Audit observations are noted.
10. Audit observation is noted. The matter is disclosed in Note.36.
- 11&12. Audit observations are noted for guidance.
13. Audit observation is noted. The matter is disclosed in Note.41.
- 14,15,16&17. Audit observations are noted for guidance.
18. Audit observation is noted. The matter is disclosed in Note no.28.
19. Audit observation is noted. The matter is disclosed in Note.44.
- 20&21. Audit observations are noted.
22. Audit observation is noted.
23. Audit observation is noted. As per significant accounting policy of the Corporation (1.16), this practice continues.
24. Audit observation is noted. The matter is disclosed in Note no.16.
25. Audit observation is noted for guidance.
- 26&27. Audit observations are noted for guidance.
28. Audit observation is noted. The matter is disclosed in Note no.50.
29. Audit observation is noted. The matter is disclosed in Note no.33 (i).

  
Managing Director.

## **Opinion of the Comptroller & Auditor General of India on the Accounts of Kerala State Warehousing Corporation, Ernakulam for the year ended 31 March 2024**

### **Qualified Opinion**

We have audited the financial statements of Kerala State Warehousing Corporation, which comprise the statement of financial position as at 31 March 2024 and the Profit & loss Account or the year then ended and notes to the financial statements, including a summary of significant accounting policies under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 31 (8) of the Warehousing Corporations Act 1962 (the Act).

This Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards, disclosure norms, etc. Audit observations on financial transactions regarding compliance with the Law, Rules and Regulations (Propriety & Regularity) and efficiency cum performance aspects, etc., if any, are reported through inspection reports/ CAG's audit reports separately.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of Kerala State Warehousing Corporation, read together with the accounting policies and Notes thereon and other matters mentioned in the Separate Audit Report, which follows, give a true and fair view of the financial position of the autonomous body as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with accounting standards generally accepted in India.

### **Basis for Qualified Opinion**

- 1) The Corporation incurred loss of stock (Rs. 2.60 crore) in its two Godowns during the floods of 2018 and 2020 and has not recognized this loss in the books of Accounts.
- 2) No provision for doubtful receivables against the repairs and maintenance charges (Rs.0.59 crore) incurred by the Corporation on the FBF Godowns was made in the books of Accounts.
- 3) No provision for the penal interest (Rs. 7.22 crore) in respect of all seven loans availed from NABARD during the years from 2012-13 to 2019-20 was made in the books of Accounts.

We conducted our audit in accordance with CAG's auditing regulations /standards/ manuals/ guidelines/guidance-notes/orders/circulars, etc. Our responsibilities are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the autonomous body in accordance with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Responsibilities of Management for the financial statements**

The Management of the Kerala State Warehousing Corporation is responsible for the preparation and fair presentation of the financial statements in accordance with accounting standards generally accepted in India and for internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion in accordance with CAG's auditing regulations / standards / manuals / guidelines / guidance-notes / orders / circulars, etc.

For and on behalf of  
the CAG of India



प्रीति अब्राहम  
PREETHI ABRAHAM

महालेखाकार (ले.प-1), केरला  
ACCOUNTANT GENERAL (AUDIT-I), KERALA

Place: तिरुवनंतपुरम / Thiruvananthapuram

Date: 21-08-2025

## Separate Audit Report on the Accounts of Kerala State Warehousing Corporation, Ernakulam

### A. Balance Sheet

#### I. Balance Sheet as at 31 March 2024

##### Current Assets, Loans and Advances (Schedule D)

##### Current Assets

Receivable from KSID - ₹2.60 crore

##### Annexure IV Other Liabilities

Flood loss to various parties- ₹2.60 crore

The Corporation incurred loss of stock amounting to ₹2.60 crore in its two Godowns (Chalakkudy ₹1.42 crore and Kuruvilangad ₹1.18 crore) during the floods of 2018 and 2020. The said loss which was not acknowledged by the State Insurance Department has not been provided in the books of accounts, although it has been disclosed in the notes to the financial statements (Notes 23).

In accordance with conservative accounting principles, losses should be recognized promptly, and any insurance claims should be accounted for, based on the certainty of receipt. The failure to recognize this loss has resulted in an overstatement of both profit and current assets by ₹2.60 crore.

#### II. Loans and Advances

Receivable from contract works - ₹0.65 crore

This includes ₹0.59 crore, being the amount receivable from the GoK-Director of Civil Supplies against the repairs and maintenance charges incurred by the Corporation on the FBF Godowns at Thallassery, Aluva and Parakkode.

As the claim of the Corporation is not based on any agreement or government order and no amount is released by the GoK till date, this should have been provided for. Non provision for doubtful receivables has resulted in overstatement of Loans and Advances by ₹0.59 crore with a corresponding understatement of Accumulated Loss.

#### III. Other Liabilities -Schedule -B

Outstanding Expenses Payable ₹7.22 crore - Annexure - II

The Corporation availed seven loans amounting to ₹32.89 crore at interest rates ranging from 4.50 per cent to 7.50 per cent during the years from 2012-13 to 2019-20 as shown below:

(₹ (in Crore)

Year	Loan Amount ₹	Rate of Interest	Repayment ₹	Outstanding as per Balance Sheet as at 31.03.2024 ₹
Loan 1	11.33	7.50%	4.80	6.53
Loan 2	8.02	7.50%	Nil	8.02
Loan 3	5.00	7.50%	Nil	5.00
Loan 4	0.51	5.25%	Nil	0.51
Loan 5	1.32	5.25%	Nil	1.32
Loan 6	6.26	4.75%	Nil	6.27
Loan 7	0.45	4.50%	Nil	0.45
	<b>32.89</b>		<b>4.80</b>	<b>28.10</b>

As per the Government Orders sanctioning the loans, in the event of default in repayment, penal interest shall be charged at the rate 2.50 per cent over the normal rate of interest. Other than the remittance of ₹4.80 crore against Loan 1, no repayment was made by the Corporation towards the principal or interest in respect of all seven loans till date. Nonprovision of penal interest on NABARD Loan has resulted in understatement of Outstanding Expenses Payable by ₹7.22 crore and Accumulated Loss by the same amount.

#### B. Management Letter

Deficiencies which have not been included in this Separate Audit Report have been brought to the notice of the Management through a Management Letter issued separately for remedial/corrective action.

#### C. Assessment of Internal Controls

- (i) **Adequacy of Internal Control System:** The Internal Control System is adequate and commensurate with the size and nature of the corporation, and it is periodically reviewed and strengthened.
- (ii) **Adequacy of Internal Audit System:** The Internal Audit is operational. As a statutory corporation, the appointment of internal auditors is not mandatory and has not been made. However, internal audit and inspection responsibilities are carried out by the Internal Audit wing of the Corporation, nine Regional Managers and three Zonal Managers as per the provisions of the Warehousing Corporation Act and related rules.
- (iii) **System of Physical verification of fixed assets:** The physical verification of fixed assets is carried out regularly by the Regional Managers/Zonal Managers during their periodic inspections on a quarterly basis and also annually. The last inspection was conducted during April 2024 as part of the finalization of accounts for the year 2023-24.
- (iv) **System of Physical verification of inventory:** The physical verification of inventory is carried out by the Regional Managers/Zonal Managers during their periodic inspections on a quarterly basis and also annually. The last inspection was conducted during April 2024 as part of the finalization of accounts for the year 2023-24.
- (v) **Regularity in payment of statutory dues:** Corporation is regular in depositing undisputed statutory dues including Provident Fund, ESI, Income Tax, GST etc. with the appropriate authority.

#### D. Grants in aid

Out of the Grants-in-aid of ₹0.58 crore received during the year, the Corporation utilised the entire grant, leaving Nil balance as unutilised grant as on 31st March 2024.



प्रीति अब्राहम

PREETHI ABRAHAM

महालेखाकार (ले.प-1), केरला

ACCOUNTANT GENERAL (AUDIT-I), KERALA

Place: तिरुवनंतपुरम / Thiruvananthapuram

Date: 21-08-2025

**Reply on the Separate Audit Report of Comptroller & Auditor General of India on the Accounts of Kerala State Warehousing Corporation for the year ended 31st March 2024.**

**A. Balance Sheet**

**I. Balance Sheet as at 31st March 2024**

**Current Assets, Loans and Advances (Schedule D)**

**Current Assets**

**Receivable from KSID - ₹2.60 crore**

**Annexure IV Other Liabilities**

**Flood loss to various parties-loss to various parties - ₹2.60 crore**

Audit observation in this regard is noted.

In connection with the flood disaster occurred during 2018 and 2019, stocks in State Warehouse Pala and Chalakudy belongs to KSCSC, Shivashakthi Dall Industries, Falcon Agro Foods, MJ Traders, IFFCO and NAFED had been damaged. Subsequently, Corporation had submitted a claim of ₹2,60,39,657/to Kerala State Insurance Department. KSID vide their letter KSID/FI/TOO 1812940 dated 06.03.2019 had admitted the claim only up to ₹1,08,880/- . Hence Corporation filed an appeal before the Principal Secretary, Finance Department, Government of Kerala to get the damages completely and which is now under process. Hence, ₹2.60,39,657/- is shown under outstanding liabilities and at the same time it is shown as receivable from KSID. The matter has also been disclosed in the notes to the financial statements (Note 23).

**II. Loans and Advances**

**Receivable from contract works - ₹0.65 crore**

Audit observation in this regard is noted.

Since the Civil Supplies Corporation has issued letters requesting the return of certain warehouses constructed under the FBF Scheme, Corporation has continued to treat the repair and renovation costs of these godowns as receivables from the government, consistent with the approach adopted in previous years. In light of the AG Auditor's qualification, Corporation reviewed the matter while preparing for presentation to the Board and noted that the issue remains under consideration by the government. Accordingly, the existing accounting treatment has been continued. The matter has also been disclosed in the notes to the financial statements (Note 52).

**III. Other Liabilities – Schedule – B**

**Outstanding Expenses Payable - ₹7.22 crore - Annexure - II**

Audit observation in this regard is noted.

No provision has been made towards penal interest on NABARD loans during the year, as the Corporation has requested to the Government of Kerala for exclusion of the penal interest clause in view of the allotment of godowns to State Public Sector Undertakings at subsidized rates. The Government has not rejected the proposal. Consistent with the treatment in prior years, any liability towards penal interest, if ultimately imposed, will be accounted for on actual payment basis. This matter has also been disclosed in the notes to financial statements Note 7 (c).

**B. Management Letter**

Deficiencies not included in the Separate Audit Report issued through the Management Letter will be reviewed, and appropriate remedial or corrective action will be taken.

**C. (i) to (v) Assessment of Internal Controls**

Audit observations are noted.

**D. Grants in aid**

Audit observations are noted.



Managing Director





## **KERALA STATE WAREHOUSING CORPORATION**

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