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# ANNUAL REPORT AND AUDITED ACCOUNTS 2017 - 18



**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**  
**KISSAN JYOTHI, FORT.P.O., THIRUVANANTHAPURAM - 695 023.**

**(CIN : U29211KL1968SGC002172)**

**Phone : 0471 - 2471343, 2471344, 2471345, 2471346.**

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**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**  
**KISSAN JYOTHI, FORT.P.O., THIRUVANANTHAPURAM - 695 023.**

**50 TH ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR 2017-18**

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**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**  
**KISSAN JYOTHI, FORT.P.O., THIRUVANANTHAPURAM - 695 023.**

**Registered Office :**  
**“Kissan Jyothi”, Fort P.O.,**  
**Thiruvananthapuram - 695 023.**

**No. Secl : 26/**

**31.07.2023**

**N O T I C E**

Notice is hereby given that the 50<sup>th</sup>Adjourned Annual General Meeting of the Kerala Agro Industries Corporation Ltd., will be held at 11.00 A.M. on 24<sup>th</sup> August, 2023 at the Registered Office of the Corporation, at "Kissan Jyothi', Fort P.O., Thiruvananthapuram - 695 023 to transact the following business.

***Ordinary Business :***

**“ To receive, consider and adopt the Directors’ Report, Addendum to Directors Report, Balance Sheet and Profit and loss Account, Auditors’ Report, comments of the Comptroller and Auditor General of India and the Principal Secretary (Finance), Government of Kerala for the year ended 31<sup>st</sup> March, 2018.”**



**MANAGING DIRECTOR**

***Note : A member entitled to attend and vote at the time of meeting is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a Member.***

**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**  
**KISSAN JYOTHI, FORT.P.O., THIRUVANANTHAPURAM - 695 023.**

**I. BOARD OF DIRECTORS**

SHRI. V. KUNHALI	CHAIRMAN
SHRI. K. G. PRATHAP RAJ	MANAGING DIRECTOR
SHRI. C. R. LOHI	DIRECTOR
SHRI. SABIRHUSSAIN. S	DIRECTOR
SHRI. R. ABHILASH CHANDRAN	DIRECTOR
SHRI. K. K. SIVARAMAN	DIRECTOR
SHRI. JOSE MATHEW	DIRECTOR
SHRI. R. SASI	DIRECTOR
SHRI. K. K. JAYAPRAKASH	DIRECTOR

**II. BANKERS**

**STATE BANK OF INDIA,  
INDIAN BANK, UNION BANK OF INDIA,  
BANK OF BARODA.**

**III. AUDITORS**

**K. S. MADHU & Co.**  
Chartered Accountants,  
13/66 (1), Kannamoola Road,  
Near Pallimukku,  
Thiruvananthapuram - 695 024.

**IV. REGISTERED OFFICE**

**(CIN : U29211KL1968SGC002172)**

Kissan Jyothi,  
Fort.P.O., Thiruvananthapuram - 695 023.  
Ph : 0471-2471343, 0471-2471344  
0471-2471345, 0471-2471346.  
E-mail : mdofficekaic@gmail.com  
Web : www.keralagro.com

# **THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**

**KISSAN JYOTHI, FORT.P.O, THIRUVANANTHAPURAM-695023.**

## **DIRECTORS' REPORT**

The Shareholders,  
The Kerala Agro Industries Corporation Limited,  
Kissan Jyothi, Fort.Po,  
Thiruvananthapuram-695023.

Dear Members,

Your Directors have great pleasure in presenting the 50<sup>th</sup> Annual Report of the Kerala Agro Industries Corporation Limited together with the audited Balance Sheet, Profit and Loss Statement and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018.

### **1) FINANCIAL RESULTS - Sec.134(3)(i).**

Financial highlights of the consolidated statement of operations of your company for the year 2017-18 are as under:

(Rupees in lakhs)

Particulars	2017-18	2016-17
Revenue from operations	6336.58	5625.33
Other Income	613.28	745.13
Total Income	6949.86	6370.46
Operating Expenses	6737.11	5704.77
Operating Profit / (Loss)	212.75	665.69
Interest	163.12	152.04
Depreciation	552.48	704.13
Exceptional items	361.74	24.92
Net Profit/ (Loss)	(864.59)	(215.40)
Provision for Income Tax / IT Expense	(3.02)	(2.41)
Net profit/(Loss) after tax	(867.61)	(217.81)
Balance brought forward from previous year	(2234.31)	(2016.50)
Depreciation written back	NIL	NIL
Cumulative losses	(3101.92)	(2234.31)

During the year ended 31<sup>st</sup> March, 2018, your company could achieve a total turnover of Rs. 6336.58 lakhs against Rs.5625.33 lakhs for 2016-17. The total sale for the year 2017-18 is in excess by Rs.711.25 lakhs from that of the previous year.

The net loss for the year after making provisions for interest and depreciation and after making adjustments for prior periods and Tax stood at Rs.867.61 lakhs against a net loss of Rs.217.81 lakhs during the previous year.





## **2)ACTIVITIES**

Some of the important activities pursued by the Corporation during the period under report are as detailed below:

### **i)Sale of Tractors, Power Tillers, Sprinklers, Irrigation Equipments, Drip Irrigation Equipments etc.**

During the year under report, the Corporation had dealership for the sale of HMT tractors, Mahindra Tractors and KAMCO Power Tillers. The Corporation also had dealership arrangements with various reputed manufacturers of pump sets of different capacities, sprinkler irrigation equipments and drip irrigation equipments.

The Corporation sold tractors, power tillers, power reapers, trailers, pump sets, sprayers, sprinkler and drip irrigation equipments worth Rs. 3778.96 lakhs during the year as against Rs.3520.92 lakhs during the previous year.

### **ii)Sale of spare parts of Tractors and Tillers and Implements.**

Sale of spare parts and implements during the year was Rs.201.53 lakhs as against the previous year's sale of Rs. 266.99 lakhs.

### **iii)Sale of Fabricated goods.**

During the year under report, fabricated goods worth Rs.232.75 lakhs were sold as against Rs.111.31 lakhs during the previous year.

### **iv)Sale of agricultural inputs like organic manure, Bio fertilizers, pesticides**

During the year under report, agricultural inputs worth Rs.1328.62 lakhs were sold as against Rs.686.68 lakhs during the previous year.

### **v)Running of Workshops and Service Stations for repairs and maintenance of agricultural machinery**

The pre-sale and after sale service of tractors, power tillers, etc. as well as repairs and maintenance of various agricultural machineries are being attended to at the Workshops and Service Stations of the Corporation.

### **vi)Implementation of Government Schemes**

The Corporation participated in implementing Farm mechanization under Rashtriya Krishi Vikas Yojana (RKVY) during the year under report.

### **vii)Fruit Processing Unit at Punalur**

During the year under report the unit has made a turnover of Rs.77.94 lakhs as against a turnover of Rs.106.03 lakhs during the previous year.

## **3)NEW PROJECTS AND INITIATIVES**

As part of diversifying the activities, your company has recently ventured into new areas like skill development training, value addition for agricultural produces, setting up of retailing outlets, etc.

## **4)SHARE CAPITAL**

The present authorized share capital of the company is Rs.500 lakh, divided into 500000 equity shares of Rs.100/- each. The issued, subscribed and paid up capital is Rs.474.11 lakh. The State Government's share is Rs.304.55 lakh and that of the Central Government is Rs.169.56 lakh. Out of the total paid up capital, 23547 shares of Rs.100/- each have been issued for consideration other than cash. The percentage of investment made by Government of Kerala on the total paid up capital is 64.24 %.There is no advance share capital as on the date of report and thereafter. Your



Directors propose to increase the authorized share capital to Rs.2500 lakh, divided into 2500000 equity shares of Rs.100 each.

**5)DIVIDEND – Sec.134(3)(k).**

Since there is an accumulated loss of Rs.3101.92 lakhs as on 31.03.2018, your Directors do not recommend payment of dividend for the year under review.

**6)BOARD OF DIRECTORS – Sec.134(3)(g) read with Rule 8(5)(iii) of Companies (Accounts) Rule,2014.**

The following are the Directors of the Company during the year under review:

Sl.no	Name	Post	Date of appointment	Date of cessation
1.	Shri.Sulfikar Mayoori	Chairman	21-12-2016	
2.	Shri.P.Suresh Babu	Managing Director	28-09-2016	
3.	Shri. C.R.Lohi	Director	20-12-2016	
4.	Sri.Y.S.Sreenarayana Dev	Director	25-03-2017	
5.	Sri.V.S.Sureshkumar	Director	10-02-2017	11-01-2018
6.	Smt.Shaber Banu	Director	11-01-2018	
7.	Sri.P.V.Sathyanesan	Director	12-04-2017	
8.	Sri.H.Rajeevan	Director	12-04-2017	
9.	Sri.E.N.Suresh Babu	Director	12-04-2017	
10.	Sri.E.K.Sivan	Director	12-04-2017	
11.	Sri.K.Ajith	Director	12-04-2017	

**7)BOARD MEETINGS – Sec.134(3)(b).**

The Board of Directors met 4 times during this financial year as stated below.

1.	262	09-05-2017
2.	263	13-07-2017
3.	264	30-08-2017
4.	265	27-12-2017
5.	266	27-03-2018





**8)COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.**

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee is not applicable to the company and hence the company has not devised any policy relating to appointment of Directors, Payment of Managerial Remuneration, Directors qualifications, Positive attributes, Independence of Directors and other related matters as provided under section 178(3) of the Companies Act, 2013.

**9)COMMITTEES OF BOARD.**

**i) Audit Committee.**

There was no audit committee during the year 2016-17 since it was not mandatory as per Sec. 177 of Companies Act, 2013 and Rule 6 & 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

**ii) Corporate Social Responsibility Committee.**

As per Section 135 of the Companies Act 2013 the company does not come under the purview of Corporate Social Responsibility activities for the current year. Hence CSR Committee is not constituted.

**10)EXTRACT OF ANNUAL RETURN – Sec.134(3)(a).**

The extract of Annual Return as provided under sub Section (3) of Section 92 of the Companies Act 2013 in the prescribed form MGT 9 is annexed to this Report.

**11)STATUTORY AUDITORS.**

M/s. K.S.MADHU & Co, Chartered Accountants, MRRA-26, Ganesha, Malloor Road, Vanchiyoor.Po, Trivandrum - 695035, was appointed as the Statutory Auditors of company for the year 2017-18. The Report given by the Auditors on the financial statements of the company is part of the Annual Report.

**12)AUDITORS COMMENTS AND QUALIFICATIONS – Sec.134(3)(f).**

The Board noted that there are some qualifications in the main report of Auditors. Actions will be initiated to rectify the deviations to the possible extent.

**13)REVIEW OF ACCOUNTS BY C&AG OF INDIA.**

The Annual Accounts with Auditors Report submitted to C&AG. The Comptroller & Auditor General of India has not reviewed the accounts for the year 2017-18 under Section 143(6) of the Companies Act 2013 and issued non review certificate. Thus there is NIL comments from CAG.

**14)PARTICULARS OF EMPLOYEES AS PER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**





There are no employees drawing remuneration in excess of the prescribed limit in terms of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **15)FIXED DEPOSITS**

The Company has not accepted any fixed deposits from the public and shareholders coming under the purview of Section 73 of the Companies Act, 2013.

#### **16)PARTICULARS REQUIRED UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013**

As per the Provisions of Companies Act, 2013 we hereby report that:

- a) The company has not adopted any energy saving measures during the year, nor did it make any additional investment for reduction in consumption of energy.
- b) The Company has not undertaken any technology absorption measures during and after the period of report.
- c) The Company has not generated any foreign exchange earnings or incurred any foreign exchange outgo during the year of report.

#### **17)DIRECTORS' RESPONSIBILITY STATEMENT – Sec.134(3)( c).**

Your Directors wish to state that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) The Board of Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year ended 31.03.2017.
- c) The Board of Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The Board of Directors has prepared the annual accounts on a going concern basis.
- e) The Company being unlisted, sub clause (c) of section 134(3) of the Companies Act 2013 pertaining to laying down internal financial controls is not applicable to the company.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **18)PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has



been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

### 19) LABOUR RELATIONS

There was very good employer – employee relation during and after the period of the report.

### 20) ACKNOWLEDGEMENT

Your Directors express their appreciation to Government of India, Government of Kerala, Department of Agriculture, other Government Departments and other Public Sector Undertakings for their valuable support. The Directors are also thankful to the Bankers, Consultants, Auditors, Contractors, Shareholders and valued customers for their continued co-operation and unstinted support.

Your Directors also record their gratitude for the loyalty, dedication and commitment of employees of the Kerala Agro Industries Corporation Limited at all levels.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN

THIRUVANANTHAPURAM

Dated: 31/07/2023





**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**

**ANNEXURE TO DIRECTORS' REPORT 2017-18**

**Form No: MGT - 9**

**EXTRACT OF ANNUAL RETURN**

(As on the financial year ended on 31st March 2018)

[Pursuant to Section 92(3) of the Companies Act 2013 and rule 12(1) of the Companies (Mangement and Administration) Rules 2014]

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	U29211KL1968SGC002172
ii)	Registration Date	22-03-1968
iii)	Name of the Company	THE KERALA AGRO INDUSTRIES CORPORATION LIMITED.
iv)	Category/Sub-category of the Company	Company limited by shares/ State Government Company.
v)	Address of the Registered Office and contact details	KISSAN JYOTHI, FORT.PO, THIRUVANANTHAPURAM, KERALA-695023.
vi)	Whether listed company	No
vii)	Name, address and contact details of Registrar and transfer sgent, if any	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITES OF THE COMPANY**

Sl.No.	Name and description of main products/services	NIC Code of the product/service	% of total turnover of the company
1	Agriculture, Forestry, Fishing.	A4	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl.No	Name and Address of the Company	CIN/GLN	Holding/subsidiary/Associate	% of shares held
1	NIL	NA	NA	NIL



**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**

**IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)**

**A. Category-wise shareholding**

category of shareholders	No. of shares held at the beginning of the year (As on 31-March 2017)				No. of shares held at the end of the year (As on 31-March 2018)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	NA	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt. -	NIL	169562	169562	35.76	NIL	169562	169562	35.76	0
c) State Govt./ (s)	NIL	304547	304547	64.24	NIL	304547	304547	64.24	0
d) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Banks/ FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub Total (A) (1)</b>		<b>474109</b>	<b>474109</b>	<b>100</b>		<b>474109</b>	<b>474109</b>	<b>100</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs- Individual	NA	NA	NA	NA	NA	NA	NA	NA	NA
b) Other-Individual	NA	NA	NA	NA	NA	NA	NA	NA	NA
c) Bodies Corp.	NA	NA	NA	NA	NA	NA	NA	NA	NA
d) bank/ FI	NA	NA	NA	NA	NA	NA	NA	NA	NA
e) Any other	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Sub Total (A) (2)</b>		<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of promoter (A) = (A)(1) + (A) (2)</b>	<b>NA</b>	<b>474109</b>	<b>474109</b>	<b>100</b>	<b>NA</b>	<b>474109</b>	<b>474109</b>	<b>100</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Bank/ FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt./ (s)	0	0	0	0	0	0	0	0	0
e) Venture capital funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) foreign venture capital funds	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>2. Non-institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	NA	NA	NA	NA	NA	NA	NA	NA	NA
ii) Overseas	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 Lakh	NA	NA	NA	NA	NA	NA	NA	NA	NA
ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	NA	NA	NA	NA	NA	NA	NA	NA	NA
c) Others (Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non-resident Indians	NA	NA	NA	NA	NA	NA	NA	NA	NA
Overseas Corporate bodies	NA	NA	NA	NA	NA	NA	NA	NA	NA
Foreign Nationals	NA	NA	NA	NA	NA	NA	NA	NA	NA
Clearing members	NA	NA	NA	NA	NA	NA	NA	NA	NA
Trusts	NA	NA	NA	NA	NA	NA	NA	NA	NA
Foreign Bodies DR	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Sub-Total (B) (2)</b>									
<b>Total Public Share holding (B) = (B)(1)+(B)(2)</b>	<b>NA</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>									
	NA	0	0	0	NA	0	0	0	NA
<b>Grand Total (A+B+C)</b>	<b>NA</b>	<b>474109</b>	<b>474109</b>	<b>100</b>	<b>NA</b>	<b>474109</b>	<b>474109</b>	<b>100</b>	





**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**

**B) Shareholding of Promoter**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Government of India represented by President of India	169562	35.76	Nil	169562	35.76	Nil	0
2	Government of Kerala represented by Governor of Kerala	304547	64.24	Nil	304547	64.24	Nil	0
<b>Total</b>		<b>474109</b>	<b>100</b>	<b>Nil</b>	<b>474109</b>	<b>100</b>	<b>Nil</b>	<b>0</b>

**C) Change in promoter's shareholding (please specify, if there is no change)**

Sl. No		Share holding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	No change			
	Date wise increase/decrease in Promoter's share holding during the year specifying the reason for increase/decrease(eg. Allotment/transfer/bonus/sweat equit etc.	No change			
	At the end of the year	No change			

\* There is no change in the total shareholding of the promoter between 01.04.2017 and 31.03.2018

**D) Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)**

Sl. No	For each of the top ten shareholders	Share holding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise increase/decrease in Promoter's share holding during the year specifying the reason for increase/decrease(eg. Allotment/transfer/ bonus /sweat equit etc.	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

**E) Shareholding of Directors and Key managerial personnel**

Sl. No	Name	Share holding			Increase/decrease in share holding	Reason	Cumulative shareholding during the year	
		No. of Shares at the beginning	No. of shares at the end of the year	% of total shares of the company			No. of Shares	% of total shares of the company
<b>A DIRECTORS</b>								
		Nil	Nil	Nil	Nil	NA	Nil	NA
<b>B KEY MANAGERIAL PERSONNEL</b>								
	NIL	Nil	Nil	Nil	Nil	NA	Nil	NA



**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**

**V) INDEBTNESS**

Indebtness of the company including interest outstanding/accrued but not due for payment

	Secured loans excluding deposits	Unsecured loans (Rs) in lakhs	Deposits (Rs) in lakhs	Total indebtness (Rs) in lakhs
<b>Indebtness at the beginning of the financial year 2017-18</b>				
i) Principal Amount	0	824.78	NIL	824.78
ii) Interest due but not paid	0	1844.02	NIL	1844.02
iii) Interest accrued but not due	0	0	NIL	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>2668.80</b>	<b>NIL</b>	<b>2668.80</b>
<b>Change in Indebtness during the financial year</b>				
* Addition	0	159.57	NIL	159.57
*Reduction	0	0	NIL	0
<b>Net Change</b>	<b>0</b>	<b>159.57</b>	<b>NIL</b>	<b>159.57</b>
<b>Indebtness at the end of the financial year 2016-17</b>				
i) Principal Amount	0	824.78	NIL	824.78
ii) Interest due but not paid	0	2003.59	NIL	2003.59
iii) Interest accrued but not due	0	0	NIL	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>2828.37</b>	<b>NIL</b>	<b>2828.37</b>

**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-Time Directors and /or Manager**

Sl.No.	Particulars of remuneration	Name of Managing Director/WTD/Manager		Total Amount (Rs)
		P.Suresh Babu, Managing Director.		
1	Gross salary			
	(a) salary as per provisions contained in section 17(1) of the Income tax Act 1961 (RS)	876671.00		876671.00
	(b) value of perquisites u/s 17(2) of Income tax Act 1961	NIL		
	(c) Profits in lieu of salary under section 17(3) of Income tax Act 1961	NIL		
2	Stock Option	NIL		
3	Sweat Equity	NIL		
4	Commission:	NIL		
	as % of profit	NIL		
	others, specify	NIL		
5	Others, Please Specify (Rs)			
	i) Leave salary	0.00		0.00
	ii) Travelling Expenses	16060.00		16060.00
	iii) Telephone Charges	18000.00		18000.00
	iv) Medical Expenses	0.00		0.00
	<b>Total (A)</b>	<b>910731.00</b>		<b>910731.00</b>
	Ceiling as per the Act			





**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**

**B. Remuneration to other Directors**

Sl.No.	Particulars of remuneration	Name of Directors	Total Amount (RS.)
		Sri. Sulfikar Mayoore (Chairman), P.Suresh Babu (MD), C.R.Lohi, S.Sajeev, Y.S.Sreenarayana Dev, V.S. Suresh kumar, Smt.Shaber Banu, Sri. P.V.Sathyanesan, H.Rajeevan, E.N.Suresh Babu, E.K.Sivan and K.Ajith (Directors)	
1	<b>Independent Directors</b>		
	Fee for attending board/committee meetings		0
	Commission		0
	Others, please specify		0
	Total (1)		0
2	<b>Other non-executive Directors</b>		
	Fee for attending board/committee meetings		9,500.00
	Commission		0
	Others, please specify (Travelling Expense)		108256.00
	Total (2)		1,17,756.00
	Total (B) = (1+2)		1,17,756.00
	Total Managerial Remuneration		
	Overall ceiling as per the Act		

**C. Remuneration to Key managerial Personnel other than Managing Director/Manager/WTD**

Sl.No.	Particulars of remuneration	Key Managerial Personnel			Total Amount (₹)
		CEO	CS	CFO	
			There was no CS during the year 2017-18.		
1	<b>Gross salary</b>	NA			
	(a) salary as per provisions contained in section 17(1) of the Income tax Act 1961	NA	NA	4,72,145.00	4,72,145.00
	(b) value of perquisites u/s 17(2) of Income tax Act 1961	NA	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) of Income tax Act 1961	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission:	NA	NA	NA	NA
	as % of profit	NA	NA	NA	NA
	others, specify	NA	NA	NA	NA
5	Others , please specify	NA	NA	NA	NA
	Total	NA	NA	472145.00	472145.00
	Overall ceiling as per the Act				

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENSES**

Type	Section of the Companies Act	Brief Description	Details of penalty/punishment/compounding fee imposed	Authority(RD/NCLT/COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	87	NA	NA	NA	NA
Punishment	Nil	NA	NA	NA	NA
Compounding	Nil	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
Penalty	Nil	NA	NA	NA	NA
Punishment	Nil	NA	NA	NA	NA
Compounding	Nil	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	NA	NA	NA	NA
Punishment	Nil	NA	NA	NA	NA
Compounding	Nil	NA	NA	NA	NA

By Order of the Board of Directors

Thiruvananthapuram

31 -07-2023



Sd/-

CHAIRMAN

**ADDENDUM TO DIRECTORS' REPORT**

**REPLY TO COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT 2013 ON THE ACCOUNTS OF THE KERALA AGRO INDUSTRIES CORPORATION LTD. FOR THE YEAR ENDED 31 MARCH 2018**

Principal Accountant General (Audit -I), Kerala has issued Non-Review Certificate under Sec. 143(6)(a) of the Companies Act, 2013 and thus there is NIL comments for the year 2017-18.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN

THIRUVANANTHAPURAM

Dated: 31 /07/2023







**K.S. Madhu & Co.**  
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED, TRIVANDRUM**

**Report on Financial Statements**

We have audited the accompanying financial statements of **The Kerala Agro-Industries Corporation Limited**, ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss and Statement of Cash flows for the period from 01.04.2017 to 31.03.2018, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Principles generally accepted in India, including the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk



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Phone : 0471 - 2573289 (O), 2743852 (R), E-mail : ca.anoopraj@gmail.com

assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Basis for Qualified Opinion

- (a) The company is showing a closing balance of Rs 763.19 lakhs in Note 3(c) "Other Reserve: Grant in Aid" under Reserves and Surplus of the financials statement for which the details of grant/category wise split up is not available for verification. Hence we are unable to comment on the utilization of grants received in earlier years. The company has not ear-marked the above amount in cash and bank balances and hence we are unable to comment on the accuracy of the "interest on money parked with bank" - Rs. 20.75 lakhs in Note 3(c) capitalized under Reserves and Surplus of financial statement.
- (b) The company has not identified old, non-moving, damaged or obsolete inventory items and has also not made any provision on account of change in value of stock in such cases. The company has not carried out physical verification of the inventory. The adjustments, if any, in the financial statements is not ascertainable. The company has not complied with 'Accounting Standards 2-Valuation of Inventories' and AS 28-impairment of assets to this extent
- (c) The Balance Confirmation Certificates of the following bank accounts under Note 14: "Cash and Cash Equivalents" were not available for verification and hence we are unable to comment upon the impact, if any, of reconciliation entries in the financial statements.

Sl No	Name of Bank	Account Number	Amount
1	Fixed Deposit Treasury		3,94,822.00
2	SBT FD A/c	-	.17,10,028.00
4	SBT Karunagapalli Tsunami Site Branch		2,149.00
5	Union Bank of India		13,851.47

- (d) The total income as per the Goods and Service Tax/VAT returns is Rs. 5535.80 lakhs while as per the Profit and Loss Statement of the financials is Rs. 6293.84 lakhs. Due to the non-availability of information and details regarding the variances, we are unable to quantify the impact of additional tax liability, if any, arising from reconciliation of turnover in the financial statements.
- (e) The company is showing a closing balance of Rs. 25.63 lakhs as "Other Long Term Liabilities" in Note 5 the financial statements for which details are not available for verification. Due to the non-availability of





information and details, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlements of account balances in the financial statements.

- (f) The company is showing a closing balance of Rs. 52.47 lakhs as "Other Advance Recoverable" in Note 15 of the financial statements for which details are not available for verification. Due to the non-availability of information and details, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlements of account balances on the financial statements.
- (g) The company is not maintaining a system to identify and classify Earnest Money Deposits & Security Deposits related to completed projects and non-completed projects. As stated in Note No.8 & 15 to the financial statements, an amount of Rs.91.40 lakhs is outstanding as EMD and security deposit payable and an amount of 11.30 lakhs outstanding as EMD and security deposit receivable as on 31-03-2018. This amount includes amounts outstanding against completed projects also. Due to the non-availability of confirmation and reconciliation of afore mentioned account balance, we are unable to quantify the impact of adjustments on the financial statements, if any, arising from reconciliation and settlement of EMD and security deposits account balances of completed projects.
- (h) The company is showing a closing balance of Rs. 131.67 lakhs as "Sundry Creditors for expenses", Rs.68.48 lakhs as "Sundry Creditors for Others" and Rs. 12.14 lakhs as "Trade Advances Received" in Note no 8 of the financial statements. The company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade payables. Due to non-availability of confirmations and reconciliations of the aforesaid account balances, we are unable to quantify the impact of adjustments, if any, arising from reconciliation and settlement of account balances on the financial statements.
- (i) The company is showing a closing balance of Rs. 8526.15 lakhs as "Trade Receivables" in Note No.13 of the financial statements, Rs.2598.35 lakhs as "Trade Advances" in Note no 15 of the financial statements. The Trade Receivables includes outstanding aged for more than three years amounting to Rs. 2821.57lakhs. The company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade receivables. Due to non-availability of confirmations and reconciliations of the aforesaid account balances, we are unable to quantify the impact of adjustments, if any, arising from reconciliation and settlement of account balances on the financial statements.
- (j) The company is showing a closing balance of Rs. 11.68 lakhs as "Deposits for Utility Services" in Note No. 11 of the financial statements for which the details are not available for verification. Due to the non-availability of information and details, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlements of account balances on the financial statements.
- (k) The company has not identified units covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006') and hence disclosures as required under the MSMED Act 2006 is presently not ascertainable.
- (l) The company has not identified and classified the Current maturities of Long-Term Debt under "Other Current Liabilities" as per the requirements of Revised Schedule III of the Companies Act 2013.



- (m) The company is accounting interest income on cash/receipt basis only and not on accrual basis as per the requirements of Companies Act 2013.

**Other Matters:**

- (a) The company has received financial assistance from Government of Kerala during the year amounting to Rs. 1 crore. The utilization certificate is not available for verification and hence not commented upon.
- (b) The company is not providing interest on interest liability for unsecured loans taken from Government of Kerala from the financial year 2012-13 onwards. The financial impact of the liability is not disclosed as contingent liability in the books of accounts.
- (c) The company has joined Group Gratuity Scheme with Life Insurance Corporation of India for payment of gratuity of its employees. The company has defaulted in the payments liable to LIC and hence have not complied with the directions of Accounting Standard 15 - Employee Benefits.

**Qualified Opinion**

In our audit opinion and to the best of our information and according to the explanation given to us, except for the matters described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting policies generally accepted in India:

- a) In case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018; and
- b) In case of Statement of Profit and Loss, of the loss for the period from 01.04.2017 to 31.03.2018 and
- c) In the case of Statement of Cash Flow, cash flow for the period from 01.04.2017 to 31.03.2018

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, in the **Annexure-B**, on the directions and sub-directions issued by Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, 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 subject to the matters specified in Basis for Qualification paragraph.






- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) In our opinion the Balance Sheet and Statement of Profit and Loss dealt with by this report, comply with the accounting standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 subject to the matters specified in Basis for Qualification paragraph.
- e) As the company under audit is a Government Company, the provisions regarding disqualification of directors as per section 164(2) of the Companies Act, 2013 is not applicable.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure-C** and
- g) With respect to the other matters included in the auditor's report and to best of our information and according to the explanations given to us.
- i. The company has disclosed the impact of pending litigation on its financial position in its financial statement.
- ii. The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the investor's education and protection fund by the company.

Place: Trivandrum

Date: 18.06.2023



For K.S.MADHU & Co.  
FRN0087315  
Chartered Accountants

  
K.S.MADHU B.Sc., FCA  
Mg. Partner (M.No.019380)

UDIN: - 230193808GUE104686

### Annexure A to the Auditors' Report

The Annexure referred to in our report to the members of The Kerala Agro-Industries Corporation Limited (the company\*) on the accounts of the company for the year ended 31<sup>st</sup> March, 2018.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1) a) The company is not maintaining proper records showing full particulars including quantitative details and situation of its fixed assets. The company has not properly maintained the Fixed Asset Register containing the details of date of acquisition, cost of acquisition, accumulated depreciation as on date.  
b) The management has not conducted physical verification of its fixed assets at reasonable intervals  
c) The title deeds of immovable properties are held in the name of the Company.
- 2) As per the information and explanation given to us, the management has not conducted the physical verification of inventory to identify old, non-moving, damaged or obsolete inventory items and hence no adjustments, if any, have been dealt with in the books of accounts.
- 3) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted an unsecured temporary loan to M/s Vazhakkulam Agro Fruit Processing Company amounting to Rs. 20 lakhs.  
a) The terms and conditions of the loan does not stipulate interest on loan and hence is prejudicial to the interest of the company.  
b) The schedule of repayment of principal and interest is mentioned in loan document. It is noted that the company has not received any repayments during the year under audit and hence repayment is not regular.  
c) The total loan amount is overdue for the period of more than ninety days. The management has communicated that the company is following up the matters with VAFPC for recovery of loan with interest.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted deposits from the public during the year. Consequently, the provisions of paragraph 3(v) of the order are not applicable to the Company.
- 6) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company.





7) (a) According to the records of the company and subject to the Basis of Qualified opinion, undisputed statutory dues including, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, GST, Value added Tax, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. *It is noted that there is delay in payment of monthly contribution to Provident Fund, and Employees' State Insurance.* According to the information and explanations given to us there is outstanding Provident Fund dues as on 31st of March, 2018 for a period of more than six months from the date they became payable. As the detailed working of outstanding liability is not available, we are unable to quantify the liability outstanding for more than six months.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, Provident Fund, Employee's State Insurance, customs duty, GST and excise duty which have not been deposited on account of any disputes. However according to the information and explanation given to us, the following dues of KGST and VAT have not been deposited by the company on account of dispute

Nature of Statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
KGST & VAT	Tax, Interest and Damages	9,90,20,324.00	AY 1998-99 , 2011-12 to 2015-16, & 2017-18	The company has made an application to the Government of Kerala for waiving of the liability. No details of appeal filed against these demands are available for verification.

8) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

9) Based on our audit procedures and on the information given by the management, we report that the moneys raised by way of term loans during the year by the company were utilized for the purpose for which it has been availed. During the year, there were no moneys raised by way of initial public offer or further public offer.

10) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.





- 11) According to the information and explanations give to us, the provisions for managerial remuneration under section 197 read with Schedule V to the Act is not applicable on the company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not commented upon.
- 16) According to the information and explanations give to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



For K .S.MADHU & Co.  
FRN0087315  
Chartered Accountants



K.S.MADHU B.Sc., FCA  
Mg Partner (M.No.019380)

UDIN: - 23019380B6UE7D4686

**Annexure B to the Auditors Report**

**Directions under sub-section (5) of section 143 of the Companies Act, 2013 applicable for the year 2017-18**

1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined, including the mode and present stage of disinvestment process.	NA
2	To report whether there are any cases of waiver/write off of debts/ loans/interest etc.; if yes, the reasons thereof, and the amount involved.	No instances of waiving off observed during our audit.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	No instances of inventory lying with third parties or assets received as gift noticed during our audit.
4	A report on age-wise analysis of pending legal/ arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	On the basis of information and explanation provided to us, there are no pending litigation or arbitration involving third parties as on the balance sheet date other than employee related.

**Sector Specific Sub-directions under Section 143(5) of the Companies Act, 2013**

**Agriculture and Allied Sector**

**General**

1	Whether the land owned by the Company is encroached, under litigation, not put to use/or declared surplus. Details may be provided.	As per the information and explanation provided to us, there are no encroachments or any litigation in respect of land owned and possessed by the company.
2	Whether physical verification and valuation of standing crops/ trees was done at the end of the Financial Year in accordance with the standard industry practices?	NA
3	Whether the stock of seeds packing/ certification materials and other items has been taken on the basis of stock records after adjustment of shortage/ excess found on physical verification and whether due consideration has been given for deterioration in the quality of old stocks which may result into over valuation of stock?	We are unable to comment on the same as complete details are not available for verification
4	Whether all the agriculture produce procured are properly stored and adequately insured. If any insurance claims are rejected, the details may be reported.	We are unable to comment on the same as complete details are not available for verification
5	Whether the Company has an effective mechanism for disbursement of loans/ subsidies/agro inputs and agriculture machineries to beneficiaries and recovery there of (loans) along with interest, if any, from beneficiaries?	NA
6	That grants/ subsidies received for implementing various schemes are accounted for as/per the accounting standards and utilized for intended purpose.	Yes
	Whether the cost incurred on abandoned projects has been written off?	No such cases observed during our audit.





**Agro Based Industries**

1	Report the cases of diversion of grants/subsidies received from Central/State Government or their agencies for performing certain activities.	No such cases of diversion of grants/subsidies observed during our audit
2	Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	The unutilized amount of grants received is not ear marked separately and hence the interest from such unutilized grant is not accounted properly.
3	Examine pricing policy framed by the Company to ensure that all cost components are covered.	As per the information and explanation provided to us, the company maintains a pricing policy that covers all cost components.
4	Report on the extent of utilization of plant & machinery and its obsolescence, if applicable.	The company is not maintaining proper records showing full particulars including quantitative details and situation of its fixed assets and hence we are not commenting upon the same.

**Miscellaneous Sector****Other**

1	Examine the system of effective utilization of Loans/Grant-in-Aid/ Subsidy. List the cases of diversion of funds.	No cases of diversion of funds is observed during our audit.
2	Examine the cost benefit analysis of major capital expenditure/ expansion including IRR and payback period.	NA
3	If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the Company is in electronic format, which of the area such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and the company has evolved proper security policy for data/ software/hardware?	The Company is yet to implement an IT system for its operations. The financial books of accounts are prepared using a readymade Accounting Package.

Place: **Trivandrum**Date: **30.06.2023**For **K.S.MADHU & Co.**  
FRN0087315  
Chartered Accountants

**K.S.MADHU** B.Sc., FCA  
Mg. Partner (M.No.019380)

UDIN: - 23019380BQUETD4686



## Annexure - C to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **The Kerala Agro-Industries Corporation Limited** ("the company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

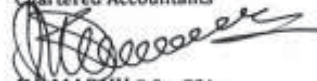
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

According to the information and explanation given to us and based on our audit, the Company has not established its internal financial controls system over financial reporting on criteria based on the internal financial controls over financial reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31<sup>st</sup> March 2018



For K .S.MADHU & Co.  
FRN008731S  
Chartered Accountants



K.S.MADHU B.Sc., FCA  
Mg. Partner (M.No.019380)

UDIN:- 23019380B6UE704686



**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2018**

Amount in Rupees

	Note No.	As at 31.03.2018	As at 31.03.2017
<b>I EQUITY AND LIABILITIES</b>			
1 Shareholders' Funds			
a) Share capital	2	4,74,10,900	4,74,10,900
b) Reserves and Surplus	3	78,05,72,731	91,52,60,411
2 Share Application Money Pending Allotment		NIL	NIL
3 Non-current Liabilities			
a) Long Term Borrowings	4	29,28,36,683	26,68,79,697
b) Deferred Tax Liabilities (Net)		NIL	NIL
c) Other Long Term Liabilities	5	25,63,408	25,63,408
d) Long Term Provisions	6	1,18,29,776	1,29,59,960
4 Current Liabilities			
a) Short-term Borrowings		NIL	NIL
b) Trade Payables	7	1,20,13,33,949	1,02,96,19,315
c) Other Current Liabilities	8	6,84,32,175	3,18,17,180
d) Short Term Provisions		NIL	NIL
<b>Total:</b>		<b>2,40,49,79,622</b>	<b>2,30,65,10,872</b>
<b>II ASSETS</b>			
1 Non-current Assets			
a) Fixed Assets			
(i) Tangible Assets	9	92,10,58,283	96,12,61,201
(ii) Intangible Assets		NIL	NIL
(iii) Capital Work-in-Progress		2,26,90,541	2,02,68,667
(iv) Intangible Assets under development		NIL	NIL
b) Non-Current Investments	10	10,000	10,000
c) Long-term Loans and Advances		NIL	NIL
d) Other Non Current Assets	11	2,99,82,029	3,01,04,300
2 Current Assets			
a) Current Investments		NIL	NIL
b) Inventories	12	14,09,66,524	15,85,33,194
c) Trade Receivables	13	85,26,15,819	73,36,29,435
d) Cash and Cash Equivalents	14	16,58,61,878	18,73,13,873
e) Short-term Loans and Advances		NIL	NIL
f) Other Current Assets	15	27,17,94,548	21,53,90,202
g) Contingent liabilities and commitments (Not provided for Rs. 6,51,42,706/-)	16		
<b>Total:</b>		<b>2,40,49,79,622</b>	<b>2,30,65,10,872</b>

Significant Accounting Policies

1


Notes to Financial Statements

1 to 27

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED

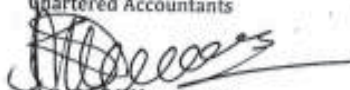
As per Report of date

  
**K.G. PRATHAP RAJ**  
MANAGING DIRECTOR  
DIN NO: 09590951

  
**V. KUNHALI**  
CHAIRMAN  
DIN NO: 09536693



For **K.S.MADHU & Co.**  
FRN008731S  
Chartered Accountants

  
**K.S.MADHU B.Sc., FCA**  
Mg. Partner (M.No.019380)

UDIN:- 23019380B6UETO4684

Thiruvananthapuram  
30<sup>th</sup> June 2023





# THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

Amount in Rupees

		Note No.	For the year ending 31.03.2018	For the year ending 31.03.2017
I	Revenue from Operations	17	63,36,58,035	56,25,32,690
II	Other Income	18	6,13,27,914	7,45,13,517
III	<b>Total Revenue</b>		<b>69,49,85,949</b>	<b>63,70,46,207</b>
IV	<b>Expenses</b>			
	Cost of Raw Material Consumed	19	73,27,512	73,50,584
	Purchase of Stock-in-Trade	20	48,89,97,770	44,19,18,661
	Changes in Inventories	21	1,75,73,227	(2,26,89,688)
	Employee Benefit Expenses	22	7,12,97,550	5,60,39,889
	Administrative and Other Expenses	23	8,85,14,358	8,78,57,469
	Finance Cost	24	1,63,12,414	1,52,04,597
	Depreciation and Amortisation	9	5,52,47,585	7,04,12,860
	<b>Total:</b>		<b>74,52,70,415</b>	<b>65,60,94,372</b>
V	Profit/(Loss) before exceptional and extraordinary items		(5,02,84,466)	(1,90,48,165)
VI	Exceptional Items			
	a) Prior Period Items	25	(22,96,551)	(24,91,632)
	b) Provision for VAT		(3,38,77,618)	-
VII	Profit/(Loss) before extraordinary expenses and tax		(8,64,58,634)	(2,15,39,797)
VIII	Extraordinary Items			-
IX	Profit/(Loss) before tax		(8,64,58,634)	(2,15,39,797)
X	Tax Expenses			
	a) Current Tax		(3,02,593)	(2,40,755)
	b) Deferred Tax(Previous Years)			-
XI	Profit/(Loss) for the period		(8,67,61,227)	(2,17,80,552)
XII	Earnings per share	26		
	Basic		-183.00	-45.94
	Diluted		-183.00	-45.94

Significant Accounting Policies

1

Notes to Financial Statements

1 to 27

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED

As per Report of date

  
K.G.PRATHAP RAJ  
MANAGING DIRECTOR

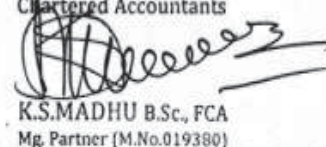
DIN NO:09590951



V KUNHALI  
CHAIRMAN  
DIN NO: 09536693



For K.S.MADHU & Co.  
FRN008731S  
Chartered Accountants

  
K.S.MADHU B.Sc., FCA  
Mg. Partner (M.No.019380)

UDIN:- 23019380BQUETD4686

Thiruvananthapuram  
30<sup>th</sup> June 2023



**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

PARTICULARS	31st March 2018	31st March 2017
<b>1 Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before extraordinary items and Tax	(8,64,58,634)	(2,15,39,797)
Adjustments:		
Depreciation	5,52,47,585	7,04,12,860
Interest Expense	1,63,12,414	1,52,04,597
Deferred Grant Amortisation	(4,79,41,488)	(6,42,40,925)
Profit on sale of assets	-	-
Interest Income	(3,43,742)	(67,413)
Prior period depreciation	18,82,428	-
Income Tax Payment	(3,02,593)	(2,40,755)
<b>Operating Profit before working capital changes</b>	<b>(6,16,04,030)</b>	<b>(4,71,433)</b>
Decrease/(Increase) in cur assets (excluding cash & bank)	(15,78,24,060)	(59,83,37,972)
Increase/(Decrease) in cur liabilities	20,83,29,629	70,22,17,241
<b>Net cash from operating activities</b>	<b>(1,10,98,461)</b>	<b>10,34,07,836</b>
<b>2 Cash Flow from Investing Activities</b>		
Addition to Fixed Assets	(2,64,88,031)	(44,68,796)
Deferred Grant Amortisation	4,79,41,488	6,42,40,925
Grant Received	95,75,971	1,79,33,587
Increase/(Decrease) in non current Provisions	(11,30,185)	3,95,774
Increase in Capital Work in Progress	(24,21,874)	(10,14,207)
profit on sale of assets	-	-
Interest	3,43,742	67,413
Decrease in Reserves on account of amortisation of grant	(4,79,41,488)	(6,42,40,925)
(Increase)/Decrease in other non current assets	1,22,271	(25,600)
<b>Net cash from Investing Activities</b>	<b>(1,99,98,106)</b>	<b>1,28,88,171</b>
<b>3 Cash Flow from Financing Activities</b>		
(Decrease)/Increase in Long Term Borrowings	2,59,56,986	1,51,50,685
(Decrease)/Increase in Short Term Borrowings	-	-
Interest	(1,63,12,414)	(1,52,04,597)
<b>Net cash from Financing Activities</b>	<b>96,44,572</b>	<b>(53,912)</b>
<b>Net change in cash &amp; cash equivalent (1+2+3)</b>	<b>(2,14,51,995)</b>	<b>11,62,42,095</b>
Cash & cash equivalents at the beginning of the period	18,73,13,873	7,10,71,778
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>16,58,61,878</b>	<b>18,73,13,873</b>

Note: The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard AS-3 read with General Circular 15/2013 dated 13-9-2013 of the MCA in respect of Section 133 of Companies Act, 2013.

For and on behalf of the Board of Directors of  
The Kerala Agro Industries Corporation Ltd

  
K.G.PRATHAP RAJ  
MANAGING DIRECTOR  
DIN: 09590951

  
V.KUNHALI  
CHAIRMAN  
DIN: 09536693



For K.S.MADHU & Co.  
FRN0087315  
Chartered Accountants  
  
K.S.MADHU B.Sc., CPA  
Mg. Partner (M.No.019380)

UDIN: - 23019380BQUETO4686

Thiruvananthapuram  
30<sup>th</sup> June 2023





**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**  
**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**NOTE-1**

**CORPORATE INFORMATION :**

The Kerala Agro Industries Corporation Limited (KAICO) is a joint venture of Government of India and Government of Kerala established in 1968. A premier institution in the state promoting mechanization and modern technology in agriculture, setting up of agro based industries, production of value added products, civil construction, infrastructure development, waste management solutions etc. KAICO acts as an implementing agency for various schemes under State and Central Governments.

**SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

These financial statements of the company have been prepared in accordance with generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013, and other accounting principles generally accepted in India, to the extent applicable. However, taxes, other Government levies, income and expenses that cannot be identified with certainty are accounted for on cash basis.

**2. USE OF ESTIMATES:**

The preparation of the financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized.

**3. CURRENT NON CURRENT CLASSIFICATION:**

An asset is classified as current when it is expected to be realized within 12 months after the reporting date; cash and cash equivalent unless it is restricted from being used to settle a liability for at least 12 months after the reporting date; current asset include the current portion of non-current financial assets; and all other assets are classified as non-current. A liability is classified as current when it is due to be settled 12 months after the reporting date; current liabilities include current portion of non-current financial liabilities ; and all other liabilities are classified as non-current.

**4. FIXED ASSETS AND DEPRECIATION:**

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation and / or accumulated impairment loss, if any. The cost comprises of purchase price, duties and / or levies and any other cost directly applicable for bringing the asset to its intended use; any trade discount and rebate are deducted in arriving at the purchase price. Depreciation is provided on the written down value method, over the estimated useful life of the assets at the rates prescribed in schedule II to the Companies Act, 2013. Assets costing individually INR 5000 or less are depreciated fully in the year of purchase and for addition during a year depreciation is provided on pro-rata basis. Depreciation for the





**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**  
**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

year is recognized in the statement of profit and loss. A fixed asset is eliminated from the financial statement on disposal or when no further benefit is expected from its use.

**5. INTANGIBLE ASSETS:**

Are measured initially at cost of acquisition/development. Thereafter it is carried at its cost less any accumulated amortization and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the special asset to which it relates. Depreciation is provided on the straight-line method, over the estimated useful life of the assets at the rates prescribed Schedule II to the Companies Act, 2013. Intangible assets available for use are tested annually for impairment.

**6. IMPAIRMENT OF ASSETS:**

Carrying amount of assets is reviewed at each balance sheet date, if there is indication of impairment based on the internal and external factors. The assets are treated as impaired when the carrying amount of the assets exceeds its recoverable amount and such impairment loss is charged to Profit and Loss account in the year in which such impairment is identified. The impairment loss recognized in prior accounting period (s) is reversed to the extent of decrease in the impairment loss.

**7. INVENTORIES:**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost is determined by first-in-first-out basis. Cost of inventories comprises of purchase, other direct costs, but excludes overheads and interest expenses. Obsolete, defective, slow moving and/or unserviceable stock, if any, are duly provided for.

**8. REVENUE RECOGNITION:**

a) Revenue from operations is recognized on transfer of the significant risk and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection: Government grant is recognized in the same periods that the related expenses are recognized on a deferred income approach: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable; and any other income is recognized as and when it is received.

b) Any Government grant is recognized when there is reasonable assurance of its receipt. A capital grant relating to depreciable fixed assets is treated as deferred income, and capital grant for project capital subsidy is credited to Capital Reserve. Revenue grant is recognized in the Profit and Loss.

**9. EMPLOYEE BENEFITS:**

Retirement benefits to employees are provided for by contribution to provident and other funds. Contribution as is applicable to the employees on deputation is paid to the respective parent Departments. The accrued liability for gratuity is covered under the Group Gratuity Plan of Life Insurance Corporation of India and liability for leave encashment is recognized as an expense in the Profit and Loss Statement for the year in which the employee has rendered services.





**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED**  
**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**10. PRIOR PERIOD ITEMS:**

Identifiable items of income and expenditure pertaining to previous years are accounted in prior period expenses/income account and the net of debits and credits is disclosed in the profit and loss account.

**11. PROVISIONS:**

A provision is recognized when the company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

**12. TAX EXPENSES:**

Income tax expenses are recognized in profit or loss except that tax expenses related to items recognized directly in reserves and surplus. Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods.

However, in view of accumulated loss and inordinate delay in finalization of accounts, as a matter of prudence, the Corporation refrains from measuring deferred tax.

**13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSET:**

A provision is recognized when the company has a present obligation as result of past event, and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are not recognized in the financial statement.





**THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

**2. Share Capital:**

	Amount in Rupees	
	As at 31.03.2018	As at 31.03.2017
a) Authorised Capital 500,000 Equity Shares of Rs.100 each	5,00,00,000	5,00,00,000
b) Issued, subscribed and fully paid up capital 474,109 Equity Shares of Rs.100 each (Previous Year: 474,109 Equity Shares of Rs.100 each)	4,74,10,900	4,74,10,900
	<b>4,74,10,900</b>	<b>4,74,10,900</b>

2.1 The paid up capital includes 23,547 Equity Shares issued for consideration other than cash.

2.2 Reconciliation of Number of Equity Shares outstanding:

At the beginning of the year	474109	474109
Shares issued during the year	NIL	NIL
At the end of the year	474109	474109

2.3 Details of shareholders holding more than 5% shares:

Government of India	35.76%	169562	169562
Government of Kerala	64.23%	304537	304537

**3. Reserves and Surplus:**

a) Capital Reserve:		
Opening balance	20,09,85,833	25,27,94,821
Additions during the year:		
For Capital Expenditure	2,72,46,446	47,28,901
For Revenue Expenses	55,11,011	77,03,036
Less: Deductions during the year:		
For Current Year	5,75,02,424	6,42,40,925
For Previous Year		
Closing balance	17,62,40,866	20,09,85,833
b) Revaluation Reserve		
Relating to revaluation of Freehold Land	70,28,36,370	70,28,36,370
Relating to revaluation of Assets	13,53,67,920	13,53,67,920
c) Other Reserve - Grant-in-Aid:		
Opening balance	9,95,01,070	9,39,99,420
Additions:		
Grant received during the year	75,00,000	1,60,00,000
Interest on money parked with bank	20,75,971	19,33,587
Prior Period Adjustment		
	10,90,77,041	11,19,33,007
Deductions:		
Utilised for Capital Expenditure	2,72,46,446	47,28,901
Utilised for Revenue Expenses	55,11,011	77,03,036
Closing balance	7,63,19,585	9,95,01,070
d) Profit and Loss Account		
As per last balance sheet	(22,34,30,782)	(20,16,50,229)
Add: Excess depreciation written back		
Add: Profit/ (loss) for the year	(8,67,61,227)	(2,17,80,552)
Closing balance	(31,01,92,009)	(22,34,30,782)
Total Reserves and Surplus	78,05,72,731	91,52,60,411

3.1 Capital Reserve represents movement in receipt, utilisation, and carry over balance of Grant-in-Aid received from Government of Kerala each year.

3.2 Revaluation Reserve represents appreciation in value of freehold land and other Fixed assets owned by the Corporation as on 31 March 2016; the appreciation has been arrived at on the basis of the location and market value of the property.

3.3 Grant-in aid of Rs.75,00,000/- received during the year for the purpose of Renovation of agro Bazar have been grouped under Reserves and Surplus as Subsidy / Grant in the Balance Sheet. Value of machinery and other assets purchased out of the Grants amounting to Rs.2,72,46,446/- as at 31-03-2018, has been debited to the respective Fixed Asset accounts and a similar amount from Grants transferred to Capital Reserve account being grant utilized.



**THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED**  
**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

**4. Long-term Borrowings:**

	Amount in Rupees	
	As at 31.03.2018	As at 31.03.2017
a) Secured Loans:		
Working Capital Loan from Canara Bank	-	-
b) Unsecured Loans :		
Working Capital Loan from Government of Kerala	9,00,99,000	8,00,99,000
Short-term Loan from Government of Kerala	17,79,348	17,79,348
Loan from Oil Palm India Ltd	6,00,000	6,00,000
Interest accrued and due to Government of Kerala	20,03,58,335	18,44,01,349
	<b>29,28,36,683</b>	<b>26,68,79,697</b>

- 4.1 The loans from Oil Palm India Limited are interest free loans. The rate of interest implicit in other loans is in the range of 10.75% to 19.5% per annum.
- 4.2 In respect of loans from Government of Kerala, penal interest has been provided on default in repayment of principal dues. However, no provision has been made for penal interest on defaulted payment of interest since the matter is under negotiation with the Government.

**5. Other Long-term Liabilities:**

(Dues) Receivables Pending Adjustment/ Reconciliation:		
Classified erstwhile as current assets	21,62,157	21,62,157
Classified erstwhile as current liabilities	47,25,565	47,25,565
	<b>25,63,408</b>	<b>25,63,408</b>

- 5.1 The above accounts represent balances carried forward and identified by the Corporation as on 01.04.2013 and are traceable to prior years transactions pending reconciliation/ adjustments. During the year 2017-18 amount classified from Current Assets is Rs.Nil and from Current Liabilities is Nil
- 5.2 The Corporation has initiated steps to analyse these accounts in a meticulous manner, and the matter is in progress.

**6. Long Term Provisions:**

Guarantee Commission to Government of Kerala	7,52,108	9,52,108
Write off of stolen cash	15,000	15,000
Gratuity for Kerala Agro Fruit Products Division	35,39,667	41,28,324
Earned Leave Salary	75,23,000	78,64,528
	<b>1,18,29,776</b>	<b>1,29,59,960</b>

- 6.1 Guarantee Commission due to Government of Kerala pertains to periods prior up to FY 2006-07 and is being paid in instalments and the balance outstanding as on date is Rs.7,52,108/-
- 6.2 The gratuity liability of the Corporation, other than for employees working in KAFP Division, has been covered under a gratuity insurance policy issued by the Life Insurance Corporation of India w.e.f. 1 April 2012. The gratuity liability of employees retired up to 31 March 2012 amounting to Rs.14,51,518/- has been disclosed as Gratuity Payable.





**THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED**  
**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

**7. Trade Payable:**

	Amount in Rupees	
	As at 31.03.2018	As at 31.03.2017
Outstanding for a period exceeding six months from due date	52,41,86,189	41,98,58,090
Others		
Trade Advances Received	67,71,47,760	60,97,61,225
	<b>1,20,13,33,949</b>	<b>1,02,96,19,315</b>

7.1 The Corporation has not classified its suppliers of goods and services as required under Micro, Small and Medium Enterprises Development Act, 2006 and hence the interest remaining unpaid beyond the 'appointed day' has not been quantified.

7.2 None of the Directors are interested in the above transactions.

**8. Other Current Liabilities:**

Current maturities of long term debt	-	-
EMD and Security Deposit	91,40,468.51	1,04,76,055
Sundry Creditors for Expenses	1,31,67,483.00	75,19,511
Provisions for VAT	3,38,77,618.00	-
Sundry Creditors for Others	68,48,786.52	72,83,554
Advance on Integrated Tribal Development Programme	(17,49,978.00)	(17,49,978)
Trade Advances Received	12,14,149.00	6,09,594
Recouping loss in CPF Account	31,36,332.00	24,91,745
Duties & Taxes	27,97,316.15	51,86,701
	<b>6,84,32,175</b>	<b>3,18,17,181</b>

8.1 Company had made arrangements with LIC of India for payment of gratuity to employees by subscribing the Group Gratuity Cash Accumulation Plan of LIC. Company has to contribute required fund to Group Gratuity Cash Accumulation Plan for disbursement of gratuity by LIC. There is default in payment to LIC and as per Annual statement of LIC, the liability as on 31.03.2018 is Rs.98,23,934/- and which has been provided in accounts as per decision vide Resolution No:3435 of Board.

8.2 The sales tax departments has done best judgement assessment for the year 2012-13 to 2017-18 in respect of the KGST and VAT, and interest for the principal amount due. The principle amount due for KGST and VAT is Rs.3,38,77,618/- and for which provision has been made in accounts of 2017-18. The interest demanded by the department is Rs. 6,51,42,706/-. As per the Amnesty Scheme of department only principle amount has to remitted and the interest will be waived, we have not yet availed the Amnesty scheme and as such the interest portion is shown be as Contingent liability not provided for as Note No.16.



**KERALA AGRO INDUSTRIES CORPORATION LIMITED**  
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2018

Note No 9.1 Tangible assets (Non-Grant Assets)

PARTICULARS	ORIGINAL COST			DEPRECIATION							WRITTEN DOWN VALUE		
	1.04.2017	ADDITION	Increase in Revaluation	31.03.2018	RATE (%)	01.04.2017	Difference after AG audit	Depreciation as on 01.04.2017 after AG Audit	Depreciation	Write Back Amount	31.03.2018	31.03.2018	31.03.2017
1.FREE HOLD LAND	70,40,28,800			70,40,28,800	-							70,40,28,800	70,40,28,800
2.OFFICE BUILDING	7,84,37,502			7,84,37,502	4.87%	1,06,48,651	3,01,207	1,09,49,859	34,82,914.17		1,44,32,773	6,40,04,729	6,77,88,651
3.FACTORY BUILDING	2,48,52,492			2,48,52,492	9.50%	87,80,301	(538)	87,79,763	20,77,344.29		1,08,57,107	1,39,95,385	1,60,71,192
4.PLANT & MACHINERY (GENERAL)	3,24,76,214	1,53,360		3,26,29,574	18.10%	1,43,41,963	5,05,811	1,48,47,773	36,19,379.81		1,84,67,153	1,41,62,421	1,81,34,251
5.PLANT & MACHINERY (Tractor, Tiller, Combined harvester & Ladder)	3,57,15,670			3,57,15,670	31.23%	2,76,81,478	10,14,560	2,86,96,038	28,14,719.31		3,15,10,757	42,04,914	80,34,192
6.CAR & JEEP	7,69,791			7,69,791	25.89%	6,29,722	12,968	6,42,690	44,693.78		6,87,383	82,408	1,40,069
7.ICB	3,40,000			3,40,000	18.10%	3,23,000		3,23,000			3,23,000	17,000	17,000
8.LORRY & TRUCKS					31.23%	0	0	0	(0.00)		0	(0)	(0)
9.ELECTRICAL FITTINGS	1,48,409	1,79,683		3,28,092	25.89%	1,14,881	1,064	1,15,946	39,676.01		1,55,622	1,71,470	33,578
10.OFFICE EQUIPMENT	16,78,057	2,43,428		19,21,485	45.07%	14,72,312	15,734	14,88,046	1,73,017.38		16,61,064	2,60,422	2,05,745
11.FURNITURE & FITTINGS	10,10,436	8,59,403		18,69,839	25.89%	7,70,550	4,818	7,75,368	2,18,084.47		9,93,452	8,76,387	2,39,886
12. FURNITURE & FITTINGS (CANTEEN)	8,212			8,212	25.89%	7,801		7,801			7,801	411	411
13.WATER COOLER	45,009			45,009	45.07%	38,857	149	39,006	1,062.17		40,068	4,941	6,152
14.REFRIGERATED VENDING MACHINE													
15.COMPUTERS	93,117			93,117	18.10%	88,462		88,462			88,462	4,655	4,655
16.LIBRARY	29,66,062	2,27,585		31,93,647	72.89%	25,65,507	26,655	25,92,162	3,46,217.14		29,38,379	2,55,268	4,00,555
TOTAL	88,25,97,940	16,63,459		88,42,61,399		67,49,90,244	18,82,428	1,28,17,108.54			8,21,63,022	80,20,71,617.11	81,51,07,695
PREVIOUS YEAR	88,18,43,838	7,54,102		88,25,97,940		5,36,15,273		1,38,74,971			6,74,90,244	81,51,07,695	84,22,03,972

Note: There was a shortage in charging depreciation during the year 2016-17 due to an error in calculation of rate of depreciation. The depreciation short accounted in 2016-17 amounting Rs. 18,82,428/- has been rectified and accounted as Prior Period Expense Rs.18,82,966/- and Prior Period Income Rs.538/-.





**THE KERALA AFRO INDUSTRIES CORPORATION LIMITED**  
**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

Note No. 9.2 Tangible assets (Sundry Grant)

PARTICULARS	ORIGINAL COST				DEPRECIATION				WRITTEN DOWN VALUE				
	1.04.2017	ADDITION	Sale / Transfer	Increase in Revaluation	Decrease in Revaluation on	31.03.2018	RATE (%)	01.04.2017	Difference as per AG audit	Depreciation AS ON 01.04.2017 AFTER AG AUDIT	Depreciation	31.03.2018	31.03.2017
1. Combined harvester & loader	45,84,92,589	-	-	-	-	45,84,92,589	20.30%	36,26,94,868	90,58,846	37,17,51,714	3,18,96,935.80	40,36,48,650	5,46,43,939
2.COMPUTERS	7,37,319	6,79,494	-	-	-	14,16,813	63.10%	6,75,029	13,092	6,90,121	2,57,910.19	9,48,031	4,68,782
3. Building/show room at thiruvalla/Arimpuzha & bathery	1,05,22,486	36,74,135.00	-	-	-	1,41,96,621	4.87%	20,35,735	5,800	20,41,625	6,01,366.59	26,42,991	1,15,53,630
4. Power Tiller	3,72,04,295	-	-	-	-	3,72,04,295	31.23%	2,69,87,107	5,59,155	2,75,46,262	33,13,377.08	3,08,59,640	63,44,677
5. Tools Machines & Office equipments	96,18,109	11,00,300	-	-	-	1,07,18,409	45.07%	84,37,505	1,81,480	86,19,984	6,29,720.72	92,49,705	14,68,704
6.FURNITURE & FITTINGS	7,59,412	85,76,963.00	-	-	-	93,36,375	25.89%	2,24,512	8,979	2,33,492	12,56,713.20	14,90,205	78,46,170
7.Motor Vehicle	27,56,528	-	-	-	-	27,56,528	25.89%	21,35,968	58,028	22,93,995	1,84,224.45	24,78,220	2,78,308
8.Tractor	4,54,09,315	-	-	-	-	4,54,09,315	31.23%	3,86,67,961	(5,86,220)	3,80,81,741	18,53,607.55	3,99,35,348	54,73,967
9.Truck	29,20,344	-	-	-	-	29,20,344	31.23%	25,51,641	54,963	26,06,604	1,32,217.33	27,38,822	1,81,522
10.Factory Building	8,81,945	-	-	-	-	8,81,945	4.87%	2,34,121	(40)	2,34,081	31,453.17	2,65,534	6,16,411
11. Transplanter	12,15,011	-	-	-	-	12,15,011	31.23%	5,65,569	61,106	6,26,767	2,21,495.49	8,48,262	6,49,442
12 Plant & Machinery (MFP) & unit	1,13,83,790	-	-	-	-	1,13,83,790	31.23%	61,26,827	97,600	62,26,427	10,28,626.99	72,55,054	41,28,736
13. Building (MFP)	1,72,19,136	99,34,071	-	-	-	2,71,53,207	4.87%	20,54,426	12,999	20,67,425	7,50,312.47	28,17,738	2,43,35,469
13. ICB	20,40,000	-	-	-	-	20,40,000	31.23%	15,19,528	33,967	15,53,495	1,72,401.85	17,25,897	3,20,103
Office equipments	-	2,68,589	-	-	-	2,68,589	47.32%	-	-	-	39,059.54	39,060	2,29,529
ELECTRICAL & FITTINGS	-	5,91,020	-	-	-	5,91,020	26.08%	-	-	-	61,033.85	61,034	5,29,986
<b>TOTAL</b>	<b>60,11,66,280</b>	<b>2,48,24,572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,59,90,852</b>	<b>-</b>	<b>62,59,90,852</b>	<b>95,60,935.34</b>	<b>62,59,90,852</b>	<b>4,24,30,477</b>	<b>50,70,04,210</b>	<b>11,89,86,663.63</b>
PREVIOUS YEAR (2016-17)	59,74,51,586	37,14,694	-	-	-	60,11,66,280	-	39,84,74,886	-	39,84,74,886	5,65,37,689	45,50,12,774	14,61,53,506
Capital WIP	2,02,68,667	24,21,874	-	-	-	2,26,90,541	-	2,02,68,667	-	2,02,68,667	-	2,26,90,541.00	2,02,68,667
Capital WIP (Previous Year)	1,92,54,460	10,14,207	-	-	-	2,02,68,667	-	-	-	-	-	2,02,68,667	1,92,54,460

NB: There was a shortage in charging depreciation during the year 2016-17 due to an error in calculation of rate of depreciation. The depreciation short accounted in 2016-17 amounting to Rs. 95,60,936/- has been rectified and accounted as Prior Period Expense Rs. 1,01,47,196/- and Prior Period Income Rs. 5,86,260/-.



**THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED**  
**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

**10. Non-Current Investments:**

	Amount in Rupees	
	As at 31.03.2018	As at 31.03.2017
Investment in Equity Investments (Long term, fully paid up, unquoted equity shares) ( One share of Rs.10,000/- of Kerala Foods Limited)	10,000	10,000
	<b>10,000</b>	<b>10,000</b>

10.1 The above Equity Shares were bought by the Corporation at the instance of Government of Kerala and are stated at cost.

**11. Other Non Current Assets:**

Long term Trade Receivable: Deposits for Utility Services	11,68,042	12,90,313
Other Long-term Receivables: (Unsecured considered doubtful)		
Loan to Meat Products India Limited (MPIL)	1,33,49,087	1,33,49,087
Investment in Meat Products of India (MPIL)	37,64,900	37,64,900
Investment in Kerala Agro Machinery Corporation Limited (KAMCL)	1,17,00,000	1,17,00,000
	<b>2,99,82,029</b>	<b>3,01,04,300</b>

11.1 Deposits for Utility Services are non-interest bearing deposits and are refundable on termination of respective services.

11.2 Dues from MPIL (erstwhile subsidiary of the Corporation) represent investment in the Company's equity shares; other financial assets; and interest due thereon. When MPIL become an independent company in 1985, it issued fully paid up equity shares to Govt. of Kerala for Rs.45,56,400 in full settlement of its dues to the Corporation. Later, the Government issued orders to refund the said share value alone, but the Corporation submitted its representation to the Government for refund of the investment together with interest Rs.133,49,087, and the matter is pending for disposal.

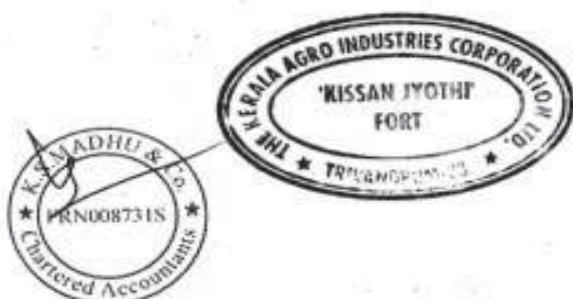
11.3 Investments in MPIL and KAMCL (erstwhile subsidiaries of the Corporation) stands reduced to a token value of Re.1 as per orders issued by the Government of Kerala. The Corporation represented to the Government to set off these investments against the working capital loan repayable to the Government and decision of the appropriate authority is awaited. Pending for decision in the said matter, the Corporation did not charge the loss arising thereof to its retained earnings.

**12. Inventories:**

(Valued at cost or net realisable value)

a) Raw materials	68,498.00	1,32,142
b) Work-in-progress	1,86,070.00	6,49,074
c) Finished goods	2,92,044.00	5,35,952
d) Stock-in-trade (goods acquired for trading)	9,53,96,490.42	11,19,50,532
e) Stores and spares	78,53,665.65	24,40,902
f) Loose tools	95,683.26	1,06,315
g) Others:		
Fabricated goods	3,61,40,575.00	4,18,47,040
Packing Materials and Containers	4,69,875.00	3,91,868
Wooden crates, Barrels and RTS bottles (on revaluation)	4,31,432.00	4,79,369
Consumables at KAFP	32,201.00	-
	<b>14,09,66,524</b>	<b>15,85,33,194</b>

12.1 Inventory has been physically verified and valued by the management as on 31 March 2018 and has been relied upon by the Statutory Auditors.





**THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED**  
**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

**13. Trade Receivables:**

	Amount in Rupees	
	As at 31.03.2018	As at 31.03.2017
Unsecured considered good		
Outstanding for a period exceeding six months	84,57,74,649	72,58,25,408
Others	68,41,170	78,04,027
	<b>85,26,15,819</b>	<b>73,36,29,435</b>

13.1 None of the directors are interested in the companies/ firms from whom debts are due to the Corporation.

**14. Cash and Cash Equivalents:**

Cash on hand	15,35,554	4,71,370
Cash in Transit	-	-
Balance with banks:		
In Current Account	12,44,55,014	14,35,05,953
In Deposit Accounts (Interest accrued but not due NIL)	1,79,74,196	3,52,92,514
Balance with Government of Kerala Treasury Accounts	2,18,97,114	80,44,026
Cheque in transit	-	-
	<b>16,58,61,878</b>	<b>18,73,13,873</b>

14.1 Balance in deposit accounts with banks bear maturity of 11 months or less.

14.2 Deposits with the Treasury are made at the instance of Government of Kerala.

**15. Other Current Assets:**

Advance Tax and Tax Deducted At Source	15,70,790	17,38,934
Trade Advances	25,98,35,396	20,38,39,303
Mala Captive Expenses	5,61,801	5,61,801
Temporary loan to VAFPC	20,00,000	20,00,000
Advances Recoverable in cash or in kind:		
Advance for Expenses	1,21,786	70,808
EMD/ Other Security Deposits	11,30,607	13,39,668
Prepaid Expenses	2,70,609	5,13,256
Staff Advances	11,90,215	8,741
Branch/division	-	-
Other Advances Recoverable	51,13,344	53,17,691
	<b>27,17,94,548</b>	<b>21,53,90,202</b>

**16. Contingent liabilities and commitments (to the extent not provided for)**

1	Contingent liabilities		
	a Claim against the company not acknowledged as debt		
	i) Interest demanded by VAT department	6,51,42,706.00	-
2	Commitments		
	a Estimated amounts of contract remaining to be executed on capital a/c and not provided for	-	-
	b Uncalled liabilities on shares and other instruments partly paid	-	-
	c Other commitments (specify nature)	-	-
		<b>6,51,42,706.00</b>	<b>-</b>



**THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED**  
**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

**17. Revenue from Operations:**

	For the year ending 31.03.2018	For the year ending 31.03.2017
Sale of Products	56,19,76,777	46,91,92,663
Sale of Services	1,13,81,188	2,02,184
From Project Works	5,49,14,600	8,16,52,867
From Hiring Agricultural Equipment	53,85,470	1,14,84,976
	<b>63,36,58,035</b>	<b>56,25,32,690</b>

**18. Other Income:**

Deferred Revenue Grant from Govt. of Kerala	4,79,41,488	6,42,40,925
Installation and Transportation Charges	-	-
Interest on deposits with bank	3,43,742	67,413
Interest on Financial Services	1,95,470	1,21,784
Training Income NSDC	62,21,240	-
Trade Discounts	-	3,06,339
Other Miscellaneous Income	66,00,475	95,17,117
Rent from let-out property	-	-
Insurance claim Received	25,500	37,860
Other Income	-	2,22,078
	<b>6,13,27,914</b>	<b>7,45,13,517</b>

**19. Cost of Material Consumed:**

(Kerala Agro Fruit Products Division)		
Opening Stock	17,41,083	11,42,853
Add: Purchases and incidental direct expenses	45,37,741	79,48,814
Less: Closing Stock	10,48,688	17,41,083
Cost of Materials Consumed	<b>73,27,512</b>	<b>73,50,584</b>

**20. Purchase of Stock-in-Trade:**

Goods for Resale	47,35,45,288	43,06,44,334
Fabricated Goods	1,54,52,481	1,12,74,327
	<b>48,89,97,770</b>	<b>44,19,18,661</b>





**THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

**21. Changes in Inventories:**

	Amount in Rupees	
	For the year ending 31.03.2018	For the year ending 31.03.2017
<b>Opening Stock:</b>		
Goods for Resale	11,19,18,485	9,18,70,787
Fabricated Goods	4,18,47,040	4,06,91,806
Stores and Spares	24,40,902	9,54,146
<b>Total</b>	<b>15,62,06,427</b>	<b>13,35,16,739</b>
<b>Less: Closing Stock:</b>		
Goods for Resale	9,46,38,969	11,19,18,485
Fabricated Goods	3,61,40,576	4,18,47,040
Stores and Spares	78,53,656	24,40,902
<b>Total</b>	<b>13,86,33,200</b>	<b>15,62,06,427</b>
<b>(Increase) Decrease in Stock</b>	<b>1,75,73,227</b>	<b>(2,26,89,688)</b>

**22. Employee Benefit Expenses:**

Salaries and Wages	6,84,99,156	4,94,42,693
Contribution to Provident and Other Funds	23,85,171	51,88,050
Staff Welfare and Training Expenses	4,13,223	14,09,146
<b>Total</b>	<b>7,12,97,550</b>	<b>5,60,39,889</b>

**23. Administrative and Other Expenses:**

<b>Manufacturing and Other Expenses:</b>		
Electricity & Water charges	11,93,840	13,05,385
Cost of Fuel	9,16,575	8,95,175
Freight Charges	11,42,768	12,42,541
Repairs to Building	32,360	-
Repairs to Machinery and Equipment	59,82,746	1,34,16,678
Expenses on Equipment let on Hire	93,768	5,13,775
Loss on revaluation of Loose Tools	49,444	65,076
Project Work Expenses	5,36,47,288	4,80,32,716
<b>Selling Expenses:</b>		
Advertisements	5,65,315	15,88,554
Sales Promotion Expenses	5,40,885	1,19,503
Trade Discount and Commission	25,871	1,39,940
Transportation Charges	1,33,946	9,01,369
<b>Administrative Expenses:</b>		
Rent	13,03,386	14,96,502
Rates and Taxes	87,514	2,81,861
Insurance	16,34,079	11,79,647
Telephone and Internet Charges	3,22,074	5,82,716
Traveling & Conveyance	13,15,844	22,10,399
Vehicle Expenses	5,950	92,645
Printing & Stationery	4,82,464	13,90,643
Statutory Audit Fee	1,50,000	1,50,000
Fee for Professional Services	2,54,633	14,06,661
Meeting Expenses	2,15,588	2,16,683
Security Expenses	10,82,011	28,23,724
General Expenses	1,73,36,209	78,05,277
<b>Total</b>	<b>8,85,14,358</b>	<b>8,78,57,469</b>

**24. Finance Cost:**

<b>Interest expenses</b>		
Term Loan from Bank	-	-
Loan from Government of Kerala	1,63,12,414	1,52,04,597
<b>Total</b>	<b>1,63,12,414</b>	<b>1,52,04,597</b>



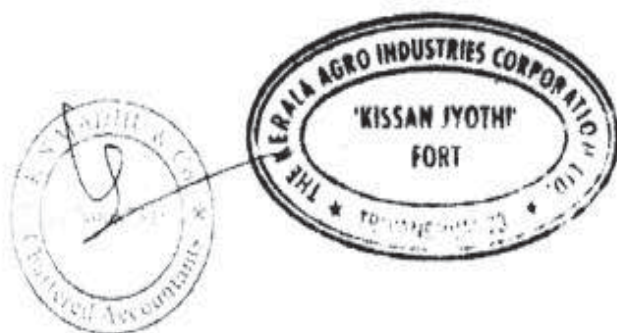
**THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018**

**25. Prior Period Item**

	Amount in Rupees	
	For the year ending 31.03.2018	For the year ending 31.03.2017
<b>Prior Period Income</b>		
a Excess depreciation of 2016-17 rectified		-
i) Grant Assets - 5,86,260/-		
ii) Non-Grant Assets- 538/-	5,86,798	
b Deferred income in respect of grant assets depreciation for the year 2016-17	95,60,936	-
c Project expense duplication in 2015-16	-	14,60,002
d Bank charge wrongly accounted in 2014-15	-	200
<b>Income</b>	<b>1,01,47,734</b>	<b>14,60,202</b>
<b>Prior Period Expense</b>		
a Depreciation for grant assets for 2016-17	1,01,47,196	
b Depreciation of Non grant assets for 2016-17	18,82,966	-
c Electricity charge	22,361	-
d Fuel charge	8,706	-
e Sales promotion expenses	43,466	-
f Advertisement expenses	1,71,075	-
g Postage and telegram	18,269	-
h Security wage	41,189	-
i Telephone charge	9,090	-
j Rates and taxes	58,405	25,218
k Rent	-	2,81,452
l Bank charges	-	78,164
m Project income wrongly accounted in 2015-16	-	35,67,000
n interest income duplication in 2016-17	41,562	-
<b>Expenses</b>		
<b>Total</b>	<b>1,24,44,285</b>	<b>39,51,834</b>
<b>Prior Period Item(A-B)</b>	<b>(22,96,551)</b>	<b>(24,91,632)</b>

**26. Earnings per Equity Share:**

Net Profit after tax as per Profit and Loss Statement	(8,67,61,227)	(2,17,80,552)
Weighted Average number of equity shares used as denominator	4,74,109	4,74,109
Basic and Diluted Earnings per Share	-183.00	-45.94
Face Value per equity share	100	100





2<sup>nd</sup> ADDITIONAL INFORMATION / DISCLOSURES :

- 27.1 There were no consumption of imported raw materials and hence such disclosure is not applicable to the Corporation (Previous Year NIL)
- 27.2 Contingent Liabilities not provided for - NIL (Previous Year NIL)
- 27.3 Details of earnings in foreign exchange - NIL (Previous Year NIL)
- 27.4 Details of expenditure in foreign exchange - NIL (Previous Year NIL)
- 27.5 Payment to Auditors towards Statutory Audit Fee Rs. 1,50,000 (Previous Year Rs. 1,50,000) and other matters - NIL (Previous Year NIL)
- 27.6 Segments have been identified in line with the Accounting Standard AS-17 "Segment Reporting", taking into account the organisational structure as well as the differential risks and returns of these segments. The operations of the Corporation consists of Trading products, Sale of Services, Project works and Hiring of agricultural equipments. The activities of the Corporation are restricted to the state of Kerala and therefore no geographical segment disclosure is considered necessary. The details of business segment information is presented below:

(Amount in Rupees)

Sl. No.	Particulars	Sales	Service	Project Works	Hiring Equipment	Total
<b>(A) REVENUE:</b>						
	Total Segment Revenue	56,19,76,777	1,13,81,188	5,49,14,600	53,85,470	63,36,58,035
	Inter Segment Revenue	-	-	-	-	-
	Other Segment Income	-	-	-	-	-
	<b>TOTAL REVENUE</b>	<b>56,19,76,777</b>	<b>1,13,81,188</b>	<b>5,49,14,600</b>	<b>53,85,470</b>	<b>63,36,58,035</b>
<b>(B) SEGMENT RESULTS</b>						
	Purchase/ Consumption	51,38,98,508	-	-	-	51,38,98,508
	Direct expenses	15,67,810	31,747	5,36,47,288	-	5,52,46,645
	Unallocated Expense	-	-	-	-	15,98,12,846
	Operating profit	4,85,10,859	1,13,49,441	12,67,312	53,85,470	(9,52,99,964)
	Other Income & Exceptional Item	-	-	-	-	8,13,27,914
	Financial Expenses & Prior Period Item	-	-	-	-	5,24,86,584
	Profit Before Tax	-	-	-	-	(8,64,58,634)
	Current Tax	-	-	-	-	3,02,583
	Deferred Tax-(Previous Years)	-	-	-	-	-
	Profit after tax	-	-	-	-	(8,67,61,227)
<b>C OTHER INFORMATION</b>						
	Segment Assets	34,41,36,518	69,83,805	3,37,54,089	31,03,824	38,79,78,036
	Unallocated Corporate Assets	-	-	-	-	2,01,70,01,586
	Total Assets	34,41,36,518	69,83,805	3,37,54,089	31,03,824	2,40,49,79,622
	Unallocated Corporate Liabilities	-	-	-	-	2,40,49,79,622
	Total Liabilities	-	-	-	-	2,40,49,79,622
	Depreciation/ Amortisation	4,60,76,486	22,089	80,21,948	11,27,051	5,52,47,585
	Unallocated Corporate Depreciation	-	-	-	-	-
	Total Depreciation/ Amortisation	4,60,76,486	22,089	80,21,948	11,27,051	5,52,47,585
	Significant Non- Cash Expenses other than Depreciation/ Amortisation	NIL	NIL	NIL	NIL	NIL

**Note:** Segment revenue, Segment results, Segment assets and Segment Liabilities include the respective amounts identifiable to each of the segments and also amounts allocated on a reasonable basis. The net of expenses which are not directly attributable to the Business Segment are shown as Unallocated Corporate Cost. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively.



27.7 related party as defined in the Accounting Standard is given below :

a) Nature of relationship of related parties as identified by the Corporation and relied upon by the Auditors:

Nature of Relationship	Name of Related Party
Key Managerial Personnel	Sri.P Suresh Babu,Managing Director-from 28.09.2016

b) Transactions with related parties during the year;

Payment to Directors of the Company :

Sl No	Particulars	Current Year	Previous Year
		Rs.	Rs.
a.	Salaries & Allowances (Managing Director)	8,76,671.00	7,38,554.00
b.	Honararium to Chairperson	2,40,000.00	1,25,806.00
c.	Travelling Expenses (Managing Director)	16,060.00	40,258.00
d.	Travelling Expenses (Directors)	1,08,256.00	Nil
e.	Leave Travel Concession	Nil	Nil
f.	Sitting Fee	9,500.00	2,100.00
g.	Value of Perquisite in cash or in kind (Phone charge)	18,000.00	17,246.00

27.8 The disclosure required by Accounting Standard 19-'Leases': The Company has taken office / other premises under operating lease or rent agreements. These are generally not non-cancelable and range between 11 months to 3 years and are renewable by mutual consent on mutually agreeable terms. The company has given refundable, interest free security deposits under these agreements. Lease rent payments are recognised in the Profit and loss Account under 'Rent and Rates' among Administrative and other expenses.

27.9 As required by the Accounting Standard AS-28 ' Impairment of Assets' issued by the Institute of Chartered Accountants of India, The Company has carried out an assessment of impairment of assets. There has been no impairment loss during the year.

27.10 The Corporation is yet to implement the Micro, Small and Medium Enterprises Development Act, 2006 and has not maintained records relating to transactions during the year or in the immediate previous year, or balance outstanding as on the balance sheet date with enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 and therefore no disclosure has been made.

27.11 The company has regrouped and reclassified the previous year figures, wherever necessary, so as to make them comparable to those of current year.

Notes from Sl.No:1 to 27

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
THE KERALA-AGRO INDUSTRIES CORPORATION LIMITED

As per Report of date

  
K.G. PRATHAP RAJ  
MANAGING DIRECTOR (DIN:095999951)

  
V.KUNHALI  
CHAIRMAN (DIN:09536693)



For K .S.MADHU & Co.  
FRN008731S  
Chartered Accountants  
  
K.S.MADHU B.Sc, FCA  
Mg. Partner (M.No.0193110)

UDIN:- 23019380 B6UETD4686

Thiruvananthapuram  
30<sup>th</sup> June 2023





# ***THE KERALA AGRO INDUSTRIES CORPORATION LIMITED***

## ***DELAY STATEMENT***

### **Reasons for delay in finalization and Audit of Annual Accounts for the year 2017-2018**

The Annual Accounts of the Kerala Agro Industries Corporation have been in arrears for the last few years. It was because of the cumulative effect of the previous years' delay that there was accumulation of arrears in audit and accounts. The accumulation of arrears was mainly due to shortage of adequate staff having knowledge in Accounting and finalization of Accounts. The huge volume of transactions and compilation & consolidation of accounts of 26 units were other reasons for accumulation of arrears. The Annual Accounts of previous year (2015-16) COULD BE CERTIFIED BY THE Auditors only on 04-07-2022 and adopted in the adjourned annual general meeting held on 31-08-2022. Similarly the accounts for the year 2016-17 could be certified by the auditors on 10-11-2022 and adopted in adjourned AGM held on 28-02-2023. The delay in finalization and audit of 2014-15 accounts was occurred due to the outbreak of COVID 19 pandemic and declaration of lock down by central government with effect from 24-03-2020 which continued for a long time and which leads to delay in finalization and audit of Accounts.

The Statutory Audit for the year 2017-18 commenced by first week of March 2023 and the Annual Accounts 2017-18 certified on 30-06-2023. The Annual Accounts along with Auditor's Report were sent to Comptroller and Auditor General of India on 30-06-2023 for Comments of C & AG. The directors Report along with MGT-9 was placed in the Board meeting held on 31-07-2023. Thus there is no delay from the date of adoption of last year accounts because only a time of about 4 months consumed for certification of 2017-18 accounts from the date of adoption of 2016-17 accounts. Delay was actually occurred up to the year 2014-15 and the present delay is unavoidable and beyond our control.

Now actions have been initiated for finalization and audit of arrear accounts from 2018-19 onwards and which will be completed in a time bound manner.

Thiruvananthapuram  
31-07-2023



**CHAIRMAN**



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

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER  
SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF THE KERALA AGRO INDUSTRIES CORPORATION LIMITED,  
THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2018.**

The preparation of financial statements of **The Kerala Agro Industries Corporation Limited, Thiruvananthapuram for the year ended 31 March 2018** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated **30 June 2023**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the financial statements of **The Kerala Agro Industries Corporation Limited, Thiruvananthapuram for the year ended 31 March 2018** under section 143 (6) (a) of the Act.

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

  
ANIM CHERIAN

**Thiruvananthapuram**

**Dated : 11-07-2023**

**PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I),  
KERALA**