

**FORTY SIXTH
ANNUAL REPORT AND AUDITED
ACCOUNTS**

2013-2014



THE KHALA AGRO INDUSTRIES CORPORATION LIMITED

**THE KERALA AGRO INDUSTRIES
CORPORATION LIMITED**

**ANNUAL REPORT
&
AUDITED ACCOUNTS**

2013-2014

Reasons for delay in finalization of Annual Accounts for the year 2013-14

The accounts for the previous year could be certified by the Auditors only on 16.12.2016 and adopted at the adjourned annual general meeting held on 15.06.2017. The Statutory Audit for the year 2013-14 commenced on 01.04.2018 and the accounts got certified on 17.07.2019. The accounts along with Auditor's report were sent to the Comptroller and Auditor General of India and to the Additional Chief Secretary to Government, Finance Department, Government of Kerala on 25.07.2019. The comments of the Comptroller and Auditor General of India was received on 24.09.2019. The Director's report along with the comments of the C&AG was placed at the Board meeting held on 26.09.2019.

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

KISSAN JYOTHI, FORT P.O. THIRUVANANTHAPURAM – 695 023

BOARD OF DIRECTORS

SHRI SULPHUR MAYOOR
Chairman

SHRI K.P. SASHIDHAR
Managing Director

SHRI C.AHIL KUMAR
Director

SHRI S.T. SUNIL DAS
Director

SHRI C.R. LOHI
Director

SHRI P.V. SATHYANESAN
Director

SHRI E.M. SURESH BABU
Director

SHRI E.K. SHAN
Director

SHRI K. AJITH
Director

BANKERS

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

AUDITORS

RAVI & SABIN
Chartered Accountants
13/66(1), Kannamoola Road
Thiruvananthapuram – 695 024

REGISTERED OFFICE

**Kissan Jyothi, Fort P.O.
Thiruvananthapuram
Ph:2471343,2471344,
2471345, 2471346
Fax: 0471-2463188
E-mail:mkaidtd96@bsnl.in
Web: www.keralagro.com**

THE KERALA AGRO INDUSTRIES CORPORATION LTD

REGD. OFFICE

"KESSAN JYOTHI", FORT P.O.,

THIRUVANANTHAPURAM - 695 023

No. Secd - 25/

27.09.2013

NOTICE

Notice is hereby given that the 46th Adjourned Annual General Meeting of the Kerala Agro Industries Corporation Ltd., will be held at 11.00 A.M. on Thursday, the 24th October 2013 at the Registered Office of the Corporation, at 'Kessan Jyothi', Fort P.O., Thiruvananthapuram - 695 023 to transact the following business.

" To receive, consider and adopt the Directors' Report, Balance Sheet and Profit and loss Account, Auditors' Report, comments of the Comptroller and Auditor General of India and replies thereto for the year ended 31st March, 2014 "

Sd/-

MANAGING DIRECTOR

Note : The 46th Annual General Meeting of the Corporation was held on 17.09.2014, but the Meeting was adjourned sine die since the audited Accounts and Comments of the Comptroller and Auditor General of India thereon were not ready. Hence this meeting, as the audited accounts and comments has since been received.

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 – 685 025

DIRECTORS' REPORT

The Shareholders,
 The Kerala Agro Industries Corporation Limited.

Gentlemen,

Your Directors have great pleasure in presenting the 46th Annual Report of the Kerala Agro Industries Corporation Limited together with the audited Balance Sheet and Profit and Loss Account of the year ended 31st March, 2014.

FINANCIAL RESULTS

Financial highlights of the consolidated statement of operations of your company for the year 2013-14 are as under: Rs. In lakhs

Particulars	2013-14	2012-13
Revenue from operations	6442.89	4892.14
Other income	955.78	1118.03
Total Income	7398.67	6010.17
Operating Expenses	6429.56	4785.60
Operating Profit/(Loss)	969.11	1216.57
Interest	158.21	159.38
Depreciation	906.91	1034.17
Exceptional items	Nil	Nil
Net Profit / Loss	(96.01)	41.02
Provision for Income Tax	11.65	5.89
Net Profit/(Loss) after tax	(107.66)	35.13
Balance brought forward from Previous year	(1360.80)	(1393.43)
Cumulative losses	(1468.26)	(1358.30)

During the year ended 31st March, 2014, your company could achieve a total turn over of Rs.6442.88 lakh against Rs.4992.14 lakh for 2012-13. The total sales for the year under review increased by Rs. 1550.75 lakh 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 stood at Rs. 107.66 lakh against a net profit of Rs. 35.63 lakh during the previous year.

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.4398.63 lakh during the year as against Rs. 3042.12 lakh 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.24.17 lakh as against the previous year's sale of Rs. 32.35 lakh.

(iii) Sale of Fabricated goods

During the year under report, fabricated goods worth Rs.3.38 lakh were sold as against Rs. 16.87 lakh during the previous year.

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

During the year under report, agricultural inputs worth Rs. 285.22 lakh were sold as against Rs. 607.82 lakh 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 machinery are being attended to at the Workshops and Service Stations of the Corporation.

(vi) Implementation of Government Schemes

The Corporation participated in implementing Farm mechanisation 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. 37.96 lakhs as against a turnover of Rs. 14.68 lakhs during the previous year.

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 products, setting up of retailing outlets, etc. Some of the major initiatives are:

Agro- Bazaar

Your Company has opened an 'Agro Super Bazaar' in June 2010, in the premises of the Head Office at Thiruvananthapuram, providing "all agricultural needs under one roof". This was a novel venture in this area and is becoming a trend setter. The venture has been well accepted by the

general public and farming community. Agro Bazaar in the similar lines has been opened in Kottarakkara, Athani, Thiruvalla, Ponnur, Aringane, Kalpetta, Punalur, Pattuvay (Kollam), Alappuzha and Thodupuzha. Your Company also proposes to open similar ventures in all other districts in a phased manner with Government support.

Establishment of Agro Super Bazaar at Kayamkulam

The project proposal for the setting up of Agro Super Bazaar at Kayamkulam has submitted amounting to Rs. 80.00 (Rupees Eighty Lakhs only) to the Director, Agriculture Department for sanction. The matter is placed before the working Group held on 03.09.2019 chaired by APC & Additional Chief Secretary. Working Group verified the Projects and it is learned that Rs. 50 lakhs has approved for the establishment of Agro Bazaar at Kayamkulam. Administrative sanction has not yet received. The work will be arranged soon.

Establishment of Agro Super Bazaar at Wandoor

Administrative sanction of the above scheme on Market Development Establishment of Agro Super Bazaar at Wandoor has accorded amounting to Rs. 40.00 Lakhs (Rupees Forty Lakhs only) (GO (MS). 148/2019/AGRI dated 24.08.2019)

The Director of Agriculture Development and Farmers Welfare Department has authorized to release an amount of Rs. 40.00 Lakhs to Managing Director, KAFCO for implementation of the project. The project has approved in the working Group meeting held on 28.7.2019. Project will be started soon.

Establishment of Agro Super Bazaar at Kozhinjampara, Palakkad

Administrative sanction of the above scheme on market Development Establishment of Agro Super Bazaar at Kozhinjampara has accorded amounting to Rs. 25.00 Lakhs (GO (MS). 98/2019/AD dated : 26.07.2018). The Director of Agriculture is authorized to release an amount of Rs. 25.00 Lakhs to Managing Director, KAFCO for implementation of the project and the same has since been received.

Setting up of Rice mill at Wayanad

Your company plans to open a modern Rice Mill for ethnic varieties of rice like Jeerakasala and Gandakasala in Wayanad District and intends to market the processed rice in a separate brand name. Building for the same has been completed and machinery installation has been completed. The Plant will be inaugurated soon. Works for installation of machinery has been commenced.

Setting up of Jackfruit processing plant at Mala, Thrissur under RKVY

Your company has submitted a proposal for setting up of Jackfruit processing plant at Mala, Thrissur under RKVY 2012-13. Government has accorded administrative sanction for the implementation of the project and allotted Rs. 117 lakhs as assistance for the procurement of necessary machinery and equipments required for the plant. Plant was formally inaugurated by the Hon'ble Minister for Agriculture on 01.03.2016.

Your company again submitted a proposal for setting up of horticulture processing unit at Jackfruit processing plant at Mala, Thrissur for producing value added products from mango and pineapple during the off-season in this plant, under RKVY 2016-17. Government has accorded administrative sanction for the implementation of the project and sanctioned Rs.125 lakhs as assistance for the procurement of necessary machinery and equipments required for the plant. As a first installment Government has released Rs. 60 lakh. Steps have been taken for the procurement of the required machinery.

Modernization of Kerala Agro Fruit Products, Punalur

Presently KAFP is having the production capacity of 1500 Ton RTS/Year. Value added products produced from the plant have already captured a major market share in the brand name of "Jyothi" all over Kerala and is having good demand. Fruit pulp (raw material) required at the plant is presently being purchased from outside the state. Quality of the value added products mainly depends on the quality of the mango pulp used for its processing. Hence your company has decided to set up a pulp processing unit at the existing plant. By setting up the unit a good quality pulp for secondary value addition could be made available and can ensure the quality

of the RTS produced. For this year company has submitted a proposal to Government. Total project cost is Rs. 195 lakhs. Government has approved the project and accorded sanction to implement the project under the assistance of BKVY. Work order has been issued for the installation of Machinery. The project will be completed soon.

Farm Mechanization for Integrated Kule Land Development

Your company has submitted a proposal for "Farm Mechanization for Integrated Kule Land Development" to Government with the objectives to enhance the farm productivity by facilitating double crops at Kule wetlands, to facilitate enough number of machineries and its skilled labourers to complete the paddy harvesting in 30 days, thus reducing the risk period, to provide training to farm laborers on modern farm machineries, to operate and maintain the fleet of machineries for farming at Kule wetlands. Total project cost is Rs. 5,774.80 lakhs.

Government approved the project and sanctioned Rs. 2,745.30 lakhs and released Rs. 1400 lakhs as first installment for the implementation of the project. After procedural formalities, your company has purchased 50 combined harvesters, 20 tractors, 200 power tillers and 10 tractor trailers and 4 transplanters. Remaining machineries will be purchased immediately on receipt of balance amount from the Government.

Setting up of outlet for products of PSUs

Your company has submitted a proposal for setting up of outlet for various products of Public Sector Undertakings under Agriculture Department and Agriculture University at Thiruvananthapuram, Ernakulam and Thrissur. Government has approved the proposal and sanctioned Rs. 45 lakhs for 3 units and completed and functioning started.

Agri park at Panalur

Your company is having a 7 acre of land at Panalur, Kollam district. RTS cartoonish pet boarding place and Agro Industrial Training Institute is functioning in this campus. This site is in a prime location of Kollam and Sengottai highway. Your company has submitted a proposal to Government

to utilize the land and infrastructure available at this centre to maximum by setting up Agri Park. Agri Park will be the integration of various modern practices in agriculture sector in tune with the modern trend in retailing. It will consist of model tissue culture hardening unit, model poly houses, retail centre for various value added products from PSUs and Department, Agro Super Bazaar, model unit for beekeeping, display centre for equipments powered by solar energy, biogas, etc and a training centre for personnel with basic amenities. Total project cost is Rs. 210.00 lakh. It is proposed to obtain assistance of Rs. 175.00 lakh from State budget. Balance amount shall be met from your company's own fund. This Park will act as model unit for demonstration of modern techniques in agriculture and can be used as a knowledge sharing centre in this sector.

Government has approved the proposal and sanctioned Rs. 175.0 lakh for implementing this proposal. Project will be completed soon.

Establishment of Banana Park and Honey Park at Kannara Farm, Thekkur (dist)

As per GO(Rt) No.625/17/AD dated 22.06.2017, Government have selected The Kerala Agro Industries Corporation Ltd (KAICCL) as Special Purpose Vehicle (SPV) for the establishment of Agro Parks in Kerala.

As per G.O (MS) No. 1 / 2018/ AD Dated : 01.01.2018 Government had accorded Administrative Sanction for Development of Agro Parks in Kerala amounting to Rs. 300.13 Crores including construction of Banana Park and Honey parks amounting to Rs. 25.13 Crores.

In the meanwhile we have submitted the Project report of Banana and Honey Park at Kannara Farm, Thekkur amounting to Rs. 25.13 Crores to KIFPD for approval. Accordingly the infrastructure works for development of Banana and Honey Park was approved amounting to Rs. 14.28 Crores by KIFPD vide order No. PA-4/264/2018/KIFPD dated : 05.04.2018

Necessary Technical sanction has been obtained from the concerned Authority and work arranged through competitive bids. Now the agreement has been executed and work will be started with immediate effect.

Establishment of Coconut Parks at Koothakudi & Vengeri, Kozhikode Dist.

The Government as per order . No (Rc), 625/2017/Agri dated : 22.06.2017 has approved KAICCO as Special purpose Vehicle (SPV) for submitting the DPR of the following Coconut Parks.

1. Coconut Agro Park - Koothakudi - Rs. 20 Crores
2. Coconut Agro Park - Vengeri - Rs. 20 Crores.

Total Amount	<u>- Rs. 40 Crores</u>
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The DPR of the above two parks were submitted to KILPB, which are under sanction. Further action will be taken soon on receipt of sanction from KILPB.

Your directors are confident that with the expansion of existing line of activities by introducing new products and services, your company can achieve better results during the years to come and the accumulated loss as on the date of report can be wiped off in the near future.

Your Directors solicit the unstinted co-operation of the shareholders and all other agencies to meet the above-mentioned initiatives of the company.

SHARE CAPITAL

The present authorized share capital of the company is Rs.500 lakh, divided into 50000 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.204.55 lakh and that of the Central Government is Rs.169.55 lakh. Out of the total paid up capital, 25547 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.

DIVIDEND

Since there is an accumulated loss of Rs.1448.27 lakh as on 31.03.2014, your Directors do not recommend payment of dividend for the year under review.

BOARD OF DIRECTORS

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

Sl. No	Name	Post	Date of appointment	Date of cessation
1.	Sri. V.H. Sathish	Chairman	09.02.2012	
2.	Sri. A.J. Sharan Kumar	Managing Director	17.09.2013	
3.	Sri. Joseph Mathew	Director	09.11.2011	22.04.2013
4.	Sri. V. Kparamakumari	Director	09.11.2011	05.09.2013
5.	Sri. P. Vidyanj	Director	25.08.2012	
6.	Sri. K.V. Marakkur	Director	25.08.2012	
7.	Sri. Himan Singh	Director	30.10.2012	18.05.2014
8.	Sri. VM. Hanna	Director	12.11.2012	
9.	Sri. Veluprathasal Azis	Director	06.12.2012	
10.	Sri. TM. Joseph	Director	17.01.2013	
11.	Sri. D. John	Director	22.04.2013	01.02.2014
12.	Sri. P. Gopalakumar	Director	03.09.2013	
13.	Sri. PK. Parsley	Director	18.03.2014	
14.	Sri. B. Marudhram Nair	Director	01.02.2014	

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration in excess of the prescribed limit in terms of Section 217 (2A) of the Companies Act, 1956.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public and shareholders coming under the purview of Section 58 A of the Companies Act, 1956.

PARTICULARS REQUIRED UNDER SECTION 217 (1) (C) OF THE COMPANIES ACT, 1956

As per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, we have to 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.

DIRECTORS' RESPONSIBILITY STATEMENT

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 judgement 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 31.03.2014.

- 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, 1956 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.

AUDITORS

The Government of India appointed M/s Ravi & Sahin, Chartered Accountants, Thiruvananthapuram as Statutory Auditors of the Corporation for the year 2013-14 on the advice of the Comptroller and Auditor General of India.

LABOUR RELATIONS

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

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

Sd/-

CHAIRMAN

THIRUVANANTHAPURAM

Dated: 27.09.2014

K.A.G. Ltd.

ADDENDUM TO DIRECTORS' REPORT

REPLY TO COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 610(4) OF THE COMPANIES ACT 1956 ON THE ACCOUNTS OF THE KERALA AGRO INDUSTRIES CORPORATION LTD FOR THE YEAR ENDED 31 MARCH 2019

Principal Accountant General (E&RS/A) Kerala has issued Non-Review Certificate under Sec. 613(4) of the Companies Act 1956.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**Sd/-
CHAIRMAN**

THIRUVANANTHAPURAM
Dated : 27.08.2019

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
HISSAH JYOTHI, FORT P.O, THIRUVANANTHAPURAM-695 033
Balance sheet as at 31st March 2014

Particulars	Note No.	Figures at the end of current year in	Figures at the end of previous year in
EQUITY AND LIABILITIES			
1 Shareholder's Funds			
a) Share Capital	1	47,410,500	47,410,500
b) Reserves and Surplus	2	138,791,393	219,215,086
2 Share Application Money pending Allotment		Nil	Nil
3 Non-current liabilities			
a) Long Term Borrowings	4	128,317,348	212,003,610
b) Deferred Tax Liabilities (Net)			
c) Other Long Term Liabilities	5	2,271,663	2,271,663
d) Long Term Provisions	6	13,294,057	15,076,979
4 Current Liabilities			
a) Short-term Borrowings		Nil	Nil
b) Trade Payables	7	675,678,868	586,461,978
c) Other Current Liabilities	8	25,458,143	17,418,884
d) Short Term Provisions		Nil	Nil
TOTAL		1,373,322,672	1,192,869,829
ASSETS			
1 Non Current Assets			
a) Fixed Assets			
i) Tangible Assets	9	508,145,821	591,644,453
ii) Intangible Assets		Nil	Nil
iii) Capital Work-in-Progress		5,771,891	1,380,000
iv) Intangible Assets under development		Nil	Nil

Significant Accounting Policies 1
 Notes to Financial Statements 1 to 15

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

Sd/-
 SACHINVAR K P
 MANAGING DIRECTOR
 (DIN : 08216959)

Sd/-
 K AJITH
 DIRECTOR
 (DIN : 06403630)

As per report of date
 For Ravi & Sabin,
 Chartered Accountants
 (ICAI Registration No. 0808503)
 Sd/-
 CA. SABIN SURESH A ICAI
 Partner (ICAI No. 2057113)

Thiruvananthapuram
 17 July 2014

K.A.I.C. Ltd.

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
NISSAN JOYTHI, PORT B-D, THIRUVANANTHAPURAM - 695 023
Balance sheet as at 31st March 2014

Particulars	Rate Rs.	Figure at the end of current year in	Figure at the end of previous year in
b) Non-Current Investments	10	10,000	10,000
c) Long-Term Loans and Advances		Rs.	Rs.
d) Other Non-Current Assets	11	29,513,960	29,133,620
2 Current Assets			
a) Current Investments		Rs.	Rs.
b) Inventories	12	187,868,326	185,866,611
c) Trade Receivables	13	558,431,806	190,126,074
d) Cash and Cash Equivalents	14	312,911,368	58,447,637
e) Short-term Loans and Advances		Rs.	Rs.
f) Other Current Assets	15	287,873,901	186,534,855
TOTAL		1,373,322,671	1,192,860,628

Significant Accounting Policies 1
Notes to Financial Statements 1 to 15

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

Sd/-
SAGOLVARI K P
MANAGING DIRECTOR
(DIN : 08326059)

Sd/-
K.AITH
DIRECTOR
(DIN : 08401836)

As per report of date
For Ravi & Sabu,
CHARTERED ACCOUNTANTS
(ICAI Registration No. 0568835)
Sd/-
CA. SURESH BABU A FCA
Partner (ICAI No. 201739)

Thiruvananthapuram
17 July 2023

K.A.I.C. Ltd.

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
HISSAM JOYTHI, FORT P.O, THIRUVANANTHAPURAM - 695 033
Profit and Loss Statement for the year ended 31st March 2014

Particulars	Note No.	Figures at the end of current year in	Figures at the end of previous year in
I Revenue from Operations	16	644,189,441	489,214,348
II Other Income	17	86,577,728	111,882,106
III Total Revenue		739,867,169	600,217,445
IV Expenses			
Cost of Raw Material Consumed	18	3,795,638	1,297,289
Purchase of Stock-in-Trade	19	672,862,661	400,588,621
Changes in Inventories	20	(2,725,753)	(57,672,541)
Employee Benefit Expenses	21	(46,221,598)	15,895,285
Administrative and other Expenses	22	123,590,473	72,518,899
Finance Cost	23	16,821,038	15,938,378
Depreciation and Amortisation	5	90,890,820	101,817,841
Total		749,487,437	696,118,783
V Profit before exceptional and extra ordinary items		(9,620,274)	4,101,662
VI Exceptional items		Nil	Nil
VII Profit before extraordinary expenses and tax		(9,620,274)	4,101,662
VIII Extraordinary items		Nil	Nil
IX Profit before tax		(9,620,274)	4,101,662
X Tax Expenses			
a) Current Tax		1,165,935	588,500
b) Deferred Tax		Nil	Nil
XI Profit/(Loss) for the period		(10,786,209)	3,503,162
XII Earnings per share	24	Nil	7.39

Significant Accounting Policies: 2

Notes to Financial Statements: 1 to 25

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

Sd/-
 SASHIDHAR K P
 MANAGING DIRECTOR
 (DIN : 08336059)

Sd/-
 K AJITH
 DIRECTOR
 (DIN : 09400058)

As per report of date
 For Rasel & Sabir,
 CHARTERED ACCOUNTANTS
 (ICAI Registration No. 0008080)
 Sd/-
 CA. SABIR SABU A FCA
 Partner (ICAI No. 200718)

Thiruvananthapuram
 17 July 2014

K.A.I.C. Ltd.

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR
ENDED 31st MARCH 2024**

NOTE - 1

CORPORATE INFORMATION:

The Kerala Agro Industries Corporation Limited (KAICC) 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. KAICC 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 have been prepared and presented on accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Government of India, the relevant provisions of the companies Act, 1956 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 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 those estimates & assumptions and such differences are recognised 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 equivalents unless it is restricted from being used to settle a liability for atleast 12 months after the reporting date; current assets include the current

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2014**

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 taxes and any other cost directly applicable for bringing the asset to its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Depreciation is provided on the written value method, over the estimated useful life of the assets at the rates prescribed Schedule XIV to the Companies Act, 1956. Assets costing individually INR 5,000 or less are depreciated fully in the year of purchase and for additions during a year depreciation is provided on pro-rata basis. Depreciation for the year is recognised in the Statement of Profit and Loss. A fixed asset is eliminated from the financial statements 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 amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific 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 XIV to the Companies Act, 1956. 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 recognised in prior

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31st MARCH 2014**

accounting period (x) is reversed to the extent of decrease in the requirement loss.

7. INVENTORIES:

Items of inventories are measured at lower of cost and net realisable 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 recognised 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 recognised in the same periods that the related expenses are recognised on a deferred income approach; Interest income is recognised on a time proportion basis, taking into account the amount outstanding and the interest rate applicable; and any other income is recognised as and when it is received.

b) Any Government grant is recognised when there is reasonable assurance of its receipt. A capital grant relating to specific assets is reduced from the gross value of the fixed assets, and capital grant for project capital subsidy is credited to Capital Reserve. Revenue grant is recognised 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 recognised as an expense in the Profit and Loss Statement for the year in which the employee has rendered services.

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.

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2014**

II. PROVISIONS:

A provision is recognised 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 judgement of the management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

II. TAX EXPENSES:

Income-tax expenses are recognised in profit or loss except that tax expenses related to items recognised 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 recognised 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). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future.

**III. PROVISIONS, CONTINGENT LIABILITIES AND
CONTINGENT ASSETS:**

A provision is recognised 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 judgement 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 recognised in the financial statements.

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2024

2. SHARE CAPITAL

	Figures at the end of current year in “	Figures at the end of previous year in “
a) Authorised Capital 5,00,000 Equity shares of Rs. 100/-each	50,000,000	50,000,000
b) Issued, subscribed and fully paid up-capital: 4,74,309 Equity shares of “ 100/-” each (Previous year : 474,108 Equity Shares of “ 100/-each)	47,430,900	47,410,900

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	474,109	474,109
Shares issued during the year	Nil	Nil
At the end of the year	474,109	474,109

2.3 Details of shareholders holding more than 5% shares:

Government of India	35.76%	169,562	169,562
Government of Kerala	64.23%	304,537	304,537

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31st MARCH 2014**

3. RESERVES AND SURPLUS

	Figures at the end of current year in	Figures at the end of previous year in
a) Capital Reserve		
Opening Balance	389,816,328	380,511,593
Additions during the year:		
For Capital Expenditure	35,406,819	245,041,349
For Revenue Expenses	1,536,457	39,385,008
Less: Deductions during the year		
For Current Year	83,303,881	105,931,858
For Previous Year	5,871,876	Nil
Closing Balance	356,122,964	389,016,328
b) Revaluation Reserve		
Relating to revaluation of Freehold Land	66,740,239	66,740,239
c) Other Reserve - Grant - In - Aid		
Opening balance	70,818,827	70,519,769
Additions:		
Grant received during the year	157,800,069	353,699,069
Interest on money parked with bank	5,967,693	2,033,367
Prior Period Adjustments	6,031,688	-
(Sub Total)	240,718,114	426,253,076
Deductions:		
Utilised for Capital Expenditure	35,406,819	245,041,349
Utilised for Revenue Expenses	1,536,457	39,385,008
Closing balance	192,754,798	70,818,827
d) Profit and Loss Account		
As per last balance sheet	(136,068,109)	(138,563,593)
Add: Profit / (Loss) for the year	(50,796,249)	3,593,363
Closing balance	(186,864,359)	(134,970,230)
Total of Reserves and Surplus Total (a+b+c+d) :	379,791,329	311,215,968

NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

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

3.2 Revaluation Reserve represent appreciation in value of freehold land owned by the Corporation as on 31 March 1997; 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. 15,79,00,000/- received during the year for the purpose of farm mechanisation under RKVY and other purposes have been grouped under Revenue and Surplus as Subsidy / Grant in the Balance Sheet. Value of machinery purchased out of the Grants amounting to Rs. 2,54,86,850/- has been debited to the respective Fixed Asset accounts and a similar amount from Grants transferred to Capital Reserve account being grant utilised.

4 LONG TERM BORROWINGS

	Figures at the end of current year in "	Figures at the end of previous year in "
a) Secured Loans :		
Working Capital Loan from Canara Bank	2,916,341	2,232,560
b) Unsecured Loans:		
Working Capital Loan Government of Kerala	80,058,600	80,058,600
Short-term Loan from Government of Kerala	1,779,348	1,778,348
Loan from Kerala Agro Machinery Corporation Limited	400,000	400,000
Loan from Oil Palm India Ltd	600,000	600,000
Loan from Vegetables & Fruits Promotion Council	552,264	1,892,264
Interest accrued and due to Government of Kerala	1,58,949,295	125,958,138
Total	225,917,348	212,900,918

4.1 The loan from Canara Bank, Punalur Branch has been availed for the Unit Kerala Agro Fruit Products and has been secured against equitable mortgage of immovable property, fixed assets, and stock of the unit.

4.2 The loans from Kerala Agro Machinery Corporation Limited and Oil Palm India Limited are interest free loans. The rate of interest implicit in other loans is in the range of 10.75% to 10.5% per annum.

NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

4.4 There is default in repayment of the secured loans and interest thereon to Canara Bank which has been settled under DTS in September 2015.

4.5 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:

	Figures at the end of current year is	Figures at the end of previous year is
(Debit)/ Receivables Pending Adjustment / Reconciliation		
Classified erstwhile as current assets	1,034,579	1,034,579
Classified erstwhile as current liabilities	4,305,534	4,305,534
Net:	2,371,953	2,371,953

5.1 The above accounts represent balances carried forward and identified by the Corporation as on 01.04.2012 and are traceable to prior years transactions pending reconciliation / adjustments.

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:

	Figures at the end of current year is	Figures at the end of previous year is
Guarantee-Commission to Government of Kerala	2,152,108	2,152,108
Write off of stolen cash	15,900	15,900
Gratuity for Kerala Agro Fruit Products Division	3,735,287	6,042,652
Earned Leave Salary	6,065,958	2,608,058
Revaluation of Inventory	521,340	521,340
Provision for Income Tax	4,848,444	3,880,469
	17,284,057	15,038,979

6.1 Guarantee Commission due to Government of Kerala pertains to periods prior up to FY 2005-07 and is being paid in instalments and the balance outstanding as on date is ₹ 2,152,108.

6.2 The gratuity liability of the Corporation, other than for employees working in

NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2012

ICDP Division, has been covered under a gratuity insurance policy issued by the Life Insurance Corporation of India w.e.f. 1 April 2012. Hence the provision made in earlier years has been reversed during the year. The gratuity liability of employees retired up to 31 March 2012 amounting to ₹. 17,62,602 has been disclosed as Gratuity Payable.

7. TRADE PAYABLE:

	Figures at the end of 2011-12 (₹)	Figures at the end of previous year (₹)
Outstanding for a period exceeding six months from due date	5,824,213	6,574,806
Others	343,209,183	343,975,198
Trade Advances Received	126,486,373	229,561,866
	475,519,769	580,111,870

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

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

8. OTHER CURRENT LIABILITIES:

	Figures at the end of current year (₹)	Figures at the end of previous year (₹)
Current maturities of long term debt	1,500,000	-
EMD and Security Deposit	6,113,168	6,131,322
Sundry Creditors for Expenses	4,194,433	3,892,907
Sundry Creditors for Others	5,513,393	5,999,718
Advance on Integrated Tribal Development Programme	2,409,968	339,000
Trade Advances Received	4,238,236	538,888
Reserving loss in CFF Account	1,599,125	1,538,591
	25,468,223	17,439,804

THE KOSALLA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

8.1 Tangible Assets:

DESCRIPTION OF ASSETS	GOODS BLOCK			FAIR VALUE	DEPRECIATION / IMPROVEMENT					NET BLOCK	
	As on 01.04.2015	Addition during the year	Reduction during the year	As on 31.03.2016	As on 01.04.2015	On 31.03.2016 during the year	For the year	As on 01.04.2015	As on 31.03.2016	As on 01.04.2015	As on 31.03.2016
A. Freehold Land & Buildings	67,502,100	-	-	67,502,100	-	-	-	-	67,502,100	67,502,100	-
• Office Building	1,895,119	4,881,645	-	6,776,764	-	-	15,938	1,279,888	6,118,679	288,888	-
• Public Building	2,219,188	-	-	2,219,188	-	-	18,152	1,111,671	35,328	881,275	-
• Godown	1,818,369	6,087,400	-	7,905,769	3,221,406	-	18,288	3,358,758	4,867,139	888,111	-
B. Furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-
• Furniture Group	700,582	48,145	-	754,727	88,1	-	18,835	874,425	88,131	48,145	-
• Automobile Group - Caravan	6,212	-	-	6,212	6,289	-	-	8,210	-	-	-
• Sundry	2,714,818	48,145	-	2,762,963	888,888	-	15,888	888,888	88,131	88,258	-
C. Machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
• Tractor	1,812,188	21,815	-	1,834,003	11,371	1,556,754	7,880	1,594,653	88,228	25,164	-
• Tractor, Tractor Implement and other	24,000,180	-	-	24,000,180	38	5,528,389	4,880,382	12,786,281	58,828,888	23,888,487	-
• Transport Machine	18,117	-	-	18,117	41,871	89,473	857	89,878	3,158	3,482	-
• Lift	388,888	-	-	388,888	38	311,388	8,837	318,671	28,138	28,258	-
D. Sundry	-	-	-	-	-	-	-	-	-	-	-
• Sundry	1,258,341	888,888	888,888	1,858,341	881,888	778,888	118,882	387,881	482,130	87,847	-
• General Fridge	54,255	-	-	54,255	11,871	88,888	375	88,338	2,228	1,488	-
• Office Computer	1,251,888	-	-	1,251,888	871,888	-	82,888	878,210	387,131	442,755	-
• Paper Table	48,288	-	-	48,288	11,871	28,138	1,881	34,258	38,118	11,871	-
• Sundry	28,138	-	-	28,138	28,787	-	-	28,787	-	-	-
• Sundry	33,888,288	888,888	888,888	35,565,464	8,888,188	778,888	7,288,388	14,888,288	14,888,288	11,887,881	-
E. Computer, Computer Computer	1,718,187	288,131	-	2,006,318	1,888,872	-	121,827	1,278,288	321,881	238,888	-
F. Other	887,888,888	3,214,288	887,888	10,302,788	11,814,288	778,188	1,282,488	12,018,887	8,288,288	12,27,288	-
Figure for the Previous Year	75,502,715	88,888,188	-	164,390,903	5,531,471	4,888,888	-	10,414,188	58,81,888	16,288,288	-

A.1 Tangible Assets

Tangible Assets Acquired out of Government

THE KENYA AGRI-BUSINESS CORPORATION LIMITED

NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2014

Annual Report and Audited Accounts 2013-2014

DESCRIPTION OF ASSETS	GROSS VALUE				DEPRECIATION / AMPLISHMENT	NET VALUE	
	At the beginning of the year	Additions during the year	Depreciation/Amplishment during the year	At the end of the year	In respect of the year	At the beginning of the year	At the end of the year
Plant and Equipment							
1. Motor Vehicle/Tractor	1,422,000	-	-	1,422,000	30,000	1,392,000	1,362,000
2. Tractor	387,300	-	-	387,300	8,175	379,125	370,950
3. Heavy Duty Vehicle	2,085,115	-	-	2,085,115	191,354	1,893,761	1,697,206
Sub Total	3,894,415	-	-	3,894,415	309,529	3,584,886	3,329,256
4. Plant and Equipment	55,000	-	-	55,000	8,175	46,825	46,825
Sub Total	55,000	-	-	55,000	8,175	46,825	46,825
5. Construction Equipment	28,115,000	-	-	28,115,000	31,396,738	69,511,738	22,540,112
6. Construction Vehicle	6,000,112	-	-	6,000,112	1,178,743	4,821,369	9,878,451
7. Tractor	1,200,000	55,427	-	1,255,427	261,286	994,141	994,141
8. Tractor	1,171,212	-	-	1,171,212	14,374	1,156,838	41,465
9. Tractor	11,551,700	4,000,000	4,000,000	19,551,700	1,137,000	18,414,700	11,816,669
10. Tractor	1,444,100	-	-	1,444,100	301,142	1,142,958	2,024,118
11. Tractor	4,000,000	1,000,000	-	5,000,000	1,137,188	3,862,812	2,725,624
12. Tractor	1,500,000	-	-	1,500,000	301,700	1,198,300	2,007,100
13. Tractor	2,750,000	-	-	2,750,000	301,700	2,448,300	1,871,600
14. Tractor	1,000,000	-	-	1,000,000	301,700	698,300	1,270,000
Sub Total	44,426,112	5,000,000	4,000,000	53,426,112	32,034,667	21,391,445	21,391,445
15. Tractor	1,111,700	-	-	1,111,700	115,100	996,600	278,001
16. Tractor	1,111,700	-	-	1,111,700	115,100	996,600	278,001
Total	85,026,112	5,000,000	8,000,000	98,026,112	32,034,667	65,991,445	20,002,007
Figure for the Period Year	21,391,445	20,002,007			32,034,667	21,391,445	14,000,000

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2014**

10. NON-CURRENT INVESTMENTS:

	Figures at the end of current year in	Figures at the end of previous year in
Investment in Equity Investments (Long term, fully paid up, unquoted equity shares):		
Kerala Fruits Limited	10,000	10,000
	10,000	10,000

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:

	Figures at the end of current year in	Figures at the end of previous year in
Long Term Trade Receivable:		
Deposits for Utility Services	409,979	210,032
National Savings Certificates	100,000	100,000
Other Long-term Receivables:		
(Unsecured considered doubtful)		
Loan to Meat Products of India Limited (MPI)	12,349,087	12,349,087
Investment in Meat Products of India (MPI)	3,764,900	3,764,900
Investment in Kerala Agro Machinery Corporation Limited (KAMCL)	11,700,000	11,700,000
	29,223,966	18,124,020

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

11.2 Investments in National Savings Certificates were made for securing loans from FWD, Kerala. These certificates were matured and encashed in the financial year 2014-15.

11.3 Dues from MPI (whistle subsidiary of the Corporation) represent investment in the Company's equity shares, other financial assets, and interest due thereon. When MPI became an independent company in 1985, it issued fully paid up equity shares to Govt. of Kerala for ₹ 45,56,600 in full settlement of its dues to the Corporation. Later, the Government issued orders to refund the said share value along, but the Corporation submitted its representation to the Government for refund of the investment together with interest ₹ 12,349,087, and the matter is pending for disposal.

NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

11.4 Investments in MPPL and KAMCL (erstwhile subsidiaries of the Corporation) stands reduced to a token value of ₹ 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 there of to its retained earnings.

12. INVENTORIES:

(Valued at cost or net realisable value)

	Figures at the end of current year in ₹	Figures at the end of previous year in ₹
a) Raw Materials		
b) Work-in-Progress	19,632	21,621
c) Finished goods	419,554	56,474
d) Stock-in-trade (goods acquired for trading)	179,965,355	178,128,822
e) Spares and spares	5,328,435	4,324,815
f) Loose tools	145,859	159,598
g) Others:		
Fabricated goods	1,186,312	1,481,412
Packing Materials and Containers	125,626	367,934
Wooden crates, Barrels and PET bottles (as revaluation)	657,570	730,634
	187,848,324	185,064,811

12.1. Inventory has been physically verified by the management as on 31 March 2014 and has been relied upon by the Statutory Auditors.

13. TRADE RECEIVABLES:

Unsecured considered good

	Figures at the end of current year in ₹	Figures at the end of previous year in ₹
Outstanding for a period exceeding six months from due date	255,891,985	272,413,620
Others	78,529,800	67,702,458
	334,421,785	290,116,078

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

NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2014

14. CASH AND CASH EQUIVALENTS :

	Figures at the end of current year, IN	Figures at the end of previous year, IN
Cash on hand	982,389	1,158,925
Balance with banks :		
In Current Account	11,547,523	62,539,825
In Deposit Accounts (Interest accrued but not due R.R.)	95,445,090	17,558,575
Balance with Government of Kerala Treasury Accounts	85,558,388	5,826,899
Cheque in transit	608,202	1,481,813
	213,811,198	88,467,827

14.1. Balance in deposit accounts with banks bear maturity of 12 months or less.

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

15. OTHER CURRENT ASSETS :

	Figures at the end of current year, IN	Figures at the end of previous year, IN
Advance tax and tax deducted at source	4,718,351	1,768,752
Treasury Advances	244,288,181	108,122,121
Interest Accrued on MDC	87,953	
Advances Recoverable in cash or in kind		
Advance for Expenses	58,185	505,602
EMD / Other Security Deposits	1,806,520	
Prepaid Expenses	860,289	
Staff Advances	513,550	218,635
Kerala Agro Fruit Products Division	488,284	487,587
Advance for Poly House building contracts	5,311,368	
Kerala Agro Machinery Corporation Limited	20,000,000	
Other Advances Recoverable	1,030,128	1,847,428
	287,879,891	284,834,858

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR
ENDED 31st MARCH 2024**

16. REVENUE FROM OPERATIONS:-

	Figures at the end of current year in	Figures at the end of previous year in
Sale of Products	517,158,593	481,957,907
Sale of Services	2,919,264	1,513,417
From Project Works	101,540,590	89,811,325
From Hiring Agricultural Equipment	23,626,563	16,732,293
	645,235,442	489,214,340

17. OTHER INCOME:-

	Figures at the end of current year in	Figures at the end of previous year in
Deferred Revenue Grant from Govt. of Kerala	85,983,861	105,821,656
Installation and Transportation Charges	1,245,277	836,081
Interest on deposits with bank	1,214,809	269,067
Interest on Financial Services	116,954	(23,743)
Sale of Tender Documents	261,906	86,711
Trade Discounts	122,486	758,119
Other Miscellaneous Income	350,597	85,121
Rent from let-out property	158,752	189,484
Training Fee	58,693	608,808
Prior Period Income	5,276,310	2,669,388
Insurance Claims Received	810,512	581
Profit on sale of fixed assets	137,801	581
	96,577,720	111,009,385

18. COST OF MATERIAL CONSUMED:-

	Figures at the end of current year in	Figures at the end of previous year in
[Kerala Agro Fruit Products Division]		
Opening Stock	443,530	429,442
Add: Purchases and added material direct expenses	1,920,403	1,837,985
Less: Closing Stock	584,816	443,532
Cost of Materials Consumed	1,779,618	1,297,266

NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2014

19. PURCHASE OF STOCK - IN - TRADE :

	Figures at the end of current year in	Figures at the end of previous year in
Goods For Resale	471,743,452	408,045,978
Fabricated Goods	330,190	1,543,653
	472,063,642	409,589,631

20. CHANGES IN INVENTORIES:

		Figures at the end of current year in	Figures at the end of previous year in
Opening Stock :			
Goods For Resale	178,128,912		141,034,444
Fabricated Goods	1,401,413		1,543,654
Stores and Spares	4,224,015		3,304,733
	SUB TOTAL	183,754,340	145,882,831
Less : Closing Stock :			
Goods For Resale	179,965,355		178,128,912
Fabricated Goods	1,186,313		1,401,413
Stores and Spares	3,323,455		4,224,015
	SUB TOTAL	184,475,123	183,754,340
(Increase)/ Decrease in Stock		(2,720,783)	(37,871,541)

21. EMPLOYEE BENEFIT EXPENSES:

	Figures at the end of current year in	Figures at the end of previous year in
Salaries and Wages	40,793,282	29,583,290
Contributions to Provident and Other Funds	4,262,581	4,107,163
Staff Welfare and Training Expenses	1,245,717	1,267,832
	46,291,580	35,058,285

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2014**

21. ADMINISTRATIVE AND OTHER EXPENSES:

	Figures at the end of current year is	Figures at the end of previous year is
Manufacturing and Other Expenses:		
Electricity and water charges	848,015	803,002
Cost of Fuel	1,769,822	1,689,995
Freight Charges	1,124,301	744,134
Repairs to Building	665,965	375,265
Repairs to Machinery and Equipment	7,302,649	7,038,608
Expenses on Equipment less on Hire	4,554,654	3,632,852
Loss on revaluation of Loose Tools	89,267	98,892
Project Work Expenses	89,027,559	42,733,456
Selling Expenses :		
Advertisements	866,766	1,067,888
Sales Promotions and Commission	999,757	1,541,009
Trade Discount and Commission	23,411	59,312
Transportation Charges	1,371,534	1,854,665
Administrative Expenses:		
Rent	708,267	562,938
Fines and Taxes	224,582	73,350
Insurance	1,858,108	1,748,969
Telephone and Internet Charges	758,232	801,493
Traveling & Conveyance	1,917,521	636,919
Vehicle Expenses	122,538	979,845
Printing & Stationery	1,442,617	989,859
Statutory Audit Fee	177,000	75,000
Fee for Professional Services	1,711,123	1,002,546
Meeting Expenses	176,718	98,530
Security Expenses	1,751,392	1,487,438
General Expenses	1,365,878	5,486,409
	123,660,471	72,310,890

22. FINANCE COST :

	Figures at the end of current year is	Figures at the end of previous year is
Interest Expenses		
Term loan from Bank	708,159	580,368
Loss from Government of Kerala	15,111,128	15,357,928
Other Borrowing Cost (Guarantee Fee to Govt. of Kerala)	6,683	
	15,825,970	15,938,296

NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2024

24. EARNING(S) PER EQUITY SHARE :

	Figures at the end of current year in	Figures at the end of previous year in
Net Profit after tax as per Profit and Loss Statement	(10,790,245)	1,503,562
Weighted Average number of equity shares used as denominator	474,109	474,108
Basic and Diluted Earnings per Share	Nil	7.39
Face Value per equity share	100	100

25. ADDITIONAL INFORMATION - DISCLOSURES:

25.1 There were no consumption of imported raw materials and hence such disclosure is not applicable to the Corporation (Previous Year Nil)

25.2 Contingent Liabilities not provided for - Nil (Previous Year Nil)

25.3 Details of earnings in foreign Exchange - Nil (Previous Year Nil)

25.4 Details of expenditures in foreign exchange - Nil (Previous Year Nil)

25.5 Payment to Auditors towards Statutory Audit Fee - 1,77,000 (previous Year - 75,000) and other matters Nil. (Previous Year Nil)

25.6 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 consist 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 Business segment information is presented below.

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2024**

(Amounts in ₹)

Particulars	Share	Services	Project Works	Mining Equipment	Consolidation Total
A. REVENUE					
Total Revenue/Revenue	517,028,595	2,233,448	1,251,545,508	27,025,311	1,808,832,862
Under Segment Revenue					Nil
Other Revenue					18,877,700
Total Revenue	517,028,595	2,233,448	1,251,545,508	27,025,311	1,808,832,862
B. EXPENSES					
Segment Result	40,795,288	271,458	12,538,375	11,734,446	65,339,567
Unallocated Expenses					12,077,028
Depreciating Assets					5,078,748
Other Expenses					Nil
Financial Expenses					1,58,00,000
Post Office Exp. Nil					15,688,078
Current Tax					1,25,00,000
Capital Exp. Nil					Nil
Post Office Exp. Nil					1,00,700,000
C. OTHER INFORMATION					
Segment Assets	750,807,858	8,111,028	1,10,879,888	16,500,171	9,16,298,945
Unallocated Corporate Assets					48,877,028
Total Assets	750,807,858	8,111,028	1,10,879,888	16,500,171	9,15,200,973
Unallocated liabilities					1,07,00,000
Total liabilities					1,07,00,000
Depreciation / Asset value					
Unallocated Depreciation					16,000,000
Total Depreciation / Asset value					16,000,000
Significant Item Cook Expenses / Other than Depreciation / Asset value	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 expenses which are not directly attributable to the Business Segment are shown as unallocated Corporate Cook, Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively.

35.3 As per Accounting Standard AS-18 on Related Party disclosures issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related party as defined in the Accounting Standard is given below:

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR
ENDED 31st MARCH 2014**

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 Management Personnel	Sri. A.J. Murari Kumar, Managing Director

b) Transactions with related parties during the year;
Payment to Directors of the Company:

S. No	Particulars	Current Year	Previous Year
a.	Salaries & Allowances (Managing Director)	935638	827482
b.	Honorarium to Chairperson	151800	96000
c.	Travelling Expenses (Managing Director)	49687	86080
d.	Travelling Expenses (Director)	47072	25842
e.	Leave Travel Concession	84	84
f.	Sitting Fee	9146	5608
g.	Value of Perquisites in cash or in kind (phones)	29115	7587

25.8 The disclosure required by Accounting Standard 19-“Lease”: 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.

25.9 As required by the Accounting Standard AS-18 ‘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.

**NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2016**

25.10 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.

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
THE KENALAAGRO INDUSTRIES CORPORATION LIMITED

As per our Report of date

Sd/-
SABHUMBAR K.P
Managing Director
(DIN: 08316859)

Sd/-
K. AJITH
Director
(DIN : 08402895)

For **RAVI & SUREN**
CHARTERED ACCOUNTANTS
(ICAI Registration No. 00668835)

Sd/-
C.A. SABIN BABU A.PCA
Partner (ICAI No.203710)

Thiruvananthapuram
17th July 2016



K.A. Incorporated No. 00088025

RAJ. JACOB ROAD, 60TH ESTATE TIRUPUR, 677

Phone: 04473-2242052, e-mail: info@kaglimited.com

Ravi & Sabin
CHARTERED ACCOUNTANTS

128/611, Kumbakonam Road, Near Palaniyandur

Thiruvananthapuram 695002 For the State of India

INDEPENDENT AUDITOR'S REPORT

To: The Members of
The Kerala Agro-Industries Corporation Limited

Report on the Financial Statements:

We have audited the accompanying financial statements of THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED, which comprise the Balance Sheet as at 31 March, 2024, and the Profit and Loss Statement for the year ended on that date annexed thereto and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Management is responsible for 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 Standards referred to in Section 215(3C) of the Companies Act, 1956, and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

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

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

not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 audit opinion.

Opinion:

Without qualifying our review opinion, we draw attention of the members to the following:

- During the year the corporation has grouped its dormant bank balances, and while classified as current assets and current liabilities, that were being carried forward from earlier years aggregating to a net credit balance of ₹ 2,871,853 as stated in Note 5. We have not verified the nature of the grouping done or the effect of such grouping on the reported balance of 'Reserves and Surplus' as stated in Note 3 of the annual accounts.
- The Corporation has not classified the suppliers of goods and services as required under the provisions of Micro, Small and Medium Enterprises Development Act, 2006 and hence we are unable to quantify and report the payments made beyond the 'Appointed day' and the interest that remain unpaid to such Enterprises as on 31 March 2024.
- The Corporation is not maintaining proper records for its tangible and intangible assets as required under section 203(1)(c) of the Companies Act, 2013. The available record is only a tabulation of the book value of its Properties, Plant and equipment. The Management has refrained from conducting periodical physical verification of such assets. Further, the Corporation has not complied with the mandatory Accounting Standard AS-10 'Accounting for Fixed Assets' issued by the Institute of Chartered Accountants of India.
- The Trade Receivable as per Note 13 includes outstanding aged for more than six months ₹ 253,831,908 which works out to more than 73% of the total Receivables. The Corporation has not made any provision for doubtful debts for the year and hence the reported operating loss has been understated to that extent.
- The income tax expenses incurred for the year is ₹ 1,165,605. We observe that the operations ended in a loss resulting in an unwarranted payment of income tax. The income tax assessment of the Corporation for the year under review has been completed in pursuance of section 144 of the Income Tax Act, 1961, and the Corporation refrained from filing any appeal against the order and remitted the tax in full.

- f. In the course of examination of the books of account, we have come across a many entries passed for transferring balances in various accounts of parties with whom Corporation has / had business relationship. These journal entries practically wiped off many accounts involving substantial value of the current assets and current liabilities as appeared in the books of account. Such journal entries are passed before obtaining due authority from the management and the ulterior resolution, if any, belated nullifying amounts due to or payable by the Corporation needs further scrutiny. We did not quantify the gross and net effect of these entries.
- g. During the year under review, the Corporation prepared its books of account by engaging a Firm of Chartered Accountants. We observe that the same Firm has been engaged as the internal auditor for the year.
- h. The Corporation has not made provisions / disclosures for the year in respect of the mandatory accounting standards 'AS 2 - Valuation of Inventories', 'AS 3 - Cash Flow Statements', 'AS 22 - Accounting for Taxes on Income' and 'AS 28 - Impairment of Assets' issued by the Institute of Chartered Accountants of India.
- i. The Corporation has not rectified most of the material comments / remarks on its annual accounts for the immediate past three years brought out by the Statutory Auditors.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 1956 in the manner so required and given a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014; and
- (b) In the case of the Profit and Loss Statement, of the loss of the Corporation for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by Section 227(3) of the Companies Act, 1956 we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, 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 and proper returns adequate for the purpose of our audit have been received from the Company.
- (c) The Balance Sheet and the Profit and Loss Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet and the Profit and Loss Statement generally comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

knowledge and belief, and in spite of the adverse results / observation made by the previous statutory auditors, we state that adequate compliance with internal control procedures in respect of inventory, fixed assets, and for the sale of goods and services has continuing failure.

6. The Corporation has not accepted any deposits from the public and therefore, provision of Clause 4(v) of the order is not applicable.
6. In our opinion, the Corporation does not have an internal audit system commensurate with its size and nature of its business. During the year under review, the Corporation has engaged an external agency to conduct internal audit which has been carried out long after the close of the financial year, thereby diluting the purpose of an internal audit.
7. The central Government has not provided maintenance of cost accounting records under section 209(1)(d) of the Companies Act, 1956 for the business being carried on by the company.

8. In respect of statutory dues:

a) According to the records of the Corporation, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, Cess and other material statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the statutory dues were outstanding as at 31 March 2014 for a period of more than six months from the date of becoming payable.

b) According to the records of the Company examined by us and information and explanation given to us, the particulars of dues of sales tax which has not been deposited as on 31 March 2014 on account of disputes are given below:

Name of the creditor	Nature of the dues	Amount	Period to which the amount relates	Events which caused the pending
ROST ACT, 1962	Deceased raised in last judgement 4/10/2013	68,000,000	2008-09	Deputy Commissioner (Appeals), Commercial Taxes Department

9. The accumulated loss of the Corporation at the end of the financial year is more than 50% of its net worth at the end of the financial year. The Corporation has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
10. The Corporation has defaulted in repayment of dues against term loan availed from Canara Bank amounting to Rs. 39,36,341 as on balance sheet date which has been settled under DTs in September 2013.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, and other securities, hence clause (ii) is not applicable.

- 12 In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 13 In our opinion and according to the information and explanations given to us, the Company has not raised any new term-loan during the year.
- 14 In our opinion and according to the information and explanations given to us, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investments.
- 15 During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 88 of the Companies Act, 1956.
- 16 During the period covered by our audit report, the Company has not issued debentures.
- 17 According to the information and explanations given to us, the Company has not issued any money by way of public issue during the year.
- 18 In our opinion and according to the information and explanations given to us, no material fraud on or by the Corporation has been noticed or reported during the year.

For Ravi & Sahin
CHARTERED ACCOUNTANTS
Firm Registration No. 0868834

CA. SABH BABU A.FCA
Partner
(ICAI Membership No. 200729)

T. S. Suresh Chandra
17 July 2014



9-12-1950

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (D) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF KERALA AGRO INDUSTRIES CORPORATION LIMITED, THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2014

The preparation of financial statements of Kerala Agro Industries Corporation Limited, Thiruvananthapuram for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 17 July 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Kerala Agro Industries Corporation Limited, Thiruvananthapuram for the year ended 31 March 2014. The supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors Report under Section 619(4) of the Companies Act, 1956.

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

Sd/-

K.P. ANAND

COMPTROLLER GENERAL OF INDIA, KERALA

Thiruvananthapuram
Dated: 24.05.2015