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FIFTY FIFTH
ANNUAL REPORT AND AUDITED ACCOUNTS
2022 - 23



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.

55 TH ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR 2022-23

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THE KERALA AGRO INDUSTRIES CORPORATION LTD.

(Jointly promoted by Government of India and Government of Kerala)

Registered Office :
"Kissan Jyothi", Fort,
Thiruvananthapuram-695 023

No. Secl.26//2

08.06.2026

NOTICE

Notice is hereby given that the 55th Adjourned Annual General Meeting of the Kerala Agro Industries Corporation Ltd. will be held at 11.00 A.M on 30th June, 2026 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 and comments of the Comptroller and Auditor General of India for the year ended 31st March, 2023."


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.

DISTRICT OFFICES	THIRUVANANTHAPURAM	0471-2466674	IDDUKKI	04862-295117	MALAPPURAM	04931-247059
	KOLLAM	0474-2454740	ERNAKULAM	0484-2474267	WAYANAD	04936-220316
	PATHANAMTHITTA	0469-2961277	THRISSUR	0487-2310983	KANNUR	0497-2761404
	ALAPPUZHA	0477-2267942	PALAKKAD	0491-2957924	KASARGOD	04994-255408
	KOTTAYAM	04829-221214	KOZHIKODE	0495-2370676	KERALAAGROFRUIT PRODUCTSPUNALUR	0475-2222528

AGRO SUPER BAZAAR, THIRUVANANTHAPURAM 0471-2471347

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

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

I. BOARD OF DIRECTORS

1 SHRI. V. KUNHALI	CHAIRMAN
2 SHRI. MANOJKUMAR.C.P.	MANAGING DIRECTOR
3 SHRI. C. R. LOHI	DIRECTOR
4 SMT. ANJALI.V.S.	DIRECTOR
5 SHRI. ANIL KUMAR.R.	DIRECTOR
6 SHRI. K. K. SIVARAMAN	DIRECTOR
7 SHRI. JOSE MATHEW	DIRECTOR
8 SHRI. R. SASI	DIRECTOR
9 SHRI. K. K. JAYAPRAKASH	DIRECTOR

II. BANKERS

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

III. AUDITORS

M/s. MANOJ & SAJEEV
Chartered Accountants,
TC. 9/1444 (2), TRRAW D 18B,
Moolayil lane, Sasthamangalam,
Thiruvananthapuram - 695 010.

IV. REGISTERED OFFICE

(CIN : U29211KL1968SGC002172)

Kissan Jyothi,
Fort.P.O., Thiruvananthapuram - 695 023.
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THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

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

CIN: U29211KL1968SGC002172.

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 55th 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 31st March, 2023.

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

Financial highlights of the consolidated statement of operations of your company for the year 2022-23 are as under:

(Rupees in lakhs)

Particulars	2022-23	2021-22
Revenue from operations	10414.13	8909.58
Other Income	189.66	136.88
Total Income	10603.79	9046.46
Operating Expenses	11700.46	9256.35
Operating Profit / (Loss)	(1096.67)	(209.89)
Interest	144.22	144.16
Depreciation	105.80	142.94
Exceptional items	24.91	200.21
Net Profit/ (Loss)	(1321.79)	(697.20)
Extraordinary Item	-	-
Provision for Income Tax / IT Expense	10.26	NIL
Net profit/(Loss) after tax	(1332.05)	(697.20)
Balance brought forward from previous year	(6175.15)	(5477.95)
Depreciation written back	NIL	NIL
Cumulative losses	(7507.20)	(6175.15)

During the year ended 31st March, 2023, your company could achieve a total turnover of Rs.10414.13 lakhs against Rs.8909.58 lakhs for 2021-22. The total sale for the year 2022-23 is in excess by Rs.1504.55 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 period items and Tax stood at Rs.1332.05 lakhs against a net loss of Rs.697.20 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. 656.90 lakhs during the year as against Rs.639.59 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.661.35 lakhs as against the previous year's sale of Rs. 431.74 lakhs.

iii)Sale of Fabricated goods.

During the year under report, fabricated goods worth Rs.512.45 lakhs were sold as against Rs.496.14 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.7265.82 lakhs were sold as against Rs.7040.32 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.129.59 lakhs as against a turnover of Rs.111.63 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 % and that by Govt. of India is 35.76%.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.7507.20 lakhs as on 31.03.2023, 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. V.Kunhali.	Chairman	24-01-2022	
2.	Shri. K.G.Prathap Raj	Managing Director	25-01-2022	
3.	Shri.C.R.Lohi	Director	20-12-2016	
4.	Sri.Sabir Husain.S	Director	23-09-2020	
5.	Sri. S.Y.Sunil Das	Director	13-02-2019	08-12-2022
6.	Shri.R.Abhilash Chandran	Director	08-12-2022	
7.	Shri.E.N.Suresh Babu	Director	12-04-2017	26-04-2022
8.	Shri.Jose Mathews	Director	26-04-2022	
9.	Shri.K.K.Sivaraman	Director	26-04-2022	
10.	Shri.R.Sasi	Director	26-04-2022	
11.	Shri.K.K.Jayaprakash	Director	11-05-2022	

7)BOARD MEETINGS – Sec.134(3)(b).

The Board of Directors met 7 times during this financial year as stated below.

SL.NO:	Number of Board Meeting.	Date of Board Meeting.
1.	286	07-04-2022
2.	287	30-06-2022
3.	288	10-08-2022
4.	289	31-08-2022
5.	290	29-09-2022
6.	291	20-12-2022
7.	292	27-03-2023



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 2022-23 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. MANOJ & SAJEEV, Chartered Accountants, TC.9/1444(2), TRRAW D18B, Moolayil Lane, Sasthamangalam.Po, Trivandrum - 695010, was appointed as the Statutory Auditors of company for the year 2022-23. 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 qualified opinions in the main report of Auditors. In the previous year there was adverse opinion in the auditor's report and company has taken steps for clearance of deviations noted in the audit report of previous year and some of them were rectified. Thus the auditor has issued only a qualified report based on our rectifications. However, actions will be initiated to rectify the deviations to the possible extent in future.

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 may review the accounts for the year 2022-23 under Section 143(6) (b) of the Companies Act 2013, and based on which comments certificate may be issued. The comments certificate is also a part of the Annual Report.



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 31.03.2022.
- 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: 30/04/2026

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

ANNEXURE TO DIRECTORS' REPORT 2022-23

Form No: MGT - 9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March 2023)

[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 2022)				No. of shares held at the end of the year (As on 31-March 2023)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promotors									
(1) Indian									
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
Sub Total (A) (1)		474109	474109	100		474109	474109	100	0
(2) Foreign									
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
Sub Total (A) (2)		0	0	0		0	0	0	-
Total shareholding of promoter (A) = (A)(1) + (A) (2)	NA	474109	474109	100	NA	474109	474109	100	0
B. Public Shareholding	NA	NA	NA	NA	NA	NA	NA	NA	NA
1. Institutions	0	0	0	0	0	0	0	0	0
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
Sub-total (B) (1)	0	0	0	0	0	0	0	0	0

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	NA	NA	NA	NA	NA	NA	NA	NA	NA
ii) Overseas	NA	NA	NA	NA	NA	NA	NA	NA	NA
b) Individuals									
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
Sub-Total (B) (2)									
Total Public Share holding (B) = (B)(1)+(B)(2)	NA	0	0	0	NA	0	0	0	NA
C. Shares held by custodian for GDRs & ADRs	NA	0	0	0	NA	0	0	0	NA
Grand Total (A+B+C)	NA	474109	474109	100	NA	474109	474109	100	0



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
Total		474109	100	Nil	474109	100	Nil	0

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 01.04.2022 and 31.03.2023

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
A	DIRECTORS							
		Nil	Nil	Nil	Nil	NA	Nil	NA
B	KEY MANAGERIAL PERSONNEL							
	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 indebteness (Rs) in lakhs
Indebtness at the beginning of the financial year 2022-23				
i) Principal Amount	5.96	924.78	NIL	930.74
ii) Interest due but not paid	0	2666.89	NIL	2666.89
iii) Interest accrued but not due	0	0	NIL	0
Total (i+ii+iii)	5.96	3591.67	NIL	3597.63
Change in Indebtness during the financial year				
* Addition	0	167.07	NIL	167.07
* Reduction	2.57	0	NIL	2.57
Net Change	-2.57	167.07	NIL	164.50
Indebtness at the end of the financial year 2022-23				
i) Principal Amount	3.39	924.78	NIL	928.17
ii) Interest due but not paid	0	2833.96	NIL	2833.96
iii) Interest accrued but not due	0	0	NIL	0
Total (i+ii+iii)	3.39	3758.74	NIL	3762.13

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)
		K.G.Prathap Raj, Managing Director.		
1	Gross salary			
	(a) salary as per provisions contained in section 17(1) of the Income tax Act 1961 (RS)	1125000.00		1125000.00
	(b) value of perquisites u/s 17(2) of Income tax Act 1961	NIL		0.00
	(c) Profits in lieu of salary under section 17(3) of Income tax Act 1961	NIL		0.00
2	Stock Option	NIL		0.00
3	Sweat Equity	NIL		0.00
4	Commission:	NIL		0.00
	as % of profit	NIL		0.00
	others, specify	NIL		0.00
5	Others, Please Specify (Rs)			
	i) Leave salary	0.00		0.00
	ii) Travelling Expenses	0.00		0.00
	iii) Telephone Charges	0.00		0.00
	iv) Medical Expenses	104995.00		104995.00
	Total (A)	1229995.00		1229995.00
	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. V.Kunhali (Chairman), Sri.K.G.Prathap Raj (MD), Sri. C.R.Lohi, Sri.Sabir Hussain.S, Sri.Sunil Das.S.Y., Sri.R.Abhilash Chandran, Sri.E.N.Suresh Babu, Sri. Jose Mathews, Sri. K.K.Sivaraman, Sri. R.Sasi and Sri.K.K.Jayaprakah (Directors).	
1	Independent Directors		
	Fee for attending board/committee meetings		0
	Commission		0
	Others, please specify		0
	Total (1)		0
2	Other non-executive Directors		
	Fee for attending board/committee meetings		9,500.00
	Commission / Honorarium to chairman		240000.00
	Others, please specify (Travelling Expense)		53052.00
	Total (2)		3,02,552.00
	Total (B) = (1+2)		3,02,552.00
	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	
1	Gross salary	NA	There was no CS during the year 2022-23 but consultancy arrangement done.		
	(a) salary as per provisions contained in section 17(1) of the Income tax Act 1961	NA	0	7,20,250.00	7,20,250.00
	(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 , (Professional Fee)	NA	0	0	0
	Total	NA	0	720250.00	720250.00
	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)
A. COMPANY					
Penalty	87	NA	NA	NA	NA
Punishment	Nil	NA	NA	NA	NA
Compounding	Nil	NA	NA	NA	NA
B. DIRECTORS					
Penalty	Nil	NA	NA	NA	NA
Punishment	Nil	NA	NA	NA	NA
Compounding	Nil	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
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

30-04-2026



[Signature]

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 2023

Principal Accountant General (Audit-I), Kerala has issued NIL Comments Certificate under Sec. 143(6)(b) of the Companies Act, 2013 for the year 2022-23.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


MANAGING DIRECTOR

THIRUVANANTHAPURAM
Dated: 08/06/2026



INDEPENDENT AUDITORS' REPORT

To the Members of

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED, TRIVANDRUM

CIN: U29211KL1968SGC002172

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **THE KERALA AGRO INDUSTRIES CORPORATION LIMITED, CIN: U29211KL1968SGC002172, TRIVANDRUM**, which comprises the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the act read with the Companies (Accounting Standards) Rules, 2021 and accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and statement of loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. We draw attention to;

- Note No.7&9 in the Standalone Financial Statements discloses that the Company's fixed-term borrowing of ₹3,752.74 lakhs (including accrued interest) from the Government of Kerala has matured, with no realistic prospects of renewal or repayment. Further, the Company has not complied with the terms and conditions stipulated in the loan agreement.
- The Company's current liabilities exceed its current assets by ₹5,125.14 lakhs, indicating a working capital deficit. Additionally, the Company has been unable to settle trade payables within the agreed credit period or realize trade receivables on time.
- Note No. 3 highlights that the Company has accumulated net losses amounting to ₹7,507.20 lakhs. The net worth of the Company, excluding revaluation reserves,



stands at a negative ₹4,986.70 lakhs, raising serious concern over its financial health.

- *The Company has failed to meet various statutory obligations, including:*
 - *Provision for VAT: ₹321.16 lakhs*
 - *Provision for GST: ₹114.74 lakhs*
 - *Dues to EPF Trust: ₹472.89 lakhs*
 - *Dues to LIC Linked Gratuity Scheme: ₹230.40 lakhs*
 - *LWF Payable: ₹11.87 lakhs*
 - *Interest demanded by VAT Department: ₹640.14 lakhs*
- *Government of India vide letter dated 29-11-2024 proposed Disinvestment/Transfer of Government of India's share.*
- *Note No.31 (xii) 'Disclosure of Ratios' shows adverse key financial ratios.*

In our opinion, the above matters collectively indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Standalone Financial Statements do not adequately disclose this fact.

2. *We have observed material weaknesses of internal control in the nature, timing and completeness of financial transactions, accuracy and maintenance of accounting records, financial statement closure process, compliance with applicable direct and indirect statutes, adherence to accepted accounting principles and maintenance and physical verification of Property, Plant and Equipment and inventories of the company, which we believe, could result in a material misstatement of the Standalone Financial Statements.*
3. (a) *The Company has disclosed trade receivables amounting to ₹12,446.42 lakhs under Note No. 14 to the Standalone Financial Statements. However, the Company does not have an established system for obtaining balance confirmations or performing periodic reconciliations of these receivable balances. In response to our audit inquiries, management represented that a significant portion of these balances is intended to be set off against corresponding trade payables, which would necessitate an extensive review of historical ledger records. In the absence of balance confirmations and reconciliations, we are unable to ascertain the existence, accuracy, or recoverability of the reported trade receivables, and accordingly, we are unable to determine the potential impact, if any, of adjustments that may arise upon reconciliation and settlement. Further, trade receivables aggregating to ₹10,827.76 lakhs have been outstanding for a period exceeding six months, against which no provision has been recognized in accordance with AS29. As per the age-wise analysis disclosed in Note No. 28, approximately 54% of the receivables have been outstanding for more than three years, which, in our view, requires provisioning.*

(b) *The Company has disclosed trade payables amounting to ₹10,166.47 lakhs under Note No. 8 to the Standalone Financial Statements. Similar to trade receivables, no balance confirmations or reconciliations have been performed for these amounts.*



Management has represented that the trade payables are largely adjusted against trade receivables and that determining the net balance would require a detailed examination of historical records. In the absence of such reconciliations and confirmations, we are unable to ascertain the accuracy or existence of the reported trade payables. Also, The Company has disclosed that it has not classified its trade payable as required under MSMED Act, 2006 and hence the interest on delayed payment cannot be quantified.

(c) As per the explanations provided, many of these balances relate to earlier periods and have reportedly been settled. However, the corresponding accounting adjustments have not been effected in the books. The management has initiated a process to identify and reconcile such balances and to pass necessary accounting entries.

- 4. The Company has reported a closing balance of ₹1,794.64 lakhs as 'Trade Advances' under 'Other Current Assets' (Note No. 16) and ₹6,984.28 lakhs as 'Trade Advances Received' under 'Other Current Liabilities' (Note No. 9). However, it does not have a system in place for obtaining confirmations, reconciling balances, or maintaining adequate records for these transactions. Management stated that these advances are to be offset against trade receivables and payables, requiring a detailed review of old ledgers. The Company has undertaken steps to set off those balances which were long outstanding and pending reconciliation.*
- 5. Note No. 16 describes a case of employee fraud committed during the financial years 2019-20 to 2021-22 amounting to ₹62.02 lakhs. Of this, ₹14.25 lakhs have been recovered. However, the remaining ₹47.77 lakhs remains unrecovered as the employee's terminal benefits are insufficient. In this regard, the Board has resolved to impose a penalty of termination from service in accordance with the applicable Officers and Staff Bye-laws, and to recover the remaining amount by adjusting the employee's DCRG, Earned Leave encashment, and other terminal benefits, and to pursue revenue recovery proceedings and/or civil and criminal legal action as deemed appropriate. Furthermore, The Company lacks fidelity insurance coverage against such incidents.*
- 6. Note No. 15.3 describes an instance of misappropriation of cash by an employee during the financial year 2022-23, arising from the omission of recording certain sales through the manual billing system. The resultant financial loss to the Company which has been quantified at ₹3.16 lakhs, has been duly recognized in the accounts. This indicates a weakness in internal controls over sales recording and cash handling. However, the employee filed a Writ petition WP(C) No:39527/2024 before the Hon. High court and the High court, through its order dated 05/01/2026, set aside its disciplinary proceedings against the employee. The Corporation further resolved that the reinstatement and further continuance of the employee in service shall be subject to the final judgement in WP(C) No: 34552 of 2023, and the Corporation shall take further action as required based on the outcome of the said case.*
- 7. The Company undertakes sponsored projects for which it receives funds and incur related expenditure. An amount of ₹874.97 lakhs received for such projects has been shown as a credit balance under 'Trade Receivables' instead of being disclosed separately under*



'Other Non-Current Liabilities.' Management explained that although majority of these funds have been utilized, the corresponding accounting entries are scattered across various ledgers and cannot currently be traced or offset, due to the complexity and time required to review past transactions. Moreover, the Company has not submitted utilization certificates for these funds. As a result, we are unable to comment on the utilization or quantify any potential misstatements arising from reconciliation and offsetting process.

8. Note No. 12.2 of the Standalone Financial Statements discloses that when Meat Products India Limited became an independent entity in 1985, it issued fully paid equity shares worth ₹45.56 lakhs to the Government of Kerala in full settlement of a loan with interest as per G.O. (MS) No.311/85/AD dated 28.11.1985. Subsequently, the Government ordered only the refund of the share value, while the Company has continued to claim ₹133.49 lakhs, including interest up to 2008-09, as receivable and the matter is pending for disposal. The Company ceased accruing interest on this loan from 2008-09 due to uncertainties over its recovery, and no acknowledgment of the debt has been obtained for nearly four decades. Despite the lack of recoverability, no provision has been made for this amount, resulting in an overstatement of both 'Other Non-Current Assets' and 'Reserves and Surplus' in violation of AS-29.
9. As disclosed in Note No. 12.3, investments in Meat Products India Ltd. (MPIL) and Kerala Agro Machinery Corporation Ltd. (KAMCL), amounting to ₹37.65 lakhs and ₹117 lakhs respectively—erstwhile subsidiaries of the Company—were reduced to a token value of Re. 1 each pursuant to Government Order No. GO(MS) No. 216/85/AD dated 08-07-1985 issued by the Government of Kerala. Although the Company has represented to the Government for the adjustment of these investment losses against the working capital loan repayable to the Government, no final decision has been received. Consequently, the Corporation has not charged the resulting loss to retained earnings, leading to an overstatement of 'Other Non- Current Assets' and 'Reserves & Surplus' by ₹154.65 lakhs.
10. In accordance with AS-28 'Impairment of Assets', an entity is required to recognize an impairment loss when the carrying amount of an asset exceeds its recoverable amount. However, it has been noted that the Company has not performed the required assessment of recoverable value for its assets. In the absence of such evaluation, we are unable to comment on whether any impairment loss should be recognized, or to quantify the potential impact of such non-compliance.
11. As per AS-10 'Property, Plant and Equipment', any revaluation surplus relating to a depreciable asset should be transferred to revenue reserves either upon retirement/disposal of the asset or proportionately over its remaining useful life based on the differential depreciation arising on account of revaluation. During the financial year 2014-15, the Company recognized a revaluation reserve of ₹7,028.36 lakhs in respect of freehold land and ₹1,353.68 lakhs in respect of buildings and plant & machinery. The said reserve has continued to be carried forwarded and disclosed under Note No. 3(d) as 'Revaluation Reserve' under 'Reserves and Surplus', without



transferring the proportionate depreciation attributable to revalued buildings and plant & machinery to revenue reserves.

During the current year, the Company has initiated corrective action by providing depreciation pertaining to revalued fixed assets for prior years and adjusting the same from the Revaluation Reserve to the General Reserve which amounting to ₹141.83 lakhs. However, depreciation has been provided only in respect of factory building. Depreciation relating to the remaining plant and machinery continues to be unadjusted. Further, while the Company has provided Fixed Asset Register details for the current year, the absence of corresponding records and detailed asset schedules from FY 2014-15 onwards has limited our ability to quantify the cumulative impact of such non-compliance on the financial statements.

Consequently, to the extent depreciation on the revalued portion of office building and plant & machinery has not been provided in the earlier and current years, the carrying amount of Property, Plant and Equipment and the Revaluation Reserve are overstated, and the loss for the current year as well as retained earnings for earlier years are understated to the corresponding extent. However, in view of the non-availability of complete asset records, the exact financial impact of the above non-compliance cannot be ascertained.

12. Note No. 3(e) reflects an unutilized government grant of ₹754.98 lakhs from the Government of Kerala. However, the Company's bank balance does not support the existence of this grant, indicating that the amount has been used to meet operating expenses, contrary to its intended purpose. No grant orders were provided for verification, and hence, we are unable to assess compliance with AS-12 'Accounting for Government Grants'. During the year, the Company did not receive any grant. Furthermore, no reconciliation between bank balances and grant receipts has been furnished, impairing verification of grant utilization and disclosures.

Further, according to AS 12 (Accounting for Government Grants), the Government Grant received should be classified as 'Deferred Government Grant' under Non-current liabilities. However, the closing balance of the Government Grant amounting to ₹754.98 lakhs is reported under the heading 'Other Reserve Grant-in-Aid' in Note no. 3(e) under 'Reserves and Surplus' in the standalone financial statements, instead of being classified as 'Deferred Government Grant' under 'Non-current liabilities'.

13. Note No. 7 discloses a sum of ₹6.00 lakhs received as a temporary loan from Oil Palm India Ltd., which has been classified under Short-Term Borrowings. The Company has represented that the loan is interest-free. However, no loan agreement or other documentary evidence has been made available to substantiate this representation. Consequently, we are unable to determine whether the loan has been appropriately classified, whether any interest expense is required to be recognized, or whether any adjustments to the financial statements are necessary in this regard.
14. The Company has obtained a total of ₹900.99 lakhs through ten long-term working capital loans from the Government of Kerala. However, no sanction order was provided



for one loan amounting to ₹50.00 lakhs, G.O. dated 01.11.1990. Among the remaining nine loans, only two sanction orders specify interest rates and repayment terms. Due to the unavailability of complete loan documentation, we are unable to assess the accuracy of the classification, interest liabilities, and repayment obligations related to these loans. Furthermore, in the absence of the relevant terms and conditions, we cannot comment on whether a charge should have been created against any of these borrowings.

- 15. As per Note No.7, an amount of ₹17.79 lakhs being the short term loan from the Government of Kerala is classified as Short Term Borrowing as the loan is repayable on demand. However, the Company has not provided any supporting documentation or sanction order indicating the terms and conditions of this loan. As such, we are unable to comment on the classification, interest liability, repayment terms, or the need for charge creation related to this borrowing.*
- 16. The Company has reported a closing balance of ₹17.89 lakhs in 'Sundry Creditors for Others' under 'Other Current Liabilities' in Note No. 9. However, no system is in place to obtain confirmations or perform reconciliations for these creditor balances. In the absence of such supporting documentation, we are unable to verify the existence or completeness of these liabilities or determine any potential misstatements arising from their settlement or reconciliation.*
- 17. In Note No. 17, the Company has recorded VAT interest of ₹640.14 lakhs as a Contingent Liability. The Company has opted for the amnesty scheme only for Assessment Years 2010-11, 2015-16, and 2017-18, and settlement certificates granting the waiver of arrears of tax, interest & penalty were issued by the GST Authority as on the reporting date. The Company has not applied for the scheme for the remaining years and hence the associated interest and penalty should have been recognized as a provision rather than a contingent liability, resulting in non-compliance with AS 29- Provisions, Contingent Liabilities and Contingent Assets. Additionally, VAT late payment interest up to 31st March 2023 has not been accounted for.*
- 18. As disclosed in Note No. 17, the Company has recorded an amount of ₹431.37 lakhs as penal interest on interest on Government loans under 'Contingent Liabilities and Commitments'. According to the relevant loan sanction order, both the principal and interest amounts become due on a quarterly basis, implying that penal interest on delayed interest should also accrue quarterly. However, the Company has erroneously calculated the penal interest on the assumption that it is due annually. Additionally, the total interest outstanding used in the calculation does not align with the balance of interest accrued and due as reported in Note No. 9, under 'Other Current Liabilities'. This has resulted in an incorrect computation of penal interest on interest, leading to potential misstatement in the contingent liabilities disclosure.*
- 19. The total income reported in the Company's Goods and Services Tax (GST) returns stands at ₹10,466.14 lakhs, whereas the income reflected in the profit and loss statement amounts to ₹10,547.89 lakhs excluding amortization of government grant and interest on fixed deposit. The differences have not been reconciled or adjusted in the books of account as at the reporting date. In the absence of such reconciliation and necessary*



adjustments, we are unable to determine the impact of these differences on revenue, trade receivables, GST liabilities, and loss for the year.

20. *The Company's purchases and expenses as per GSTR 8A total ₹5,390.50 lakhs; however, it has not furnished a breakdown of this figure into distinct components of purchases and other expenses. In contrast, the purchases reported in the Profit and Loss Statement amount to ₹9,422.08 lakhs. In the absence of adequate supporting documentation or explanations for the variances with the GST returns, we are unable to assess the accuracy of GST credits availed or determine any potential tax impact due to non-reconciliation.*

21. *The Cash Flow Statement prepared by the Company shows cash flows from investing activities of ₹7.07 lakhs and financing activities of ₹-135.22 lakhs, which has not been based on the actual cash transactions. The Company has prepared Cash Flow Statement using the indirect method, which is not permissible under AS-3 for investing and financing activities. Additionally, the reported cash flows from operating (Rs. 942.38 lakhs), investing, and financing activities include provisions, receivables, and misclassifications that do not represent actual cash movements.*

The classification and presentation of cash flows under operating, investing and financing activities are not in alignment with the prescribed format. In the absence of proper classification, reconciliation, and adequate supporting details, we are unable to determine the correctness and completeness of the Cash Flow Statement. Accordingly, the Cash Flow Statement is not in compliance with Schedule III to the Companies Act, 2013.

22. *The Company has reported an outstanding secured car loan of Rs. 3.39 lakhs from Bank of Baroda under secured loans. However, it has not filed Form CHG-1 with the Registrar of Companies (ROC) to create a charge in favour of the bank, which constitutes a violation of Sections 77 and 86 of the Companies Act, 2013. Further, a review of the MCA's Index of Charges reveals two loans which was availed from Canara Bank, amounting to Rs. 10.71 lakhs dated 18/04/1986 and Rs. 50.00 lakhs dated 26/08/1982) is no longer reflected in the Company's books of account. Despite the closure of these loans, the Company has not filed Form CHG-4 to register the satisfaction of charges, thus violating Section 82 of the Companies Act, 2013. Although the management has represented that the said forms has been filed and is currently under processing on the MCA portal, until such time the charge is duly registered and approved by the Registrar of Companies, the Company continues to be in non-compliance with the provisions of Sections 77 and 86 of the Companies Act, 2013. This non-compliance may attract penal consequences for the Company and its officers.*

23. *As per the records available on the Ministry of Corporate Affairs (MCA) portal as at the date of this report, the names of Mr. Jose Mathew and Mr. K.K. Jayaprakash appear twice in the list of directors of the Company. Further, Mr. Antholy Rajesh, who has ceased to be a director of the Company, continues to appear as a director on the MCA portal. According to the management, the above discrepancies have arisen due to inadvertent errors and the Company has already filed the requisite forms with the MCA for rectification. However, as at the date of this audit report, the said changes have not been reflected on the MCA portal. In the absence of confirmation of correction of the*



above discrepancies on the MCA portal, we are unable to comment on the completeness and accuracy of the statutory records relating to directors as maintained under the Companies Act, 2013.

24. *The Company established the "Kerala Agro Industries Corporation Employees Contributory Provident Fund Scheme" on 20th May 1978 to manage employees' provident fund contributions. However, for the year ended 31st March 2023, the Company has failed to remit both employee and employer contributions to the Trust, despite regular deductions from employees' salaries. As of the reporting date, Rs. 133.46 lakhs of employee contributions and Rs. 165.47 lakhs of employer contributions remain unpaid. This constitutes a significant violation of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, exposing the Company to potential penalties, legal consequences, and reputational risks under labor and social security laws.*
25. *An outstanding amount of Rs. 11.87 lakhs has been reported as Labour Welfare Fund (LWF) payable under 'Sundry Creditors for Expenses' in Note No. 9. The Company has deducted LWF contributions from contractors but has not remitted these amounts to the Kerala Labour Welfare Fund Board, as mandated under the Kerala Labour Welfare Fund Act, 1975. The failure to transfer these funds may attract penalties, interest, and legal action, representing non-compliance with statutory obligations.*
26. *As per Note No. 16 – Other Current Assets, TDS receivable as per books amounts to ₹10.62 lakhs, whereas Form 26AS reflects ₹10.26 lakhs, resulting in a difference of ₹0.36 lakhs. Of this, ₹0.26 lakhs pertains to the Thiruvalla Unit, which is stated to be receivable as per unit records; however, supporting documentation was not made available for audit verification, and the remaining ₹0.10 lakhs could not be identified.*
27. *As per Letter No.A1/20/274 dated 08.10.2021, the Company was entitled to receive Rs. 1.25 lakhs as consultancy charges from VAFPCCL, out of which only Rs. 0.56 lakhs has been received and accounted for. The remaining Rs. 0.69 lakhs has not been recorded in the books, resulting in an understatement of both other income and trade receivables. Additionally, the Company has neither raised invoices nor filed GST returns on the unrecorded amount, potentially leading to tax non-compliance.*
28. *As on 31st March 2023, the Company has reported EMD and security deposit liabilities of Rs. 112.83 lakhs and receivables of Rs. 70.77 lakhs under Notes 9 and 16 respectively. However, the Company does not maintain a system to distinguish deposits related to completed projects versus ongoing projects. In the absence of confirmations and reconciliations, we are unable to determine the accuracy of these balances or quantify any potential impact on the Standalone Financial Statements resulting from misclassification or long-outstanding deposits.*
29. *The Statement of Profit and Loss includes an amount of ₹10.26 lakhs disclosed under a separate head titled "Previous Year Tax". As per Schedule III to the Companies Act, 2013, tax expense is required to be presented only under the heads "Current Tax" and "Deferred Tax", and no separate head for "Previous Year Tax" is prescribed. On enquiry, the management has informed that the said amount comprises refund of TDS of*



₹5.19 lakhs relating to Assessment Year 2021-22 and ₹5.06 lakhs relating to Assessment Year 2022-23 claimed in the respective Income tax returns, which has been adjusted during the year against income-tax demands. Such adjustment represents settlement of earlier year refund receivables against tax demands and does not constitute tax expense of the year. Accordingly, the classification and presentation of the said amount as tax expense is not in accordance with the requirements of Schedule III and has resulted in overstatement of tax expense and affecting the presentation of the Statement of Profit and Loss by ₹10.26 lakhs.

The Cash Flow Statement for the year includes the same Rs. 10.26 lakhs as current year income tax expense. Had this amount been appropriately classified in accordance with Schedule III to the Companies Act, 2013, the income tax expense and net cash flows from operating activities would have been lower by ₹10.26 lakhs.

30. *It has been observed that outstanding income tax demands of ₹2.88 lakhs and ₹0.13 lakhs, aggregating to ₹3.01 lakhs, pertaining to Assessment Year 2020-21, have been raised on the Income Tax portal pursuant to computation under Section 154 of the Income-tax Act, 1961. These demands remain unpaid as at the date of this report. However, the Company has not recognized any provision for these demands in its books of account. Consequently, the liabilities and income tax expense are understated by ₹3.01 lakhs, and the financial statements do not reflect the Company's obligations and expenses of ₹3.01 lakhs.*

31. *The Company has stated that interest income on bank deposits is accounted based on bank confirmations received for the year, instead of accounting for interest on an accrual basis supported by interest certificates or computation as per agreed rates. However, the Company has not recognized accrued interest income pertaining to the period up to the balance sheet date which is receivable in the subsequent financial year. As a result, interest income has not been accounted for on an accrual basis in accordance with AS-9 – Revenue Recognition.*

Consequently, interest income for the year is understated and current assets (accrued interest receivable) are also understated to the corresponding extent. The impact of the same on the loss for the year and retained earnings is not ascertainable in the absence of detailed workings and supporting documentation.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.



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

Emphasis of Matter

We draw attention to the following matters:

- 1. As per the actuarial valuation of the LIC linked gratuity scheme, the defined benefit obligation as at 31 March 2023 amounts to ₹249.04 lakhs, with current service cost of ₹15.65 lakhs. The actuarial valuation also identifies plan assets amounting to ₹34.29 lakhs. In accordance with Accounting Standard (AS) 15 – Employee Benefits, the defined benefit liability is required to be recognised in the financial statements on a net basis, being the defined benefit obligation reduced by the fair value of plan assets, with appropriate disclosures thereof in the notes. However, the Company has recognised the gross gratuity liability of ₹264.69 lakhs in the balance sheet and disclosed the plan assets of ₹34.29 lakhs separately in the notes to accounts. Such presentation is not in accordance with AS 15, which requires recognition of only the net gratuity liability of ₹230.40 lakhs, with the gross obligation and plan assets disclosed by way of detailed disclosures. Accordingly, the presentation of gratuity liability is not in compliance with AS 15.*
- 2. As per Note No. 9 – Other Current Liabilities, the Company has reported ₹12.55 lakhs payable to retired employees towards gratuity who are not covered under the LIC Linked Gratuity Scheme. The delay in payment of gratuity violates the provisions of the Payment of Gratuity Act, 1972.*

The Company is having group gratuity scheme with LIC of India. The Company has conducted actuarial valuation as per AS-15 employee benefits and also considered actuarial valuation done by LIC of India. Provision of Rs. 264.69 lakhs has been provided in the accounts based on the actuarial valuation done by LIC.

Our Opinion is not modified in respect of the matters mentioned above.

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

The Company's management and Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board's Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the Standalone Financial Statements and the Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.

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



If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve



collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), Issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.



2. As required by section 143(1) of the Act, based on our audit we report that:

a. *With reference to Note No.16, the Company has granted an unsecured loan amounting to Rs. 20.00 lakhs during the financial year 2016-17 to M/s. Vazhakkulam Agro Fruit Processing Company Limited.*

- *The loan agreement does not stipulate any interest, which is prejudicial to the financial interest of the Company.*
- *The loan document specifies a repayment schedule, no repayments have been received as of the year under audit, indicating that the repayment terms are not being adhered to and the loan recovery is irregular.*

3. As required by section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 Company does not have separate branch audit and branch auditor. Accordingly, the reporting requirements under Section 143(8) and the proviso thereto are not applicable
- d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account except for the matters specifically mentioned in the report.
- e) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2014 except for the matters specifically mentioned in the report.
- f) The matter described in the Basis of Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- g) On the basis of written representations received from the directors as on 31st March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023, from being appointed as a director in terms of section 164(2) of the Act.
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.



- i) 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 B**”.
- j) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company’s has disclosed the impact of pending litigations on its financial positions in its Standalone Financial Statements. – Refer Note. No. 30 to the Standalone Financial Statement
 - ii. The Company’s did not have any long-term contracts including derivative contracts requiring a provision for material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or any kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company’s (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.



- v. No dividend declared or paid during the year by the Company's is in compliance with Section 123 of the Companies Act, 2013.
- vi. *Based on our examination, which included test checks, we observed that the Company has used Tally Prime ERP accounting software for maintaining its books of account. Although this software has a feature for recording an audit trail (edit log), we found that the audit trail feature was not operating during the reporting period for the transactions recorded in the software. Consequently, we were unable to verify the integrity of the audit trail throughout the year.*
4. As required by Directions issued by the Comptroller and Auditor General of India, in terms of sub-section (5) of Section 143 of the Act, we give in "Annexure C" a Statement on the matters specified in the said directions, to the extent applicable.

UDIN: 26206626SFYAWV8484

For Manoj & Sajeev
Chartered Accountants

FRN. 008024S



Sajeev R, FCA
(Partner)

M No. 206626

Place: Trivandrum

Date: 18.04.2026



Annexure A to the Independent Auditor's Report of even date on the Standalone Financial Statements of The Kerala Agro Industries Corporation Limited, Trivandrum, CIN: U29211KL1968SGC002172 ('the company')

The Annexure referred to in paragraph I under "Report on Other Legal and Regulatory Requirements of our Report of even date to the members of the Company on the Standalone Financial Statements for the year ended 31st March 2023, we report that:

- (i)(a) (A) The Company is not maintaining proper records showing full particulars including quantitative details and situation of the Property, Plant and Equipment.
- (B) The Company doesn't have any Intangible Assets in its books of accounts.
- (b) The Company does not have any methods or policy to identify material discrepancies and they have not conducted any physical verification of its Property, Plant & Equipment at reasonable intervals.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) which is disclosed in the financial statement are held in the name of the company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any Benami Property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory; however, the verification was not carried out at reasonable intervals. Further, internal controls over inventory management and safeguarding are weak and require improvement.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned with working capital limit in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.



- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities except;

Refer Note No. 16, Temporary Loan to Vazhakkulam Agro Fruit Processing Company Limited amounting to Rs. 20.00 lakhs. As per Section 186(5) of the Companies Act, 2013, no investment shall be made or loan or guarantee or security given by the Company unless a resolution sanctioning it is passed at a meeting of the Board with the consent of all the directors present at the meeting. Furthermore, as per Section 186(4) of the Companies Act, 2013, the Company is required to disclose in the Standalone Financial Statements the full particulars of any loans given, investments made, or guarantees given, along with the purpose for which the loan, guarantee, or security is proposed to be utilized by the recipient. Additionally, as per Rule 12 of The Companies (Meeting of Board and its Powers) Rules, 2014, every Company giving a loan, providing a guarantee, or security, or making an acquisition of securities must maintain a register in Form MBP 2, from the date of its incorporation, which should record separately the particulars of loans, guarantees given, securities provided, and acquisitions made. The Company has not complied with the aforementioned provisions.

- (v) The Company has accepted neither any deposits from the public nor any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on paragraph 3(v) of the Order is not applicable to the Company.
- (vi) Maintenance of cost records as specified under Section 148(1) of the Companies Act, 2013 is not applicable to the Company. Accordingly, the requirement to report on paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the records of the Company and subject to the Basis of Qualified Opinion, undisputed statutory dues including, Goods and Services Tax, Provident Fund, Employees State Insurance, Income Tax, Sales-Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, cess and any other statutory dues to the extend applicable have generally been regularly deposited with the appropriate authorities except in the following;



<i>Name of the statute</i>	<i>Nature of the dues</i>	<i>Amount (Rs. In Lakhs)</i>	<i>Period to which the amount relates</i>	<i>Remarks</i>
<i>Goods & Services Tax</i>	<i>Tax, Interest and penalty</i>	46.18	2018-19	<i>GST Demand raised by the GST Department based on the Order No 25/AC/GST/2024-25 dated 25.04.2024.</i>
<i>Goods & Services Tax</i>	<i>Tax, Interest and penalty</i>	68.56	2019-20	<i>GST Demand raised by the GST Department based on the Order No37/AC/GST/2024-25 dated 16.08.2024.</i>
<i>Value Added Tax</i>	<i>Tax, Interest and penalty</i>	961.32	<i>AY 1998-99, AY 2011-12 To AY 2017-18,</i>	<i>Demand raised by VAT Department vide 12 notices</i>
<i>Gratuity</i>	<i>LIC linked gratuity scheme</i>	230.40	<i>Till 2022-23</i>	<i>Total amount payable to LIC linked gratuity scheme.</i>
<i>Gratuity</i>	<i>Gratuity of employees, retired employees</i>	20.62	<i>Till 2022-23</i>	<i>Total gratuity payable of employees in KAFP division and retired employees.</i>
<i>Provident Fund</i>	<i>Employee & Employer contribution</i>	472.89	<i>Till 2022-23</i>	<i>Total amount due to the trust 'Kerala Agro Industries Corporation Employees Contributory Provident Fund Scheme'.</i>

- (b) According to the information and explanations given to us, there were no disputed amounts payable in respect of statutory dues in arrears which were outstanding as at 31st March, 2023
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year. Hence paragraph 3(viii) of the Order is not applicable to the Company.



Manoj & Sajeev

CHARTERED ACCOUNTANTS

- (ix)(a) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank or financial institution. However, the Company has defaulted in the repayments of loan from Government of Kerala and the details of the same are;

Nature of Borrowing	Name of Lender	Amount (Rs. In lakhs)	Principal or interest	Date of Disbursement	Remarks
Working Capital Loan	Government of Kerala	50.00	Principal	11.12.1990	Company has not repaid any principal or interest on loan from Government of Kerala from the date of disbursement of the loans
		25.00		23.10.1997	
		50.00		27.10.1998	
		51.00		09.01.2003	
		150.00		07.10.2008	
		89.99		2006-07	
		80.00		2007-08	
		90.00		2010-11	
		215.00		22.04.2010	
		100.00		26-08-2017	
Total		900.99			
Interest on above mentioned Loans		2711.36	Interest		
Short Term Loan	Government of Kerala	2.69	Principal	29.03.1979	
		1.80		21.08.1980	
		1.80		21.08.1980	
		1.23		07.08.1981	
		1.75		09.09.1981	
		0.70		13.10.1981	



		2.40		19.08.1982	
		2.12		15.12.1982	
		0.68		19.08.1983	
		2.03		18.11.1983	
		0.60		Not available	
Total		17.79			
Interest on above mentioned Loans		122.60	Interest		

- (b) According to the information and explanations given to us and the procedures performed by us, the Company has not been declared as willful defaulter by any bank or financial institutions or other lender. Hence paragraph 3(ix) (b) of the Order is not applicable.
- (c) According to the information and explanations given to us and the procedures performed by us, no term loan has been sanctioned to the Company during the year and the term loans outstanding as on Balance sheet date has been utilized by the Company during the prior years. So, we are unable to comment whether the loan has been utilized for the purpose for which it is obtained. Also, the Company has not prepared utilization certificate for the loans as stipulated in the loan document.
- (d) According to the information and explanations given to us and the procedures performed by us, and on an overall examination of the Standalone Financial Statements of the company, no short term loan has been sanctioned to the Company during the year and the short term loans outstanding as on Balance sheet date has been utilized by the Company during the prior years. So, we are unable to comment whether the short loans have been utilized for the long term purpose.
- (e) The Company has not taken any funds or loans from any entity or person on account of or to meet the obligations of its any subsidiary, associates or joint venture (as defined under the Companies Act 2013) during the year ended March 31, 2023. Hence paragraph 3(ix) (e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its any subsidiary, associates or joint venture (as defined under the Companies Act 2013) during the year ended March 31, 2023. Hence paragraph 3(ix) (f) of the Order is not applicable.



- (x) (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments), hence the paragraph 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year hence the paragraph 3(x)(b) of the Order is not applicable.
- (xi)(a) Based on the audit procedures performed and the information and explanations given to us, during the year under audit, a fraud on the Company has been noticed and reported. The nature and amount involved are as below;

Nature of Fraud	Amount	Remarks
Misappropriation of Asset- Cash	Rs.3.16 lakhs (During the year 2022-23)	FIR No.0994/2022 registered with Fort Police Station. The detailed note on fraud is provided in Note No.15 of the Notes to Accounts.
	Rs.62.02 lakhs (FY 2019-20, 2020-21 and 2021-22)	FIR No: 1381/2025 dated 16-07-2025 has been filed with Fort Police Station.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government as the paragraph 3(xi)(b) of the Order is not applicable to the Company.
- (c) The establishment of whistle blower mechanism is not applicable to the Company hence reporting under paragraph 3(xi)(c) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company's, all transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever



applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

- (xiv)(a) According to the information and explanation given to us and based on our examination of the records of the company, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
- (b) Internal audit applicability as per section 138 of Companies Act is not applicable to the Company and the Company has not conducted an internal audit during the period under audit. Accordingly, paragraph 3 (xiv)(b) is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Paragraph (xvi)(a), (b), (c) & (d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses in the current financial year and immediately preceding financial year and as follows;

Year	Amount (Rs. In lakhs)
2022-23	1138.47
2021-22	499.17

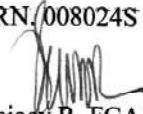
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Paragraph 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios disclosed in notes to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying Standalone Financial Statements, our knowledge of the Board of Directors and management's plans and based on our examination of the evidence supporting the assumptions, a *material uncertainty* exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



- (xx) In our opinion and according to the information and explanations given to us, Section 135 of Companies Act, 2013 is not applicable to the Company. Accordingly, paragraph 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) Consolidated Financial Statement not applicable to the Company. Accordingly, Paragraph 3(xxi) of the Order is not applicable.

UDIN: 26206626SFYAWV8484

For Manoj & Sajeev
Chartered Accountants
FRN/008024S


Sajeev R, FCA
(Partner)
M No. 206626

Place: Trivandrum
Date: 18.04.2026



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls over financial reporting 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, TRIVANDRUM, CIN: U29211KL1968SGC002172 ('the company')** as of 31st March, 2023, 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, 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 Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidences 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 Standalone 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:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone 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.

Opinion:

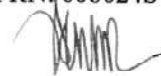
In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting subject to the qualifications as such indicated under the Basis for Qualified Opinion and Emphasis of Matter paragraph and Annexure A and such internal financial controls over financial reporting were operating effectively as at March 31st, 2023, 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 Institute of the Chartered Accountants of India.

UDIN: 26206626SFYAWV8484

For Manoj & Sajeev
Chartered Accountants
FRN: 008024S



Sajeev R, FCA
(Partner)
M No. 206626

Place: Trivandrum
Date: 18.04.2026



ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Directions under section 143(5) of the Companies Act' 2013 on the audit of accounts of the Company for the year 2022-23, we report the following:

1.	Whether the Company has system in place to process, all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside the IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company uses an IT system based on Tally Prime ERP software. However, the software is not being fully utilized to generate comprehensive reports such as Inventory Reports, Bank Reconciliation Statements, GST Reports, TDS Reports, MSME Reports, etc.
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts/ loans interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?	There has been no restructuring of any existing loans, nor have there been any cases of waiver or write-off of debts, loans, or interest by any lender due to the Company's inability to repay its obligations.
3.	Whether funds (grants/subsidy) received/ receivable for specific schemes from Central/ State government or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	The Company has not properly accounted and/or utilized funds/grant/subsidy received as per the terms and conditions. The deviations mentioned in Basis of Qualified Opinion section of Independent Auditors Report as Qualification No. 7 & 12 are reproduced below: <i>7. The Company undertakes sponsored projects for which it receives funds and incurs related expenditure. An amount of Rs. 874.97 lakhs received for such projects has been shown as a credit balance under Trade Receivables instead of being disclosed separately under 'Other Non-Current Liabilities.' Management explained that although majority of these funds have been utilized, the corresponding accounting entries are scattered across various ledgers and cannot</i>



	currently be traced or offset, due to the complexity and time required to review past transactions. Moreover, the Company has not submitted utilization certificates for these funds. As a result, we are unable to comment on the utilization or quantify any potential misstatements arising from reconciliation and offsetting process. 12. Note No. 3(e) reflects an unutilized government grant of Rs. 754.98 lakhs from the Government of Kerala. However, the Company's bank balance does not support the existence of this grant, indicating that the amount has been used to meet operating expenses, contrary to its intended purpose. No grant orders were provided for verification, and hence, we are unable to assess compliance with AS-12 'Accounting for Government Grants'. During the current year, the Company did not receive any grant. Furthermore, no reconciliation between bank balances and grant receipts has been furnished, impairing verification of grant utilization and disclosures. Further, according to AS 12 (Accounting for Government Grants), the Government Grant received should be classified as 'Deferred Government Grant' under 'Non-current liabilities'. However, the closing balance of the Government Grant amounting to Rs. 754.98 lakhs is reported under the heading 'Other Reserve Grant-in-Aid' in Note no. 3(e) under 'Reserves and Surplus' in the standalone financial statements, instead of being classified as 'Deferred Government Grant' under 'Non-current liabilities'.
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Sector specific sub - Directions under 143(5) of the Companies Act, 2013

Agriculture and Allied Sector

1.	Whether the land owned by the Company is encroached upon, 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.
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Manoj & Sajeev
CHARTERED ACCOUNTANTS

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?	Not Applicable
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 in overvaluation of stock?	The management has not conducted physical verification of inventory at reasonable intervals during the year under Audit. Internal control over inventory is very weak, because of the absence of periodical physical verification. Therefore, 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.	The management has not conducted physical verification of inventory at reasonable intervals during the year under Audit. Internal control over inventory is weak, because of the absence of periodical physical verification. No insurance claim has been reported during the period of audit.
5.	Whether the Company has an effective mechanism for disbursement of loans/ subsidies/ agro inputs and agriculture machineries to beneficiaries and recovery thereof (loans) along with interest, if any, from beneficiaries?	Not Applicable
6.	Whether grants subsidies received for implementing various schemes are accounted for as per the accounting standards and utilized for intended purpose.	The Company has not properly accounted and/or utilized funds/grant/subsidy received as per the terms and conditions. The deviations mentioned in Basis of Qualified Opinion section of Independent Auditors Report as Qualification No. 7 & 12 are reproduced below: <i>7. The Company undertakes sponsored projects for which it receives funds and incurs related expenditure. An amount of Rs. 874.97 lakhs received for such projects has been shown as a credit balance under Trade Receivables instead of being disclosed separately under 'Other Non-Current</i>



	<i>Liabilities.' Management explained that although majority of these funds have been utilized, the corresponding accounting entries are scattered across various ledgers and cannot currently be traced or offset, due to the complexity and time required to review past transactions. Moreover, the Company has not submitted utilization certificates for these funds. As a result, we are unable to comment on the utilization or quantify any potential misstatements arising from reconciliation and offsetting process.</i> <i>12. Note No. 3(e) reflects an unutilized government grant of Rs. 754.98 lakhs from the Government of Kerala. However, the Company's bank balance does not support the existence of this grant, indicating that the amount has been used to meet operating expenses, contrary to its intended purpose. No grant orders were provided for verification, and hence, we are unable to assess compliance with AS-12 'Accounting for Government Grants'. During the current year, the Company did not receive any grant. Furthermore, no reconciliation between bank balances and grant receipts has been furnished, impairing verification of grant utilization and disclosures</i> <i>Further, according to AS 12 (Accounting for Government Grants), the Government Grant received should be classified as 'Deferred Government Grant' under Non-current liabilities' However, the closing balance of the Government Grant amounting to Rs. 754.98 lakhs is reported under the heading 'Other Reserve Grant-in-Aid' in Note no. 3(e) under 'Reserves and Surplus' in the standalone financial statements, instead of being classified as 'Deferred Government Grant' under 'Non-current liabilities'</i>
7.	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.	There is a case of diversion of grants/subsidies received from Central/State Government or their agencies for performing certain activities. The deviation, mentioned in Basis of Qualified Opinion section of Independent Auditors Report as Qualification No. 12 is reproduced below: <i>12) Note No. 3(e) reflects an unutilized government grant of Rs. 754.98 lakhs from the Government of Kerala. However, the Company's bank balance does not support the existence of this grant, indicating that the amount has been used to meet operating expenses, contrary to its intended purpose. No grant orders were provided for verification, and hence, we are unable to assess compliance with AS-12 'Accounting for Government Grants'. During the current year, the Company did not receive any grant. Furthermore, no reconciliation between bank balances and grant receipts has been furnished, impairing verification of grant utilization and disclosures.</i> <i>Further, according to AS 12 (Accounting for Government Grants), the Government Grant received should be classified as 'Deferred Government Grant' under Non-current liabilities' However, the closing balance of the Government Grant amounting to Rs. 754.98 lakhs is reported under the heading 'Other Reserve Grant-in-Aid' in Note no. 3(e) under 'Reserves and Surplus' in the standalone financial statements, instead of being classified as 'Deferred Government Grant' under 'Non-current liabilities'</i>
2. Cases of wrong accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes may be reported.	Since grant orders and Utilization certificates are not submitted for verification, and there is no separate accounting for interest earned on grants in the Standalone Financial Statements, we are unable to comment on the accounting of



		interest earned on account of non-utilization of amounts received for certain projects/schemes and it is mentioned in Basis of Qualified Opinion section of our Independent Auditors Report as Qualification No. 12 and is reproduced as below: <i>12) Note No. 3(e) reflects an unutilized government grant of Rs. 754.98 lakhs from the Government of Kerala. However, the Company's bank balance does not support the existence of this grant, indicating that the amount has been used to meet operating expenses, contrary to its intended purpose. No grant orders were provided for verification, and hence, we are unable to assess compliance with AS-12 'Accounting for Government Grants'. During the current year, the Company did not receive any grant. Furthermore, no reconciliation between bank balances and grant receipts has been furnished, impairing verification of grant utilization and disclosures.</i> <i>Further, according to AS 12 (Accounting for Government Grants), the Government Grant received should be classified as 'Deferred Government Grant' under Non-current liabilities' However, the closing balance of the Government Grant amounting to Rs. 754.98 lakhs is reported under the heading 'Other Reserve Grant-in-Aid' in Note no. 3(e) under 'Reserves and Surplus' in the standalone financial statements, instead of being classified as 'Deferred Government Grant' under 'Non-current liabilities'</i>
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.	We are unable to comment on the utilization of plant & machinery and its obsolescence, since the Company is not maintaining



	proper records showing full particulars including quantitative details and situation of the Property, Plant and Equipment and the management has not conducted any physical verification of its Property, Plant & Equipment at reasonable intervals.
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Services Sector

1.	Whether the Company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the time of fixation of price?	As per the information and explanation provided to us, the Company maintains a pricing policy that covers all cost components.
2.	Whether the Company recovers commission for work executed on behalf of Governments/other organizations that is properly recorded in the books of accounts? Whether the Company has an efficient system for billing and collection of revenue?	Yes, the Company recovers commission for work executed on behalf of Governments/other organizations. However the Company does not have an efficient system for billing and collection of revenue due to the lack of proper internal financial controls.
3.	Whether the Company regularly monitors timely receipt of subsidy from Government and is properly recording them in its books?	The Company has not received any subsidy during the financial year.
4.	Whether interest earned on parking of funds received for specific projects from Government was properly accounted for?	Since grant orders are not submitted for verification and no separate details on interest earned on grant funds are accounted, we are unable to comment on the accounting of interest earned on account of non-utilization of amounts received for certain projects/schemes and it is mentioned in Basis of Qualified Opinion section of our Independent Auditors Report as Qualification No. 12 and is reproduced as below: <i>12) Note No. 3(e) reflects an unutilized government grant of Rs. 754.98 lakhs from the Government of Kerala. However, the Company's bank balance does not support the existence of this grant, indicating that</i>



		<i>the amount has been used to meet operating expenses, contrary to its intended purpose. No grant orders were provided for verification, and hence, we are unable to assess compliance with AS-12 'Accounting for Government Grants'. During the current year, the Company did not receive any grant. Furthermore, no reconciliation between bank balances and grant receipts has been furnished, impairing verification of grant utilization and disclosures.</i> <i>Further, according to AS 12 (Accounting for Government Grants), the Government Grant received should be classified as 'Deferred Government Grant' under Non-current liabilities' However, the closing balance of the Government Grant amounting to Rs. 754.98 lakhs is reported under the heading 'Other Reserve Grant-in-Aid' in Note no. 3(e) under 'Reserves and Surplus' in the standalone financial statements, instead of being classified as 'Deferred Government Grant' under 'Non-current liabilities'</i>
5.	Whether the Company has entered into Memorandum of Understanding with its Administrative Ministry, if so, whether the impact thereof has been properly dealt with in the Standalone Financial Statements.	No, the Company has not entered into Memorandum of Understanding with its Administrative Ministry.

Trading

1.	Whether the Company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?	No, the Company does not have an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries and the same is mentioned in Qualification No. 3 a Basis of Qualified Opinion section of our Independent
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		Auditors Report and same is reproduced below: <i>a) The Company has disclosed trade receivables amounting to Rs. 12,446.42 lakhs under Note No. 14 to the Standalone Financial Statements. However, the Company does not have an established system for obtaining balance confirmations or performing periodic reconciliations of these receivable balances. In response to our audit inquiries, management represented that a significant portion of these balances is intended to be set off against corresponding trade payables, which would necessitate an extensive review of historical ledger records. In the absence of balance confirmations and reconciliations, we are unable to ascertain the existence, accuracy, or recoverability of the reported trade receivables, and accordingly, we are unable to determine the potential impact, if any, of adjustments that may arise upon reconciliation and settlement. Further, trade receivables aggregating to Rs. 10,827.76 lakhs have been outstanding for a period exceeding six months, against which no provision has been recognized in accordance with AS29. As per the age-wise analysis disclosed in Note No. 28, approximately 54% of the receivables have been outstanding for more than three years, which, in our view, requires provisioning.</i>
2.	Whether the Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/ excess noticed during physical verification.	Yes, The Company has a system of physical verification of inventories. However, the inventory records and valuation processes require strengthening to ensure that such verification is fully effective <u>Para (ii) of Annexure A</u> The management has conducted physical verification of inventory; however, the verification was not carried out at



		reasonable intervals. Further, internal controls over inventory management and safeguarding are weak, because of the absence of periodical physical verification and require improvement.
3.	The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported.	The Company does not have an effective system for recovery of dues in respect of sale activities and is reported in Qualification No. 3(a) in Basis of Qualified Opinion section of our Independent Auditors Report and same is reproduced below: <i>a) The Company has disclosed trade receivables amounting to Rs. 12,446.42 lakhs under Note No. 14 to the Standalone Financial Statements. However, the Company does not have an established system for obtaining balance confirmations or performing periodic reconciliations of these receivable balances. In response to our audit inquiries, management represented that a significant portion of these balances is intended to be set off against corresponding trade payables, which would necessitate an extensive review of historical ledger records. In the absence of balance confirmations and reconciliations, we are unable to ascertain the existence, accuracy, or recoverability of the reported trade receivables, and accordingly, we are unable to determine the potential impact, if any, of adjustments that may arise upon reconciliation and settlement. Further, trade receivables aggregating to Rs. 10,827.76 lakhs have been outstanding for a period exceeding six months, against which no provision has been recognized in accordance with AS29. As per the age-wise analysis disclosed in Note No. 28, approximately 54% of the receivables have been outstanding for more than three years, which, in our view, requires provisioning.</i>



Miscellaneous Sector

Other

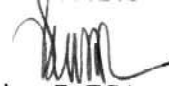
1. Examine the system of effective utilization of loans/Grant-in-Aid/ Subsidy. List the cases of diversion of funds.	The Company has not properly accounted and/or utilized funds/grant/subsidy received as per the terms and conditions. The deviations mentioned in Basis of Qualified Opinion section of Independent Auditors Report as Qualification No. 7 & 12 are reproduced below: <i>7. The Company undertakes sponsored projects for which it receives funds and incur related expenditure. An amount of Rs. 874.97 lakhs received for such projects has been shown as a credit balance under Trade Receivables instead of being disclosed separately under 'Other Non-Current Liabilities.' Management explained that although majority of these funds have been utilized, the corresponding accounting entries are scattered across various ledgers and cannot currently be traced or offset, due to the complexity and time required to review past transactions. Moreover, the Company has not submitted utilization certificates for these funds. As a result, we are unable to comment on the utilization or quantify any potential misstatements arising from reconciliation and offsetting process.</i> <i>12. Note No. 3(e) reflects an unutilized government grant of Rs. 754.98 lakhs from the Government of Kerala. However, the Company's bank balance does not support the existence of this grant, indicating that the amount has been used to meet operating expenses, contrary to its intended purpose. No grant orders were provided for verification, and hence, we are unable to assess compliance with AS-12 'Accounting for Government Grants'. During the current year, the Company did not receive any grant. Furthermore, no</i>
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		reconciliation between bank balances and grant receipts has been furnished, impairing verification of grant utilization and disclosures. Further, according to AS 12 (Accounting for Government Grants), the Government Grant received should be classified as 'Deferred Government Grant' under Non-current liabilities' However, the closing balance of the Government Grant amounting to Rs. 754.98 lakhs is reported under the heading 'Other Reserve Grant-in-Aid' in Note no. 3(e) under 'Reserves and Surplus' in the standalone financial statements, instead of being classified as 'Deferred Government Grant' under 'Non-current liabilities'
2.	Examine the cost benefit analysis of major capital expenditure/ expansion including IRR and payback period.	Not Applicable
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 areas such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and whether 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 Tally Prime ERP software.

UDIN: 26206626SFYAWV8484

For Manoj & Sajeev
Chartered Accountants
FRN. 008024S


Sajeev R, FCA
(Partner)
M No. 206626

Place: Trivandrum
Date: 18.04.2026



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

CIN: U29211KL1968SGC002172
BALANCE SHEET AS AT 31 MARCH 2023

Rupees in Lakhs

	Note No.	As at 31.03.2023	As at 31.03.2022
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	2	474.11	474.11
b) Reserves and Surplus	3	2779.41	4279.25
2 Share Application Money Pending Allotment		NIL	NIL
3 Non-current Liabilities			
a) Long Term Borrowings	4	3.39	15.96
b) Deferred Tax Liabilities (Net)		NIL	NIL
c) Other Long Term Liabilities	5	25.63	25.63
d) Long Term Provisions	6	376.90	139.50
4 Current Liabilities			
a) Short-term Borrowings	7	32.79	23.79
b) Trade Payables	8	10166.47	8027.35
(A) total outstanding dues of micro enterprises and small enterprises; and		NIL	NIL
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		NIL	NIL
c) Other Current Liabilities	9	11929.56	11097.37
d) Short Term Provisions		NIL	NIL
Total:		25788.26	24082.96
II ASSETS			
1 Non-current Assets			
a) (a) Property, plant and equipment and Intangible assets			
(i) Property, plant and equipments	10	8434.45	8463.63
(ii) Intangible Assets		NIL	NIL
(iii) Capital Work-in-Progress	10	48.20	243.25
(iv) Intangible Assets under development		NIL	NIL
b) Non-Current Investments	11	.10	.10
c) Long-term Loans and Advances		NIL	NIL
d) Other Non Current Assets	12	301.83	299.86
2 Current Assets			
a) Current Investments		NIL	NIL
b) Inventories	13	518.43	1534.34
c) Trade Receivables	14	12446.42	10541.56
d) Cash and Cash Equivalents	15	1880.86	1066.62
e) Short-term Loans and Advances		NIL	NIL
f) Other Current Assets	16	2157.97	1933.60
g) Contingent liabilities and commitments (Not provided for Rs. 1071.51 Lakhs)	17		
Total:		25788.26	24082.96

Significant Accounting Policies

Notes to Financial Statements

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


MANOJ KUMAR.C.P
MANAGING DIRECTOR
DIN NO: 11489742


V.KUNHALI
CHAIRMAN
DIN NO: 09536693

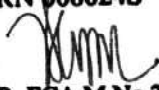
Thiruvananthapuram
18/04/2026



1
1 to 32

As per report of date
UDIN: 26206626SFYAWV 8484

For MANOJ & SAJEEV
Chartered Accountants
FRN 008024S


SAJEEV R, FCA.M.No.206626
(Partner)

Place: Thiruvananthapuram
Date: 18.04.2026



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

CIN: U29211KL1968SGC002172

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

Rupees in Lakhs

	Note No.	For the year ending 31.03.2023	For the year ending 31.03.2022
I Revenue from Operations	18	10414.13	8909.58
II Other Income	19	189.66	136.88
III Total Income		10603.79	9046.46
IV Expenses			
Cost of Raw Material Consumed	20	97.24	76.58
Purchase of Stock-in-Trade	21	9322.40	7955.28
Changes in Inventories	22	1014.89	-217.04
Employee Benefit Expenses	23	756.74	733.31
Administrative and Other Expenses	24	509.19	708.22
Finance Cost	25	144.22	144.16
Depreciation and Amortisation	10	105.80	142.94
Total:		11950.48	9543.45
V Profit/(Loss) before exceptional and extraordinary items		-1346.70	-496.99
VI Exceptional Items		NIL	NIL
a Prior Period Items	26	24.91	-85.47
b Provision for GST		-	-114.74
VII Profit/(Loss) before extraordinary expenses and tax		-1321.79	-697.20
VIII Extraordinary Items		-	-
IX Profit/(Loss) before tax		-1321.79	-697.20
X Tax Expenses			
a) Current Tax		-	-
b) Deferred Tax		-	-
c) Previous year Tax		-10.26	-
XI Profit/(Loss) for the period		-1332.05	-697.20
XII Earnings per share (In Rupees)	27		
Basic		-280.96	-147.06
Diluted		-280.96	-147.06

Significant Accounting Policies

Notes to Financial Statements

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


MANOJ KUMAR.C.P
MANAGING DIRECTOR
DIN NO: 11489742


V KUNHAL
CHAIRMAN
DIN NO: 09536693

Thiruvananthapuram
18/04/2026



1
1 to 32

As per Report of date

UDIN: 26206626 SFYAWV8484

For MANOJ & SAJEEV
Chartered Accountants
FRN 008024S


SAJEEV R, FCA.M.No.206626
(Partner)

Place: Trivandrum
Date: 18.04.2026



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
CIN: U29211KL1968SGC002172

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

		Rupees in lakhs	
PARTICULARS	31st March 2023	31st March 2022	
1 Cash Flow from Operating Activities			
Net Profit/(Loss) before extraordinary items and Tax	-1321.79	-697.20	
Adjustments:			
Depreciation	222.98	142.94	
Interest Expense	144.22	144.16	
Deferred Grant Amortisation	-167.26	-78.71	
Profit on sale of assets	-	-	
Interest Income	-5.82	-10.36	
Prior period Deferred Income Adjusted	-	-	
Income Tax Payment	-10.26	-	
Reserve Adjustment	-53	-	
Operating Profit before working capital changes	-1138.47	-499.17	
Decrease/(Increase) in cur assets (excluding cash & bank)	-1113.32	-7623.67	
Increase/(Decrease) in cur liabilities (except current maturities of long term borrowings)	2794.24	4748.93	
Increase/(Decrease) in non current Provisions	237.39	41.06	
(Increase)/Decrease in other non current assets	-1.97	7104.49	
(Decrease)/Increase in Long Term Borrowings	164.50	130.12	
Increase/(Decrease) in other Long Term Liability	-	-4227.93	
Increase/(Decrease) in other Short Term Liability	-	23.79	
Net cash from operating activities	942.38	-302.37	
2 Cash Flow from Investing Activities			
Addition to Fixed Assets	-193.80	-16.21	
Grant Received	-	85.00	
Grant Resumed by Government	-	-25.00	
(Increase) / Decrease Capital Work in Progress	195.05	-	
profit on sale of assets	-	-	
Interest	5.82	10.36	
Net cash from Investing Activities	7.07	54.15	
3 Cash Flow from Financing Activities			
Loan against Fixed Deposit	9.00	-	
Interest	-144.22	-144.16	
Net cash from Financing Activities	-135.22	-144.16	
Net change in cash & cash equivalent (1+2+3)	814.24	-392.38	
Cash & cash equivalents at the beginning of the period (Ref. Note No.15)	1066.62	1459.00	
Cash & cash equivalents at the end of the period (Ref. Note No.15)	1880.86	1066.62	

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

MANOJ KUMAR.C.P
MANAGING DIRECTOR
DIN:11489742

V.KUNHALI
CHAIRMAN
DIN: 09536693

Thiruvananthapuram
18/04/2026



As per Report of date
UDIN: 26206626 SFYAWIV8484

For MANOJ & SAJEEV
Chartered Accountants
FRN 008024S

SAJEEV R, FCA.M.No.206626
(Partner)

Place : Trivandrum
Date : 18.04.2026



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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 treated as expense in the year of purchase and for addition during a year depreciation is provided on pro-rata basis. Depreciation for



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THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

the 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.

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 2023

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. 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.

12. 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. But provision for Gratuity and Leave salary are determined by actuarial valuation done by approved actuaries. 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.

13. GOVERNMENT GRANT

Any Government grant is recognized when there is reasonable assurance of its receipt and accounting is done as per the Income approach. On receipt of Grant it is credited to Grant in Aid account and on utilization of Grant in Aid is debited and Deferred Government Grant account is credited. A capital grant relating to specific assets is credited to Deferred Government Grant account and depreciation of such assets is treated as deferred income by debiting Deferred Government Grant and which is recognized in P&L statement over the useful life of the asset. The Revenue grant is also initially credited to Deferred Government Grant and recognized in the statement Profit and Loss as and when corresponding expense is incurred. The capital grant for project capital subsidy is credited to Capital Reserve on utilization of the Grant.

14. GOVERNMENT LOAN

Government loan is accounted on receipt basis and amortization of loan accounted as and when repayment made or waiver of which granted by Government. If the repayment date of Government loan is already matured or maturing within one year from the date of balance sheet that is treated as Current Liability and others is shown as long term loan. The interest on loan and its penal interest are accounted on accrual basis and accrued amount is shown as Current Liability. The interest on penal interest not specifically mentioned in loan sanctioning order. However, it is calculated on annual basis and shown as contingent liability.



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THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

2. Share Capital:

Rupees in Lakhs		
	As at 31.03.2023	As at 31.03.2022
a) Authorised Capital 500,000 Equity Shares of ₹100 each	500.00	500.00
	=====	=====
b) Issued, subscribed and fully paid up capital 474,109 Equity Shares of ₹100 each (Previous Year: 474,109 Equity Shares of ₹100 each)	474.11	474.11
	474.11	474.11

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:

Particulars	31st March, 2023	31st March, 2022
Equity shares at the beginning of the year	474109	474109
Add: Share issued during the current financial year	Nil	Nil
Equity shares at the end of the year	474109	474109

2.3 The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

2.4 There is no fresh issue or buyback of shares during the year.

2.5 There is no change in the number of shares outstanding at the beginning and at the end of the year.

2.6 There is no change in the pattern of shareholding during the year. It is same as the last year.

2.7 Shares held by promoters at the end of the year 31st March 2023

Sl No	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Government of India	169562	35.76	Nil
2	Government of Kerala	304547	64.24	Nil
	Total	474109	100.00	

2.8 Shares held by promoters at the end of the year 31st March 2022

Sl No	Promoter Name	No of Shares	% of total shares	% Change during the year
1	Government of India	169562	35.76	Nil
2	Government of Kerala	304547	64.24	Nil
	Total	474109	100.00	



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THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

3. Reserves and Surplus:

		Rupees in Lakhs	
		As at 31.03.2023	As at 31.03.2022
a) Capital Reserve:			
Opening balance		.53	.53
Additions during the year:			
Less: Deductions during the year:		.53	
Closing balance		.00	.53
b) General Reserve			
General Reserve (Transfer from Revaluation Reserve)		141.83	-
		141.83	-
c) Deferred Government Grant			
Opening balance		1316.85	1387.86
Additions during the year:			
For Capital Expenditure		-	7.70
For Previous Years Excess Deferred Income		-	2.44
Less: Deductions during the year:			
For Current Year		50.08	81.15
For Previous Year		117.18	-
Closing balance		1149.59	1316.85
d) Revaluation Reserve:			
Opening balance			
Relating to revaluation of Freehold Land		7028.36	7028.36
Relating to revaluation of Assets		1353.68	1353.68
Less: Transfer to General Reserve from revaluation of assets		141.83	-
Balance		1211.85	
Closing balance		8240.22	8382.04
e) Other Reserve - Grant-in-Aid:			
Opening balance		754.98	702.68
Additions:			
Grant received during the year		-	85.00
Prior Period Adjustment		-	-
		754.98	787.68
Deductions:			
Utilised for Capital Expenditure		-	7.70
Utilised for Revenue Expenses		-	-
Fund Resumed by Government		-	25.00
Closing balance		754.98	754.98
f) Profit and Loss Account:			
As per last balance sheet		-6175.15	-5477.95
Add: Profit / (loss) for the year		-1332.05	-697.20
Closing balance		-7507.20	-6175.15
Total Reserves and Surplus		2779.41	4279.25

- 3.1 Grant in Aid represents movement in receipt, utilisation, and carry over balance of Grant received from Government of Kerala each year.
- 3.2 The Deferred Government Grant represents the utilisation of Govt Grant and transfer of amount equivalent to Revenue Grant portion and depreciation of assets formed with Grant transferred to Deferred Income.
- 3.3 Revaluation Reserve represents appreciation in value of freehold land and other Fixed assets owned by the Corporation as on 31 March 2015. The appreciation has been arrived at on the basis of the location and market value of the property. The depreciation written off on the revalued factory building from 2015-16 to 2022-23 has been transferred to General Reserve in 2022-23. The total revaluation figure of the assets like building, Plant & Machinery etc have been allocated to different assets and depreciation written off up to 2022-23. But the identification of depreciation on revaluation amount is not easy at this stage. It has to be reworked and depreciation portion of the revaluation amount has to be identified for such a transfer to General Reserve. The reworking and identification of depreciation attributable to the revalued amount and its transfer to General Reserve will be done in 2023-24.
- 3.4 No Government Grant received during the year 2022-23.



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

4. Long-term Borrowings:

Rupees in Lakhs

	As at 31.03.2023	As at 31.03.2022
a) Secured Loans:		
Car loan	3.39	5.96
b) Unsecured Loans :		
Working Capital Loan from Government of Kerala	-	10.00
	3.39	15.96

4.1 The working capital loan of ₹ 10 lakhs grouped under Long Term Borrowings in previous year is now grouped under current maturity in Note No.9 since the repayment date became due during the current year.

5. Other Long-term Liabilities:

(Dues)/ Receivables Pending Adjustment/ Reconciliation:		
Classified erstwhile as current assets	21.62	21.62
Classified erstwhile as current liabilities	47.26	47.26
	25.63	25.63

5.1 The above accounts represent balances of debtors and creditors 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 2022-23 amount classified from Current Assets is Nil and from Current Liabilities is Nil. The details of the above will be obtained after analysis of previous year accounts.

6. Long Term Provisions:

Guarantee Commission to Government of Kerala	-	7.52
Gratuity for KAFP Division	8.07	13.51
Gratuity for KAICO	249.04	-
Earned Leave Salary of KAICO	118.60	117.33
Earned Leave Salary of KAFP Division	1.19	1.14
	376.90	139.50

6.1 Guarantee Commission due to Government of Kerala pertaining to periods up to FY 2006-07 amounting to ₹7.52 lakhs (PY ₹ 7.52 lakhs) has been remitted during the year 2022-23.

6.2 Gratuity of KAFP amounting to ₹8.07 lakhs (PY ₹14.17 lakhs) and that of KAICO amounting to ₹ 249.04 lakhs, Earned leave salary of KAICO ₹ 118.60 lakhs(PY ₹117.33 lakhs) and that of KAFP amounting to ₹1.19 lakhs (PY ₹1.14 lakhs) are provided based on the report of Actuarial Valuation done as on 31.03.2023. The Actuarial Valuation done by LIC is considered for providing liability in respect of gratuity of KAICO employees since we are a member of the Group Gratuity Cash Accumulation Plan of LIC.

7.Short Term Borrowings

Loan against Fixed Deposit	9.00	-
Short-term Loan from Government of Kerala	17.79	17.79
Loan from Oil Palm India Ltd	6.00	6.00
	32.79	23.79

7.1 The loans from Oil Palm India Limited are interest free loans. The rate of interest implicit in other loans is in the range of 10.50% to 19.5% per annum.

7.2 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 and as such the same amounting to ₹ 431.37 lakhs (PY ₹ 371.73 lakhs) is shown as contingent liability not provided for as Note No.17.



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THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

8. Trade Payable:

	Rupees in Lakhs	
	As at 31.03.2023	As at 31.03.2022
Outstanding for a period exceeding six months from due date	7625.05	5967.47
Outstanding for a period upto six months	2541.42	2059.87
	10166.47	8027.35

8.1 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.

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

8.3 The details of age wise analysis of Trade Payables are shown as Note No. 29

9. Other Current Liabilities:

Current maturities of long term debt :-		
a) Working Capital Loan from Government of Kerala	900.99	890.99
b) Interest accrued and due to Government of Kerala	2833.96	2666.89
EMD and Security Deposit	112.83	103.41
Sundry Creditors for Expenses	386.80	536.55
VAT Liability Payable (1998-99 and 2012-13 to 2017-18)	338.78	338.78
GST Liability Payable (2018-19 & 2019-20)	114.74	114.74
Sundry Creditors for Others	17.89	2.09
Trade Advances Received	6984.28	6302.64
Recouping loss in CPF Account	169.72	112.62
Duties & Taxes	69.57	28.66
	11929.56	11097.37

9.1 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 31.03.2023 is ₹230.40 lakhs (PY ₹ 220.11 lakhs) (ie. ₹249.04 lakhs as Provision for Gratuity plus ₹15.65 lakhs as liability to LIC minus ₹34.29 lakhs as deposit with LIC).

9.2 The sales tax departments has done best judgement assessment for the year 1998-99 and from 2012-13 to 2017-18 in respect of the KGST and VAT, and interest for the principal amount due. The principal amount due for KGST and VAT is ₹338.78 lakhs and for which provision has been made in accounts of 2017-18. An amount of ₹13.82 lakhs had been recovered by the Sales Tax Department by freezing our Bank account during the year 2018-19. Thus the balance due against principal amount brought to 324.96 lakhs and which is retained in Provision for VAT account upto 2020-21. On verification of dues with Sales Tax Department, we are informed that the liability of ₹338.78 lakhs is arrived at after set off of the recovered amount and hence the provision for VAT Liability brought back to ₹338.78 lakhs in 2021-22. We have availed Amnesty Scheme for settlement of dues in respect of the years 2010-11, 2015-16 & 2017-18 by remitting an amount of ₹7.70 lakhs. The interest demanded by the department for other years comes to ₹ 640.14 lakhs. As per the Amnesty Scheme of department only principal amount has to be remitted and the interest will be waived, the interest portion is shown as Contingent liability not provided for as Note No.17. Further the matter of settlement of dues is under the consideration of Government and by which an one time settlement may be arrived at exempting interest, penalty and a portion of principal amount. Hence no provision has been made for the interest portion.

9.3 The GST Department has issued orders for remittance of excess ITC availed for the years 2018-19 & 2019-20. The principal amount due for the year 2018-19 is ₹ 46.18 lakhs and that for 2019-20 is ₹ 68.56 lakhs. Thus provision has been made in accounts for the year 2021-22 for the total amount of ₹ 114.74 lakhs. The Central Government has issued direction for waiver of interest and penalty if principal amount is paid on or before 31.03.2025 and as such we have remitted principal amount under Amnesty scheme before 31.03.2025.

9.4 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 (other than KAFP) relating to an employee who was on Deputation from M/s. Autokast Limited worked out to ₹6.80 lakhs and that for KAFP amounting to ₹5.74 lakhs have been disclosed as Gratuity Payable and included under Sundry Creditors for Expenses.

9.5 The rate of interest implicit in Government loans is in the range of 10.50% to 19.5% per annum.

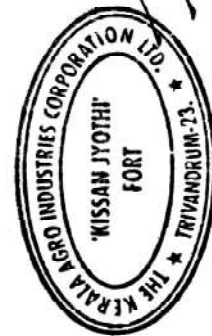


KERALA AGRO INDUSTRIES CORPORATION LIMITED

NOTE FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2023
Note No. 10.1 - Property, plant and equipment and intangible assets (Non-subsidy Grant)

PARTICULARS	ORIGINAL COST			Depreciations				WRITTEN DOWN VALUE	
	1.04.2022	ADDITION	Sale / Transfer	31.03.2023	01.04.2022	Add Back	Depreciation	Sale / Transfer	31.03.2023
1. FREE HOLD LAND	70,40,28,800	-	-	70,40,28,800	-	-	-	-	70,40,28,800
2. OFFICE BUILDING	7,91,40,446	-	-	7,91,40,446	2,67,50,376	-	26,90,098.78	-	4,96,99,971
3. FACTORY BUILDING	2,48,52,492	-	-	2,48,52,492	1,67,92,691	-	10,34,476.52	-	70,25,325
4. PLANT & MACHINERY (GENERAL)	3,29,58,204	-	-	3,29,58,204	2,70,07,337	-	12,01,004.25	-	47,49,863
5. PLANT & MACHINERY (Tractor, Tiller, Combined harvester & Ladder)	3,57,15,670	-	-	3,57,15,670	3,39,20,629	-	8,485.59	-	17,85,556
6. CAR & JEEP	22,83,375	-	-	22,83,375	18,32,441	-	1,44,568	-	3,06,366
7. JCB	3,40,000	-	-	3,40,000	3,23,000	-	-	-	17,000
8. LORRY & TRUCKS	-	-	-	-	0	-	-	-	(0)
9. ELECTRICAL FITTINGS	3,28,092	-	-	3,28,092	2,74,666	-	14,986.52	-	38,440
10. OFFICE EQUIPMENT	26,69,823	54,017	-	27,23,840	24,17,951	-	94,559.32	-	2,11,329
11. FURNITURE & FITTINGS	23,63,138	1,22,381	-	24,85,519	19,26,044	-	1,46,561.93	-	4,12,912
12. FURNITURE & FITTINGS (CANTEEN)	8,212	-	-	8,212	7,801	-	-	-	411
13. WATER COOLER	1,06,393	-	-	1,06,393	77,591	-	5,054.21	-	23,748
14. REFRIGERATED VENDING MACHINE	93,117	-	-	93,117	88,462	-	-	-	4,655
15. COMPUTERS	47,78,956	2,32,418	-	50,11,374	44,57,370	-	2,31,753.49	-	3,22,250
16. LIBRARY	28,168	-	-	28,168	26,760	-	-	-	1,408
TOTAL	88,96,94,886	4,08,815	-	89,01,03,701	11,59,03,119	-	55,71,549	-	76,86,29,033
PREVIOUS YEAR	88,91,02,346	5,92,540	-	88,96,94,886	10,97,38,422	14,891	61,79,587.95	-	77,37,91,767
TOTAL (IN LAKHS)	8896.95	4.09	-	8901.04	1159.03	-	55.72	-	7686.29
PREVIOUS YEAR (IN LAKHS)	8891.02	5.93	-	8896.95	1097.38	.15	61.80	-	7737.92
									7793.64

Note:



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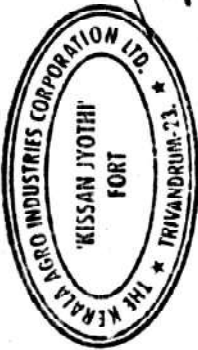
THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2023

Note No. 10.2 - Property, plant and equipment and intangible assets (subsidy Grant)

PARTICULARS	ORIGINAL COST			DEPRECIATION			WRITTEN DOWN VALUE	
	1.04.2022	ADDITION	Sale / Transfer	31.03.2023	01.04.2022	Prior Period Depreciation	31.03.2023	31.03.2022
1. Free Hold Land	-	-	-	-	-	-	-	-
2. Buildings	-	-	-	-	-	-	-	-
(a). Building/show room at thiruvalla/Aripurath	1,41,96,621	-	-	1,41,96,621	47,67,020	-	52,33,964	94,29,601
3. Factory Building	-	-	-	-	-	-	-	-
(b). Building (KAFPI)	1,41,23,636	-	-	1,41,23,636	34,17,589	-	5,30,105	1,01,75,942
(c). Building (ATI Punalur)	1,30,29,571	-	-	1,30,29,571	38,73,860	-	4,59,395	91,55,711
(d). Factory Building	8,81,945	-	-	8,81,945	3,76,804	-	24,525	4,80,615
(e). Plant & Machinery (Jack Fruit Mala)	90,82,973	-	-	90,82,973	-	29,16,407	3,04,515	58,65,050
4. Plant & Machinery (General)	-	-	-	-	-	-	-	-
(b). Plant & Machinery (KAFPI) & unit	2,33,56,635	-	-	2,33,56,635	1,21,40,715	-	21,81,331	90,34,589
(c). Tools, Machines & Office equipments	1,07,18,409	-	-	1,07,18,409	1,01,82,488	-	1,01,82,488	5,35,921
(d). Power Tiller	3,72,04,295	-	-	3,72,04,295	3,51,40,436	-	3,51,40,436	20,63,860
(e). Plant & Machinery (Jack Fruit mala)	61,38,012	-	-	61,38,012	-	58,11,541	19,551	3,06,920
(f). Plant & Machinery (Rice Mill Bathery)	21,15,589	-	-	21,15,589	-	18,87,773	72,874	1,54,942
5. PLANT & MACHINERY (Tractor, Tiller, Combined harvester & Ladder)	-	-	-	-	-	-	-	-
(a). Tractor	4,54,09,315	-	-	4,54,09,315	4,22,75,134	-	15,166	31,34,181
(b). Combined harvester & Ladder	45,84,92,589	-	-	45,84,92,589	43,54,07,963	-	43,55,67,960	2,29,24,529
6. Car & Jeep (Motor Vehicle)	27,56,528	-	-	27,56,528	26,18,702	-	26,18,702	1,37,826
7. JCB	20,46,000	-	-	20,46,000	19,43,700	-	19,43,700	1,02,300
8. Lorry & Truck	29,20,344	-	-	29,20,344	27,74,326	-	27,74,326	1,46,018
9. ELECTRICAL & FITTINGS	5,91,020	-	-	5,91,020	4,52,282	-	39,502	99,236
(a). Electrification of work at Wayanadu	6,27,057	-	-	6,27,057	-	4,90,527	35,885	1,00,546
(b). Electrification at Agri Park	10,07,518	-	-	10,07,518	-	6,11,914	1,05,916	2,89,588
10. Office equipments	2,68,589	-	-	2,68,589	2,55,159.00	-	2,55,159	13,430
11. FURNITURE & FITTINGS	93,36,375.00	-	-	93,36,375	72,83,895	-	5,83,771	14,68,769
12. Furniture & Fitting (Canteen)	-	-	-	-	-	-	-	-
13. Water Cooler	-	-	-	-	-	-	-	-
14. Refrigerated Vending Machine	-	-	-	-	-	-	-	-
15. COMPUTERS	14,15,813.00	-	-	14,15,813.00	13,45,970.48	-	13,45,970.48	70,842.52
16. Library	-	-	-	-	-	-	-	-
17. Transplanter	12,15,011.00	-	-	12,15,011.00	11,36,518.98	-	17,741.15	60,750.87
TOTAL	63,79,63,697	1,89,71,448	-	65,69,34,845	56,53,92,502	-	58,21,18,883	7,25,71,195
PREVIOUS YEAR (2021-22)	63,71,93,952	7,69,745,000	-	63,79,63,696.93	55,75,21,501.00	-	81,34,842.00	7,25,71,195.00
Capital WIP	2,43,25,115.00	-	1,95,04,937.00	48,20,178.00	-	-	48,20,178.41	2,43,25,115.00
Capital WIP (Previous Year)	2,43,25,115.00	-	-	2,43,25,115.00	-	-	2,43,25,115.00	2,43,25,115.00
TOTAL (IN LAKHS)	63,79,63,697	1,89,71,448	-	65,69,34,845	56,53,92,502	-	58,21,18,883	7,25,71,195
PREVIOUS YEAR (2021-22) (IN LAKHS)	63,71,93,952	7,69,745,000	-	63,79,63,696.93	55,75,21,501.00	-	81,34,842.00	7,25,71,195.00
Capital WIP (IN LAKHS)	2,43,25,115.00	-	1,95,04,937.00	48,20,178.00	-	-	48,20,178.41	2,43,25,115.00
Capital WIP (Previous Year) (IN LAKHS)	2,43,25,115.00	-	-	2,43,25,115.00	-	-	2,43,25,115.00	2,43,25,115.00

Note: Out of the total Work in Progress as on 01-04-2022, an amount of ₹ 1,65,35,733/- has been capitalised during the year 2022-23 and amount of ₹ 29,69,204/- has been transferred as rectification of wrong accounting under Capital Work in Progress in previous years. Thus an amount of ₹ 1,95,04,937/- has been transferred from Capital Work in Progress and the closing balance as on 31-03-2023 comes to ₹ 48,20,178/- There is further addition to fixed assets during the year in Factory Building (₹ 21,35,409/-) and Plant & Machinery (₹ 3,00,006/-) of Jack Fruit Processing Unit and thus total capitalisation done in 2022-23 comes to ₹ 1,89,71,148/- The depreciation for the asset addition amounting to ₹ 1,89,71,148/- relating to the previous years from the date of capitalisation to 31-03-2022 worked out to ₹ 1,17,18,163/- is debited to Prior Period Expense.

Capital-Work-in Progress (CWIP) whose completion is overdue	(Amount in Rs.)			
	To be completed in			
	Less than 1 year	2-2 years	2-3 years	More than 3 years
Jack Fruit Unit - Mala	-	-	-	31,50,797
Rice Mill Bathery	-	-	-	16,89,381
Agripark Punalur	-	-	-	-
Total	-	-	-	48,20,178



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

11. Non-Current Investments:

	Amount in Rupees	
	As at 31.03.2023	As at 31.03.2022
Investment in Equity Investments (Long term, fully paid up, unquoted equity shares) (One share of ₹10,000/- of M/s. Kerala Feeds Limited)	.10	.10
	.10	.10

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

12. Other Non Current Assets:

Long term Trade Receivable:		
Deposits for Utility Services	2.78	2.78
Security Deposits	10.91	8.94
Other Long-term Receivables:		
(Unsecured considered doubtful)		
Loan to Meat Products India Limited (MPIL)	133.49	133.49
Investment in Meat Products of India (MPIL)	37.65	37.65
Investment in Kerala Agro Machinery Corporation Limited (KAMCL)	117.00	117.00
	301.83	299.86

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

12.2 When MPIL become an independent company in 1985, it issued fully paid up equity shares to Govt. of Kerala for ₹45.56 lakhs in full settlement of its dues (ie Loan with Interest as per GO (MS) No.311/ 85/AD dated. 28-11-1985) 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 loan together with interest upto 2008-09 ₹133.49 lakhs and the matter is pending for disposal.

12.3 Investments in MPIL and KAMCL (erstwhile subsidiaries of the Corporation) stands reduced to a token value of Re.1 as per order No. GO(MS)No.216/85/AD DT 08-07-1985 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.

13. Inventories:

a) Raw materials	7.34	1.21
b) Work-in-progress	-	.72
c) Finished goods	2.49	1.44
d) Stock-in-trade (goods acquired for trading)	508.60	928.33
e) Stores and spares	-	115.16
f) Loose tools	-	.63
g) Others:		
Fabricated goods	-	480.00
Packing Materials and Containers	-	3.66
Wooden crates, Barrels and RTS bottles (on revaluation)	-	2.83
Consumables at KAFP	-	.36
	518.43	1534.34

13.1 The inventories (ie Raw Material and Stock in Trade) as on 31 March 2023 has been taken based on the physical verification of inventory as on 31.03.2023. The valuation of such inventory has been done at Cost on Weighted Average Price basis.

13.2 Valuation of Work in Progress and Finished Goods are done at Cost or Net Realisable value which ever is lower.



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THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

14. Trade Receivables:

	Rupees in Lakhs	
	As at 31.03.2023	As at 31.03.2022
Unsecured considered good		
Outstanding for a period exceeding six months	10827.76	9170.53
Outstanding for a period upto six months	1618.66	1371.03
	12446.42	10541.56

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

14.2 The details of age wise analysis of Trade Receivables are shown as Note No. 28

15. Cash and Cash Equivalents:

Cash on hand	6.18	3.89
Balance with banks:		
In Current Account	1812.16	977.48
In Deposit Accounts (Interest accrued but not due NIL)	50.68	72.08
Balance with Government of Kerala Treasury Accounts	10.12	10.10
Cheque in transit	1.72	3.08
Total	1880.86	1066.62
a) Earmarked Balance	-	-
b) Margin money or Security against Borrowings, Guarantees etc	-	-
c) Repatriation restrictions on Cash and Bank	-	-

15.1 Balance in deposit accounts with banks bearing maturity of 12 months is Nil.

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

15.3 During an inspection by company officials at Green House of Agro Super Bazaar on 13-10-2022 embezzlement of cash by omitting to record sale through manual billing was detected. Charge Memo issued to the responsible person Sri.Syam.S, Asst. Charge man, and thereafter domestic enquiry conducted by engaging a practicing advocate as Enquiry officer. As per the enquiry report it is proved that an amount of ₹42,503/- has been embezzled by not including sales through manual billing in Tally accounts. Similarly the counterfoils of two bill books consisting of 800 bills (ie.400 each) were not handed over to accounts section and hence sale details through that bill books could not be verified and hence money involved in such bills are calculated as ₹2,73,600/- and considered as embezzled. Thus total loss is arrived at as ₹ 3,16,103/-.

Based on the enquiry report the board directed to terminate Sri.Syam.S from the services of corporation vide Resolution No.3575 in the 304th meeting held on 27-09-2024. A complaint has been filed with police chief, Kerala and based on which an FIR No: 1381/2025 dated 16-07-2025 has been filed with Fort Police station, Thiruvananthapuram and which is pending. Sri.Syam.S has already filed a Writ petition WP(C) No:39527/2024 before Hon'ble High Court of Kerala against the enquiry and his termination from service and against which High Court issued judgment on 05-01-2026. As per the judgment the court observed that there is no evidence to prove the embezzlement and ordered to set aside both the dismissal order issued by company and the minutes of the board to terminate Sri.Syam.S from the service of company. It is also directed to issue consequential orders by reinstating the petitioner in service within one month of date of order.

Since the board has to take decision on further course of action as to whether appeal has to be filed or not, the amount involved in the above issue is accounted in 2022-23 by debiting "Disputed Dues" account and crediting sales by ₹3,16,103/-. The discarding or otherwise of the above dues from accounts will be done as per the decision of board in future.



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

16. Other Current Assets:

	Rupees in Lakhs	
	As at 31.03.2023	As at 31.03.2022
Advance Tax and Tax Deducted at Source	30.95	26.54
Trade Advances	1794.64	1703.80
Temporary loan to VAFPC	20.00	20.00
Advances Recoverable in cash or in kind:		
Advance for Expenses	3.10	2.59
EMD/ Other Security Deposits	70.77	51.56
Prepaid Expenses	1.19	1.31
Staff Advances	.04	-
L.N.Abhilash (Disputed Cash loss account)	47.77	47.77
Disputed Dues	3.16	-
Other Advances Recoverable	153.03	46.69
Fund Resumed by Government	33.33	33.33
	2157.97	1933.60

16.1 The embezzlement of cash amounting to ₹ 3.16 lakhs in 2022-23 is debited to the ledger Disputed Dues account and is grouped under Other current assets.

17. 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	640.14	640.14
ii) Interest on Penal Interest on Govt. loan	431.37	371.73
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)	-	-
	1071.51	1011.87

18. Revenue from Operations:

	Rupees in Lakhs	
	For the year ending 31.03.2023	For the year ending 31.03.2022
Sale of Products	10264.88	8607.79
Sale of Services	1.75	2.87
From Project Works	85.63	214.70
From Hiring Agricultural Equipment	61.88	84.22
	10414.13	8909.58

19. Other Income:

Deferred Revenue Grant (Depreciation - Grant Assets)	50.08	78.71
Interest on deposits with bank	5.82	10.36
Other Miscellaneous Income	29.82	24.57
Rent from let-out property	13.59	1.33
Other Income	90.34	21.92
	189.66	136.88

20. Cost of Material Consumed:

(Kerala Agro Fruit Products Division)		
Opening Stock	7.39	12.74
Add: Purchases and incidental direct expenses	99.68	71.23
Less: Closing Stock	9.84	7.39
Cost of Materials Consumed	97.24	76.58



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THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

21. Purchase of Stock-in-Trade:

	Rupees in Lakhs	
	For the year ending 31.03.2023	For the year ending 31.03.2022
Goods for Resale	9322.40	7396.08
Fabricated Goods	-	559.20
	9322.40	7955.28

22. Changes in Inventories:

Opening Stock:		
Goods for Resale	928.33	835.02
Fabricated Goods	480.00	371.84
Stores and Spares	115.16	99.60
Total	1523.49	1306.45
Less: Closing Stock:		
Goods for Resale	508.60	928.33
Fabricated Goods	-	480.00
Stores and Spares	-	115.16
Total	508.60	1523.49
(Increase)/ Decrease in Stock	1014.89	-217.03

23. Employee Benefit Expenses:

Salaries and Wages	695.73	686.82
Contribution to Provident and Other Funds	50.30	37.90
Staff Welfare and Training Expenses	10.71	8.59
	756.74	733.31

24. Administrative and Other Expenses:

Manufacturing and Other Expenses:		
Electricity & Water charges of KAFP	2.87	2.31
Fuel Cost	2.60	5.57
Freight Charges of KAFP	2.36	1.91
Repairs to Machinery and Equipment of KAFP	4.69	3.57
Selling Expenses:		
Advertisements	1.25	.85
Sales Promotion Expenses	2.00	2.52
Trade Discount and Commission	.51	-
Transportation Charges	11.95	8.94
Administrative Expenses:		
Rent	8.02	10.14
Rates and Taxes	5.91	3.53
Insurance	2.73	1.85
Telephone and Internet Charges	2.07	2.88
Traveling & Conveyance	7.37	8.82
Vehicle Expenses	.96	2.88
Printing & Stationery	6.20	5.58
Statutory Audit Fee	1.50	1.50
Fee for Professional Services	.41	.81
Meeting Expenses	.92	.25
Security Expenses	19.67	26.53
General Expenses	230.44	235.44
Loss for Recouping CPF	50.64	26.07
Penal Interest on Govt Loan	23.31	23.04
Cost of Fuel	12.71	14.47
Project Work Expenses:	20.50	239.40
Repairs and Maintenance	71.85	66.56
Electricity & Water charges	12.52	9.54
Freight Charges	3.22	2.88
Loss on revaluation of Loose Tools	-	.38
	509.19	708.23



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THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

25. Finance Cost:

	Rupees in Lakhs	
	For the year ending 31.03.2023	For the year ending 31.03.2022
Interest expenses		
Term Loan from Bank	.45	.63
Loan from Government of Kerala	143.76	143.53
	144.22	144.16

26. Prior Period Item

Prior Period Income		
a Previous year's Interest incomes	-	1.02
b Rent	-	1.00
c Printing and Stationery	-	.06
d Other Income	-	2.49
e Crate Deposit / EMD adjusted	-	27.34
f Empanelment Fee	-	.01
g Travelling Expenses Duplication	-	.02
h Tender Fee	-	.05
i Previous year's Deferred Income	117.18	2.59
j Professional fee	.03	-
k Gratuity Fund with LIC	33.11	-
l Earned Leave Salary (KAFP)	.71	-
j Advance Payment	1.00	-
k Capital Reserve	.53	-
Total	152.56	34.58
Prior Period Expense		
a Previous years' Project Expense	-	3.07
b Interest	-	2.42
c Prior Period Excess Deferred Revenue Grant	-	-
d EMD Adjusted	-	25.41
e Sales Duplications	-	28.59
f Electrification Expense	-	7.07
g VAT Liability	-	13.82
h Travelling Expense	-	.46
i Rent of Buildings	.75	1.13
j Welfare Expense	-	.01
k Purchase	-	38.10
l Previous Year's Depreciation	117.18	.00
m PF Contribution/Recoupment Loss	9.73	.00
n Total	127.66	120.05
Prior Period Item(A-B)	-24.91	85.47

- 26.1 The Deferred Income ₹117.18 lakhs relate to Equivalent depreciation in respect of the capitalization of Capital Work in Progress under Grant assets adjusted
- 26.2 Professional fee excess accounted in the previous year by ₹ 0.03 lakhs adjusted.
- 26.3 Gratuity fund of previous year amounting to ₹33.11 lakhs brought into books by credit to Prior Period Income since the contribution to fund was debited to expense account.
- 26.4 Earned leave salary accounted twice (ie one at KAFP and another at HO) in previous years by ₹ 0.71 lakhs adjusted.
- 26.5 The Prior period expense relating to rent is payment for the previous years in respect of Agro Bazaar Paravur.
- 26.6 Depreciation of Grant assets (ie Capitalization of Capital Work in Progress) relating to previous years accounted.
- 26.7 EPF contribution / Recoupment loss related to previous years accounted as per Board Resolution No.3610 in 307th meeting.
- 26.8 An advance payment given to a creditor was wrongly accounted in previous year adjusted.
- 26.9 Capital Reserve carried from 1997-98 amounting to Rs.0.53 lakhs having no details written back as Prior Period Income.

27. Earnings per Equity Share:

	For the year ending 31.03.2023	For the year ending 31.03.2022
Net Profit after tax as per Profit and Loss Statement (In lakhs)	-1332.05	-697.20
Weighted Average number of equity shares used as denominator (In Nos)	4,74,109.00	4,74,109.00
Basic Earnings per Share (In rupees)	-280.96	-147.06
Diluted Earnings per Share (In rupees)	-280.96	-147.06
Face Value per equity share (In rupees)	100.00	100.00



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

28. Agewise Analysis of the Trade Receivables

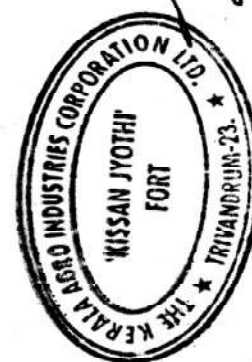
AGEWISE ANALYSIS OF THE TRADE RECEIVABLES FOR THE YEAR 2022-23

Particulars	Current Assets					Rupees in lakhs	
	Age Less than 6 months	Age between 6 months to 1 year	Age between 1 year to 2 years	Age between 2 years to 3 years	Age more than 3 years	TOTAL AMOUNT	
(i) Undisputed Trade receivables -considered good	1618.66	1506.02	995.71	1558.29	6767.74	12446.42	
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-	
(iii) Disputed trade receivables considered good	-	-	-	-	-	-	
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-	

29. Agewise Analysis of the Trade Payables

AGEWISE ANALYSIS OF THE TRADE PAYABLES FOR THE YEAR 2022-23.

Particulars	Current Liability				Rupees in lakhs	
	Less than 1 year	Age between 1 year to 2 years	Age between 2 years to 3 years	Age more than 3 years	TOTAL AMOUNT	
i) MSME	-	-	-	-	-	
ii) Others	3978.88	639.43	555.61	4992.55	10166.47	
iii) Disputed Dues- MSME	-	-	-	-	-	
iv) Disputed Dues- Others	-	-	-	-	-	



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THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL19685GC002172)

30. Details of Pending Cases

Sl. No	COURT AND CASE NUMBER	PETITIONER	RESPONDENT	STATUS	REMARKS
1	High Court of Kerala WP(C)/23528/2007 and Review petition 800/2018	Kerala Agro Industries Corporation	Assistant Provident Fund Commissioner	Pending	We have filed case against EPFO in respect of their order to cancel the EPF Trust and postive decision obtained. Against this order EPFO has filed Review petition and which is pending.
2	High Court of Kerala CrI.Rev.Pet/2086/2011 CrI.Rev.Pet/2050/2011 CrI.Rev.Pet/2049/2011 CrI.Rev.Pet/2023/2011	N.Radhakrishnan	1. Kerala Agro Industries Corporation 2. State of Kerala	Pending	We have got favorable orders to collect money from a debtor but he has filed review petition before Sub Court, Athani
3	High Court of Kerala WP(C)/30929/2016	Baby Sarojam.K	1. State of Kerala 2. The Kerala Agro Industries Corporation	Pending	The retired employee filed case for gratuity and which has been settled. But the case is still remaining since the employee not withdrawn it.
4	High Court of Kerala WP(C)/27051/2017	M.A.Pushparaj and K.S.Anil	1. State of Kerala 2. The Kerala Agro Industries Corporation	Pending	Case filed by employees for getting promotion
5	High Court of Kerala WP(C)/13658/2017	G.Subash Chandra Bose	Kerala Agro Industries Corporation	Pending	The employee was terminated from service in 2005 and against which he has filed Writ petition.
6	High Court of Kerala WP(C)/27057/2017	M.A.Pushparaj and K.S.Anil	1. State of Kerala 2. The Kerala Agro Industries Corporation	Pending	Another Case filed by the same employees Pushparaj & Anil for getting promotion
7	High Court of Kerala CrI.Rev.Pet/1340/2019	N.Radhakrishnan	1. The Kerala Agro Industries Corporation 2. State of Kerala	Pending	The debtor has filed review perion against favorable order of us.
8	High Court of Kerala CrI.Rev.Pet/960/2019	N.Radhakrishnan	1. The Kerala Agro Industries Corporation 2. State of Kerala	Pending	The debtor has filed review petion against favorable order of us.



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THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

31. Additional Regulatory Information

ADDITIONAL REGULATORY INFORMATION

- (i) No immovable property owned by company is in names other than in the company's name.
(ii) The Company has not revalued its Property, Plant and Equipment during the year 2022-23.
(iii) No loans or Advances granted to Promoters, directors, KMP's and related parties (as defined under Companies Act 2013 during the year 2022-23).
(iv) Capital Work in Progress (CWIP).

CWIP aging schedule.

CWIP	Amount in CWIP for a period of				(Rs. In Lakhs)
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Jack Fruit Unit - Mala	-	-	-	31.31	31.31
Rice Mill Bathery	-	-	-	16.89	16.89
Agripark Punalur	-	-	-	-	-
Total					48.20

- (v) There is no intangible assets under development during the year 2022-23.
(vi) The Company is not holding any benami properties during the year 2022-23.
(vii) The Company has no borrowings from banks or financial institutions on the basis of security of current assets except loan against fixed deposit.
(viii) The company has not been declared as a wilful defaulter by any bank or financial institution.
(ix) The company has no relationship with companies that have been struck off by the Registrar of Companies.
(x) Two charges are pending with Registrar of Companies against which settlement has already been made. Action has been initiated for discharging the pending charges.
(xi) The company has not violated the provisions in respect of number of layers prescribed under clause 87 of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(xii) DISCLOSURE OF RATIOS.

RATIO	FORMULA	2022-23	2021-22
a. Current Ratio	Current Assets/ Current Liabilities	0.77	0.05
b. Debt Equity Ratio	Total Debts/ Shareholder's Fund	7.93	5.07
c. Debt Service Coverage Ratio	Net Operating Income/ Total Debt Service	(6.53)	(2.50)
d. Return on Equity Ratio	Net Profit after Tax/Shareholders' Equity x100	(33.27)	(9.03)
e. Inventory Turnover Ratio	Cost of Goods Sold/ Average Inventory	11.16	3.46
f. Trade Receivables Turnover Ratio	Net Credit Sales/ Average Trade Receivable	0.76	0.45
g. Trade Payables Turnover Ratio	Net Purchase/ Average Trade Payable	0.90	0.54
h. Net Capital Turnover Ratio	Net Profit/ Working Capital	0.27	0.49
i. Net Profit Ratio	Net Profit/ Net Sales x 100	(12.79)	(7.83)
j. Return on Capital Employed	EBIT/ Capital Employed	(31.89)	(5.62)
k. Return on Investment	Net Profit / Total Investment x100	(280.96)	(147.06)

The Debt Service Coverage Ratio, Return on Equity Ratio, Net Profit Ratio, Return on Capital Employed and Return on Investment reduced by more than 25% of the previous year due to increase in Net Loss.

- (xiii) There is no scheme of arrangement in terms of sections 230 and 237 of Companies Act 2013 during the year 2022-23.
(xiv) The company has not advanced or loaned or invested funds out of borrowed fund or share premium to any one during the year 2022-23.
(xv) All major incomes relating to the year 2022-23 has been accounted and hence there is no details for disclosure as information related to undisclosed income.
(xvi) The company does not satisfy the conditions mentioned in section 135(1) of Companies Act 2013 and hence no CSR liability for the current year.
(xvii) The company has no trading in crypto currencies or virtual currencies during the year 2022-23.



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

32. ADDITIONAL INFORMATION / DISCLOSURES :

- 32.1 There were no consumption of imported raw materials and hence such disclosure is not applicable to the Corporation (Previous Year NIL)
- 32.2 Contingent Liabilities not provided for - ₹ 1071.51 lakhs (Previous Year ₹ 1011.87 lakhs)
- 32.3 Details of earnings in foreign exchange - NIL (Previous Year NIL)
- 32.4 Details of expenditure in foreign exchange - NIL (Previous Year NIL)
- 32.5 Payment to Auditors towards Statutory Audit Fee ₹.1.50 lakhs (Previous Year ₹.1.50 lakhs) and other matters - NIL (Previous Year NIL)
- 32.6 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:

(Rupees in Lakhs)						
Sl. No.	Particulars	Sales	Service	Project Works	Hiring Equipment	Total
(A) REVENUE:						
	Total Segment Revenue	10264.88	1.75	85.63	61.88	10414.13
	Inter Segment Revenue	-	-	-	-	-
	Other Segment Income	-	-	-	-	-
	TOTAL REVENUE	10264.88	1.75	85.63	61.88	10414.13
(B) SEGMENT RESULTS						
	Purchase/ Consumption	10434.53	-	-	-	10434.53
	Direct expenses	99.26	.77	20.50	-	120.53
	Unallocated Expense	-	-	-	-	1251.20
	<i>Operating profit</i>	-268.91	.98	65.12	61.88	-1392.14
	Other Income & Exceptional item	-	-	-	-	214.56
	Financial Expenses & Prior Period Item	-	-	-	-	144.22
	<i>Profit Before Tax</i>					-1321.79
	Current Tax	-	-	-	-	-
	Deferred Tax	-	-	-	-	-
	Previous Year Tax	-	-	-	-	-10.26
	<i>Profit after tax</i>					-1332.05
C OTHER INFORMATION						
	Segment Assets	17961.57	5.58	448.06	176.62	18591.84
	Unallocated Corporate Assets	-	-	-	-	7196.42
	Total Assets	17961.57	5.58	448.06	176.62	25788.26
	Segment Liabilities	24198.93	7.51	603.66	237.96	25048.06
	Unallocated Corporate Liabilities	-	-	-	-	740.20
	Total Liabilities					25788.26
	Depreciation/ Amortisation	95.10	.04	9.34	1.31	105.80
	Unallocated Corporate Depreciation	-	-	-	-	-
	Total Depreciation/ Amortisation					105.80
	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.



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THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2023
(CIN: U29211KL1968SGC002172)

- 32.7 As per Accounting Standard AS-18 on Related Party Disclosure issued by the Institute of Chartered Accountants of India, it is stated that the company is not a holding company of others, or having subsidiary companies, fellow subsidiaries or associate companies. The Directors of our company and the Key Managerial Personnels or their relatives are not engaged in any business or transactions with our Suppliers, Customers and Agents. Thus there is no Related Party transactions or disclosure as per AS 18.

Payment to Directors of the Company :

SI No	Particulars	Current Year	Previous Year
		₹.	₹.
a.	Salaries & Allowances (Managing Director)	11.25	12.53
b.	Honarium to Chairperson	2.40	.42
c.	Travelling Expenses (Managing Director)	Nil	Nil
d.	Travelling Expenses (Directors)	.53	Nil
e.	Leave Travel Concession	Nil	Nil
f.	Sitting Fee	.10	.01
g.	Value of Perquisite in cash or in kind (Phone charge)	Nil	.05

- 32.8 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.
- 32.9 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.
- 32.10 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.
- 32.11 The company has regrouped and reclassified the previous year figures, wherever necessary, so as to make them comparable to those of current year. The figures in Financials are shown in lakhs with two decimal places.

Notes from SI.No:1 to 32

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


 MANOJ KUMAR.C.P
 MANAGING DIRECTOR (DIN:11489742)

Thiruvananthapuram
 18 / 04 / 2026

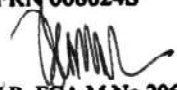

 V.KUNHALI
 CHAIRMAN (DIN:09536693)



As per Report of date

UDIN: 26206626SFYAWN 8484

For MANOJ & SAJEEV
Chartered Accountants
FRN 008024S


 SAJEEV R, FCA.M.No.206626
 (Partner)

Place : Trivandrum
 Date : 18.04.2026



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED.

DELAY STATEMENT.

Reasons for delay in finalisation and Audit of Annual Accounts for the year 2022-23

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 24 units were other reasons for accumulation of arrears. The Annual Accounts of previous year (2016-17) could be certified by the Auditors only on 10-11-2022 and adopted in the adjourned annual general meeting held on 28-02-2023. Similarly the accounts for the year 2017-18 could be certified by the auditors on 30-06-2023 and adopted in adjourned AGM held on 24-08-2023. Similarly the accounts for the year 2018-19 certified on 24-11-2023, adopted in AGM on 15-01-2024, the accounts for the year 2019-20 certified on 30-01-2024 and adopted in AGM on 22-03-2024, the accounts for the year 2020-21 certified on 29-06-2024 and adopted in AGM on 27-09-2024 and the accounts for the year 2021-22 certified on 24-05-2025 and adopted in AGM on 18-09-2025. The delay in finalisation 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 finalisation and audit of Accounts.

The Statutory Audit for the year 2022-23 commenced by third week of October 2025 and formally completed the same by the second week of January 2026. We have placed the accounts in the board meeting held on 19-01-2026 and the approved accounts given to auditor by the end of January 2026 for their certification. But the auditor has suggested some more modifications in the annual accounts and hence which were rectified and the modified final financials placed before the board meeting held on 25-03-2026 and Annual Accounts handed over to auditor on 26-03-2026. The Annual Accounts 2022-23 was certified by auditor on 18-04-2026 only. The Annual Accounts along with Auditor's Report were sent to Comptroller and Auditor General of India on 21-04-2026 for Comments of C&AG. The Directors' Report along with MGT-9 was placed in 314th Board meeting Scheduled by the end of April 2026 for approval by directors. Thus there is no intentional delay on the part of corporation but there is slight delay consequent to the modification of accounts as suggested by auditor. Delay was actually occurred up to the year 2014-15 and the present delay is due to the delay occurred up to 2014-15 and which is unavoidable and beyond our control.

Now actions have been initiated for finalization and audit of arrear accounts from 2023-24 onwards and which will be completed in a time bound manner.

Thiruvananthapuram,

30-04-2026.




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 2023**

The preparation of financial statements of **The Kerala Agro Industries Corporation Limited, Thiruvananthapuram for the year ended 31 March 2023** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor 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 **18 April 2026**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **The Kerala Agro Industries Corporation Limited, Thiruvananthapuram for the year ended 31 March 2023** under section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

भारत के नियंत्रक एवं महालेखापरीक्षक के लिए और उनकी ओर से

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

प्रीति अब्राहम

**PREETHI ABRAHAM
महालेखाकार (लेखापरीक्षा-I), केरला
ACCOUNTANT GENERAL (AUDIT-I),
KERALA**

**Thiruvananthapuram
Dated : 05.06.2026**

Dated: 22-06-2026**The Comments of Secretary, Finance (Resources) on the Audited Accounts of The Kerala Agro Industries Corporation Limited for the Financial year 2022-23**

1. The reserves and surplus have declined substantially from ₹4,279.25 lakhs to ₹2,779.41 lakhs, while accumulated losses increased from ₹6,175.15 lakhs to ₹7,507.20 lakhs. This trend reflects continuous erosion of the company's financial strength and indicates weakening net worth position. The company may therefore undertake a comprehensive profitability review and Loss-making segments should be identified immediately.
2. The Company's Long-Term Borrowings have reduced substantially over the years, showing a decline of approximately 96.51% compared to the base year (2018-19). Reducing debt liabilities without improving the underlying financial and operational position may increase dependence on short-term liabilities and weaken long-term sustainability. Hence the Company should take immediate corrective and strategic measures to ensure that the reduction in long-term borrowings does not adversely affect operational sustainability, liquidity position, and future growth capacity.
3. The trade receivables amounting to ₹6,767.74 lakhs, constituting more than 54% of total receivables, have remained outstanding for more than three years. Trade payables amounting to ₹4,992.55 lakhs have remained unpaid for more than three years, which is also a matter of serious concern. Further, receivables outstanding beyond one year aggregate to a substantially high

level, indicating weak receivable recovery mechanisms and ineffective working capital management. Hence the present working capital position requires urgent corrective intervention in order to safeguard the financial stability and long-term sustainability of the Company.

4. Serious weaknesses have been observed in the Company's internal financial controls following two cases of employee fraud and fund misappropriation amounting to ₹62.02 lakhs during FY 2019–20 to 2021–22 and ₹3.16 lakhs during FY 2022–23, the latter arising from unrecorded sales in the manual billing system. Although the Board has initiated disciplinary, recovery, and civil/criminal proceedings against those responsible, the incidents indicate major lapses in internal supervision and fraud risk management. It is also noted that the Company does not have fidelity insurance coverage against employee fraud and embezzlement. Therefore, the Company may strengthen fraud prevention mechanisms, implement robust controls over sales recording and cash handling, and obtain adequate fidelity insurance coverage.

5. Regarding the audit observation relating to the unutilized Government grant amounting to ₹754.98 lakhs, The auditors have pointed out that the Company's bank balances did not substantiate its existence, indicating possible diversion of funds. The absence of supporting sanction orders, utilization records, and reconciliation statements was also noted. Therefore the company may verify whether any portion of the grant has been utilized for purposes other than those sanctioned by Government and ensure compliance with Accounting Standards in accounting and disclosure of Government grants.

6. The Company had granted an unsecured loan amounting to ₹20.00 lakhs to M/s. Vazhakkulam Agro Fruit Processing Company Limited during the

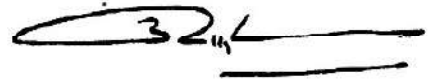
financial year 2016-17 without stipulating any interest clause in the loan agreement. All long-pending loans and advances may be periodically reviewed by the Board and ensure timely recovery and protection of the financial interests of the Company and Government.

7. The Company has continuously defaulted in the repayment of principal and interest pertaining to Working Capital Loans and Short-Term Loans availed from the Government of Kerala over several decades. These loans relate to periods commencing from 1979 onwards and include working capital assistance sanctioned between 1990 and 2017. The outstanding principal amount in respect of Working Capital Loans alone aggregates to ₹900.99 lakhs, with accumulated interest liability amounting to ₹2,711.36 lakhs. In addition, Short-Term Loans amounting to ₹17.79 lakhs and the related interest liability of ₹122.60 lakhs remain unpaid. Government dues should be accorded the highest priority in repayment and should not remain perpetually outstanding while the Company continues its operations. The Company should take strict and time-bound measures to strengthen its internal financial planning and debt servicing mechanisms to prevent any further accumulation of defaults.

8. The substantial increase in cash loss from ₹499.17 lakhs in FY 2021-22 to ₹1138.47 lakhs in FY 2022-23 indicates significant deterioration in the operational and financial performance of the Company. Urgent corrective measures are required to stop further deterioration in financial performance.

9. There is no outstanding guarantee commission due to the company. The Company has not declared any dividend for the financial year 2021-22 due to operational losses incurred during the year and the accumulation of losses from previous years.

10. The board of directors should discuss all other observations and opinions contained in the Independent Auditor's Report and ensure that appropriate corrective measures are taken on each of them.

A handwritten signature in black ink, appearing to read '32' followed by a stylized flourish.

PATIL AJIT BHAGWATRAO IAS
Secretary (Finance Resources)