

49

**FORTY NINTH
ANNUAL REPORT AND AUDITED ACCOUNTS
2016 - 17**



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

(CIN : U29211KL1968SGC002172)

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

49 TH ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR 2016-17

CONTENTS

SL. NO.	PARTICULARS	PAGES
1	NOTICE OF ANNUAL GENERAL MEETING	3
2	DIRECTORS, BANKERS, AUDITORS ETC.	4
3	DIRECTORS' REPORT FOR THE YEAR 2016 - 17	5 to 11
4	MGT-9 (EXTRACT OF RETURN)	12 to 16
5	ADDENDUM TO DIRECTORS' REPORT	17
6	AUDITOR'S REPORT FOR THE YEAR 2016 - 17	18 to 25
7	BALANCE SHEET FOR THE YEAR 2016 - 17	26
8	PROFIT AND LOSS STATEMENT FOR THE YEAR 2016 - 17	27
9	CASH FLOW STATEMENT FOR THE YEAR 2016 - 17	28
10	NOTES FORMING PART OF FINANCIAL ACCOUNTS	29 to 42
11	DELAY STATEMENT	43
12	COMMENTS OF PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I), KERALA	44 to 45

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

Registered Office :
“Kissan Jyothi”, Fort,
Thiruvananthapuram - 695 023

No. Secl : 26/ 831

07.02.2023

N O T I C E

Notice is hereby given that the 49thAdjourned Annual General Meeting of the Kerala Agro Industries Corporation Ltd., will be held at 11.00 A.M. on 28th February, 2023 at the Registered Office of the Corporation, at "Kissan Jyothi', Fort P.O., Thiruvananthapuram - 695 023 to transact the following business.

Ordinary Business :

“ To receive, consider and adopt the Directors’ Report, Addendum to Directors Report, Balance Sheet and Profit and loss Account, Auditors’ Report, comments of the Comptroller and Auditor General of India and the Principal Secretary (Finance), Government of Kerala for the year ended 31st March, 2017.”



MANAGING DIRECTOR

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

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

I. BOARD OF DIRECTORS

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

II. BANKERS

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

III. AUDITORS

RAVI & SABIN
Chartered Accountants,
13/66 (1), Kannamoola Road,
Near Pallimukku,
Thiruvananthapuram - 695 024.

IV. REGISTERED OFFICE

(CIN : U29211KL1968SGC002172)

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

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
KISSAN JYOTHI, FORT.P.O, THIRUVANANTHAPURAM-695023.

DIRECTORS' REPORT

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

Dear Members,

Your Directors have great pleasure in presenting the 49th 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, 2017.

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

Financial highlights of the consolidated statement of operations of your company for the year 2016-17 are as under:

(Rupees in lakhs)

Particulars	2016-17	2015-16
Revenue from operations	5625.33	7432.34
Other Income	745.13	963.13
Total Income	6370.46	8395.47
Operating Expenses	5704.77	7506.19
Operating Profit / (Loss)	665.69	889.28
Interest	152.04	151.51
Depreciation	704.13	991.00
Exceptional items	24.92	14.29
Net Profit/ (Loss)	(215.40)	(267.52)
Provision for Income Tax / IT Expense	(2.41)	(41.79)
Net profit/(Loss) after tax	(217.81)	(309.31)
Balance brought forward from previous year	(2016.50)	(1707.19)
Depreciation written back	NIL	NIL
Cumulative losses	(2234.31)	(2016.50)

During the year ended 31st March, 2017, your company could achieve a total turnover of Rs.5625.33 lakh against Rs.7432.34 lakh for 2015-16. The total sale for the year 2016-17 is in deficit by Rs.1807.01 lakh from that of the previous year.

The net loss for the year after making provisions for interest and depreciation and after making adjustments for prior periods and Tax stood at Rs.217.81 lakh against a net loss of Rs.309.31 lakh 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. 3520.92 lakh during the year as against Rs.4738.68 lakh during the previous year.

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

Sale of spare parts and implements during the year was Rs.266.99 lakh as against the previous year's sale of Rs. 274.89 lakh.

iii)Sale of Fabricated goods

During the year under report, fabricated goods worth Rs.111.31 lakh were sold as against Rs.3.76 lakh during the previous year.

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

During the year under report, agricultural inputs worth Rs.686.68 lakh were sold as against Rs.471.67 lakh during the previous year.

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

The pre-sale and after sale service of tractors, power tillers, etc. as well as repairs and maintenance of various agricultural 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.106.03 lakhs as against a turnover of Rs.117.67 lakhs during the previous year.

3)NEW PROJECTS AND INITIATIVES

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

4)SHARE CAPITAL

The present authorized share capital of the company is Rs.500 lakh, divided into 500000 equity shares of Rs.100/- each. The issued, subscribed and paid up capital is Rs.474.11 lakh. The State Government's share is Rs.304.55 lakh and that of the Central Government is Rs.169.56 lakh. Out of the total paid up capital, 23547 shares of Rs.100/- each



have been issued for consideration other than cash. The percentage of investment made by Government of Kerala on the total paid up capital is 64.24 %. There is no advance share capital as on the date of report and thereafter. Your Directors propose to increase the authorized share capital to Rs.2500 lakh, divided into 2500000 equity shares of Rs.100 each.

5)DIVIDEND – Sec.134(3)(k).

Since there is an accumulated loss of Rs.2234.31 lakhs as on 31.03.2017, 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.H.Sathjith	Chairman	09.02.2012	25-06-2016
2.	Shri.Sulfikar Mayoori	Chairman	21-12-2016	
3.	Shri.N.K.Manoj	Managing Director	27-02-2016	03-08-2016
4.	Shri.S.K.Suresh	Managing Director	03-08-2016	28-09-2016
5.	Shri.P.Suresh Babu	Managing Director	28-09-2016	
6.	Shri.P.Valsaraj	Director	25.08.2012	27-07-2016
7.	Shri.K,V,Marakkar	Director	25.08.2012	27-07-2016
8.	Shri.V.M.Hamsa	Director	12.11.2012	27-07-2016
9.	Shri.Veluthamanal Aziz	Director	06.12.2012	27-07-2016
10.	Shri.T.M.Joseph	Director	17.01.2013	27-07-2016
11.	Shri.P.K.Pandey	Director	18.03.2014	20-08-2016
12.	Shri.Bhardwaj	Director	20-08-2016	20-12-2016
13.	Shri. C.R.Lohi	Director	20-12-2016	
14.	Shri.S.Sajeev	Director	13-02-2015	15-11-2016
15.	Smt.S.Indu	Director	23-11-2015	10-02-2017
16.	Smt.K.Sophiya	Director	15-11-2016	25-03-2017
17.	Sri.Y.S.Sreenarayana Dev	Director	25-03-2017	
18.	Sri.V.S.Sureshkumar	Director	10-02-2017	



7)BOARD MEETINGS – Sec.134(3)(b).

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

1.	259	01-04-2016
2.	260	13-12-2016
3.	261	22-02-2017

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

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

9)COMMITTEES OF BOARD.

i) Audit Committee.

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

ii) Corporate Social Responsibility Committee.

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

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

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

11)STATUTORY AUDITORS.

M/s. RAVI & SABIN, Chartered Accountants, 13.66 (1), Kannamoola Road, Thiruvananthapuram-695024, was appointed as the Statutory Auditors of company for the year 2016-17. 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 no qualifications or reservations in the main report of Auditors. But some remarks are shown in the Audit Report. Actions will be initiated to rectify the deviations to the possible extent.

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

The Annual Accounts with Auditors Report submitted to C&AG. The Comptroller & Auditor General of India may review the accounts for the year 2016-17 under Section 143(6) of the Companies Act 2013.

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

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

15)FIXED DEPOSITS

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

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

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

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

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

Your Directors wish to state that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) The Board of Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year ended 31.03.2017.
- c) The Board of Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The Board of Directors has prepared the annual accounts on a going concern basis.



- e) The Company being unlisted, sub clause (c) of section 134(3) of the Companies Act 2013 pertaining to laying down internal financial controls is not applicable to the company.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18) PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

19) DETAILS OF SPECIFIED BANK NOTES.

As per Notification No: G.S.R. 308(E) dated 30-03-2017 of Ministry of Corporate Affairs based on Notification No: S.O. 3407(E) dated 08-11-2016 of Ministry of Finance, Department of Economic Affairs, Government of India.

PARTICULARS	2016-17 (Period 8-11-2016 to 30-12-2016)		
	Specified Bank Notes (SBN's)	Other Denomination Notes	Total (Rs)
Closing Cash in hand on 8-11-2016	24500.00	7940.00	32440.00
(+) Permitted Receipts	1500.00	369960.00	371460.00
(-) Permitted Payments	NIL	274277.00	274277.00
(-) Amount Deposited in Bank	26000.00	NIL	26000.00
Closing Cash in hand on 30-12-2016	NIL	103623.00	103623.00

During the period from 8-11-2016 to 30-12-2016, the company has deposited Specified Bank Notes (SBN) amounting to Rs. 26000/- to the following Bank Accounts.

SL.No	Name of Bank & Branch	Account Number	Amount Deposited (Rs)	Date of Deposit
1.	Bank of Baroda, Fort Branch	05570200009130	24500.00	09-11-2016
2.	Bank of Baroda, Fort Branch	05570200009130	1500.00	18-11-2016



20) LABOUR RELATIONS

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

21) 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

THIRUVANANTHAPURAM

Dated: 20/12/2022



Seey
CHAIRMAN

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

ANNEXURE TO DIRECTORS' REPORT 2016-17

Form No: MGT - 9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March 2017)

[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 Registred 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 2016)				No. of shares held at the end of the year (As on 31-March 2017)				% 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									
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	0
Grand Total (A+B+C)	NA	474109	474109	100	NA	474109	474109	100	



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	
	No. of Shares	% of total shares of the company	
	At the beginning of the year		
	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.		
	At the end of the year		

* There is no change in the total shareholding of the promoter between 01.04.2016 and 31.03.2017

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
		No. of Shares <td>% of total shares of the company <td>No. of Shares <td>% of total shares of the company</td> </td></td>	% of total shares of the company <td>No. of Shares <td>% of total shares of the company</td> </td>	No. of Shares <td>% of total shares of the company</td>	% of total shares of the company
	At the beginning of the year				
	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.				
	At the end of the year				

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 indebtness (Rs) in lakhs
Indebtness at the beginning of the financial year 2016-17				
i) Principal Amount	0	824.78	NIL	824.78
ii) Interest due but not paid	0	1692.51	NIL	1692.51
iii) Interest accrued but not due	0	0	NIL	0
Total (i+ii+iii)	0	2517.29	NIL	2517.29
Change in Indebtness during the financial year				
* Addition	0	151.51	NIL	151.51
* Reduction	0	0	NIL	0
Net Change	0	151.51	NIL	151.51
Indebtness at the end of the financial year 2016-17				
i) Principal Amount	0	824.78	NIL	824.78
ii) Interest due but not paid	0	1844.02	NIL	1844.02
iii) Interest accrued but not due	0	0	NIL	0
Total (i+ii+iii)	0	2668.80	NIL	2668.80

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)
		M.K. Manoj, S.K.Suresh and P.Suresh Babu, Managing Directors.		
1	Gross salary			
	(a) salary as per provisions contained in section 17(1) of the Income tax Act 1961 (RS)	738554.00		738554.00
	(b) value of perquisites u/s 17(2) of Income tax Act 1961	NIL		
	(c) Profits in lieu of salary under section 17(3) of Income tax Act 1961	NIL		
2	Stock Option	NIL		
3	Sweat Equity	NIL		
4	Commission:	NIL		
	as % of profit	NIL		
	others, specify	NIL		
5	Others, Please Specify (Rs)			
	i) Leave salary	62,376.00		62,376.00
	ii) Travelling Expenses	43709.00		43709.00
	iii) Telephone Charges	14868.00		14868.00
	iv) Medical Expenses	0.00		0.00
	Total (A)	859507.00		859507.00
	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.H.Sathjith (Chairman), Sulfikar Mayoore (Chairman), N.K.Manoj(MD), S.K.Suresh(MD), P.Suresh Babu (MD), P.Valsaraj, K.V.Marakkar, V.M.Hamsa, Veluthamanal Aziz, T.M.Joseph, P.K.Pandey, Bhardwaj, C.R.Lohi, S.Sajeev, Y.S.Sreenarayana Dev, Smt.S.Indu, Smt.K.Sophiya and V.S. Suresh kumar (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		22,382.00
	Commission		0
	Others, please specify		0
	Total (2)		22,382.00
	Total (B) = (1+2)		22,382.00
	Total Managerial Remuneration		
	Overall ceiling as per the Act		

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

Sl.No.	Particulars of remuneration	Key Managerial Personnel			Total Amount (₹)
		CEO	CS	CFO	
			There was no CS during the year 2016-17.		
1	Gross salary	NA			
	(a) salary as per provisions contained in section 17(1) of the income tax Act 1961	NA	NA	4,44,000.00	4,44,000.00
	(b) value of perquisites u/s 17(2) of Income tax Act 1961	NA	NA	NA	NA
	(c) Profits in lieu of salary under section 17(3) of Income tax Act 1961	NA	NA	NA	NA
2	Stock Option	NA	NA	NA	NA
3	Sweat Equity	NA	NA	NA	NA
4	Commission:	NA	NA	NA	NA
	as % of profit	NA	NA	NA	NA
	others, specify	NA	NA	NA	NA
5	Others, please specify	NA	NA	NA	NA
	Total	NA	NA	444000.00	444000.00
	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

20-12-2022



[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 2017

Principal Accountant General (Audit -I), Kerala has issued comment certificate under Sec. 143(6)(a) of the Companies Act, 2013 for the year 2016-17. The reply to comments is stated below.

A.1.a- There was non-creation of provision to the extent of Rs. 3.14 lakhs for expenses accrued and due for the year 2016-17. The expenses were accounted during the year 2017-18 and omitted to create provision. This error will be rectified in 2017-18 by transfer of the said expenses to prior period expense.

A.1.b & B.1

Both the comments issued are relating to the working of depreciation on Grant assets and Non Grant assets for the year 2016-17. The error was occurred due to the calculation of depreciation by taking the rate of depreciation used in previous year. The rate of depreciation for 2016-17 should have been re worked before calculation of depreciation. Thus there was a shortage in charging depreciation as mentioned in the comments certificate of AG. This error will be rectified while finalizing the accounts for the year 2017-18 by accounting it as prior period item and the accounts will be regularized.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



CHAIRMAN

THIRUVANANTHAPURAM

Dated : 17/02/2023





INDEPENDENT AUDITORS' REPORT

To the Members of
The Kerala Agro-Industries Corporation Limited

Report on the Financial Statements:

We have audited the accompanying financial statements of THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED, which comprise the Balance Sheet as at 31 March, 2017, the Profit and Loss Statement and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditors' Responsibility:

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial





reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Meaning of Internal Financial Controls over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Other Matters:

- a. Attention is drawn to the disclosure in Note 6 regarding default in payment of premium to LIC of India policy that covers the gratuity liability of the Corporation. The said default deviates significantly to the accounting policy for Employee Benefits. The Corporation ought to have recognised its liability for gratuity in the books of account on the occurrence of a default to meet terminal benefits through an insured plan. Thus, the Corporation has not complied with the mandatory Accounting Standard AS-15 'Employee Benefits'.
- b. The Corporation is not maintaining proper records for its tangible and intangible assets as required under the Companies Act, 2013. The available record is only a tabulation of the book value of its Properties, Plant and Equipment. The management has refrained from conducting periodical physical verification of such assets. Further, the Corporation has not complied with the mandatory Accounting Standard AS-10 'Accounting for Fixed Assets' issued by the Institute of Chartered Accountants of India (ICAI).
- c. The Trade Receivable as per Note 13 includes outstanding aged for more than three years ₹.14,80,42,582. The Corporation has not made any provision for doubtful debts and hence the reported operating loss has been understated to that extent.





- d. The Corporation has not classified the suppliers of goods and services as required under the provisions of Micro, Small and Medium Enterprises Development Act, 2006 and hence we are unable to quantify and report the payments made beyond the 'appointed day' and the interest that remain unpaid to such Enterprises as on 31 March 2017.
- e. The Corporation has not made provisions/ disclosures for the year in respect of the mandatory accounting standards 'AS 2 - Valuation of Inventories', and 'AS 28 - Impairment of Assets' issued by the Institute of Chartered Accountants of India.

Our audit opinion is not modified in respect of the above matters.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at 31 March 2017, and its loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the profit and loss statement, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) It being a Government Company, pursuant to the Notification F No.1/2/2014-CL.V dated 5 June 2015 issued by Government of India, provisions of sub-section (2) of section 164 of the Companies Act, 2013 are not applicable;
- (f) The Corporation has not established its system of internal financial controls over financial reporting as stated in the Guidance Note issued by the ICAI and that constitutes a scope limitation that prevent us from obtaining the reasonable assurance necessary to express an opinion and hence we are not issuing a separate report on internal financial controls over financial reporting as at 31 March, 2017.
- (g) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (h) 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;
 - a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and





- c. There were no amounts, which were required to be transferred to the Investors Education and Protection Fund by the Company.
2. As required by Section 143(5) of the Act, we give below a statement in compliance to the directions issued by the Comptroller and Auditor General of India.

Directions issued under section 143(5)

Reply/ Action taken/ Impact on accounts and financial statements

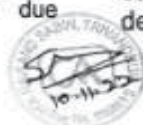
General:

- | | |
|--|---|
| 1 If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined, including the mode and present stage of disinvestment process. | Not Applicable. |
| 2 To report whether there are any cases of waiver/write off of debts/ loans/interest etc; if yes, the reasons thereof, and the amount involved. | Interest of Rs.77,148 waived to hire-purchase loaners on One Time Settlement of their dues. |
| 3 Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities. | No instance of inventory lying with third parties or assets received as a gift noticed during the course of the audit. |
| 4 A report on age-wise analysis of pending legal/ arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given. | On the basis of examination of the accounts of the Corporation, there are no pending litigation or arbitrations involving third parties as on the balance sheet date, other than employee related or loan recovery matters. |

Agriculture and Allied Sector:

General

- | | |
|--|--|
| 1 Whether the land owned by the Company is encroached upon, under litigation, not put to use or declared surplus. Details may be provided. | We are informed that there is no case of encroachment or any litigation in respect of the land owned and possessed by the Corporation. The entire land has been put to use and we did not come across particulars of any idle land as on the balance sheet date. |
| 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 | We are informed that the Corporation is regular in maintaining the quality of the stock of seeds and its handling from time to time. However, we could not verify this in view of the inordinate delay in conducting the audit. |





consideration has been given for deterioration in the quality of old stocks which may result in overvaluation of stock?

- 4 Whether all the agriculture produce procured are properly stored and adequately insured? If any insurance claims are rejected, the details may be reported.
- 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?
- 6 Whether grants/ subsidies received for implementing various schemes are accounted for as per the accounting standards and utilized for intended purpose.
- 7 Whether the cost incurred on abandoned projects has been written off?

As informed to us the Corporation has a system for proper storage of the agricultural produce procured and the stock is under adequate insurance cover. We are also informed that there were no instances of rejected insurance claims during the year under audit.

Yes.

Yes.

No instance was noticed during the course of our audit.

Agro Based Industries:

- 1 Report the cases of diversion of grants/subsidies received from Central/State Government or their agencies.
- 2 Cases of wrong accounting of interest earned on account of non-utilization of amounts received for projects/schemes may be reported.
- 3 Examine the pricing policy framed by the Company to ensure that all cost components are covered.
- 4 Report on the extent of utilization of plant & machinery and its obsolescence, if applicable.

No instance was noticed during the course of our audit.

No instance was noticed during the course of our audit.

As informed and on the basis of the records verified by us the Corporation maintain a pricing policy that covers all cost components.

We are informed that the plant and machinery are used at its optimum level and no case of obsolesce reported.

Others:

- 1 Examine the system of effective utilization of Loans/Grant-in-Aid/ Subsidy. List the cases of diversion of funds.
- 2 Examine the cost benefit analysis of major capital expenditure/ expansion including IRR and payback period.

The Corporation has properly utilised the Grant-in-Aid/ Subsidy received by it and we have not come across any instance of diversion of such funds.

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?

ICAI UDIN 22203719BCTWZI6626
Thiruvananthapuram
10 November 2022

Ravi & Sabin
CHARTERED ACCOUNTANTS

The Corporation is yet to implement an IT System for its operations. The financial books of accounts are prepared using a readymade Accounting Package.

For **Ravi & Sabin**
CHARTERED ACCOUNTANTS
(Firm Registration No. 006883S)




CA. SABIN BABU A
Partner
(ICAI Membership No. 203719)



The 'Annexure A' to the Independent Auditors' Report
(Referred to in paragraph 1 (g) of 'Report on Other Legal and
Regulatory Requirements' Section of our report of even date)

We report the following to The Kerala Agro-Industries Corporation Limited (hereinafter referred to as the "Corporation") based on the information and explanations given to us and on the basis of the books and records examined by us:

- i. In respect of its fixed assets:
 - a. The Corporation is not maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets. However, the management maintaining a list of fixed assets, its location, and the original cost. None of the fixed assets are seen numbered.
 - b. The management has not conducted physical verification of its fixed assets during the year.
 - c. The Corporation is holding the title deeds of immovable properties in its name.
- ii. The inventory has been physically verified by the management and no material discrepancies have been noticed when compared to book records.
- iii. According to the information and explanations given to us and based on our examination of the books of account, the Corporation has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3(iii) (a), (b) and (c) of the order are not applicable to the Corporation.
- iv. The Corporation has not given loans, or investments, or guarantees, or security, covered under sections 185 and 186 of the Act and hence, paragraph 3(iv) of the Order is not applicable.
- v. The Corporation has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. As per information and explanation given by the management, maintenance of cost records has not been specified for the Corporation by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. In respect of statutory dues:
 - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Service tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31 March 2017 for a period of more than six months from the date they became payable.





- b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes except a demand of sales tax under the KGST Act, 1963 ₹.9,23,55,144, which is being settled under the Amnesty Scheme proclaimed by the Government of Kerala.
- viii. The Corporation has not made any borrowings from any financial institution, bank, Government or debenture holders and accordingly clause 3(viii) of the Order is not applicable to the company.
- ix. Based on our audit procedures and according to the information given by the management, the Corporation has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x. According to the information and explanations given to us, we report that no fraud by the Corporation or any fraud on the Corporation by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, we report that payment of managerial remuneration is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Corporation is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, and based on our examination of records maintained, the Corporation has no transactions with the related parties as provided in sections 177 and 88 of the Act.
- xiv. The Corporation has not made any preferential allotment or private placement of shares or convertible debentures during the year under review.
- xv. The Corporation has not entered into non-cash transactions with its directors or persons connected with them.
- xvi. The Corporation is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

ICAI UDIN 22203719BCTWZI6626
Thiruvananthapuram
10 November 2022



For Ravi & Sabin
CHARTERED ACCOUNTANTS
(Firm Registration No. 006883S)

CA. SABIN BABU A
Partner
(ICAI Membership No. 203719)

THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2017

Amount in Rupees

	Note No.	As at 31.03.2017	As at 31.03.2016
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share capital	2	4,74,10,900	4,74,10,900
b) Reserves and Surplus	3	91,52,60,411	98,33,48,301
2 Share Application Money Pending Allotment		NIL	NIL
3 Non-current Liabilities			
a) Long Term Borrowings	4	26,68,79,697	25,17,29,012
b) Deferred Tax Liabilities (Net)		NIL	NIL
c) Other Long Term Liabilities	5	25,63,408	25,63,408
d) Long Term Provisions	6	1,29,59,960	1,25,64,186
4 Current Liabilities			
a) Short-term Borrowings		NIL	NIL
b) Trade Payables	7	36,14,85,725	28,46,75,696
c) Other Current Liabilities	8	3,18,17,181	7,45,43,559
d) Short Term Provisions		NIL	NIL
Total:		1,63,83,77,282	1,65,68,35,062
II ASSETS			
1 Non-current Assets			
a) Fixed Assets			
(i) Tangible Assets	9	96,12,61,201	1,02,72,05,265
(ii) Intangible Assets		NIL	NIL
(iii) Capital Work-in-Progress		2,02,68,667	1,92,54,460
(iv) Intangible Assets under development		NIL	NIL
b) Non-Current Investments	10	10,000	10,000
c) Long-term Loans and Advances		NIL	NIL
d) Other Non Current Assets	11	3,01,04,300	3,00,78,700
2 Current Assets			
a) Current Investments		NIL	NIL
b) Inventories	12	15,85,33,194	13,53,10,351
c) Trade Receivables	13	14,83,38,536	25,97,25,126
d) Cash and Cash Equivalents	14	18,73,13,873	7,10,71,778
e) Short-term Loans and Advances		NIL	NIL
f) Other Current Assets	15	13,25,47,511	11,41,79,382
Total:		1,63,83,77,282	1,65,68,35,062

Significant Accounting Policies
Notes to Financial Statements

1
1 to 26

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

As per Report of date


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


V. KUNHALI
CHAIRMAN
DIN NO: 09536693

For Ravi & Sabin
CHARTERED ACCOUNTANTS
(ICAI Registration No. 0058299)


CA. SABIN BABU A fca
Partner (ICAI No. 203719)

Thiruvananthapuram
10 November 2022



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

Amount in Rupees

	Note No.	For the year ending 31.03.2017	For the year ending 31.03.2016
I Revenue from Operations	16	56,25,32,690	74,32,33,584
II Other Income	17	7,45,13,517	9,63,13,368
III Total Revenue		63,70,46,207	83,95,46,952
IV Expenses			
Cost of Raw Material Consumed	18	73,50,584	79,41,961
Purchase of Stock-in-Trade	19	44,19,18,661	47,94,38,775
Changes in Inventories	20	(2,26,89,688)	2,66,25,937
Employee Benefit Expenses	21	5,60,39,889	5,73,48,559
Administrative and Other Expenses	22	8,78,57,469	17,92,63,967
Finance Cost	23	1,52,04,597	1,51,50,998
Depreciation and Amortisation	9	7,04,12,860	9,90,99,683
	Total:	65,60,94,372	86,48,69,880
V Profit/(Loss) before exceptional and extraordinary items		(1,90,48,165)	(2,53,22,928)
VI Exceptional Items		NIL	NIL
a Prior Period Items	24	(24,91,632)	(14,28,708)
b Loss on revaluation of assets		-	-
VII Profit/(Loss) before extraordinary expenses and tax		(2,15,39,797)	(2,67,51,636)
VIII Extraordinary Items		-	-
IX Profit/(Loss) before tax		(2,15,39,797)	(2,67,51,636)
X Tax Expenses			
a) Current Tax		(2,40,755)	-
b) Deferred Tax(Previous Years)		-	(41,79,073)
XI Profit/(Loss) for the period		(2,17,80,552)	(3,09,30,709)
XII Earnings per share	25		
Basic		-45.94	-65.24
Diluted		-45.94	-65.24

Significant Accounting Policies

1

Notes to Financial Statements

1 to 26

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

As per Report of date


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


V KUNHALI
CHAIRMAN
DIN NO: 09536693

For Ravi & Sabin
CHARTERED ACCOUNTANTS
(ICAI Registration No. 006883S)


CA. SABIN BABU A FCA
Partner (ICAI No. 203719)

Thiruvananthapuram
10 November 2022



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

Amount in Rupees

PARTICULARS	31st March 2017	31st March 2016
1 Cash Flow from Operating Activities		
Net Profit/(Loss) before extraordinary items and Tax	(2,15,39,797)	(2,67,51,636)
Adjustments:		
Depreciation	7,04,12,860	9,90,99,683
Interest Expense	1,52,04,597	1,51,50,998
Deferred Grant Amortisation	(6,42,40,925)	(8,71,88,789)
Profit on sale of assets	-	-
Interest Income	(67,413)	(26,06,517)
Loss on revaluation of Assets	-	-
Income Tax Payment	(2,40,755)	(41,79,073)
Operating Profit before working capital changes	(4,71,433)	(64,75,334)
Decrease/(Increase) in cur assets (excluding cash & bank)	6,97,95,618	16,73,85,826
Increase/(Decrease) in cur liabilities	3,40,83,651	(14,23,99,853)
Net cash from operating activities	10,34,07,836	1,85,10,639
2 Cash Flow from Investing Activities		
Addition to Fixed Assets	(44,68,796)	(10,37,69,770)
Deferred Grant Amortisation	6,42,40,925	8,71,88,789
Grant Received	1,79,33,587	3,10,21,715
Increase/(Decrease) in non current Provisions	3,95,774	(17,53,422)
Increase in Capital Work in Progress	(10,14,207)	98,87,781
profit on sale of assets	-	-
Interest	67,413	26,06,517
Decrease in Reserves on account of amortisation of grant	(6,42,40,925)	(8,71,88,789)
(Increase)/Decrease in other non current assets	(25,600)	(8,50,559)
Net cash from Investing Activities	1,28,88,171	(6,28,57,738)
3 Cash Flow from Financing Activities		
(Decrease)/Increase in Long Term Borrowings	1,51,50,685	1,02,46,761
(Decrease)/Increase in Short Term Borrowings	-	-
Interest	(1,52,04,597)	(1,51,50,998)
Net cash from Financing Activities	(53,912)	(49,04,237)
Net change in cash & cash equivalent (1+2+3)	11,62,42,095	(4,92,51,335)
Cash & cash equivalents at the beginning of the period	7,10,71,778	12,03,23,113
Cash & cash equivalents at the end of the period	18,73,13,873	7,10,71,778

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

As per Report of date



K.G.PRATHAP RAJ
MANAGING DIRECTOR
DIN: 09590951


V.KUNHALI
CHAIRMAN
DIN: 09536693

For Ravi & Sabin
CHARTERED ACCOUNTANTS
(ICAI Registration No. 0068835)


CA. SABIN BABU A FCA
 Partner (ICAI No. 203719)



Thiruvananthapuram
D November 2022

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

NOTE-1

CORPORATE INFORMATION :

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

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

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

2. USE OF ESTIMATES:

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

3. CURRENT NON CURRENT CLASSIFICATION:

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

4. FIXED ASSETS AND DEPRECIATION:

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



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

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

5. INTANGIBLE ASSETS:

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

6. IMPAIRMENT OF ASSETS:

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

7. INVENTORIES:

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

8. REVENUE RECOGNITION:

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

b) Any Government grant is recognized when there is reasonable assurance of its receipt. A capital grant relating to specific assets is reduced from the gross value of the fixed assets, and capital grant for project capital subsidy is credited to Capital Reserve. Revenue grant is recognized in the Profit and Loss.

9. EMPLOYEE BENEFITS:

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



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

10. PRIOR PERIOD ITEMS:

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

11. PROVISIONS:

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

12. TAX EXPENSES:

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

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

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSET:

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



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

2. Share Capital:

Amount in Rupees

	As at 31.03.2017	As at 31.03.2016
a) Authorised Capital 500,000 Equity Shares of Rs.100 each	5,00,00,000 *****	5,00,00,000 *****
b) Issued, subscribed and fully paid up capital 474,109 Equity Shares of Rs.100 each (Previous Year: 474,109 Equity Shares of Rs.100 each)	4,74,10,900	4,74,10,900
	<u>4,74,10,900</u>	<u>4,74,10,900</u>

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

2.2 Reconciliation of Number of Equity Shares outstanding:

At the beginning of the year	4,74,109	4,74,109
Shares issued during the year	NIL	NIL
At the end of the year	4,74,109	4,74,109

2.3 Details of shareholders holding more than 5% shares:

Government of India	35.76%	1,69,562	1,69,562
Government of Kerala	64.23%	3,04,537	3,04,537

3. Reserves and Surplus:

a) Capital Reserve:		
Opening balance	25,27,94,821	25,30,39,394
Additions during the year:		
For Capital Expenditure	47,28,901	8,19,49,577
For Revenue Expenses	77,03,036	49,94,639
Less: Deductions during the year:		
For Current Year	6,42,40,925	8,71,88,789
For Previous Year	-	-
Closing balance	<u>20,09,85,833</u>	<u>25,27,94,821</u>
b) Revaluation Reserve		
Relating to revaluation of Freehold Land	70,28,36,370	70,28,36,370
Relating to revaluation of Assets	13,53,67,920	13,53,67,920
c) Other Reserve - Grant-in-Aid:		
Opening balance	9,39,99,420	14,99,21,921
Additions:		
Grant received during the year	1,60,00,000	2,55,00,000
Interest on money parked with bank	19,33,587	55,21,715
Prior Period Adjustment	-	-
Sub-Total:	<u>11,19,33,007</u>	<u>18,09,43,636</u>
Deductions:		
Utilised for Capital Expenditure	47,28,901	8,19,49,577
Utilised for Revenue Expenses	77,03,036	49,94,639
Closing balance	<u>9,95,01,070</u>	<u>9,39,99,420</u>



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Amount in Rupees

	As at 31.03.2017	As at 31.03.2016
d) Profit and Loss Account		
As per last balance sheet	(20,16,50,229)	(17,07,19,520)
Add: Excess depreciation written back	-	-
Add: Profit/ (loss) for the year	(2,17,80,552)	(3,09,30,709)
Closing balance	(22,34,30,782)	(20,16,50,229)
Total Reserves and Surplus	Total (a+b+c+d):	98,33,48,301

- 3.1 Capital Reserve represents movement in receipt, utilisation, and carry over balance of Grant-in-Aid received from Government of Kerala each year.
- 3.2 Revaluation Reserve represents appreciation in value of freehold land and other Fixed assets owned by the Corporation as on 31 March 2016; the appreciation has been arrived at on the basis of the location and market value of the property.
- 3.3 Grant-in aid of Rs.1,60,00,000/- received during the year for the purpose of Renovation of agro Bazar's(Rs.1,00,00,000)& for Horticulture Plant At Mala(Rs.60,00,000/-), have been grouped under Reserves and Surplus as Subsidy / Grant in the Balance Sheet. Value of machinery and other assets purchased out of the Grants amounting to Rs.47,28,901/- as at 31-03-2017, has been debited to the respective Fixed Asset accounts and a similar amount from Grants transferred to Capital Reserve account being grant utilized.

4. Long-term Borrowings:

a) Secured Loans:		
Working Capital Loan from Canara Bank	-	-
b) Unsecured Loans :		
Working Capital Loan from Government of Kerala	8,00,99,000	8,00,99,000
Short-term Loan from Government of Kerala	17,79,348	17,79,348
Loan from Oil Palm India Ltd	6,00,000	6,00,000
Interest accrued and due to Government of Kerala	18,44,01,349	16,92,50,664
	26,68,79,697	25,17,29,012

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



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

5. Other Long-term Liabilities:

Amount in Rupees

	As at 31.03.2017	As at 31.03.2016
(Dues)/ Receivables Pending Adjustment/ Reconciliation:		
Classified erstwhile as current assets	21,62,157	21,62,157
Classified erstwhile as current liabilities	47,25,565	47,25,565
Net:	25,63,408	25,63,408

5.1 The above accounts represent balances carried forward and identified by the Corporation as on 01.04.2013 and are traceable to prior years transactions pending reconciliation/ adjustments. During the year 2016-17 amount classified from Current Assets is Rs.Nil and from Current Liabilities is Nil

5.2 The Corporation has initiated steps to analyse these accounts in a meticulous manner, and the matter is in progress.

6. Long Term Provisions:

Guarantee Commission to Government of Kerala	9,52,108	13,52,108
Write off of stolen cash	15,000	15,000
Gratuity for Kerala Agro Fruit Products Division	41,28,324	39,36,230
Earned Leave Salary	78,64,528	72,60,847
Provision for Income Tax	-	-
	1,29,59,960	1,25,64,186

6.1 Guarantee Commission due to Government of Kerala pertains to periods prior up to FY 2006-07 and is being paid in instalments and the balance outstanding as on date is Rs.9,52,108/-

6.2 The gratuity liability of the Corporation, other than for employees working in KAFP Division, has been covered under a gratuity insurance policy issued by the Life Insurance Corporation of India w.e.f. 1 April 2012. The gratuity liability of employees retired up to 31 March 2012 amounting to Rs.14,51,518/- has been disclosed as Gratuity Payable.

6.3 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 31.03.2017 is Rs.73,67,962/-.

7. Trade Payable:

Outstanding for a period exceeding six months from due date	33,70,15,399	26,01,80,015
Others		
Trade Advances Received	2,44,70,326	2,44,95,681
	36,14,85,725	28,46,75,696

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

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

7.3 The State Horticulture Mission (SHM), a nodal agency of Government of Kerala, has entrusted the work of setting up 21 Poly house demonstration units with KAIC, and SHM transferred an amount of Rs. 1,39,72,500/- up to 2014-15. We have completed 18 units up to 2014-15 and accounted the expense incurred amounting to Rs.1,20,32,620/- in 2014-15 as project expense. The closing balance in this account as on 31-3-2016 Rs.20,25,000/- is kept as advance pending supply for the Poly Farm Houses.

8. Other Current Liabilities:

Current maturities of long term debt	-	-
EMD and Security Deposit	1,04,76,055	54,51,055
Sundry Creditors for Expenses	1,27,06,212	5,76,77,848
Sundry Creditors for Others	72,83,554	99,33,826
Advance on Integrated Tribal Development Programme	(17,49,978)	(13,32,295)
Trade Advances Received	6,09,594	5,64,974
Recouping loss in CPF Account	24,91,745	22,48,152
	3,18,17,181	7,45,43,559



Note: 9.1 Tangible Assets

KERALA AGRO INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2017

PARTICULARS	ORIGINAL COST		DEPRECIATION				WRITTEN DOWN VALUE			
	1.04.2016	ADDITION	Sale/ Transfer	31.03.2017	RATE (%)	01.04.2016	Depreciation	Sale/ Transfer	31.03.2017	31.03.2016
1.FREE HOLD LAND	70,40,28,800	-	-	70,40,28,800	-	-	-	-	70,40,28,800	70,40,28,800
2.OFFICE BUILDING	7,84,37,502	-	-	7,84,37,502	4.87%	72,80,929	33,67,721.89	-	6,77,88,851	7,11,56,573
3.FACTORY BUILDING	2,48,52,492	-	-	2,48,52,492	9.50%	63,91,514	23,88,786.56	-	87,80,301	1,84,60,978
4.PLANT & MACHINERY (GENERAL)	3,24,61,814	14,400	-	3,24,76,214	18.10%	1,03,17,483	40,24,479.84	-	1,43,41,963	2,21,44,331
5.PLANT & MACHINERY (Tractor, Tiller, Combined harvester & Ladder)	3,55,69,022	1,46,648	-	3,57,15,670	31.23%	2,39,94,549	36,86,928.51	-	2,76,81,478	1,15,74,473
6.CAR & JEEP	7,69,791	-	-	7,69,791	25.89%	5,67,755	61,966.60	-	6,29,722	2,02,036
7.JCB	3,40,000	-	-	3,40,000	18.10%	3,23,000	-	-	3,23,000	17,000
8.LORRY & TRUCKS	-	-	-	-	31.23%	0	(0.00)	-	0	(0)
9.ELECTRICAL FITTINGS	1,48,409	-	-	1,48,409	25.89%	1,04,827	10,054.04	-	1,14,881	33,528
10.OFFICE EQUIPMENT	15,64,749	1,13,308	-	16,78,057	45.07%	13,70,253	1,02,058.83	-	14,72,312	2,05,745
11.FURNITURE & FITTINGS	8,77,872	1,32,564	-	10,10,436	25.89%	7,17,459	53,091.09	-	7,70,550	2,39,886
12. FURNITURE & FITTINGS (CANTEEN)	8,212	-	-	8,212	25.89%	7,801	-	-	7,801	411
13.WATER COOLER	45,009	-	-	45,009	45.07%	37,636	1,220.69	-	38,857	6,152
14.REFRIGERATED VENDING MACHINE	93,117	-	-	93,117	18.10%	88,462	-	-	88,462	4,655
15.COMPUTERS	26,18,880	3,47,182	-	29,66,062	63.16%	23,86,844	1,78,663.35	-	25,65,507	4,00,555
16.LIBRARY	28,168	-	-	28,168	-	26,760	-	-	26,760	1,408
TOTAL	88,18,43,838	7,54,102	-	88,25,97,940		5,36,15,273	1,38,74,971.39	-	6,74,90,244	82,82,28,565
PREVIOUS YEAR	87,89,13,709	29,30,129	-	88,18,43,838		3,67,09,737	1,69,05,535	-	82,82,28,565	84,22,03,972



KERALA AGRO INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2017

Note: 9.2 Tangible Assets (Acquired out of Grant-in-Aid)

PARTICULARS	ORIGINAL COST			DEPRECIATION			WRITTEN DOWN VALUE				
	1.04.2016	ADDITION	Sale / Transfer	31.03.2017	RATE (%)	01.04.2016	Depreciation	Sale / Transfer	31.03.2017	31.03.2017	31.03.2016
1. Combined harvester & Ladder	45,84,92,589	-	-	45,84,92,589	31.23%	31,85,15,770	4,41,79,097.31	-	36,26,94,868	9,57,97,721	13,99,76,819
2.COMPUTERS	7,37,319	-	-	7,37,319	63.16%	6,22,129	52,900.06	-	6,75,029	62,290	1,15,190
3. Building (show room at thiruvalla)/Arimpur & Bathery	84,22,486	21,00,000	-	1,05,22,486	4.87%	16,70,064	3,65,671.58	-	20,35,735	84,86,751	67,52,422
4. Power Tiller equipments	3,72,04,295	-	-	3,72,04,295	31.23%	2,23,19,850	46,67,256.99	-	2,69,87,107	1,02,17,189	1,48,84,446
5. Tools Machines & Office equipments	96,18,109	-	-	96,18,109	45.07%	73,02,766	11,34,738.41	-	84,37,505	11,80,604	23,15,343
6.FURNITURE & FITTINGS	3,44,108	4,15,304	-	7,59,412	25.89%	1,13,383	1,11,129.58	-	2,24,512	5,34,900	2,30,725
7.Motor Vehicle	27,56,528	-	-	27,56,528	25.89%	19,86,117	2,49,850.60	-	22,35,968	5,20,560	7,70,411
8.Tractor	4,54,09,315	-	-	4,54,09,315	31.23%	3,55,59,748	31,08,190.84	-	3,86,67,939	67,41,377	98,49,567
9.Truck	29,20,344	-	-	29,20,344	31.23%	23,78,057	1,73,583.84	-	25,51,641	3,68,703	5,42,287
10.Factory Building	8,81,945	-	-	8,81,945	4.87%	2,01,023	33,098.43	-	2,34,121	6,47,824	6,80,922
11. Transplanter	5,51,411	6,63,600	-	12,15,011	31.23%	2,66,668	2,98,900.71	-	5,65,569	6,49,442	2,84,743
12.Plant & Machinery (KAFF) & unit	1,13,83,790	-	-	1,13,83,790	31.23%	49,41,426	11,87,400.62	-	65,28,827	52,54,963	64,42,364
13. Building (KAFF)	1,66,83,346	5,35,790	-	1,72,19,136	4.87%	12,84,197	7,70,229.39	-	20,54,426	1,51,64,710	1,53,99,149
13...JCB	20,46,000	-	-	20,46,000	31.23%	13,13,687	2,05,840.20	-	15,19,528	5,26,472	7,32,313
TOTAL	59,74,51,586	37,14,694	-	60,11,66,280		39,84,74,886	5,65,37,889	-	45,50,12,774	14,61,53,506	19,89,76,700
PREVIOUS YEAR (2015-16)	49,66,11,945	10,08,39,641	-	59,74,51,586		31,62,80,736	8,21,94,148	-	39,84,74,886	19,89,76,700	18,03,31,209
Capital WIP	1,92,54,460	10,14,207	-	2,02,68,667					2,02,68,667	1,92,54,460	
Capital WIP(Previous Year)	2,91,42,241	27,23,368	1,26,11,149	1,92,54,460						1,92,54,460	2,91,42,241



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

10. Non-Current Investments:

	Amount in Rupees	
	As at 31.03.2017	As at 31.03.2016
Investment in Equity Investments (Long term, fully paid up, unquoted equity shares)		
Kerala Feeds Limited	10,000	10,000
	10,000	10,000

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

11. Other Non Current Assets:

Long term Trade Receivable: Deposits for Utility Services	12,90,313	12,64,713
Other Long-term Receivables: (Unsecured considered doubtful)		
Loan to Meat Products India Limited (MPIL)	1,33,49,087	1,33,49,087
Investment in Meat Products of India (MPIL)	37,64,900	37,64,900
Investment in Kerala Agro Machinery Corporation Limited (KAMCL)	1,17,00,000	1,17,00,000
	3,01,04,300	3,00,78,700

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

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

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

12. Inventories:

(Valued at cost or net realisable value)

a) Raw materials	1,32,142	1,21,552
b) Work-in-progress	6,49,074	4,09,023
c) Finished goods	5,35,952	1,10,490
d) Stock-in-trade (goods acquired for trading)	11,19,50,532	9,19,05,658
e) Stores and spares	24,40,902	9,54,146
f) Loose tools	1,06,315	1,18,127
g) Others:		
Fabricated goods	4,18,47,040	4,06,91,806
Packing Materials and Containers	3,91,868	4,66,917
Wooden crates, Barrels and RTS bottles (on revaluation)	4,79,369	5,32,632
	15,85,33,194	13,53,10,351

12.1 Inventory has been physically verified and valued by the management as on 31 March 2017 and has been relied upon by the Statutory Auditors.



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

13. Trade Receivables:

	Amount in Rupees	
	As at 31.03.2017	As at 31.03.2016
Unsecured considered good		
Outstanding for a period exceeding six months from due date	14,80,42,582	25,93,88,803
Others	2,95,955	3,36,323
	14,83,38,536	25,97,25,126

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

14. Cash and Cash Equivalents:

Cash on hand	4,71,370	12,02,222
Cash in Transit	-	525
Balance with banks:		
In Current Account	14,35,05,963	2,47,48,702
In Deposit Accounts (Interest accrued but not due NIL)	3,52,92,514	3,07,49,541
Balance with Government of Kerala Treasury Accounts	80,44,026	1,37,18,828
Cheque in transit		6,51,960
	18,73,13,873	7,10,71,778

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

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

15. Other Current Assets:

Advance Tax and Tax Deducted At Source	17,38,934	13,88,449
Trade Advances	12,09,96,612	10,34,53,780
Mala Captive Expenses	5,61,801	5,61,801
Temporary loan to VAFPCL	20,00,000	-
Advances Recoverable in cash or in kind:		
Advance for Expenses	70,808	1,26,031
EMD/ Other Security Deposits	13,39,668	14,94,312
Prepaid Expenses	5,13,256	9,11,147
Staff Advances	8,741	4,38,979
Kerala Agro Fruit Products Division	-	-
Other Advances Recoverable	53,17,691	58,04,883
	13,25,47,511	11,41,79,382

16. Revenue from Operations:

	For the year ending 31.03.2017	For the year ending 31.03.2016
Sale of Products	46,91,92,663	56,06,67,337
Sale of Services	2,02,184	23,41,158
From Project Works	8,16,52,867	16,64,22,966
From Hiring Agricultural Equipment	1,14,84,976	1,38,02,123
	56,25,32,690	74,32,33,584



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

17. Other Income:

	Amount in Rupees	
	For the year ending 31.03.2017	For the year ending 31.03.2016
Deferred Revenue Grant from Govt. of Kerala	6,42,40,925	8,71,88,789
Installation and Transportation Charges	-	-
Interest on deposits with bank	67,413	26,06,517
Interest on Financial Services	1,21,784	(46,097)
Sale of Tender Documents	-	-
Trade Discounts	3,06,339	4,13,469
Other Miscellaneous Income	95,17,117	46,33,331
Rent from let-out property	-	1,73,184
Insurance claim Received	37,860	-
Other Income	2,22,078	13,44,174
	7,45,13,517	9,63,13,368

18. Cost of Material Consumed:

(Kerala Agro Fruit Products Division)		
Opening Stock	11,42,853	13,96,560
Add: Purchases and incidental direct expenses	79,48,814	76,88,254
Less: Closing Stock	17,41,083	11,42,853
Cost of Materials Consumed	73,50,584	79,41,961

19. Purchase of Stock-in-Trade:

Goods for Resale	43,06,44,334	43,97,26,051
Fabricated Goods	1,12,74,327	3,97,12,724
	44,19,18,661	47,94,38,775

20. Changes in Inventories:

Opening Stock:			
Goods for Resale	9,18,70,787		15,77,61,319
Fabricated Goods	4,06,91,806		13,20,852
Stores and Spares	9,54,146		10,60,505
	Sub Total	13,35,16,739	16,01,42,676
Less: Closing Stock:			
Goods for Resale	11,19,18,485		9,18,70,787
Fabricated Goods	4,18,47,040		4,06,91,806
Stores and Spares	24,40,902		9,54,146
	Sub Total	15,62,06,427	13,35,16,739
(Increase)/ Decrease in Stock		(2,26,89,688)	2,66,25,937

21. Employee Benefit Expenses:

Salaries and Wages	4,94,42,693	5,21,88,270
Contribution to Provident and Other Funds	51,88,050	49,06,253
Staff Welfare and Training Expenses	14,09,146	2,54,036
	5,60,39,889	5,73,48,559



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

22. Administrative and Other Expenses:

Amount in Rupees

	For the year ending 31.03.2017	For the year ending 31.03.2016
Manufacturing and Other Expenses:		
Electricity & Water charges	13,05,385	12,02,381
Cost of Fuel	8,95,175	10,51,883
Freight Charges	12,42,541	9,27,244
Repairs to Building	-	57,075
Repairs to Machinery and Equipment	1,34,16,678	63,19,352
Expenses on Equipment let on Hire	5,13,775	42,67,389
Loss on revaluation of Loose Tools	65,076	72,307
Project Work Expenses:	4,80,32,716	13,34,75,924
Selling Expenses:		
Advertisements	15,88,554	19,50,686
Sales Promotion Expenses	1,19,503	7,65,029
Trade Discount and Commission	1,39,940	6,84,578
Transportation Charges	9,01,369	27,83,962
Administrative Expenses:		
Rent	14,96,502	10,62,090
Rates and Taxes	2,81,861	1,92,139
Insurance	11,79,647	33,52,928
Telephone and Internet Charges	5,82,716	7,59,309
Traveling & Conveyance	22,10,399	28,25,025
Vehicle Expenses	92,645	1,74,367
Printing & Stationery	13,90,643	12,58,982
Statutory Audit Fee	1,50,000	1,50,000
Fee for Professional Services	14,06,661	19,51,285
Meeting Expenses	2,16,683	4,99,968
Security Expenses	28,23,724	22,82,455
General Expenses	78,05,277	1,11,97,608
	8,78,57,469	17,92,63,967

23. Finance Cost:

Interest expenses		
Term Loan from Bank	-	-
Loan from Government of Kerala	1,52,04,597	1,51,50,998
	1,52,04,597	1,51,50,998

24. Prior Period Item

Prior Period Income		
Income	14,60,202	-
Total(A)	14,60,202	-
Prior Period Expense		
Expenses	39,51,834	14,28,708
Total(B)	39,51,834	14,28,708
Prior Period Item(A-B)	(24,91,632)	(14,28,708)

25. Earnings per Equity Share:

Net Profit after tax as per Profit and Loss Statement	(2,17,80,552)	(3,09,30,709)
Weighted Average number of equity shares used as denominator	4,74,109	4,74,109
Basic and Diluted Earnings per Share	-45.94	-65.24
Face Value per equity share	100	100



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

26. ADDITIONAL INFORMATION / DISCLOSURES :

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

(Amount in Rupees)

Sl. No.	Particulars	Sales	Service	Project Works	Hiring Equipment	Total
(A)	REVENUE:					
	Total Segment Revenue	46,91,92,663	2,02,184	8,16,52,867	1,14,84,976	56,25,32,690
	Inter Segment Revenue	-	-	-	-	-
	Other Segment Income	-	-	-	-	-
	TOTAL REVENUE	46,91,92,663	2,02,184	8,16,52,867	1,14,84,976	56,25,32,690
(B)	SEGMENT RESULTS					
	Purchase/ Consumption	42,65,79,557	-	-	-	42,65,79,557
	Direct expenses	30,84,030	1,329	4,72,38,261	1,01,18,224	6,04,41,844
	Unallocated Expense	-	-	-	-	15,38,68,374
	Operating profit	3,95,29,076	2,00,855	3,44,14,606	13,66,752	(7,83,57,085)
	Other Income & Exceptional item	-	-	-	-	7,45,13,517
	Financial Expenses & Prior Period Item	-	-	-	-	1,76,96,229
	Profit Before Tax	-	-	-	-	(2,15,39,797)
	Current Tax	-	-	-	-	2,40,755
	Deferred Tax-(Previous Years')	-	-	-	-	-
	Profit after tax	-	-	-	-	(2,17,80,552)
C	OTHER INFORMATION					
	Segment Assets	70,90,12,430	3,40,054	12,34,39,574	1,73,42,750	85,01,34,809
	Unallocated Corporate Assets	-	-	-	-	78,82,42,473
	Total Assets	70,90,12,430	3,40,054	12,34,39,574	1,73,42,750	1,63,83,77,282
	Unallocated Corporate Liabilities	-	-	-	-	1,63,83,77,282
	Total Liabilities	-	-	-	-	1,63,83,77,282
	Depreciation/ Amortisation	5,87,24,325	28,165	1,02,23,947	14,36,422	7,04,12,860
	Unallocated Corporate Depreciation	-	-	-	-	-
	Total Depreciation/ Amortisation	-	-	-	-	7,04,12,860
	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.



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

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

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

Nature of Relationship	Name of Related Party
Key Managerial Personnel	Sri. N.K Manoj, Managing Director-Up to 03.08.2016 Sri.S.K Suresh, Managing Director-03.08.2016 to 28.09.2016 Sri.P Suresh Babu, Managing Director-from 28.09.2016

b) Transactions with related parties during the year;

Payment to Directors of the Company :

Sl No	Particulars	Current Year	Previous Year
		Rs.	Rs.
a.	Salaries & Allowances (Managing Director)	7,38,554.00	9,41,824.00
b.	Honararium to Chairperson	1,25,806.00	2,40,000.00
c.	Travelling Expenses (Manging Director)	40,258.00	75,374.00
d.	Travelling Expenses (Directors)	-	-
e.	Leave Travel Concession	Nil	Nil
f.	Sitting Fee	2,100.00	8,400.00
g.	Value of Perquisite in cash or in kind (Phone charge)	17,246.00	30,616.00

26.8 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' amog Administrative and other expenses.

26.9 As required by the Accounting Standard AS-26 ' Impairment of Assels' 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.

26.10 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 Eneprises Development Act, 2006 and therefore no disclosure has been made.

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

Notes from Sl.No:1 to 26


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

As per Report of date


 K.G.PRATHAP RAJ
 MANAGING DIRECTOR (DIN:09590951)


 V.KUNHALI
 CHAIRMAN (DIN:09536693)

For Ravi & Sabin
 CHARTERED ACCOUNTANTS
 (ICAI Registration No. 0068835)


 CA. SABIN BABU A FCA
 Partner (ICAI No. 203719)

Thiruvananthapuram
 13 November 2022



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED.

DELAY STATEMENT.

Reasons for delay in finalisation and Audit of Annual Accounts for the year 2016-17.

The Annual Accounts of the Kerala Agro Industries Corporation have been in arrears for the last few years. It was because of the cumulative effect of the previous years' delay that there was accumulation of arrears in audit and accounts. The accumulation of arrears was mainly due to shortage of adequate staff having knowledge in Accounting and finalization of Accounts. The huge volume of transactions and compilation & consolidation of accounts of 26 units were other reasons for accumulation of arrears. The Annual Accounts of previous year (2015-16) could be certified by the Auditors only on 04-07-2022 and adopted in the adjourned annual general meeting held on 31-08-2022. 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 2016-17 commenced by first week of August 2022 and the Annual Accounts 2016-17 certified on 10-11-2022. The Annual Accounts along with Auditor's Report were sent to Comptroller and Auditor General of India on 11-11-2022 for Comments of C&AG. The directors Report along with MGT-9 was placed in the Board meeting held on 20-12-2022. Thus there is no delay from the date of adoption of last year accounts because only a time of about 2.5 months consumed for certification of 2016-17 accounts from the date of adoption of 2015-16 accounts. Delay was actually occurred up to the year 2014-15 and the present delay is unavoidable and beyond our control.

Now actions have been initiated for finalization and audit of arrear accounts from 2017-18 onwards and which will be completed in a time bound manner.

Thiruvananthapuram,

20-12-2022.



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 2017.**

The preparation of financial statements of **The Kerala Agro Industries Corporation Limited, Thiruvananthapuram for the year ended 31 March 2017** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated **10 November 2022**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of **The Kerala Agro Industries Corporation Limited, Thiruvananthapuram for the year ended 31 March 2017**. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries to the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. COMMENTS ON PROFITABILITY

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31 MARCH 2017**

I. Expenses

I.a Administrative and Other Expenses (Note No. 22) ` 878.58 lakh

This is understated by ` 3.14 lakh due to non-creation of provision for expenses accrued and due during the year. This has also resulted in corresponding understatement of current liabilities and loss for the year by the same amount.

I. b Depreciation and Amortisation - Note No. 9.1

Depreciation on asset acquired out of own fund ` 138.75 lakh

This is understand by ` 18.72 lakh due to short provision of depreciation on tangible assets for the year. This also resulted in understatement of loss for the year and overstatement of tangible assets by ` 18.72 lakh.

B. COMMENT ON FINANCIAL POSITION

I. Tangible Asset

Note No. 9.2 - Acquired out of Grant - ` 1461.54 lakh

This is overstated by ` 95.61 lakh due to short provision of depreciation on tangible assets acquired out of grant, for the current year with corresponding overstatement of capital reserve by the same amount.

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

Thiruvananthapuram

Dated : 15-02-2023


ANIM CHERIAN

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