

53

FIFTY THIRD

**ANNUAL REPORT AND AUDITED ACCOUNTS
2020 - 21**



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.

53 RD ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR 2020-21

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THE KERALA AGRO INDUSTRIES CORPORATION LTD.

**REGD. OFFICE:
"KISSAN JYOTHI", FORT P.O.,
THIRUVANANTHAPURAM-695 023.**

No. Secl.26/36

05.09.2024

NOTICE

Notice is hereby given that the 53rd Adjourned Annual General Meeting of the Kerala Agro Industries Corporation Ltd. will be held at 10.30 A.M. on 27th September, 2024 at the Registered Office of the Corporation at "Kissan Jyothi", Fort P.O., Thiruvananthapuram-695 023 to transact the following business.

Ordinary Business:

"To receive, consider and adopt the Directors' Report, Addendum to Directors Report, Balance Sheet and Profit and Loss Account, Auditors' Report and comments of the Comptroller and Auditor General of India for the year ended 31st March, 2021."



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. SHIBUKUMAR. L	MANAGING DIRECTOR
SHRI. C. R. LOHI	DIRECTOR
SHRI. ANOOP.M.R.	DIRECTOR
SHRI. R. ABHILASH CHANDRAN	DIRECTOR
SHRI. K. K. SIVARAMAN	DIRECTOR
SHRI. JOSE MATHEW	DIRECTOR
SHRI. R. SASI	DIRECTOR
SHRI. K. K. JAYAPRAKASH	DIRECTOR

II. BANKERS

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

III. AUDITORS

K. S. MADHU & Co.
Chartered Accountants,
MRRA-26, 'GANESHA',
Malloor Road, Vanchiyoor,
Thiruvananthapuram - 695 035.

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.keralaagro.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 53rd 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, 2021.

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

Financial highlights of the consolidated statement of operations of your company for the year 2020-21 are as under:

(Rupees in lakhs)

Particulars	2020-21	2019-20
Revenue from operations	7499.38	6181.55
Other Income	125.46	174.62
Total Income	7624.84	6356.17
Operating Expenses	7693.57	6634.20
Operating Profit / (Loss)	(68.73)	(278.03)
Interest	166.30	165.81
Depreciation	164.43	231.75
Exceptional items	(5.88)	280.51
Net Profit/ (Loss)	(393.58)	(956.10)
Extraordinary Item	63.10	NIL
Provision for Income Tax / IT Expense	NIL	NIL
Net profit/(Loss) after tax	(456.68)	(956.10)
Balance brought forward from previous year	(5021.27)	(4065.17)
Depreciation written back	NIL	NIL
Cumulative losses	(5477.95)	(5021.27)

During the year ended 31st March, 2021, your company could achieve a total turnover of Rs. 7499.38 lakhs against Rs.6181.55 lakhs for 2019-20. The total sale for the year 2020-21 is in excess by Rs.1317.83 lakhs from that of the previous year.

The net loss for the year after making provisions for interest and depreciation and after making adjustments for prior periods and Tax stood at Rs.456.68 lakhs against a net loss of Rs.956.10 lakhs during the previous year.



2)ACTIVITIES

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

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

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

The Corporation sold tractors, power tillers, power reapers, trailers, pump sets, sprayers, sprinkler and drip irrigation equipments worth Rs. 4342.66 lakhs during the year as against Rs.3999.74 lakhs during the previous year.

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

Sale of spare parts and implements during the year was Rs.44.88 lakhs as against the previous year's sale of Rs. 258.20 lakhs.

iii)Sale of Fabricated goods.

During the year under report, fabricated goods worth Rs.247.31 lakhs were sold as against Rs.122.83 lakhs during the previous year.

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

During the year under report, agricultural inputs worth Rs.2156.61 lakhs were sold as against Rs.1456.09 lakhs during the previous year.

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

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

vi)Implementation of Government Schemes

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

vii)Fruit Processing Unit at Punalur

During the year under report the unit has made a turnover of Rs.82.63 lakhs as against a turnover of Rs.74.80 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.5477.95 lakhs as on 31.03.2021, your Directors do not recommend payment of dividend for the year under review.

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

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

Sl.no	Name	Post	Date of appointment	Date of cessation
1.	Shri.Sulfikar Mayoori	Chairman	21-12-2016	10-03-2021
2.	Shri.K.C.Jayakumar	Managing Director	16-11-2019	
3.	Shri. C.R.Lohi	Director	20-12-2016	
4.	Shri.Anil kumar.C	Director	30-05-2019	23-09-2020
5.	Sri.Sabir Husain.S	Director	23-09-2020	
6.	Sri.Sunil Das	Director	13-02-2019	
7.	Shri.P.V.Sathyanesan	Director	12-04-2017	09-07-2020
8.	Shri.Solomon Vettukadu	Director	09-07-2020	
9.	Shri.H.Rajeevan	Director	12-04-2017	
10.	Shri.E.N.Suresh Babu	Director	12-04-2017	
11.	Shri.E.K.Sivan	Director	12-04-2017	09-07-2020
12.	Shri.K.Ajith	Director	12-04-2017	
13.	Shri.Shajahan	Director	09-07-2020	

7)BOARD MEETINGS – Sec.134(3)(b).

The Board of Directors met 5 times during this financial year as stated below.

SL.NO:	Number of Board Meeting.	Date of Board Meeting.
1.	277	03-06-2020
2.	278	29-09-2020
3.	279	12-01-2021
4.	280	25-02-2021



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 2020-21 since it was not mandatory as per Sec. 177 of Companies Act, 2013 and Rule 6 & 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

ii) Corporate Social Responsibility Committee.

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

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

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

11)STATUTORY AUDITORS.

M/s. K.S.MADHU & Co, Chartered Accountants, MRRA-26, Ganesha, Malloor Road, Vanchiyoor.Po, Trivandrum - 695035, was appointed as the Statutory Auditors of company for the year 2020-21. The Report given by the Auditors on the financial statements of the company is part of the Annual Report.

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

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

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

The Annual Accounts with Auditors Report submitted to C&AG. The Comptroller & Auditor General of India has not reviewed the accounts for the year 2020-21 under Section 143(6) of the Companies Act 2013 and issued non review certificate.

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 31.03.2021.
- c) The Board of Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The Board of Directors has prepared the annual accounts on a going concern basis.
- e) The Company being unlisted, sub clause (c) of section 134(3) of the Companies Act 2013 pertaining to laying down internal financial controls is not applicable to the company.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18)PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE

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



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

19)LABOUR RELATIONS

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

20)ACKNOWLEDGEMENT

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

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN

THIRUVANANTHAPURAM

Dated: 29/08/2024



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

ANNEXURE TO DIRECTORS' REPORT 2020-21

Form No: MGT - 9

EXTRACT OF ANNUAL RETURN

(As on the financial year ended on 31st March 2021)

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES 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 2020)				No. of shares held at the end of the year (As on 31-March 2021)				% 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	NA
Grand Total (A+B+C)	NA	474109	474109	100	NA	474109	474109	100	0



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

B) Shareholding of Promoter

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

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

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

* There is no change in the total shareholding of the promoter between 01.04.2020 and 31.03.2021

D) Shareholding pattern of top ten shareholders

(other than Directors, Promoters and holders of GDRs and ADRs)

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

E) Shareholding of Directors and Key managerial personnel

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



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

V) INDEBTNESS

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

	Secured loans excluding deposits	Unsecured loans (Rs) in lakhs	Deposits (Rs) in lakhs	Total indebtiness (Rs) in lakhs
Indebtness at the beginning of the financial year 2020-21				
i) Principal Amount	9.24	924.78	NIL	934.02
ii) Interest due but not paid	0	2334.69	NIL	2334.69
iii) Interest accrued but not due	0	0	NIL	0
Total (i+ii+iii)	9.24	3259.47	NIL	3268.71
Change in Indebtness during the financial year				
* Addition	0	166.31	NIL	166.31
*Reduction	0.89	0	NIL	0.89
Net Change	-0.89	166.31	NIL	165.42
Indebtness at the end of the financial year 2020-21				
i) Principal Amount	8.35	924.78	NIL	933.13
ii) Interest due but not paid	0	2501.00	NIL	2501.00
iii) Interest accrued but not due	0	0	NIL	0
Total (i+ii+iii)	8.35	3425.78	NIL	3434.13

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No.	Particulars of remuneration	Name of Managing Director/WTD/Manager		Total Amount (Rs)
		K.C.Jayakumar, Managing Director.		
1	Gross salary			
	(a) salary as per provisions contained in section 17(1) of the Income tax Act 1961 (RS)	1426155.00		1426155.00
	(b) value of perquisites u/s 17(2) of Income tax Act 1961	NIL		0.00
	(c) Profits in lieu of salary under section 17(3) of Income tax Act 1961	NIL		0.00
2	Stock Option	NIL		0.00
3	Sweat Equity	NIL		0.00
4	Commission:			
	as % of profit	NIL		0.00
	others, specify	NIL		0.00
5	Others, Please Specify (Rs)			
	i) Leave salary	0.00		0.00
	ii) Travelling Expenses	0.00		0.00
	iii) Telephone Charges	7166.00		7166.00
	iv) Medical Expenses	0.00		0.00
	Total (A)	1433321.00		1433321.00
	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. Sulfikar Mayoori (Chairman), Sri.K.C.Jayakumar(MD), Sri. C.R.Lohi, Sri.Anilkumar.C, Sri.Sabir Hussain.S, Sri.Sunil Das, Sri. P.V.Sathyanesan, Sri.Solomon Vettukad, Sri.H.Rajeevan, Sri.E.N.Suresh Babu, Sri.E.K.Sivan, Sri.K.Ajith and Sri. Shajahan (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		3,800.00
	Commission		0
	Others, please specify (Travelling Expense)		13619.00
	Total (2)		17,419.00
	Total (B) = (1+2)		17,419.00
	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 2020-21.		
1	Gross salary	NA			
	(a) salary as per provisions contained in section 17(1) of the Income tax Act 1961	NA	NA	7,35,500.00	7,35,500.00
	(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	735500.00	735500.00
	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

29 -08-2024



Sd/-

CHAIRMAN

ADDENDUM TO DIRECTORS' REPORT

REPLY TO COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT 2013 ON THE ACCOUNTS OF THE KERALA AGRO INDUSTRIES CORPORATION LTD. FOR THE YEAR ENDED 31 MARCH 2021

Principal Accountant General (Audit -I), Kerala has issued Non-Review Certificate under Sec. 143(6)(a) of the Companies Act, 2013 and thus there is NIL comments for the year 2020-21.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

CHAIRMAN

THIRUVANANTHAPURAM

Dated: 29/08/2024





K.S. Madhu & Co.
Chartered Accountants

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

Report on Financial Statements


Opinion

We have audited the accompanying financial statements of **The Kerala Agro-Industries Corporation Limited**, ("the company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss and Statement of Cash flows for the period from 01.04.2020 to 31.03.2021, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 Company as at March 31, 2021, and profit/loss for the year ended on that date.

Basis for Qualified Opinion

- (a) The company is showing a closing balance of Rs 702.68 lakhs in Note 3(d) "Other Reserve: Grant in Aid" under Reserves and Surplus of the financials statement for which the details of grant/category wise split up is not available for verification. Hence we are unable to comment on the utilization of grants received in earlier years.
- (b) The company is showing a closing balance of Rs 0.53 lakhs in Note 3(a) "Capital Reserve" under Reserves and Surplus of the financials statement for which the details of category wise split up is not available for verification. Hence we are unable to comment on the impact of the adjustments, if any, arising from reconciliation in the financial statements.
- (c) The company has not identified old, non-moving, damaged or obsolete inventory items and has also not made any provision on account of change in value of stock in such cases. The company has not carried out physical verification of the inventory. The adjustments, if any, in the financial statements is not ascertainable. The company has not complied with 'Accounting Standards 2-Valuation of Inventories' and AS 28-impairment of assets to this extent
- (d) The total income as per the Goods and Service Tax returns is Rs. 8655.27 lakhs while as per the Profit and Loss Statement of the financials is Rs. 7624.84 lakhs. Due to the non-availability of information and details regarding the variations, we are unable to quantify the impact of additional tax liability, if any, arising from reconciliation of tax returns with the financial statements.


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- (e) The company is showing a closing balance of Rs. 25.63 lakhs as "Other Long Term Liabilities" in Note 5 the financial statements for which details are not available for verification. Due to the non-availability of information and details, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlements of account balances in the financial statements.
- (f) The company is showing a closing balance of Rs. 46.46 lakhs as "Other Advance Recoverable" in Note 15 of the financial statements for which details are not available for verification. Due to the non-availability of information and details, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlements of account balances on the financial statements.
- (g) The company is not maintaining a system to identify and classify Earnest Money Deposits & Security Deposits related to completed projects and non-completed projects. As stated in Note No.8 & 15 to the financial statements, an amount of Rs.52.12 lakhs is outstanding as EMD and security deposit payable and an amount of 33.97 lakhs outstanding as EMD and security deposit receivable as on 31-03-2021. This amount includes amounts outstanding against completed projects also. Due to the non-availability of confirmation and reconciliation of afore mentioned account balance, we are unable to quantify the impact of adjustments on the financial statements, if any, arising from reconciliation and settlement of EMD and security deposits account balances of completed projects.
- (h) The company is showing a closing balance of Rs. 433.46 lakhs as "Sundry Creditors for expenses", Rs.72.63 lakhs as "Sundry Creditors for Others" and Rs. 7328.66 lakhs as "Trade Advances Received" in Note no 8 of the financial statements. The company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade payables. Due to non-availability of confirmations and reconciliations of the aforesaid account balances, we are unable to quantify the impact of adjustments, if any, arising from reconciliation and settlement of account balances on the financial statements.
- (i) The company is showing a closing balance of Rs. 6723.27 lakhs as "Trade Payables" in Note No 7 of the financial statements. The company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade payable. Due to non-availability of confirmations and reconciliations of the aforesaid account balances, we are unable to quantify the impact of adjustments, if any, arising from reconciliation and settlement of account balances on the financial statements.
- (j) The company is showing a closing balance of Rs. 9139.54 lakhs as "Trade Receivables" in Note No.13 of the financial statements, Rs.2835.56 lakhs as "Trade Advances" in Note no 15 of the financial statements. The Trade Receivables includes outstanding aged for more than three years amounting to Rs.4769.68 lakhs. The company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade receivables. Due to non-availability of confirmations and reconciliations of the aforesaid account balances, we are unable to quantify the impact of adjustments, if any, arising from reconciliation and settlement of account balances on the financial statements.
- (k) The company is showing a closing balance of Rs. 12.39 lakhs as "Deposits for Utility Services" in Note No. 11 of the financial statements for which the details are not available for verification. Due to the non-



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

- (l) The company has not identified units covered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") and hence disclosures as required under the MSMED Act 2006 is presently not ascertainable.
- (m) The company is accounting interest income on cash/receipt basis only and not on accrual basis as per the requirements of Companies Act 2013.

Other Matters:

- (a) The company has joined Group Gratuity Scheme with Life Insurance Corporation of India for payment of gratuity of its employees. The company has defaulted in the payments liable to LIC and hence has not complied with the directions of Accounting Standard 15 - Employee Benefits.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the



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

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls



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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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



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

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

Place: Trivandrum

Date: 29.06.2024



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


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

UDIN: 24019380BKFEJB5400

Annexure A to the Auditors' Report

The Annexure referred to in our report to the members of **TheKerala Agro-Industries Corporation Limited** ("the company") on the accounts of the company for the year ended 31st March,2021.

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

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



Value added Tax, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. *It is noted that there is delay in payment of monthly contribution to Provident Fund, and Employees' State Insurance.* According to the information and explanations given to us there is outstanding Provident Fund dues as on 31st of March, 2021 for a period of more than six months from the date they became payable. As the detailed working of outstanding liability is not available, we are unable to quantify the liability outstanding for more than six months.

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

Nature of Statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
VAT	Tax, Interest and Damages	976,38,789.00	AY 1998-99 , 2011-12 to 2015-16, 2017-18, 2018-19 & 2019-20.	The company has made an application to the Government of Kerala for waiving of the liability. No details of appeal filed against these demands are available for verification.
GST	Tax, Interest and Penalty	57,87,296.00	FY 2018-19	As per the information and explanations given to us, GST order dated 25.04.2024 was received by the company. This demand is shown as Contingent Liability and not provided in the Financial Statement of the Company. No details of appeal filed against this demands is available for verification.
GST	Tax	92,28,416.00	FY 2019-20	As per the information and explanations given to us, GST Show Cause Notice dated 21.05.2024 was received by the Company. This amount is shown as Contingent Liability and not provided in the Financial Statement of the Company. No details of appeal filed against this demands is available for verification.



- 8) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. The company has defaulted in the repayments of loan from Government of Kerala and the details of the same are provided below

Sl No	Name of Institution	Period of Disbursement	Amount of Loan Default
I	<u>Working Capital Loan</u>		
1	Government of Kerala	11.12.1990	50,00,000.00
2	Government of Kerala	23.10.1997	25,00,000.00
3	Government of Kerala	27.10.1998	50,00,000.00
4	Government of Kerala	09.01.2003	51,00,000.00
5	Government of Kerala	07.10.2008	1,50,00,000.00
6	Government of Kerala	2006-07	89,99,000.00
7	Government of Kerala	2007-08	80,00,000.00
8	Government of Kerala	2010-11	90,00,000.00
9	Government of Kerala	22.04.2010	2,15,00,000.00
10	Government of Kerala	26.08.2017	20,00,000.00
II	<u>Short Term Loan</u>		
1	Government of Kerala	29.03.1979	2,69,048.00
2	Government of Kerala	21.08.1980	1,80,000.00
3	Government of Kerala	21.08.1980	1,80,000.00
4	Government of Kerala	07.08.1981	1,22,500.00
5	Government of Kerala	09.09.1981	1,75,000.00
6	Government of Kerala	13.10.1981	70,000.00
7	Government of Kerala	19.08.1982	2,40,000.00
8	Government of Kerala	15.12.1982	2,12,800.00
9	Government of Kerala	19.08.1983	67,500.00
10	Government of Kerala	18.11.1983	2,02,500.00
11	Government of Kerala		60,000.00

- 9) Based on our audit procedures and on the information given by the management, we report that the moneys raised by way of term loans during the year by the company were utilized for the purpose for which it has been availed. During the year, there were no moneys raised by way of initial public offer or further public offer.
- 10) Based on the audit procedures performed and the information and explanations given to us, during the year under audit, a fraud on the Company has been noticed and reported. The nature of fraud and amount involved are as below



Sl No	Nature of Fraud	Amount	Remark
1	Cash Misappropriation	47,72,107.00	FIR No.0994/2022 registered with Fort Police Station. The detailed note on fraud is provided in Note No. 14 of the Notes forming part of the Financial Statement.


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

Place: Trivandrum

Date: 29.06.2024



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


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

UDIN: 24019380BKFEJB5400

Annexure B to the Auditors Report

Directions under sub-section (5) of section 143 of the Companies Act, 2013 applicable for the year 2020-21 for THEKERALA AGRO-INDUSTRIES CORPORATION LIMITED, TRIVANDRUM

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

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

Agriculture and Allied Sector

General

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



Agro Based Industries

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

Miscellaneous Sector

Other

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

Place: Trivandrum

Date: 29.06.2024



For K.S.MADHU & Co.

FRN008731S

Chartered Accountants

A handwritten signature in black ink, appearing to read "K.S. Madhu".

K.S.MADHU B.Sc., FCA

Mg. Partner (M.No.019380)

UDIN: 24019380BKFEJB5400

Annexure - C to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **The Kerala Agro-Industries Corporation Limited** (the company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

According to the information and explanation given to us and based on our audit, the Company has not established its internal financial controls system over financial reporting on criteria based on the internal financial controls over financial reporting established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India. As a result, we are unable to obtain sufficient and appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal control over financial reporting and whether such internal control was operating effectively as on 31st March 2021

Place: Trivandrum

Date: 29.06.2024



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


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

UDIN: 24019380BKFEJB5400

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2021

Amount in Rupees

		Note No.	As at 31.03.2021	As at 31.03.2020
I	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
a)	Share capital	2	4,74,10,900	4,74,10,900
b)	Reserves and Surplus	3	49,95,16,317	54,93,52,004
2	Share Application Money Pending Allotment		NIL	NIL
3	Non-current Liabilities			
a)	Long Term Borrowings	4	54,34,834	75,23,937
b)	Deferred Tax Liabilities (Net)		NIL	NIL
c)	Other Long Term Liabilities	5	25,63,408	25,63,408
d)	Long Term Provisions	6	98,44,122	92,14,068
4	Current Liabilities			
a)	Short-term Borrowings		NIL	NIL
b)	Trade Payables	7	67,23,27,278	70,36,15,101
c)	Other Current Liabilities	8	1,17,11,92,769	1,01,52,88,345
d)	Short Term Provisions		NIL	NIL
	Total:		2,40,82,89,628	2,33,49,67,763
II	ASSETS			
1	Non-current Assets			
a)	Fixed Assets			
(i)	Tangible Assets	9	85,90,36,397	86,43,52,641
(ii)	Intangible Assets		NIL	NIL
(iii)	Capital Work-in-Progress		2,43,25,115	2,43,25,115
(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	3,00,53,407	3,00,53,407
2	Current Assets			
a)	Current Investments		NIL	NIL
b)	Inventories	12	13,23,03,812	15,17,47,632
c)	Trade Receivables	13	91,39,54,593	90,93,31,338
d)	Cash and Cash Equivalents	14	14,59,00,218	8,19,76,583
e)	Short-term Loans and Advances		NIL	NIL
f)	Other Current Assets	15	30,27,06,086	27,31,71,047
g)	Contingent liabilities and commitments (Not provided for Rs. 11,17,41,207/-)	16		
	Total:		2,40,82,89,628	2,33,49,67,763

Significant Accounting Policies

1

Notes to Financial Statements

1 to 27

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

As per Report of date


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


V.KUNHALI
CHAIRMAN
DIN NO: 09536693

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


K.S.MADHU & Co., ICA
Mg. Pathiraj Street, Trivandrum



UDIN : 24019380BKFEJB5400

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Amount in Rupees

	Note No.	For the year ending 31.03.2021	For the year ending 31.03.2020
I Revenue from Operations	17	74,99,38,414	61,81,55,097
II Other Income	18	1,25,45,827	1,74,62,358
III Total Revenue		76,24,84,241	63,56,17,455
IV Expenses			
Cost of Raw Material Consumed	19	54,28,936	46,25,106
Purchase of Stock-in-Trade	20	60,27,99,489	52,89,98,179
Changes in Inventories	21	1,96,09,638	(43,19,041)
Employee Benefit Expenses	22	6,77,68,660	6,59,33,250
Administrative and Other Expenses	23	7,37,50,716	6,81,83,061
Finance Cost	24	1,66,30,547	1,65,80,548
Depreciation and Amortisation	9	1,64,42,758	2,31,74,898
Total:		80,24,30,744	70,31,76,001
V Profit/(Loss) before exceptional and extraordinary items		(3,99,46,503)	(6,75,58,546)
VI Exceptional Items		NIL	NIL
a Prior Period Items	25	5,88,329	(2,80,50,927)
b Provision for VAT		-	-
VII Profit/(Loss) before extraordinary expenses and tax		(3,93,58,174)	(9,56,09,473)
VIII Extraordinary Items		(63,10,454)	-
IX Profit/(Loss) before tax		(4,56,68,628)	(9,56,09,473)
X Tax Expenses			
a) Current Tax		-	-
b) Deferred Tax(Previous Years)		-	-
c) Previous years' Tax		-	-
XI Profit/(Loss) for the period		(4,56,68,628)	(9,56,09,473)
XII Earnings per share	26		
Basic		-96.33	-201.66
Diluted		-96.33	-201.66

Significant Accounting Policies

1

Notes to Financial Statements

1 to 27

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

As per Report of date

For K.S.MADHU & Co.
FRN0087315

Chartered Accountants

(Signature)

K.S.MADHU B.Sc., FCA

Mg. Partner (M.No.019380)

(Signature)
K.G.PRATHAP RAJ
MANAGING DIRECTOR
DIN NO: 09590951

(Signature)
V KUNHALI
CHAIRMAN
DIN NO: 09536693



UDIN: 24019380BKFEJB5400

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

PARTICULARS	31st March 2021	31st March 2020
1 Cash Flow from Operating Activities		
Net Profit/(Loss) before extraordinary items and Tax	(4,56,68,628)	(9,56,09,473)
Adjustments:		
Depreciation	1,64,42,758	2,31,74,898
Interest Expense	1,66,30,547	1,65,80,548
Deferred Grant Amortisation	(92,73,935)	(1,46,00,283)
Profit on sale of assets	-	-
Interest Income	(3,38,567)	(5,52,550)
Prior period Deferred Income Adjusted	-	-
Income Tax Payment	-	-
Operating Profit before working capital changes	(2,22,07,825)	(7,10,06,860)
Decrease/(Increase) in cur assets (excluding cash & bank)	(1,47,14,208)	(8,36,76,030)
Increase/(Decrease) in cur liabilities (except current maturities of long term borrowings)	10,59,86,054	9,14,93,096
Increase/(Decrease) in non current Provisions	6,30,053	(14,65,259)
Net cash from operating activities	6,96,94,074	(4,46,09,246)
2 Cash Flow from Investing Activities		
Addition to Fixed Assets	(1,11,26,779)	(12,18,473)
Deferred Grant Amortisation	92,73,935	1,46,00,283
Grant Received	51,06,876	29,00,272
Increase in Capital Work in Progress	-	(10,07,517)
profit on sale of assets	-	-
Interest	3,38,567	5,52,550
(Increase)/Decrease in other non current assets	-	(71,378)
Net cash from Investing Activities	(56,81,335)	(3,09,805)
3 Cash Flow from Financing Activities		
(Decrease)/Increase in Long Term Borrowings	1,65,41,444	1,63,30,946
Interest	(1,66,30,547)	(1,65,80,548)
Net cash from Financing Activities	(89,103)	(1,99,602)
Net change in cash & cash equivalent (1+2+3)	6,39,23,636	(4,51,18,653)
Cash & cash equivalents at the beginning of the period	8,19,76,583	12,70,95,236
Cash & cash equivalents at the end of the period	14,59,00,218	8,19,76,583

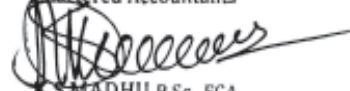
Note: The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard AS-3 read with General Circular 15/2013 dated 13-9-2013 of the MCA in respect of Section 133 of Companies Act, 2013.

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


K.G.PRATHAP RAJ
MANAGING DIRECTOR
DIN: 09590951


V.KUNHALI
CHAIRMAN
DIN: 09536693

Vide our report of even date

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

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



UDIN: 24019380BKFEJB5400

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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.

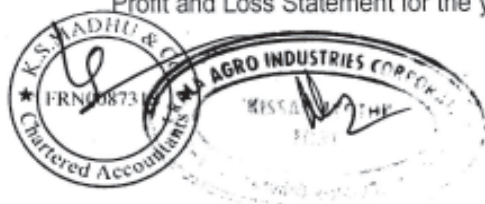
8. REVENUE RECOGNITION:

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 2021

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, CONTIGENT LIABILITIES AND CONTIGENT 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 2021

2. Share Capital:

	Amount in Rupees	
	As at 31.03.2021	As at 31.03.2020
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
	4,74,10,900	4,74,10,900

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

2.2 Reconciliation of Number of Equity Shares outstanding:

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

2.3 Details of shareholders holding more than 5% shares:

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

3. Reserves and Surplus:

a) Capital Reserve:		
Opening balance	52,924	52,924
Additions during the year:		
For Capital Expenditure	-	-
For Revenue Expenses	-	-
Less: Deductions during the year:		
For Current Year	-	-
For Transferred to Deferred Government Grant	-	-
Closing balance	52,924	52,924
b) Deferred Government Grant		
Opening balance	13,71,78,867	14,99,07,180
Additions during the year:		
Transfer from Capital reserve	-	-
For Capital Expenditure	1,08,81,350	12,85,473
For Revenue Expenses/Previous Years Excess Deferred Income	1,06,876	5,86,497
Less: Deductions during the year:		
For Current Year	92,73,935	1,46,00,283
For Previous Year- Revenue expense Excess Credited to Grant	1,06,876	-
Closing balance	13,87,86,282	13,71,78,867
c) 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
d) Other Reserve - Grant-in-Aid:		
Opening balance	7,60,42,443	7,50,14,141
Additions:		
Grant received during the year	50,00,000	25,00,000
Interest on money parked with bank	-	4,00,272
Prior Period Adjustment	1,06,876	-
	8,11,49,319	7,79,14,413
Deductions:		
Utilised for Capital Expenditure	1,08,81,350	12,85,473
Utilised for Revenue Expenses	-	5,86,497
Closing balance	7,02,67,969	7,60,42,443
e) Profit and Loss Account		
As per last balance sheet	(50,21,26,520)	(40,65,17,047)
Add: Excess depreciation written back	-	-
Add: Profit/ (loss) for the year	(4,56,68,628)	(9,56,09,473)
Closing balance	(54,77,95,148)	(50,21,26,520)
Total Reserves and Surplus	49,95,16,317	54,93,52,004



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

- 3.1 Deferred Government Grant 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 2015; the appreciation has been arrived at on the basis of the location and market value of the property.
- 3.3 a) Grant-in aid of Rs. 50,00,000/- received during the year for the purpose of the Modernisation of KAFP Punalur have been grouped under Reserves and Surplus as Grant in Aid in Balance Sheet. Value of machinery and other assets purchased out of the Grants amounting to Rs.1,08,81,350/- as at 31-03-2021, has been debited to the respective Fixed Asset accounts and a similar amount from Grants transferred to Deferred Government Grant account being grant utilized.
- b) Government has allotted Rs.60 lakhs vide GO(MS) No.58/2016/AD dated.28.03.2016 for Horticulture Plant at Mala, and the accounting of Grant Receipt done on 15.06.2016. There after Govt. directed to discontinue the Horticulture Plant at Mala and reallocated Rs.60 lakhs allotted for Mala unit to Modernisation of KAFP Punalur vide GO (MS) No. 94/2020/AGRI dated 07.12.2020. Out of the above 60 lakhs Rs.1,06,876/- has been transferred to Deferred Income towards Revenue Expense in 2017-18. This has been rectified and debited to Prior Period Expense and credited to Deferred Government Grant account in 2020-21 and shown as prior period adjustment. Thus Rs.60 lakhs transferred from Grant for Horticulture Plant at Mala to Modernisation of KAFP Punalur during the year 2020-21.

4. Long-term Borrowings:

	Amount in Rupees	
	As at 31.03.2021	As at 31.03.2020
a) Secured Loans:		
Car loan	8,34,834	9,23,937
b) Unsecured Loans :		
Working Capital Loan from Government of Kerala	40,00,000	60,00,000
Loan from Oil Palm India Ltd	6,00,000	6,00,000
	54,34,834	75,23,937

- 4.1 The loans from Oil Palm India Limited are interest free loans. The rate of interest implicit in other loans is in the range of 10.50% 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 and as such the same amounting Rs. 3,15,82,789/- is shown as contingent liability not provided for as Note No.16.

5. Other Long-term Liabilities:

(Dues)/ Receivables Pending Adjustment/ Reconciliation:		
Classified erstwhile as current assets	21,62,157	21,62,157
Classified erstwhile as current liabilities	47,25,565	47,25,565
	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 2020-21 amount classified from Current Assets is Rs.Nil and from Current Liabilities is Nil
- 5.2 The Corporation has initiated steps to analyse these accounts in a meticulous manner, and the matter is in progress.

6. Long Term Provisions:

Guarantee Commission to Government of Kerala	7,52,108	7,52,108
Write off of stolen cash	-	15,000
Gratuity for Kerala Agro Fruit Products Division	11,19,963	10,52,733
Earned Leave Salary	79,72,050	73,94,227
	98,44,122	92,14,068

- 6.1 Guarantee Commission due to Government of Kerala pertains to periods prior up to FY 2006-07 and the balance outstanding as on date is Rs.7,52,108/-
- 6.2 Provision in respect of Stolen Cash has been carried forwarded from 2001-02 onwards and which has been closed in 2020-21 since it is not required.
- 6.3 Gratuity of KAFP amounting to Rs.11,19,963/- and Earned leave salary of Rs.79,72,050/- are provided based on the actual liability as on 31.03.2021 and not based on Actuarial Valuation.



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

7. Trade Payable:

		Amount in Rupees	
		As at 31.03.2021	As at 31.03.2020
	Outstanding for a period exceeding six months from due date	60,39,89,911	53,32,11,543
	Others	6,83,37,367	17,04,03,558
		67,23,27,278	70,36,15,101

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

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

8. Other Current Liabilities:

Current maturities of long term debt :-		
a) Working Capital Loan from Government of Kerala	8,60,99,000	8,40,99,000
b) Short-term Loan from Government of Kerala	17,79,348	17,79,348
c) Interest accrued and due to Government of Kerala	25,00,99,978	23,34,69,431
EMD and Security Deposit	52,12,086	88,04,018
Sundry Creditors for Expenses	4,33,45,855	3,08,63,598
Provisions for VAT	3,24,96,083	3,24,96,083
Sundry Creditors for Others	72,63,597	1,35,51,850
Trade Advances Received	73,28,65,808	60,28,71,553
Recouping loss in CPF Account	86,54,297	61,14,825
Duties & Taxes	33,76,717	12,38,638
	1,17,11,92,769	1,01,52,88,345

8.1 Company had made arrangements with LIC of India for payment of gratuity to employees by subscribing the Group Gratuity Cash Accumulation Plan of LIC. Company has to contribute required fund to Group Gratuity Cash Accumulation Plan for disbursement of gratuity by LIC. There is default in payment to LIC and as per Annual statement of LIC, the liability as on 31.03.2021 is Rs.2,11,14,299/- and which has been provided in accounts as per decision vide Resolution No.3435 of Board and included under Sundry Creditors for Expense.

8.2 The sales tax departments has done best judgement assessment for the year 2012-13 to 2017-18 in respect of the KGST and VAT, and interest for the principal amount due. The principal amount due for KGST and VAT is Rs.3,38,77,618/- and for which provision has been made in accounts of 2017-18. An amount of Rs.13,81,535/- had been recovered by the Sales Tax Department by freezing our Bank account during the year 2018-19. Thus the balance due against principal amount is 3,24,96,083/- and which is retained in Provision for VAT account. The interest demanded by the department is Rs. 6,51,42,706/-. As per the Amnesty Scheme of department only principal amount has to be remitted and the interest will be waived, we have not yet availed the Amnesty scheme and as such the interest portion is shown as Contingent liability not provided for as Note No.16.

8.3 The gratuity liability of the Corporation, other than for employees working in KAFP Division, has been covered under a gratuity insurance policy issued by the Life Insurance Corporation of India w.e.f. 1 April 2012. The gratuity liability of employees (other than KAFP) retired up to 31 March 2012 amounting to Rs.6,72,196/- and in respect of retired employees (KAFP) amounts to Rs.2,97,212/- has been disclosed as Gratuity Payable and included under Sundry Creditors for Others.

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



KERALA AGRO INDUSTRIES CORPORATION LIMITED

NOTE FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2021

Note No. 9.1 - Tangible Assets
(Non-subsidy Grant)

PARTICULARS	ORIGINAL COST		DEPRECIATION					WRITTEN DOWN VALUE		
	1.04.2020	ADDITION	Sale / Transfer	31.03.2021	RATE (%)	01.04.2020	Depreciation During the year	Sale / Transfer	31.03.2021	31.03.2020
1.FREE HOLD LAND	70,40,28,800			70,40,28,800		-	-	-	-	70,40,28,800
2.OFFICE BUILDING	7,91,40,446			7,91,40,446		2,08,85,237	30,27,565	-	2,39,12,801	5,52,27,645
3.FACTORY BUILDING	2,48,52,492			2,48,52,492		1,42,36,051	13,67,326	-	1,56,03,377	92,49,115
4.PLANT & MACHINERY (GENERAL)	3,26,58,774	99,930		3,27,58,704		2,36,61,715	18,41,417	-	2,55,03,132	72,55,572
5.PLANT & MACHINERY (Tractor, Tiller, Combined harvester & Ladder)	3,57,15,670			3,57,15,670		3,37,16,626	1,23,940	-	3,38,40,566	18,75,104
6.CAR & JEEP	22,26,550			22,11,208		13,24,540	3,04,039	15,078	16,13,501	5,97,707
7.JCB	3,40,000			3,40,000		3,23,000	-	-	3,23,000	17,000
8.LORRY & TRUCKS	-			-		0	-0	-	0	(0)
9.ELECTRICAL FITTINGS	3,28,092			3,28,092		2,37,524	14,922	-	2,52,446	75,646
10.OFFICE EQUIPMENT	24,99,830	35,054		25,34,884		22,14,000	1,13,996	-	23,27,996	2,06,888
11.FURNITURE & FITTINGS	22,44,338	39,800		22,84,138		15,77,937	1,91,752	-	17,69,689	5,14,449
12. FURNITURE & FITTINGS (CANTEEN)	8,212			8,212		7,801	-	-	7,801	411
13.WATER COOLER	1,06,393			1,06,393		58,041	13,356	-	71,397	34,996
14.REFRIGERATED VENDING MACHINE	93,117			93,117		88,462	-	-	88,462	4,655
15.COMPUTERS	46,01,377	70,645		46,72,022		42,26,983	1,70,509	-	43,97,492	2,74,394
16.LIBRARY	28,168			28,168		26,760	-	-	26,760	1,408
TOTAL	88,88,72,259	2,45,429		88,91,02,346		10,25,84,677	71,68,823	15,078	10,97,38,422	77,93,63,924
PREVIOUS YEAR	88,76,53,787	12,18,473		88,88,72,259		9,34,23,566	91,61,112	-	10,25,84,678	78,62,87,581



THE KERALA AGRO INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2021

Note No. 9.2 - Tangible Assets (subsidy Grant)

PARTICULARS	ORIGINAL COST			DEPRECIATIONS				WRITTEN DOWN VALUE			
	1.04.2020	ADDITION	Sale / Transfer	31.03.2021	RATE (%)	01.04.2020	Sale / Transfer	Depreciation During the year	31.03.2021	31.03.2020	
1. Combined harvester & Ladder	45,84,92,589	-		45,84,92,589		42,86,88,452		40,95,443	43,27,83,894	2,57,08,695	2,98,04,137
2.COMPUTERS	14,16,813			14,16,813		13,45,970		0	13,45,970	70,843	70,843
3.Building(show room at thiruvalla)/Arimpur& Bathery	1,41,96,621			1,41,96,621		37,58,882		5,16,866	42,75,748	99,20,873	1,04,37,739
4. Power Tiller	3,72,04,295			3,72,04,295		3,41,29,078		7,87,173	3,49,16,251	22,88,045	30,75,239
5. Tools Machines& Office equipments	1,07,18,409			1,07,18,409		1,00,31,984		1,10,355	1,01,42,339	5,76,070	6,86,425
6.FURNITURE & FITTINGS	93,36,375			93,36,375		53,23,865		11,43,244	64,67,109	28,69,266	40,12,510
7.Motor Vehicle	27,56,528			27,56,528		26,15,117		2,237	26,17,354	1,39,174	1,41,411
8.Tractor	4,54,09,315			4,54,09,315		4,16,60,205		3,70,496	4,20,30,701	33,78,615	37,49,089
9.Truck	29,20,344			29,20,344		27,74,326		-	27,74,326	1,46,018	1,46,018
10.Factory Building	8,81,945			8,81,945		3,23,935		27,092	3,51,027	5,30,918	5,58,010
11. Transplanter	12,15,011			12,15,011		10,67,506		41,785	11,09,292	1,05,719	1,47,505
12.Plant & Machinery(KAFP) & unit	1,17,05,540	1,08,81,350		2,25,86,890		89,23,209		9,41,116	98,64,325	1,27,22,565	27,82,331
13. Building (KAFP)	2,71,53,207			2,71,53,207		51,68,066		10,88,645	62,56,711	2,08,96,496	2,19,85,141
13..JCB	20,46,000			20,46,000		18,97,918		45,782	19,43,700	1,02,300	1,48,082
Office equipments	2,68,589			2,68,589		2,19,184		26,492	2,45,676	22,913	49,405
ELECTRICAL & FITTINGS	5,91,020			5,91,020		3,19,846		77,210	3,97,056	1,93,964	2,71,174
TOTAL	62,63,12,602	1,08,81,350	-	63,71,93,952		54,82,47,565		92,73,935	55,75,21,501	7,96,72,473	7,80,65,058
PREVIOUS YEAR (2018-19)	62,63,12,602	-	-	62,63,12,602		53,42,33,779		1,40,13,786	54,82,47,565	7,80,65,058	9,20,78,845
Capital WIP	2,43,25,115			2,43,25,115						2,43,25,115	2,43,25,115
Capital WIP(Previous Year)	2,33,17,598	10,07,517		2,43,25,115						2,43,25,115	2,33,17,598



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

10. Non-Current Investments:

	Amount in Rupees	
	As at 31.03.2021	As at 31.03.2020
Investment in Equity Investments (Long term, fully paid up, unquoted equity shares) (One share of Rs.10,000/- of M/s. 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	12,39,420	12,39,420
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
	3,00,53,407	3,00,53,407

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

11.2 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 (ie Loan with interest as per GO (MS) No.311/ 85/AD dated. 28-11-1985) to the Corporation. Later, the Government issued orders to refund the said share value alone, but the Corporation submitted its representation to the Government for refund of the loan together with interest upto 2008-09 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 which ever is lower)

a) Raw materials	93,572	73,380
b) Work-in-progress	5,23,972	1,72,159
c) Finished goods	89,449	2,48,398
d) Stock-in-trade (goods acquired for trading)	8,35,01,768	10,30,97,522
e) Stores and spares	99,59,722	80,11,853
f) Loose tools	69,753	77,503
g) Others:		
Fabricated goods	3,71,83,971	3,91,45,725
Packing Materials and Containers	5,33,948	5,46,850
Wooden crates, Barrels and RTS bottles (on revaluation)	3,14,514	3,49,460
Consumables at KAFP	33,143	24,783
	13,23,03,812	15,17,47,632

12.1 Inventory has been verified and valued by the management as on 31 March 2021 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 2021

13. Trade Receivables:

	Amount in Rupees	
	As at 31.03.2021	As at 31.03.2020
Unsecured considered good		
Outstanding for a period exceeding six months	88,79,77,025	80,91,91,950
Others	2,59,77,568	10,01,39,388
	91,39,54,593	90,93,31,338

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	4,63,435	22,57,810
Balance with banks:		
In Current Account	9,84,92,092	4,05,60,640
In Deposit Accounts (Interest accrued but not due NIL)	10,08,186	71,34,909
Balance with Government of Kerala Treasury Accounts	4,54,15,669	3,20,23,223
Cheque in transit	5,20,836	-
Total	14,59,00,218	8,19,76,583
a) Earmarked Balance	-	-
b) Margin money or Security against Borrowings, Guarantees etc	-	-
c) Repatriation restrictions on Cash and Bank	-	-

14.1 Balance in deposit accounts with banks bear maturity of 12 months is Nil.

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

14.3 During the year 2019-20 there was embezzlement of cash to the extent of Rs.2,25,000/- in Agro Super Bazaar, Thiruvananthapuram. There was a contra entry on 13-03-2020 in cash book amounting to Rs.2,50,000/- as deposit of cash with HDFC Bank. But on verification it is observed that amount deposited in bank is Rs.25,000/- only and not Rs.2,50,000/-. Thus there is embezzlement of cash to the extent of Rs.2,25,000/-. The cash embezzlement of Rs.2,25,000/- debited to the ledger L.N.Abhilash (Disputed cash loss account) so as to bring cash balance as on 31-03-2020 to correct physical cash.

During the year 2020-21 there was embezzlement of cash to the extent of Rs.47,72,107/- in the Agro Super Bazaar, Thiruvananthapuram as stated hereafter. An amount of Rs.4,03,000/- shown as deposit with Bank but no such amount is seen deposited and differential amount lost is Rs.4,03,000/-. Similarly various payments shown as transferred to Divisional Office of KAIICO Thiruvananthapuram is Rs.33,14,200/- but amount actually transferred is only Rs.1,09,920/- and differential amount lost is Rs.32,04,280/-. Various payments shown as transferred to Head Office is Rs.15,50,970/- but amount actually transferred is Rs.3,42,407/- and differential amount lost is Rs.12,08,563/-. Another payment of Rs.3,50,000/- on 20-08-2020 was shown as payment of Freight Charges but there is no evidence for such payment and hence cash lost is Rs.3,50,000/-. Further an amount of Rs.1,00,000/- is seen paid to Kottarakkara Unit Office, but no such payment is received in that unit and Rs.1,00,000/- is a cash loss. Thus the total cash loss comes to Rs.52,65,843/-.

On verification it is seen that a fund transfer of Rs.50,000/- on 07-01-2021 and Rs.3,00,000/- on 29-03-2021 to Head Office is not accounted in the cash book of Thiruvananthapuram Bazaar. Similarly some receipts in bank amounting to Rs.1,43,736/- has been wrongly accounted as cash receipt during the 2020-21. Thus these errors have been rectified and total amount of Rs.4,93,736/- adjusted against the above amount of Rs.52,65,843/- and the net amount of Rs.47,72,107/- is the actual embezzlement of cash. This has been debited to the ledger of Mr. L.N.Abhilash (Disputed Cash Loss a/c) as in the case of previous year, so as to bring cash balance as on 31-03-2021 to correct physical cash.

The person in charge of the cash and bank transactions was Sri L.N.Abhilash, Dy Manager and he was suspended from service on 14-12-2021 consequent to a series of embezzlement of cash during 2019-20 to 2021-22. Domestic enquiry ordered and which is pending to be finalized. Police complaint has been lodged (FIR No: 0994/2022 with Fort Police Station, Thiruvananthapuram city) and which is also pending. The ledger L.N.Abhilash (Disputed Cash loss account) has been included in Staff Advance account in Note No.15.



**THE KERALA AGRO INDUSTRIES CORPORATION LIMITED,
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021**

14.4 Details in respect of embezzlement of cash from Agro Super Bazaar during the period 2019-20 and 2020-21.

Sl. No.	Voucher No. and Date	Amount shown as paid from Bazaar	Actual Amount received at Bank	Actual Amount received at Unit Office TVM	Actual Amount received at Head Office	Actual Amount received at KTR Unit	Accounted as expense with out documents	Differential amount as loss of company
2019-20								
1	Contra.117/13-03-2020	250000	25000					225000
	Sub Total	250000	25000					225000
2020-21								
1	Contra.4/02-05-2020	403000	0					403000
2	PV.596/10-09-2020	200000		20000				180000
3	PV.624/16-09-2020	350000		0				350000
4	PV.773/07-10-2020	200000		10000				190000
5	PV.775/08-10-2020	300000		10000				290000
6	PV.837/20-10-2020	275000		0				275000
7	PV.1008/11-11-2020	200000		10000				190000
8	PV.1192/02-12-2020	350000		15000				335000
9	PV.1306/18-12-2020	500000		5000				495000
10	PV.1357/24-12-2020	300000		3000				297000
11	PV.1497/08-01-2021	139200		13920				125280
12	PV.1792/15-02-2021	300000		3000				297000
13	PV.1793/15-02-2021	100000		10000				90000
14	PV.1990/09-03-2021	100000		10000				90000
15	PV.417/14-08-2020	350000			15000			335000
16	PV.515/27-08-2020	200000			100000			100000
17	PV.623/16-09-2020	308800			30880			277920
18	PV.792/12-10-2020	296270			627			295643
19	PV.1110/25-11-2020	395900			195900			200000
20	PV.458/20-08-2020	350000					0	350000
21	PV.556/ 01-09-2020	100000				0		100000
	Sub Total	5718170		109920	342407	0	0	5265843

- a) TOTAL CASH SHORTAGE OCCURRED DUE TO THE ABOVE MANIPULATIONS DURING 2020-21 AS ABOVE. 5265843
- b) LESS: RECEIPT IN BANK WRONGLY ACCOUNTED AS CASH RECEIPT DURING 2020-21 AND WHICH HAS BEEN RECTIFIED DURING AUDIT. 143736
- c) LESS: TOATAL PAYMENTS OMITTED TO BE RECORDED IN CASH BOOK DURING 2020-21 AS BELOW AND WHICH HAS BEEN RECTIFIED. 350000

NET SHORTAGE OF CASH DURING 2020-21

4772107

NOTE:

- i) On 07-01-2021 a fund transfer to HO Rs. 50000 received in HO but not accounted in Trivandrum Bazaar
- ii) On 29-03-2021 a fund transfer to HO Rs. 300000 received in HO but not accounted in Trivandrum Bazaar
- iii) Thus a total payment of Rs.350000/- from Trivandrum bazaar omitted to be recorded in the books of bazaar and shortage in cash during 2020-21 will be reduced to that extent.
- iv) Bank receipts wrongly accounted in cash:- Rs.98,634 on 16-5-20, Rs.6,299 on 8-6-20, Rs.11,657 on 3-7-20, Rs.11,000 on 18-2-21 and Rs.16,146 on 31-3-21 and thus shortage in cash will be reduced to that extent.



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

15. Other Current Assets:

	Amount in Rupees	
	As at 31.03.2021	As at 31.03.2020
Advance Tax and Tax Deducted at Source	28,11,359	28,04,226
Trade Advances	28,35,56,485	25,85,70,160
Temporary loan to VAFPC	20,00,000	20,00,000
Advance on Integrated Tribal Development Programme	-	17,49,978
Advances Recoverable in cash or in kind:		
Advance for Expenses	11,17,549	3,66,690
EMD/ Other Security Deposits	33,97,089	19,22,642
Prepaid Expenses	1,38,127	1,57,894
Staff Advances	50,38,982	8,71,094
Other Advances Recoverable	46,46,496	47,28,362
	30,27,06,086	27,31,71,047

15.1 The embezzlement of cash amounting to Rs. 2,25,000/- in 2019-20 and Rs.47,72,107/- in 2020-21 mentioned in Note No.14.3 and No.14.4 is debited to the ledger L.N.Abilash (Disputed cash loss account) and which is grouped under Staff Advance.

15.2 There was a Hire Purchase Loan (H.P.Loan) Scheme with KAICO during the period 1969 to 2001 for providing Agricultural Machineries and implements like Tractor, Tiller, Pump sets, Weed cutter, Sprinkler etc to the farmers for getting improvement in productivity. The farmers were allowed instalment facility for repayment of principal amount of loan with interest. But there was default in repayment of loan amount and interest, thus balance accumulated under H.P.Debtors a/c.

Company had given opportunity for settlement by waiver of interest but a limited number of persons availed the scheme and balance as on 31-03-2021 in H.P.Debtors a/c is Rs.63,10,454/- and included under Trade Advances. The board of directors had already decided to write off the dues and taken up the matter with Government for sanctioning write off. After various correspondences government directed vide letter No: AGRI-PU3/ 166/2020- AGRI dated 28-09-2022 that since Government fund is not involved in the above dues, the board can take suitable decision regarding write off.

This matter has been placed before 291st Board meeting held on 20-12-2022 and the board directed vide Resolution No:3431 to write off dues up to the year 1990. Thus the amount written off as per Resolution No:3431 is Rs.37,71,788/-. Thereafter the matter was again placed before the 292th Board meeting held on 27-03-2023 and the board directed vide Resolution No: 3451 to write off the entire balance amount of dues. Thus the amount written off as per Resolution No: 3451 is Rs.25,38,666/-.

The total amount written off during the year 2020-21 against the H.P.Debtors account as per Resolution No: 3431 and 3451 are Rs.63,10,454/- and which is grouped under Extraordinary Item in P & L Statement of 2020-21.

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

1 Contingent liabilities		
a Claim against the company not acknowledged as debt		
i) Interest demanded by VAT department	6,51,42,706	6,51,42,706
ii) Interest on Penal Interest on Govt. loan	3,15,82,789	2,63,65,507
iii) Excess ITC - Demand of GST Department (2018-19)	57,87,296	1,05,45,812
iv) Excess ITC - Demand of GST Department (2019-20)	92,28,416	-
2 Commitments		
a Estimated amounts of contract remaining to be executed on capital a/c and not provided for	-	-
b Uncalled liabilities on shares and other instrcuments partly paid	-	-
c Other commitments (specify nature)	-	-
	11,17,41,207	10,20,54,025

17. Revenue from Operations:

	Amount in Rupees	
	For the year ending 31.03.2021	For the year ending 31.03.2020
Sale of Products	68,74,41,641	58,36,85,528
Sale of Services	3,60,492	36,05,845
From Project Works	5,95,79,630	1,91,27,608
From Hiring Agricultural Equipment	25,56,651	1,17,36,117
	74,99,38,414	61,81,55,097



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

18. Other Income:

Amount in Rupees

	For the year ending 31.03.2021	For the year ending 31.03.2020
Deferred Revenue Grant (Depreciation - Grant Assets)	92,73,935	1,46,00,283
Interest on deposits with bank	3,38,567	5,52,550
Other Miscellaneous Income	24,73,350	20,09,689
Rent from let-out property	1,76,290	1,14,653
Other Income	2,83,684	1,85,183
	1,25,45,827	1,74,62,358

19. Cost of Material Consumed:

(Kerala Agro Fruit Products Division)		
Opening Stock	10,65,570	11,93,803
Add: Purchases and incidental direct expenses	56,37,450	44,96,873
Less: Closing Stock	12,74,084	10,65,570
Cost of Materials Consumed	54,28,936	46,25,106

20. Purchase of Stock-in-Trade:

Goods for Resale	58,22,78,142	51,06,41,530
Fabricated Goods	2,05,21,347	1,83,56,649
	60,27,99,489	52,89,98,179

21. Changes in Inventories:

Opening Stock:		
Goods for Resale	10,30,97,522	10,14,94,723
Fabricated Goods	3,91,45,725	3,63,71,070
Stores and Spares	80,11,853	80,70,265
Total	15,02,55,099	14,59,36,058
Less: Closing Stock:		
Goods for Resale	8,35,01,768	10,30,97,522
Fabricated Goods	3,71,83,971	3,91,45,725
Stores and Spares	99,59,722	80,11,853
Total	13,06,45,461	15,02,55,099
(Increase)/ Decrease in Stock	1,96,09,638	(43,19,041)



THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

22. Employee Benefit Expenses:

	Amount in Rupees	
	For the year ending 31.03.2021	For the year ending 31.03.2020
Salaries and Wages	6,45,29,123	6,17,56,794
Contribution to Provident and Other Funds	27,05,850	25,76,917
Staff Welfare and Training Expenses	5,33,687	15,99,539
	6,77,68,660	6,59,33,250

23. Administrative and Other Expenses:

Manufacturing and Other Expenses:		
Electricity & Water charges	12,32,092	12,79,564
Cost of Fuel	15,37,348	12,69,073
Freight Charges	3,67,760	10,54,030
Repairs and Maintenance	25,38,937	39,83,034
Expenses on Equipment let on Hire	-	76,355
Loss on revaluation of Loose Tools	42,696	47,440
Project Work Expenses:	4,74,81,151	3,25,77,912
Selling Expenses:		
Advertisements	1,93,000	1,27,534
Sales Promotion Expenses	5,60,152	10,26,281
Trade Discount and Commission	-	-
Transportation Charges	8,88,587	7,49,016
Administrative Expenses:		
Rent	8,57,591	11,29,986
Rates and Taxes	3,18,909	1,29,856
Insurance	1,41,541	2,85,507
Telephone and Internet Charges	5,10,876	2,37,338
Traveling & Conveyance	7,98,183	13,11,163
Vehicle Expenses	1,81,608	2,87,599
Printing & Stationery	5,78,379	6,38,863
Statutory Audit Fee	1,50,000	1,50,000
Fee for Professional Services	42,694	1,78,201
Meeting Expenses	45,336	1,35,758
Security Expenses	26,16,035	24,94,268
General Expenses	1,26,67,841	1,90,14,283
	7,37,50,716	6,81,83,061

24. Finance Cost:

Interest expenses		
Term Loan from Bank		
Loan from Government of Kerala	1,66,30,547	1,65,80,548
	1,66,30,547	1,65,80,548



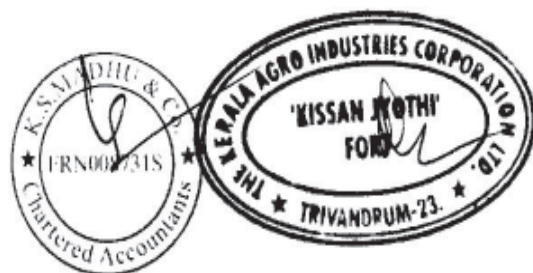
THE KERALA AGRO-INDUSTRIES CORPORATION LIMITED
NOTES FORMING PART OF FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2021

25. Prior Period Item

	Amount in Rupees	
	For the year ending 31.03.2021	For the year ending 31.03.2020
Prior Period Income		
a Excess purchase accounted of 2018-19 rectified	-	16,00,000
b Stock adjusted - (Kalpetta Bazaar 2019-20)	17,55,275	-
c Sales omitted now rectified	-	31,920
d Excess Professional charge	-	9,950
e Service charge collected in 2014-15 wrongly grouped in debtors rectified	-	2,44,157
f Rent	8,400	-
g Discount received not accounted in the previous years rectified	2,799	-
h Advance received (Wage of previous year)	5,500	-
i Advance recovered from staff (Wage of previous year)	5,300	-
j Onam Advance	6300	-
Total	17,83,574	18,86,027
Prior Period Expense		
a Previous years' Project Expense	10,86,365	2,92,51,192
b Festival allowance and Bonus of previous years	-	2,02,275
c Previous years sales rectified	-	1,50,354
d interest	2,004	-
e Prior Period Excess Deferred Revenue Grant	1,06,876	-
Total	11,95,245	2,99,36,954
Prior Period Item(A-B)	5,88,329	(2,80,50,927)

26. Earnings per Equity Share:

Net Profit after tax as per Profit and Loss Statement	(4,56,68,628)	(9,56,09,473)
Weighted Average number of equity shares used as denominator	4,74,109	4,74,109
Basic Earnings per Share	-96.33	-201.66
Diluted Earnings per Share	-96.33	-201.66
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 2021

27. ADDITIONAL INFORMATION / DISCLOSURES :

- 27.1 There were no consumption of imported raw materials and hence such disclosure is not applicable to the Corporation (Previous Year NIL)
- 27.2 Contingent Liabilities not provided for - 11,17,41,207/- (Previous Year 10,20,54,025/-)
- 27.3 Details of earnings in foreign exchange - NIL (Previous Year NIL)
- 27.4 Details of expenditure in foreign exchange - NIL (Previous Year NIL)
- 27.5 Payment to Auditors towards Statutory Audit Fee Rs.1,50,000 (Previous Year Rs.1,50,000) and other matters - NIL (Previous Year NIL)
- 27.6 Segments have been identified in line with the Accounting Standard AS-17 "Segment Reporting" , taking into account the organisational structure as well as the differential risks and returns of these segments. The operations of the Corporation consists of Trading products, Sale of Services, Project works and Hiring of agricultural equipments. The activities of the Corporation are restricted to the state of Kerala and therefore no geographical segment disclosure is considered necessary. The details of business segment information is presented below:

(Amount in Rupees)

Sl. No.	Particulars	Sales	Service	Project Works	Hiring Equipment	Total
(A)	REVENUE:					
	Total Segment Revenue	68,74,41,641	3,60,492	5,95,79,630	25,56,651	74,99,38,414
	Inter Segment Revenue	-	-	-	-	-
	Other Segment Income	-	-	-	-	-
	TOTAL REVENUE	68,74,41,641	3,60,492	5,95,79,630	25,56,651	74,99,38,414
(B)	SEGMENT RESULTS					
	Purchase/ Consumption	62,78,38,062	-	-	-	62,78,38,062
	Direct expenses	30,84,806	3,30,289	4,60,51,161	-	4,94,66,256
	Unallocated Expense	-	-	-	-	10,84,95,878
	<i>Operating profit</i>	5,65,18,773	30,203	1,35,28,469	25,56,651	(3,58,61,783)
	Other Income & Exceptional Item	-	-	-	-	1,24,38,951
	Financial Expenses & Prior Period Item	-	-	-	-	2,22,45,796
	<i>Profit Before Tax</i>					(4,56,68,628)
	Current Tax	-	-	-	-	-
	Deferred Tax-(Previous Years)	-	-	-	-	-
	<i>Profit after tax</i>					(4,56,68,628)
C	OTHER INFORMATION					
	Segment Assets	1,51,24,08,536	6,72,929	14,80,44,438	2,01,87,878	1,68,23,23,178
	Unallocated Corporate Assets	-	-	-	-	74,87,92,732
	<i>Total Assets</i>	<i>1,51,24,08,536</i>	<i>6,72,929</i>	<i>14,80,44,438</i>	<i>2,01,87,878</i>	<i>2,43,11,15,910</i>
	Unallocated Corporate Liabilities	-	-	-	-	2,43,11,15,910
	<i>Total Liabilities</i>					<i>2,43,11,15,910</i>
	Depreciation/ Amortisation	1,47,80,395	6,577	14,51,896	2,03,890	1,64,42,758
	Unallocated Corporate Depreciation	-	-	-	-	-
	<i>Total Depreciation/ Amortisation</i>					<i>1,64,42,758</i>
	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 2021

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

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.K.C. Jayakumar, Managing Director- From 18.11.2019

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)	14,26,155.00	7,65,407.00
b.	Honarium to Chairperson	2,26,452.00	2,40,000.00
c.	Travelling Expenses (Managing Director)	Nil	69,036.00
d.	Travelling Expenses (Directors)	13,619.00	66,401.00
e.	Leave Travel Concession	Nil	Nil
f.	Sitting Fee	3,800.00	8,900.00
g.	Value of Perquisite in cash or in kind (Phone charge)	7,166.00	14,643.00

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

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

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

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

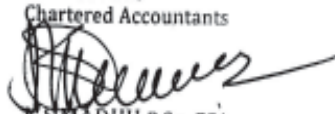
Notes from Sl.No:1 to 27

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


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


 V.KUNHALI
 CHAIRMAN (DIN:09536693)

As per Report of date

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

 K.S.MADHU B.Sc., FCA
 Mg. Partner (M.No.019300)

Thiruvananthapuram
 29 June 2024



UDIN: 24019380BKFEJ85400

THE KERALA AGRO INDUSTRIES CORPORATION LIMITED.

DELAY STATEMENT.

Reasons for delay in finalisation and Audit of Annual Accounts for the year 2020-21

The Annual Accounts of the Kerala Agro Industries Corporation have been in arrears for the last few years. It was because of the cumulative effect of the previous years' delay that there was accumulation of arrears in audit and accounts. The accumulation of arrears was mainly due to shortage of adequate staff having knowledge in Accounting and finalization of Accounts. The huge volume of transactions and compilation & consolidation of accounts of 24 units were other reasons for accumulation of arrears. The Annual Accounts of previous year (2016-17) could be certified by the Auditors only on 10-11-2022 and adopted in the adjourned annual general meeting held on 28-02-2023. Similarly the accounts for the year 2017-18 could be certified by the auditors on 30-06-2023 and adopted in adjourned AGM held on 24-08-2023. Similarly the accounts for the year 2018-19 certified on 24-11-2023, adopted in AGM on 15-01-2024, the accounts for the year 2019-20 certified on 30-01-2024 and adopted in AGM on 22-03-2024. The 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 2020-21 commenced by last week of February 2024 and the Annual Accounts 2020-21 certified on 29-06-2024. The Annual Accounts along with Auditor's Report were sent to Comptroller and Auditor General of India on 01-07-2024 for Comments of C&AG. The directors Report along with MGT-9 was approved by directors on 29-08-2024. Thus there is no delay from the date of adoption of last year accounts because only a time of about 3 months consumed for certification of 2020-21 accounts from the date of adoption of 2019-20 accounts in AGM. Delay was actually occurred up to the year 2014-15 and the present delay is due to the delay occurred up to 2014-15 and which is unavoidable and beyond our control.

Now actions have been initiated for finalization and audit of arrear accounts from 2021-22 onwards and which will be completed in a time bound manner.

Thiruvananthapuram,

29-08-2024.



Sd/-

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 2021**

The preparation of financial statements of **The Kerala Agro Industries Corporation Limited, Thiruvananthapuram** for the year ended 31 March 2021 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 29 June 2024.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct supplementary audit of the financial statements of **The Kerala Agro Industries Corporation Limited, Thiruvananthapuram** for the year ended 31 March 2021 under section 143 (6) (a) of the Act.

भारत के नियंत्रक-महालेखापरीक्षक के लिए और उनकी ओर से

For and on behalf of

the Comptroller and Auditor General of India

एस. सुनील राज

S. SUNIL RAJ

प्रधान महालेखाकार (लेखापरीक्षा-1), केरल

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

Thiruvananthapuram
Dated : 29.07.2024