

50th

**Annual Report
and Accounts
2022-2023**

KSIE

KERALA STATE INDUSTRIAL ENTERPRISES LTD.

(A Govt. of Kerala undertaking)

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DIRECTORS (As on the date of Report)

Shri. Peelipose Thomas	Chairman
Shri. Rajeev. G.	Managing Director
Smt. Manjusha L.	Director
Shri. Rameez Raja. M KAS	Director
Shri. Susil Jacob	Director
Adv. Nice Mathew	Director
Shri. T.N. Sivasankaran	Director
Adv. R. Sajilal	Director
Adv. K. Kusalakumar	Director

SECRETARY & GENERAL MANAGER (FINANCE)

Shri. Shibu Thadevus Xavier

AUDITORS

M/S. KUMAR & BIJU ASSOCIATES LLP
Chartered Accountants, Thiruvananthapuram

LEGAL ADVISER

M/s. Menon & Pai, Ernakulam

MAIN BANKERS

State Bank of India
Dist. Treasury Trivandrum

REGISTERED OFFICE

Ist Floor, St. Joseph's Press Buildings
Vazhuthacaud, Cotton Hill
Thiruvananthapuram 695 014

Fax : 0471-2334590
Phones : 2320208, 2324159, 2326947, 2326913
E-mail : ksieltd@gmail.com, info@ksie.net
Website : www.ksie.net

Directors' Report

Your Directors have pleasure in presenting the 50th Annual Reports on the workings of the company together with audited financial statements and Accounts, Schedules, Notes, Report of the Auditors and Comments of the Comptroller & Auditor General of India on the accounts for the year ended 31st March 2023.

1. PERFORMANCE OF THE COMPANY

The financial performance of the Company for the year ended 31/03/2023 has been summarized below:

	Rs. in lakhs	Rs. in lakhs
	2022-23	2021-22
Income from Sales & Services	7824.12	7967.52
Other incomes	255.03	231.91
Total Income	8079.15	8199.43
Profit before Fin. exp & Depreciation & exceptional items	267.35	-71.59
Less: Financial expenses	79.68	66.45
Depreciation	138.87	146.03
Net profit/Loss for the year	48.80	-284.07
Less/Add: Provision for DTL/DTA	4.09	-0.24
Provision for Income Tax	2.09	
Profit/Loss after Tax	42.62	-283.82
Less: Dividend	-	-
Less: Dividend Tax thereon	-	-
Balance of Profit/Loss transferred to Reserve	42.62	-283.82

2. FINANCIAL RESULTS

During the year 2022-23 the Company earned a total income of Rs. 8079.15 Lakhs as compared to Rs. 8199.43 Lakhs earned in the previous year and the operation resulted in a net profit for the year

amounting Rs. 48.80 Lakhs against last year loss of Rs. 284.07 Lakhs before income tax and DTL. The profit was mainly due to the increase in turnover of the Container Freight Station and Soap Unit.

3. OPERATIONS AND TURNOVER

For the period 1st April 2022 to 31st March 2023, the Company has recorded a total Income of Rs. 8079.15 Lakhs. During this period major portion of income was earned from Trading Activities. Income from trading through our Business Centres is 5208.30 Lakhs. Turnover from Container Freight Station and Soap Unit increased during this period as compared to the previous year. Proportionate contributions made by the activities during the year under report compared to last year are:

		2022-23	2021-22
Business Centres	-	64.47 %	67.04 %
Air Cargo Complexes	-	9.96 %	10.03 %
Sales from Soap unit	-	18.07 %	16.28 %
Container Freight station	-	4.33 %	3.36 %
Other Income	-	3.17 %	3.29 %

4. AIR CARGO OPERATIONS

Air Cargo Complexes showed an downward trend in turnover i.e. Rs. 804.79 Lakhs as against the turnover of Rs. 822.38 Lakhs in the previous year. During the year under report 2508 MT of import cargo and 32044 MT export cargo were handled by the company compared to 2114 MT of import cargo and 24426 MT of export cargo handled during the previous year 2021-22.

Trivandrum Air Cargo Complex and Calicut Air Cargo Complex maintain a high standard of quality in its services justifying their status as ISO 9002 Certified Cargo Terminals.

A. Trivandrum Air Cargo Terminal (TACT)

The business operation and performance of the TACT during the year 2022-23 under report showed a decreasing trend. The operation resulted in earnings of Rs. 277.71 lakhs as against Rs. 305.00 lakh during the previous year.

B. Calicut Air Cargo Complex (CACC)

The business operation and performance of the CACC during the year 2022-23 under report showed a slight increase in turnover. The operation resulted in earnings of Rs. 527.08 Lakhs as against the earnings of Rs. 517.38 Lakhs during the previous year.

5. TRADING ACTIVITIES

During the financial year 2022-23 Trading Activities made a Major share of Turnover. The operations resulted in a Turnover of Rs. 5208.30 Lakhs compared to Rs. 5497.08 Lakhs during the previous year 2021-22.

6. SOAP UNIT – KERALA SOAPS

The sales and performances of Soap unit during the year 2022-23 under report is higher than that of 2021-22. The sales resulted in earnings of Rs.1460.24 Lakhs as against Rs.1334.85 Lakhs during the previous year.

7. COCHIN INTERNATIONAL CONTAINER FREIGHT STATION

The operation of Container Freight Station during the year has increased compared to the previous year. The CICFS achieved a turnover of Rs. 349.52 lakhs during the year compared to Rs. 275.39 lakhs achieved during the previous year. The Container Freight station has handled only 7359 TEUs during the report period 2022-23, compared to 7566 TEUs handled in the previous year 2021-22.

8. INDUSTRIAL RELATIONS AND HRD

The Company assesses both current and future organizational requirements for all its employees in terms of their skill/technical abilities, competencies, flexibility etc. to attain or upgrade the skills and attitudes of employees at all levels in order to maximize the effectiveness of the organizations. Your Company has arranged various training programs for its employees during the year; it helped the employees to upgrade their knowledge and also improved the efficiency.

Relations with the employees continued to be cordial throughout the year.

9. APEDA VIRTUAL OFFICE

Your Company continues to be very active as Virtual Office of APEDA for the Government of India. It is keeping good relationship with Directorate of Agriculture, Government of Kerala in the implementation of new schemes in Kerala. Periodic review, participation and awareness programs etc. are conducted in association with APEDA.

10. CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy is to continuously strive to attain higher levels of accountability, transparency, responsibility and fairness in all aspects of its operation. The Company remained committed towards protection and enhancement of overall long term value for all its stakeholder, customers, suppliers, employees and the society.

11. DIRECTORS

Details of number of meetings of the Board during the Financial year 22-23 and the attendance of Directors in those meetings is annexed to this report as Annexure- A.

As on the date of the report the Board comprised the following Members.

Sl. No.	Name	Date of Appointment
1	Shri. Peelipose Thomas	26/11/2021
2	Shri. Rajeev G	25/09/2021
3	Smt. Manjusha L	04/09/2023
4	Shri. Rameez Raja M KAS	01/08/2023
5	Shri. Susil Jacob	27/08/2022
6	Adv. Nice Mathew	26/04/2023
7	Shri. T.N. Sivasankaran	26/04/2023
8	Adv. R. Sajilal	26/04/2023
9	Adv. K. Kusalakumar	26/04/2023

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- I. That in the preparation of annual accounts, the applicable Accounting Standard had been followed with proper explanation relating to material departures.
- II. That Directors had selected such Accounting Policies and applied them consistently and made judgments 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 that year.
- III. That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and preventing and detecting fraud and other irregularities.
- IV. That Directors have prepared the annual accounts on a going concern basis.
- V. The directors had laid down internal financial controls to be followed by the company and such internal financial controls were adequate and were operating effectively.
- VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

13. AUDITORS

M/s. KUMAR & BIJU ASSOCIATES LLP were appointed as the Auditors of the Company for the year 2022-23, by the Comptroller & Auditor General of India.

14. TAX AUDITORS

M/s. S.Sureshababu & Associates Chartered Accountants were appointed as the Tax Auditors of the company for the year 2022-23 pursuant to Section 44AB of the Income Tax Act for conducting tax audit of the Company.

15. EXTRACT OF ANNUAL RETURN

Extract of Annual return is annexed herewith as Annexure B to this report.

16. ACKNOWLEDGEMENT

Your Directors express their gratitude to the Central and State Governments, Financial Institutions, Commercial banks, Customs Authority, Airport Authorities of India, Director of Civil Aviation, All Airlines, APEDA, MPEDA and our valued customers and suppliers for their whole hearted co-operation and support.

Directors wish to place on record their appreciation of the dedication and commitment of your Company's employees to the growth of the Company, and hope that they will continue to extend their enthusiasm and commitment to the development of the Company.

For and on behalf of the Board

Place: Thiruvananthapuram

Sd/-

Date: 21-03-2024

CHAIRMAN

Annexure -A

Attendance details of Directors at Board Meetings during 2022-23

SL No	Name of Director	No of Meetings held during the period the Director was on the Board	No of meetings attended by the Director	Sitting Fee Paid
1	Shri. Peelipose Thomas	5	5	2500
2	Shri. Rajeev G	5	5	0
3	Smt. K.S.Usha	1	1	0
4	Shri. Ajithkumar A	4	1	0
5	Shri. Rajeev R	5	5	0
6	Shri. Subhash Chandran	5	4	1600
7	Shri. Shamsu Vengayil	5	3	1200
8	Shri.Susil Jacob	2	2	800
	TOTAL			6100

For and on behalf of the Board

Sd/-
CHAIRMAN

Annexure -B

FORM NO.MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2023

(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:-	U63013KL1973SGC002477
ii)	Registration Date	25/1/1973
iii)	Name of the Company	Kerala State Industrial Enterprises Ltd
iv)	Category/Sub-Category of the Company	Company Limited by Shares / Government Company
v)	Address of the Registered office and contact details	First Floor, St Joseph Press Building, Cotton Hill, Thiruvananthapuram 695 014
vi)	Whether listed company Yes/No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1	Custodian of Air Cargo complex	-	9.96
2	Running of Container Freight station	-	4.33
3	Trading of different kinds of products	-	64.47
4	Soap manufacture and Sales	20231	18.07
5	Other Income	-	3.17

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. NO	Name and Address of the Company	CIN/GLN/ Regn No.	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	INKES TRADE CENTRE LIMITED	U45400 KL2014 PLC037668	Associate	26	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i)	Category-wise Share Holding	100% by Government of Kerala
(ii)	Shareholding of promoters	- N A -

(iii)	Change in Promoters' Shareholding (please specify, if there is no change)	- N A -
(iv)	Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR s and ADRs):	- N A -
(v)	Shareholding of Directors and Key Managerial Personnel	- N A -

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs crore)			
	Secured Loan*	Unsecured Loan	Total Loan
Indebtedness at the beginning of the financial year			
(i) Principal Amount	0.62	4.42	5.04
(ii) Interest due but not paid	0.00	2.99	2.99
(iii) Interest accrued but not due			
Total	0.62	7.41	8.03
Change in Indebtedness during the financial year			
Addition	1.15	1.00	2.15
Reduction			
Indebtedness at the end of the financial year			
(i) Principal Amount	1.77	5.42	7.19
(ii) Interest due but not paid	0.00	3.40	3.40
(iii) Interest accrued but not due			
Total	1.77	8.82	10.59

*Secured loan represents Overdraft availed from Banks, secured of Fixed Deposits.

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 MD/WTD/Manager		
		Shri. Rajeev G		
1	Gross Salary			
	a. Salary as per provisions contained in section 17(1) of Income Tax Act 1961		0	
	b. Value of Perquisites u/s 17(2) of Income Tax Act 1961			
	c. Profits in lieu of Salary under section 17(3) of Income Tax Act 1961			
2	Stock Option			
3	Sweat Equity			

4	Commission - as % of profit. - others, specify....			
5	Contribution to PF and Other Funds		0	
6	Other benefits			
	Total (A)			
	Ceiling as per the Act*			
<i>*Not Applicable to Government Companies</i>				

B. Remuneration to other directors:

Seperate sheet attached

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel*
		Shibu Thadevus Xavier
1	Gross Salary	
	a. Salary as per provisions contained in section 17(1) of Income Tax Act 1961	1589680
	b. Value of Perquisites u/s 17(2) of Income Tax Act 1961	
	c. Profits in lieu of Salary under section 17(3) of Income Tax Act 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission - as % of profit. - others, specify....	
5	Contribution to PF and Other Funds	185722
6	Other benefits	
	Total (A)	1775402

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

During the period the Company was not subject to any Penalties /Punishments or Compounding of Offences under the Companies Act.

For and on behalf of the Board

Sd/-
CHAIRMAN

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Shri. Peeliyose Thomas	Shri. Rajeev G	Smt. K.S.Usha	Shri. Ajithkumar A	Shri. Rajeev R	Shri. Subhash Chandran	Shri. Shamsu Vengayil	Shri. Susil Jacob	
1.	Independent Directors *									
	• Fee for attending board committee meetings									
	• Commission									
	• Others, please specify									
	Total(1)									
2.	Other Non-executive Directors									
	• Fee for attending board committee meetings	2500	0	0	0	0	1600	1200	800	6100
	• Commission									
	• Honorarium	240000								240000
	Total(2)	242500	0	0	0	0	1600	1200	800	246100
	Total (B)=(1+2)	242500	0	0	0	0	1600	1200	800	246100
	Total Managerial Remuneration Overall Ceiling as per the Act**									

* Independent Directors are not appointed as the same is not applicable to the Company

**Not Applicable to Government Companies

KERALA STATE INDUSTRIAL ENTERPRISES LIMITED

1st Floor, St. Joseph's Press Buildings, Cotton Hill, Thiruvananthapuram 695 014

CIN:U63013KL1973SGC002477

BALANCE SHEET AS AT MARCH 31, 2023

(Rupees rounded off to 100s)

PARTICULARS	NOTE No.	Figures as at the end of Current Reporting Period As at March 31, 2023	Figures as at the end of Previous Reporting Period As at March 31, 2022
A EQUITY AND LIABILITIES			
(1) Shareholder's fund			
a) Share capital	A	1,20,000.00	1,20,000.00
b) Reserves and surplus	B	39,67,582.69	39,37,191.07
		40,87,582.69	40,57,191.07
(2) Non Current Liabilities			
a) Long Term Borrowings	C	5,41,986.37	4,41,986.37
b) Deferred tax liabilities (Net)		1,99,264.54	1,95,169.99
c) Other Long Term Liabilities		1,46,663.24	1,46,518.24
		8,87,914.15	7,83,674.60
(3) Current Liabilities			
a) Short Term Borrowings	D	1,77,093.77	62,476.35
b) Trade payables		38,74,581.73	26,88,251.51
c) Other Current liabilities		31,87,764.29	37,34,281.97
d) Short Term Provisions		1,04,297.83	74,455.49
		73,43,737.62	65,59,465.32
TOTAL		1,23,19,234.46	1,14,00,330.99
B ASSETS			
(1) Non-current assets			
i) Property, plant & equipment (Gross block)	E	53,21,263.56	52,14,938.82
Less: Accumulated depreciation		26,80,717.95	25,51,507.73
Net block		26,40,545.61	26,63,431.09
ii) Intangible Asset (Gross block)	E	10,247.53	10,247.53
Less: Accumulated depreciation		4,837.28	2,216.50
Net block		5,410.25	8,031.03
iii) Capital Work-in-Progress	E	56,889.79	91,444.26
b) Non Current Investments	F	5,30,056.00	5,30,056.00
c) Long Term Loans & Advances	G	1,28,406.33	33,263.85
d) Other Non Current Assets	H	14,51,814.67	8,48,487.40
		48,13,122.65	41,74,713.63

(2) Current Assets

a) Inventories	I(a)	4,12,319.24	2,69,494.80
b) Trade Receivables	I(b)	32,82,172.78	31,19,813.35
c) Cash and bank balances	I(c)	35,59,556.00	33,81,869.64
d) Short Term Loans and advances	I(d)	51,907.04	2,21,182.09
e) Other Current Assets	I(e)	2,00,156.75	2,33,257.48
		75,06,111.81	72,25,617.36
TOTAL		1,23,19,234.46	1,14,00,330.99

Significant Accounting Policies T

Notes on Accounts A to S

Other Notes on Accounts U

The notes form an integral part of these financial statements

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
Peelipose Thomas	Rajeev G	Rameez Raja M KAS	Shibu Thadevus Xavier
Chairman	Managing Director	Director	Secretary & GM (Finance)

As per our Report even date attached
For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
FRN : 0006113S

Sd/-

SARATH V

(Designated Partner)

Membership No. 229415

UDIN: 24229415BJZVZG6250

Thiruvananthapuram
21/3/2024

KERALA STATE INDUSTRIAL ENTERPRISES LIMITED1st Floor, St. Joseph's Press Buildings, Cotton Hill, Thiruvananthapuram 695 014**CIN:U63013KL1973SGC002477****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023****(Rupees rounded off to 100s)**

PARTICULARS	NOTE No.	Figures for the Current Reporting Period	Figures for the Previous Reporting Period
		For the year ended March 31, 2023	For the year ended March 31, 2022
A			
1 Income from Operations (Net)	J	78,24,119.63	79,67,524.03
2 Other Income	K	2,55,030.96	2,31,914.11
3 Total Income (1+2)		80,79,150.59	81,99,438.14
4 Expenses			
(a) Manufacturing Activities			
- Cost of Material Consumed	L	8,73,397.39	10,10,929.93
- Direct Expenses	M	19,247.89	21,793.64
(b) Purchase of Stock in Trade	N	49,45,899.32	51,97,280.46
(c) Employee Benefits Expense	O	10,45,219.65	10,87,024.04
(d) Finance Cost	S	79,682.74	66,453.18
(e) Depreciation & Amortisation Expenses	E	1,38,874.48	1,46,025.28
(f) Other Expenses			
Administrative Expenses	P	7,55,561.43	8,51,471.29
Selling Expenses	Q	82,759.33	76,504.83
Total Expenses		79,40,642.23	84,57,482.66
5 Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		1,38,508.36	-258,044.51
6 Exceptional items	R	89,704.05	26,023.03
7 Profit / (Loss) before extraordinary items and tax (5+6)		48,804.31	-284,067.55
8 Extraordinary items			
9 Profit / (Loss) before tax (7-8)		48,804.31	-284,067.55
10 Tax expense		6,183.24	-243.74
Less: Current Tax		2,088.69	
Less: Deferred Tax liability created for the year	C	4,094.55	-243.74
Add: MAT credit available			

11	PROFIT / (LOSS) FROM CONTINUING OPERATIONS (9-10)	42,621.07	-283,823.80
B Discontinuing Operations			
12	PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS	0.00	0.00
C Total Operations			
13	PROFIT / (LOSS) FOR THE PERIOD	42,621.07	-283,823.80
14	Earnings per share (of Rs.100 each)		
	Number of Shares	120,000	120,000
	Total Earnings	42,621.07	-283,823.80
	(a) Basic	0.36	-2.37
	(b) Diluted	0.36	-2.37

Significant Accounting Policies	T
Notes on Accounts	A to S
Other Notes on Accounts	U
The notes form an integral part of these financial statements	

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
Peelipose Thomas	Rajeev G	Rameez Raja M KAS	Shibu Thadevus Xavier
Chairman	Managing Director	Director	Secretary & GM (Finance)

As per our Report even date attached
For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
FRN : 0006113S

Sd/-

SARATH V

(Designated Partner)

Membership No. 229415

UDIN: 24229415BJZVZG6250

Thiruvananthapuram
21/3/2024

KERALA STATE INDUSTRIAL ENTERPRISES LIMITED

1st Floor, St. Joseph's Press Buildings, Cotton Hill, Thiruvananthapuram 695 014

CIN:U63013KL1973SGC002477

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

		(Amount in Rupees rounded off to 100s)			
		Current Year		Previous Year	
A. Cash flow from operating activities					
Profit after tax		42,621.07		(283,823.80)	
Adjustments for:					
Depreciation / Amortisation	138,874.48	146,025.28			
Tax Expenses	4,094.55	142,969.03	(243.74)	145,781.54	
Operating profit before working capital changes		185,590.10		(138,042.26)	
Adjustments for:					
Inventories	(142,824.44)	104,821.38			
Trade Receivables	(162,359.43)	609,709.42			
Short term loans and advances	169,275.05	(155,810.73)			
Other current assets	(665,369.02)	463,713.21			
Deposits					
Increase in capital work in progress	34,554.47	60,759.72			
Increase in Reserve for liabilities	(12,229.45)	(1,558.42)			
Short Term Liabilities	(431,900.26)	(292,084.93)			
Trade Payables	1,186,330.24	(786,197.22)			
Short term provisions	29,842.34	5,319.50	22,222.58	25,575.01	
Cash Generated from operations		190,909.60		(112,467.25)	
Less : Income tax paid				0	
Net cash from operating activities		190,909.60		(112,467.25)	
B. Cash flow from investing activities					
Purchase of fixed assets		(113,368.24)		(88,574.93)	
Increase in Fixed Deposits		(157,274.81)		(138,213.97)	
Interest received from Fixed Deposits		157,274.81		138,213.97	
Net cash from / (used in) investing activities		(113,368.24)		(88,574.93)	

C. Cash flow from financing activities		
Repayment of long term borrowings		0
Increase in long term liabilities	100,145.00	63,269.53
Increase in working capital loan		
Increase in long term provisions	0	0
Increase in share application money pending allotment		
Provision for dividend	0	0
Net cash from / (used in) financing activities	100,145.00	63,269.53
Net increase / (decrease) in cash and cash equivalents	177,686.36	(137,772.65)
Cash and cash balances as at March 31, 2022 (opening balance)	3,381,869.64	3,519,642.29
Cash and cash balances as at March 31, 2023 (closing balance)	3,559,556.00	3,381,869.64

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
Peelipose Thomas	Rajeev G	Rameez Raja M KAS	Shibu Thadevus Xavier
Chairman	Managing Director	Director	Secretary & GM (Finance)

As per our Report even date attached
For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
FRN : 0006113S

Sd/-

SARATH V

(Designated Partner)

Membership No. 229415

UDIN: 24229415BJZVZG6250

Thiruvananthapuram
21/3/2024

NOTES ON ACCOUNTS

NOTES NO:

A. (A) SHARE CAPITAL

Particulars	Rupees rounded off to 100s)		(Rupees rounded off to 100s)	
	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs 100 each	21,00,000	21,00,000.00	21,00,000	21,00,000.00
Issued, subscribed and paid up capital:	1,20,000	1,20,000.00	1,20,000	1,20,000.00
TOTAL	1,20,000	1,20,000.00	1,20,000	1,20,000.00

Reconciliation of number of shares outstanding:

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Number	Amount	Number	Amount
	Shares outstanding at the beginning of the year	1,20,000	1,20,000.00	1,20,000
Add: issued during the year				
Shares outstanding at the end of the year	1,20,000	1,20,000.00	1,20,000	1,20,000.00

The Company has only one class of shares referred to as equity shares having a par value of Rs. 100/- Each holder of one equity share has one vote per share.

The company has not allotted any share for consideration other than cash. The Company is not a subsidiary of any other company. In the event of liquidation of the Company, the equity share holder will be entitled to receive any of the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by the shareholder.

Details of shareholders having more than 5% shareholding

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
	Government of Kerala	1,20,000	100	1,20,000

B. RESERVES & SURPLUS

Particulars	As at March 31, 2023	As at March 31, 2022
(A) General Reserve		
Balance as per last Balance sheet	18,67,952.24	21,51,776.04
Add: Balance of Profit for the year transferred	42,621.07	-283,823.80
	19,10,573.31	18,67,952.24
(B) Capital Redemption Reserve	26,740.00	26,740.00
(C) Reserve for Liabilities of Erstwhile KSO	10,79,784.38	10,92,013.83
(D) Reserve for Liabilities of MEC	4,30,485.00	4,30,485.00
(E) Land Lease Premium INKES Trade Centre Ltd	5,20,000.00	5,20,000.00
TOTAL (A) + (B) + (C) + (D) + (E)	39,67,582.69	39,37,191.07

(C) Reserve for Liabilities of Erstwhile KSO

An amount of Rs. 2,19,000.00/- (Rounded) was received from Tourism Department on account of Transfer of Land of erstwhile KSO to them and balance Rs.12,58,950.00/-(Rounded) value of other lands transferred from erstwhile KSO to KSIE

(D) Reserve for Liabilities of MEC

A Joint Venture was signed with INKES for Construction of a shopping mall at MEC land and the Land of MEC valued for Rs. 4,30,485.00/- (Rounded)

C. NON CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
(a) LONG TERM BORROWINGS:		
From erstwhile KSO Ltd	80,183.55	80,183.55
From Malabar Cements Ltd	1,90,000.00	1,90,000.00
From Govt of Kerala	2,71,802.82	1,71,802.82
Total	5,41,986.37	4,41,986.37

Un-secured Loans

- From erstwhile KSO Ltd – Rs. 80,183.55/- (PY – Rs. 80,183.55/-) (Rounded) Rs. 67 Lakhs Interest Free Loan and Rs 13,183.54 (Rounded) was transferred from KSO Ltd after closing their bank account. There is no transaction during the financial year.
- From Malabar Cements - Rs.1,90,000.00/- (PY –1,90,000.00/-) (Rounded) Amount received as per G.O.(MS)No.148/2010/ID dated 01/07/2010 referred to in Note no. C above.The rate of interest is 7% pa. An amount of Rs.60,000.00/- (Rounded) was repaid during the year 2013-14
- Government of Kerala – Rs. 2,71,802.82/- (PY – 1,71,802.82/-) (Rounded) GO (Rt) 320/2011/ID dated

28/02/2011 the amount of Rs. 10,000.00/- (Rounded) is received as Loan for Re-location of Trivandrum Air Cargo Complex, dated 25/03/2011. The rate of interest is 13.50% pa. The period of loan is 5 years. During 2011-12 Rs. 100,000.00/- (Rounded) received from Government of Kerala as per G.O (Rt) No.542/2011/Ind dated 30/03/2011 for working capital support to the Kerala Soaps, a unit of KSIE. During 2021-22 Rs. 200,000.00/- (Rounded) received from Government of Kerala as per GO(Rt)No.913/2021/ID dated 26/08/2021 (Rs.100,000.00/-) (Rounded) and as per GO (Rt) No.1050/2021/ID dated 23/09/2021 (Rs.100,000.00/-) (Rounded). But an amount of Rs. 1,38,197.18/- (Rounded) was resumed by the Government as per letter No.1337/2022/F2-TRY dated 30/03/2022 of Director of Treasuries Trivandrum. During 2022-23 and amount of Rs. 47,50,000/- was received for Modernisation of CFS and amount of Rs. 52,50,000/- was received for setting up of Handwash unit of SOAP Unit.

Refer Significant Accounting Policies No. 11.

	As at March 31, 2023	As at March 31, 2022
(b) DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability		
Opening Balance	1,95,169.99	1,95,413.74
Add: Adjusted for the Year	4,094.55	-243.75
Total	1,99,264.54	1,95,169.99

CALCULATION OF PROVISION FOR DEFFERED TAX LIABILITY

DEPRECIATION AS PER IT ACT	1,52,935.41	1,45,188.25
DEPRECIATION AS PER COMPANIES ACT	1,38,874.47	1,46,025.28
DIFFERENCE	14,060.94	-837.03
DTL @ 25%	3,515.24	-209.26
SURCHARGE @ 12%	421.83	-25.11
CESS @ 4%	157.48	-9.37
PROVISION FOR DTL	4,094.55	-243.75

Refer Significant Accounting Policies No.16.

(c) OTHER LONG TERM LIABILITIES

(i) Others Liabilities

Advance from INKEL	1,21,000.00	1,21,000.00
Rent Deposits	22,241.80	22,096.80
Erstwhile Sub. Units	3,421.44	3,421.44
Total	1,46,663.24	1,46,518.24

TOTAL	8,87,914.15	7,83,674.60
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1) Advance from INKEL

Amount of Rs. 1,21,00,000/- was received from INKEL for purchasing additional land for Shopping Mall Project as per the Joint Venture with INKEL

D. CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
(a) SHORT TERM BORROWINGS		
(i) SBI Vazhuthacad OD A/c (Hypothicated Fixed Deposits of Rs.10,77,941.89/- and Fund limit is Rs. 6,40,000.00/-) (Rounded)	1,44,171.21	31,482.86

(ii) SBI Santhi nagar OD A/c (Hypothicated Fixed Deposits of Rs. 7,87,417.81/- and fund limit is Rs. 4,60,000.00/-) (Rounded) Current year Debit Balance		
(iii) Canara Bank Calicut A/c (Hypothicated Fixed Deposits of Rs. 2,14,165.82/- and fund limit is Rs.1,29,000.00/-) (Rounded) Current year Debit Balance		
(iv) SBI Vazhuthacad OD A/c for Statutory Payments (Hypothicated Fixed Deposits of Rs. 99,626.88/- and Fund limit is Rs. 45,000.00/-) (Rounded) Current year Debit Balance		
(v) Canara Bank Vazhuthacad OD A/c (Hypothicated Fixed Deposits of Rs. 3,13,409.32/- and Fund limit is Rs. 1,80,000.00/-) (Rounded)	32,922.56	30,993.49
(vi) Current Maturities of Loan-term Borrowings (Repayment due of GOK loan)		
Total	1,77,093.77	62,476.35

a) Bank overdraft from SBT, Vazhuthacaud

Amount Outstanding - Rs.1,44,171.21/- (PY: 31,482.86/-) (Rounded) Overdraft secured by hypothecation of Fixed deposits of Rs.10,77,941.89/- (Rounded) as under:

SI No.	Fixed Deposit number	Amount
1	67141768611	16,866.71
2	67141768688	68,590.05
3	67141768757	57,033.62
4	67142142775	84,213.70
5	67142142913	70,101.65
6	67142143019	63,576.25
7	67142143075	69,457.81
8	67142141793	55,656.76
9	67156315392	40,861.90
10	67153145401	119,469.22
11	67061274735	40,295.04
12	67368322922	93,961.53
13	67368322831	83,866.54
14	67368322933	111,822.09
15	67368322966	102,169.02
	Total	1,077,941.89

The fund limit is fixed at Rs. 6,40,000.00/- (Rounded)

b) Bank overdraft from SBT, Santhinagar

Amount Debit balance of Rs. 28,792.92/- (PY: Debit balance 1,05,752.25/-) (Rounded) Overdraft secured by Hypothecation of Fixed Deposits of Rs. 7,87,417.81/- (Rounded) as under

SI No.	Fixed Deposit number	Amount
1	67145766541	114,873.90
2	67146178297	99,340.97
3	67146211317	105,681.94
4	67146211475	105,681.94
5	67146211645	105,681.94
6	67146211805	105,674.00
7	67146211930	105,674.00
8	67140008831	44,809.12
	Total	787,417.81

The fund limit is fixed at Rs. 4,60,000.00/- (Rounded)

c) Bank overdraft from Canara Bank, Calicut.

Amount Debit balance of Rs. 74,470.21/- (PY: Dr bal 64,525.85/-) (Rounded) Overdraft secured by Hypothecation of Fixed Deposits of Rs. 2,15,165.82/- (Rounded) as under

SI No.	Fixed Deposit number	Amount
1	140031423400	107,582.91
2	140031422683	107,582.91
	Total	215,165.82

The fund limit is fixed at Rs. 1,29,000.00/- (Rounded)

d) Bank overdraft from SBT Vazhuthacad for Statutory Payments.

Amount Debit balance of Rs.843.17/- (PY: Debit balance of Rs.716.06/-) (Rounded) Overdraft secured by Hypothecation of Fixed Deposits of Rs. 99,626.88/- (Rounded) as under

SI No.	Fixed Deposit number	Amount
1	67094238970	23,154.10
2	67190752147	76,472.78
	Total	99,626.88

The fund limit is fixed at Rs. 45,000.00/- (Rounded)

e) Bank overdraft from Canara Bank Vazhuthacad.

Amount Outstanding of Rs.32,922.56/- (PY: 30,993.49/-) (Rounded) Overdraft secured by Hypothecation of Fixed Deposits of Rs. 3,13,409.32/- (Rounded) as under

SI No.	Fixed Deposit number	Amount
1	2607401001234/11	126,678.43
2	2607401002058/6	83,570.42
3	2607401002059/5	103,160.47
	Total	313,409.32

The fund limit is fixed at Rs.1,80,000.00/- (Rounded)

Refer Significant Accounting Policies No.11.

(b) TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Trade Payables	38,74,581.73	26,88,251.51
Total	38,74,581.73	26,88,251.51

Trade Payables ageing schedule: As at 31st March, 2023					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2,808,843.85	268,465.50	73,598.76	138,830.15	3,289,738.26
(ii) Others	350,831.97	123,903.22	41,507.19	33,013.94	549,256.32
(iii) Disputed dues- MSME				35,587.15	35,587.15
(iv) Disputed dues - Others					
Total	3,159,675.82	392,368.72	115,105.95	207,431.24	3,874,581.73
Trade Payables ageing schedule: As at 31st March, 2022					
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,724,673.28	355,789.78	219,171.03	355,204.66	2,654,838.75
(ii) Others					
(iii) Disputed dues- MSME				33,412.76	33,412.76
(iv) Disputed dues - Others					
Total	1,724,673.28	355,789.78	219,171.03	388,617.42	2,688,251.51

(c) OTHER CURRENT LIABILITIES

Security Deposits received	60,596.89	51,567.88
Retention money payable	63,947.49	64,209.40
Other liabilities	30,63,219.91	36,18,504.69
Total	31,87,764.29	37,34,281.97

Refer Significant Accounting Policies No.8.

	As at March 31, 2023	As at March 31, 2022
(d) SHORT TERM PROVISIONS		
Provision for Doubtful Debts	94,442.12	64,599.78
Provision for IT - 2013-14	9,855.71	9,855.71
Total	1,04,297.83	74,455.49
TOTAL	73,43,737.62	65,59,465.32

1) Provision for doubtful debts

A provision for doubtful debts has been provided at the rate of 10% for debts of Trading Division outstanding for more than three years.

NOTE E

Separately attached

Refer Significant Accounting Policies No.5.

NON CURRENT ASSETS:**F. NON CURRENT INVESTMENTS**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) 312 Shares in Cochin International Airport Limited. at cost (un quoted)	56.00	56.00
(b) 10000 Share of Rs.100/- each in Kannur International Airport Company Ltd	10,000.00	10,000.00
(c) Investment in INKES Trade Centre Ltd	1,30,000.00	1,30,000.00
(d) Advance for Investment in INKES Trade Centre Ltd	3,90,000.00	3,90,000.00
TOTAL	5,30,056.00	5,30,056.00

a) 250 shares of Rs 10 each in Cochin International Airport Limited (CIAL), amounting to Rs 25.00/- (Rounded) and 62 shares of Rs.10 each at a premium of Rs. 40 per share received during the year 2015-16

- b) 10,000 shares of Rs. 1.00/- (Rounded) each in Kannur International Airport Limited (KIAL). Amounting to Rs. 10,000.00/- (Rounded). Since the investment are unquoted and in the nature of long term investments, they are disclosed at cost of acquisition as required under AS-13 issued by ICAI.
- c) We have made an Investment of Rs.5,20,000.00 (Rounded) by way of value of land leased to INKES Trade Centre Ltd for 90 years. Against this INKES has issued shares for Rs. 1,30,000.00/- (Rounded) Balance Rs.3,90,000.00 (Rounded) is treated as advance for Investment as at 31-03-2016.

Refer Significant Accounting Policies No.9.

G LONG TERM LOANS & ADVANCES

	As at March 31, 2023	As at March 31, 2022
i) Secured considered good:		
Vehicle Loan to staff	554.64	286.64
Interest accrued thereon	31.84	286.12
House Loan to staff	-502.29	-171.26
Interest Accrued thereon	2,846.35	3,600.08
ii) Unsecured considered good:		
Advances:		
Erstwhile subsidiaries	45,769.19	45,769.19
Advance payment of IT	33,337.30	-62,876.22
iii) Deposits:		
Rent Deposit	3,504.00	3,504.00
Other Deposits	42,865.30	42,865.30
TOTAL	1,28,406.33	33,263.85

H. OTHER NON-CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
i) Unsecured considered good:	14,51,814.67	8,48,487.40
TOTAL	14,51,814.67	8,48,487.40

I. CURRENT ASSETS:

Particulars	As at March 31, 2023	As at March 31, 2022
(a) INVENTORIES		
Soap units		
(i) Raw Materials	2,38,536.55	1,40,180.91
(ii) Material in Process	45,480.73	53,205.94
(iii) Finished Goods	1,28,131.04	75,979.35
Others (at Business Centres)	170.92	128.60
Total	4,12,319.24	2,69,494.80
<i>Refer Significant Accounting Policies No.4.</i>		
(b) TRADE RECEIVABLES		
i) Debts outstanding for more than six months Considered good		
ii) Other debts-Considered good	32,82,172.78	31,19,813.35
Total	32,82,172.78	31,19,813.35

Trade Receivables ageing schedule as at 31st March, 2023						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	1,881,519.57	210,158.54	225,563.67	367,603.35	268,369.55	2,953,214.68
(ii) Undisputed Trade receivables -considered doubtful	-	11.83	5,698.44	22,701.76	261,539.81	289,951.84
(iii) Disputed trade receivables considered good					7,344.95	7,344.95
(iv) Disputed trade receivables considered doubtful					31,661.31	31,661.31
Total	1,881,519.57	210,170.37	231,262.11	390,305.11	568,915.62	3,282,172.78

Trade Receivables ageing schedule as at 31st March,2022						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	15,47,529.22	3,52,437.19	5,56,830.26	80,289.55	2,29,291.40	27,66,377.62
(ii) Undisputed Trade receivables -considered doubtful	11.83		6,009.39	20,224.27	288,183.98	314,429.47
(iii) Disputed trade receivables considered good					7,344.95	7,344.95
(iv) Disputed trade receivables considered doubtful					31,661.31	31,661.31
Total	15,47,541.05	3,52,437.19	5,62,839.65	1,00,513.82	5,56,481.64	3,119,813.35

(c) CASH AND BANK BALANCES

1 CASH AND CASH EQUIVALENTS

i) Cash in hand	2,965.83	2,263.51
Cheques in hand		
ii) Cash with Scheduled Banks:-		
On Current Accounts	89,708.32	77,645.54
SBT Santhi Nagar OD A/c(Hypothicated Fixed Deposits of Rs.7,87,417.81/- and fund limit is Rs.4,60,000.00/-) (Rounded) Current year Debit Balance	28,792.92	1,05,752.25
Canara Bank Calicut A/c(Hypothicated Fixed Deposits of Rs. 2,15,165.82/- and fund limit is Rs.1,29,000.00/-) (Rounded) Current year Debit Balance	74,470.21	64,525.85
SBI Vazhuthacad OD A/c for Statutory Payments (Hypothicated Fixed Deposits of Rs. 99,626.88/- and Fund limit is Rs.45,000.00/-) (Rounded) Current year Debit Balance	843.17	716.06
On SB A/c with Dt Treasury, TVM	28,997.58	10,001.82
	<u>2,25,778.03</u>	<u>2,60,905.03</u>

2 OTHER BANK BALANCES

i) Fixed Deposit with Banks	32,42,976.26	30,54,889.00
ii) Interest Accrued thereon	90,801.71	66,075.61
	33,33,777.97	31,20,964.61
Total	35,59,556.00	33,81,869.64

(d) SHORT TERM LOANS AND ADVANCES

	As at March 31, 2023	As at March 31, 2022
1. Advances Recoverable in cash or in kind for value to be received:		
i) Secured:		
Vehicle Loan to staff		
Interest accrued thereon	0.00	9.72
House Loan to staff		
Interest Accrued thereon	11.88	38.56
ii) Unsecured considered good:		
Advances:		
Staff	8,011.66	11,163.65
Others	24,115.24	1,87,139.79
Pre paid expenses	3,384.54	6,446.65
iii) Deposits:		
EMD	16,383.72	16,383.72
Total	51,907.04	2,21,182.09

(e) OTHER CURRENT ASSETS

Advance Tax Paid (2022-23)	1,90,301.04	
Advance Tax Paid (2020-21)		2,23,401.77
MAT Credit Entitlement	9,855.71	9,855.71
Total	2,00,156.75	2,33,257.48
TOTAL	75,06,111.81	72,25,617.36

J. INCOME FROM OPERATIONS (NET)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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(a) INCOME FROM MANUFACTURING ACTIVITIES

Sales from Soaps unit	14,60,237.29	13,34,851.77
Total	14,60,237.29	13,34,851.77

(Rupees rounded off to 100s)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(b) INCOME FROM TRADING ACTIVITIES		
Sale of :		
Soap	340.56	773.43
Electronics items	1,36,820.97	2,66,622.41
Medical Equipments	35,303.42	3,29,154.41
Furniture	98,681.51	1,22,457.12
Other items	49,37,155.72	47,78,069.44
Total	52,08,302.18	54,97,076.83
(c) CARGO HANDLING INCOME		
From TACT	2,77,707.29	3,05,000.19
From KACC	5,27,083.89	5,17,384.60
From CFS	3,49,517.80	2,75,394.55
Total	11,54,308.98	10,97,779.34
(d) INCOME From INFRA	1,271.18	37,816.09
Total	1,271.18	37,816.09
TOTAL	78,24,119.63	79,67,524.03

Refer Significant Accounting Policies No.3.

K. OTHER INCOME

(a) INTEREST

Staff : House loan interest	11.88	38.56
Staff : Vehicle Loan interest		9.72
Interest on Fixed Deposit (TDS deducted Rs.12,285.48/-) (Rounded)	1,57,274.81	1,38,213.97
Total	1,57,286.69	1,38,262.25

(b) OTHER INCOME

Rent	91,902.36	91,372.19
Other Income	5,841.91	2,279.68
Total	97,744.27	93,651.86
TOTAL	2,55,030.96	2,31,914.11

*This represents revenue flow from Long Term Investments in compliance to AS 13.

(Rupees rounded off to 100s)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
L. MANUFACTURING ACTIVITIES -COST OF MATERIALS CONSUMED		
(A) PURCHASES		
Raw materials	6,56,087.75	6,45,427.52
Chemicals	32,653.43	20,190.79
Perfumes	1,40,404.00	1,12,432.03
Packing Materials	1,51,072.29	98,436.83
Other Stores	35,962.04	29,492.79
Total (A)	10,16,179.51	9,05,979.95
ADD : OPENING STOCK (B)	2,69,366.20	3,74,316.18
LESS : CLOSING STOCK (C)	4,12,148.32	2,69,366.20
COST OF MATERIAL CONSUMED (A+B-C)	8,73,397.39	10,10,929.93
M. MANUFACTURING ACTIVITIES -DIRECT EXPENSES		
Fright & Coolie	2,071.08	4,626.55
Consumables	67.20	64.91
Factory Expenses	249.83	149.75
Stores & Spares	71.84	67.55
Repairs & Maintenance	577.42	527.32
Power & Fuel	16,210.52	16,357.56
TOTAL	19,247.89	21,793.64
N. PURCHASE OF STOCK IN TRADE		
(A) PURCHASES		
Soap	335.67	846.69
Electronics items	1,32,235.43	2,60,613.30
Medical Equipments	24,379.80	3,14,201.44
Furniture	92,320.31	1,12,678.21
Other items	46,96,670.43	45,09,069.43
Total (A)	49,45,941.64	51,97,409.06
ADD : OPENING STOCK (B)	128.60	0
LESS : CLOSING STOCK (C)	170.92	128.60
COST OF GOODS SOLD (A+B-C)	49,45,899.32	51,97,280.46

(Rupees rounded off to 100s)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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O. EMPLOYEE BENEFITS EXPENSE

Salaries & Allowances		
Directors	2,400.00	10,852.78
Others	8,01,528.80	8,42,613.78
Bonus & Festival Allowance	23,884.77	22,144.94
Contri: to EPF & DLI	90,737.14	70,648.37
Staff Welfare Expenses	23,627.29	20,241.88
Staff Recruitment & Training Expenses	15.00	1,271.00
Gratuity.	38,370.36	70,064.63
Group Leave Encashment Scheme	32,286.56	15,372.83
Admn Expenses (PF & DLIS)	3,409.65	3,652.67
Medical Benefits. (Directors Rs.250.00/-) (Rounded)	28,960.08	30,161.16
TOTAL	10,45,219.65	10,87,024.04

Refer Significant Accounting Policies No.10.

P. ADMINISTRATIVE EXPENSES

Rent	13,819.09	12,189.95
Lease Rent	1,87,135.76	1,82,641.00
Rate & Taxes	46,912.03	19,792.61
Insurance	10,208.97	3,746.44
Printing & stationery	5,066.65	5,231.39
Postage & Telephone	10,062.45	10,001.48
Electricity & Water	52,266.75	46,675.93
Travelling Expenses : Directors	736.54	981.85
Others	33,315.58	29,975.70
Vehicle Running & Maintenance	14,434.81	7,951.00
Transportation Expenses (cargo)	40,210.56	26,701.98
General Repairs & Maintenance	47,333.50	39,769.01
Meeting Expenses	614.54	748.28
Registration & Filing Fees	4,987.01	1,164.02
Books & Periodicals	458.17	481.20
Audit fee : Statutory Audit	750.00	750.00
Audit fee - Other audits	500.00	

Particulars	(Rupees rounded off to 100s)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration to Internal Auditors	2,750.00	3,250.00
GTO Charges - AAI CLT	1,21,736.66	1,09,791.54
Legal Charges	2,210.00	3,875.00
Professional charges	4,642.50	5,698.80
General Expenses	30,135.33	36,006.74
Sitting fee to Directors	61.00	85.00
Security Charges	1,24,361.02	2,64,611.32
Advertisement Expenses	205.00	345.00
Direct Expenses (INFRA)	117.48	36,052.53
Donations	0.00	100.00
DO Charges Expense - CARGO	530.03	2,853.52
TOTAL	7,55,561.43	8,51,471.29
Q. SELLING EXPENSES		
Freight & Coolie Charges	28,800.01	22,331.64
Advertisement and Sales promotion expenses	6,363.76	4,515.11
Travelling expense	12,293.64	24,920.86
Discount allowed	5,208.03	2,321.24
Other expenses	251.55	193.41
Provision for Doubtful Debts	29,842.34	22,222.58
TOTAL	82,759.33	76,504.83
R. EXCEPTIONAL ITEMS		
Pay Revision Arrear	1,18,057.97	
Interest on IT Refund	21,336.42	
Prior period Expenses	29,982.50	26,523.03
Profit on sale of Asset *	37,000.00	500.00
TOTAL	89,704.05	26,023.03

* (Major portion of Asset disposed off was purchased utilising GRANT Fund. The above mentioned Sale value is booked as income. The Assets relating to the above amount is written off through its useful life and reached Nil value. Gross value of certain assets were traceable and assets not traceable was valued on an assumption and removed from Schedule E of PPE.)

(Rupees rounded off to 100s)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
S. FINANCE COST		
Interest on Bank Overdraft	36,919.47	37,777.85
Interest on Government of Kerala loan	27,755.36	14,850.00
Interest on Malabar Cements Ltd loan	13,300.00	13,300.00
Bank Charges	1,707.91	525.33
TOTAL	79,682.74	66,453.18

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
Peelipose Thomas	Rajeev G	Rameez Raja M KAS	Shibu Thadevus Xavier
Chairman	Managing Director	Director	Secretary & GM (Finance)

As per our Report even date attached
For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
FRN : 0006113S

Sd/-

SARATH V

(Designated Partner)

Membership No. 229415

UDIN: 24229415BJZVZG6250

Thiruvananthapuram
21-03-2024

SCHEDULE-E

PROPERTY, PLANT AND EQUIPMENTS 2022-23

Rupees rounded of to 100s

SL NO	DESCRIPTION	Useful Life	GROSS BLOCK			DEPRECIATION			NET BLOCK			
			ORIGINAL COST AS ON 1.4.2022	ADDITIONS DURING 2022-23	SALES/Adj: DURING 2022-23	Cost as at 31-03-2023	Upto 31.3.2022	During 2022-23	Sale/Adj: during 2022-23	Balance as on 31-03-2023	As on 31.3.2023	As on 31.3.2022
1	LAND		1,149,398.45	918.94		1,150,317.39					1,150,317.39	1,149,398.45
2	BUILDING	30	1,864,263.36	25,331.42		1,889,594.78	870,180.21	59,300.76	0.00	929,480.97	960,113.81	994,083.19
3	SOAP FACTORY BUILDING	30	427,804.19	12,536.24		440,340.43	205,308.47	11,921.59	0.00	217,230.06	223,110.37	222,495.70
4	PLANT & MACHINERY	15	674,770.01	20,611.49		695,381.50	557,967.29	34,442.86	0.00	572,410.14	122,971.36	136,802.73
5	OFFICE EQUIPMENT	5	41,677.75	162.40		40,937.36	40,138.65	454.91	902.79	39,690.77	1,246.59	1,539.11
6	ELECTRICAL FITTINGS	10	164,607.67	6,113.17		165,688.69	144,661.58	4,679.07	5,032.15	144,308.50	21,380.19	19,946.09
7	COMPUTER	6	137,589.47	586.36		138,002.83	124,600.56	3,850.99	173.00	128,278.55	9,724.28	12,988.91
8	FORKLIFT	8	31,772.75	36,740.00		68,512.75	30,440.06	4,839.53	0.00	35,279.59	33,233.16	1,332.69
9	FIRE FIGHTING EQUIPMENT	15	42,314.91	5,343.00		47,657.91	29,417.50	2,545.45	0.00	31,962.96	15,694.95	12,897.43
10	FURNITURE & FITTINGS	10	93,421.34	56.99		92,637.58	83,335.06	3,789.58	840.75	86,283.90	6,353.68	10,086.28
11	DG SET	10	42,822.71			42,822.71	42,534.45	244.92	0.00	42,779.37	43.34	288.29
12	ELECTRICAL INSTALLS	10	298,217.36			298,217.36	282,598.39	4,922.84	0.00	287,521.24	10,696.12	15,618.97
13	WATER SUPPLY	5	4,553.95			4,459.14	4,553.82	0.00	94.81	4,459.01	0.13	0.13
14	MOULDS & DYE	15	10,887.28	2,680.00		13,567.28	7,630.59	493.88	0.00	8,124.47	5,442.81	3,256.69
15	LAB EQUIPMENT	10	1,429.45			1,429.45	1,359.54	52.24	0.00	1,411.77	17.68	69.92
16	VEHICLE	10	46,164.01	2,179.23		48,343.24	36,052.86	1,585.48	0.00	37,638.34	10,704.90	10,111.16
17	APEDA cool rooms		0.02			0.02					0.02	0.02
18	APEDA cool room CACC		0.02			0.02					0.02	0.02
19	MPEDA cool rooms		804.03			804.03	804.00			804.00	0.03	0.03
20	WEIGH BRIDGE/BALANCE/MACHINE	10	23,416.76	109.00		23,525.76	22,091.90	684.36		22,776.26	749.50	1,324.82
21	X-RAY MACHINE	10	169,270.86			169,270.86	90,049.32	5,066.02		95,115.33	74,155.53	79,221.55
	TOTAL		5,225,186.35	113,368.24		5,331,511.09	2,553,724.27	138,874.48	7,043.50	2,685,555.23	2,645,955.86	2,671,462.12
	Capital W I P											
	CFS Project:		31,360.18			29,637.17					1,723.01	31,360.18
	Shopping Mall Project		42,216.78			42,216.78					42,216.78	42,216.78
	Soap Project		17,867.30			4,917.30					12,950.00	17,867.30
	TOTAL		91,444.26			34,554.47					56,889.79	91,444.26
	Previous Year		5,138,304.71	124,643.03		5,138,304.71	2,409,392.23	154,196.53		2,409,392.23	2,728,912.48	2,728,912.48

For and on behalf of the Board of Directors

Sd/-

Peelipose Thomas

Chairman

Sd/-

Rajeev G

Managing Director

Sd/-Sd/-

Rameez Raja M KAS

Director

Shibu Thadevus Xavier

Secretary & GM (Finance)

Thiruvananthapuram
21/3/2024



SCHEDULE - T

SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Kerala State Industrial Enterprises Limited is a Company wholly owned by Government of Kerala, incorporated under the provisions of the Companies Act, 1956 and is a Government Company within the meaning of Section 617 of the Act and Provisions of the said Act so far as they are applicable to a Government Company. It came into existence on 25th day of January 1973. The Company is engaged in various business activities as conceived in the Memorandum of Association and with respect to its altered objects confirmed by Registrar of Companies on 29th day of June 2009 as per Certificate of Registration U/s 18(1)A of the Companies Act 1956.

Since the company's borrowings exceed Rs.10 Crores during the period under Audit, it is a Non-SMC (Small and Medium Sized Company) as defined in the general Instructions in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly the company has complied with all the Accounting Standards applicable to a non-small and medium sized company.

Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Financial Statements to comply in all material aspects, with the Accounting Standards notified under the Companies Act, 2013. The Financial Statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policy, if any explained below.

1. Change in Accounting Policy

During the year ended 31 March 2023, the company has prepared Financial Statements as per Schedule I II to the Companies Act 2013. There is no change in Accounting policy during the period.

2. Uses of Estimates

The preparation of the Financial Statements in conformity with Indian GAAP requires Management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures relating to contingent assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in material or immaterial adjustments to the carrying amounts of assets or liabilities in future periods.

3. Revenue Recognition

Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.

Sale of Goods /Services are recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods/ services. Interest accrued on Fixed Deposits are also recognized as Income.

Company recognizes interest on Fixed Deposits on proportionate day (no. of days) basis by calculating the difference between Maturity Value and Principal amount multiplied by the respective interest rates.

4. Inventories

Inventories of Raw Materials, Goods-in-Process, Stores and Spares and Finished goods are valued at cost or net realizable value, whichever is lower. This cost includes all expenditure incurred in bringing the inventories to their present condition and location. The calculation is made on First – in First – out basis.

The appropriate accounting method is followed by the Company as per the AS 2.

5. Provision for Doubtful debts.

Provision for Doubtful debts is provided on Sundry Debtors of Marketing Division which is outstanding for more than three years @10% every year which is accumulated every year.

6. Depreciation

Depreciation on fixed assets is provided on straight line method on the basis of useful life specified in Schedule II of Companies Act 2013. In case of Computers we have taken useful life as 6 years instead of 3 years as during the previous years.

7. Property, Plant and Equipments

Tangible

Fixed assets are stated at Cost less accumulated depreciation. Cost comprises Purchase price including duties and other non refundable taxes or levies, any directly attributable cost of bringing the asset to its working condition and indirect cost specifically attributable to construction of a project or to the acquisition of a Fixed Asset. Assets retired from active use are carried at lower of book value and estimated net realizable value.

The appropriate accounting method is followed by the Company as per the AS 10.

Capital Work-in-progress

Capital Work-in-progress comprises of the cost of tangible fixed assets that are not yet ready for their intended use as on the reporting date and accounted at its actual cost of expenditure incurred so far.

In-tangible

Costs that are directly associated with identifiable and unique software products controlled by the company, whether developed in-house or acquired, and have probable economic benefits exceeding the costs beyond one year are to be recognized as software projects. The appropriate accounting method is followed by the Company as per the AS 26.

8. Foreign Currency Transactions.

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss for the year.

9. Accounting for Government grants

Grant related to Fixed Assets should be presented in the Balance Sheet by showing the Grant as a deduction from the gross value of the assets concerned in arriving at their book value. Where the Grant related to a specific Fixed Assets equals the whole, or virtually the whole, of the cost of the asset, the asset should be shown in the Balance Sheet at a nominal value.

In case of acquisition/ Development of fixed assets which is in progress, Grant received in respect of acquisition/ Development of such fixed assets are shown as current liability until it is fully utilized for the purpose. In the case of Fixed Assets acquired /Developed out of the specific Grant received, costs of such Fixed Assets so acquired/ Developed is capitalized after adjusting against the amount of grant received and such assets are shown at a nominal value of Rupee 1.

The appropriate accounting method is followed by the Company as per the AS 12.

10. Investments

As per AS 13 Investments are classified into Current and Long-term Investments. Current Investments are those, which are readily realizable, and are intended to be held for not more than 12 months from the date of Investment. Investments falling outside the ambit of current investments are treated as “long term investments”.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Company's Investments are in Shares of Cochin International Airport Limited, Kannur International Airport Limited and INKES Trade Centre Limited which are not Short-term Investments as per the above classification of Investments. However, no provision for diminution in values is made as there is no permanent decline in the value of the investments.

11. Employee Benefits

Short-term Employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is incurred.

Defined contribution plan

Company's contributions due/ payable during the year towards Provident Fund is recognized in the profit & loss account. The company has no obligation other than the contribution payable to the Provident fund.

Defined Benefit Plan

a)Gratuity

The Company has been making payments to LIC under the Group Gratuity Scheme on demand from LIC of India, based on their estimates. LIC makes calculation based on actuarial valuation of the gratuity liability and the company has remitted the premium so as to cover the Company's actual liability in full under the LIC scheme.

In the case of employees on deputation from other companies / departments, provision for gratuity has been made in the books of accounts, for the completed years of service of each employee on deputation in the company as at the close of the year in accordance with the Payment of Gratuity Act, 1972.

b) Leave Surrender Salary (LSS)

The Company has been making payments to LIC under the Leave Surrender Salary on demand from LIC of India, based on their estimates. LIC makes calculation based on actuarial valuation of the LSS liability and the company has remitted the premium so as to cover the Company's liability upon retirement of employees under the LIC scheme.

In the case of employees on deputation from other companies / departments, provision for leave surrender salary is made in the books of accounts of KSIE based on their last drawn salary in the company and the number of earned leave at their credit as at the close of the year.

The appropriate accounting method is followed by the Company as per the AS 15.

12. Borrowing Cost.

Borrowing costs includes Interest. Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

The appropriate accounting method is followed by the Company as per the AS 16.

13. Segment Reporting.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

The broad business segments of the entity are Manufacturing and Trading of Soaps, Trading of various types of commodities at the Business Centres and Providing various services at the Air Cargo Complexes.

Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Certain expenses such as administrative expenses, employee benefits, depreciation etc. which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably. It is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as 'unallocated' and directly charged against total income.

Fixed assets used in the business or liabilities contracted have not been identified for any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

The appropriate accounting method is followed by the Company as per the AS17.

14. Related Party Disclosures.

We have complied with the necessary disclosure requirement as per AS 18

15. Leases

Where the company is Lessee

Assets taken on lease, under which the lessor effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expense in the profit and loss account on a straight-line basis over the lease term.

The Company has Lease Agreement which is classified as Operating Lease and accounted in accordance with AS 19.

Where the company is Lessor

Leases in which the company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease.

The Company has not engaged in any such Lease agreements.

16. Earning Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluting potential equity shares.

The Company does not hold any category of shares that may get diluted on a future date. The appropriate accounting method is followed by the Company as per the AS 20.

17. Taxes on Income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in

India. The tax rates and tax Laws used to compute the amounts are those that are enacted, at the reporting date.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

The appropriate accounting method is followed by the Company as per the AS 22.

18. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

The company has not recognized any impairment loss in previous years or current reporting period. The appropriate accounting method is followed by the Company as per the AS 28.

19. Contingent Liabilities

A Contingent liability is a possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is liability that cannot be recognized because it cannot be measured reliably.

The company does not recognize a contingent liability but discloses its existence in the financial statements. The appropriate accounting method is followed by the Company as per the AS 29.

SCHEDULE U

OTHER NOTES ON ACCOUNTS

PROVISION NOT MADE IN THE ACCOUNTS

1. Liabilities disputed not provided for

- (A) Company had filed appeal before the Hon'ble District Court Ernakulam against judgment dt. 27/05/2006 of the Hon'ble sub court Ernakulam, in OS No. 555/2000 ordering payment by the Company and Air India jointly of Rs. 1,254.80/- (Rounded) as interest to Oriental Insurance Company and Cochin Refineries Ltd in respect of a Cargo Consignment received in wet and damaged condition. No provision has been made in the Accounts for the same. The said appeal was dismissed vide judgment dated. 23/10/2007 of the Hon'ble District court. As advised by our legal advisors the Company has filed a second appeal before the Hon'ble High court of Kerala. This Case is still pending.

B. Contingent Liabilities (2022-23) Amount in Rs. Rounded of to 100s			
Sl. No.	Case No.	Claim Details	Contingent Liability
1	EP No. 344/2002	Execution Petition filed for Rs. 2,147.92 (Rounded) on 30.09.2002	Rs. 2,147.92
2	AS No.35/2015	Shri. Varghese claimed Rs. 500.00/- (Rounded) for delayed payment	Rs. 500.00
3	CC No. 57/2005	ESI contribution of Rs. 2,852.32 (Rounded) for the period 01/04/2003 to 30.09.2003 of MEC	Rs. 2,852.32
4	W.C.No.137/2009	Shri. Sathyan claimed for Compensation for the loss of two fingers.	Contingent Liability cannot be quantified at this stage
5	GC No. 36/2009	Gratuity claim for licensed porters	Contingent Liability cannot be quantified at this stage
6	W.P No. 11384/2014	Smt. Ashalatha claimed retirement benefits upto 30.11.2011 (KSO)	Rs. 3,403.19
7	ATANo. 827(7)/2015	KSO EPF damages of Rs. 43,199.37/- (Rounded)	Rs. 43,199.37
8	WPNo. 23817/2015	KSO EPF Interest of Rs. 31,904.98/- (Rounded)	Rs. 31,904.98
9	Arbitration Request AR 28/2018	Refund of Rs. 3.50 Crores to M/s Cement Land Corporate in connection with Cement Trading.	Rs. 3,50,000.00
10	Income tax Appeal pending for 2017-18	Demand Stayed by High Court and pending	Rs. 1,500.00

11	Income tax Appeal pending for 2018-19	Demand Stayed by High Court and pending	Rs. 1,30,724.10
12	GST Appeal pending for 2017-18	Demand for Interest and Penalty against IGST as per OPT comparison of GSTR 3B and GSTR1. Appeal filed on 26-03-2024.	Rs. 5,472.56/-
13	GST Demand pending for 2018-19	Demand by GST Department against ITC availed. Reply filed on 29-02-2024.	Rs. 71,358.22/-
		TOTAL	Rs. 6,43,062.66/-

GENERAL DISCLOSURES

1) Managerial Remuneration under section 197 of the companies act paid or payable during the financial year, to the Directors, is as under:

Amount in Rs rounded of to 100s

Particulars	2022-23	2021-22
Salaries and Allowances	NIL	9,390.38
P.F Contribution	NIL	2,400.00
Gratuity paid	NIL	-
Total	NIL	11,790.38

Salaries and Allowances include honorarium paid to Chairman. The charges for the use of the company's car by Chairman and Managing Director for their personal purposes are not quantified, since the company did not incur any expenditure on that account. Since the Chairman and Managing Directors were not provided with a vehicle exclusively for their personal use, no monetary value of perquisites has been evaluated in terms of rule 3 (c) (ii) of Income –Tax Rules, 1962.

2) (a) Particulars of Purchases, sales and stock at Business Centres are as follows

Amount in Rs rounded of to 100s

Particulars	Opening stock	Closing stock	Purchases	Turnover
Soap	128.60	170.92	335.67	340.56
Electronic items			1,32,235.43	1,36,820.97
Medical equipments			24,379.80	35,303.42
Furniture			92,320.31	98,681.51
Others			46,96,670.43	49,37,155.72
Total			49,45,941.64	52,68,302.18

Considering the innumerable number of items, the quantitative particulars of Opening stock, purchases, and closing stock could not be given. Hence only value is given in Accounts.

(b) Particulars in respect of Capacity, Production, Stock, Sales of Finished Goods and Consumption of raw materials of Kerala Soap unit.

(i) Sales by Class of Products

Sl. No.	Class of Products	Sales for 2022-23		Sales for 2021-22	
		Qty(MT)	Amount (Rounded)	Qty(MT)	Amount (Rounded)
1	Toilet Soap	625.04	13,87,638.43	714.73	12,46,169.88
2	Washing Soap	46.65	62,571.93	47.18	45,881.38
3	Handwash	18.29	26,618.91	13.18	24,074.10
4	Sanitizer	0.20	421.98	6.84	18,726.38
	Total	690.18	14,77,251.25	781.92	13,34,851.77

(ii) Licensed Capacity, Installed Capacity and Actual Production

	Unit	2022-23	2021-22
Licensed capacity	MT p.a	12000	12000

Sl. No.	Class of Products	Unit of Measure	Actual Production	
			2022-23	2021-22
1	Toilet Soap	Metric Ton	650.04	659.89
2	Washing Soap	Metric Ton	52.92	46.54
3	Handwash	Metric Ton	14.44	5.96
4	Sanitizer	Metric Ton	0.06	5.03
	Total		717.46	717.42

(iii) Particulars in respect of Opening Stock, Closing Stock and Production of Finished Goods (Qty-in MT, Value in Rs. rounded to 100s)

Class of Products	2022-23				
	Opening Stock		Production	Closing Stock	
	Qty.	Value	Qty	Qty	Value
Toilet Soap	52.64	61,410.00	650.04	51.17	82,090.00
Washing Soap	3.97	4,210.00	52.92	11.48	11,910.00
Handwash	0.69	630.00	14.44	2.67	2,200.00
Sanitizer	0.17	340.00	0.06	0.19	350.00
Total	57.46	66,590.00	717.46	65.50	96,540.00

Class of Products	2021-22				
	Opening Stock		Production	Closing Stock	
	Qty.	Value	Qty	Qty	Value
Toilet Soap	39.42	51,330.00	659.89	52.64	61,410.00
Washing Soap	2.75	1,860.00	46.54	3.97	4,210.00
Handwash	5.70	5,290.00	5.96	0.69	630.00
Sanitizer	0.65	1,070.00	5.03	0.17	340.00
Total	48.51	59,550.00	717.42	57.46	66,590.00

(iv) Opening Stock, Closing Stock and Consumption of raw material, components and Packing material

Items	Unit of measure	Current year 2022-23		Previous year 2021-22	
		Qty	Amount Rounded in 100s	Qty	Amount Rounded in 100s
a) Raw material:					
Opening Stock					
Soap Noodles	KG	12,706.00	12,478.27	52,217.00	51,158.18
Sandal wood Oil	KG	6.00	139,39.80	6.00	13,893.90
Fragrance/perfume	KG	9,300.00	34,629.65	10,085.00	43,006.99
Colour	KG	101.00	1,202.40	92.04	1,805.55
Add :Purchases					
Soap Noodles	KG	7,14,520.00	7,27,457.75	6,39,406.00	6,27,895.50
Sandal Wood oil	KG	6.00	14,521.50	6.00	13,954.50
Fragrance/perfume	KG	8,210.00	1,25,882.50	9,570.00	1,12,432.02
Colour	KG	189.00	3,949.20	126.00	2,012.85
Less: Closing Stock					
Soap Noodles	KG	1,04,598.00	93,542.36	12,706.00	12,478.27
Sandal wood Oil	KG	6.00	7,219.20	6.00	13,939.80
Fragrance/perfume	KG	2,788.96	23,513.88	9,300.00	34,629.65
Colour	KG	115.27	1,787.76	101.00	1,202.40
Consumption:					
Soap Noodles	KG	6,22,628.00	6,46,393.65	6,78,917.00	6,66,575.41
Sandal Wood Oil	KG	6.00	21,242.10	6.00	13,908.60
Fragrance/perfume	KG	14,721.04	1,36,998.27	10,355.00	1,20,809.36
Colour	KG	174.73	3,363.83	117.04	2,616.00

b) Other Raw Materials						
Opening Stock						
	Dye Chemical	LTR	0.00	0.00	0.00	0.00
	Others	KG	29,275.00	7,452.85	29,591.00	9,852.60
Add: Purchases						
	Dye Chemical	LTR	0.00	0.00	0.00	0.00
	Others	KG	54,014.78	31,465.93	71,159.73	22,433.75
Less Closing Stock						
	Dye Chemical	LTR	0.00	0.00	0.00	0.00
	Others	KG	19,166.59	10,521.20	29,275.00	7,452.85
Consumption:						
	Dye Chemical	LTR	0.00	0.00	0.00	0.00
	Others	KG	64,123.19	28,397.58	71,475.73	24,833.50
c) Packing Materials						
Opening Stock:						
	Stiffner	KG	3,218.60	2,427.46	4,197.40	3,118.55
	Inner Carton	Nos	20,28,969.00	35,641.60	22,14,004.00	35,606.44
	Wrapper	KG	12,653.65	21,689.91	15,587.96	24,857.33
	Master Carton	Nos	24,188.00	6,939.58	21,633.00	5,574.19
	Others	Nos	11,32,863.00	3,779.36	10,54,173.00	6,967.29
Add : Purchases						
	Stiffner	KG	1,879.40	2,037.95	2,715.60	2,134.69
	Inner Carton	Nos	40,57,126.00	1,04,072.31	27,67,010.00	64,988.47
	Wrapper	KG	9,243.41	18,011.52	4,871.80	10,933.91
	Master Carton	Nos	64,906.00	18,443.20	63,326.00	16,961.64
	Others	Nos	7,42,233.00	8,291.72	5,50,825.00	2,577.57
Less : Closing Stock						
	Stiffner	KG			3,218.60	2,427.46
	Inner Carton	Nos	3,357.37	2,795.17	20,28,969.00	35,641.60
	Wrapper	KG	30,98,182.00	60,065.16	12,653.65	21,689.91
	Master Carton	Nos	13,423.61	22,924.11	24,188.00	6,939.58
	Others	Nos	27,079.00	7,681.77	11,32,863.00	3,779.36
Consumption:			11,92,212.00	8,485.90		
	Stiffner	KG			3,694.40	2,825.78
	Inner Carton	Nos			29,52,045.00	64,953.30
	Wrapper	KG	1,740.63	1,670.24	7,806.11	14,101.33

Master Carton	Nos	29,87,913.00	79,648.76	60,771.00	15,596.25
Others	Nos	8,473.45	16,777.31	4,72,135.00	5,765.51

3) Interest on Malabar Cements Rs. 13,300.00/- (Rounded) is charged @ 7% and Interest on Government of Kerala Loan Rs. 14,850.00/- (Rounded) is charged @ 13.50%.

4) Segment reporting in compliance to AS 17 Business Segments

Particulars	Soap Unit	Business Centres	Cargo Complexes
Revenues (Net of Excise Duty)	14,60,237.29	52,08,302.18	11,54,308.98
Less: Identifiable operating expenses	9,75,404.61	49,45,899.32	4,73,974.03
Segmental operating income	4,84,832.68	2,62,402.86	6,80,334.95
Operating income			14,27,570.49
Other income, net			2,56,302.14
Total Income			16,83,872.63
Other Un-allocable Expenses			16,35,068.32
Net Profit before taxes			48,804.31
Current tax			2,088.69
Deferred Tax Liability			4,094.55
Net Profit after taxes			42,621.07

Refer Significant Accounting Policies No.12.

5) Details of Capital Works in Progress

Name of WIP	Less than 1 Year	1 Year to 2 Years	2 Year to 3 Years	More than 3 Years	Total Value on 31/03/2023
Shopping Mall Project				42,216.78	42,216.78
Soap Project	12,950.00				12,950.00
Container Freight Station	1,053.43			669.58	1,723.01
Total	14,003.43	0	0	42,886.36	56,889.79

Name of WIP	Less than 1 Year	1 Year to 2 Years	2 Year to 3 Years	More than 3 Years	Total Value on 31/03/2022
Shopping Mall Project				42,216.78	42,216.78
Soap Project	17,867.30			0	17,867.30
Container Freight Station	30,690.60			669.58	31,360.18
Total	48,557.90	0	0	42,886.36	91,444.26

Refer Significant Accounting Policies No.6.

- 6) During the year 2014-15, a Joint Venture company by KSIE and INKEL holding shares in the ratio of 26%: 74% was registered under the name “INKES Trade Centre Ltd”,with an objective to establish a commercial complex at the land at Thampanoor, Trivandrum, previously owned by the Metropolitan Engineering Company Ltd,and later transferred to KSIE.

52.18 Ares of land valued at the prevailing fair value rate of Rs 8.25 lakhs per Are,with total value of Rs 4,30,485.00 (Rounded) wasbrought to the Books of the company.In addition to this 3.79 Ares of land adjacent to the above land acquired for widening the access to the above land valuing Rs 1,21,000.00/-(Rounded), using advance received from M/S INKEL is also brought to the books of the company.

INKES Trade Centre Ltd, the joint venture company has issued equity shares for a value of Rs 1,30,00,000/- to KSIE being 26% of the total paid up capital of that Company as on 31-03-2023.

7) Related party Disclosures

7.1) List of related parties and nature of relationships where control exists.

Sl. No.	Name of Related Party	Nature of Relationship
1	INKES Trade Centre Limited	Associate

7.2) List of Key Managerial Personnel as defined in 2(51) of Companies Act, 2013 and disclosure of transaction entered with key managerial personnel. Salary, Honararium and other allowances.

Rs. rounded to 100s

No	Name	Designation	Year ended 31st March 2023	Year ended 31st March 2022
1	Peelipose Thomas	Chairman	2,400.00	700.00
2	Gangadharan T.O.	Managing Director	-	11,790.38
3	Shibu Thadevus Xavier	CFO	17,754.02	16,701.76

Sitting fees

No	Name	Designation	Year ended 31st March 2023	Year ended 31st March 2022
1	Peelipose Thomas	Chairman	25.00	5.00
2	A.G.Unnikrishnan	Director	-	8.00
3	Sabu George	Director	-	8.00
4	Subhesh Sudhakaran	Director	-	8.00
5	Subhash Chandran	Director	16.00	28.00
6	Shamsu Vengayil	Director	12.00	28.00
7	Susil Jacob	Director	8.00	-

8) Disclosure of Interest due to MSMEs as per MSMED Act

Sl No	Particulars	As on March 31st 2023	As on March 31st 2022
1	Principle Amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	32,25,325.41/-	26,88,251.51/-
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	NIL	NIL
3	Principle Amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	NIL	NIL
4	Interest paid other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	NIL	NIL
5	Interest paid under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	NIL	NIL
6	Interest due and payable towards suppliers registered under the MSMED Act, for payments already made.	NIL	NIL
7	Further interest remaining due and payable for earlier years.	NIL	NIL

As per the arrangement/ agreement with the Suppliers payments are made when the corresponding Contractors make the payments and therefore no interest is applicable.

9) Analytical Ratios

Ratios	Numerator	Denominator	As at 31 st March 2023	As at 31 st March 2022	% Of Change
Current Ratio	Current Assets	Current Liabilities	1.02	1.10	-7.21
Debt-Equity Ratio	Current Liabilities + Non-current Liabilities	Shareholders Equity	68.60	61.19	12.10
Debt Service Coverage Ratio	Net Profit+Depreciation+Interest	Interest + Instalments	2.08	-1.24	-266.84
Return on Equity Ratio	Net Profit after Tax	Equity Shareholders Fund	35.52	-236.52	-115.02
Inventory Turnover Ratio	Cost of Goods Sold	Average Stock	17.13	19.35	-11.50
Trade Receivables Turnover Ratio	Credit Sales	Average Accounts Receivable	2.44	2.02	20.81
Trade Payable Turnover Ratio	Net Credit Purchases	Average Accounts Payables	1.82	2.00	-8.97

Capital Turnover Ratio	Sales	Capital Employed	65.20	66.40	-1.80
Net Profit Ratio	Net Profit	Sales	0.53	-3.46	-115.24
Return on Capital Employed	Earning before interest & Tax	Capital Employed	181.83	-159.66	-213.88
Return on Investment	Profit	Investment	35.52	-236.52	-115.02

Reason for Change in ratio by more than 25%

Ratio	% Change	Reason
Debt Service Coverage Ratio	-266.84	Company has moved to Profit compared to last year Loss
Return on Equity Ratio	-115.02	Company has moved to Profit compared to last year Loss
Net Profit Ratio	-115.24	Company has moved to Profit compared to last year Loss
Return on Capital Employed	-213.88	Company has moved to Profit compared to last year Loss
Return on Investment	-115.02	Company has moved to Profit compared to last year Loss

10) Earnings per share

Particulars		For the Year ended 31 st March 2023	For the Year ended 31 st March 2022
Net Profit attributable to Equity share holders	(i)	42,621.07	-2,83,823.80
Add: Exceptional Items	(ii)	89,704.05	26,023.03
Profit after taxation and before exceptional item	(i)-(ii)=(iii)	1,38,508.36	-2,58,044.51
Weighted average number of equity shares	(iv)	120000	120000
Add: Dilutive impact	(v)	-	-
No. of shares considered as weighted average shares and potential shares outstanding	(iv)+(v)=(vi)	120000	120000
Earnings Per Share (After Exceptional Item)			
Basic	(i)/(iv)	0.36	-2.37
Diluted	(i)/(vi)	-	-
Earnings Per Share (Before Exceptional Item)			

Basic	(iii)/(iv)	0.36	-2.15
Diluted	(iii)/(vi)	-	-

11) MEC Easy Exit Scheme

As per Government Order GO(MS)No.14/2007/ID dated 06/02/2007, Assets and Liability of Metropolitan Engineering Company Ltd. was transferred to KSIE and the name of the company was struck off from ROC under Easy Exist Scheme 2011. KSIE Ltd is in the process of incorporation of Assets and Liabilities based on the Statement of Assets and Liabilities forming part of Easy Exit Scheme 2011 which is available with the Company.

12) KSO Ltd Easy Exit Scheme

As per Government Order GO(Ms)No.12/2011/Ind dated 18/01/2011, NOC was issued to transfer Assets and Liability of KSO Ltd, to KSIE and the name of the company was struck off from ROC under Easy Exist Scheme 2011. KSIE Ltd is in the process of incorporation of Assets and Liabilities based on the Statement of Assets and Liabilities forming part of Easy Exit Scheme 2011 which is available with the Company.

13) Lease Rents Payable

- i) Lease Rent Payable to M/s Travancore Cochin Chemicals in connection with Land on Lease for Cochin International Container Freight Station, Kochi which is accounted @ Rs.8,854.00/- (Rounded) per month is under dispute and outstanding as on date is Rs.7,30,171.67 (Rounded).
- ii) Lease Rent Payable to M/s Airport Authority of India inconnection with Land on Lease for Trivandrum Air Cargo Terminal, Trivandrum which is accounted @ Rs. 7,841.75/- (Rounded) per month is under dispute and outstanding as on date is Rs.8,88,921.60(Rounded).

14) Depreciation

For addition in Computer and Building(Poly Carbonate Sheet) useful life different from those prescribed in Schedule II of Companies Act, 2013 is taken. The useful life of computer is taken to be 6 years. For all other assets useful life prescribed in Schedule II is taken.

15) Confirmation regarding MSME not received from Suppliers.

16) Tax on income:

- a. Deferred tax has been provided in accordance with AS 22 – “Accounting for Taxes on Income” issued by the ICAI.
- b. The break up Deferred Tax Liability and Asset for the year 31/03/2023 is as under

Particulars	Current year	Previous year
Difference between Book and Tax Depreciation	14,060.94	-837.03
Deferred Taxation Liability/ Asset on the above	4,094.55	-243.74

OTHER INFORMATION

- a. Expenditure in Foreign Currency is Nil (Previous year is Nil)
- b. Export sales during the year NIL.(Previous year NIL.)
- c. Debt due by the Directors of the Company is Nil (Previous year is Nil)
Maximum amount outstanding at any time during the year is Nil (Previous year Nil)
- d. The number of foreign tours undertaken by the Officials of the Company is Nil (Previous year is Nil)
- e. Confirmations of Balances are not available in respect of the Debtors, Creditors, Loans and Advances.
- f. Income Tax Assessments for the Financial Year 2021-22 is pending with the Income Tax Department. The accounting treatment of Income Tax is based on the Accounting Standard 22 – Accounting for Taxes on Income.
- g. In the opinion of the Board of Directors Current Assets, Loans and Advances have a value at which they are stated.
- h. The previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

For and on behalf of the Board of Directors

Sd/-
Peelipose Thomas
Chairman

Sd/-
Rajeev G
Managing Director

Sd/-
Rameez Raja M KAS
Director

Sd/-
Shibu Thadevus Xavier
Secretary & GM (Finance)

As per our Report even date attached
For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
FRN : 0006113S

Sd/-

SARATH V
(Designated Partner)
Membership No. 229415
UDIN: 24229415BJZVZG6250

Thiruvananthapuram
21-03-2024

KUMAR & BIJU ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Thiruvananthapuram

tvm@kbassociates.in

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF KERALA STATE INDUSTRIAL ENTERPRISES LIMITED****Report on the Financial Statements
Qualified Opinion**

We have audited the accompanying financial statements of **Kerala State Industrial Enterprises Limited** (hereafter called 'the Company'), which comprises the balance sheet as at 31st March, 2023, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of matters described in the Basis for Qualified Opinion section**, the aforesaid financial statements give the information required by the Companies Act ('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 31st March, 2023, changes in equity and its profit for the year ended as on that date.

Basis for Qualified Opinion

1. As required by the disclosure requirements under "AS 26-Intangible Assets", the company has not classified Intangible Assets item-wise. The management has represented that the value of intangible assets purchased are shown under the class-"Computer" in Schedule-E of the Property, Plant and Equipment.
2. The balances lying under Trade Payables, Trade Receivables, Other long term liabilities, and Security deposits are subject to confirmation and reconciliation. Thus we are unable to comment the impact of the same on the financial statements.
3. INKES Ltd., an associate company of KSIE had a liability of Rs. 520 lakhs as lease premium owed to KSIE. Out of this amount Rs. 130 lakhs was issued as Share Capital and the remaining Rs. 390 lakhs was categorized as an 'Advance for Investment' by KSIE. However, upon reviewing the Balance Sheet of INKES Ltd, only Rs. 275.39 lakhs was recorded as the lease premium liability. A discrepancy of Rs. 114.62 lakhs was observed, and the management has not provided any explanation for this difference.

4. In addition to the aforementioned matter, INKES Ltd. has recorded a long term advance of Rs. 35 lakhs to KSIE. However a corresponding liability has not been accounted in the Balance Sheet of KSIE Ltd. Upon reviewing the preceding Financial Statements of INKES Ltd, the balance was outstanding for more than two years. As per the explanation given by the management, KSIE has treated this amount as reimbursement of preliminary expenses.
5. EMD Payable, grouped under other current liabilities, has an outstanding sum of Rs. 17.23 lakhs. The Management has not provided us with the party wise schedule or other details, so the accuracy of the same could not be ascertained by us.
6. The sums received from Calicut Air Cargo Complex, amounting to Rs. 13.84 lakhs and Cochin Business Center, totaling Rs. 27.20 lakhs have been accounted for under Trade Payables. Likewise, the advances of Rs. 23.38 lakhs provided to Trivandrum Air Cargo Terminal have been inappropriately recorded under Trade Receivables. Consequently, the financial statement does not accurately reflect the payable and receivable figures.
7. Following the dissolution of the erstwhile Kerala Soaps Ltd in 2011, which was taken over by “the Company”, the available bank balance and the amount owed to the former were recorded as a long-term debt in the sum of Rs. 80.18 lakhs. As a result, long term borrowings are overstated to the same extent.
8. As per the explanation provided to us, the Income tax assessment for the previous years have already been completed but necessary adjustments have not been made in the accounts due to which Advance tax paid for the previous year’s still remains under Long term loans and advances, which as a result does not depict a true picture of the state of affairs of the company.
9. The Income Tax assessment for the year 2013-14 has already been completed but necessary adjustments have not been made in the accounts due to which provision for income tax is overstated by Rs. 9.86 lakhs which is grouped under Short-term provisions in the Balance Sheet.
10. The Company has defaulted in repayment of loans taken from Government of Kerala as per G.O dated March 30th, 2011 amounting to Rs. 110 lakhs. The interest also remains unpaid. In addition to the normal rate of interest, penal interest at the rate of 2.50% is also levied which stands unaccounted by the Company as of this date.

The loan taken from Malabar Cements Limited as per G.O dated July 1st, 2010 amounting to Rs. 190 lakhs also stands unpaid with the interest due.

Interest calculated by the Company for Government loans received during the financial year 2021-22 and re-allocation of funds during 2022-23 do not align with the Government orders.
11. In accordance with clause 5 of the lease agreement between Travancore Cochin Chemicals Limited (hereafter ‘TCC’) and KSIE executed on August 5th, 2010 all overdue payments will incur an interest rate of 8% per annum from the date it has become due till it is duly paid. TCC has failed to make lease payments for 8 years and has not accounted the interest component.

This has resulted in overstatement of profit and understatement of interest liability for TCC to that extent.

12. The Company has not provided the reconciliation in respect of Goods and Service Tax (GST) as per the books of accounts and the periodical returns filed. Hence, any liability resulting out of such variance could not be quantified.
13. With reference to Cash and Bank Balance, upon reviewing the Balance confirmation received from SBI Kondotty, it was observed that the account has “Nil” closing balance as on the balance sheet date, whereas the financial statements reflect a debit balance of Rs. 0.23 lakhs. This has resulted in over-statement of Cash and Bank Balances to such an extent.
14. In 2009-10, the Company had incurred Rs. 362.73 lakhs for developing the land at Cochin International Container Freight Station. The 3.452 hectares of land where the land development had taken place is owned by Travancore Cochin Chemicals Limited, who leased the property to ‘the Company’ on August 29th, 2009 for a term of 30 years. Nearly 14 years have passed since the above-mentioned sum was capitalized by the company and the same has not been written off throughout the lease period. This amount is categorized under the class ‘Land’ in the Property, Plant and Equipment in Schedule-E.

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

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

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 year ending 31st March, 2023. 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 is not applicable to the company as it is an Unlisted Company.

Emphasis of Matter

We draw your attention to:

1. With reference to Point No.11 ‘MEC Easy Exit Scheme’ and Point No.12 ‘KSO Ltd Easy Exit Scheme’ of Schedule U of Others Notes to Accounts for the year, the assets and liabilities of both the companies whose names were struck off from ROC under Easy Exit Scheme 2011 has

not yet been fully incorporated in the books of accounts of the company till date. The net asset/liability from takeover is not quantifiable as a result of the inadequate incorporation of assets and liabilities taken over.

2. In accordance with the Medical Reimbursement Scheme adopted by the company, one of the conditions for medical expense reimbursement eligibility is that the treatment is to be carried out in Government hospitals or any other hospital approved by the company. The company has reimbursed medical claim lodged by its employees for the medical treatment carried out in private hospitals but not approved by the company's medical reimbursement policy, which is in violation of the company's policies.
3. As per the contract between AAICLAS (Airport Authority of India Cargo Logistics and Allied Services Co. Ltd) and KSIE concerning Export cargo handling at the Air cargo complex at Calicut, for the purpose of settlement/reconciliation of gross earnings a monthly statement showing transactions were to be certified and audited by a Chartered Accountant. However upon our verification we have noticed that the company hasn't prepared such a CA certified statement on a monthly basis. This was in violation of the contract to which they have entered upon.

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

Other Matters

1. Former Managing Director Saji Basheer had irregularly and illegally appointed employees and disbursed an amount of Rs. 39.83 lakhs during the period from September 2015 to May 2016. The Company has incurred financial loss to this extent. A request has been placed before the Government for taking appropriate action to recover the amount from Shri. Saji Basheer. An order has been issued by the Government of Kerala on 2nd July, 2021 to recover the amount from Saji Basheer. This aspect has not been reported in the notes to accounts.
2. Debtors and creditors at Business centers, Cochin International Container Freight Station and other units are posted on a consolidated basis thereby making it difficult to ascertain the reliability.
3. As per CAG DO Letter No. PAG(Au II)/Rep(AMG II)/02-05/AR2021-22/Reconciliation/171 dated 23/12/2022, the difference between paid up share capital as per Company's accounts and Finance accounts is Rs. -3,008 lakhs. The company is requested to take necessary steps to reconcile this difference before finalisation of accounts for the financial year 2023-24.

In lakhs

Particulars	As per PSU's Accounts	As per Finance Accounts	Difference
Paid-Up Share Capital	120	3,128	-3,008

Information other than the financial statements and auditor's 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, Business Responsibility Report but does not include the financial statements and

our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 and those charged with governance 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, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 Responsibilities 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 SA's 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 SA's, 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.
- 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.

Report on Other Legal and Regulatory Requirements

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

-
- (a) We have sought and obtained except the matters described in the Basis for Qualified Opinion Section, all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, except for the effects of the matters stated in the Basis for Qualified Opinion section in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books of account.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow statement dealt with by this report are in agreement with the books of account.
- (d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph regarding ‘AS:26- Intangible Assets’, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) Being a Government Company and pursuant to Notification No. GSR 463 (E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, the provisions of sub-section 2 of section 164 of the Act, are not applicable to the Company.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) Being a Government Company the provisions of Section 197 of the Act, with reference to Notification No. G.S.R. 463(E) dated 5th June, 2015 as amended by Notification No. G.S.R. 582 (E), dated 13-06-2017 respect to the matters to be included in the auditor’s report are not applicable.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no transfer of amounts, if any, required to be transferred, to the Investor Education and Protection Fund by the company as there was no dividend declared and paid last year.
 - iv) (i) The management has represented that, to the best of it’s knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (ii) The management has represented, that, to the best of it’s knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- (h) As required by Section 143 (5) of the Act, our comments in regards to the directions and sub-directions issued by the Comptroller and Auditor General of India are given in “Annexure-C”.
 - (i) The Company has not declared or paid any dividend during the period and hence the compliance of Section 123 of the Act is not applicable.
 - (j) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
FRN : 0006113S

Sd/-

SARATH V

(Designated Partner)

Membership No. 229415

UDIN: 24229415BJZVZG6250

Place: Trivandrum

Date : 28.03.2024

Kumar & Biju Associates LLP
CHARTERED ACCOUNTANTS

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date to the financial statements of the Company for the year ended 31st March, 2023:

- (i) (a) (A) The Company has maintained records showing particulars including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained records showing details of Intangible Assets.
- (b) The Company does not have a regular program of physical verification of its Property, Plant and Equipment.
- (c) According to the information and explanations given to us the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) in the financial statements are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- (ii) (a) The Company has a program of physical verification of inventory at reasonable intervals by the management and the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory was noticed.
- (b) According to the information and explanation given to us and on the basis of examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees.
- (iii) The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties and hence reporting under this clause is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in the grant of loans, making investments and providing guarantees and securities, as applicable.

- (v) The company has not accepted deposits, so the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- (vi) The Central Government of India has not prescribed maintenance of cost records under sub section (1) of section 148 of the Act for any of the activities of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing undisputed statutory dues including income tax, service tax and other material statutory dues applicable to it with the appropriate authorities. Similarly, according to the information and explanations given to us, no undisputed amounts payable in respect of income tax, GST and other material statutory dues were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Wealth Tax, Service Tax, Customs duty, Excise Duty or Cess not deposited on account of any dispute except:

Name of the Statute	Period to which the amount relates	Amount disputed (Rs. In lakhs)	Forum where dispute is pending	Remarks
Income Tax Act, 1961	A.Y 2017-18	1.5	Commissioner of Income Tax (Appeals)	Stayed by H.C
	A.Y 2018-19	130.72		Stayed by H.C
CGST Act, 2017	F.Y 2017-18	5.47	Office of the Deputy Commissioner, GST (State) Dept.	Demand for Interest and Penalty against IGST. IGST tax amount has been duly remitted.
	F.Y 2018-19	71.36		Excess ITC availed than that available in GSTR-2A

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) The Company has not made any default in repayment of loans or other borrowings or in the payment of interest thereon to any lender, except:

(Rs. in lakhs)

Nature of Borrowing	Name of lender	Amount (in default)	Interest Amount	No. of days delay or unpaid
Long term Borrowings	Malabar Cements Ltd.	190	178.70	4657 days
	Government of Kerala	110	149.25	4385 days

In addition, loan received from the Government during 2021-22 also remains unpaid for the 3 quarters.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
 - (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company, were used for the purposes for which the loans were obtained.
 - (d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilized for long term purposes.
 - (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) The Company has not raised any loans during the year on the pledge of securities held in it's subsidiaries, joint ventures or associate companies, hence the clause (ix)(f) of the order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under this clause is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under this clause is not applicable to the company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there were no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause (xii) of the Order is not applicable.
- (xiii) The Company is not required to comply with the provisions of section 177 of the Act relating to Audit Committee. According to the information and explanations given to us, section 188 of the Act has been complied with. Further, the related party transactions as required by the applicable accounting standards have been disclosed in the financial statements to the extent applicable.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

- (b) The reports of the Internal Auditors for the period under audit were considered by us.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the company and hence section 192 of the Companies Act, 2013 is not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
 - (b) The company has not conducted any Non-Banking Financial or Housing Finance activities and hence reporting under this clause is not applicable.
 - (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the said clause is not applicable.
- (xvii) The company has not incurred any cash losses during the year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios disclosed in notes to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company is not required to comply with the provisions of Section 135 of the Companies Act, 2013 and hence reporting under this clause is not applicable to the Company.

For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
FRN : 0006113S

Sd/-

SARATH V

(Designated Partner)

Membership No. 229415

UDIN: 24229415BJZVZG6250

Place: Trivandrum

Date: 28.03.2024

Kumar & Biju Associates LLP
CHARTERED ACCOUNTANTS

ANNEXURE-B TO THE AUDITORS' REPORT

Referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the Financial Statements for the year ended 31st March, 2023.

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 **Kerala State Industrial Enterprises Limited** (“the Company”) as of 31st March, 2023 in conjunction with our audit of the 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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, except for the matters disclosed below, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

1. Strengthening of Internal Audit and timely addressal of internal auditor's comments.
2. Timely reconciliation of inter unit transactions.
3. Robust system for arriving at unit-wise profit/loss.

For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
FRN : 0006113S

Sd/-

SARATH V

(Designated Partner)

Membership No. 229415

UDIN: 24229415BJZVZG6250

Place: Trivandrum

Date: 28.03.2024

Annexure C TO THE INDEPENDENT AUDITOR'S REPORT

The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of Section 143 (5) of the Act, the compliance of which is given hereunder.

Directions under section 143(5) of Companies Act, 2013

1. Whether the company has system in place to process all the accounting transactions through IT systems? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications any, may be stated.

Auditor's Comment

The Head Office of the Company utilizes Tally Prime software to maintain its book of accounts, while transactions at CICFS, TACT, and CACC a software developed by Johnsys is used. Monthly statements are prepared at the units, and consolidated entries for each month are made at the Head Office. We have not noticed any discrepancies in IT system.

2. Whether there is any restructuring of an existing loan or cases of waiver/write off debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?

Auditor's Comment

No waiver/write off of debts/loans/interest etc., is noticed during the current year.

3. Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.

Auditor's Comment

No such funds were received during the current year.

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

1. Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.

Auditor's Comment

During our visit, we have noticed idle or unused land at Cochin International Container Freight Station (CICFS) and Kerala Soaps. However, we have not come across any instances of encroachment in the above-mentioned areas. The Company has taken steps to return the unused land to the lessor so that the lease rent may be reduced proportionately.

2. Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/policies of the Government? Comment on deviation, If any.

Auditor's Comment

No such cases.

3. Whether a system for monitoring the execution of works vis-a-vis milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/losses from contracts, etc., have been properly accounted for in the books.

Auditor's Comment

The revenue and losses from the contracts entered are seen properly accounted in the books of the company during the year 2022-23. A proper monitoring of the execution of work is seen existed in the organization.

4. Whether funds received/ receivable for specific schemes from Central / State agencies were properly accounted for utilized? List the cases of deviation.

Auditor's Comment

No such funds were received during the current year.

5. Whether the bank guarantees have been revalidated in time?

Auditor's Comment

During the period, no bank guarantees are seen disclosed under contingent liabilities.

6. Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.

Auditor's Comment

No confirmation was seen to be obtained from the creditors/debtors of the organization. Confirmations for term deposits and bank accounts are maintained.

7. The cost incurred on abandoned projects may be quantified and the amount actually written off may be mentioned.

Auditor's Comment

No projects are seen abandoned.

Manufacturing Sector

1. Whether the, Company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?

Auditor's Comment

The company has a proper pricing policy for allocation of the cost as per the explanation given by the management during the course of our audit.

2. Whether the Company has utilized the Government assistance for technology up gradation/modernization of its manufacturing process and timely submitted the utilization certificates.

Auditor's Comment

The Company has utilized working capital loans received for setting up a Liquid-Hand wash Soap Manufacturing Utility and for Modernization of Cochin Container Container Freight Station (CICFS) and has prepared and submitted the Utilization Certificates for the above.

3. Whether the Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence.

Auditor's Comment

As per management confirmation, norms for normal loss exists and remedial actions are taken in case of abnormal losses.

4. What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy.

Auditor's Comment

There is no by-product in the manufacturing at Soap unit. Finished products are valued at cost or net realizable value whichever is less.

5. Whether the effect of deteriorated stores and spares of closed units have been properly accounted for in the books.

Auditor's Comment

No units are seen closed in the organization.

6. Whether the Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification.

Auditor's Comment

A system exists in the organization for physical verification of stock treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification.

7. State the extent of utilization of plant and machinery during the year vis-a-vis installed capacity.

Auditor's Comment

Capacity utilization during the year 2022-23 was 17.94% as informed and certified by the management.

8. Report on the cases of discounts/commission in regard to debtors and creditors where the Company has deviated from its laid down policy.

Auditor's Comment

No such cases noticed.

Services Sector

1. Whether the Company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the time of fixation of price?

Auditor's Comment

The company has a good pricing policy which absorbs all cost of production as explained by the management.

2. Whether the Company recovers commission for work executed on behalf of Government/ other organizations that is properly recorded in the books of accounts? Whether the Company has an efficient system for billing and collection of revenue?

Auditor's Comment

The company has an efficient system of billing and collection of revenue in respect of work executed and the same is recorded in the books of accounts.

3. Whether the company regularly monitors timely receipt of subsidy from Government and is properly recording them in its books?

Auditor's Comment

As per management confirmation, no subsidy has been received by the Company during the current financial year.

4. Whether interest earned on parking of funds received for specific projects from Government was properly accounted for?

Auditor's Comment

As per management confirmation, no such funds were received from Government for specific projects.

5. Whether the company has entered into Memorandum of Understanding with it is Administrative Ministry. If so, whether the impact thereof has been property dealt with the financial statements.

Auditor's Comment

No such Memorandum of Understanding is seen entered by the company

Trading Sector

1. Whether the company has an effective system for recovery of dues in respect of it is sales activities and the dues outstanding and recoveries there against have been recorded in the books of accounts?

Auditor's Comment

Even though there exists a certain amount of debtors which are outstanding for a long period of time, there exists a system for recovery of dues in respect of its sales activities and the dues outstanding. Unit-wise debtor maintenance at Business centres, Cochin International Container Freight Station and other units need more improvement.

2. Whether the Company has an effective system for physical verification, valuation of stocks, treatment of non-moving items and accounting the effect of shortage/excess notice during physical verification.

Auditor's Comment

As per the information given to us by the management, there is no physical stock in the sales activities through the business centers as there is no sales counter at the business centers. In the manufacturing unit, Kerala Soaps, there is a proper system for physical verification, valuation, treatment of non-moving items and accounting for the effect of shortage/excess notice if any.

- The effectiveness of the system followed in recovery dues in respect of sale activities may be examined and reported.

Auditor's Comment

The system followed by the organization in recovery of the dues is effective even though there exists a certain amount of debtors which are outstanding for a long period of time.

Others

- Examine the system of effective utilization of Loans/Grand-in-aid/Subsidy. List the cases of diversion of funds.

Auditor's Comment

As per the management explanation given to us, loans received are seen effectively utilized and there are no major diversions. The Company has prepared the required utilization certificates for the funds received.

- Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period.

Auditor's Comment

As per the Utilisation Certificate for the financial year 2022-23, the Company has incurred an amount of Rs. 82.83 lakhs for Modernisation of Cochin International Container Freight Station ('CICFS') and Rs. 49.98 lakhs for Setting up of Plant and Machinery for manufacturing liquid hand wash soaps at Kerala Soap Factory. The detailed project report for CICFS was prepared using a project cost of Rs. 300 lakhs and Rs. 250 lakhs for Kerala Soaps. Due to significant differences between the actual project execution and the budgeted, projected cash flows were not considered. The Management has informed us that they are in process of preparing revised cash flows. Therefore, we do not provide any analysis of the capital expenditures on the basis of IRR and payback period methods.

- If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the company is in electronic format, which of the areas such as accounting, sale personnel information, payroll, inventory etc. have been computerized and whether the company has evolved proper security policy for data/ software/ hardware?

Auditor's Comment

The Company has computerized its operations. The areas such as accounting, payroll, inventory are seen computerized. The security policy adopted by the company for data/ software/hardware is seen adequate.

For **KUMAR & BIJU ASSOCIATES LLP**
Chartered Accountants
FRN : 0006113S

Sd/-

SARATH V

(Designated Partner)

Membership No. 229415

UDIN: 24229415BJZVZG6250

Place: Trivandrum

Date: 28.03.2024

CASES FILED AGAINST THE COMPANY 2022-23

Sl. No.	Case No.	Court	Petitioner	Respondent	Subject matter of the case	Name of the Advocate	Present position of the case	Department	Amount Involved
1	W.P.No. 1887/2010	High Court	Malathi prabhakaran	Ombudsman of Local Self Govt.	Petitioners are panchayath members and they take decision to award contract of supply of tubes and bend pipes to one Sivaram Electricals. KSIE and stranger challenged the contract. The Ombudsman dismissed our allegation and found that loss caused to Panchayath and directed recovery of the said loss from the petitioners.	Adv Siju K	Disposed on 25.11.2021	Marketing	-
2	W.P.No 4056/2011	High Court	INTUC & Others	KSIE	INTUC praying to quash Government order to create 1919 posts and fill up these posts in special manner. After hearing, the Division Bench referred the matter to a full bench. Copy of counter not seen.	Menon & Pai Adv RT Pradeep	Pending	A & HR	-
3	Apeal Nos 4&5 of 2012	AERA Appellate Tribunal New Delhi	All Kerala Cargo Movers Association	KSIE	Tariff revision			ACC	-
4	WPNo 14794/2013	High Court	Ratheendran	State of Kerala and KSIE	TACT Porters Head Load Workers Act dispute	Menon & Pai	Pending	A & HR	-
5	W.P.No. 30816/2013	High Court	Rasna Beegum	KSIE	Petitioner applied for the post of Executive. Challenged the recruitment and seek stay the appointment.	Menon & Pai	Pending	A & HR	-
6	W.P.No. 3131/2014	High Court	Dilen Vincent	KSIE	Petitioner applied for the post of Marketing Executive. After test and interview we have issued appointment order. While the petitioner reported for duty we have denied to join because he has not possessed qualification and experience. Degree of bachelor of commerce passed only on September 2012.	Menon & Pai	statement filed by advocate	A & HR	-

7	WPNo. 22771/2014	High Court	Jeeva Mukundan	KSIE	Petitioner praying to call for records in connection with selection of office assistant in Kerala Soaps. Pftioners name forwarded by employment exchange under ETB category	Menon&Pai	Pending	A & HR	-
8	WP © No. 23817/2015 and Appeal No. ATA 827(7)/2015	High Court	Assistant Provident Fund Commissioner	Kerala State Industrial Enterprises Ltd	EPF Authorities sent notice to rmit Rs. 31,90,498/- and Rs. 43,19,937/- towards damage of erstwhile Kerala Soaps & Oils Ltd.	Menon & Pai Advocates, Kochi.	Pending	A & HR	
9	CCC No. 1621/2015 in WP (C) No. 2491/2015	High Court	Royal Pluz Courier & Another	George Tharakan, Airport Director & Abdul Rahiman, GM, KSIE	To permit the petitioners to resume their work as authorized couriers at Trivandrum International Airport, TVM in which KSIE was impleaded as additional 4th respondent.	Menon & Pai Advocates, Kochi.	pending	ACC	
10	WP © No. 33396/2016	High Court	K. Sasikumaran & Others of Kerala Soaps Ltd.	State of Kerala	For increase of Service Benefits	Menon & Pai Advocates, Kochi.	Pending	A & HR	
11	CRP No. 447/2016		M/s. National Extractions Industries	Kerala State Industrial Enterprises Ltd	The Sub Court, Calicut issued a decree of Rs. 70,967/- on 11.10.1990 in favour of National Extraction Industries. The Party filed Execution Petition EA No. 884/2006. The Sub Court, Calicut attached and sold 1 are 5 cent land at Vellayil, Calicut to M/s. National Extraction Industries for an amount of Rs. 2 Lakhs. KSIE filed Set Aside Petition but not grantd. Then filed CRP to the Hon'ble High Court. Industries Department and Revenue Department impleaded as additional respondents.	Menon & Pai Advocates, Kochi.	Pending	A & HR	
12	R.F.A. No. 294/2016 in I.A. 1217/2016	High Court	Karnataka Soaps	Kerala Soaps & KSIE	Against the infringement of registered design of the product 'Sandal Soap'.	Menon&Pai	pending	Kerala Soaps	

13	WP © No. 30872/2017	High Court	Rakhi. P. S. & 4 Others	State of Kerala and KSIE	For Clearing the disparity in Salary, existing among the employees in KSIE, who were recruited through PSC and the employees who were recruited for Kerala Soaps and Container Freight Station through RIAB	Menon & Pai Advocates, Kochi.	Menon & Pai Advocates, Kochi.	A & HR	
14	WP © No. 41714/2017	High Court	Ayooob & 4 Others	Regional PF Commissioner, Kochi and Grey Matter	EPF Case	K.G. Rita		A & HR	
15	CCC No. 499/2018 in WP © No. 11656/2012 of Hon'ble High Court	High Court	Unnikrishnan M. K	State of Kerala and KSIE	Appointment to the post of Helper in Kerala Soaps, KSIE Ltd	Menon & Pai		A & HR	
16	O.S. No. 11 of 2018	2nd Add. Subordinat Judge Court, TVM	Greentech Marketing represented by Georgekutty. J	KSIE-3rd Defendant and Kerala Soaps - 4th Defendant	To take back goods supplied by the first defendant remaining in the godown of plaintiff.	Adv. Rita		A & HR	
17	Arbitration Request AR 28/2018	High Court	M/s. Cement Land Corporate	State of Kerala and KSIE	To Refund Rs. 3.50 Crores against Cement Trading with the Party.	Menon & Pai Advocates, Kochi.		A & HR	Rs. 3.50 Crores
18	W.A. 2550/2019 filed by Saleem. P. K.	High Court	Saleem. P.K	State of Kerala, KSIE and RIAB	Challenging judgment dated 27.11.2018 passed by the Learned Single Judge in R.P. No. 572/2018 in W.P. © No. 3714/2016	Menon & Pai	Disposed on 02.03.2021	A & HR	
19	W.P. © No. 32014/2019	High Court	Sreekumary. C. K	State of Kerala and KSIE	To grant petitioner time bound grade promotions notionally and sanction and disbursed the monetary benefits by fixing her seniority as on 18.01.2002.	Menon & Pai		A & HR	
20	W.P.(C) No. 15927/2019	High Court	Prakasan. A. V	KSIE, Kerala Soaps and State of Kerala	Appointment of Petitioner in the post of Manager (Finance & Accounts) in Kerala Soaps	Menon & Pai		A & HR	
21	W.P.(C) No. 19403/2020	High Court	Jiby Chacko	State of Kerala and 4 others (KSIE - 4th Respondent)	Payment against Furniture/Books Supply in Govt. Medical College, Manjeri	Menon & Pai		A & HR	

22	W.P.(C) No. 16802/2020	High Court	Hind Beevi & 3 Others	State of Kerala and KSIE	Appointment of Helper in Kerala Soaps	Menon&Pai	Pending (Petitions)		
CASES FILED BY THE COMPANY									
1	S.T No.448/2005	Judicial First Class Magistrate Court IV Kochi	KSIE	OMKAR Trading Corporation, Kochi	KSIE filed a case for realisation of an amount of rupees 47616/- against Mr. N.R. Bhadrakumar represented by M/s. OMKAR Trading Corporation, Kochi under Negotiable instrument Act.	Menon & Pai, Adv K Sankarankutty	posted for steps on 30/04/2014	Marketing	Rs. 47,616.00
2	OS No 396/2010	Munsiff Court Trivandrum	KSIE	Mubarak	Mr. Mubarak purchased crockery and given a cheque for Rs 35000/- and same was dishonoured. We have filed a civil suit for realisation of outstanding amount. Disposed ex party order	Menon & Pai Mohankumar	pending	Marketing	Rs. 35,000.00
3	OS No391/2011	Sub Court North Parur K	KSIE	Madhan	Supply of substandard quality of 600mm ID spigot pipe & socket type NP3class RCC pipe (100 nos). On 7/6/2012 sub court ordered that Plaintiff called absent no representation no steps to implead legal heirs of defendant taken. Hence suit is here by ordered as abated. Then DGM (A & HR) requested GM(CFS) to provide correct addresses and name of the legal heir of the defendant at the earliest. Sri. Febi Varghese filed a condonation petition for delay on May 2014. We have no information about the issue except the note forwarded by GM(M). On 18/09/2015 forwarded a note for papaper publication of summons to Defendant No 2.	Menon & Pai	Defendants were ex party. Decreed forrealising an amount of Rs 1350180/- with interest at the rate of 11% per annum. Decreed on 28/10/2015	Development	Rs. 1,350,180.00
4	S.T No:140/2012	First Class Magistrate Court V.TVM.	KSIE	Winston, Megha Marketing, Kollam.	Dishonour of cheque. Summons sent to the accused is returned and once again taken steps by registered post for issuing summons.	K. G. Rita	Repeat Sommons 19.04.2014	Marketing	Rs. 24,465.00

5	R.P. No. 572/2018 in W.P. © No. 3714/2016	High Court	KSIE	Saleem. P. K. & Others	To stay the operation of the direction passed in the Judgment dated 13.03.2018 passed in WP © No. 3714/2016/	Menon & Pai Advocates, Kochi.	Pending	A & HR	
6	O.S. No. 1642 of 2017	Principal Munciffs Court, TVM	KSIE	M/s. Hebron Aqua Foods (India) P.Ltd. represented by its MD Sri. Varghese A Augustine.		K.G. Rita	pending		
7	Execution Petition No:200360/2020	District Court, Trivandrum	KSIE	M/s. R.S.General trading Exports Pvt Ltd & M/s V.S.Corporation (Consortium companies of M/s R.S.General Trading Company)	To Refund Rs. 3.50 Crores against Cement Trading with the Party.	Adv. Radhakrishnan V.K.	pending	A & HR	Rs. 3.50 Crores
0.1	Case No:247/2022	Mumbai High Court	KSIE		To Refund Rs. 3.50 Crores against Cement Trading with the Party.	M/s FZB and Associates	pending	A & HR	Rs. 3.50 Crores



सत्यमेव जयते

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT II)
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 KERALA STATE INDUSTRIAL ENTERPRISES LIMITED,
THIRUVANANTHAPURAM FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of financial statements of **Kerala State Industrial Enterprises Limited, Thiruvananthapuram** for the year ended **31 March 2023** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 are 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 **28 March 2024**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **Kerala State Industrial Enterprises Limited, Thiruvananthapuram** for the year ended **31 March 2023** under Section 143(6)(a) of the Act.

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

Thiruvananthapuram
Dated: 30-04-2024


S. SUNIL RAJ
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II),
KERALA

**COMMENTS OF OFFICER ON SPECIAL DUTY (FINANCE RESOURCES) ON THE
AUDITED ANNUAL ACCOUNTS OF KSIE FOR THE FINANCIAL YEAR 2022-23**

1. Despite the decline in total revenue, the company registered a profit of Rs. 48 Lakhs, reversing the previous year's loss. This was mainly due to the increase in the turnover at Cochin International Freight Station and the Soap Unit, Kerala Soaps. The company may make earnest efforts to increase the turnover at other units also.
2. BoD may take serious efforts to settle the pending discrepancies in respect of Lease Premium Liabilities with INKES Ltd, in transactions like EMD payable, Trade receivable & payable, IT settlement etc.
3. The company may take sincere measures to settle the defaulted repayment of Loans and payment of Loan interests which are due to GOK and Malabar Cements.
4. BoD may initiate strict action to comply with the Government Order dated 02.07.2021, which directed the recovery of Rs. 39.83 Lakh from Sri. Saji Basheer, Former MD.
5. BoD may take necessary steps to reconcile the difference of Rs.-3008 Lakh in paid up share capital as per Company's accounts and finance accounts as noticed in CAG's letter dated 23.12.2022.
6. The company has not paid dividend as per G.O (P) No. 61/2023/Fin dated 23.06.2023, even though the company's registered profit for is Rs. 42 Lakh. BoD may look into it.
7. The company may take necessary arrangements to revalue its Property, Plant and equipments; also, the company has to draw up a regular programme of physical verification of its Property, Plant and equipments.
8. BoD may initiate necessary steps to clear the observations made in the audit report, other than the above mentioned; also remedial measures taken may be intimated to Govt.


NELSON. J

**Additional Secretary (Finance)
For Officer on Special Duty (Finance-Resources)**

**Thiruvananthapuram
07.12.2024**

PROFIT AND LOSS STATEMENT (SUMMARY) OF KSIE LIMITED

(Rs. in Lakhs)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
INCOME:										
Sales	2611.64	2646.83	3833.39	6884.48	7217.91	6582.94	6664.68	7791.13	6831.93	6668.54
ACC & Other income	982.29	1051.59	1223.44	1086.47	1176.89	1508.12	1715.43	1406.01	1229.25	1253.32
Interest	153.70	153.33	133.35	162.43	125.04	127.18	151.16	147.93	138.26	157.29
TOTAL	3747.63	3851.75	5190.18	8133.39	8519.84	8218.24	8531.27	9345.07	8199.44	8079.15
EXPENSES:										
Cost of goods sold / material consumed	2157.09	2401.17	3495.99	6388.07	6509.90	5928.90	5992.88	7008.12	6230.00	5838.54
Personnel, Administration, Management development & other expenses	1179.69	1606.84	1895.77	1879.28	1699.15	1902.08	1891.85	2214.96	2015.01	1883.56
Profit before interest & Depreciation	410.85	-156.26	-201.85	-134.00	310.79	387.26	646.54	121.99	-45.57	357.05
Interest	122.23	149.71	159.04	142.56	103.84	72.61	65.87	58.71	66.45	79.68
Profit before depreciation	288.62	-305.97	-360.62	-276.56	206.95	314.65	580.67	63.28	-112.02	277.37
Depreciation	238.36	163.41	160.36	153.52	143.06	142.59	141.99	154.20	146.02	138.87
Exceptional Items	-	0.75	0.03	0.00	0.00	4.72	0	58.53	26.02	89.70
Profit/ Loss-	50.26	-470.13	-521.01	-430.06	63.85	176.78	438.68	-149.45	-284.06	48.80
Provision for DTL	15.10	32.73	22.14	15.54	11.26	7.63	2.13	-2.44	-0.24	4.09
Prov: for I.T.	0.00	0.00	0.00	0.00	2.87	43.27	133.98	0.00	0.00	2.09
Other provisions / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit	35.16	-502.86	-543.15	-445.60	49.72	125.88	302.57	-147.01	-283.82	42.62
Dividend declared	5.00	.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

BALANCE SHEET (SUMMARY) OF KSIE LIMITED

(Rs. in Lakhs)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
LIABILITIES										
Share Capital	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Reserve & Surplus	3592.61	3485.60	3462.45	3016.84	3066.56	3192.45	3495.02	4222.57	3937.19	3967.58
Deferred Tax Liability	106.40	139.14	161.28	176.82	188.08	195.72	197.85	195.41	195.17	199.26
Secured Loan-	999.07	1334.57	1351.14	462.23	43.51	464.98	283.29	321.12	0.62	1.77
Unsecured Loan :										
Govt. Loan	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	171.80	271.80
Others	270.18	270.18	270.18	270.18	270.18	270.18	270.18	270.18	270.18	270.18
Interest	-	-	-	-	-	-	-	-	-	-
Current Liabilities & Provisions	1926.16	2192.23	3086.69	5044.83	5876.97	5669.61	7031.15	7439.46	6705.37	7488.64
TOTAL	7124.42	7651.72	8561.74	9200.90	9675.30	10022.94	11507.49	12678.74	11400.33	12319.23
ASSETS										
Fixed Assets	3361.69	3490.48	3320.76	3190.74	3099.85	3050.62	2979.65	2881.11	2762.91	2702.85
Investments	10.03	11.33	530.05	530.05	530.05	530.05	530.05	530.05	530.05	530.05
Current Assets Loans and Advances	3752.70	4149.91	4710.93	5480.11	6045.40	6442.27	7997.79	9267.58	8107.37	9086.33
Miscellaneous Exp	-	-	-	-	-	-	-	-	-	-
P & L A/c	-	-	-	-	-	-	-	-	-	-
	7124.42	7651.72	8561.74	9200.90	9675.30	10022.94	11507.49	12678.74	11400.33	12319.23