

44th

Annual Report 2016-2017



KERALA STATE INDUSTRIAL ENTERPRISES LTD.

(A Govt. of Kerala Undertaking)

St. Joseph's Press Building, Cotton Hill P.O., Vazhuthacaud, Thiruvananthapuram-695014

Phone : +91 471 2326947, 2326913, e-mail : ksieltd@gmail.com, website : www.ksie.net

44th

Annual Report and Accounts 2016-2017

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KSIE

KERALA STATE INDUSTRIAL ENTERPRISES LTD.

(A Govt. of Kerala undertaking)

DIRECTORS (As on the date of Report)

Shri.Gangadharan T.O.	Chairman & Managing Director
Smt.K.S.Usha	Director
Shri.Rajeev R	Director
Shri.Sabu George	Director
Shri.Subhash Chandran	Director
Shri.Vengayil Shamsu	Director

SECRETARY & GENERAL MANAGER (FINANCE)

Shri. Shibu Thadevus Xavier

AUDITORS

M/s. B. RADHAKRISHNAN & CO
Chartered Accountants, Thiruvananthapuram

LEGAL ADVISER

M/s. Menon & Pai, Ernakulam

MAIN BANKERS

State Bank of India
Dist. Treasury Trivandrum

REGISTERED OFFICE

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

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 44th 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 2017.

1. PERFORMANCE OF THE COMPANY

The financial performance of the Company for the year ended 31/03/2017 has been summarized below:

	Rs. in lakhs	Rs. in lakhs
	2016-17	2015-16
Income from Sales & Services	7872.82	4966.58
Other incomes	260.57	223.59
Total Income	8133.39	5190.18
Profit before Fin.exp & Depreciation & exceptional items	(-) 133.97	(-) 201.58
Less : Financial expenses	142.57	159.04
Depreciation	153.52	160.36
Exceptional items	–	(-) 0.03
Net profit for the year	(-) 430.06	(-) 521.01
Less : Provision for DTL	15.55	22.14
Provision for Income Tax	–	–
Profit after Tax	(-) 445.61	(-) 543.15
Less : Dividend	–	–
Less : Dividend Tax thereon	–	–
Balance of Profit transferred to Reserve	–	–

2. FINANCIAL RESULTS

During the year 2016-17 the Company earned a total income of Rs.8133.39 Lakhs as compared to Rs. 5190.18Lakhs earned in the previous year and the operation resulted in a net loss for the year amounting Rs.430.06 Lakhs against last year loss of Rs.521.01 Lakhs before income tax and DTL.The loss is mainly due to the increased expenses, at the Air cargo complexes/CFS and the factors contributed to this were beyond the control of the Company.

3. OPERATIONS AND TURNOVER

For the period 1stApril 2016 to 31st March 2017, the Company has recorded a total Income of Rs.8133.39 Lakhs. During this period major portion of income was earned from Trading Activities. Income from trading through our Business Centres is 5935.75Lakhs. Turnover from Cargo Complexes decreased during the year. But turnover from Soap unit increased during this period as compared to the previous year. Proportionate contributions made by the activities during the year under report are:

Business Centres	-	72.98 %
Air Cargo Complexes	-	9.13%
Sales from Soap unit	-	11.66%
Container Freight station	-	2.90%
Other Income	-	3.32%

4. AIR CARGO OPERATIONS

The income from Air cargo operations remained at a lower level during the year due to extraneous factors which are beyond the control of the Company. The Air Cargo Complexes achieved a turnover of Rs.742.35 Lakhs as against the turnover of Rs.782.00 Lakhs in the previous year. During the year under report 2063 MT of import cargo and 40197 MT export cargo were handled by the company compared to 2587 MT of import cargo and 41859 MT of export cargo handled during the previous year 2015-16.

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 2016-17 under report is satisfactory. The operation resulted in earnings of Rs.447.69 lakhs as against Rs.453.74 lakh during the previous year.

B. Calicut Air Cargo Complex (CACC)

The business operation and performance of the CACC during the year 2016-17 under report showed a declining trend. The operation resulted in earnings of Rs.294.66 Lakhs as against the earnings of Rs.328.27 Lakhs during the previous year.

5. TRADING ACTIVITIES

During the financial year 2016-17 Trading Activities made a Major share of Turnover. The operations resulted in increased Turnover of Rs.5935.75 Lakhs compared to Rs.3274.95 Lakhs during the previous year 2015-16.

6. SOAP UNIT – KERALA SOAPS

The sales and performances of Soap unit during the year 2016-17 under report is higher than that of 2015-16. The sales resulted in earnings of Rs.948.73 Lakhs as against Rs.585.44 Lakhs during the previous year.

7. COCHIN INTERNATIONAL CONTAINER FREIGHT STATION

The operation of Container Freight Station during the year is lesser compared to the previous year. The CICFS achieved a turnover of Rs.236.24 Lakh during the year compared to Rs. 349.93 lakh achieved during the previous year. The Container Freight station has handled 11393 TEUs during the report period 16-17, compared to 15689 TEUs handled in the previous year 15-16.

8. DIVIDEND

As the operations resulted in a net loss, no dividend is recommended for the year 2016-17.

9. 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.

10.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.

11.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.

12.DIRECTORS

Details of number of meetings of the Board during the Financial year 16-17 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.Gangadharan T.O.	22/02/2021
2	Smt.K.S.Usha	10/07/2017
3	Shri.Rajeev R	19/10/2020
4	Shri.Sabu George	17/07/2017
5	Shri.SubhashChandran	10/05/2019
6	Shri.Vengayil Shamsu	27/01/2021

13.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.

14.AUDITORS

M/s. B.RADHAKRISHNAN & CO were appointed as the Auditors of the Company for the year 2016-17, by the Comptroller & Auditor General of India.

15.TAX AUDITORS

M/s. S.Sureshababu& Associates Chartered Accountants were appointed as the Tax Auditors of the company for the year 2016-17 pursuant to Section 44AB of the Income Tax Act for conducting tax audit of the Company.

16.EXTRACT OF ANNUAL RETURN

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

17.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

Sd/-
CHAIRMAN

Place : Thiruvananthapuram

Date : 17-08-2021

Attendance details of Directors at Board Meetings during 2016-17

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.Skariah Thomas	1	1	500
2	Dr.M.Beena IAS	1	1	0
3	Dr.Febi varghese	1	1	0
4	Smt.K.N.Sujatha	1	1	0
5	Shri.S.Muraleedharan	2	1	0
6	Shri.K.Radhakrishnan	1	1	0
	TOTAL			500

For and on behalf of the Board

Sd/-
CHAIRMAN

FORM NO.MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2017
(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	25-01-1973
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	-	9.13
2	Running of Container Freight station	-	2.90
3	Trading of different kinds of products	-	72.98
4	Soap manufacture and Sales	20231	11.66
5	Other Income	-	3.33

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	- NA -

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

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	13.51	3.80	17.31
(ii) Interest due but not paid	0.00	1.03	1.03
(iii) Interest accrued but not due			
Total	13.51	5.10	18.61
Change in Indebtedness during the financial year			
Addition		0.28	0.28
Reduction	8.89		
Indebtedness at the end of the financial year			
(i) Principal Amount	4.62	3.80	8.42
(ii) Interest due but not paid	0.00	1.58	1.58
(iii) Interest accrued but not due			
Total	4.62	5.38	10.00

* 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		
1		Dr.Saji Basheer (MD upto 04/06/2016)	Dr.M.Beena IAS (MD from 04/06/2016 upto 05/01/2017)	Dr.Febi Varghese (MD from 05/01/2017)
	Gross Salary			
	a. Salary as per provisions contained in section 17 (1) of Income Tax Act 1961	229,767	61,050.00	313,155
	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	59,978	-	53,686
6	Other benefits			
	Total (A)	289,745.00	61,050.00	366,841.00
	Ceiling as per the Act*			

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 *	
1	Gross Salary		
	a. Salary as per provisions contained in section 17(1)of Income Tax Act 1961		
	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		
6	Other benefits		
	Total (A)		

* No Key Managerial person other than MD is appointed, as the same is not applicable to the Company

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 :

(Rs.)

Particulars of Remuneration	Name of Directors										Total Amount	
	Shri. Mayin Haji	Shri. Skariah Thomas	Dr. Febi varghese	Dr. M. Beena IAS	Dr. Febi Varghese	Smt. K.N. Sujatha	Shri. Muraleedharan	Shri. K. Radhakrishnan				
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	0	500	0	0	0	0	0	0	0	0	0	500
• Commission												
• Honorarium	40000	120000										160000
Total(2)	40000	120500	0	0	0	0	0	0	0	0	0	160500
Total (B)=(1+2)	40000	120500	0	0	0	0	0	0	0	0	0	160500
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

BALANCE SHEET AS AT MARCH 31, 2017

PARTICULARS	NOTE No.	Figures as at the end of Current Reporting Period As at March 31, 2017	Figures as at the end of Previous Reporting Period As at March 31, 2016
A EQUITY AND LIABILITIES			
(1) Shareholder's fund			
a) Share capital	A	1,20,00,000	1,20,00,000
b) Reserves and surplus	B	30,16,84,689	34,62,45,241
		31,36,84,689	35,82,45,241
(2) Non Current Liabilities			
a) Long Term Borrowings	C	3,80,18,355	3,80,18,355
b) Deferred tax liabilities (Net)		1,76,82,923	1,61,28,221
c) Other Long Term Liabilities		1,51,53,261	2,19,44,626
		7,08,54,539	7,60,91,202
(3) Current Liabilities			
a) Short Term Borrowings	D	4,62,23,838	13,51,14,461
b) Trade payables		32,29,65,162	16,29,03,825
c) Other Current liabilities		16,37,91,009	12,15,30,668
d) Short Term Provisions		25,71,284	22,88,795
		53,55,51,293	42,18,37,749
TOTAL		<u>92,00,90,521</u>	<u>85,61,74,192</u>
B. ASSETS			
(1) Non-current assets			
a) Fixed assets	E		
i) Tangible Assets (Gross block)		49,48,47,710	49,34,82,566
Less: Accumulated depreciation		<u>18,39,14,249</u>	<u>16,86,91,959</u>
Net block		31,09,33,461	32,47,90,607
ii) Capital Work-in-Progress		81,41,458	72,85,627
b) Non Current Investments	F	5,30,05,600	5,30,05,600
c) Long Term Loans & Advances	G	2,53,57,378	2,81,01,882
d) Other Non Current Assets	H	3,83,46,029	2,24,30,372
		43,57,83,925	43,56,14,088

(2) Current Assets	I		
a) Inventories		2,59,26,770	3,00,75,310
b) Trade Receivables		24,29,49,745	18,51,47,509
c) Cash and cash equivalents		19,63,33,982	19,28,14,447
d) Short Term Loans and advances		1,81,10,527	1,15,37,267
e) Other Current Assets		9,85,571	9,85,571
		48,43,06,596	42,05,60,104
TOTAL		92,00,90,521	85,61,74,192

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/-
Gangadharan T.O.
Chairman &
Managing Director

Sd/-
Rajeev R
Director

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

As per our Report even date attached
For. B. Radhakrishnan & Co
Chartered Accountants
FRN : 007751S

Sd/-
B. Radhakrishnan Potti, FCA,DISA (ICA)
Proprietor
Membership No : 200266
UDIN : 21200266AAAAHU6427

Thiruvananthapuram
17-08-2021

KERALA STATE INDUSTRIAL ENTERPRISES LIMITED
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(In Rupees)

PARTICULARS	Note No.	Figures for the Current Reporting Period For the year ended March 31,2017	Figures for the Previous Reporting Period For the year ended March 31,2016
A.			
1. Revenue from Operations (Net)	J	78,72,82,527	49,66,58,386
2. Other Income	K	2,60,57,033	2,23,59,478
3. Total Revenue (1+2)		81,33,39,561	51,90,17,864
4. Expenses			
(a) Manufacturing Activities -			
- Cost of Material Consumed	L	7,32,98,205	3,54,82,723
- Direct Expenses	M	53,09,383	32,35,093
(b) Purchase of Stock in Trade	N	56,01,99,559	31,08,81,587
(c) Employee Benefits Expense	O	8,74,42,580	8,78,21,028
(d) Finance Cost	S	1,42,56,829	1,59,04,331
(e) Depreciation & Amortisation Expenses	E	1,53,52,448	1,60,36,207
(f) Other Expenses			
Administrative Expenses	P	8,97,68,755	9,27,33,521
Selling Expenses	Q	1,07,17,651	90,26,986
Total Expenses		85,63,45,410	57,11,21,476
5. Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		-43,005,850	-52,103,612
6. Exceptional items	R	0	-2,875
7. Profit / (Loss) before extraordinary items and tax (5+6)		-43,005,850	-52,100,737
8. Extraordinary items			
9. Profit / (Loss) before tax (7-8)		-43,005,850	-52,100,737
10. Tax expense		15,54,702	22,14,373
Less: Current Tax		0	0
Less: Deferred Tax liability created for the year	C	15,54,702	22,14,373
Add: MAT credit available			

11. PROFIT / (LOSS) FROM CONTINUING OPERATIONS (9-10)	-44,560,551	-54,315,110
B. Discontinuing Operations		
12. PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS	0	0
C. Total Operations		
13. PROFIT / (LOSS) FOR THE PERIOD	-44,560,551	-54,315,110
14. Earnings per share (of Rs.100 each)		
Number of Shares	1,20,000	1,20,000
Total Earnings	-44,560,551	-54,315,110
(a) Basic	-371	-453
(b) Diluted	-371	-453

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/-
Gangadharan T.O.
Chairman &
Managing Director

Sd/-
Rajeev R
Director

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

As per our Report even date attached
For. B. Radhakrishnan & Co
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FRN : 007751S

Sd/-
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Proprietor
Membership No : 200266
UDIN : 21200266AAAAHU6427

Thiruvananthapuram
17-08-2021

KERALA STATE INDUSTRIAL ENTERPRISES LIMITED**Cash Flow Statement for the year ended March 31, 2017**

(in Rs)

A. Cash flow from operating activities

Profit after tax (44,560,551)

Adjustments for:

Depreciation / Amortisation 1,53,52,448

Tax Expenses 15,54,702 1,69,07,150

Operating profit before working capital changes (27,653,401)

Adjustments for:

Inventories 4,148,540

Trade Receivables (57,802,236)

Short term loans and advances (6,573,261)

Other current assets (13,171,153)

Deposits

Short Term Liabilities (46,347,793)

Trade Payables 16,00,61,337

Short term provisions - 4,03,15,435

Cash Generated from operations 12,662,034

Less : Income tax paid -

Net cash from operating activities 12,662,034**B. Cash flow from investing activities**

Purchase of fixed assets (1,495,303)

Non current Investments -

Decrease in capital work in progress (855,831)

Net cash from / (used in) investing activities (2,351,134)

C. Cash flow from financing activities

Repayment of long term borrowings	-
Increase in long term liabilities	(6,791,365)
Increase in working capital loan	
Increase in long term provisions	0
Increase in share application money pending allotment	
Provision for dividend	
Net cash from / (used in) financing activities	(6,791,365)
Net increase / (decrease) in cash and cash equivalents	35,19,535
Cash and cash equivalents as at March 31, 2016 (opening balance)	19,28,14,447
Cash and cash equivalents as at March 31, 2017 (closing balance)	19,63,33,982

For and on behalf of the Board of Directors

Sd/-
Gangadharan T.O.
Chairman &
Managing Director

Sd/-
Rajeev R
Director

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

As per our Report even date attached
For. B. Radhakrishnan & Co
Chartered Accountants
FRN : 007751S

Sd/-
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Proprietor
Membership No : 200266
UDIN : 21200266AAAAHU6427

Thiruvananthapuram
17-08-2021

NOTES ON ACCOUNTS

NOTE NO:

A SHARE CAPITAL

Particulars	For the year ended 31 st March 2017		For the year ended 31 st March 2016	
	Number	Rs.	Number	Rs.
Authorised capital				
Equity shares of Rs. 100 each	21,00,000	21,00,00,000	21,00,000	21,00,00,000
Issued, subscribed and paid up capital	1,20,000	1,20,00,000	1,20,000	1,20,00,000
Total	1,20,000	1,20,00,000	1,20,000	1,20,00,000

Reconciliation of number of shares outstanding:

Particulars	For the year ended 31 st March 2017		For the year ended 31 st March 2016	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	1,20,000	1,20,00,000	1,20,000	1,20,00,000
Add issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,20,000	1,20,00,000	1,20,000	1,20,00,000

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 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 31 st March 2017		For the year ended 31 st March 2016	
	held	% of holding.	held	% of holding.
Government of Kerala	1,20,000	100	1,20,000	100

B RESERVES & SURPLUS

Particulars	(in Rupees)	
	As at March 31, 2017	As at March 31, 2016
(A) General Reserve		
Balance as per last Balance sheet	22,66,22,741	28,09,37,851
Less : Balance of Loss for the year transferred	-4,45,60,551	-5,43,15,110
	18,20,62,189	22,66,22,741

(B) Capital Redemption Reserve	26,74,000	26,74,000
(C) Reserve for Liabilities of Erstwhile KSO	2,19,00,000	2,19,00,000
(D) Reserve for Liabilities of MEC	4,30,48,500	4,30,48,500
(E) Land Lease Premium INKES Trade Centre Ltd	5,20,00,000	5,20,00,000
TOTAL (A) + (B)	30,16,84,689	34,62,45,241

(C) Reserve for Liabilities of Erstwhile KSO

An amount of Rs.2,19,00,000/- was received from Tourism Department on account of Transfer of Land of erstwhile KSO to them.

(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.4,30,48,500/-

C. NON CURRENT LIABILITIES

Particulars	As at March 31 2017	As at March 31 2016
(a) LONG TERM BORROWINGS:		
From erstwhile KSO Ltd	80,18,355	80,18,355
From Malabar Cements Ltd	1,90,00,000	1,90,00,000
From Govt of Kerala	1,10,00,000	1,10,00,000
Total	3,80,18,355	3,80,18,355

- a) From erstwhile KSO Ltd – Rs.80,18,355/- (PY – Rs. 80,18,355/-)
Rs. 67 Lakhs Interest Free Loan and Rs 13,18,354.75 was transferred from KSO Ltd after closing their bank account. There is no transaction during the financial year.
- b) From Malabar Cements - Rs.1,90,00,000/- (PY –1,90,00,000/-)
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.60,00,000/- was repaid during the year 2013-14
- c) Government of Kerala – Rs.1,10,00,000/- (PY – 1,10,00,000/-)
GO (Rt) 320/2011/ID dated 28/02/2011 the amount of Rs 10,00,000/- is received as Loan for Relocation 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. 100,00,000/- received from Government of Kerala as per G.O (Rt)542/2011/Ind dated 30/03/2011 for working capital support to the Kerala Soaps, a unit of KSIE.

Refer Significant Accounting Policies No.11.

(b) DEFERRED TAX LIABILITIES (NET)	As at March 31 2017	As at March 31 2016
Deferred tax liability		
Opening Balance	1,61,28,221	1,39,13,847
Add : Adjusted for the Year	15,54,702	22,14,374
Total	1,76,82,923	1,61,28,221

CALCULATION OF PROVISION FOR DEFERRED TAX LIABILITY

	(in Rupees)	(in Rupees)
DEPRECIATION AS PER IT ACT	1,99,26,446	2,25,50,988
DEPRECIATION AS PER COMPANIES ACT	1,53,52,448	1,60,36,207
DIFFERENCE	45,73,998	65,14,781
DTL @ 30%	13,72,199	19,54,434
SURCHARGE @ 10%	1,37,220	1,95,443
CESS @ 3%	45,283	64,496
PROVISION FOR DTL	15,54,702	22,14,374

Refer Significant Accounting Policies No.16.

(c) OTHER LONG TERM LIABILITIES	As at March 31 2017	As at March 31 2016
(i) Trade Payables	1,21,64,887	1,90,66,252
(ii) Others		
Security Deposits received		
Rent Deposits	26,46,230	25,36,230
Erstwhile Sub. Units	3,42,144	3,42,144
Total	1,51,53,261	2,19,44,626
TOTAL	7,08,54,539	7,60,91,202

(D) CURRENT LIABILITIES

Particulars	As at March 31 2017	As at March 31 2016
(a) SHORT TERM BORROWINGS		
(i) SBT Vazhuthacad OD A/c (Hypothicated Fixed Deposits of Rs.7,81,71,311/- and Fund limit is Rs.6,40,00,00/-)	3,00,18,033	6,51,76,329
(ii) SBT Santhi nagar OD A/c (Hypothicated Fixed Deposits of Rs.5,62,41,836/- and fund limit is Rs.4,60,00,000/-)	-7,599,726	4,05,09,090
(iii) Syndicate Bank OD A/c (Hypothicated Fixed Deposits of Rs.1,52,64,612/- and fund limit is Rs.1,29,00,000/-)	14,81,422	72,40,551
(iv) SBT Vazhuthacad OD A/c for Statutory Payments (Hypothicated Fixed Deposits of Rs.71,43,797/- and Fund limit is Rs.45,00,000/-)	43,92,154	44,39,062
(iv) Canara Bank Vazhuthacad OD A/c (Hypothicated Fixed Deposits of Rs.2,26,02,616/- and Fund limit is Rs.1,80,00,000/-)	1,79,31,955	1,77,49,429
Total	4,62,23,838	13,51,14,461

- a) Bank overdraft from SBT, Vazhuthacaud
 Amount Outstanding - Rs.3,00,18,033/- (PY: 6,51,76,329/-)
 Overdraft secured by hypothecation of Fixed deposits of Rs.7,81,71,311/- as under:

Sl No.	Fixed Deposit number	Amount
1	67141768611	12,40,888
2	67141768688	50,46,173
3	67141768757	41,95,968
4	67142142775	62,11,895
5	67142142913	51,70,942
6	67142143019	46,89,604
7	67142143075	51,23,449
8	67142141793	41,05,439
9	67156315392	29,27,658
10	67153145401	85,48,949
11	67061274735	28,78,729
12	67368322922	67,22,217
13	67368322831	60,00,000
14	67368322933	80,00,000
15	67368322966	73,09,400
	Total	7,81,71,311

The fund limit is fixed at Rs.6,40,00,000/-

- b) Bank overdraft from SBT, Santhinagar
 Amount Debit balance of Rs. 75,99,726/- (PY: 4,05,09,090/-) Overdraft secured by
 Hypothecation of Fixed Deposits of Rs. 5,62,41,836/- as under

Sl.No.	Fixed Deposit number	Amount
1	67145766541	85,55,738
2	67146178297	70,34,116
3	67146211317	74,83,103
4	67146211475	74,83,103
5	67146211645	74,83,103
6	67146211805	74,82,540
7	67146211930	74,82,540
8	67140008831	32,37,593
	Total	5,62,41,836

The fund limit is fixed at Rs.4,60,00,000/-

- c) Bank overdraft from Syndicate Bank, Calicut.
Amount Outstanding of Rs.14,81,422/- (PY: 72,40,551/-) Overdraft secured by Hypothecation of Fixed Deposits of Rs. 1,52,64,612/- as under

Sl.No.	Fixed Deposit number	Amount
1	44004050008813/20	76,32,306
2	44004050008813/21	76,32,306
	Total	1,52,64,612

The fund limit is fixed at Rs.1,29,00,000/-

- c) Bank overdraft from SBT Vazhuthacad for Statutory Payments.
Amount Outstanding of Rs.43,92,154/- (PY: 44,39,062/-) Overdraft secured by Hypothecation of Fixed Deposits of Rs. 71,43,797/- as under

Sl.No.	Fixed Deposit number	Amount
1	67094238970	16,71,760
2	67190752147	54,72,037
	Total	71,43,797

The fund limit is fixed at Rs.45,00,000/-

- c) Bank overdraft from Canara Bank Vazhuthacad.
Amount Outstanding of Rs.1,79,31,955/- (PY: 1,77,49,429/-) Overdraft secured by Hypothecation of Fixed Deposits of Rs. 2,26,02,616/- as under

Sl.No.	Fixed Deposit number	Amount
1	2607401001234/5	89,59,175
2	2607401002058/1	60,00,000
	2607401002059/1	76,43,441
	Total	2,26,02,616

The fund limit is fixed at Rs.1,80,00,000/-

Refer Significant Accounting Policies No.11.

	(in Rupees) As at March 31, 2017	(in Rupees) As at March 31, 2016
(b) TRADE PAYABLES		
Trade Payables	32,29,65,162	16,29,03,825
Total	32,29,65,162	16,29,03,825
(c) OTHER CURRENT LIABILITIES		
Security Deposits received	34,67,883	37,86,086
Retention money payable	77,33,583	73,52,841
Grant from ASIDE for CARGO Complexes not yet Capitalised	1,36,44,794	1,36,44,794
Advance from INKEL	1,21,00,000	1,21,00,000
Other liabilities	12,68,44,749	8,46,46,947
Total	16,37,91,009	12,15,30,668

1) Grant from ASIDE through KINFRA for Cargo Complexes.

During the financial year 2013-14 the company has received Rs.2 Crore as 2nd Instalment for Cargo Complexes at Thiruvananthapuram and Kozhikode under ASIDE scheme from KINFRA for Modification of Export Bay, Construction of Courier Terminal, Installation of X-Ray Machines, Explosive Detector and Surveillance systems, etc. An amount of Rs.2,63,55,341/- was capitalised and fixed assets shown at Rs.1/- in accordance with the applicable Accounting standards.

2) 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

Refer Significant Accounting Policies No.8.

	(in Rupees) As at March 31 2017	(in Rupees) As at March 31 2016
(d) SHORT TERM PROVISIONS		
Provision for Doubtful Debts	10,85,713	8,03,224
Provision for IT - 2013-14	9,85,571	9,85,571
Proposed Dividend (2013-14)	5,00,000	5,00,000
Total	25,71,284	22,88,795
TOTAL	53,55,51,293	42,18,37,749

NOTES FORMING PART OF Schedule E

Separately attached

Refer Significant Accounting Policies No.5.

NON CURRENT ASSETS:

F NON CURRENT INVESTMENTS

Particulars	As at March 31 2017	As at March 31 2016
(a) 250 Shares of Rs.10/- each in Cochin International Airport Limited. at cost (un quoted)	5,600	2,500
(b) 10000 Share of Rs.100/- each in Kannur International Airport Company Ltd	10,00,000	10,00,000
(c) Investment in INKES Trade Centre Ltd	1,30,00,000	1,30,000
(d) Advance for Investment in INKES Trade Centre Ltd	3,90,00,000	
TOTAL	5,30,05,600	11,32,500

a) 250 shares of Rs 10 each in Cochin International Airport Limited (CIAL), amounting to Rs 2500/- 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.100/- each in Kannur International Airport Limited (KIAL). Amounting

to Rs 10,00,000/-. 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.5,20,00,000 by way of value of land leased to INKES Trade Centre Ltd for 90 years. Against this INKES has issued shares for Rs.1,30,00,000/- Balance Rs.3,90,00,000 is treated as advance for Investment as at 31-03-2016.

Refer Significant Accounting Policies No.9.

G LONG TERM LOANS & ADVANCES	(in Rupees) As at March 31 2017	(in Rupees) As at March 31 2016
i) Secured considered good:		
Vehicle Loan to staff	4,20,413	6,87,387
Interest accrued thereon	3,67,643	2,73,079
House Loan to staff	3,06,007	4,42,139
Interest Accrued thereon	7,06,252	8,15,543
ii) Unsecured considered good:		
Advances:		
Erstwhile subsidiaries	22,95,063	18,59,948
Advance payment of IT	66,52,504	67,11,297
Advance tax paid (2013-14)	0	59,80,306
Advance tax paid (2014-15)	41,93,393	41,93,393
Advance Tax Paid (2015-16)	34,51,382	34,51,382
Advance Tax Paid (2016-17)	32,97,673	
iii) Deposits:		
Rent Deposit	4,00,400	4,30,400
Other Deposits	32,66,648	32,57,008
TOTAL	2,53,57,378	2,81,01,882

H OTHER NON-CURRENT ASSETS

	As at March 31 2017	As at March 31 2016
i) Secured considered good:	3,58,03,628	2,01,55,699
Considered Doubtful	28,24,890	
Less: Provision 10%	2,82,489	22,74,673
TOTAL	3,83,46,029	2,24,30,372

1) Provision for doubtful debts

A provision for doubtful debts has been provided at the rate of 10% for all debts outstanding for more than three years. Legal action has been initiated for recovery of all major amounts except for amounts due from Government / Government agencies.

I CURRENT ASSETS:

Particulars	(in Rupees) As at March 31 2017	(in Rupees) As at March 31 2016
(a) INVENTORIES		
Soap units		
(i) Raw Materials	91,51,956	1,42,20,981
(ii) Material in Process	54,70,749	21,01,792
(iii) Finished Goods	1,12,94,643	1,37,24,262
Others (at Business Centres)	9,422	28,275
Total	2,59,26,770	3,00,75,310

Refer Significant Accounting Policies No.4.

(b) TRADE RECEIVABLES	As at March 31 2017	As at March 31 2016
i) Debts outstanding for more than six months		
Considered good	5,27,57,375	6,79,94,499
ii) Other debts-Considered good	19,01,92,370	11,71,53,010
Total	24,29,49,745	18,51,47,509
(c) CASH AND CASH EQUIVALENTS		
i) Cash in hand	2,42,489	75,041
Cheques in hand		
ii) Cash with Scheduled Banks:-		
On Current Accounts	61,90,606	1,66,37,103
On SB A/c with Dt Treasury, TVM	7,14,687	7,14,687
On Fixed Deposit Accounts	18,13,05,561	16,69,88,415
Interest Accrued thereon	78,80,639	83,99,201
Total	19,63,33,982	19,28,14,447

Maximum amount outstanding with Treasury/SB a/c at any time during the year is Rs.6,53,682/- (previous year Rs.6,53,682/- Lakhs)

(d) SHORT TERM LOANS AND ADVANCES

1. Advances Recoverable in cash or in kind for value to be received:	As at March 31 2017	As at March 31 2016
i) Secured:		
Vehicle Loan to staff	0	0
Interest accrued thereon	67,132	99,991
House Loan to staff	0	0
Interest Accrued thereon	29,833	42,493
ii) Unsecured considered good:		
Advances:		
Staff	8,33,689	9,19,681
Others	15,95,864	

	(in Rupees)	(in Rupees)
Pre paid expenses	18,51,454	6,41,112
Advance service tax	63,19,091	23,94,491
Input tax credits (receivable)	56,70,093	56,46,127
iii) Deposits:		
EMD	17,43,372	17,93,372
Total	1,81,10,527	1,15,37,267
(e) OTHER CURRENT ASSETS		
MAT Credit Entitlement	9,85,571	9,85,571
Total	9,85,571	9,85,571
TOTAL	48,43,06,596	42,05,60,104
J REVENUE FROM OPERATIONS (NET)	For the year	For the year
Particulars	ended March 31	ended March 31
	2017	2016
(a) INCOME FROM MANUFACTURING ACTIVITIES		
Sales from Soaps unit	9,48,73,283	5,58,44,151
Total	9,48,73,283	5,58,44,151
(b) INCOME FROM TRADING ACTIVITIES		
Sale of :		
Crockery		14,515
Soap & Detergents	3,15,060	4,85,312
Glassware	3,77,937	3,22,789
Steel Items	14,68,125	4,32,935
Note Books		
Electronics items	4,67,74,290	2,71,78,856
Medical Equipments	4,24,79,155	1,64,01,936
Electrical Goods	26,94,86,939	15,99,28,371
Furniture	4,25,70,028	3,31,98,451
Printing Press		
Works Contract	7,95,66,639	28,05,865
Other items	11,05,36,773	8,67,25,712
E-com sales	0	0
Total	59,35,74,946	32,74,94,742
(c) CARGO HANDLING INCOME		
From TACT	4,47,68,962	4,53,73,966
From KACC	2,94,66,154	3,28,27,768
From CFS	2,36,23,916	3,49,92,759
From INFRA	9,75,267	1,25,000
Total	9,88,34,298	11,33,19,493
TOTAL	78,72,82,527	49,66,58,386

Refer Significant Accounting Policies No.3.

K OTHER INCOME	(in Rupees)	(in Rupees)
Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
(a) INTEREST		
Staff : House loan interest	29,833	42,493
Staff : Vehicle Loan interest	67,132	99,991
Interest on Fixed Deposit (TDS deducted Rs.16,14,790/-)	1,52,10,281	1,31,60,190
Interest Others	9,36,061	31,833
Total	1,62,43,307	1,33,34,507
(b) OTHER INCOME		
Rent	66,09,427	71,94,051
Prior period Income		0
Other Income	32,04,299	18,30,920
Total	98,13,726	90,24,971
TOTAL	2,60,57,033	2,23,59,478

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

L MANUFACTURING ACTIVITIES -COST OF MATERIALS CONSUMED

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
(A) PURCHASES		
Raw materials	4,25,05,184	2,39,69,651
Chemicals	12,57,721	2,73,595
Perfumes	1,11,33,901	57,72,040
Packing Materials	1,30,80,211	87,81,279
Other Stores	11,91,501	5,00,200
Total (A)	6,91,68,518	3,92,96,765
ADD : OPENING STOCK (B)	3,00,47,035	2,62,32,993
LESS : CLOSING STOCK (C)	2,59,17,348	3,00,47,035
COST OF MATERIAL CONSUMED (A+B-C)	7,32,98,205	3,54,82,723

M MANUFACTURING ACTIVITIES -DIRECT EXPENSES

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
Fright & Coolie	35,90,371	13,90,883
Consumables	54,153	51,009
Lab Materials	12,964	0
Factory Expenses	40,180	17,918
Stores & Spares	29,292	2,97,588

Repairs & Maintenance	2,53,614	3,06,398
Power & Fuel	13,28,809	11,71,297
TOTAL	53,09,383	32,35,093

N PURCHASE OF STOCK IN TRADE

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(A) PURCHASES		
Crockery		58,406
Soap & Detergents	2,71,205	3,56,888
Glassware	3,16,342	2,51,552
Steel Items	14,98,332	4,00,359
Electronics items	4,30,39,246	2,53,51,340
Medical Equipments	3,73,97,124	1,57,63,615
Electrical Goods	25,28,22,250	15,27,35,337
Furniture	3,92,93,881	3,06,41,615
Other items	10,68,00,515	8,26,20,991
		0
Works Contract	7,87,41,809	26,59,016
Total (A)	56,01,80,705	31,08,39,119
ADD : OPENING STOCK (B)	28,275	70,743
LESS : CLOSING STOCK (C)	9,422	28,275
COST OF GOODS SOLD (A+B-C)	56,01,99,559	31,08,81,587

O EMPLOYEE BENEFITS EXPENSE

Particulars	(in Rupees) For the year ended March 31, 2017	(in Rupees) For the year ended March 31, 2016
Salaries & Allowances		
Directors	7,63,972	16,33,999
Others	6,58,53,890	7,11,91,588
Bonus & Festival Allowance	95,28,347	23,35,217
Contri: to EPF & DLI (Directors Rs.99,065/-)	55,09,745	56,81,286
Staff Welfare Expenses	17,47,162	21,90,319
Staff Recruitment & Training Expenses	29,520	35,239
Gratuity.	10,44,730	17,90,478
Group Leave Encashment Scheme	1,92,659	1,30,639
Admn Expenses (PF & DLIS)	4,04,092	5,43,244
Medical Benefits. (Directors Rs.4,707/-)	23,68,463	22,89,019
TOTAL	8,74,42,580	8,78,21,028

1) Gratuity and Retirement Benefits for Deputationists.

An amount of Rs.12.30 lakhs has been provided on account of gratuity for payment to other companies in respect of employees on deputation to KSIE till last year, Rs.0.62 Lakhs has been provided this year and the current balance is Rs.12.93 Lakhs. Gratuity Liability to these employees is estimated by the Company on the basis of Last drawn salary from KSIE. The above provision includes Rs.0.21 lakhs towards gratuity payable to the Managing Director(previous year Rs.0.19 lakhs)

2) Leave encashment for Deputationists.

An amount of Rs.4.22 lakhs has been provided on account of LSS for payment to other companies in respect of employees on deputation to KSIE till last year, Rs.1.14 Lakhs has been provided this year and amount paid as LSS Rs.1.46/- and the current balance is Rs.3.91 Lakhs.

Refer Significant Accounting Policies No.10.

P ADMINISTRATIVE EXPENSES

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Rent	11,41,637	11,30,866
Lease Rent	2,60,51,095	2,32,54,112
Trucking Charges - CARGO	3,52,732	3,52,048
Rate & Taxes	13,18,966	15,54,956
Insurance	4,68,325	5,87,236
Printing & stationery	9,54,276	8,17,817
Postage & Telephone	18,39,728	19,18,482
Electricity & Water	50,13,011	53,37,728
Travelling Expenses : Directors	68,925	5,38,304
Others	26,12,172	30,62,992
Vehicle Running & Maintenance	12,39,068	10,01,729
Transportation Expenses (cargo)	4,82,480	9,23,232
General Repairs & Maintenance	58,80,746	59,83,810
Meeting Expenses	42,173	2,61,630
Registration & Filing Fees	93,115	2,09,927
Subscriptions		1,900
Books & Periodicals	45,420	42,596
Audit fee : Statutory Audit	75,000	
Audit fee - Other audits	59,000	
Remuneration to Internal Auditors	2,49,684	3,91,551

GTO Charges - AAI CLT	66,66,687	65,05,623
Legal Charges	3,92,722	5,85,874
Professional charges	5,88,398	9,95,379
Cost Recovery charges - Customs CFS	1,01,28,196	1,71,34,655
General Expenses	39,56,802	35,52,316
Sitting fee to Directors	500	42,900
Security Charges	1,71,15,899	1,38,74,081
Advertisement Expenses	2,29,880	17,40,088
Direct Expenses (INFRA)	27,02,119	5,000
Donations		5,000
Revenue Expenditure on CFS Project		9,21,689
TOTAL	8,97,68,755	9,27,33,521

Revenue Expenditure on CFS Project written off in 5 years as per Board 213 dated 19/02/2014 Rs.9,21,689/- written off each year. Total Amount is Rs.46,08,444.31/-

Q SELLING EXPENSES

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Freight & Coolie Charges	18,84,230	18,97,147
Advertisement and Sales promotion expenses	28,66,148	40,01,358
Travelling expense	16,72,202	16,80,360
Discount allowed	38,07,053	11,28,743
Other expenses	2,05,529	66,637
Provision for Doubtful Debts	2,82,489	2,52,741
TOTAL	1,07,17,651	90,26,986

R EXCEPTIONAL ITEMS

Loss on sale of Asset	0	0
Prior period Expenses	0	0
Profit on sale of Asset		2,875
	0	-2,875

S FINANCE COST

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on Bank Overdraft	1,11,77,545	1,20,28,931
Interest on Government of Kerala loan	14,85,000	14,85,000
Interest on Malabar Cements Ltd loan	13,30,000	13,30,000
Bank Charges	2,64,284	10,60,400
TOTAL	1,42,56,829	1,59,04,331

For and on behalf of the Board of Directors

Sd/-
Gangadharan T.O.
Chairman &
Managing Director

Sd/-
Rajeev R
Director

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

As per our Report even date attached
For. B. Radhakrishnan & Co
Chartered Accountants
FRN : 007751S

Sd/-
B. Radhakrishnan Potti, FCA,DISA (ICA)
Proprietor
Membership No : 200266
UDIN : 21200266AAAAHU6427

Thiruvananthapuram
17-08-2021

Fixed Assets

SL NO	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK (In Rupees)			
		ORIGINAL COST AS ON 1.4.2016	ADDITIONS DURING 2016-17	SALES/ADJ. DURING 2016-17	Cost as at 31-03-2017	Upto 31.3.2016	During 2016-17	Adj. during 2016-17	Balance as on 31-03-2017	As on 31.3.2017	As on 31.3.2016
1	LAND	11,10,45,471			11,10,45,471	0			0	11,10,45,471	11,10,45,471
2	BUILDING	18,61,81,655	2,00,805		18,63,82,460	5,17,17,536	58,76,966		5,75,94,503	12,87,87,957	13,44,64,119
3	SOAP FACTORY BUILDING	4,20,22,404			4,20,22,404	1,36,53,859	11,32,088		1,47,85,947	2,72,36,456	2,83,66,544
4	PLANT & MACHINERY	6,40,51,309	7,85,838		6,48,37,147	3,43,08,749	31,36,771		3,74,45,520	2,73,91,627	2,97,42,560
5	OFFICE EQUIPMENT	38,39,683	14,900		38,54,583	30,24,316	3,51,628		33,75,944	4,78,639	8,15,367
6	ELECTRICAL FITTINGS	1,34,42,684	1,45,287		1,35,87,971	85,20,140	11,37,135		96,57,275	39,30,696	49,22,544
7	COMPUTER	1,16,16,674	1,40,804		1,17,57,478	99,52,654	6,94,772		1,06,47,426	11,10,052	16,64,020
8	FORKLIFT	29,67,275			29,67,275	27,15,231	78,370		27,93,601	1,73,674	2,52,044
9	FIRE FIGHTING EQUIPMENT	36,97,492			36,97,492	13,63,247	2,10,456		15,73,703	21,23,790	23,34,244
10	FURNITURE & FITTINGS	85,03,335	66,292		85,69,627	52,15,748	5,36,429		57,52,177	28,17,449	32,87,587
11	DG SET	42,82,271			42,82,271	33,12,663	2,53,980		35,66,643	7,15,628	9,69,608
12	ELECTRICAL INSTALLS	2,55,71,525	1,41,377		2,57,12,902	2,09,00,970	15,34,168		2,24,35,138	32,77,764	46,70,555
13	WATER SUPPLY	4,55,395			4,55,395	4,55,382			4,55,382	11	13
14	MOULDS & DYE	7,75,468			7,75,468	5,71,340	20,866		5,92,206	1,83,262	2,04,128
15	LAB EQUIPMENT	1,40,716			1,40,716	65,309	12,928		78,237	62,479	75,407
16	VEHICLE	44,33,200			44,33,200	33,75,270	2,03,232		35,78,502	8,54,698	10,57,930
17	APEDA cool rooms	2			2	0			0	2	2
18	APEDA cool room CACC	2			2	0			0	2	2
19	MPEDA cool rooms	80,403			80,403	80,400			80,400	3	3
20	WEIGH BRIDGE/BALANCE/MACHINE	22,27,659			22,27,659	13,24,220	1,66,757		14,90,977	7,36,682	9,03,439
21	X-RAY MACHINE	80,17,784			80,17,784	80,04,764	5,902		80,10,666	7,118	13,020
	TOTAL	49,33,52,406	14,95,303	0	49,48,47,710	16,85,61,800	1,53,52,448	0	18,39,14,249	31,09,33,460	32,47,90,607
	Capital W I P										
	CFS Project:									3,929,780	3,073,959
	Shopping Mall Project									4,211,678	4,211,678
	Previous Year	49,12,09,657	22,80,034	1,37,285	49,33,52,406	15,26,55,753	1,60,36,207	1,30,160	16,85,61,800	16,85,61,800	32,47,90,607

For and on behalf of the Board of Directors

Sd/- **Gangadharan T.O.** Chairman & Managing Director
 Sd/- **Rajeev R** Director
 Sd/- **Shibu Thadevus Xavier** Secretary & GM (Finance)

As per our Report even date attached

For. B. Radhakrishnan & Co
 Chartered Accountants
 FRN : 007751S

Sd/- **B. Radhakrishnan Potti, FCA,DISA (ICA)** Proprietor
 Membership No : 200266
 UDIN : 21200266AAAAAHU6427

SCHEDULE - T**SIGNIFICANT ACCOUNTING POLICIES****Corporate Information**

Kerala State Industrial Enterprises Limited is a Private Limited 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 2017, the company has prepared Financial Statements as per Schedule III 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.

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. 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.

6. Fixed Assets

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.

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. However the company has no in-tangible assets during the period.

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

7.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.

8.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.

9. 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 and Kannur International Airport 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.

10. 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.

11. 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.

12. 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 AS 17.

13. Related Party Disclosures.

Company has no such transactions to disclose during the current reporting period within the meaning of AS 18

14. 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.

15. 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.

16. 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.

17. 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.

18.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) Status of Service Tax Cases on 31/03/2017.

Central Excise and Service tax department raised demands for Rs.3,52,08,479/- towards Service Tax payable for unaccompanied baggage charges, terminal charges and facilitation charges in various Show Cause Notices in TACT and CACC. Out of the 9 Show Cause Notices received so far, the Company has filed appeal in Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Bangalore, in 5 cases against the order of the Commissionerate. Out of this in 2 cases the Company had filed appeal in High Court against the order issued by CESTAT and High Court has set aside the levy of penalty which is final. Further High Court has also ordered an enquiry to be conducted by the department in detail before taking up the above cases for final hearing. Accordingly in 1 case we have furnished certain clarifications sought by CESTAT in the light of the High Court order. In the other case Commissioner has conducted enquiry and hearing and dropped the Service Tax on unaccompanied baggage amounting to Rs 37,24,545/- and confirmed Service Tax on terminal charges and facilitation charges against which appeal has been filed in CESTAT and orders are awaited. In the remaining 3 cases also hearing and orders from CESTAT is awaited.

Out of the remaining 4 Show Cause Notices, personal hearing was conducted by the Additional Commissioner in 2 cases and consequently the demand of Service Tax on UB amounting to Rs.39,78,930/- and Rs.34,09,789/- was dropped. Other demands in the Show Cause Notice were confirmed and we have filed appeal against the same with Commissioner (Appeals),Cochin and orders are awaited. In one of the remaining Show Cause Notices personal hearing is over and orders are awaited. In the case of remaining Show Cause Notice reply has been filed in Commissionerate and further direction is awaited.

As indicated above since the Commissioner has dropped Service Tax on Unaccompanied Baggage in 3 show Cause Notices the total demand gets reduced to Rs 2,40,95,215/- excluding interest if any. Subsequently the following Show Cause notices were received as detailed below.

Sl no	SCN NO	Date	Service Tax for X – Ray Charges (Rs)
1	36/2014,CACC	23/04/2014	69,89,406.00
2	38/2015,CACC	30/03/2015	26,86,762.00
		TOTAL	96,76,168.00

On the whole, the total contingent demand for service tax works out to Rs 3,37,71,383/- as on 31.03.2017.

(B) 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. 1,25,480/- 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.

- (C) 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 4,30,48,500 was brought 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 1,21,00,000/-, 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 31-03-2017.

2. Contingent Liability not provided for:

Contingent liability on account of Contracts pending executions as on 31/03/2017 are:

Sl No.	Description	WO/PO	Final Amount / Approx final bill for not settled bills	Amount Paid up to 31.03.2016	Contingent Liability
1	Electrification works for CFS	KSIE/DEV/CFS- PRJ/2010/1395 dtd 20/01/2011	63,32,641.00	52,00,000.00	11,32,641.00
2	Supply, Installation & Commissioning of 50 KWP battery less roof top SPV power plant CACC	KSIE/DEV/ CACC/1597 dtd 25/01/2014	41,11,800.00	19,00,000.00	22,11,800.00
3	Supply, Installation & Commissioning of 40 KWP battery less roof top SPV power plant TACT	KSIE/DEV/TACT /1596 dtd 25/01/2014	32,89,440.00	5,00,000.00	27,89,440.00
	Total				61,33,881.00

Contingent Liabilities (2016-17)			
Sl.No.	Case No.	Claim Details	Contingent Liability
1	EP No.344/2002	Execution Petition filed for Rs. 2,14,792 on 30.09.2002	Rs. 2,14,792.00
2	AS No;35/2015	Shri. Varghese claimed Rs. 50,000/- for delayed payment	Rs. 50,000.00
3	CC No 57/2005	ESI contribution of Rs. 2,85,232 for the period 01/04/2003 to 30.09.2003 of MEC	Rs. 2,85,232.00
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 No36/2009	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)	Contingent Liability cannot be quantified at this stage
7	ATANo. 827(7)/2015	KSO EPF damages of Rs. 43,19,937/-	Rs. 43,19,937.00
8	WPNo.23817/2015	KSO EPF Interest of Rs 31,90,498/-	Rs. 31,90,498.00
TOTAL			Rs.80,60,459.00

GENERAL DISCLOSURES

- 1) Managerial Remuneration under section 198 of the companies act paid or payable during the financial year, to the Directors, is as under:

Particulars	2016-17	2015-16
Salaries and Allowances	7,63,972	16,33,999
P.F Contribution	99,065	1,33,875
Gratuity paid	21,110	42,076
Total	8,84,147	18,09,950

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.

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

Particulars	Opening stock	Closing stock	Purchases	Turnover
Soaps and Detergents	26,123	9,422	2,71,205	3,15,060
Furniture			3,92,93,881	4,25,70,028
Electrical items			25,28,22,250	26,94,86,939
Medical equipments			3,73,97,124	4,24,79,155
Others	2,152	-	15,16,54,436	15,91,57,125
Total	28,275	9,422	48,14,38,896	51,40,08,307

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 2016-17		Sales for 2015-16	
		Qty(MT)	Amount(Rs.)	Qty(MT.)	Amount(Rs.)
1	Toilet Soap	759.69	9,00,08,988	365.62	5,21,09,159
2	Washing Soap	90.14	60,03,375	78.36	51,39,330
	Total	846.83	9,60,12,363	443.98	5,72,48,488

Licensed Capacity, Installed Capacity and Actual Production

Unit 2016-17 2015-16

Licensed capacity MT p.a1200012000

Sl. No.	Class of Products	Unit of Measure	Actual Production	
			2016-17	2015-16
1	Toilet Soap	Metric Ton	800.21	385.05
2	Washing Soap	Metric Ton	84.44	66.71
	Total		884.65	451.76

(iii) Particulars in respect of Opening Stock, Closing Stock and Production of Finished Goods (Qty-in MT, Value in Lakhs)

Class of Products	2016-17					2015-16				
	Opening Stock		Production	Closing Stock		Opening Stock		Production	Closing Stock	
	Qty.	Value	Qty	Qty	Value	Qty.	Value	Qty	Qty	Value
Toilet Soap	67.82	81.33	800.21	87.82	109.46	44.44	54.48	385.05	67.82	81.33
Washing Soap	11.09	7.49	84.44	5.39	3.49	0.23	0.15	66.71	11.09	7.49
Total	78.91	88.82	884.65	93.20	112.95	44.67	54.63	451.76	78.91	88.82

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

	Items	Units of measured	Current year 2016-17		Previous year 2015-16	
			Qty	Amount	Qty	Amount
a)	Raw material:					
	Opening Stock					
	Soap Noodles	KG	1,22,250	74,04,828	79,940	45,07,890
	Sandal wood Oil	KG	1	1,71,750	0	0
	Fragrance/perfume	KG	1,460	12,66,313	2,759	19,63,419
	Colour	KG	85	69,579	141	99,553
	Add :Purchases					
	Soap Noodles	KG	7,07,000	4,09,72,853	5,06,000	2,15,94,473
	Sandal Wood oil	KG	7	11,79,777	8	12,44,888
	Fragrance/perfume	KG	12,015	1,11,33,896	5,500	57,72,040
	Colour	KG	175	2,88,616	130	2,17,581
	Less: Closing Stock					
	Soap Noodles	KG	90,136	76,89,771	1,22,250	74,04,828
	Sandal wood Oil	KG	1	36,125	1	1,71,750
	Fragrance/perfume	KG	1,593	11,30,632	1,460	12,66,313
	Colour	KG	113	1,08,061	85	69,579
	Consumption:					
	Soap Noodles	KG	7,39,114	4,06,87,910	4,63,690	1,86,97,535
	Sandal Wood Oil	KG	7	13,15,402	7	10,73,138
	Fragrance/perfume	KG	11,882	1,12,69,577	6,799	64,69,146
	Colour	KG	147	2,50,134	186	2,47,555
b)	Other Raw Materials					
	Opening Stock					
	Dye Chemical	LTR	150	21,175	150	14,550

	Others	KG	2,437	88,567	22,313	3,67,002
	Add: Purchases					
	Dye Chemical	LTR	0	0	1,175	2,47,036
	Others	KG	89,506	6,83,494	32,067	81,000
	Less Closing Stock					
	Dye Chemical	LTR	0	0	150	21,175
	Others	KG	38,975	4,97,604	2,437	88,567
	Consumption:					
	Dye Chemical	LTR	150	21,175	1,175	2,40,411
	Others	KG	52,968	2,74,457	51,943	3,59,435
c)	Packing Materials					
	Opening Stock:					
	Stiffner	KG	5,487	4,76,326	6,080	5,27,805
	Inner Carton	Nos	6,97,540	21,48,322	6,11,887	10,47,662
	Wrapper	KG	9,525	13,29,535	7,875	12,92,315
	Master Carton	Nos	10,042	2,38,212	6,632	1,53,781
	Others	Nos	3,90,785	3,29,737	2,20,080	33,066
	Add : Purchases					
	Stiffner	KG	1,804	1,36,561	4,517	3,10,438
	Inner Carton	Nos	39,82,235	76,79,738	30,38,619	55,56,843
	Wrapper	KG	10,828	20,56,085	10,375	17,15,393
	Master Carton	Nos	11,60,639	30,93,834	41,950	8,34,635
	Others	Nos	3,62,000	57,254	14,04,979	4,51,466
	Less : Closing Stock					
	Stiffner	KG	5,402	4,64,690	5,487	4,76,326
	Inner Carton	Nos	11,44,919	24,97,755	6,97,540	21,48,322
	Wrapper	KG	11,396	17,43,312	9,525	13,29,535
	Master Carton	Nos	5,828	1,40,184	10,042	2,38,212
	Others	Nos	1,27,078	1,08,931	3,90,785	3,29,737
	Consumption:					
	Stiffner	KG	1,889	1,48,197	5,109	3,61,917
	Inner Carton	Nos	35,34,856	73,30,305	29,52,966	44,56,183
	Wrapper	KG	8,957	16,42,308	8,725	16,78,173
	Master Carton	Nos	11,64,853	31,91,862	38,540	7,50,204
	Others	Nos	6,25,707	2,78,060	12,34,274	1,54,795

Interest on Malabar Cements Rs.13,30,000/- is charged @ 7% and Interest on Government of Kerala Loan Rs.14,85,000/- is charged @ 13.50%.

1) **Segment reporting in compliance to AS 17**

Business Segments

Particulars	Soap Unit	Business Centres	Cargo Complexes
Revenues (Net of Excise Duty)	9,84,73,283	59,35,74,946	9,88,34,298
Less: Identifiable operating expenses	7,86,07,588	56,01,99,559	4,63,83,309
Segmental operating income	1,98,65,695	3,33,75,387	5,24,50,989
Operating income			10,56,92,071
Other income, net			2,60,57,033
Total Income			13,17,49,104
Other Un-allocable Expenses			17,47,54,953
Net Loss before taxes			4,30,05,849
Tax Expense			15,54,702
Net Loss after taxes			4,45,60,551

Refer Significant Accounting Policies No.12.

2) **Details of Capital Works in Progress**

Name of WIP	Value on 01/04/2016	Addition during 2016-17	Capitalized During 2016-17	Value on 31/03/2017
Container Freight Station	30,73,949	8,55,831	-	39,29,780
Shopping Mall Project	42,11,678		-	42,11,678
Total	72,85,627	8,55,831	-	81,41,458

Refer Significant Accounting Policies No.6.

1) **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.

2) **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.

3) 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 31/03/2017 is as under

Particulars	Current year	Previous year
Difference between Book and Tax Depreciation	45,73,998	65,14,781
Deferred Taxation Liability on the above	15,54,702	22,14,374

OTHER INFORMATION

- a. Expenditure in Foreign Currency is Nil (Previous year is Nil)
- b. Earnings in Foreign Exchange is \$15241.52 (US Dollars) (Previous year is 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 some of the Debtors, Creditors, Loans and Advances.
- f. Income Tax Assessments for the Financial Year 2015-16 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/-
Gangadharan T.O.
Chairman &
Managing Director

Sd/-
Rajeev R
Director

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

As per our Report even date attached
For. B. Radhakrishnan & Co
Chartered Accountants
FRN : 007751S

Sd/-
B. Radhakrishnan Potti, FCA,DISA (ICA)
Proprietor
Membership No : 200266
UDIN : 21200266AAAAHU6427

Thiruvananthapuram
17-08-2021

B. RADHAKRISHNAN & CO.

Chartered Accountants

TC 4/1314 (2), Ambala Nagar Jn.,
Kowdiar P.O., Thiruvananthapuram - 695003

PHONE : 0471-2433295

Mob : 9447024295

email : radhak.radhak@gmail.com

cabrp.in@gmail.com

INDEPENDENT AUDITOR'S REPORT

To

THE MEMBERS OF THE KERALA STATE INDUSTRIAL ENTERPRISES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of “**KERALA STATE INDUSTRIAL ENTERPRISES LIMITED**” (“the company”), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its loss and cash flow for the year ended on that date.

Basis for qualified opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibility under those standards are further described in the Auditors Responsibility for the Audit of the Financial Statement section of our report. We are independent of 'The Company' in accordance with the code of Ethics issued by ICAI and we have fulfilled our other ethical responsibility in accordance with the code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Based on the same we qualify the report in respect of the following matters.

- 1) Refer to 'Emphasis of Matter' paragraph point No. 10 Proposed Dividend in the Audit Report of the fy 2015-16. The non-compliance of section 124 of Companies Act, 2013 is still continuing.
- 2) The provisions of Section 96 of The Companies Act, 2013 with respect to AGM has not been adhered to.

Emphasis of Matter

We draw your attention to:

1. Sundry Debtors, Creditors and balances in other personal accounts are so far as they have not been subsequently realized or discharged are subject to confirmation and therefore their correctness, adequacy of provision for doubtful items any and its resultant impact on accounts could not be ascertained. The resultant impact of the above matter, in the accounts ins not presently quantifiable.
2. Refer to Point No. 5 'MEC Easy Exit Scheme' and Point No. 6 'KSO Itd Easy Exit Scheme' of Schedule U 'Oher Notes on Accounts' for the year. The Assets and Laibilities of both the Companies whose names were struck off from ROC under Easy Exit Scheme 2011 has not at been incorporated in the books of accounts of the Company till date. The ultimate liability/asset from takeover is not quantifiable as a result of the inadequate incorporation of assets and liabilities taken over.
3. The balance in Syndicate Bank, Cherootty Road, Kozhikode Branch (Account No. 44001010000903) as per the books and records is records is credit Rs. 19,09,212.61/- and the balance as per bank statement for the same bank account is debt Rs. 5,97,686.47/- The difference is Rs. 25,06,899.08/-. The balance in Syndiate Bank O.D. Cherootty Road, Kozhikode Branch as per books and records is credit Rs. 14,81,422.03/- and the balance as per bank statement for the same bank account is debit Rs. 39,43,192/-. The difference is Rs. 24,61,769.97/- the difference is pending for reconciliation.
4. There is difference of Rs. 61005/- in Treasury savings bank account as per previous audit reports the said difference has not been reconciled yet. The balance confirmation statement of this bank is yet to receive.
5. The computation of Deferred tax liability with respect to the timing differnece of depreciation as per Income Tax Act, 1961 and Companies Act, 2013. The asset addition in depreciation schedule as per Companies Act, 2013 is Rs. 14,95,303/- and asset addition in depreciation schedule as per Income Tax, 1961 is Rs. 14,07,132/-. As result the Deferred Tax Liability is incorrectly computed.
6. According to 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 a

Government Hospitals or any other hospital approved by the Company. Other than Government hospital no other hospital is seen approved by the Company. The Company has reimbursed medical claim lodged by its employees for the medical treatment carried out in private hospitals not approved by the Company's Medical Reimbursement policy. This is violation of Company's medical reimbursement policy.

7. There are two uncleared suspense accounts in Trial Balance.

I. Rs. 53,985/- (Dr.) which was explained to be;

a.	Milk advance paid	Rs. 1,050/-
b.	Scrap sales accounted for which collection was received in later years	Rs. 58,685/-
c.	TDS deducted from Contract Payment (Man Power) wrongly credited in suspense	Rs. (5,750/-)

II. Rs. 114/- (Cr.) which was explained to be rounding difference not adjusted.

8. Statement of Profit and Loss is shown and printed as Profit and Loss Statement in contrast to the provisions of revised Schedule VI of Companies Act, 2013.

Other Matters

1. Legal Cases with respect to trading of cement 2016

M/s Cement Land Corporation vide their notice dated 4/08/2016 demanded Rs. 3.5 crores with interest @ 12% from 14/3/2016. The matter is disputed and went to arbitration council. Subsequent events occurred after balance sheet date points out that the arbitration award was against the KSIE and KSIE was asked to pay Rs. 3.5 crores with interest @ 9% and the matter is further disputed. The contingent liability with respect to this is not disclosed in note on accounts.

2. Refer to point No. 21 of 'Emphasis of Matter' of previous year's audit report fy 2015-16. Former Managing Director Saji Basheer has irregularly and illegally appointed employees and disbursed an amount of Rs. 39,83,137/- 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. Subsequent events occurred after balance sheet date points out that an order has been issued by the Government of Kerala on 02/7/2021 to recover the amount from Saji Basheer. This aspect has not been reported in the notes on accounts.

3. The company has not updated the directors list and directors details in the MCA Portal.

4. Internal audit is to be strengthened and internal auditor's comments has to be addressed timely.

Report on other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, we enclose in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and except for the matters described on the Basis Of Qualified Opinion above, We obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the possible effects of matters described on the Basis Of Qualified Report above 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 the books of accounts.
 - (c) The balance sheet and statement of profit and loss dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, taken on record by the board of directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - (g) With respect to the other matters to be included in the Auditors' 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 give to us:
 - (i) The Company does not have any pending litigations which would impet its financial position.
 - (ii) The Company does not have any long-term contracts, including derivative contracts. Accordingly, no provisions for material foreseeable losses have been made.
 - (iii) There were no amounts which were required to be transferred to the investor education and protection fund by the Company.

- (iv) The Company has not provided requisite declaration in the financial statements as regards the holding and dealings in specified Bank Notes as defined in the Notification S.O.3407(E) dated 8th November 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016 as applicable. This is non compliance with the legal and regulatory requirements.
- (v) A statement on the compliance to the directions issued by Comptroller and Auditor General of India under section 143(5) is attached.

For B Radhakrishnan & Co
Chartered Accountants
Firm Registration Number: 007751S

B Radhakrishnan Potti, FCA, DISA (ICA)
Proprietor
Membership No. 200266
UDIN: 21200266AAAAHU6427

Place : Trivandrum
Date : 14.09.2021

**Annexure A to the Independent Auditors' Report of the
"KERALA STATE INDUSTRIAL ENTERPRISES LIMITED"
as of and for the year ended March 31, 2017
(referred to in our report of even date)**

1. a) The Company has maintained proper records showing full particulars, including quantitative details and the situation of fixed assets, however the records needs updation.
b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year at reasonable intervals. As explained to us, no material discrepancies were noticed as compared to the book and records, and on such physical verification.
c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
2. a) The management has conducted the physical verification of inventory at reasonable intervals.
b) The discrepancies noticed on physical verification of the inventory as compared to books and records which has been properly dealt with in the books of accounts were not material.
3. According to the information and explanations given to us, Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has not given given any loans, made any investments, provided any guarantees, and given any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and accordingly paragraph 3 (v) of the Order is not applicable.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the Company.
7. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, and records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31 March, 2017 for a period of more than six months from the date on which they become payable except in the matter of service tax demand of Rs. 3,37,71,383/- (As detailed in Schedule - U forming part of the financial statements) against which an appeal is pending.
b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales tax, service tax, duty of customes, duty of excise and value added tax which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, bankers, govenment or debenture holders during the year.

9. Based on the audit procedures performed and the information and explanations given by the management, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year accordingly, paragraph 3 (ix) of the Order is not applicable.
10. Based on the audit procedures performed and the information and explanations given to us, no material fraud by the Company or the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, there is no transaction with related parties in compliance with section 177 and 188 of Companies Act, 2013, accordingly this clause is not applicable.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3 (xiv) of the Order are not applicable.
15. 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 them. Accordingly paragraph 3 (xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and accordingly the provisions of paragraph 3 (xvi) of the Order is not applicable.

For B Radhakrishnan & Co
Chartered Accountants
Firm Registration Number: 007751S

B Radhakrishnan Potti, FCA, DISA (ICA)
Proprietor
Membership No. 200266
UDIN: 21200266AAAAHU6427

Place : Trivandrum
Date : 14.09.2021

Annexure

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

1. Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and lease hold land for which title/lease deeds are not available.

Auditor's Comment

Yes, the Company has clear title/lease deeds for freehold and leasehold land.

2. Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes the reasons there of, and the amount involved.

Auditor's Comment

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

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.

Auditor's Comment

The Company is not maintaining any inventory with third-party and has not received any asset as gift from Government or other authorities.

Sector Specific Sub-directions under Section 143(5) of the Companies Act, 2012

Agriculture and Allied Sector - NOT APPLICABLE

General

1. Whether the land owned by the Company is encroached upon, under litigation, not put to use or declared surplus. Details may be provided.
2. Whether physical verification and valuation of standing crops/ trees was done at the end of the Financial Year in accordance with the standard industry practices?
3. Whether the stock of seeds packing/ certification materials and other items has been taken on the basis of stock records after adjustment of shortage/ excess found on physical verification whether due consideration has been given for deterioration in the quality of old stocks which may result in overvaluation of stock?

4. Whether all the agriculture produce procured is properly stored and adequately insured? If any insurance claims are rejected, the details may be reported.
5. Whether the Company has an effective mechanism for disbursement of loans/subsidies/ agro inputs and agriculture machineries to beneficiaries and recovery thereof (loans) along with interest, if any, from beneficiaries?
6. Whether grants/Subsidies received for implementing various schemes are accounted for as per the accounting standards and utilized for intended purposes.
7. Whether the cost incurred on abandoned projects has been written off?

Agriculture procurement

1. Examine and report the cases of levy of penalty for mismatch of stock of food grains with cash credit limit availed.
2. Examine and report the system for timely lodging of claims (covering all cost incidentals) in respect of delivery of food grains against Central and State Schemes.
3. Examine and report on the deficiencies in the system for assessing the health of stock and for valuation of damaged food grains.
4. Examine and report the system of reconciliation of amount recoverable/ payable, in respect of gunny bales, with millers and other procuring agencies.
5. Examine the system to check the authenticity of claims shown as recoverable from FCI/State Govt.

Forest

Plantation

1. Whether requisite permission for clearing of forest, existing plants etc. have been obtained under the prevailing rules and regulations in compliance with Forest Conservation Act so as to protect/ preserve forest cover. He the Company taken adequate step to stop unauthorised felling of trees for conservation and spread of forest cover.
2. Whether the management has ensured that by- product/scrap is produced within the norms.
3. Whether the policy of accounting for trees felled after economic life of rubber/other plantation is in accordance with the standard practices followed in similar industries?
4. Whether re-plantation reserve has been utilised for intended purposes and to meet the requirement of compensatory afforestation under respective legislation.

Extraction/Utilization of Forest Produce

1. Indicate whether the Company has devised a proper system for timely taking over of marked forest lots for felling, extraction of timber and as a safeguard against deterioration during extraction, transportation and storage. If not, losses incurred due to the deterioration of timber during the year may be highlighted.
2. Whether the Company has a proper system to check the basis of calculation and timely payment of royalty to the Forest Department. Interest paid to the State Government on account of delay in payment of royalty may be stated.
3. Examine the system of auction to determine whether it is transparent enough to ensure fair realization of value of timber.
4. Whether management has monitored that production of by-products was within the norms.
5. Whether inventory management is effective in bridging the gap between the demand and supply to avoid distress selling of timber?
6. Report the cases of diversion of grants/subsidies received from Central/State Government or their agencies.

Agro Based Industries

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

Livestock and Poultry Companies

1. Whether the Company has laid down the sale/pricing policy for frozen semen/fodder seed production/if so,
 - ◆ Whether the piece was fixed/revised in accordance with the policy.
 - ◆ Whether the valuation of inventories is in accordance with the above policy/standard industry practices.
2. Whether there is norm fixed for loss due to morality?
 - ◆ Whether there are instances of huge loss incurred due to excessive morality rate?

◆ Comment on the system of assessment of loss due to morality.

3. Review the plant capacity, actual production, underutilization of the plant in case of meat processing plant/other plants disclosure thereof.

Finance Sector - NOT APPLICABLE

1. Whether the Company has complied with the directions issued by the Reserve Bank of India for:
 - ◆ Non-Banking Finance Companies (NBFCs)
 - ◆ Classification of non-performing assets; and
 - ◆ Capital adequacy norms for NBFCs
2. Whether the Company has system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets. Further, instances of undue delay in disposal of seized units may be reported.
3. Whether introduction of any scheme for settlement of dues and extensions thereto are in compliance with the policy guidelines of the Company/Government.
4. Comment on the confirmation of balances of trade receivables, trade payable, term deposits, bank accounts and cash.
5. Whether the bank guarantees are revalidated in time?

General and Social Sector - NOT APPLICABLE

Welfare Companies.

1. Whether introduction of any scheme for settlement of dues and extensions thereto complies with guidelines of Company / Government.
2. Whether the funds received from agencies for each scheme have been accounted for as specific guidelines of the scheme and their balances periodically reconciled and discrepancies noticed, if any, properly accounted for in the financial statements.
3. Whether the Company has a policy for appropriations of repayments received from beneficiaries? Whether the policy complies with the scheme guidelines under which the beneficiary received the funds.
4. Whether the Company has received the beneficiary's share of cost in cash or as labour contribution. If the beneficiary's share of cost is received as labour contribution, whether the valuation of labour contribution was properly done and accounted for in the books of Company?
5. Whether the Company had submitted timely the claims for grant of subsidy by the Government. If the claims were filled with delay, whether the same has been properly accounted in the books.

Food and Civil Supplies

1. Whether the Company has lifted the quantity of food grains allotted by Government? If so, whether the lifted quantities are released to fair price shops at subsidized rates and the Company has reconciled the total quantity of food grains lifted and distributed.
2. Whether the Company has preferred the claim in time for differential cost with the Government and the amount of claim accepted/rejected has been properly accounted for in the books of the Company.
3. Comment on the existence of quality control system to check the quality of food grains to be distributes to beneficiaries. Any deficiencies resulting in food grain not as per accepted quality norms may be stated.

Tourism

1. Whether the grants received for development of tourism infrastructure were utilized for the intended purpose and have been properly accounted for, based on the utilization certificates submitted in compliance with applicable Accounting Standards.
2. Whether outsourcing of services, leasing of tourism infrastructure etc. was done in accordance with the policy/guidelines issued by Government/Whether the Company has an effective system for monitoring the contractual obligations?
3. Whether the Company is computing the cost of major operation/jobs including occupancy, products, processes and services regularly? If not, describe the failures.
4. What are the criteria for giving discounts and whether any cost benefit analysis has been done to ensure recovery of cost? In the cases of under recovery, such areas may be identified and loss incurred due to such recovery may be commented.

Transport

1. Are there any established norms for processign of tariff fixation? The cases of under recovery cost may be highlighted.
2. Does the Company have a set of operational norms? Has the management measured its performance against the norms and taken suitable action in case of deviation?
3. The system for monitoring the recovery of lease rent obtained from contractors for Operation & Maintenance (O & M) of bus stand may be examined and the non recoveries may be quantified.
4. Cases of diversion and surrender of utilised funds received from Centre and State Government or its agencies under different schemes may be reported.
5. Details of works completed during the year and delay in on-going works, if any, may be reported.

Housing

1. Whether the Company follows an accounting system that enables individual accounting of completed cost of each construction contract/Project. In the absence of any such system, it may be seen as how the Company is ascertaining the individual cost of construction contracts?
2. Whether the Company has assessed/estimated the losses in the on-going contracts and the made adequate provision for the losses in the accounts?
3. Evaluate and report on the system of planning, preparing estimates and awarding the work. List out the cases where the scope of work has increased beyond 10 percent of the original value of contract.
4. What is system regarding payment of interest on deposits made by other Government departments in terms of instructions of Finance Department of the State Government?
5. What is system of accounting for the grants/subsidies received from Central/State Government or its agencies for performing various activities? Comment on the cases of diversion wherein the grants were not utilized for the purpose for which these were received.

Culture

1. Has the Company formulated Long Term/Annual Action Plan for conservation/promotion of culture and heritage/If yes, whether the plan is implemented in a holistic manner?
2. Does the company conduct impact assessment of its schemes on promotion of cultural heritage of the State?
3. Whether eligibility and quantum of Government subsidy to the beneficiaries is in accordance with the schemes of GOI/State.

Health

1. Has the Company carried out activities relating to health promotion, prevention of epidemics, community health and sanitation activities?
2. Whether the cost accounting system of the Company ensures correct accounting of costs for each category of medicines/drugs/equipment and machinery.
3. Whether the system for valuation and accounting of medicine inventory is adequate and in accordance with the standard practices of the industry?

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

As explained by the management there is no idle or surplus land with the company and no land is encroached.

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 of 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 2016-17. 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

The funds received for specific schemes are seen properly accounted.

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

Auditor's Comment

Yes. Bank guarantees are seen revalidated wherever it is applicable. However during the period no bank guarantees are seen disclosed under contingent liability.

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

Auditor's Comment

No confirmation is seen obtained from the creditors/debtors of the organization.

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.

Industrial Promotion - NOT APPLICABLE

1. Describe the deviation from the system of payment for land acquisition including compensation under Resettlement & Rehabilitation policy of th State Government. Cases of land disputes may be mentioned.
2. Is the system of sanction, disbursement and recovery of industrial loan effective? State the cases of deviations from rules, regulations and policies in regard to rescheduling, waiver of loans/ interest and One Time Settlement schemes etc.
3. Examine, and state the system of allotment of industrial plots/sheds including recovery of instalments from the allottees. What is the system of imposing penalty due to delay in setting up the business or starting business other than the one for which the allotment was made?
4. System of managing the default cases may be examined. Are all steps to remedy the situation taken within the prescribed time limits/The cases of non-compliance to establish system may be detailed.
5. Examine and provide the details of liability, if any on account of delay in handing over the project to allottees and its consequent accounting.
6. State the cases where loans/funds received from central/State Government or its agencies have been diverted from purpose for which these received.

Manufacturing Sector

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

Auditors 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 audit.

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

Auditors Comment

No such assistance received during the period of audit.

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

Auditors Comment

Norms for normal loss and remedial actions are taken in case of abnormal losses, if any

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

Auditors Comment

There is no by-product in the manufacturing of soaps. 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 been properly accounted for in the books.

Auditors Comment

No units is 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.

Auditors 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 2016-17 was 22.12% 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 notice.

Mining – NOT APPLICABLE

1. Whether the Company has taken adequate measure to reduce the adverse effect on environment as per established norms and taken adequate measures for the relief and rehabilitation of displaced people.
2. Whether the Company had obtained the requisite statutory compliances that was required under mining and environment rules and regulations?
3. Whether overburden removal from mines and backfilling of mines are commensurate with the mining activity?
4. Whether the Company has disbanded and discontinued, mines. If so, the payment of corresponding dead rent there against may be verified.

5. Whether the Company's financial statements had properly accounted for the effect of Rehabilitation Activity and Mine Closure Plan?

Power Sector-NOT APPLICABLE

1. Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached upon, under litigation, not put to use of declared surplus, details may be provided.
2. Where land acquisition is involved in setting up new projects, report whether settlement of dues were done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.
3. Whether the Company has any effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?
4. How much cost has been incurred on abandoned projects and out of this how much has been written off?

Generation

1. In the cases of Thermal Power Projects, compliance with the various Pollution Control Acts and the impact thereof including and disposal of ash and the policy of Company in this regard, may be checked and commented upon.
2. Has the Company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and if so, whether they adequately project the financial interests of the Company?
3. Does the Company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc., are properly recorded in the books of accounts?
4. How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?
5. In the case of hydroelectric projects whether the water discharges is as per policy/guidelines issued by the State Government to maintain biodiversity. Cases of deviation and penalty paid/payable may be reported.

Transmission

6. Is the system of power commensurate with power available for transmission with the generating company? If not, loss, if any, claimed by the generating company may be commented.
7. How much transmission loss in excess of prescribed norms has been incurred during the year and whether the same has been properly accounted for in the books of accounts?
8. Whether the assets constructed and completed on behalf of other agencies and handed over to them has been properly accounted for in the financial statements.

Distribution

9. Has the company entered into agreements with franchise for distribution of electricity in selected areas and whether the revenue sharing agreements adequately protect the financial interest of the company?
10. Report on the efficacy of the system of billing and collection of revenue in the company
11. Whether tamper proof meters have been installed for all consumers? If not then, examine how accuracy of billing is ensured.
12. Whether the company covers and accounts, the State Electricity Regulatory Commission (SERC) approved Fuel and Power Purchase Adjustment Cost (FPPCA)?
13. Whether the reconciliation of receivable and payables between the generations, distribution and transmission companies has been completed. The reasons for difference, if any, may be examined.
14. Whether the company is supplying power to franchisees? If so, whether the company is supplying power to franchisees at below its average cost of purchase?
15. How much tariff roll back subsidies have been allowed and booked in the accounts during the year? Whether the same is being reimbursed regularly by the State Government? Shortfall, if any, may be commented.

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 better 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

The subsidy received from Government is properly accounted in the books of accounts and the same is properly monitored.

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

Auditor's Comment

The interest earned on parking of funds received from specific projects from government if any is seen accounted towards the fund balance.

5. Whether the company has entered into Memorandum of understanding with its Administrative ministry, if so, whether the impact thereof has been properly dealt with in the financial statements.

Auditor's Comment

No such Memorandum of Understanding is seen entered by the company.

Trading

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

Auditor's Comment

Even though there exists a certain amount of debtors which is 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. The amount so collected is seen accounted properly in the books of accounts of the company.

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

Auditor's Comment

As per the verbal information to us by the management, there is no physical stock in the sales activities through the business centres 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 noticed if any.

3. The effectiveness of the system followed in recovery of 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.

Miscellaneous Sector**Technology Oriented-NOT APPLICABLE**

1. Examine and report the cases of dispute, if any, on contracts relating to supply of hardware as well as software. In the event of such assets remaining with the Company please report on its valuation and accounting in the books.
2. What is the system of recovering fees/charges in regard to providing manpower to various agencies? Report the cases where no such recovery has been affected and accounted for.
3. What is the system of receiving revenue share from franchise, if any?
4. Report the cases where software, hardware or IT enabled system is lying redundant/outdated.
5. What is system of accounting of grants/subsidies received from central/state government or its agencies? Comment on the cases of diversion wherein the grants were not utilized for the purposes for which they were received.

Other

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

Auditor's Comment

As per the management explanation verbally given to us, the Loan/Grant-in-aid/Subsidy received is seen effectively utilized and there is no major diversion.

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

Auditor's Comment

No major capital expenditure/expansion is seen carried out during the period of our audit. As explained by the management, Capital projects are taken up only after the approval of DPR by the board of the company and the state Government.

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

Auditor's Comment

Only a part of the operations of the company is seen computerized. The areas such accounting, pay roll, inventory are seen computerized. The security policy adopted by the company for data/software is seen adequate.

For B Radhakrishnan & Co
Chartered Accountants
Firm Registration Number: 007751S

B Radhakrishnan Potti, FCA, DISA (ICA)
Proprietor
Membership No. 200266
UDIN: 21200266AAAAHU6427

Place : Trivandrum

Date : 14.09.2021

CASES FILED AGAINST THE COMPANY

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.2184/2007	High Court	Mohamed Iqbal & Others	KPSC & Others	Petitioners ,rank holders for the post of last grade servants, claiming to report all the substantive vacancies.Our contention is that sweeper filling through employment exchange now no vacancy.Vaccancies in the post of Attender G2,Stenographer and Accountant were reported to PSC.Conter affidavit filed and seek permission to file detailed affidvit. Not seen	Menon&Pai	Pending	HR	-
2	GC No35/2009	DLC TVM	Purushothaman	KSIE	Gratuity claim for licensed porters. Sambasivan AND 2 Others(porters) filed gratuity cases as 32/2006,36/2006,&91/2006.These caes (36/06&91/06-GA Nos 8/11&9/11) were the appellate authority struck down the order of the controlling authority and ordered that they are not eligible for gatiuty from KSIE. Joint trial	K.G.Rita	Evidence on 08.04.2014 pending	ACC	-
3	GC No36/2009	DLC TVM	Keniboy	KSIE	Joint trial	K.G.Rita	Evidence on 08.04.2014 pending	ACC	-
4	GC No297/2010	DLC TVM	A M. Ibrahim	KSIE	Joint trial	K.G.Rita	evidence of opposite party on 21.03.2014 pending	ACC	-
5	W.P. No. 18871/2010	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	pending	Marketing	-

6	W.P No.35612/2010	High Court	Maheen & 4 Others	KSIE	Selection of licensed porters,400 applicants,20 candidates suitable and 14 persons engaged. High Court directed to produce all the files relating to the selection. We have submitted the files to our counsel.	Menon&Pai	Pending	HR	-
7	W.P No.36887/2010	High Court	Airport Workers Union	KSIE	Seeking direction not to recruit any porters for the work presently anyone by the union and conciliation conference,appoint the sons of the retired employees. The court directed to produce connected files relating to selection/issuance of new licences to porters.	Menon&Pai	Pending	HR	-
8	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	HR	-
9	W.P No 7978/2011	High Court	Justin Cyril	KSIE	Porters challenged the recruitment of new porters and requestd to conduct study of actual requirement of porters and produce connected documents.	Menon&Pai	Pending	HR	-
10	Apeal Nos 4&5 of 2012 AERA Appellate Tribunal New Delhi All Kerala Cargo Movers Association				Tariff revision			ACC	-
11	W.P No. 8435/2012	High Court	Sajju T.S	KITCO Placement Park	petitioner seeking direction to appoint as Chemists and also conduct enquiry about the matter. KITCO conducted test interview and prepared rank list. Handed over to KSIE. Subsequently government cancelled rank lists and entrusted to issue feresh notifications. KITCO filed counter copy of our counter not seen. statement of facts forwarded to our counsel.	Menon&Pai	counter not filed	HR	-

12	W.P No. 11656/2012	High Court	Unnikrishnan M.K & Others	KSIE	petitioner is a candidate who is included in the shortlist for the post of helper in KSO. Selection process was fair and transparent so petitioner challenged the government order to cancel the rank lists and fresh notification. This GO is involved in WPNo 4056/2011 the court only directed to publish the rank list subject to the result of writ petition. Shall not engage any provisional hands in any unit for the said post. KSIE filed RP but the same is dismissed. copy of counter not seen.	Menon&Pai	Pending	HR	-
13	W.P.No: 24502/2012	High Court	KTC	KSIE	KTC praying to quash tender for hiring of covered trucks on contract basis to TACT including the agreement executed with respondents in pursuance to the said tender. Petitioner also seeks for direction to call for a new tender. Tender issued in favour of M/s Royal Plus. OSNo 242/2012&OSNo 1427/2012 filed by KTC were dismissed for default.	Menon&Pai	pending	HR	-
14	HLA case No 7/2013		ratheendran Air Cargo Complex Workers Union (CITU)	KSIE	Not to enforce Kerala Head Workers Act in Air Cargo Complex			ACC	-
15	WPNo 14794/2013 S	High Court	Ratheendran	Joint Secretary to Govt	TACT Porters Head Load Workers Act dispute	Menon&Pai	Pending	HR	-
16	W.P.No 26764/2013 (WP No19125/2012)	High Court	S.Y.Alexander	KSIE	Petitioner retired from Kerala Ceramics Ltd. Prior to that he worked three years in Kearala State Detergent and Chemicals Ltd. Both are holding companies of KSIE. Petitioner filed WP No 19125/2012 for gratuity for the service rendered in KSDC and pay revision benefit. As directed the Govt disposed petition and directed KCL to pay gratuity but denied revision benefit. The non disbursement of gratuity and rejection of revision benefits he filed this petition.	Menon&Pai	pending	HR	-

17	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	HR	-
18	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. Degre of bachelor of commerce passed only on September 2012.	Menon&Pai	statement filed by advocate	HR	-
19	WPNo. 22771/2014	High Court	Jeeva Mukundan	KSIE	Petitioner praying to call for records in connection with selection of office assistant in Kerala Soaps. Petitioners name forwarded by employment exchange under ETB category	Menon&Pai	Pending	HR	-
20	Arb Req No13/2015	High Court	Gorgekutty	SIDCO & Soaps	Adequate infrastructure facilities from the side of SIDCO resultat soap product valuing 4.8 lakhs remain in the godown of Green Tech Marketing Kottayam	Menon&Pai	pending	Mark eting	-
CASES FILED BY THE COMPANY									
1	S.T .No.448/2005	Judicial First Class Magistrate Court IV Kochi	KSIE	OMKAR Trading Corpo ration, 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 Sankaran kutty	posted for steps on 30/04/2014	Mark eting	Rs. 47,616.00
2	"RSA No: 650/2008 (OS No:555/2000)"	"High Court Sub Court EKM"	KSIE	Oriental Insurance Co	OIC filed a suit and claimed Rs 137432/- with 18% interest from September 2000 onwards, it relates toan import consignment of Cochin Refineries brought by Air India and deposited with TACT on 24.04.1999, which was received and delivered in a damaged/ broken condition. On 27.03.2006 decreed against Defendants.	Menon&Pai	Due to error	ACC	Rs. 137,432.00
3	W.P No.8762/2008	High Court	KSIE	PF Authorities, Gopala krishnan & 2 Others	KSIE challenged order of PF Commissioner that Respondents (Porters) are employees of KSIE. Stay granted. In different writ petitioners had been claimed regularisation of service,work with out agreement and also challenged agreement. All writ petitions were disposed in our favour.	Menon&Pai	Pending	HR	-

4	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 Mohan kumar 9447309509	pending	Mark eting	Rs. 35,000.00
5	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 papaer publication of summons to Defendant No2.	Menon&Pai	Defendants were ex party. Decead for realising an amount of Rs 1350180/- with interest at the rate of 11% per annum. Decead on 28/10/2015	Develop ment	Rs. 1,350,180.00
6	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 Summons 19.04.2014	Mark eting	Rs. 24,465.00



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 2017**

The preparation of financial statements of **Kerala State Industrial Enterprises Limited, Thiruvananthapuram** for the year ended **31 March 2017** 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 **14 September 2021**.

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 2017** under Section 143(6) (a) of the Act.

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

**Thiruvananthapuram
Dated: 11.10.2021**

**Sd/-
K.P. ANAND
PRINCIPAL ACCOUNTANT GENERAL (AUDIT II), KERALA**

PROFIT AND LOSS STATEMENT (SUMMARY) OF KSIE LIMITED

<i>Particulars</i>	<i>(Rs. in lakhs)</i>									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
INCOME :										
Sales	332.18	835.84	713.95	1375.85	1272.42	1975.26	2611.64	2646.83	3833.39	6884.48
ACC & Other income	979.02	915.98	1211.89	1491.93	1633.71	1784.11	982.29	1051.59	1223.44	1086.47
Interest	55.87	103.93	91.24	48.31	114.18	154.13	153.70	153.33	133.35	162.43
TOTAL	1367.07	1855.75	2017.08	2916.09	3020.31	3913.50	3747.63	3851.75	5190.18	8133.39
Expenses :										
Cost of Goods sold /										
Material Consumed	309.05	797.33	668.65	1164.92	1124.50	1735.30	2157.09	2401.17	3495.99	6388.07
Personnel,administration,										
Management development										
& other expenses	437.04	450.55	673.05	1138.04	976.10	1167.30	1179.69	1606.84	1895.77	1879.29
Profit before interest &										
depreciation	620.98	607.87	675.38	613.13	919.71	1010.40	410.85	-156.26	-201.58	-134.00
Interest	0.76	0.75	0.69	14.24	62.57	103.31	122.23	149.71	159.04	142.56
Profit before depreciation	620.22	607.12	674.69	598.89	857.14	907.09	288.62	-305.97	-360.62	-276.56
Depreciation	46.25	45.65	51.87	155.10	202.07	214.83	238.36	163.41	160.36	153.52
Exceptional Items	-	-	-	-	-	-	-	0.75	0.03	-0.03
Profit/ Loss -	573.97	561.47	622.82	443.79	655.07	692.26	50.26	-470.13	-521.01	-430.06
Provision for DTL	1.16	0.26	12.47	6.27	8.91	4.44	15.10	32.73	22.14	15.54
Prov: for I.T.	212.28	184.15	199.99	149.67	203.18	220.28	0.00	0.00	0.00	0.00
Other provisions /										
Adjustments	0.00	0.00	0.00	5.95	0.00	0.00	0.00	0.00	0.00	0.00
Net profit	360.53	377.06	410.36	281.90	442.98	467.54	35.16	-502.86	-543.15	-445.60
Dividend Declared	30.00	42.00	42.00	42.00	42.00	45.00	5.00	0.00	0.00	0.00

BALANCE SHEET (SUMMARY) OF KSIE LIMITED

Particulars	(Rs . in lakhs)										
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	
LIABILITIES											
Share Capital	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120.00	120
Reserves & Surplus	1612.47	1940.40	2301.82	2534.89	2929.06	3344.30	3592.61	3485.60	3462.45	3016.84	
Deferred Tax Liability	58.94	59.20	71.67	77.95	86.86	91.30	106.40	139.14	161.28	176.82	
Secured Loan-	-	-	-	177.20	527.18	953.44	999.07	1334.57	1351.14	462.23	
Unsecured Loan :											
Govt. Loan	0.00	0.00	0.00	10.00	110.00	110.00	110.00	110.00	110.00	110	
Others	0.00	0.00	94.00	330.18	330.18	330.18	270.18	270.18	270.18	270.18	
Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	
Current Liabilities & Provisions	558.23	837.40	761.72	1666.68	2784.19	2773.60	1926.16	2192.23	3086.69	5044.83	
TOTAL	2349.64	2957.00	3349.21	5166.90	7137.47	7722.82	7124.42	7651.72	8561.74	9200.90	
ASSETS											
Fixed Assets	715.74	697.30	1272.48	2612.82	3695.28	4171.14	3361.69	3490.48	3320.76	3190.74	
Investments	0.03	0.03	0.03	10.03	10.03	10.03	10.03	11.33	530.03	530.03	
Current Assets Loans and Advances	1633.87	2259.67	2076.70	2544.05	3432.16	3541.65	3752.70	4149.91	4710.93	5480.13	
Miscellaneous Exp	-	-	-	-	-	-	-	-	-	-	
P & L A/c	-	-	-	-	-	-	-	-	-	-	
TOTAL	2349.64	2957.00	3349.21	5166.90	7137.47	7722.82	7124.42	7651.72	8561.74	9200.90	

Treasure of Fragrance



കേരളത്തിന്റെ തനതായ സുഗന്ധം
കേരളസാറ്റിൽ സോപ്പ്

KERALA SOAPS



No Animal Fat

100% Veg

A UNIT OF KERALA STATE INDUSTRIAL ENTERPRISES LTD.

കേരളസോപ്പ്സ്

ഒരു കേരളസർക്കാർ സംരംഭം



Head Office:
KERALA STATE INDUSTRIAL ENTERPRISES LTD.
Vazhuthacaud, Thiruvananthapuram.



Factory:
KERALA SOAPS (A UNIT OF KSIE LTD.)
Vellayil, Kozhikode.