



KERALA FEEDS LTD.
(A Govt. of Kerala Undertaking)



19th
ANNUAL REPORT
2014-2015



കേരള ഫീഡ്സ് ലിമിറ്റഡിന്റെ ബൈപ്പാസ് പ്രോട്ടീൻ പ്ലാന്റ് 02.03.2019ന് ബഹു. വനം മൃഗസംരക്ഷണം ക്ഷീരവികസനം മൃഗശാല വകുപ്പ് മന്ത്രി അഡ്വ. കെ. രാജു ഉദ്ഘാടനം ചെയ്യുന്നു.



കേരള ഫീഡ്സിന്റെ "പാൽമഴയോടൊപ്പം സർണ്ണമഴ" സമ്മാനപദ്ധതിയിലെ ഒരു പവൻ സർണ്ണസമ്മാനം ശ്രീ. സെബാസ്റ്റ്യൻ ജോസഫിന് (തോട്ടപ്പള്ളിയിൽ ഹൗസ്, അതിരമ്പുഴ പി.ഒ., കോട്ടയം. കൃഷ്ണൻ നമ്പർ 179928) ബൈപ്പാസ് പ്രോട്ടീൻ പ്ലാന്റ് ഉദ്ഘാടന വേളയിൽ കേരള മൃഗസംരക്ഷണ, ക്ഷീരവികസന വകുപ്പ് മന്ത്രി അഡ്വ.കെ.രാജു സമ്മാനിക്കുന്നു. ചെയർമാൻ ശ്രീ. കെ.എസ്. ഇന്ദുശേഖരൻ നായർ, മാനേജിംഗ് ഡയറക്ടർ ഡോ. ബി. ശ്രീകുമാർ, ഡയറക്ടർ സി.കെ. ചന്ദ്രൻ എന്നിവർ സമീപം.



കേരള ഫീഡ്സ് ലിമിറ്റഡ്

(ഒരു കേരള സർക്കാർ സംരംഭം)

കല്ലേറ്റുങ്കര-680683, തൃശ്ശൂർ, കേരളം

19-ാമത് വാർഷിക പൊതുയോഗം

(മാറ്റിവെച്ചത്)

2014-15

തീയതി : 26.08.2019
ദിവസം : തിങ്കളാഴ്ച
സമയം : 11.30 AM
സ്ഥലം : പാരിഷ് ഹാൾ
BLM ചർച്ച്, ആളൂർ
കല്ലേറ്റുങ്കര പി.ഒ.
തൃശ്ശൂർ - 680683

ചെയർമാൻ :

ശ്രീ. കെ.എസ്. ഇന്ദുശേഖരൻ നായർ

മാനേജിംഗ് ഡയറക്ടർ :

ഡോ. ബി. ശ്രീകുമാർ

ഓഡിറ്റോഴ്സ് :

M/s. BSJ & Associates
Chartered Accountants, Ernakulam



കേരള ഫീഡ്സ് ലിമിറ്റഡ്

രജി. ഓഫീസ് :
ഫീഡ്സ് നഗർ,
കല്ലേറ്റുംകര
തൃശ്ശൂർ-680683

നോട്ടീസ്

കേരള ഫീഡ്സ് ലിമിറ്റഡിന്റെ 19-ാമത് (Adjourned) വാർഷിക പൊതുയോഗം 2019 ആഗസ്റ്റ് 26ന് രാവിലെ 11.30ന് **BLM** പാരിഷ് ഹാൾ, ആളൂർ, കല്ലേറ്റുംകര, തൃശ്ശൂർ ജില്ല, പിൻ : 680683 എന്ന സ്ഥലത്ത് വെച്ച് നടത്തുന്നതായിരിക്കും.

യോഗത്തിൽ പരിഗണിക്കേണ്ട ഔദ്യോഗിക വിഷയങ്ങൾ

സാധാരണ വിഷയങ്ങൾ

1. കമ്പനിയുടെ 2014-15 സാമ്പത്തിക വർഷത്തെ കണക്കുകൾ (ബാലൻസ് ഷീറ്റ്, പ്രോഫിറ്റ് & ലോസ് അക്കൗണ്ട് മുതലായവ) ഡയറക്ടർ റിപ്പോർട്ട്, CAG യുടെ നിരീക്ഷണങ്ങൾ എന്നിവ പരിഗണിച്ച് അംഗീകരിക്കൽ.

ഡയറക്ടർ ബോർഡിന് വേണ്ടി

കല്ലേറ്റുംകര
തൃശ്ശൂർ- 680683
തിയ്യതി : 2, ആഗസ്റ്റ്, 2019

sd/-

ഡോ. ബി. ശ്രീകുമാർ
മാനേജിംഗ് ഡയറക്ടർ

നിരാകരണം :

ഇതൊരു പദാനുപദമായ വിവർത്തനമല്ല. ഈ രേഖയെ സംബന്ധിച്ച് എന്തെങ്കിലും തർക്കമോ വ്യവഹാരങ്ങളോ ഉയരുന്ന സാഹചര്യത്തിൽ ഇംഗ്ലീഷിലെ യഥാർത്ഥ രേഖ അന്തിമമായി കണക്കാക്കപ്പെടും.



KERALA FEEDS LIMITED

Regd. Office:
Feeds Nagar,
Kallettumkara
Thrissur-680 683

NOTICE

NOTICE is hereby given that the Adjourned 19th Annual General Meeting of the Company will be held on Monday, the 26th day of August, 2019 at 11.30 A.M at Parish Hall, BLM Church, Aloor, Kallettumkara, Thrissur- 680683

AGENDA

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2015 and the Profit and Loss Account as on that date together with the Report of the Directors, Auditors and Comments of the Comtroller & Auditor General of India as per the provisions of the Companies Act, 2013.

Kallettumkara
Trichur - 680 683
Date: 2nd August, 2019

By Order of the Board,

Sd/-

Dr. B. Sreekumar
Managing Director

Notes:

1. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.*
2. *Instrument of proxies in order to be effective must be deposited at the Company's Registered Office at Kallettumkara, Thrissur District not less than **forty eight** hours before the meeting.*



**2014-15 സാമ്പത്തിക വർഷത്തെ
സാമ്പത്തിക അവലോകനം**

വിവരങ്ങൾ	വർഷാവസാനം 31.03.2015 (രൂപ ലക്ഷത്തിൽ)	വർഷാവസാനം 31.03.2014 (രൂപ ലക്ഷത്തിൽ)
മൊത്തം വരുമാനം	41675.95	39469.55
മൊത്തം ചിലവ് (മുൻകാല വകയിരുത്തലുകളും, നീക്കുപോക്കുകളും , നികുതി, പലിശ എന്നിവയും കൂടാതെ)	40426.51	38809.52
മുൻകാല വകയിരുത്തലുകളും, നീക്കുപോക്കുകളും , നികുതി, പലിശ എന്നിവ	1335.03	645.40
നടപ്പുവർഷത്തെ ലാഭം / നഷ്ടം	85.59 നഷ്ടം	14.63 ലാഭം
സഞ്ചിത ലാഭം / നഷ്ടം	1093.42 നഷ്ടം	984.08 നഷ്ടം

KERALA FEEDS LTD.
DIRECTORS' REPORT
2014-15

To the Members,

Your Directors are pleased to present the Nineteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2015	For the year ending 31.03.2014
Profit / (Loss) before Finance costs, Depreciation and amortisation expenses and Tax expenses	1249.44	660.03
Less : Finance Costs	78.00	81.60
Depreciation and amortisation expenses	937.90	563.80
Tax expenses	319.13	
Profit / (Loss) after tax	(85.59)	14.63
Appropriations:		
Dividend	0	0
Corporate Dividend tax	0	0
Accumulated Profit / (Loss)	(1093.42)	(984.08)

REVIEW OF OPERATIONS

Your company has reached greater heights and retained its position as a major player in the Cattle Feed Industry in India. The total sales of Cattle Feed for the year 2014-15 was 235696.36 MT with total turnover of Rs. 416.76 crore. However, being a socially conscious Public Sector Undertaking, you Company has not increased the price of Cattle Feed in keeping with increase in cost of Raw Material. Thus, the Company made nominal losses amounting to Rs.85.59 lakhs

FUTURE OUTLOOK

Kerala Feeds Limited has been expanding its market while retaining our commitment to the dairy farmers of Kerala. We are committed to provide Cattle Feed and supplements of the best quality at the most reasonable price. Our future outlook includes expansion of capacity, to enable us to cater to the increasing demand for our feed. Our plants at Kallettumkara, Karunagapally and Kozhikode are in full fledged operation. Our new Cattle Feed Plant at Thodupuzha is set to be operational within a few months.



Aside from expansion of capacity, Kerala Feeds Limited also proposes to introduce new products like which will help combat diseases and infertility in cattle and ensure improved milk yield.

DIVIDENDS

No dividends are declared during the year due to losses incurred by the Company

AMOUNT PROPOSED TO BE CARRIED TO RESERVE

Since the Company has made losses during the Financial Year, no amount is carried to Reserves

BOARD OF DIRECTORS:

Details to changes to Board of Directors during the Year:

Sl. No.	Name of Director	Designation	Appointment / Cessation	Date of Appointment/ Cessation
1.	Adv P C Joseph	Chairman	Cessation	16/06/2014
2.	Adv K Francis George	Chairman	Appointment	17/06/2014
3.	Dr Ani S Das	Managing Director	Cessation	04/11/2014
4.	Dr S Chandrankutty	Managing Director	Appointment Cessation	05/11/2014 16/12/2014
5.	Shri K Venugopal	Managing Director	Appointment	17/12/2014

Details of Board Meetings held during the Year

During the Financial Year, the Board met 9 times on 07/05/2014, 10/06/2014, 19/07/2014, 29/08/2014, 01/10/2014, 21/11/2014, 22/12/2014, 28/01/2015 and 23/03/2015. The intervening gap between the two meetings was as per the provisions prescribed in the Companies Act, 2013

Details of Attendance of Directors in Board meetings held during the Year

Sl. No.	Name of Director	No. of Board meetings eligible to attend	No. of Board meetings attended
	Adv P C Joseph	2	0
	Adv K Francis George	7	7
	Dr Ani S Das	5	5
	Dr S ChandranKutty	1	1
	Shri K Venugopal	3	3
	Smt T S Sheeja	9	7
	Shri O M Mohanan	9	3
	Dr N NSasi	9	1
	Smt K T Sarojini	9	2
	Shri P K Pathak	9	0
	Dr M Suresh Kumar	9	2
	Dr Jose James	9	8
	Dr K N Naushadali	9	4
	Shri Salim Madavoor	9	9

AUDIT COMMITTEE

The Audit Committee was constituted by the Board of Directors at its meeting held on 14th February, 2001. The Audit Committee comprises of two Non-Executive Directors, Managing Director (as invitee), Internal Auditor and Statutory Auditor of the Company. The Chairperson of the Committee during 2014-15 was Smt. T S Sheeja, Director and Additional Secretary (Finance), Government of Kerala. Three Meetings of the Audit Committee were held during the Financial Year 2014-15. The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit. The responsibilities of the Audit Committee are as specified in the Government order no 13883/BPE.2/08/Plgdt 15-11-2008, in this regard.

INTERNAL FINANCIAL CONTROLS

The company has in place adequate internal financial control systems, commensurate with the size, scale and complexities of its operations and ensures compliance with the systems. During the year the said controls were effective and no material weakness was noticed.

DETAILS OF SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANY

The company does not have any Subsidiary, Joint Venture or Associate Company

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return for the Financial Year ended 31.3.2015 required under Section 134(3)(a) of the Companies Act , 2013 read with Rule 12(1) is available at the website of the Company at www.keralafeeds.com

PARTICULARS OF RELATED PARTY TRANSACTIONS

No transactions were entered into by the Company with Related Parties and hence no disclosure in Form AOC 2 in this regard is required as per provisions of the Companies Act , 2013.

DETAILS OF COMPANIES C.S.R POLICY AND ACTIVITIES

The Company has formed a CSR committee and formulated a CSR policy, the details of which are available in the website of the Company at www.keralafeeds.com. Since the Company has incurred losses, as per Section 135 of the Companies Act, 2013, no expenditure for CSR activities is incurred during the year.

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration in excess of the prescribed limit in terms of section 197(12) of the Companies Act, 2013



DEPOSITS

The Company has not accepted any deposits during the year and hence no disclosure or reporting was required as per Companies Act, 2013.

VIGIL MECHANISM

During the Financial Year, the Company does not fall within the ambit of the provisions of Section 177(9) of the Companies Act, 2013 with respect to establishment of a Vigil Mechanism

RISK MANAGEMENT POLICY

The Company has adequately analyzed the risks of the business and the Board is of the opinion that there is no element of risk which may cause serious threat to the existence of the Company.

BOARD'S REPLY TO AUDIT REPORT

REPLY TO QUALIFICATION IN REPORT OF THE STATUTORY AUDITOR

(vide Para 1(a) of the Annexure- A to the Audit Report)

Qualification: The records of fixed assets maintained by the Company is not proper and complete.

Reply: In line with the directions of the Auditors, the Company is in the process of updating the Fixed Assets Register to include quantitative details and situation of Fixed Assets. It is expected that from the Financial Year 2015-16 onwards, Fixed Assets Register can be maintained in the manner suggested by Audit

DETAILS OF FRAUD AS PER STATUTORY AUDIT REPORT

(vide Para 12(i) of the Annexure- A to the Audit Report)

Remark of Auditor: On the basis of e-mail regarding change of bank account of the supplier of raw material, M/s Kaleesuari Refinery Private Limited, received from a fabricated e-mail address, the Company had transferred Rs. 138.47 lakhs through electronic fund transfer system to the bank account of a fraudster during the period from January 23, 2015 to February 18, 2015. Immediately on realization of the fact, the Company had recovered Rs.114.58 lakhs from the fraudster's bank account and the balance of Rs.23.89 lakhs is yet to be recovered.

Reply: This incident has occurred as a result of a cybercrime of transmitting an email from a fake email ID of a Raw Material Supplier. In respect of the same, the Company has filed a criminal case with Kodakara Police Station on 20.02.2015. The case was later transferred to Crime Branch CID, Economic Offence Wing II, Ernakulam Unit and the investigation is in progress. Since the investigation is in progress and fake email ID of the Supplier has been created to hack into the email systems of the Company, the said amount is debited to the account of the supplier in the books of accounts of the Company

MATERIAL CHANGES & COMMITMENTS

There has been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and date of this Report



ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS

No significant order has been passed by Regulators / Courts / Tribunals which impacts the going concern status and Company's operations in future.

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

1. Conservation of Energy

Kerala Feeds Limited has adapted the suggestions put forth during the energy audit conducted in the company, in order to optimize energy utilization. The Company is putting in all efforts to create a more resource efficient consumption pattern, which will help reduce manufacturing costs and ultimately benefit the Dairy Farmers of Kerala.

2. Technology Absorption

The critical spares of the major Machinery were imported from the original equipment manufactures, M/s Heem Horst, Netherlands and M/s La Meccanica, Italy. Continuous improvements are done to improve the efficiency of each process, stabilize the output and optimize the production cost. Kerala Feeds Limited has always been adaptive to the latest technological advancements even while keeping up its R &D efforts, to indigenize the costlier areas with a view to keeping the manufacturing cost under check.

- a) Foreign Exchange Inflow and Outgo
- | | | |
|-------------------------|---|------------------|
| Foreign Exchange Inflow | - | Nil |
| Foreign exchange out go | - | Rs. 154.75 Lakhs |

DIRECTORS' RESPONSIBILITY STATEMENT (PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013)

Your Directors wish to confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have 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 as on 31st March, 2015, and of the loss of the Company for the year ended 31st March, 2015;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts ongoing concern basis;
- (e) Clause (e) of Section 134(5) is not applicable since the Company is not a listed Company; and
- (f) they have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems are adequate and operating effectively



ACKNOWLEDGEMENT

Your Directors express their gratitude to Government of India, Government of Kerala, Department of Animal Husbandry and Dairy Development, NDDB, KCMMF, Dairy Co-operatives, other Public Sector Undertakings under Agriculture and Animal Husbandry Department for their able guidance and support. The Board is also thankful to the Bankers, former Managing Directors and Directors of the Company, Consultants, Auditors, Shareholders and Dealers for their co-operation and support. Your Directors also express their appreciation for the services rendered by the employees of the Company.

For and on behalf of Board of Directors of
KERALA FEEDS LIMITED

Sd/-

Sd/-

Kallettumkara
27.05.2019

Dr. B Sreekumar
Managing Director

Shri K S Indusekharan Nair
Chairman



INDEPENDENT AUDITORS' REPORT

To

The Members of
Kerala Feeds Limited
Kallettumkara, Thrissur.

Report on Financial Statements

We have audited the accompanying financial statements of Kerala Feeds Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 stated in section 134 (5) of the Companies Act 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rule 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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw the attention to the following:

1. Note No.31.1 to the financial statements regarding balance under trade receivables, deposits, other advances, trade payables and security deposit received, which are subject to confirmation/reconciliation.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure – A' a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.
2. Based on the verification of books of account of the Company and according to the information and explanations given to us, we given in 'Annexure – B' a report on the Directions issued by the Comptroller and Auditor General of India in terms of section 143 (5) of the Act.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except our comments in Clause 1 (a) of annexure referred in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' annexed hereinafter, in our opinion, proper books of

account as required by the law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) 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) Rule, 2014.
- (e) Being a Government Company, the provisions of sub-section (2) of section 164 of the Act regarding disqualification of appointment of directors, are not applicable to the company by virtue of Notification F No. I/2/2014-CL V dated June 05, 2015.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations give to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.- Refer Note 31.8 and 31.7 to the financial statements;
 - ii) The Company has made provision, as required under the applicable law or Accounting Standard, for material foreseeable losses, if any, on long term contracts including derivative contracts. – Refer Note 31.23 to the financial statements;
 - iii) There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company. – Refer Note 31.24 to the financial statements;

*For BSJ & Associates
Chartered Accountants
FRN 010560S*

sd/-

*CA. Jojo Augustine
Partner (M. No.214088)*

Place: Ernakulam

Date: 27/03/2019



ANNEXURE- A REFERRED TO IN PARAGRAPH 1 UNDER “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF KERALA FEEDS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

1. (a) The records of fixed assets maintained by the company are not proper and complete.
(b) As explained to us, the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
2. (a) As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion frequency of such verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory and informed to us, no material discrepancies were noticed on physical verification of inventory by the management.
3. As explained to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the provisions of the clauses (a) and (b) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control commensurate with the size of the company and nature of its business, for the purchase of inventory, fixed assets and for sale of goods. During the course of the audit we have not observed any continuing failure to correct major weaknesses in internal control system.
5. According to the information and explanation given to us the company has not accepted any deposits from the public. Hence the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under are not applicable. Accordingly clause 3 (v) of the Order is not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under section 148 (1) of the Act and are of the opinion that prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. i) According to the information and explanations given to us and on the basis of examination of records of the Company except in the following cases, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Value Added Tax, Works Contract Tax, Customs Duty, Excise Duty, Wealth Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year and there were no outstanding dues as at 31st March 2015 for a period of more than six months from the date they became payable

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Year to which dues relates
The Service Tax Act	Service tax on legal fee	0.33	2012-13 To 2014 - 15
The Service Tax Act	Service tax on man power supply	1.23	2012-13 To 2014 - 15
The Service Tax Act	Service tax on Good Transport Agency Service	0.46	2010-11 To 2014 - 15
The Income Tax Act	TDS on Professional Charges	0.23	2013 - 14

- (ii) According to the information and explanations given to us and records of the company examined by us, except the following cases, there are no material dues of sales tax, income tax, customs duty, wealth tax, excise duty, cess which have not been deposited on account of any dispute:

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Year to which disputes relates	Forum where the dispute is pending
The Income Tax Act	Disallowance of expenditure claimed with respect to gratuity, leave encashment expenditure and short deduction of TDS	78.58	2005-06, 2007-08, 2012-13 and 2014-15	Appeal/Rectification petitions filed before the Commissioner (Appeals)/ Assessing Officer are pending for disposal
The Service Tax Act	Demand of service tax for clearing and forwarding of raw materials from rail head as a GTA service	127.24	2013-14 & 2014-15	Appeals filed before the High Court of Kerala and CESTAT are pending for disposal
The Customs Act	Demand of customs duty of import of spaces of Pellet Mill	87.67	2008-09 To 2014-15	Appealed filed before the CESTAT are pending for disposal

- (iii) According to the information and explanation given to us and records of the company examined by us there were no amounts which were required to be transferred to the Investor Education and Protection fund by the company.
8. The accumulated loss of the Company at the end of the financial year is less than fifty percent of its net worth. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
9. Based on our examination of the records of the Company and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or banks as at Balance Sheet date.
10. According to the information and explanation given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions. Accordingly the provisions of Clause 3 (x) of the Order is not applicable to the Company.
11. According to the information and explanation given to us and on the basis of our examination of the books and records of the Company, the term loans obtained from NABARD and the Government of Kerala have been applied for the purpose for which the loans were obtained.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and as per the information and explanations given to us, except in the following case, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such cases by the Management:
- (i) On the basis of e-mail regarding change of bank account of the supplier of raw material, M/s Kaleesuwari Refinery Private Limited, received from a fabricated e-mail address, the Company had transferred Rs.138.47 lakhs through electronic fund transfer system to the bank account of a fraudster during the period from January 23, 2015 to February 18, 2015. Immediately on realization of the fact, the Company had recovered Rs.114.58 lakhs from fraudster's bank account and balance of Rs.23.89 lakhs yet to be recovered. [Also refer Note 9 (ii)]

*For BSJ & Associates
Chartered Accountants
FRN 010560S*

sd/-

*CA. Jojo Augustine
Partner (M. No.214088)*

Place: Ernakulam
Date: 27/03/2019



ANNEXURE- B REFERRED TO IN PARAGRAPH 2 UNDER “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF KERALA FEEDS LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

**AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015
AS PER DIRECTIONS OF C&AG UNDER SECTION 143 (5)
OF THE COMPANIES ACT 2013**

1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	The Company is not selected for disinvestment.
2	Please report whether there are any cases of waiver/ write off of debts/ loans/interest etc., if yes, the reasons there for and the amount involved	According to the information and explanation given to us the company has not waived/written off any of debts/loans/ interest etc during the year.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	<p>The Company has maintained proper records for inventories lying with third parties.</p> <p>The Company has not received any asset as gift from the Government or other authorities. But according the information and explanation given, during the year, the Company has acquired/ constructed assets using the grants received from the Government or other authorities, the details of the same are given below:</p>
4	A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	According to the information given to us, a report on age wise analysis of pending legal/ arbitration cases is given below:

Details Assets acquired/constructed using grants received from Government or Other Authorities during the year:

Sl. No.	Government/Other Authorities from whom grant received	Amount(Rs. In Lakhs)	Asset acquired/constructed
1	Government of Kerala	3,252.15	300 TPD Cattle Feed Plant at Thiruvangoor
2	Government of Kerala	85.46	300 TPD Cattle Feed Plant at Karunagappally
3	Government of Kerala	549.75	500 TPD Cattle Feed Plant at Areekuzha
4	Government of Kerala	4.34	10 TPD Mineral Mixture Plant at Athavanadu
5	National Dairy Development Board	37.59	Near Infrared (NIR) Spectro Meter

Age-wise analysis of pending legal/ arbitration cases:

Sl. No.	Age of Pending Cases	No. of Cases	Amount involved (Rs. in lakhs)	Legal Expenses (in Rs.)	Reasons for pendency/ present status
1	Less than 1 Year	8	49.84	11500.00	The delay is attributable to adjournments in courts/ other court related matters
2	1 to 3 years	4	8.99	29880.00	The delay is attributable to adjournments in courts/ other court related matters
3	More than 3 years	50	905.43	0.00	The delay is attributable to adjournments in courts/ other court related matters

*For BSJ & Associates
Chartered Accountants
FRN 010560S*

sd/-
*CA. Jojo Augustine
Partner (M.No.214088)*

Place: Ernakulam
Date: 27/03/2019



KERALA FEEDS LIMITED

CIN:U15331KL1995SGC009521
KALLETUMKARA, THRISSUR - 680 683

BALANCE SHEET AS AT 31ST MARCH 2015

(₹ in Lakh)

Particulars	Note No.	As at 31 March 2015		As at 31 March 2014	
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	4	2,740.50		2,740.50	
(b) Reserves & surplus	5	5,311.38	8,051.88	2,465.85	5,206.35
2 Share application money pending allotment	4(vi)		1,125.00		1,125.00
3 Non - Current liabilities					
(a) Long term borrowings	6	2,107.50		1,200.00	
(b) Deferred tax liabilities (Net)	7	16.88		16.88	
(c) Other long term liabilities	8	174.67		196.77	
(d) Long term provisions	9	440.53	2,739.58	323.44	1,737.09
4 Current Liabilities					
(a) Trade payables	10	2,249.24		1,929.09	
(b) Other current liabilities	11	1,976.39		1,934.33	
(c) Short- term provisions	12	404.45	4,630.08	201.03	4,064.45
TOTAL			16,546.54		12,132.89
II. ASSETS					
1 Non-current assets					
(a) Fixed assets					
i. Tangible assets	13	2,811.14		3,690.86	
ii. Intangible assets	13	14.17		28.62	
iii. Capital work-in-progress	13	6,294.58	9,119.89	2,402.89	6,122.37
(b) Long-term Loans and Advances	14		503.41		481.82
2 Current assets					
(a) Inventories	15	2,853.01		3,005.24	
(b) Trade receivables	16	2,241.97		1,513.88	
(c) Cash and cash equivalents	17	1,525.61		706.58	
(d) Short-term loans and advances	18	260.05		261.66	
(e) Other current assets	19	42.59	6,923.24	41.34	5,528.70
TOTAL			16,546.54		12,132.89
Significant accounting policies	3				
Additional information	31				

For and on behalf of Board of Directors

sd/-
Vidya Unnikrishnan
Company Secretary

sd/-
Rajasekharan.K.N.
Manager Finance

sd/-
Dr.B.Sreekumar
Managing Director
DIN:01688985

sd/-
Shri.K.S.Indusekharan Nair
Chairman
DIN:07730864

Place: Kallettumkara
Date: 27/3/2019

As per our report of even date attached

For BSI & Associates
Chartered Accountants
FRN. 0105605

sd/-
CA.JOJO AUGUSTINE
Partner (M.No.214088)

Place: Ernakulam
Date: 27/3/2019



KERALA FEEDS LIMITED

CIN:U15331KL1995SGC009521
KALLETUMKARA, THRISSUR - 680 683

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in Lakh)

Particulars	Note No.	Year ended 31.3.2015	Year ended 31.3.2014
I. REVENUE			
(a) Revenue from operations	20	40,388.68	38,436.75
(b) Other Income	21	1,287.27	1,032.80
Total Revenue (I + II)		41,675.95	39,469.55
II. EXPENSES			
(a) Cost of materials consumed	22	32,474.30	32,568.81
(b) Purchases of Stock-in-Trade	23	376.78	-
(c) Changes in inventories of finished goods	24	284.85	(433.05)
(d) Employee benefit expenses	25	2,538.66	2,396.84
(e) Finance costs	26	78.00	81.60
(f) Depreciation and amortisation expenses	27	937.90	563.80
(g) Other expenses	28	4,747.35	4,271.89
Total Expenses		41,437.85	39,449.89
III. Profit before exceptional and extraordinary items and tax (III - IV)		238.11	19.65
IV. Exceptional Items		-	-
V. Profit before extraordinary items and tax (V - VI)		238.11	19.65
VI. Extraordinary Items		-	-
VII. Profit/(Loss) for the year (VII - VIII)		238.11	19.65
VIII. Prior period adjustments	29	(4.56)	(5.03)
IX. Profit/(Loss) before tax (IX + X)		233.54	14.63
X. Tax expenses			
(a) Current tax		(319.13)	-
(b) Deferred tax		-	-
XI. Profit/(Loss) for the period from continuing operations (XI - XII)		(85.59)	14.63
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expenses of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XIV - XV)		-	-
XV. Profit/(Loss) for the year (XIII + XVI)		(85.59)	14.63
XVI. Earnings per Equity Share (₹)	30		
(a) Basic		(312.30)	53.38
(b) Diluted		(221.41)	37.84
Nominal value per equity share (₹)		10,000	10,000
Significant accounting policies	3		
Additional information	31		

For and on behalf of Board of Directors

sd/-

Vidya Unnikrishnan
Company Secretary

Place: Kallettumkara
Date: 27/3/2019

sd/-

Rajasekharan K.N.
Manager Finance

sd/-

Dr.B.Sreekumar
Managing Director
DIN:01688985

sd/-

Shri.K.S. Indusekharan Nair
Chairman
DIN:07730864

As per our report of even date attached

For BSJ & Associates
Chartered Accountants
FRN. 010560S

sd/-

CA. JOJO AUGUSTINE
Partner (M.No.214088)



KERALA FEEDS LIMITED

CIN:U15331KL1995SGC009521
KALLETUMKARA, THRISSUR - 680 683

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in Lakh)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
A. Cash Flow from Operating Activities		
Net Profit /(Loss) before taxation and extra ordinary items	233.54	14.63
Adjustment for:		
Depreciation	941.18	563.80
Interest and Finance Charges	78.00	81.60
Loss/(Profit) on sale/disposal of assets	-	(1.95)
Interest on deposit from Banks and other Interest	(37.07)	(27.37)
Operating Profit before working capital changes	1,215.66	630.69
Adjustments for		
Trade receivables, loans & advances and other current assets	(1,013.61)	(13.75)
Inventories	152.23	(898.54)
Trade payables, other current liabilities and provisions	660.63	(576.91)
Cash generated from operations	1,014.90	(858.51)
Income tax paid (Net of refunds)	(61.79)	(4.92)
Cash flow before extraordinary item	953.11	(863.43)
Extraordinary item	-	-
Net Cash from operating activities (A)	953.11	(863.43)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(70.76)	(52.73)
Sale/disposal of fixed assets	-	2.70
Increase in Capital work in progress	(3,891.69)	(2,058.50)
(Increase) / decrease in earmarked fixed deposits with banks	(869.30)	914.40
Interest on deposit from banks	44.01	27.37
Net cash used in investing activities (B)	(4,787.74)	(1,166.75)
C. Cash Flow from Financing Activities		
Interest and Finance Charges	(78.00)	(81.60)
Proceeds/(Repayment) of bank borrowings	907.50	(29.40)
Dividend Paid (including corporate dividend tax)	-	(15.93)
Contribution from Government for Capital Projects	2,954.86	1,860.00
Net Cash used in financing activities (C)	3,784.36	1,733.08
Net increase/decrease in cash and cash equivalents (A+B+C)	(50.27)	(297.10)
Cash and cash equivalents at the beginning of the year	211.81	508.91
Cash and cash equivalents at the end of the year	161.54	211.81
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents at the end of the year as per Note 17	1,525.61	706.58
Less: Earmarked deposits with banks not considered as cash and cash equivalents	1,364.07	494.77
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	161.54	211.81

For and on behalf of Board of Directors

sd/-
Vidya Unnikrishnan
Company Secretary

sd/-
Rajasekharan K.N.
Manager Finance

sd/-
Dr.B.Sreekumar
Managing Director
DIN:01688985

sd/-
Shri.K.S. Indusekharan Nair
Chairman
DIN:07730864

Place: Kallettumkara
Date: 27/3/2019

As per our report of even date attached
For BSJ & Associates
Chartered Accountants
FRN. 010560S

sd/-
CA. JOJO AUGUSTINE
Partner (M.No.214088)

Place: Ernakulam
Date: 27/3/2019



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

1. Company Overview:

Kerala Feeds Limited is a Public Sector Undertaking incorporated under the Companies Act, 1956 on 13.10.1995. The Company is functioning under the administrative control of Animal Husbandry Department of Government of Kerala and engaged in the business of manufacture and sale of compounded cattle feed and feed supplements.

2. Basis for preparation of financial statements

- (i) Method of Accounting: The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.
- (ii) Use of Estimates: The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognised in the period in which the results are known\materialised.

3. Significant Accounting Policies

a) Fixed assets:

- (i) Tangible and intangible assets are stated at cost of acquisition less accumulated depreciation/amortisation. Cost includes all expenses incurred for acquisition of assets. Government grants related to specific fixed assets are shown as a deduction from the gross value of the assets concerned.
- (ii) Machinery spares other than those required for regular maintenance are capitalised as per Accounting Standard on Fixed assets AS-10.
- (iii) Capital Work in Progress is carried at cost, comprising of direct cost and directly related incidental expenses.
- (iv) In the case of fixed assets acquired for new projects\expansion, expenses incurred during construction period are carry forwarded under 'Capital Work in Progress' and are transferred to the respective fixed assets on commencement of commercial production.
- (v) As at the balance sheet date an assessment is done to determine whether there is any indication of impairment in carrying amount of fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

b) Depreciation and amortisation

- (i) Depreciable amount for assets is the cost of an asset less its estimated residual value.

(ii) Depreciation on tangible fixed assets has been provided under the written down value (WDV) method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in the case of Library Books where full depreciation has been charged in the year of acquisition.

(iii) Intangible assets are amortized over a period of five years.

(iv) The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

c) Inventories.

Inventories as at the close of the year are valued at lower of cost or net realisable value. Cost includes cost of purchase, conversion and other costs, as the case may be, incurred in bringing the inventories to their present location/condition. The cost formulae used are as under

- | | | |
|-----------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Raw materials | - | At weighted average cost |
| (ii) Packing materials | - | At weighted average cost |
| (iii) Chemicals | - | At weighted average cost |
| (iv) Lab chemicals | - | At Cost on FIFO basis |
| (v) Stores and spares | - | At weighted average cost |
| (vi) Finished goods | - | At lower of cost or net realisable value (cost being direct material, direct labour, direct expenses and manufacturing overheads.) |
| (vii) Work in progress | - | Cattle Feed and Mineral Mixture lying in the bin as at the end of the year are valued at weighted average cost of finished goods net of packing charges. |
| (viii) Used Gunny & PP Bags | - | At net realisable value |

Since Raw Materials, Packing Materials, Chemicals, Lab Chemicals and Stores & Spares are held for use in the production of finished goods, these items are not written down below cost, since the finished products in which they will be incorporated are expected to be sold at or above cost.

d) Employee Benefits

A. Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as liability (accrued expenses) after deducting any amount already paid.

B. Post-employment benefits:

(1) Defined Contribution Plans

Defined contribution plans are Provident Fund Scheme and Employee State Insurance Scheme administered by the Government for all eligible employees. The Company's contributions to defined contribution plans are recognised in the Profit and Loss Account in the financial year to which they relate.

(2) Defined Benefit Gratuity Plan

The Company makes contribution to the Employee's Group Gratuity –cum- Life assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on independent actuarial valuation, conducted annually as at the year end using the projected unit credit method, as adjusted for unrecognised past service cost if any and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur.

(3) Other long term employee benefits

Earned leave and half pay leave earned by all eligible employees are considered as a long term employee benefits. These plans are defined benefit schemes and are operated in terms of the Plan rules of the Company. These plans are neither funded nor insured and so there are no plan assets. The net present value of obligations for earned Leave and Half pay leave as determined on independent actuarial valuation conducted annually as at the year end using the projected unit credit method, as adjusted for unrecognised past service cost if any is recognised in the accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Account for the period in which they occur.

(e) Revenue Recognition

- (i) Sales are recognised net of return on despatch of goods to customers.
- (ii) Interest on cash deposit with Kerala State Electricity Board is recognised on receipt basis.
- (iii) Reimbursement of stipend in respect of trainees engaged under Apprentices Act, 1961 from Board of Apprenticeship Training (Southern Region) is recognised on receipt basis and accounted as net of stipend.

(f) Claims

Claims are accounted for as and when finally determined/settled.

(g) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(h) Taxes on Income

Income Tax includes current taxes and deferred taxes. Current tax is determined as the amount of tax payable in respect of the taxable income for the year. Deferred tax reflect the impact of timing differences between taxable income and accounting income for the current year and reversal of timing differences of earlier years. Deferred tax assets are recognised and carry forwarded to the extent that there is a reasonable certainty of realisation. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets/liabilities are reviewed as at the year end to ascertain the amount/quantum of such assets/liabilities and adjusted at the tax rates prevailing as per tax laws enacted or substantially enacted by the Balance sheet date.

(i) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transfer ie. on the date of payment.

(j) Provisions, Contingent Liabilities and Contingent Assets.

Provisions for losses and contingencies arising as a result of a past event where the management considers it probable that a liability may be incurred are made on the basis of the best reliable estimate of the expenditure required to settle the present obligation on the balance sheet date and are not discounted to its present value. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements

(k) Government Grants

Government grants in the nature of promoters' contribution are treated as Capital Reserves. Government grants related to specific fixed assets are shown as a deduction from the gross value of the assets concerned. Revenue grants are recognised on a systematic basis in the Profit and Loss Account over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are shown separately under 'Other Income'.

(l) Earnings per share

Basic/diluted earnings per share is calculated by dividing the net profit/loss for the year attributable to equity shareholders(after deducting attributable taxes) by the weighted average number of equity shares outstanding as at the end of the year as the case may be.

(m) Segment Reporting

Accounting Standard – 17 namely 'Segment Reporting' is not applicable to the Company as there is no reportable segment.

KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of financial statements for the year ended 31.03.2015

Note 4: Share Capital

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
Authorised:				
Equity shares of ₹10,000/- each	55,000	5,500.00	55,000	5,500.00
Total	55,000	5,500.00	55,000	5,500.00
Issued, subscribed and fully paid-up:				
Equity shares of ₹10,000/- each	27,405	2,740.50	27,405	2,740.50

(i) Reconciliation of shares at the beginning and at the end of the financial year:

Particulars	Year ended 31 March 2015		Year ended 31 March 2014	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
Equity shares of ₹10,000/- each				
Opening balance	27,405	2,740.50	27,405	2,740.50
Fresh issue	-	-	-	-
Closing balance	27,405	2,740.50	27,405	2,740.50

(ii) Rights attached to equity shares:

The Company has issued only one class of equity share having a face value of ₹10,000 per share. The holder of each equity share is entitled to one vote per share.

(iii) Details of shareholders holding more than 5% of the equity share capital:

Class of shares / Name of shareholder	As at 31 March 2015		As at 31 March 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of ₹10,000/- each				
Government of Kerala	21,090	76.96%	21,090	76.96%
Kerala Agro Machinery Corporation Limited	1,500	5.47%	1,500	5.47%

(iv) For the period of five years immediately preceding the dates as at which the Balance Sheet is prepared:

Particulars	As at 31 March 2015	As at 31 March 2014
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	NIL	NIL
Aggregate number and class of shares bought back	NIL	NIL

(v) Other particulars:

Particulars	As at 31 March 2015	As at 31 March 2014
Shares in respect of each class in the Company held by holding company	NIL	NIL
Terms of any securities convertible in to equity/preferential shares issued along with the earliest date of conversion	NIL	NIL
Calls Unpaid	NIL	NIL
Forfeited shares	NIL	NIL

(vi) The Government of Kerala vide G.O (Rt) No.1691/11/AD dt 15.09.2011 accorded sanction to reclassify and treat the financial assistance of ₹ 1125 Lakhs issued for the establishment of 300 TPD Cattle Feed Plant at Karunagappally as Equity Share Capital. Accordingly ₹ 1125 Lakhs received from Government of Kerala towards Equity is shown under 'Share application money pending allotment' in the Balance Sheet. The Shareholders of the Company in the 15th Annual General Meeting held on 30th November, 2011 had approved the increase of Authorised Capital from ₹ 30 Crore to ₹ 55 Crore. Subsequently the Government of Kerala accorded permission to increase the Authorised Capital from ₹ 30 Crore to ₹ 55 Crore vide Order No.G.O.(Rt)No.2081/14/AD dated 21/11/14 and the Company allotted 11250 shares amounting to ₹ 1125 Lakhs to Government of Kerala as Equity Share capital on 30.11.2015.

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Notes forming part of financial statements for the year ended 31.03.2015

Note 5: Reserves & Surplus		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
A. Capital Reserve			
Contribution from Government for Capital Projects			
1	Cattle Feed Plant - Kozhikode <i>(Out of allocation towards Rakshtriya Krishi Vikas Yojana through Government of Kerala from Government of India)</i>	2,010.00	2,010.00
2	Cattle Feed Plant - Idukki <i>(Out of allocation towards Rakshtriya Krishi Vikas Yojana through Government of Kerala from Government of India)</i>	908.00	100.00
3	Special Livestock Development Fund <i>(Assistance from Government of India for Production enhancement and infrastructure development)</i>	54.06	54.06
4	Mineral Mixture Plant - Athavanadu <i>(Assistance from Government of Kerala)</i>	25.00	25.00
5	Cattle Feed Plant – Kozhikode <i>(Assistance from Government of Kerala)</i>	2,148.19	951.00
6	Assistance under STEP <i>(Assistance from Government of India)</i>	259.56	259.88
7	Cattle Feed Plant – Bye Pass Protein Unit <i>(Assistance from Govt of Kerala)</i>	50.00	50.00
8	Cattle Feed Plant – Idukki <i>(Assistance from Government of Kerala)</i>	950.00	-
Sub-Total		6,404.80	3,449.94
<p>Note 5.A - 1: Capital Reserve of ₹ 6145.24 Lakh (Previous Year ₹ 3190.05 Lakh) represents the balance remaining in the financial assistance/grants received from Government for various capital projects and the same shall be adjusted towards respective capital projects on its completion {Also refer note for Significant Accounting Policy 3(k)}. An amount of ₹ 6294.58 Lakh (Previous Year ₹ 2402.89 Lakh) represents the value of Capital work in progress as at the year end and the same is shown under 'Capital Work in Progress' (Refer - Note - 13.5)</p>			
<p>Note 5.A -2: Assistance under STEP ₹ 259.55 Lakh (Previous Year ₹ 259.88 Lakh) shown above represents the balance remaining in the Grant -in -Aid received from Ministry of Women & Child Development, Government of India towards Scheme of Support to Training and Employment Programme for Women (STEP) for the project of Goat rearing.</p>			
B. Profit and Loss Account			
As per last Balance Sheet		(984.08)	(998.71)
Add: Profit/(Loss) during the Year		(85.59)	14.63
Less: Adjustment relating to Depreciation (Refer Note 7 and 13)		(23.75)	-
Sub-Total		(1,093.42)	(984.08)
Total		5,311.38	2,465.85



Note 6: Long term Borrowings		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
1	Assistance from NABARD as Loan under RIDF XVI & XVII – <i>Unsecured</i> (Repayable in 7 years with grace period of 2 years; ie repayable in 5 equal annual instalments of ₹240.00 Lakh each after the grace period of 2 years. Interest to be repaid quarterly)	1,920.00	1,200.00
2	Loan from Kerala Government (Repayable in 5 years with grace period of 1 year; The principal amount is repayable in 16 quarterly instalments of ₹12.50 Lakh each after the grace period. Interest to be repaid quarterly)	187.50	-
		2,107.50	1,200.00

Note 7: Deferred Tax Liabilities (Net)		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
1	Tax effect of items constituting deferred tax liabilities	-	-
2	Tax effect of items constituting deferred tax assets	-	-
	- on difference between book balance and tax balance of fixed assets	192.32	2.57
	- Provision for bad and doubtful debts	30.77	26.79
	- Provision for employee's benefits		
	- Half pay leave	9.34	5.91
	- Earned Leave	25.43	-
	- Gratuity	110.88	-
	- Brought forward business losses	-	86.04
		368.74	121.31
<i>Deferred Tax Assets (Net)</i>		368.74	121.31
Deferred Tax Liability (Net) recognised in the Financial Statements (Refer note below)		16.88	16.88

Note: No deferred Tax Assets recognised during the year 2014 -15 since there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Note 8: Other Long Term Liabilities		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
1	Receipt from National Dairy Development Board	62.41	100.00
3	Security Deposit - Dealership	112.26	96.77
		174.67	196.77

Note:

The Company has received an initial payment of ₹1 crore in 1997-98 from the National Dairy Development Board as contribution for setting up an independent Modern testing Laboratory under the control of State Government. Pending finalisation of the project parameters the amount received was kept in a separate account with Sub. treasury , Chalakudy. The interest received from this account was credited to the Profit and Loss Account. Interest earned by the Company till 22.08.2010 amounts to ₹133.64 Lakh. Government of Kerala vide letter No.43398/AHF2/05 /AD dt 29.07.2010 has directed to keep the amount of ₹ 1 crore in a non - interest bearing treasury account . Accordingly from 23.08.2010 onwards, Company has parked ₹ 1 crore in a non – interest bearing treasury account with Sub treasury Chalakudy. As approved by the Board of Directors of the Company to utilise this fund to purchase a Near Infra Red (NIR) Spectrometer as part of establishing an advanced Feed Analytical Laboratory at Kallettumkara, the Company took up the matter with NDDDB to provide technical specification of the equipment and purchased the same at a cost of ₹ 37.59 Lakh on 08.07.2014.

Note 9: Long Term Provisions

		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
Provision for Employee's benefits			
1	Leave Encashment	76.92	59.00
2	Gratuity	335.35	246.22
3	Half Pay Leave	28.26	18.21
		440.53	323.44

Note: Refer Notes - 3(d) and 31.5

Note 10: Trade Payables

		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
Trade Payables			
a	- for materials	1,967.14	1,621.40
b	- for others	282.10	307.69
		2,249.24	1,929.09

Note: (i) Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2015, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

(ii) During the financial year 2014 -15, as a result of a cyber crime of transmitting an e-mail from a fake e-mail ID of one of the raw material suppliers to the mail ID of the Company intimating a new bank account, an amount of ₹23.89 Lakh was transferred to the said fake bank account. The Company filed a criminal case (Cr.196/2015 U/s.406, 419, 420 of IPC & Section 66(d) of Information Technology Act) with Kodakara Police Station on 20/02/2015. Later the case was transferred to Crime Branch CID, Economic Offence Wing - II, Ernakulam Unit and the investigation is in progress. The said amount is debited to the account of the supplier in the books of accounts of the Company.

Note 11: Other current liabilities		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
1	Current Maturities of long term debt		
	(a) Loan from Government of Kerala	12.50	-
	(b) Loan from NABARD	240.00	117.00
2	Creditors for capital projects	527.36	344.71
3	Advance received from dealers	199.46	591.04
4	Earnest Money Deposit	45.82	30.51
5	Retention Money	243.69	218.06
6	Security Deposit	132.66	104.25
7	BRNS, Dept.of Atomic Energy	4.53	4.53
8	Performance cum motivation allowance payable	115.40	105.85
9	Salary Payable	3.49	15.82
10	Other Liabilities	451.49	402.57
		1,976.39	1,934.33

Note 12: Short term provisions		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
1	Provision for Employee benefits		
	Medical reimbursement to employees	174.67	137.14
	Wage Revision -Employees	62.03	63.43
2	Others		
	Provision for Wealth Tax	0.63	0.46
	Provision for Income Tax (Net of Advance Tax, TDS and MAT of ₹152.00 Lakh (As at March 31, 2014 - ₹60.13 Lakh)	167.13	-
		404.45	201.03

Particulars	Gross Block				Depreciation / Amortisation			Net Block			
	As at 1 April 2014	Additions	Government Grant Apportioned (Refer Note below)	Deletions / Adjustments	As at 31 March 2015	As at 1 April 2014	Eliminated on disposal during the year	For the year	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	As at 31 March 2015	As at 31 March 2014
TANGIBLE ASSETS											
Land	736.80 731.05	- 5.75	-	-	736.80 736.80	-	-	-	-	736.80 736.80	736.80 731.05
Land Development	195.20 195.20	-	-	-	195.20 195.20	-	-	-	-	195.20 195.20	195.20 195.20
Building - Factory	1,419.77 1,402.15	3.35 17.62	-	-	1,423.12 1,419.77	702.51 624.47	-	115.45 78.04	-	817.97 702.51	717.26 777.67
Building - Others	346.43 287.93	7.01 58.50	-	-	353.44 346.43	148.98 138.49	-	9.44 10.49	-	158.42 148.98	197.44 149.43
Electrification	269.20 259.52	5.00 9.68	-	-	274.20 269.20	132.36 110.01	-	76.10 22.35	6.49	214.95 132.36	136.84 149.51
Plant & Machinery	4,733.61 4,711.28	7.43 22.32	-	-	4,741.03 4,733.61	3,203.35 2,798.73	-	620.40 404.62	-	3,823.75 3,203.35	1,530.25 1,912.55
Vehicles	46.58 44.50	22.13 7.57	-	(5.49)	68.71 46.58	20.60 17.20	-	11.07 8.29	-	31.67 20.60	25.98 27.30
Furniture & Fittings	49.31 43.33	5.69 5.98	-	-	55.01 49.31	36.04 32.56	-	4.46 3.48	0.10	40.60 36.04	14.41 13.28
Office & other Equipment	165.02 182.59	8.97 19.34	-	(36.91)	173.99 165.02	76.08 64.15	-	62.42 12.45	14.50	153.00 76.08	21.00 118.44
Lab equipment	70.91 70.51	1.96 0.40	-	-	72.87 70.91	43.46 39.05	-	8.30 4.41	0.13	51.88 43.46	27.45 31.46
Computer & Accessories	121.13 113.25	9.22 7.87	-	-	130.35 121.13	98.71 87.27	-	19.09 12.44	2.54	121.33 98.71	21.42 25.98
Library Books	1.22 1.15	0.07	-	-	1.22 1.22	1.22 1.15	-	0.07	-	1.22 1.22	-
Sub-total	8,155.18	70.76	-	-	8,225.94	4,464.31	-	926.72	23.75	5,414.79	2,811.14
<i>Previous Year</i>	<i>8,042.45</i>	<i>155.13</i>	-	<i>(42.40)</i>	<i>8,155.18</i>	<i>3,913.09</i>	-	<i>(5.42)</i>	<i>556.64</i>	<i>4,464.31</i>	<i>4,129.36</i>
INTANGIBLE ASSET											
Software	55.90 55.90	-	-	-	55.90 55.90	27.28 20.12	-	14.45 7.16	-	41.73 27.28	14.17 28.62
Sub-total	55.90	-	-	-	55.90	27.28	-	14.45	-	41.73	28.62
<i>Previous Year</i>	<i>55.90</i>	-	-	-	<i>55.90</i>	<i>20.12</i>	-	<i>7.16</i>	-	<i>27.28</i>	<i>35.78</i>
Grand Total	8,211.08	70.76	-	-	8,281.83	4,491.59	-	941.18	23.75	5,456.52	2,825.31
<i>Previous Year</i>	<i>8,098.35</i>	<i>155.13</i>	-	<i>(42.40)</i>	<i>8,211.08</i>	<i>3,933.21</i>	-	<i>(5.42)</i>	<i>563.80</i>	<i>4,491.59</i>	<i>3,719.48</i>

Note:
13.1. Government grant related to specific fixed assets are shown as a deduction from the gross value of the asset concerned. This accounting policy is expected to have material effect in later periods by way of savings in depreciation as the cost of concerned fixed assets are reduced to the extent of grant received.

13.2. Cost of Land and Land Development ₹ 932.00 Lakh includes one acre land costing ₹ 8.15 Lakh leased to KSE Board for 90 years wide Leade Deed dated 02/05/2003 for construction of 33 KV Substation at Kallettumkara.

13.3. With effect from 01.04.2014, the depreciation has been provided on the basis of useful life prescribed in Schedule II of Companies Act, 2013. Transitional adjustments of ₹ 23.75 Lakh represents the carrying amount of assets which have no remaining useful life as per Schedule II of Companies Act, 2013 and has been adjusted against the opening block of retained earnings.

13.4. Figures in Italics denotes the corresponding figures in the previous year.

Note 13.5: Capital Work- in progress**(₹ in Lakh)****(₹ in Lakh)**

Particulars		As at 31 March 2015	As at 31 March 2014
1	<u>Cattle Feed Plant - Kozhikode</u>		
a	Towards Land Acquisition & Development	140.30	53.67
b	Towards Plant & Equipments	3,098.00	1,124.51
c	Towards Civil Work	1,592.20	1,019.56
d	Towards Consultancy	219.86	99.57
e	Towards Electrification	328.15	19.72
f	Towards Molasses Tank	65.61	-
g	Towards Fire Protection System	57.37	-
h	Towards Weigh Bridge	15.94	-
i	Towards Interest on Borrowed Capital	51.73	-
2	<u>Cattle Feed Plant - Karunagappally</u>		
a	Towards Civil Work	80.91	-
b	Towards Consultancy	4.55	-

Note 13.5: Capital Work- in progress (contd.)**(₹ in Lakh)****(₹ in Lakh)**

Particulars		As at 31 March 2015	As at 31 March 2014
3	<u>Cattle Feed Plant - Idukki</u>		
a	Towards Civil Work	522.06	-
b	Towards Consultancy	27.69	-
4	<u>Mineral Mixture Plant, Athavandu</u>		
a	Towards Plant & Machinery	0.30	-
b	Towards Consultancy	4.03	-
5	<u>By-Pass Protein feed plant - Kallettumkara</u>		
a	Towards Plant & Machinery	85.86	85.86
		6,294.58	2,402.89

Note 14: Long term Loans and Advances		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
<i>Unsecured - Considered good</i>			
1	Capital Advances	32.40	30.34
2	Deposits	77.21	65.47
3	Other Advances	479.33	369.68
4	Advance to Suppliers	0.09	2.16
5	Advance Tax (Net of Provisions)	-	60.13
6	MAT Credit Entitlement	-	30.09
		589.03	557.87
Less: Provision for bad & doubtful debts		(85.62)	(76.04)
		503.41	481.82

Note 15: Inventories		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
1	Raw Materials	2,004.49	1,965.54
2	Packing Materials	31.24	58.21
3	Chemicals	23.69	34.96
4	Lab Chemicals	3.49	3.48
5	Finished Products	246.56	533.54
6	Stores & Spares	503.73	354.70
7	Furnace Oil & Diesel	19.85	36.85
8	Work in Process	4.53	3.39
9	Used Gunny & PP bags	14.35	14.46
10	Goods in transit	1.08	0.10
		2,853.01	3,005.24

Note: Kindly see Note.3(c) for method of valuation of inventories

Note 16: Trade Receivables		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
Unsecured; Considered good			
1	Dealers - Government	789.44	673.38
2	Dealers - SLBP	1,323.98	711.06
3	Dealers - Dairy Co-ops	2.27	0.07
4	Dealers - Private	1.41	0.96
5	Dealers - Other Trade Debtors	124.87	128.42
Unsecured; Considered doubtful			
1	Dealers - Government	6.74	6.51
2	Dealers - Dairy Co-ops	0.01	0.01
3	Dealers - Private	0.69	-
		2,249.42	1,520.40
Less: Provision for bad & Doubtful debts		(7.44)	(6.52)
		2,241.97	1,513.88
Out of the above debts exceeding			
- More than six months		350.69	101.95
- Others		1,898.73	1,418.45
		2,249.42	1,520.40

Note 17: Cash and cash equivalents		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
1	Cash on hand	15.58	13.35
2	Stamps in hand	-	0.02
3	Bank balances in current accounts		
	- with Scheduled Banks	145.96	146.44
	- with Treasury	-	52.00
4	Short-term Deposits		
	- with Scheduled Banks	1,364.07	494.77
	- with Treasury	-	-
		1,525.61	706.58

Note: Bank Balance in Deposit Accounts with Scheduled Banks ₹1,364.07 Lakh includes ₹392.23 Lakh (Previous Year - ₹133.72 Lakh) held as margin money for Letter of credit and ₹ 29.58 Lakh (Previous Year - ₹28.85 Lakh) against bank guarantees furnished by Banks to Kerala State Electricity Board towards security deposit.

Note 18: Short term Loans and Advances		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
	Unsecured; Considered good		
1	Advance to suppliers	48.23	98.87
2	Other advances	181.49	125.46
3	Prepaid expenses	30.32	37.32
		260.05	261.66

Note 19: Other current assets		(₹ in Lakh)	(₹ in Lakh)
Particulars		As at 31 March 2015	As at 31 March 2014
	Unsecured considered good		
1	Interest receivable	2.12	9.07
2	Others		
	Compliments	2.67	3.02
	Canteen Utensils	0.90	1.18
	Guest House Utensils	-	0.00
	Lab - Glassware	12.60	7.00
	Tools & Equipments	7.83	6.34
	Printing & Stationery Items	3.80	1.72
	Administration & Welfare Items	11.90	9.51
	Promotional Items	0.77	3.51
		42.59	41.34

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Notes forming part of financial statements for the year ended 31.03.2015

Note 20: Revenue from Operations		(₹ in Lakh)	(₹ in Lakh)
Particulars		For the year ended 31 March 2015	For the year ended 31 March 2014
Sales:			
1	Cattle Feed		
	- K.F Ordinary	7,588.86	6,270.29
	- K.F Plus	-	15.75
	- Elite Feed	928.78	1,074.58
	- Rich Feed	31,632.85	30,545.13
2	Mineral Mixture - Keramin	168.69	400.58
3	Rabbit Feed	2.27	3.85
4	Rat Feed	0.02	-
5	Calf Feed	60.77	147.40
6	Goat Feed	56.81	16.67
7	Densified Fodder	0.73	17.40
8	Raw Materials & Others	15.89	9.85
	Sub-Total	40,455.66	38,501.49
Less: Sales Returns			
1	Cattle Feed		
	- K.F Ordinary	9.18	7.26
	- K.F Plus	-	0.34
	- Rich Feed	49.66	48.84
	- Elite Feed	6.48	3.93
2	Calf Starter	1.05	1.37
3	Rabbit Feed	-	0.13
4	Goat Feed	0.29	-
5	Densified Fodder	-	0.25
6	Mineral Mixture	0.32	0.17
7	Raw Materials	-	2.44
	Sub-Total	66.97	64.74
	Net Sales	40,388.68	38,436.75

Note 21: Other Income		(₹ in Lakh)	(₹ in Lakh)
Particulars		For the year ended 31 March 2015	For the year ended 31 March 2014
		-	
1	Interest Income	37.07	27.37
2	Other non-operating Income:		
	Sale of used bags (Net of Stock Differential)	125.15	97.08
	Loading/Unloading Charges - From Vendors & Transporter	856.15	801.27



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Notes forming part of financial statements for the year ended 31.03.2015

Note 21: Other Income (contd.)

(₹ in Lakh)

(₹ in Lakh)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Profit on sale of assets	-	1.95
Assistance from BARC	-	3.58
Amount no longer payable written back	213.85	11.51
Excess Provision W/Back	20.62	0.58
Miscellaneous income	33.98	89.43
Miscellaneous Income -MMP	0.45	0.02
Total	1,287.27	1,032.80

Note 22: Cost of materials consumed

(₹ in Lakh)

(₹ in Lakh)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Cost of Raw Materials, Chemicals & Mineral Salts consumed		
I. Raw Materials		
Opening Stock	1,965.70	1,417.59
Purchase (net of returns)	32,853.98	33,382.18
Add: Transfer from MM Plant	2.07	-
Less: Rebate	(397.94)	(431.07)
Less: Transfer to MM Plant	(1.65)	-
Less: Cost of Raw Materials sold	-	(6.23)
Less: Closing Stock	(2,002.31)	(1,965.70)
Raw Material consumed	32,419.85	32,396.76
II. Mineral salts		
Opening Stock	34.81	80.30
Purchase (net of returns)	47.67	125.69
Add: Transfer from Feed Units	1.65	-
Less: Rebate	(1.74)	(5.36)
Less: Transfer to Feed Units	(2.07)	-
Less: Closing Stock	(25.86)	(34.81)
Mineral Salts consumed	54.45	165.81
III. Cost of Raw Materials Sold	-	6.23
Total of cost of Material Consumed (I+II+III)	32,474.30	32,568.81

Note 23: Purchases of Stock-in-Trade

(₹ in Lakh)

(₹ in Lakh)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Purchase of Cattle Feed	376.78	-
Total	376.78	-



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Notes forming part of financial statements for the year ended 31.03.2015

Note 24: Changes in inventories of finished goods		(₹ in Lakh)	(₹ in Lakh)
Particulars		For the year ended 31 March 2015	For the year ended 31 March 2014
	Opening stock of finished goods	537.03	103.98
	Less: Closing stock of finished goods	(252.18)	(537.03)
	Change in Inventories	284.85	(433.05)

Note 25: Employee benefit expenses		(₹ in Lakh)	(₹ in Lakh)
Particulars		For the year ended 31 March 2015	For the year ended 31 March 2014
1	Salaries & Wages		
	Salary to Production Staff	816.62	739.10
	Salary to Administrative Staff	267.23	249.24
	Salary to Managing Director	9.91	9.95
	Honarium - Chairman	2.13	1.87
	Incentive to staff(Production & Admin)	40.68	28.28
	Performance Cum Motivation Allowance - Production Staff	56.32	52.71
	Performance Allowance - Administrative Staff	19.83	18.32
	Provision for Employee Benefit - Wage Revision	11.70	24.75
	Field Staff Expenses	21.48	19.69
2	Contribution to Provident and other funds		
	Employers Contribution to PF - Production Staff <i>(Including Incidental office Expenses)</i>	78.20	69.17
	Employers Contribution to PF-Casual workers <i>(Including Incidental Office Expenses)</i>	3.74	3.23
	Employer's contribution to PF - Administrative Staff	31.43	28.09
3	Contribution to Employees State Insurance		
	Employers Contribution to ESI - Production Staff	5.89	7.26
	Employers Contribution to ESI-Casual workers	1.40	1.52
	Employers contribution to ESI - Administrative Staff	3.80	2.58
4	Leave Salary		
	Leave Salary - Managing Director	1.01	-
	Provision for Leave Encashment	54.30	44.00
5	Gratuity	71.30	37.85
6	Staff Welfare Expenses		
	Employer's contribution to labour welfare fund	0.03	0.03
	Staff - Administration and Welfare expenses	100.23	125.31

KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of financial statements for the year ended 31.03.2015

Note 25: Employee benefit expenses

(₹ in Lakh)

(₹ in Lakh)

	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	Provision for Medical reimbursement - Employees	75.02	63.63
	Medical Expenses	1.98	3.76
	Staff Training Expenses	1.03	2.95
	Uniform	0.11	0.97
	Telephone Rent -Reimbursement	0.09	0.09
	Reimbursement of Fees-Higher Studies	-	0.75
	LIC - Group Insurance premium	4.96	2.02
	Income Tax paid for employees	0.37	0.44
	Provision - Half Pay Leave	37.49	5.63
	Contribution - Employees Welfare Fund	2.40	2.42
	Employee benefit expenses - Production Staff - MMP	1.63	1.80
	Employee benefit expenses -Administration Staff - MMP	1.37	1.58
	Staff - Administration and Welfare expenses-MMP	0.41	-
7	Wages, Incentives & Bonus - Head Load Workers		
	Wages - Head Load Workers	548.55	639.35
	Performance Cum Motivation Allowance - Head Load Workers	39.17	34.78
	Holiday wages - Head Load Workers	23.25	17.15
	Contribution to Provident Fund - Head Load Workers	74.83	67.59
	Contribution to ESI- Head Load Workers	12.02	9.94
	Welfare Expenses - Head Load Workers	116.78	79.06
	Total	2,538.66	2,396.84

Note 26: Finance Costs

(₹ in Lakh)

(₹ in Lakh)

	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	Interest Expense	78.00	81.60
	Total	78.00	81.60

Note 27: Depreciation and amortisation expenses

(₹ in Lakh)

(₹ in Lakh)

	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	Depreciation of Tangible Assets (Refer Note 13)	926.72	556.64
	Amortisation on Intangible Assets (Refer Note 13)	14.45	7.16
		941.18	563.80
	Less: Prior period amortisation (Refer Note 29)	(3.27)	-
	Total	937.90	563.80



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of financial statements for the year ended 31.03.2015

Note 28: Other Expenses

(₹ in Lakh)

(₹ in Lakh)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
I. Manufacturing		
Stores, spares & fuel consumed	460.65	507.64
Electricity charges	368.11	360.40
Carriage Inwards	10.62	22.73
Repairs & Maintenance-Plant	44.64	48.25
Unloading Charges	0.66	0.46
Analysis Charges - Plant	0.34	0.29
Clearing Charges	2.58	1.55
Packing material consumed	940.57	914.59
Packing material consumed -MMP	6.29	15.26
Cleaning Expenses	71.89	48.85
Processing Charges -- Kanjikode	282.42	167.28
Repairs & Maintenance-Factory building	0.05	-
Stacking charges-Karunagappally	47.15	38.14
E-Tender Processing Charges	2.70	2.42
Raw Material dumping Expenses	55.50	53.25
Manufacturing Expenses - MMP	5.89	13.44
Bundling Charges	31.68	32.11
Fumigation Charges	4.12	3.32
Halting Charges	3.01	3.15
Demurage Charges	22.86	57.18
Lab Expenses	7.05	5.68
Consumption of Lab Glass Wares	10.01	13.18
Consumption of Tools & Equipments	0.88	0.66
Total of Manufacturing Expenses	2,379.63	2,309.82
II. Administration		
Annual General meeting expenses	0.58	0.77
Bank Charges	2.17	0.90
Board Meeting expenses	0.91	1.12
Sitting Fee to Directors	0.31	0.34
Books & Periodicals	0.99	0.62
Conveyance	0.70	1.45
Guest House expenses	1.16	0.68
Entertainment expenses	1.25	1.18
Filing Fee	0.44	0.22
Inauguration Expenses	-	11.26
Insurance	21.73	20.17
Internal Audit Fee	4.50	3.30
Legal & Professional fee	14.00	7.65
Interest on additional Compensation - Land Acquisition	-	3.20
Miscellaneous Expenses	0.12	0.25
Notification & Tenders	11.41	10.22
Office expenses	3.53	2.49
Postage & Telegram	2.89	3.25
Printing & Stationary	4.98	13.28
Rates & Taxes	8.78	8.84
Security expenses	96.21	92.31
Staff Recruitment Expenses	0.23	1.42
Sales Tax Paid	(0.00)	0.09
Repairs & Maintenance	28.19	16.51
Repairs & Maintenance - Building others	0.42	-



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Notes forming part of financial statements for the year ended 31.03.2015

Note 28: Other Expenses (contd.)

(₹ in Lakh)

(₹ in Lakh)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Service Tax paid	0.91	1.77
ISO - Audit fee & Expenses	0.45	0.89
Travelling Expenses		
Directors	0.86	0.72
Managing Director	-	2.89
Employees	11.78	9.73
Others	0.37	0.28
Hiring of vehicle	2.06	2.85
Telephone Charges	5.33	5.47
Vehicle Fuel & Maintenance	14.19	13.60
Social Welfare Expenses	0.42	0.33
Garden Maintenance expenses	9.07	8.08
Statutory Audit Fee	1.77	1.77
Income Tax Audit Fee	0.12	0.12
VAT Audit fees	0.12	0.12
Audit Expenses	-	0.06
Cost compliance reporting fee	-	0.59
Canteen Utensils Consumed	0.31	0.29
Guest House & Qtrs Utensils consumed	0.00	0.01
Audit Committee expenses	0.01	0.05
ERP - Licence Renewal Fee	6.18	5.13
Administration Expenses M M P	5.96	7.02
Onam Celebration Expenses	6.31	6.55
Welfare Day Expenses	1.30	1.17
Membership fee	0.39	-
Provision for Bad & Doubtful Debts	10.50	0.32
Project Expenses	56.38	21.25
Interest - Statutory dues	0.17	0.73
PF - Aditonal Levy	0.28	0.00
Broad Band rental charges	6.32	7.80
Research Expenses- BARC Project	-	3.58
Wealth Tax	0.63	0.46
Income Tax Paid	0.06	0.30
Total of Administration Expenses	347.76	305.49



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Notes forming part of financial statements for the year ended 31.03.2015

Note 28: Other Expenses (contd.)

(₹ in Lakh)

(₹ in Lakh)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
III. Marketing, Selling & Distribution		
Freight	1,493.43	1,158.03
Carriage outward	154.01	146.82
Rent Regional Office	4.01	1.91
Bank Charge reimbursed to dealers	8.90	7.64
Ordinary Discount	187.00	158.00
Advertisement & Publicity Expenses	90.85	87.90
Other Selling & Distribution expenses	50.78	67.41
Commission	19.87	19.16
Storage Charges	6.57	-
Selling & Distribution expenses-MMP	4.52	9.70
Total of Marketing, Selling & Distribution Expenses	2,019.95	1,656.58
Total of Other Expenses (I+II+III)	4,747.35	4,271.89

Note 29: Prior Period adjustments

(₹ in Lakh)

(₹ in Lakh)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
1 Expense		
Kerala State Pollution control Board - Consent fee	-	4.25
Personnel Expenses - Prior Year	-	0.33
Depreciation	3.27	0.25
Bus Stop Sign Board expenses	1.68	-
Other Prior period expenses	-	0.46
	4.96	5.29
2 Income		
Excess Depreciation	-	0.26
Other Prior Period Credits	0.40	-
	0.40	0.26
Net	(4.56)	(5.03)

KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of financial statements for the year ended 31.03.2015

30 Earnings per share

(₹ in Lakh)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Basic		
Profit for the year attributable to the equity shareholders	(85.59)	14.63
Weighted average number of equity shares	27,405	27,405
Par value per share	10,000.00	10,000.00
Earnings per share - Basic	(312.30)	53.38
Diluted		
Profit for the year attributable to the equity shareholders	-86	14.63
Weighted average number of equity shares for Basic EPS	38,655	38,655
Par value per share	10,000.00	10,000.00
Earnings per share - Diluted	(221.41)	37.84

31 Additional Information to the financial statements

31.1 Most of the sundry debtors, deposits, other advances, sundry creditors and security deposits received are subject to confirmation.

31.2 In the opinion of Directors, current assets, loans and advances have the value at which they are stated in the Balance Sheet if realised in the ordinary course of business.

31.3 Provision is made in the accounts for trade receivables and loans & advances which in the opinion of the management are considered doubtful of recovery. The Company is consistently following the practice of creating provisions for those trade receivables and loans & advances which remain outstanding for more than three years and doubtful of recovery. Similarly, in the case of Current liabilities which are undisputed, unclaimed and pending for more than three years and remain no longer payable, the same is written back to the Profit & Loss Account on a consistent basis. Similarly in the case of cheques issued to parties but not presented by them and consequently becoming stale and no longer payable, the same is written back to Profit & Loss Account in the succeeding financial year.

31.4 Details of remuneration paid to the Managing Director.

(₹ in Lakh)

Particulars	As at 31 March 2015	As at 31 March 2014
Basic	3.96	5.74
DA (including Arrears)	5.64	3.73
Leave Salary	1.01	-
Other Allowances	0.24	0.37
Sales Incentive	0.08	0.11
Total	10.93	9.95



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Notes forming part of financial statements for the year ended 31.03.2015

31.5 Disclosure required under Accounting Standard 15 "Employee Benefits" (Revised 2005).

I. Defined Contribution Plans

During the year the following amounts have been recognised in the Profit and Loss Account on account of defined contribution plans.

(₹ in Lakh)

Particulars	2014 - 15	2013 - 14
Employer's contribution to Provident Fund	186.61	169.57
Employer's contribution to Employees State Insurance Fund	23.46	21.85

II. Defined Benefit Plan\Other Long Term Benefits

(i) Actuarial Assumptions

Particulars	Gratuity	Compensated Absences (Earned Leave)	Compensatory Absences (Half Pay Leave)
	(Funded)	(Non - Funded)	(Non - Funded)
Discount Rate (per annum)	8%	8%	8%
Expected rate of return on plan assets	8%	-	-
Salary Escalation Rate*	5%	5%	5%
Mortality Rate	Indian Assured lives Mortality	Indian Assured lives Mortality	Indian Assured lives Mortality
	(2006-08) Ultimate Table	(2006-08) Ultimate Table	(2006-08) Ultimate Table

*The assumption of future salary increases takes in to account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

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Notes forming part of financial statements for the year ended 31.03.2015

(ii) Reconciliation of Present value of obligations:

(₹ in Lakh)

Particulars	Gratuity		Earned leave		Half pay leave	
	14-15	13-14	14-15	13-14	14-15	13-14
PV of obligations at the beginning of the year	246.22	191.02	59.00	48.11	18.21	12.59
Interest cost	19.70	16.06	4.72	5.26	1.09	1.51
Current Service cost	25.19	19.55	34.71	35.21	8.16	12.49
Past Service Cost (vested)	-	-	-	-	-	-
Actuarial Loss/(Gain)	49.01	21.09	14.87	3.53	28.24	(8.37)
Benefits Paid	(4.77)	(1.51)	(36.38)	(33.11)	(27.44)	-
PV of obligations at the end of the year	335.35	246.22	76.92	59.00	28.26	18.21

(iii) Reconciliation of Fair Value(FV) of Plan Assets-Gratuity plan:

(₹ in Lakh)

Particulars	Gratuity		Earned leave		Half pay leave	
	14-15	13-14	14-15	13-14	14-15	13-14
Fair Value of Plan Assets at the beginning of the year	252.89	222.56	-	-	-	-
Expected Return on Plan Assets	23.38	17.80	-	-	-	-
Contributions	18.68	11.80	-	-	-	-
Actuarial Gain/(Loss)	0.53	2.23	-	-	-	-
Benefits Paid	(4.77)	(1.51)	-	-	-	-
Fair Value of Plan Assets at the end of the year	290.71	252.89	-	-	-	-

(iv) Description of plan assets-Gratuity Plan:

(₹ in Lakh)

Particulars	Gratuity		Earned leave		Half pay leave	
	14-15	13-14	14-15	13-14	14-15	13-14
Insurer Managed Assets	290.71	252.89	-	-	-	-

(v) Net Asset\Liability recognised in the Balance Sheet as at the year end:

(₹ in Lakh)

Particulars	Gratuity		Earned leave		Half pay leave	
	14-15	13-14	14-15	13-14	14-15	13-14
PV of obligations at the end of the Year	335.35	246.22	76.92	59.00	28.26	18.21
Fair Value of Plan Assets	290.71	252.89	-	-	-	-
Closing Net Liability/(Asset)	44.64	(6.66)	76.92	59.00	28.26	18.21
Amount not recognised		-		-		-
Net Liability/(Asset) recognised in the Balance sheet	44.64	(6.66)	76.92	59.00	28.26	18.21

(vi) Expenses recognised in the Profit and Loss Account

(₹ in Lakh)

Particulars	Gratuity		Earned leave		Half pay leave	
	14-15	13-14	14-15	13-14	14-15	13-14
Current service cost	25.19	19.55	8.83	35.21	8.16	12.49
Past service cost	-	-	-	-	-	-
Interest cost	19.70	16.06	4.72	5.26	1.09	1.51
Expected return on plan assets	(23.39)	(17.80)		-	-	-
Curtailement Cost/(Credit)	-	-		-	-	-
Settlement Cost/(Credit)	-	-		-	-	-
Net actuarial Loss/(Gain)	48.47	18.86	1.65	3.53	0.80	(8.37)
Expense recognised in Profit and Loss Account	69.97	36.68	15.20	44.00	10.05	5.63

Note:

1. The above details are based on information certified by the independent actuary and relied on by the auditors.
2. In addition to the above, amount debited to Profit & Loss Account in the case of Gratuity includes administration charges levied by LIC ₹ 1.32 Lakh (Previous Year - ₹ 1.17 Lakh).

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Notes forming part of financial statements for the year ended 31.03.2015

31.6 Details of amount paid to Auditors

(₹ in Lakh)

Particulars	2014-15	2013-14
(a) Statutory Auditor		
(i) As Auditor	1.00	1.00
(ii) Travelling Expenses	0.30	0.30
(iii) For out of pocket expenses	0.20	0.20
(iv) Service Tax	0.27	0.27
(b) Tax Auditor		
(i) For Income Tax Audit	0.12	0.12
(ii) Monthly Retainership Fee	0.37	0.40
(iii) Other Matters	-	-
(c) VAT Auditor		
(i) For VAT Audit	0.12	0.12
(ii) Monthly Retainership Fee	0.54	0.54
(iii) Other Matters	-	0.24

31.7 Contingent Liabilities and Commitments (to the extent not provided for in the accounts)

(i) Claims against the company not acknowledged as debt and not provided for, but to the extent ascertainable:

(₹ in Lakh)

Particulars	2014-15	2013-14
Employees State Insurance (ESI)	3.39	3.39
Employees Provident Fund (EPF)	117.65	117.65
Claim for arrear on Overtime Wages	160.00	160.00
Enhanced Compensation Claim – Land Acquisition - Karunagappally	722.77	669.29
Income Tax	78.58	77.79
Service Tax	127.24	111.72
Customs Duty	87.67	65.42
Arbitral award challenged	210.25	-
Total	1,507.55	1,205.26

(ii) Bank Guarantees:

(₹ in Lakh)

Particulars	2014-15	2013-14
Bank Guarantees in favour of KSEB	23.66	23.66
Total	23.66	23.66

(iii) Estimated amount of contracts remaining to be executed on Capital account and not provided for:

(₹ in Lakh)

Particulars	2014-15	2013-14
Estimated amount of contracts remaining to be executed on Capital account and not provided for:	6,217.02	2,725.64
Total	6,217.02	2,725.64



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Notes forming part of financial statements for the year ended 31.03.2015

31.8 Details in respect of claims against the Company not acknowledged as debts disclosed under Note No.31.7 and other contingent liabilities are stated below.

- (i) The Company is in receipt of an intimation dt 21.01.2011 from the Assistant\Deputy Director, Employees State Insurance Corporation, Thrissur in respect of certain wage elements relating to the years 1998-99 to 2003-04 and ordered to pay an amount of ₹ 4.58 Lakhs (₹7.08 Lakhs as reduced by ₹ 2.50 Lakhs already paid by the Company) as balance contribution. The Company has disputed this claim and has filed affidavit before the Employees Insurance Court (IC No.48 of 2016) and has deposited an amount of ₹ 1.20 Lakhs as directed by the Court. IC No.48 of 2016 is pending before the court for a final decision. As per Company's estimation the amounts remitted are sufficient to cover the liability and as such no provision is required in the books of accounts. Estimated liability, if any, on account of levying of interest can not be ascertained and hence not provided for.
- (ii) The Assistant PF Commissioner and Recovery Officer vide order dt 16.01.2015 u/s.8F of the EPF Act,1952 recovered an amount of ` 34.67 Lakhs from the Company being the PF liability on certain omitted wages of contract employees relating to the period January,2006 to August,2010. The Company filed writ appeal (WA No.373/2015) before the Hon'ble High Court and vide Judgement dt 13.06.2018 it was held that the attached amount shall be retained by EPFO till a final adjudication is made. Vide Proceedings No.KR/KC/15984A/Enf - IV(6) /2018/2122 dt 28th February,2019, the Regional Provident Fund Commissioner after reviewing the case ordered to refund the amount of `34.67 Lakhs to Kerala Feeds Limited. Also, The Regional Provident Fund Commissioner, vide order dt 6.5.2015 u/s 7A of the EPF Act,1952 had ordered to remit an amount of ` 82.98 Lakhs- as PF liability on certain omitted wages of contract employees relating to the period Septemebr,2010 to August,2012. The company has not acknowledged the claim and preferred appeal before the EPF appellate tribunal (EPFAT) (Appeal No ATA 562) and the matter is pending for a final decision.
- (iii) The Industrial Tribunal, Palakkad issued an award dated 16.1.2012 to grant arrears of overtime wages to workmen category of employees pursuant to Long term settlement of revision in wages. The expected commitment on this account is ₹ 1,60,00,000/-. The Company has not acknowledged this claim and obtained a stay order from the Hon High Court on 12.4.2012. The High Court granted an interim order staying the operation and implementation of the award by the Industrial Tribunal, Palakkad.
- (iv) In respect of the land acquired for the 300 TPD Cattle Feed Plant at Karunagappally, some of the parties have filed suits claiming additional compensation. The Order of Sub court ,Kollam for enhanced compensation is challenged by the Company before the Hon'ble High Court and the matter is pending for a final decision. Total commitment on account of the order of Sub Court, Kollam including interest upto 31.3.2015 amount to Rs.722.77 Lakhs. The claim is not acknowledged as debt by the Company and hence not provided for.
- (v) Income Tax Department has disallowed expenditure claimed in Profit & Loss Account relating to Gratuity and Leave salary relating to the assessment years 2005 -06, 2007 -08 and 2012 -13 amounting to 77.79 lakhs and towards short deduction of TDS for the assessment year 2015-16 amounting to Rs.0.79 lakhs against which Company has preferred appeal/rectification request before the concerned authorities. The claimed amount ₹ 78.58 Lakhs is not acknowledged as debt by the Company and hence not provided for.
- (vi) Against the demand for service Tax on Goods Transport Agency as service recipient for the contract of clearing and forwarding of raw materials from rail heads relating to the period February 2005 to March 2015, the Company has remitted ₹ 127.24 Lakhs under protest and preferred appeal before Hon'ble High Court and CESTAT which is pending for a final decision. The claimed amount is not acknowledged as debt by the Company and hence not provided for.
- (vii) In respect of the Work of Design, supply, fabrication and erection of 300 TPD Cattle Feed Plant at Karunagappally awarded to M/s. Shriram EPC, since the work got delayed, the Company levied an amount of ₹ 181.96 Lakhs from the contractor in the year 2014 -15 against which the party opted for arbitration in March,2016. The arbitral award pronounced on 18.04.2017, directed the Company to pay an amount of ₹ 175.62 Lakhs together with interest to the contractor. The arbitral award has been challenged by the Company before Sub Cort, Thrissur and the Court has granted stay against arbitral award. The claim is not acknowledged as debt by the Company and hence not provided for.



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Notes forming part of financial statements for the year ended 31.03.2015

- (viii) In respect of the Import of machinery spares for the pellet mill, the Company has disputed the demand of customs duty charged by the customs authorities to the extent of 87.67 lakhs and has preferred refund claims which is pending before various Appellate Authorities. The amount paid under protest as on 31.03.2015 amount to ₹ 88.36 Lakhs.
- (ix) As per the Work order No.CFPP/19/94/141 dt 21.11.95 issued to M/s. TTG Industries Ltd , for design, procurement, supply, fabrication, erection, testing and commissioning of 500 TPD cattle feed plant, sales tax on works contract is not included in the total contract price and if applicable shall be paid extra by the Company. Sales tax authorities under KGST Act have issued notice to M/s. TTG Industries Ltd imposing ₹ 90.74 Lakhs as total sales tax due including penalty payable against which the said company have obtained an appellate order to remand back the original order to the assessing officer and to verify the original lorry receipts to ascertain whether the goods sold to Kerala Feeds Limited is transferred from outside State of Kerala in accordance with the principles under section 3 and 4 of the CST Act. Subsequently the assessing officer completed the assessment under KGST Act as per SRO 1728\93 at the concessional rate of 3% imposing an amount of ₹ 30.15 Lakhs on TTG Industries Ltd as the balance liability payable including the interest. Since the re-assessment order from the assessing officer is found to be neither in line with the clarification given in letter No.27905/B1/2001/TD dated 04/04/02 of Government of Kerala, nor, in line with the direction given in the appellate order issued by the Appellate Assistant Commissioner, Thrissur, the Company has not made any payment towards these claims and the matter is pending for final settlement. Estimated amount of liability in this respect if any, on the company is not ascertainable at this stage.

The Government vide letter no.49418\AHF2\04\AD dt 12.6.2006 had informed that as per agreement the awarder has to reimburse the tax due paid by the Contractor under KGST Act. The Company has not received any reimbursement claim from the contractor to this regard till date.

- (x) Liability, if any, in respect of the interest income credited to Profit & Loss Account generated out of ₹ 1 crore received from NDDB as grant which has been deposited with Sub Treasury, Chalakudy by the Company is not ascertainable at this stage (For nature of grant refer Note no. 8 above) .

31.9 Maximum balance outstanding at any time during the year with various treasury accounts are (₹ in Lakh)

Account Details	2014-15	2013 -14
Special Treasury A/c No. 723041400000019	1,502.00	-
Sub Treasury A/c. No.TSP 1474		1,152.00

31.10 (i). The Income Tax assessments up to and including the assessment year 2012 - 13 has been completed.

(ii) Details of Provision for Income Tax (Net of Advance Tax, TDS and MAT Credit availed) shown in Note 12 - Short term provisions

Particulars	Amount	Net Amount
Tax Deducted at Source		
Assessment Year - 2007-08	12.82	
Assessment year - 2008 -09	17.98	
Assessment Year - 2009-10	4.32	
Assessment Year - 2010 -11	1.51	
Assessment Year - 2013 - 14	18.57	
Assessment Year - 2014 - 15	4.92	
Assessment Year - 2015 -16	5.79	65.91
Advance Tax		
Assessment Year – 2015 -16	56.00	56.00
MAT Credit Availed		
		30.09
Less: Provision for Income Tax		
Assessment Year – 2015 -16		319.13
		(167.13)



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Notes forming part of financial statements for the year ended 31.03.2015

31.11 During the year the Company has charged off ₹1.19 Lakhs (Previous year ₹14.14 Lakhs) being the cumulative total of canteen utensils, guest house utensils, tools & equipment and lab glassware consumed. In the case of canteen utensils and guest house utensils, Company is consistently charging off a portion of previous years purchases in the current year, the percentage being 20% in the case of canteen utensils and 25% in the case of Guest house utensils. In the case of Tools and equipments an amount @13.91% of the balance remaining at the beginning of the year is charged off consistently every year. Value of lab glassware consumed for each year is arrived at the year end and the same is consistently charged off to the revenue.

31.12 . "Other advances" shown under "Long term Loans & Advances" (Note – 14) includes ₹8.99 Lakhs being the Service Tax paid by the Company under protest. The Company has preferred an appeal before the Commissioner of Central Excise (Appeals) which is pending before the Appellate Authority.

31.13 Related Party Disclosure

(a) Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel	Dr.Ani S Das-Managing Director (Up to 05.11.2014)
	Dr.S.Chandrankutty - Managing Director (Up to 17.12.2014)
	Sri.K.Venugopal - Managing Director

	(₹ in Lakh)	
Transactions with Related Parties	2014-15	2013-14
<u>Salary</u>		
Dr.S.Chandrankutty	0.03	0.00
Dr. Ani S Das	10.90	9.95
<u>Reimbursement of Travelling Expenses</u>		
Sri.K.V.Venugopal	0.28	0.00
Dr. Ani S Das	2.53	2.89
<u>Hire charges of vehicle for Official use.</u>		
Dr. Ani S Das	0.34	1.02

31.14 Details of expenditure incurred by the Company towards loading and unloading activities and details of amount collected from material suppliers and transporters towards unloading & Loading charges at various units are given below.

	(₹ in Lakh)
Details of expenditure incurred towards Loading& Unloading	Amount
Wages to Head Load Workers	548.55
Performance Cum Motivation Allowance	39.17
Holiday Wages	23.25
Contribution to Provident Fund	74.83
Contribution to ESI	12.02
Welfare Expenses – Head Load Workers	116.78
Total – Shown under Employee Benefit Expenses (Note No.25)	814.60
	(₹ in Lakh)
Details of Amount collected from Material suppliers and Transporter towards Unloading & Loading	Amount
Loading Charges collected from Transporter	416.23
Unloading Charges collected from Material suppliers	439.92
Total – Shown under Other Income (Note No. 21)	856.15

KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of financial statements for the year ended 31.03.2015

- 31.15 In respect of the festival allowance @ ₹ 1,000/- paid to employees amounting to ₹ 1.48 Lakhs relating to the year 2003-04 and ₹ 1.54 Lakhs relating to the year 2006-07, the same are shown as 'Other Advances' under 'Long Term Loans & Advances' (Note – 14) pending approval from Government.
- 31.16 In respect of the Import of machinery spares for the pellet mill, the Company has disputed the levy of customs duty charged by the customs authorities excessive to the extent of ₹ 66.12 Lakhs (Previous year - ₹51.44 Lakhs) which is shown as 'Other Advances' under 'Long Term Loans & Advances' (Note – 14) and has preferred refund claim which is pending before various Appellate Authorities , year wise details of which are given below.

(₹ in Lakh)

Year	Amount of excess Customs Duty charged	Status
2002 -03	1.48	Remanded back to Original Assessing Authority
2003 -04	2.36	₹1.01 Lakhs remanded back to Original Assessing Authority, ₹ 1.35 Lakhs Pending before Dy.Commissioner (Refunds)
2004-05	5.21	₹ 5.04 Lakhs remanded back to Original Assessing Authority, and ₹0.17 Lakhs pending before CESTAT Division Bench
2005-06	0.85	Remanded back to Original Assessing authority
2006-07	12.18	Remanded back to Original Assessing authority
2007-08	4.43	Pending before CESTAT Division Bench
2008-09	12.05	Pending before CESTAT Division Bench
2009-10	0.85	Pending before CESTAT Division Bench
2011-12	4.44	Pending before CESTAT Division Bench
2012 -13	7.59	Pending before CESTAT Division Bench
2013 -14	14.68	₹7.67 Lakhs pending before CESTAT and in the case of ₹7.01 Lakhs refund received on 07.01.2016.
2014-15	22.24	₹1.11 Lakhs pending before CESTAT and in the case of ₹21.13 Lakhs refund received on 07.01.2016.

- 31.17 Pursuant to the recommendation of Board of Research in Nuclear Sciences (BRNS), Department of Atomic Energy, approval has been obtained from Baba Atomic Research Centre (BARC), Trombay for collaborative research in "Economical exploitation of cashew apple and its product as cattle feed and production of bio -fuel" with the Plantation Corporation of Kerala Limited. Accordingly BARC has agreed for supporting financial assistance for this project for four years from 2010 -11 to 2013 - 14 for a total grant of ₹ 26.18 Lakhs. Till 31.3.2015, Company has received an amount of ₹ 24.91 Lakhs as grant and the amount expended till 31.3.2015 amounts to ₹ 20.38 Lakhs. Balance remaining in the fund as on 31.3.2015 amount to ₹ 4.53 Lakhs and the same is shown under Other Current Liabilities (Note - 11).The Company has recognised the grants received in the Profit and Loss Account to the extent of amount expended and are shown under 'Other Income' in Note - 21. Details are given below.

(₹ in Lakh)

Particulars	2014-15	2013-14
Unutilised portion of grant as at the beginning of the year shown under 'Current Liabilities'	4.53	3.05
Add: Assistance received during the year	0.00	5.06
Total	4.53	8.11
Amount recognised and shown under 'Other Income' to the extent expended	0.00	3.58
Unutilised portion of grant as at the year end shown under 'Current Liabilities'	4.53	4.53



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of financial statements for the year ended 31.03.2015

- 31.18 Other Advances shown in Note - 14 (Long term Loans and Advances) includes amount paid to KITCO (During 2007 – 08) being the initial consultancy fee towards the following projects which have been decided to taken up at a later stage.

	(₹ in Lakh)	
Particulars	2013 - 14	2012 - 13
Consultancy Fee – Extension of Administrative Block, Kallettumkara	1.23	1.23

31.19 Movement of Provisions

(i). Provision for Bad and Doubtful Debts

	(₹ in Lakh)	
Particulars	2014-15	2013-14
Opening Balance	82.56	82.82
Add: Provision during the year	10.98	0.32
Less: Bad debts written off	0.00	0.00
Less: Amount Realised	0.48	0.58
Closing Balance	87.93	82.56

- 31.20 Increase in DA pursuant to revision of dearness allowance by Government from time to time relating to the year 2014-15 is included in the respective salaries of Production Staff, Administration Staff and Managing Director.
- 31.21 Advance to suppliers shown under Long term Loans & Advances (Note – 14) includes ₹ 2.16 Lakhs due from Milma on account of supply of 50.43 Mt of molasses to them on loan basis during 2007 -08.
- 31.22 As per the Medical Reimbursement Scheme existing in the Company, for those employees who are not covered by the ESI Act, they are eligible in a calendar year for medical claim equivalent to one and a half month's salary (Basic + DA). Medi claim insurance premium payable for the employees shall be met from this claim and balance shall be allowed to be claimed against production of actual bills. The unutilised amount of each year are being carried forward and accumulated for future years.
- 31.23 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 31.24 There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- 31.25 Figures for the previous year have been regrouped and recast wherever necessary to suit current years layout.



KERALA FEEDS LIMITED

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Notes forming part of financial statements for the year ended 31.03.2015

31.26 Particulars in respect of stock and turnover

(₹ in Lakh)

Class of goods manufactured	Opening		Closing		Sales	
	Qty in MT	Value	Qty in MT	Value	Qty in MT	Value
Kerala Feeds Ordinary	153.00 (158.80)	24.07 (22.07)	504.00 (153.00)	77.82 (24.07)	41,926.10 (36,841.55)	7,579.68 (6,263.03)
Kerala Feeds Plus	- (47.30)	- (6.58)	-	-	- (92.40)	- (15.41)
Kerala Feeds Elite	150.20 (109.80)	24.25 (15.28)	22.60 (150.20)	3.48 (24.25)	4,721.30 (5,713.85)	922.31 (1,070.65)
Kerala Feeds Rich	2,994.15 (254.60)	471.99 (35.38)	981.05 (2,994.15)	151.20 (471.99)	1,88,287.60 (1,81,630.25)	31,583.18 (30,496.28)
Rat Feed	- -	- -	0.23 -	0.04 -	0.07 -	0.02 -
Keramin	28.97 (41.86)	11.91 (16.48)	20.25 (28.97)	15.04 (11.91)	179.66 (495.89)	168.37 (400.41)
Calf Feed	6.05 (43.70)	0.92 (6.07)	2.30 (6.05)	0.34 (0.92)	285.05 (692.89)	59.72 (146.03)
Densified Fodder Block	- (1.96)	- (0.39)	0.31 -	0.07 -	3.31 (72.94)	0.73 (17.15)
Rabbit Feed	0.50 (0.81)	0.08 (0.11)	2.25 (0.50)	0.35 (0.08)	9.67 (17.34)	2.27 (3.72)
Goat Feed	0.18 -	0.03 -	28.22 (0.18)	4.46 (0.03)	283.60 (84.55)	56.51 (16.67)
Total	3,333.05 (658.83)	533.25 (102.36)	1,561.21 (3,333.05)	252.79 (533.25)	2,35,696.36 (2,25,641.66)	40,372.79 (38,429.35)

Note:

- 1 Figures in brackets represent the figures for previous year
- 2 Out of 418.62 (735.062 Mt) of feed, 168.18 MT (474.6 Mt) has been recycled during the year and balance 250.44 MT(260.462 Mt) of feed represents spoilage/damaged feed.
- 3 As part of Sales Promotion, KF Elite 2.5 Mt(0.100 Mt), KF Rich 92.25 Mt(0.100 Mt), Keramin 0.6 Mt(0.075 MT), Densified Fodder Block 3.31 Mt(0.052 Mt), Goat Feed 1.8 Mt (0.125 Mt) and Rabbit Feed 0.103 Mt(0.052 Mt) were given as samples during various Ksheerolsavams.
- 4 0.284 Mt (0.139 Mt) of Keramin has been recycled and spoilage and damaged items is Nil for the year (0.053
- 5 Rabbit Feed recycled during the year is Nil for the Year (1.089 Mt) and spoilage/damaged feed for the year is NIL (1.073 MT).
- 6 Out of 13.15 Mt (12.615 Mt) of Calf Feed,12.505 Mt (7.500 Mt) has been recycled and 0.645 Mt (5.115 Mt) represents spoilage/damaged items..
- 7 Out of 4.125 Mt (0.195 MT) of Goat Feed,3.065 Mt (0.120 Mt) has been recycled and 1.06 Mt (0.075 Mt) has been disposed off during the year as spoilage/damaged items
- 8 1.456 (5.485 MT) of Densified Fodder Block has been disposed off during the year as spoilage/damaged items



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of financial statements for the year ended 31.03.2015

31.27 Consumption of Raw Material

(₹ in Lakh)

Particulars	2014 -15		2013 -14	
	Qty in MT	Value	Qty in Mt	Value
1. Imported	-	-	-	-
2. Indigenous (100%)				
(a) Rice Bran	104,887.10	13,007.37	101,133.22	13,292.81
(b) Maize	47,996.05	6,759.09	42,792.09	6,444.45
(c) Coconut Meal	28,394.64	3,005.28	14,435.86	2,783.93
(d) Rice Polish	18,431.99	3,281.61	18,594.78	3,362.30
(e) Calcite Powder	10,883.75	236.96	6,419.62	214.86
(f) Cotton seed extractions	23,382.09	2,952.78	14,022.65	2,706.08
(g) Ground nut extractions	2,110.80	691.83	1,477.73	456.74
(h) Jower	1,449.66	211.04	3,743.20	572.52
(i) Molasses	15,343.66	940.60	11,497.28	909.99
(j) Rape Seed Extractions	6,991.03	1,290.55	7,282.13	1,349.91
(k) Soyabean Meal	162.16	56.86	125.44	44.49
(i) Others (Salt, TSP etc)	7,498.78	400.30	10,391.80	782.89
Total	267,531.71	32,834.27	231,915.80	32,920.97

Consumption of Mineral Salts

(₹ in Lakh)

Particulars	2014 -15		2013 -14	
	Qty in MT	Value	Qty in Mt	Value
1. Imported	-	-	-	-
2. Indigenous (100%)				
(a) Di Calcium Phosphate	115.39	38.68	323.59	126.14
(b) Calcite Powder	22.44	0.80	69.62	2.67
(c) Magnesium Oxide	19.46	5.98	44.82	12.75
(d) Sodium Thio Sulphate	4.60	1.50	18.98	5.74
(e) Ferrous Sulphate	5.51	1.35	6.31	1.58
(f) Copper Sulphate	1.57	1.90	1.88	2.27
(g) Manganese Sulphate	0.86	0.30	1.90	0.67
(h) Cobalt Sulphate	0.40	2.22	0.42	1.75
(i) Potassium Iodide	0.08	1.94	0.19	4.61
(j) Others (Chelated Manganese, Copper etc)	6.73	3.60	12.82	12.98
Total	177.03	58.26	480.52	171.16

Consumption of Stores and Spares

(₹ in Lakh)

Particulars	2014 -15	2013 -14
Imported	71.06	79.44
Indigenous	102.28	118.34

31.28 CIF value of imports

(₹ in Lakh)

Particulars	2014 -15	2013 -14
Capital Goods	NIL	NIL
Spares	154.75	99.39

31.29 Expenditure in foreign currency

(₹ in Lakh)

Particulars	2014 -15	2013 -14
Spares imported	154.75	99.39



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of financial statements for the year ended 31.03.2015

- 31.30 Earnings in foreign currency - NIL
31.31 Number of NRI Shareholders - NIL
31.32 Number of Shares Held by NRI Share Holders - NIL
31.33 Dividend remitted in foreign currency - NIL

For and on behalf of Board of Directors

sd/- sd/-
Vidya Unnikrishnan Rajasekharan.K.N.
Company Secretary Manager Finance

Place: Kallettumkara
Date: 27/3/2019

Place: Ernakulam
Date: 27/3/2019

sd/- sd/-
Dr.B.Sreekumar Shri.K.S.Indusekharan Nair
Managing Director Chairman
DIN:01688985 DIN:07730864

As per our report of even date attached

For BSJ & Associates
Chartered Accountants
FRN. 010560S

sd/-
CA.JOJO AUGUSTINE
Partner (M.No.214088)





सत्यमेव जयते

**OFFICE OF THE ACCOUNTANT GENERAL (ECONOMIC AND REVENUE SECTOR AUDIT)
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
FEEDS LIMITED, THRISSUR FOR THE YEAR ENDED**

31 MARCH 2015

The preparation of financial statements of **Kerala Feeds Limited, Thrissur** for the year ended **31 March 2015** 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 is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated **27 March 2019**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Kerala Feeds Limited, Thrissur** for the year ended **31 March 2015** under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. COMMENTS ON PROFITABILITY

Statement of Profit and Loss

Expenses

Other Expenses ₹4747.35 lakh

1. This does not include ₹35.80 lakh being the amount receivable from Animal Husbandry Officer, Alappuzha for the supply of cattle feed and mineral mixture supplied at flood affected areas of Alappuzha district during 2013-14. Since the amount is pending realization for more than five years, provision should have been made in the accounts. Non creation of provision for doubtful debt has resulted in understatement of loss and overstatement of Reserves & Surplus by ₹35.80 lakh.

Earnings per Equity Share – Diluted EPS (₹221.41)

2. This is incorrectly indicated as (₹221.41) instead of the correct figure of (₹312.30) due to wrong reckoning of 11250 anti dilutive potential equity shares which is not as per the requirement of Accounting Standard-20 on Earning Per Share.

B. COMMENTS ON CASH FLOW

Cash flow from financing activities

Interest and finance charges (₹78.00 lakh)

3. This does not include ₹51.73 lakh paid as interest on loans during the year which was capitalized being borrowing cost during the construction period. This has resulted in overstatement of net cash used in finance activities and corresponding overstatement of net cash used in investment activities by ₹51.73 lakh.

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


K.P ANAND

Thiruvananthapuram

Dated: 03.07.2019

ACCOUNTANT GENERAL (E&RSA), KERALA

FORM OF PROXY

[See Section 176 (6)]

KERALA FEEDS LIMITED

Kalletumkara, Thrissur 680 683

I/Weof
.....in the district of
..... being a member/members of the above named company
hereby appoint.....of.....in the district of
.....or failing him,of in the district
of..... as my/our proxy to vote for me/us on my/our behalf at the class
of members of the company to which I/we belong, to be held on the **26th day of August 2019** at
11.30 a.m. and at any adjournment thereof.

Signed this.....day of.....2019.

Stamp

Seal

----- Cut here -----

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

KERALA FEEDS LIMITED

Kalletumkara, Thrissur 680 683

Name of Shareholder.....

Folio No:.....

No: of shares held.....

Name of the Proxy.....

(To be filled in if the proxy of the member attends)

*I hereby record my presence at the **Adjourned Nineteenth Annual General Meeting of Kerala Feeds Limited held on Monday, 26th August, 2019 at 11.30 a.m. at Parish Hall, BLM Church, Aloor, Kalletumkara P.O., Thrissur - 680 683.***

Member's/Proxy's Signature

സുരക്ഷിതമായ പാലിനും ആരോഗ്യമുള്ള പശുവിനും...

കേരള ഫീഡ്സ്

സമീകൃത കാലിത്തീറ്റ

കേരള സർക്കാർ സംരംഭം



കേരമിൻ സ്പെഷ്യൽ | ഓർഗാനിക്

പോഷകക്കമ്മി പരിഹരിക്കുന്നതിനും രോഗപ്രതിരോധശേഷി വർദ്ധിപ്പിക്കുന്നതിനുമുള്ള പ്രത്യേക ധാതുലവണ മിശ്രിതങ്ങൾ



കേരള ഫീഡ്സ് എലൈറ്റ്

അത്യുൽപ്പാദനശേഷിയുള്ള പശുക്കൾക്കുള്ള പോഷക സമ്പുഷ്ട കാലിത്തീറ്റ



കേരള ഫീഡ്സ് മിടുകി

മികച്ച പാലുൽപ്പാദനത്തിനും കൂടുതൽ ആരോഗ്യത്തിനുമുള്ള പ്രീമിയം കാലിത്തീറ്റ



കേരള ഫീഡ്സ് റിച്ച്

6 മാസം മുതൽ പ്രായമുള്ള എല്ലാ കന്നുകാലികൾക്കുമുള്ള കാലിത്തീറ്റ



കെ.എഫ്. മലബാറി

പ്രീമിയം ഗോട്ട് ഫീഡ്



കേരള ഫീഡ്സ് TMR

സമ്പുഷ്ടീകരിച്ച വൈക്കോൽ അധിഷ്ഠിത സമീകൃതാഹാരം



KERALA FEEDS LTD.
A GOVT. OF KERALA UNDERTAKING

Feeds Nagar, Kallettumkara, Thrissur-680 683.
Customer Care cell: Ph: 9447490114, 0480 2727104.
Email: marketing@keralafeeds.com Web: www.keralafeeds.com



KERALA FEEDS LTD.

(A Govt. of Kerala Undertaking)

Regd. Office :

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E-mail : kflinfo@keralafeeds.com

Website : www.keralafeeds.com