

KERALA FEEDS LTD.



KERALA FEEDS LTD.
A GOVT. OF KERALA UNDERTAKING



20th
ANNUAL REPORT
2015-2016



ഇടുക്കി തൊടുപുഴ 500 MT കാലിത്തീറ്റ പ്ലാന്റ് ഉദ്ഘാടനം ബഹു. വനം, മൃഗസംരക്ഷണം, ക്ഷീരവികസന വകുപ്പ് മന്ത്രി അഡ്വ. കെ.രാജു അവർകളുടെ സാന്നിധ്യത്തിൽ ബഹു. മുഖ്യമന്ത്രി ശ്രീ പിണറായി വിജയൻ നിർവഹിക്കുന്നു.



കേരള ഫീഡ്സ് 'ഡയറി റിച്ച് പ്ലസ്' കാലിത്തീറ്റ വിതരണോദ്ഘാടനം ബഹു. മുഖ്യമന്ത്രി ശ്രീ. പിണറായി വിജയൻ അവർകൾ നിർവഹിക്കുന്നു. ബഹു. വനം, മൃഗസംരക്ഷണം, ക്ഷീര വികസന വകുപ്പ് മന്ത്രി അഡ്വ.കെ.രാജു അവർകൾ സമീപം.



കേരള ഫീഡ്സ് 'അത്യല്യം', 'കൈരളി' കോഴിത്തീറ്റകളുടെ വിതരണോദ്ഘാടനം ബഹു. വനം, മൃഗസംരക്ഷണം, ക്ഷീര വികസന വകുപ്പ് മന്ത്രി അഡ്വ. കെ.രാജു അവർകൾ നിർവഹിക്കുന്നു.



കേരള ഫീഡ്സ് ബൈപ്പാസ് പ്രോട്ടീൻ പ്ലാന്റ് ഉദ്ഘാടനം ബഹു. വനം, മൃഗസംരക്ഷണം, ക്ഷീരവികസന വകുപ്പ് മന്ത്രി അഡ്വ.കെ.രാജു അവർകൾ നിർവ്വഹിക്കുന്നു.



കേരള ഫീഡ്സ് ലിമിറ്റഡ്

(ഒരു കേരള സർക്കാർ സംരംഭം)

കല്ലേറ്റുങ്കര-680683, തൃശ്ശൂർ, കേരളം

20-ാമത് വാർഷിക പൊതുയോഗം

(മാറ്റിവെച്ചത്)

2015-16

തീയതി : 03.07.2020
ദിവസം : വെള്ളിയാഴ്ച
സമയം : 11.30 AM

ചെയർമാൻ :

ശ്രീ. കെ.എസ്. ഇന്ദുശേഖരൻ നായർ

മാനേജിംഗ് ഡയറക്ടർ :

ഡോ. ബി. ശ്രീകുമാർ

ഓഡിറ്റേഴ്സ് :

M/s. BSJ & Associates
Chartered Accountants, Ernakulam



കേരള ഫീഡ്സ് ലിമിറ്റഡ്

രജി. ഓഫീസ് :
ഫീഡ്സ് നഗർ,
കല്ലേറ്റുംകര
തൃശ്ശൂർ-680683

നോട്ടീസ്

കേരള ഫീഡ്സ് ലിമിറ്റഡിന്റെ മാറ്റിവെച്ച 20-ാമത് വാർഷിക പൊതുയോഗം 03.07.2020 വെള്ളിയാഴ്ച രാവിലെ 11.30ന് **Video Conference** വഴി നടത്തുന്നതാണ്.

യോഗത്തിൽ പരിഗണിക്കേണ്ട ഔദ്യോഗിക വിഷയങ്ങൾ

സാധാരണ വിഷയങ്ങൾ

1. കമ്പനിയുടെ 2015-16 സാമ്പത്തിക വർഷത്തെ കണക്കുകൾ (ബാലൻസ് ഷീറ്റ്, പ്രോഫിറ്റ് & ലോസ് അക്കൗണ്ട് മുതലായവ) ഡയറക്ടർ റിപ്പോർട്ട്, CAG യുടെ നിരീക്ഷണങ്ങൾ എന്നിവ പരിഗണിച്ച് അംഗീകരിക്കൽ.

ഡയറക്ടർ ബോർഡിന് വേണ്ടി

കല്ലേറ്റുംകര

തൃശ്ശൂർ- 680683

തിയ്യതി : 10, ജൂൺ, 2020

sd/-

ഡോ. ബി. ശ്രീകുമാർ
മാനേജിംഗ് ഡയറക്ടർ

കുറിപ്പ്

തുടർന്നുകൊണ്ടിരിക്കുന്ന COVID 19 പ്രതിരോധനത്തിന്റെ പശ്ചാത്തലത്തിൽ കേന്ദ്രസർക്കാറിന്റെ കമ്പനികാര്യ മന്ത്രാലയത്തിന്റെ 5.5.2020, 8.4.2020, 13.4.2020 എന്നീ തീയതികളിലെ Circular അനുസരിച്ച് കമ്പനികളുടെ വാർഷിക പൊതുയോഗം Online ആയി Video Conference(VC) മുഖേന നടത്താവുന്നതാണ്. ആയതിന് ഒരു പൊതു ഇടത്ത് ഓഫരി ഉടമകൾ ഒത്ത് ചേരേണ്ടതില്ല. ഇതിനനുസൃതമായി Video Conference സംവിധാനത്തിലൂടെ online ആയാണ് ഈ പൊതുയോഗം നടക്കുന്നത് ഈ പൊതുയോഗത്തിൽ ഓഫരി ഉടമകളുടെ സാന്നിധ്യം ആവശ്യമില്ലാത്തതിനാൽ AttendanceSlip ഇതോടൊപ്പം ഉള്ളടക്കം ചെയ്തിട്ടില്ല

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 20th Adjourned Annual General Meeting of Kerala feeds Limited will be held on Friday, the 3rd day of July, 2020 at 11.30 AM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business

AGENDA

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2016 and the Profit and Loss Account as on that date together with the Report of the Directors, Auditors and Non Review Report of the Comptroller & Auditor General of India as per the provisions of the Companies Act, 2013.

Kallettumkara
Trichur-680 683
Date: 10th June, 2020

By Order of the Board,

Sd/-
Dr. B. Sreekumar
Managing Director

Notes:

1. *In view of the continuing Covid -19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5th, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 and MCA Circulars, the AGM of the Company is being held through VC/OAVM.*
2. *Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.*



**2015-16 സാമ്പത്തിക വർഷത്തെ
സാമ്പത്തിക അവലോകനം**

വിവരങ്ങൾ	വർഷാവസാനം 31.03.2016 (രൂപ ലക്ഷത്തിൽ)	വർഷാവസാനം 31.03.2015 (രൂപ ലക്ഷത്തിൽ)
മൊത്തം വരുമാനം	44559.84	41675.95
മൊത്തം ചിലവ് (മുൻകാല വകയിരുത്തലുകളും, നീക്കുപോക്കുകളും , നികുതി, പലിശ എന്നിവയും കൂടാതെ)	46802.24	40426.51
മുൻകാല വകയിരുത്തലുകളും, നീക്കുപോക്കുകളും , നികുതി, പലിശ എന്നിവ	235.43	1335.03
നടപ്പുവർഷത്തെ ലാഭം / നഷ്ടം	2477.83 നഷ്ടം	85.59 നഷ്ടം
സഞ്ചിത ലാഭം / നഷ്ടം	3571.25 നഷ്ടം	1093.42 നഷ്ടം



KERALA FEEDS LTD.

DIRECTORS' REPORT 2015-16

To the Members,

Your Directors are pleased to present the Twentieth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2016	For the year ending 31.03.2015
Profit / (Loss) before Finance costs, Depreciation and amortisation expenses and Tax expenses	(1824.83)	1249.44
Less : Finance Costs	62.40	78.00
Depreciation and amortisation expenses	590.60	937.90
Tax expenses		319.13
Profit / (Loss) after tax	(2477.83)	(85.59)
Appropriations:		
Dividend	0	0
Corporate Dividend tax	0	0
Accumulated Profit / (Loss)	(3571.252)	(1093.42)

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 2015-16 was 249257.94 MT with total turnover of Rs. 445.59 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 losses amounting to Rs.24.78 crore

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, Karunagappally and Kozhikode are in full fledged



operation. Our new Cattle Feed Plant at Thodupuzha has also been inaugurated and is expected to be fully 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.	Shri K Venugopal	Managing Director	Cessation	08/02/2016
2.	Dr. K. Prathapan	Managing Director	Appointment	09/02/2016

Details of Board Meetings held during the Year

During the Financial Year, the Board met 9 times on 30/06/2015, 04/09/2015, 30/11/2015, 09/01/2016, 25/02/2016, 07/03/2016, 29/03/2016. The intervening gap between the two meetings was as per the provisions prescribed in the Companies Act, 2013

Sl. No.	Name of Director	No. of Board meetings eligible to attend	No. of Board meetings attended
1	Adv K Francis George	7	5
2	Dr Ani S Das	5	3
3	Dr S Chandran Kutty	5	3
4	Shri K Venugopal	4	4
5	Shri K Prathapan	3	3
6	Smt T S Sheeja	7	4
7	Dr N N Sasi	2	0
8	Smt K T Sarojini	7	0
9	Shri P K Pathak	2	0
10	Dr M Suresh Kumar	2	0
11	Dr. Jose James	7	3
12	Dr. K N Naushadali	6	0
13	Shri Salim Madavoor	7	7
14	Smt. Meera Rani K.G.	7	0
15	Shri. James P. Jacob	5	4
16	Dr. Mercy A.D.	1	0
17.	Dr. V. Sunil Kumar	1	1



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 2015-16 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 2015-16. 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 31.3.2016 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. The Company is in the process of correcting the same and Fixed Assets Register can be maintained in the manner suggested by Audit at the earliest

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 manufacturers, 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. 549.75 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, 2016, and of the loss of the Company for the year ended 31st March, 2016;
- (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

Dr. B Sreekumar

Shri K S Indusekharan Nair

27.02.2020

Managing Director

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, 2016, 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 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 gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made 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, 2016;
- (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.31.01 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, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we enclosed 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 give 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 31.7 and 31.8 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 31.25 to the financial statements;

For BSJ & Associates
Chartered Accountants
FRN 010560S

Sd/-
CA. Jojo Augustine
Partner (M. No.214088)
UDIN : 20214088AAAAAT2198

Place: Ernakulam
Date: 27/02/2020



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 2016

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.
(c) As per the information and explanations provided to us and based on our verification, the title deeds of immovable properties are held in the name of the company.
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) As per the information provided to us and as per the physical verification records of inventory, 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, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence the provisions of the sub clauses (a) and (b) of the Clause 3 (iii) of the Order are not applicable.
4. According to the information and explanations given to us and on the basis of examination of the books of account, the Company has not granted any loan or given guarantee or provide any security to any directors and company has not made any investment during the year.
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, Duty of Customs, Duty of Excise, Cess and other statutory dues to the appropriate authorities and there were no outstanding dues as at 31st March 2016 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 Income Tax Act	TDS on Professional Charges	0.17	2015 - 16

- (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, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute:

	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	2004-05, 2006-07, 2011-12 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 GTA service	140.58	2005-06 to 2015-16	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

8. 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 loans or borrowing to financial institutions, bank, Government or dues to debenture holders as at Balance Sheet date.
9. Based on the audit procedures performed and on the basis of information given by the Management, the Company has not raised any money by way of initial or further public offer or any term loans during the year.



10. Based on the audit procedures performed and on the basis of information and explanation given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
11. Being a Government Company, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company by virtue of notification dated June 5, 2015.
12. The Company is not Nidhi Company. Therefore the provision of Clause 3 (xii) of the Order is not applicable to the Company.
13. According to the explanation and information given to us and based on the audit procedure performed, the Company has complied with provisions of section 177 and 188 of Act in respect of all transaction with related parties and the details have been suitably disclosed in the financial statements as required by the Accounting Standard.
14. Based on the audit procedure performed and the information and explanations given to us by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under report.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BSJ & Associates
Chartered Accountants
FRN 010560S

Sd/-
CA. Jojo Augustine
Partner (M. No.214088)
UDIN : 20214088AAAAAT2198

Place: Ernakulam
Date: 27/02/2020



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 2016

**AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016
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	1623.10	500 TPD Cattle Feed Plant at Arikuzha
2	Government of Kerala	48.70	10 TPD Mineral Mixture Plant at Athavanadu

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	3	0	0	The delay is attributable to adjournments in courts/ other court related matters
2	1 to 3 years	5	43.67	11500.00	The delay is attributable to adjournments in courts/ other court related matters
3	More than 3 years	43	948.85	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)*

UDIN : 20214088AAAAAT2198

Place: Ernakulam
Date: 27/02/2020



KERALA FEEDS LIMITED

CIN:U15331KL1995SGC009521
KALLETUMKARA, THRISSUR - 680 683

BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Note No.	Amount ₹ in Lakhs		Amount ₹ in Lakhs	
		As at 31 March 2016		As at 31 March 2015	
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	4	3,865.50		2,740.50	
(b) Reserves & surplus	5	716.52	4,582.02	5,311.38	8,051.88
2 Share application money pending allotment	4(iv)		-		1,125.00
3 Non - Current liabilities					
(a) Long term borrowings	6	3,055.00		2,107.50	
(b) Deferred tax liabilities (Net)	7	16.88		16.88	
(c) Other long term liabilities	8	185.27		174.67	
(d) Long term provisions	9	543.93	3,801.08	440.53	2,739.58
4 Current Liabilities					
(a) Trade payables	10	4,219.35		2,249.24	
(b) Other current liabilities	11	2,076.67		1,976.39	
(c) Short- term provisions	12	341.29	6,637.32	404.45	4,630.08
TOTAL			15,020.42		16,546.54
II. ASSETS					
1 Non-current assets					
(a) Fixed assets					
i. Tangible assets	13	4,183.30		2,811.14	
ii. Intangible assets	13	3.23		14.17	
iii. Capital work-in-progress	13	4,101.12	8,287.66	6,294.58	9,119.89
(b) Long-term Loans and Advances	14		607.43		503.41
(c) Other non-current assets			-		-
2 Current assets					
(a) Inventories	15	2,875.73		2,853.01	
(b) Trade receivables	16	1,817.38		2,241.97	
(c) Cash and cash equivalents	17	1,002.50		1,525.61	
(d) Short-term loans and advances	18	381.93		260.05	
(e) Other current assets	19	47.78	6,125.33	42.59	6,923.24
TOTAL			15,020.42		16,546.54
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: 27/2/2020

As per our report of even date attached

For BSJ & Associates
Chartered Accountants
FRN. 010560S

sd/-

CA.JOJO AUGUSTINE
Partner (M.No.214088)
UDIN : 20214088AAAAAT2198

Place : Ernakulam
Date : 27/2/2020



KERALA FEEDS LIMITED

CIN:U15331KL1995SGC009521
KALLETUMKARA, THRISSUR - 680 683

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Note No.	Amount ₹ in Lakhs	
		Year ended 31 March 2016	Year ended 31 March 2015
I. REVENUE			
(a) Revenue from operations	20	43,091.92	40,388.68
(b) Other Income	21	1,467.92	1,287.27
Total Revenue(I)		44,559.84	41,675.95
II. EXPENSES		-	
(a) Cost of materials consumed	22	38,447.82	32,474.30
(b) Purchases of Stock-in-Trade	23	-	376.78
(c) Changes in inventories of finished goods	24	27.46	284.85
(d) Employee benefit expenses	25	3,208.42	2,538.66
(e) Finance costs	26	62.40	78.00
(f) Depreciation and amortisation expenses	27	590.60	937.90
(g) Other expenses	28	5,118.54	4,747.35
Total Expenses(II)		47,455.24	41,437.85
III. Profit before exceptional and extraordinary items and tax (I - II)		(2,895.40)	238.11
IV. Exceptional Items		-	-
V. Profit before extraordinary items and tax (III - IV)		(2,895.40)	238.11
VI. Extraordinary Items		-	-
VII. Profit/(Loss) for the year (V - VI)		(2,895.40)	238.11
VIII. Prior period adjustments	29	417.57	(4.56)
IX. Profit/(Loss) before tax (VII + VIII)		(2,477.83)	233.54
X. Tax expenses			
(a) Current tax		-	(319.13)
(c) MAT Credit availed		-	-
(b) Deferred tax		-	(319.13)
XI. Profit/(Loss) for the period from continuing operations (IX - X)		(2,477.83)	(85.59)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expenses of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit/(Loss) for the year (XI + XIV)		(2,477.83)	(85.59)
XVI. Earnings per Equity Share (₹)	30		
(a) Basic		(6,410.11)	(312.30)
(b) Diluted		(6,410.11)	(312.30)
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

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. 0105605

sd/-

Place: Ernakulam
Date: 27/2/2020

CA. JOJO AUGUSTINE
Partner (M.No.214088)
UDIN : 20214088AAAAAT2198



KERALA FEEDS LIMITED

CIN:U15331KL1995SGC009521
KALLETUMKARA, THRISSUR - 680 683

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	Amount ₹ in Lakhs	
	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash Flow from Operating Activities		
Net Profit /(Loss) before taxation and extra ordinary items	(2,477.83)	233.54
Adjustment for:		
Depreciation	590.60	941.18
Interest and Finance Charges	62.40	78.00
Loss/(Profit) on sale/disposal of assets	-	-
Reversal of prior period excess Depreciation charged	(394.07)	-
Interest on deposit from Banks and other Interest	(71.83)	(37.07)
Operating Profit before working capital changes	(2,290.74)	1,215.66
Adjustments for		
Trade receivables, loans & advances and other current assets	254.85	(1,013.61)
Inventories	(22.72)	152.23
Trade payables, other current liabilities and provisions	2,121.23	660.63
Cash generated from operations	62.61	1,014.90
Income tax paid (Net of refunds)	(61.79)	(61.79)
Cash flow before extraordinary item	0.83	953.11
Extraordinary item	-	-
Net Cash from operating activities (A)	0.83	953.11
B. Cash Flow from Investing Activities		
Purchase of fixed assets (net of Government Grants and borrowing costs capitalised)	(1,557.74)	(70.76)
Sale/disposal of fixed assets	-	-
Increase in Capital work in progress	2,319.43	(3,891.69)
(Increase) / decrease in earmarked fixed deposits with banks	350.41	72.95
Interest on deposit from banks	72.28	44.01
Net cash used in investing activities (B)	1,184.38	(3,845.48)
C. Cash Flow from Financing Activities		
Interest and Finance Charges	(188.38)	(78.00)
Proceeds/(Repayment) of bank borrowings	947.50	907.50
Dividend Paid (including corporate dividend tax)	-	-
Contribution from Government for Capital Projects	(2,117.03)	2,954.86
Net Cash used in financing activities (C)	(1,483.89)	3,784.36
Net increase/decrease in cash and cash equivalents (A+B+C)	(172.70)	891.99
Cash and cash equivalents at the beginning of the year	1,103.80	211.81
Cash and cash equivalents at the end of the year	931.10	1,103.80
Reconciliation of cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents at the end of the year as per Note 18	1,002.50	1,525.61
Less: Earmarked deposits with banks not considered as cash and cash equivalents	71.40	421.81
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)	931.10	1,103.80

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: 27/2/2020

As per our report of even date attached

For BSJ & Associates
Chartered Accountants
FRN. 010560S

sd/-
CA. JOJO AUGUSTINE
Partner (M.No.214088)
UDIN : 20214088AAAAAT2198

Place: Ernakulam
Date: 27/2/2020



NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

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

Note 4: Share Capital	Amount ₹ in Lakhs		Amount ₹ in Lakhs	
Particulars	As at 31 March 2016		As at 31 March 2015	
	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	38,655	3,865.50	27,405	2,740.50
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting				
Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	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	11,250	1,125.00	-	-
Closing balance	38,655	3,865.50	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	Ast at March 31, 2016		Ast at March 31, 2015	
	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	32,340	83.66%	21,090	76.96%
Kerala Agro Machinery Corporation Limited	1,500	3.88%	1,500	5.47%
(iv) For the period of five years immediately preceding the dates as at which the Balance Sheet is prepared:				
Particulars	Ast at March 31, 2016		Ast at March 31, 2015	
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	Ast at March 31, 2016		Ast at March 31, 2015	
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	
<p>(iv) The Government of Kerala has 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 have 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.</p>				



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of the financial statements

Note 5: Reserves & Surplus		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
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	Cattle Feed Plant - Idukki <i>(Out of allocation towards Rakshtriya Krishi Vikas Yojana through Government of Kerala from Government of India)</i>	1,208.00	908.00
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>	125.00	25.00
5	Cattle Feed Plant – Kozhikode <i>(Assistance from Government of Kerala)</i>	951.00	2,148.19
6	Assistance under STEP <i>(Assistance from Government of India)</i>	226.12	259.56
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>	1,673.59	950.00
Sub-Total		4,287.77	6,404.80
<p>Note 5.A - 1: Capital Reserve of ₹ 4061.65 Lakhs (Previous Year ₹ 6145.24 Lakhs) 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 ₹ 4101.12 Lakhs (Previous Year ₹ 6294.58 Lakhs) 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 - 13.7)</p> <p>Note 5.A -2: Assistance under STEP ₹ 226.12 Lakhs (Previous Year ₹ 259.55 Lakhs) 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. Surplus in the statement of Profit and Loss Account			
As per last Balance Sheet		(1,093.42)	(984.08)
Add: Profit during the year		(2,477.83)	(85.59)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with NIL remaining useful life <i>(Refer Note 13)</i>		-	(23.75)
Sub-Total		(3,571.25)	(1,093.42)
Total		716.52	5,311.38



Note 6: Long term Borrowings		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
1	Assistance from Government of Kerala as NABARD - RIDF Loan under Tranche XVI – <i>Unsecured</i> (Repayable in 7 years with grace period of 2 years; ie repayable in 5 equal annual instalments of ₹240.00 Lakhs each after the grace period of 2 years. Interest to be repaid quarterly)	2,880.00	1,920.00
2	Loan from Government of Kerala (Repayable in 5 years with grace period of 1 year; The principal amount is repayable in 16 quarterly instalments of ₹12.50 Lakh after the grace period. Interest to be repaid quarterly)	175.00	187.50
		3,055.00	2,107.50

Note 7: Deferred Tax Liabilities (Net)		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
1	<u>Tax effect of items constituting deferred tax liabilities</u> - Provision for employee's benefits - Gratuity	8.16	-
2	<u>Tax effect of items constituting deferred tax assets</u> - on difference between book balance and tax balance of fixed assets - Provision for bad and doubtful debts - Provision for employee's benefits - Half pay leave - Earned Leave - Gratuity - Brought forward business losses	8.16 83.03 150.98 12.78 32.48 - 271.10	- 192.32 30.77 9.34 25.43 14.76 272.62
Deferred Tax Asset (Net)		271.10	272.62
Deferred Tax Liability (Net) recognised in the Financial Statements		16.88	16.88

Note: No deferred Tax Assets recognised during the year 2015 -16 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		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
1	Receipt from National Dairy Development Board	62.41	62.41
2	Security Deposit - Dealership	122.86	112.26
		185.27	174.67



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 Lakhs. 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 Lakhs on 08.07.2014.

Note 9: Long Term Provisions		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
	Provision for Employee's benefits		
1	Leave Encashment	98.23	76.92
2	Gratuity	407.06	335.35
3	Half Pay Leave	38.64	28.26
		543.93	440.53

Note: Refer Notes - 3(d) and 31.5

Note 10: Trade Payables		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
	Trade Payables	-	
a	- for materials	4,015.96	1,967.14
b	- for others	203.39	282.10
		4,219.35	2,249.24

Note: 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 2016, 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.

Note 11: Other current liabilities		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
1	Current Maturities of long term debt		
a	Loan from Government of Kerala	12.50	12.50
b	Loan from NABARD	240.00	240.00
2	Creditors for capital projects	383.52	527.36
3	Advance received from dealers	272.49	199.46
4	Earnest Money Deposit	31.57	45.82
5	Retention Money	149.95	243.69
6	Security Deposit	50.46	132.66
7	BRNS, Dept.of Atomic Energy	4.53	4.53
8	Performance cum motivation allowance payable	122.20	115.40
9	Salary Payable	4.71	3.49
10	Other Liabilities	804.73	451.49
		2,076.67	1,976.39



Fixed Assets	Gross Block					Depreciation/ Amortisation			Net Block			
	As at 1 April 2015	Additions	Government Grant Apportioned	Deletions/ Adjustments	As at 31 March 2016	As at 1 April 2015	Eliminated on disposal during the year	Other Adjustments (Refer Note below)	For the year	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	As at 31 March 2016	As at 31 March 2015
TANGIBLE ASSETS												
Land	736.80	-	-	-	736.80	-	-	-	-	-	736.80	736.80
Land Development	195.20	-	-	-	195.20	-	-	-	-	-	195.20	195.20
Building - Factory	1,402.86	1,773.24	(852.96)	-	2,323.14	809.96	-	(47.10)	121.57	884.43	1,438.70	592.90
Building - Others	1,399.52	3.35	-	-	1,402.86	695.85	-	-	114.11	809.96	592.90	703.66
Carpeted Roads	353.44	337.03	(70.84)	-	619.63	158.42	-	28.55	87.18	274.16	345.47	195.02
Electrification	20.25	-	-	-	20.25	8.01	-	-	11.24	19.24	1.01	12.25
Plant & Machinery	274.20	193.00	(92.44)	-	374.76	214.95	-	(40.09)	39.38	214.25	160.51	59.24
Vehicles	269.20	5.00	-	-	274.20	132.36	-	-	76.10	214.95	59.24	136.84
Furniture & Fittings	4,741.03	334.82	(154.02)	-	4,921.83	3,823.75	-	(312.01)	240.10	3,751.85	1,169.98	917.28
Office & other Equipment	4,733.61	7.43	-	-	4,741.03	3,203.35	-	-	620.40	3,823.75	917.28	1,530.25
Lab equipment	68.71	-	-	-	68.71	31.67	-	-	19.19	50.86	17.85	37.04
Computer & Accessories	46.58	22.13	-	-	68.71	20.60	-	-	11.07	31.67	37.04	25.98
Library Books	55.01	8.43	-	-	63.44	40.60	-	(0.00)	4.43	45.02	18.41	14.41
	49.31	5.69	-	-	55.01	36.04	-	-	4.46	40.60	14.41	13.28
	173.99	119.67	(55.35)	-	238.32	153.00	-	(23.43)	42.09	171.66	66.66	21.00
	165.02	8.97	-	-	173.99	76.08	-	-	62.42	153.00	21.00	88.95
	72.87	9.63	-	-	82.50	51.88	-	-	6.96	58.84	23.65	20.99
	70.91	1.96	-	-	72.87	43.46	-	-	8.30	51.88	20.99	27.45
	130.35	7.31	-	(4.43)	133.23	121.33	-	-	7.28	124.18	9.05	9.02
	121.13	9.22	-	-	130.35	99.71	-	-	19.09	121.33	9.02	21.42
	1.22	-	-	-	1.22	1.22	-	-	-	1.22	-	-
	1.22	-	-	-	1.22	1.22	-	-	-	1.22	-	-
Total of Tangible Assets	8,225.94	2,783.12	(1,225.60)	(4.43)	9,779.03	5,414.79	(4.43)	(984.07)	579.43	5,995.72	4,183.00	2,811.14
INTANGIBLE ASSET	8,155.18	70.76	-	-	8,225.94	4,464.31	-	-	926.72	23.75	2,811.14	3,690.86
Software	55.90	0.23	-	-	56.12	41.73	-	-	11.17	52.90	3.23	14.17
	55.90	-	-	-	55.90	27.28	-	-	14.45	41.73	14.17	28.62
Total of Intangible Assets	55.90	0.23	-	-	56.12	41.73	-	-	11.17	52.90	3.23	14.17
	55.90	-	-	-	55.90	27.28	-	-	14.45	41.73	14.17	28.62
Total	8,281.83	2,783.35	(1,225.60)	(4.43)	9,835.15	5,456.52	(4.43)	(984.07)	590.60	5,648.62	4,186.23	2,825.31
<i>Previous Year</i>	<i>8,211.08</i>	<i>70.76</i>	<i>-</i>	<i>-</i>	<i>8,281.83</i>	<i>4,491.59</i>	<i>-</i>	<i>-</i>	<i>941.18</i>	<i>23.75</i>	<i>2,825.31</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 vide Lease Deed dated 02/05/2003 for construction of 33 KV Substation at Kallitumkara.

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. An amount of ₹ 425.68 Lakh included in the other adjustments is on account of correction of excess depreciation charged to the statement of profit and loss in the previous year. The other adjustments also includes an amount of ₹ 31.61 lakhs on account of prior period depreciation.

13.5. The Manufacturing Unit at Thiruvangoor in Kozhikode District is located within the land given on lease by the Government of Kerala for a period of 30 years. The Manufacturing Unit the construction of which is in progress at Arikuzha in Idukki District is also located within the land given on lease by the Government of Kerala for a period of 30 years. Manufacturing Units at Athavanadu in Malappuram District and Muthalamada in Palakkad District are also located on land allotted by the Government of Kerala.

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

Note 12: Short term provisions		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
1	Provision for Employee benefits		
	Medical reimbursement to employees	223.34	174.67
	Wage Revision -Employees	117.96	62.03
2	Others		
	Provision for Wealth Tax	-	0.63
	Provision for Income Tax	-	167.13
		341.29	404.45

Note 13.7: Capital Work- in progress		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
1	<u>Cattle Feed Plant - Kozhikode</u>		
a	Towards Land Acquisition & Development	-	140.30
b	Towards Plant & Equipments	1,679.69	3,098.00
c	Towards Civil Work	-	1,592.20
d	Towards Consultancy	-	219.86
e	Towards Electrification	109.15	328.15
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
3	<u>Cattle Feed Plant - Idukki</u>		
a	Towards Civil Work	1,489.18	522.06
b	Towards Consultancy	565.29	-
c	Towards Consultancy	99.42	27.69
d	Towards Interest on Borrowed Capital	18.98	
4	<u>Mineral Mixture Plant, Athavandu</u>		
a	Towards Plant & Machinery	46.59	0.30
b	Towards Consultancy	6.45	4.03
5	<u>By-Pass Protein feed plant - Kallettumkara</u>		
a	Towards Plant & Machinery	85.86	85.86
		4,100.60	6,294.58

Note 14: Long term Loans and Advances		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
	<i>Unsecured - Considered good</i>		
1	Capital Advances	290.03	32.40
2	Deposits	91.15	77.21
3	Other Advances	616.55	479.33
4	Advance to Suppliers	-	0.09
5	Advance Tax (Net of Provisions)	(159.82)	-
		837.92	589.03
	Less: Provision for bad & doubtful debts	(230.49)	(85.62)
		607.43	503.41



Note 15: Inventories		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
1	Raw Materials	1,950.72	2,004.49
2	Packing Materials	56.39	31.24
3	Chemicals	18.85	23.69
4	Lab Chemicals	6.72	3.49
5	Finished Products	222.23	246.56
6	Stores & Spares	592.17	503.73
7	Furnace Oil & Diesel	11.41	19.85
8	Work in Process	2.49	4.53
9	Used Gunny & PP bags	14.75	14.35
10	Goods in transit	-	1.08
		2,875.73	2,853.01

Note: Refer Note . 2 (c) for method of valuation of inventories

Note 16: Trade Receivables		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
Unsecured; Considered good			
1	Dealers - Government	534.86	789.44
2	Dealers - SLBP	1,151.24	1,323.98
3	Dealers - Dairy Co-ops	2.59	2.27
4	Dealers - Private	128.70	126.28
Unsecured; Considered doubtful			
1	Dealers - Government	108.59	6.74
2	Dealers - SLBP	116.87	-
3	Dealers - Dairy Co-ops	0.02	0.01
4	Dealers - Private	0.67	0.69
		2,043.54	2,249.42
Less: Provision for bad & Doubtful debts		(226.15)	(7.44)
		1,817.38	2,241.97
<u>Out of the above debts exceeding</u>			
	- More than six months	238.46	350.69
	- Others	1,805.07	1,898.73
		2,043.54	2,249.42

Note 17: Cash and cash equivalents		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
1	Cash on hand	17.95	15.58
2	Bank balances in current accounts		
	- with Scheduled Banks	461.30	766.34
	- with Treasury	451.84	321.88
3	Short-term Deposits		
	- with Scheduled Banks	71.40	421.81
	- with Treasury	-	-
		1,002.50	1,525.61

Note: Bank Balance in Deposit Accounts with Scheduled Banks ₹458.54 Lakh (Previous year - ₹1,364.07 Lakh) includes ₹38.77 Lakh (Previous year - ₹392.23 Lakh) held as margin money for Letter of credit and ₹ 32.63 Lakh (Previous Year - ₹ 29.58 Lakh) against bank guarantees furnished by Banks to Kerala State Electricity Board towards security deposit.

Note 18: Short term Loans and Advances		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
	Unsecured; Considered good		
1	Advance to suppliers	97.99	48.23
2	Other advances	213.13	181.49
3	Prepaid expenses	70.81	30.32
		381.93	260.05

Note 19: Other current assets		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		As at 31 March 2016	As at 31 March 2015
	Unsecured considered good		
1	Interest receivable	1.68	2.12
2	Others		
	Compliments	3.31	2.67
	Canteen Utensils	0.83	0.90
	Guest House Utensils	0.02	-
	Lab - Glassware	10.20	12.60
	Tools & Equipments	7.71	7.83
	Printing & Stationery Items	6.88	3.80
	Administration & Welfare Items	17.03	11.90
	Promotional Items	0.13	0.77
		47.78	42.59



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Schedules to Profit & Loss Account for the year ended 31st March, 2016

Note 20: Revenue from Operations		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
Sales:			
1	Cattle Feed		
	- K.F Ordinary	9,719.65	7,588.86
	- K.F Plus	-	-
	- Elite Feed	1,154.02	928.78
	- Rich Feed	32,020.31	31,632.85
2	Mineral Mixture - Keramin	173.94	168.69
3	Rabbit Feed	2.63	2.27
4	Rat Feed	0.25	0.02
5	Calf Feed	36.64	60.77
6	Goat Feed	63.71	56.81
7	Densified Fodder	5.06	0.73
8	Raw Materials & Others	0.73	15.89
	Sub-Total	43,176.92	40,455.66
Less: Sales Returns			
1	Cattle Feed		
	- K.F Ordinary	6.85	9.18
	- K.F Plus	-	-
	- Rich Feed	62.16	49.66
	- Elite Feed	15.43	6.48
2	Calf Starter	0.29	1.05
3	Rabbit Feed	-	-
4	Goat Feed	0.26	0.29
5	Densified Fodder	-	-
6	Mineral Mixture	0.01	0.32
7	Raw Materials	-	-
	Sub-Total	85.01	66.97
	Net Sales	43,091.92	40,388.68

Note 21: Other Income		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
1	Interest Income	71.83	37.07
2	Other non-operating Income:		
	Sale of used bags (Net of Stock Differential)	113.38	125.15
	Loading/Unloading Charges - From Vendors & Transporter	1,199.62	856.15
	Profit on sale of assets	0.04	-
	Amount no longer payable written back	6.79	213.85
	Excess Provision W/Back	2.99	20.62
	Miscellaneous income	73.26	33.98
	Miscellaneous Income -MMP	-	0.45
	Total	1,467.92	1,287.27



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Schedules to Profit & Loss Account for the year ended 31st March, 2016

Note 22: Cost of materials consumed		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
Cost of Raw Materials, Chemicals & Mineral Salts consumed			
I. Raw Materials			
Opening Stock		2,002.31	1,965.70
Purchase (<i>net of returns</i>)		38,885.63	32,853.98
Add: Transfer from MM Plant		11.15	2.07
Less: Rebate		(547.62)	(397.94)
Less: Transfer to MM Plant		(0.01)	(1.65)
Less: Cost of Raw Materials sold		-	-
Less: Closing Stock		(1,949.10)	(2,002.31)
	Raw Material consumed	38,402.36	32,419.85
II. Mineral salts			
Opening Stock		25.86	34.81
Purchase (<i>net of returns</i>)		58.20	47.67
Add: Transfer from Feed Units		0.01	1.65
Less: Rebate		(6.99)	(1.74)
Less: Transfer to Feed Units		(11.15)	(2.07)
Less: Closing Stock		(20.47)	(25.86)
	Mineral Salts consumed	45.46	54.45
Total of cost of Material Consumed (I+II+III)		38,447.82	32,474.30

Note 23: Purchases of Stock-in-Trade		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		For the year ended 31 March 2015	
Purchase of Cattle Feed		-	376.78
	Total	-	376.78

Note 24: Changes in inventories of finished goods		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
Opening stock of finished goods		252.18	537.03
Less: Closing stock of finished goods		(224.71)	(252.18)
	Change in Inventories	27.46	284.85



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Schedules to Profit & Loss Account for the year ended 31st March, 2016

Note 25: Employee benefit expenses	(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
1 Salaries & Wages		
Salary to Production Staff	1,025.65	816.62
Salary to Administrative Staff	315.53	267.23
Salary to Managing Director	0.15	9.91
Honarium - Chairman	2.51	2.13
Incentive to staff(Production & Admin)	61.80	40.68
Performance Cum Motivation Allowance - Production Staff	58.81	56.32
Performance Allowance - Administrative Staff	21.35	19.83
Provision for Employee Benefit - Wage Revision	8.80	11.70
Field Staff Expenses	27.88	21.48
2 Contribution to Provident and other funds		
Employers Contribution to PF - Production Staff <i>(Including Incidental office Expenses)</i>	91.30	78.20
Employers Contribution to PF-Casual workers <i>(Including Incidental Office Expenses)</i>	4.21	3.74
Employer's contribution to PF - Administrative Staff	36.54	31.43
3 Contribution to Employees State Insurance		
Employers Contribution to ESI - Production Staff	7.37	5.89
Employers Contribution to ESI-Casual workers	1.98	1.40
Employers contribution to ESI - Administrative Staff	4.19	3.80
4 Leave Salary		
Leave Salary - Managing Director	-	1.01
Provision for Leave Encashment	63.79	54.30
5 Gratuity	57.44	71.30
6 Staff Welfare Expenses		
Employer's contribution to labour welfare fund	0.03	0.03
Staff - Administration and Welfare expenses	130.15	100.23
Provision for Medical reimbursement - Employees	86.32	75.02
Medical Expenses	2.61	1.98
Staff Training Expenses	0.19	1.03
Uniform	1.16	0.11
Telephone Rent -Reimbursement	0.08	0.09
Reimbursement of Fees-Higher Studies	0.25	-
LIC - Group Insurance premium	8.10	4.96
Income Tax paid for employees	0.59	0.37
Provision - Half Pay Leave	40.56	37.49
Contribution - Employees Welfare Fund	2.46	2.40
Employee benefit expenses - Production Staff - MMP	-	1.63
Employee benefit expenses -Administration Staff - MMP	-	1.37
Staff - Administration and Welfare expenses-MMP	-	0.41
7 Wages, Incentives & Bonus - Head Load Workers		
Wages - Head Load Workers	868.02	548.55
Performance Cum Motivation Allowance - Head Load Workers	41.06	39.17
Holiday wages - Head Load Workers	19.20	23.25
Contribution to Provident Fund - Head Load Workers	75.63	74.83
Contribution to ESI- Head Load Workers	11.18	12.02
Welfare Expenses - Head Load Workers	131.54	116.78
Total	3,208.42	2,538.66



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Schedules to Profit & Loss Account for the year ended 31st March, 2016

Note 26: Finance Costs		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
	Interest Expense	62.40	78.00
	Total	62.40	78.00

Note 27: Depreciation and amortisation expenses		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
	Depreciation of Tangible Assets (Refer Note 13)	579.43	926.72
	Amortisation on Intangible Assets (Refer Note 13)	11.17	14.45
		590.60	941.18
	Less: Prior period amortisation (Refer Note 30)	-	(3.27)
	Total	590.60	937.90

Note 28: Other Expenses		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
I. Manufacturing			
	Stores, spares & fuel consumed	383.59	461.13
	Electricity charges	410.50	368.66
	Carriage Inwards	6.70	10.47
	Repairs & Maintenance-Plant	73.51	44.83
	Unloading Charges	0.82	1.00
	Analysis Charges - Plant	0.54	0.34
	Clearing Charges	0.69	2.58
	Packing material consumed	800.42	940.57
	Packing material consumed -MMP	6.29	6.29
	Cleaning Expenses	82.79	72.14
	Processing Charges -- Kanjikode	314.26	282.42
	Repairs & Maintenance-Factory building	0.32	0.05
	Stacking charges-Karunagappally	55.85	47.15
	E-Tender Processing Charges	6.34	2.70
	Raw Material dumping Expenses	60.51	55.50
	Manufacturing Expenses - MMP	4.52	4.20
	Bundling Charges	42.63	31.68
	Fumigation Charges	4.31	4.12
	Halting Charges	0.15	3.01
	Demurage Charges	7.89	22.86
	Lab Expenses	7.34	7.05
	Consumption of Lab Glass Wares	13.62	10.01
	Consumption of Tools & Equipments	1.07	0.89
	Total of Manufacturing Expenses	2,284.64	2,379.63
II. Administration			
	Annual General meeting expenses	0.52	0.58
	Bank Charges	2.21	2.17
	Board Meeting expenses	0.52	0.91
	Sitting Fee to Directors	0.16	0.31
	Books & Periodicals	0.59	0.99
	Conveyance	0.47	0.70
	Guest House expenses	1.80	1.16
	Entertainment expenses	0.79	1.25
	Filing Fee	0.24	0.44
	Liquidated damages paid back	-	-



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Schedules to Profit & Loss Account for the year ended 31st March, 2016

Note 28: Other Expenses (contd.)	(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Inauguration Expenses	22.51	-
Insurance	22.05	21.73
Internal Audit Fee	5.76	4.50
Legal & Professional fee	11.67	14.00
Interest on additional Compensation - Land Acquisition	-	-
Miscellaneous Expenses	0.34	0.12
Notification & Tenders	16.52	11.41
Office expenses	5.99	3.53
Postage & Telegram	3.58	2.89
Printing & Stationary	9.18	4.98
Rates & Taxes	13.17	8.78
Security expenses	118.49	96.21
Staff Recruitment Expenses	0.63	0.23
Sales Tax Paid	1.34	(0.00)
Repairs & Maintenance	29.48	28.19
		0.42
Service Tax paid	0.23	0.91
ISO - Audit fee & Expenses	0.23	0.45
Travelling Expenses	-	-
Directors	0.70	0.86
Managing Director	-	-
Employees	11.12	11.78
Others	0.27	0.37
Hiring of vehicle	2.54	2.06
Telephone Charges	7.46	5.33
Vehicle Fuel & Maintenance	14.68	14.19
Social Welfare Expenses	2.00	0.42
Garden Maintenance expenses	8.76	9.07
Statutory Audit Fee	2.36	1.77
Income Tax Audit Fee	0.12	0.12
VAT Audit fees	0.12	0.12
Audit Expenses	-	-
Cost compliance reporting fee	-	-
Canteen Utensils Consumed	0.30	0.31
Guest House & Qtrs Utensils consumed	-	0.00
Audit Committee expenses	0.01	0.01
ERP - Licence Renewal Fee	6.92	6.18
Administration Expenses M M P	-	5.96
Onam Celebration Expenses	7.50	6.31
Welfare Day Expenses	1.39	1.30
Membership fee	0.09	0.39
Provision for Bad & Doubtful Debts	366.57	10.50
Project Expenses	51.86	56.38
Interest - Statutory duties & taxes	1.30	0.17
Loss on Sale of Assets	-	-
PF - Additional Levy	1.04	0.28
ESI - Additional Levy	-	-
Broad Band rental charges	4.50	6.32
Research Expenses- BARC Project	-	-
Wealth Tax	-	0.63
Income Tax Paid	-	0.06
Minor balances written off	-	-
Total of Administration Expenses	760.08	347.76



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Schedules to Profit & Loss Account for the year ended 31st March, 2016

Note 28: Other Expenses (contd.)		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
III. Marketing, Selling & Distribution			
	Freight	1,470.18	1,493.43
	Carriage outward	158.81	154.01
	Rent Regional Office	2.57	4.01
	Bank Charge reimbursed to dealers	7.92	8.90
	Ordinary Discount	235.37	187.00
	Advertisement & Publicity Expenses	124.13	90.85
	Other Selling & Distribution expenses	58.74	50.78
	Commission	16.09	19.87
	Storage Charges	-	6.57
	Selling & Distribution expenses-MMP	-	4.52
	Total of Marketing, Selling & Distribution Expenses	2,073.81	2,019.95
		-	
	Total of Other Expenses (I+II+III)	5,118.54	4,747.35

Note 29: Prior Period adjustments		(Amount ₹ in Lakh)	(Amount ₹ in Lakh)
Particulars		For the year ended 31 March 2016	For the year ended 31 March 2015
1 Expense			
	Depreciation	-	3.27
	EMD - Prior Year	-	1.68
	Other Prior period expenses	2.10	-
		2.10	4.96
2 Income			
	Excess provision for gratuity written back	25.59	-
	Excess Depreciation	394.07	-
	Other Prior Period Credits	0.00	0.40
		419.67	0.40
	Net	417.57	(4.56)



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of the financial statements

30 Earnings per share	(Amount ₹ in Lakhs)	
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Basic		
Profit for the year attributable to the equity shareholders	(2,478)	(85.59)
Weighted average number of equity shares	38,655	27,405
Par value per share	10,000	10,000.00
Earnings per share - Basic (In ₹)	(6,410.11)	(312.30)
Diluted		
Profit for the year attributable to the equity shareholders	(2,478)	(85.59)
Weighted average number of equity shares for Basic EPS	38,655	27,405
Par value per share	10,000	10,000
Earnings per share - Diluted(In ₹)	(6,410.11)	(312.30)

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 or 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. (Amount ₹ in Lakhs)

Particulars	As at 31 March 2016	As at 31 March 2015
Basic	-	3.96
DA (including Arrears)	0.14	5.64
Leave Salary	-	1.01
Other Allowances	-	0.24
Sales Incentive	-	0.08
Total	0.14	10.93

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.

Particulars	2015-16	2014 - 15
Employer's contribution to Provident Fund	209.40	186.61
Employer's contribution to Employees State Insurance Fund	25.35	23.46

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 account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of the financial statements

(ii) Reconciliation of Present value of obligations:

(Amount ₹ in Lakhs)

Particulars	Gratuity		Earned leave		Half pay leave	
	15-16	14-15	15-16	14-15	15-16	14-15
PV of obligations at the beginning of the year	335.35	246.22	76.92	59.00	28.26	18.21
Interest cost	25.83	19.70	5.92	4.72	2.18	1.09
Current Service cost	28.61	25.19	34.53	34.71	24.79	8.16
Past Service Cost (vested)	-	-	-	-	-	-
Actuarial Loss/(Gain)	29.26	49.01	23.34	14.87	13.59	28.24
Benefits Paid	(11.99)	(4.77)	(42.49)	(36.38)	(30.17)	(27.44)
PV of obligations at the end of the year	407.06	335.35	98.22	76.92	38.65	28.26

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

(Amount ₹ in Lakhs)

Particulars	Gratuity		Earned leave		Half pay leave	
	15-16	14-15	15-16	14-15	15-16	14-15
Fair Value of Plan Assets at the beginning of the year	290.71	252.89	-	-	-	-
Expected Return on Plan Assets	31.25	23.38	-	-	-	-
Contributions	125.21	18.68	-	-	-	-
Actuarial Gain/(Loss)	(3.45)	0.53	-	-	-	-
Benefits Paid	(11.99)	(4.77)	-	-	-	-
Fair Value of Plan Assets at the end of the year	431.73	290.71	-	-	-	-

(iv) Description of plan assets-Gratuity Plan:

(Amount ₹ in Lakhs)

Particulars	Gratuity		Earned leave		Half pay leave	
	15-16	14-15	15-16	14-15	15-16	14-15
Insurer Managed Assets	431.73	290.71	-	-	-	-

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

(Amount ₹ in Lakhs)

Particulars	Gratuity		Earned leave		Half pay leave	
	15-16	14-15	15-16	14-15	15-16	14-15
PV of obligations at the end of the Year	407.06	335.35	98.22	76.92	38.65	28.26
Fair Value of Plan Assets	431.73	290.71	-	-	-	-
Closing Net Liability/(Asset)	(24.67)	44.64	98.22	76.92	38.65	28.26
Amount not recognised						
Net Liability/(Asset) recognised in the Balance sheet	(24.67)	44.64	98.22	76.92	38.65	28.26

(vi) Expenses recognised in the Profit and Loss Account

(Amount ₹ in Lakhs)

Particulars	Gratuity		Earned leave		Half pay leave	
	15-16	14-15	15-16	14-15	15-16	14-15
Current service cost	28.61	25.19	34.53	8.83	24.79	8.16
Past service cost	-	-	-	-	-	-
Interest cost	25.83	19.70	5.92	4.72	2.18	1.09
Expected return on plan assets	(31.25)	(23.39)				
Curtailement Cost/(Credit)	-	-				
Settlement Cost/(Credit)	-	-				
Net actuarial Loss/(Gain)	32.71	48.47	23.34	1.65	13.59	0.80
Expense recognised in Profit and Loss Account	55.90	69.97	63.79	15.20	40.56	10.05

Note:

- The above details are based on information certified by the independent actuary and relied on by the auditors.
- In addition to the above, amount debited to Profit & Loss Account in the case of Gratuity includes administration charges levied by LIC ₹ 1.56 Lakhs (Previous Year - ₹ 1.32 Lakhs).



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of the financial statements

31.6 Details of amount paid to Auditors

(Amount ₹ in Lakhs)

Particulars	2015-16	2014-15
(a) Statutory Auditor		
(i) As Auditor	1.50	1.00
(ii) Travelling Expenses	0.30	0.30
(iii) For out of pocket expenses	0.20	0.20
(iv) Service Tax	0.36	0.27
(b) Tax Auditor		
(i) For Income Tax Audit	0.12	0.12
(ii) Monthly Retainership Fee	0.41	0.37
(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	-	-

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:

(Amount ₹ in Lakhs)

Particulars	2015-16	2014-15
Employees State Insurance (ESI)	3.39	3.39
Employees Provident Fund (EPF)	82.98	117.65
Claim for arrear on Overtime Wages	160.00	160.00
Enhanced Compensation Claim – Land Acquisition - Karunagapally	776.40	722.77
Income Tax	78.58	78.58
Service Tax	140.58	127.24
Customs Duty	93.03	87.67
Arbitral award challenged	231.02	210.25
Total	1,565.98	1,507.55

(ii) Bank Guarantees:

(Amount ₹ in Lakhs)

Particulars	2015-16	2014-15
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:

(Amount ₹ in Lakhs)

Particulars	2015-16	2014-15
Estimated amount of contracts remaining to be executed on Capital account and not provided for:	3,999.73	6,317.02
Total	3,999.73	6,317.02



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of the financial statements

31.8 Details in respect of claims against the Company not acknowledged as debts disclosed under Note No.32.7 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 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.776.40 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 2016, the Company has remitted ₹ 140.58 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, Irinjalakuda and the Court has granted stay against arbitral award. On the party approaching the Hon'ble High Court of Kerala, the Court vide its ruling dt 1st February,2019 directed the Company to furnish security for the awarded amount to the satisfaction of Court. Accordingly the Company furnished the land on which the manufacturing unit at Karunagappally is situated as security before the Hon'ble High Court. The claim by the party is not acknowledged as debt by the Company and hence not provided for.
- (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 ₹ 93.03 lakhs and has preferred refund claims which is pending before various Appellate Authorities. The amount paid under protest as on 31.03.2016 amount to ₹ 65.59 Lakhs.

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

Account Details	2015-16	2014-15
Special Treasury A/c No. 723041400000019	1,121.88	1,502.00
Special Treasury A/c No. 723041400000011	300.00	-

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

(ii) Details of Tax Deducted at Source (Net of Provisions) shown in Note 12 - Short term provisions (Amount ₹ in Lakhs)

Tax Deducted at Source	Amount	Net Amount
Assessment Year - 2007-08	12.82	



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of the financial statements

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 - 2016 -17	7.16	
Total	67.28	
Advance Tax	-	
Less: Provision	227.11	
		-159.83



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of the financial statements

31.11 During the year the Company has charged off ₹14.98 Lakhs (Previous year ₹11.19 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	Sri.K.Venugopal, Managing Director

(Amount ₹ in Lakhs)

Particulars	2015-16	2014-15
<u>Salary</u>		
Dr.S.Chandrankutty	-	0.03
Dr. Ani S Das	0.14	10.90
<u>Reimbursement of Travelling Expenses</u>		
Sri.K.V.Venugopal	-	0.28
Dr. Ani S Das	1.37	2.53
<u>Hire charges of vehicle for Official use.</u>		
Dr. Ani S Das	0.04	0.34

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.

(Amount ₹ in Lakhs)

Details of expenditure incurred towards Loading & Unloading	2015-16	2014-15
Wages to Head Load Workers	868.02	548.55
Performance Cum Motivation Allowance	41.06	39.17
Holiday Wages	19.20	23.25
Contribution to Provident Fund	75.63	74.83
Contribution to ESI	11.18	12.02
Welfare Expenses – Head Load Workers	131.54	116.78
Total – Shown under Employee Benefit Expenses (Note No.25)	1,146.63	814.60

(Amount ₹ in Lakhs)

Details of Amount collected from Material suppliers and Transporter towards Unloading & Loading	2015-16	2014-15
Loading Charges collected from Transporter	589.01	416.23
Unloading Charges collected from Material suppliers	610.61	439.92
Total – Shown under Other Income (Note No. 21)	1,199.62	856.15



KERALA FEEDS LIMITED
KALLETUMKARA, THRISSUR - 680 683
Notes forming part of the financial statements

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 ₹ 65.59 Lakhs (Previous year - ₹88.36 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.

(Amount ₹ in Lakhs)

Year	Amount of excess Customs Duty charged	Status
	Amount ₹ in Lakhs	
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	7.67	₹7.67 Lakhs pending before CESTAT.
2014-15	1.11	₹1.11 Lakhs pending before CESTAT.
2015-16	5.37	₹ 5.37Lakhs pending before CESTAT.



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of the financial statements

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. Out of ₹24.91 lakhs received as grant, the company spent an amount of ₹20.38 lakhs. The balance remaining in the funds amount to ₹ 4.53 Lakhs and the same is shown under Other Current Liabilities (Note - 11).

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.

	(Amount ₹ in Lakhs)	
Particulars	2015-16	2014-15
Consultancy Fee – Extension of Administrative Block, Kallettumkara	1.23	1.23

31.19 Movement of Provisions

(i). Provision for Bad and Doubtful Debts

	(Amount ₹ in Lakhs)	
Particulars	2015-16	2014-15
Opening Balance	93.06	82.56
Add: Provision during the year	366.57	10.98
Less: Bad debts written off	-	0.00
Less: Amount Realised	3.01	0.48
Closing Balance	456.62	93.06

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 As approved by the Government of Kerala, The Manufacturing Unit located at Thiruvangoor in Kozhikode District was constructed on the closed premises of Kerala State Coconut Development Corporation. As directed by the Government, the Company released an amount of 1.50 crores to Kerala State Coconut Development Corporation as advance towards the lease rent. Later vide G.O (MS) No.448/2015/RD dt 11.09.2015 issued by the Revenue Department, Government of Kerala, 10.79 acres of land acquired for Kerala State Coconut Development Corporation at Thiruvangoor in Kozhikode District assigned on lease to Kerala Feeds Limited for a period of 30 years at a nominal lease rent @ ₹ 100 per are per annum. The amount due from Kerala State Coconut Development Corporation is shown under 'Capital Advances' in Note - 14 - ' Long Term Loans and Advances' and Provision for bad and doubtful debts created in the books of accounts for the year 2015 -16 in respect of the outstanding amount.

31.24 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses

31.25 There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company

31.26 Figures for the previous year have been regrouped and recast wherever necessary to suit current years layout.



KERALA FEEDS LIMITED
KALLETTUMKARA, THRISSUR - 680 683
Notes forming part of the financial statements

31.27 Particulars in respect of stock and turnover

(Amount ₹ in Lakhs)

Class of goods manufactured	Opening		Closing		Sales	
	Qty in MT	Value	Qty in MT	Value	Qty in MT	Value
Kerala Feeds Ordinary	504.00 (153.00)	77.82 (24.07)	387.30 (504.00)	56.55 (77.82)	57,134.10 (41,926.10)	9,712.80 (7,579.68)
Kerala Feeds Plus	- -	- -	- -	- -	- -	- -
Kerala Feeds Elite	22.60 (150.20)	3.48 (24.25)	221.00 (22.60)	38.39 (3.48)	5,697.90 (4,721.30)	1,138.59 (922.31)
Kerala Feeds Rich	981.05 (2,994.15)	151.20 (471.99)	711.10 (981.05)	120.09 (151.20)	1,85,723.03 (1,88,287.60)	31,958.15 (31,583.18)
Rat Feed	0.23 -	0.04 -	0.33 (0.23)	0.05 (0.04)	0.97 (0.07)	0.25 (0.02)
Keramin	20.25 (28.97)	15.04 (11.91)	8.48 (20.25)	3.50 (15.04)	180.31 (179.66)	173.94 (168.37)
Calf Feed	2.30 (6.05)	0.34 (0.92)	6.95 (2.30)	1.16 (0.34)	175.15 (285.05)	36.35 (59.72)
Densified Fodder Block	0.31 -	0.07 -	- (0.31)	- (0.07)	23.41 (3.31)	5.06 (0.73)
Rabbit Feed	2.25 (0.50)	0.35 (0.08)	0.34 (2.25)	0.06 (0.35)	11.91 (9.67)	2.63 (2.27)
Goat Feed	28.22 (0.18)	4.46 (0.03)	14.17 (28.22)	2.45 (4.46)	311.16 (283.60)	63.44 (56.51)
Total	1,561.21 (3,333.05)	252.79 (533.25)	1,349.67 (1,561.21)	222.25 (252.79)	2,49,257.94 (2,35,696.36)	43,091.20 (40,372.79)

Note:

- Figures in brackets represent the figures for previous year
- 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.
- 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.
- 0.284 Mt (0.139 Mt) of Keramin has been recycled and spoilage and damaged items is Nil for the year (0.053 Mt)
- 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 MTs).
- 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..
- 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
- 1.456 (5.485 MT) of Densified Fodder Block has been disposed off during the year as spoilage/damaged items



KERALA FEEDS LIMITED
KALLETTUMKARA, THRISSUR - 680 683
Notes forming part of the financial statements

31.28 Consumption of Raw Material

(Amount ₹ in Lakhs)

Particulars	2015 - 16		2014 -15	
	Qty in MT	Value	Qty in Mt	Value
1. Imported	-	-	-	-
2. Indigenous (100%)				
(a) Rice Bran	1,12,493.365	15,386.24	1,04,887.103	13,007.37
(b) Maize	51,139.595	8,142.30	47,996.047	6,759.09
(c) Coconut Meal	19,790.584	3,582.89	28,394.636	3,005.28
(d) Rice Polish	20,101.658	3,599.62	18,431.994	3,281.61
(e) Calcite Powder	6,171.761	226.10	10,883.754	236.96
(f) Cotton seed extractions	17,191.773	4,390.65	23,382.089	2,952.78
(g) Ground nut extractions	1,116.461	362.21	2,110.798	691.83
(h) Jower	1,075.635	162.00	1,449.664	211.04
(i) Molasses	10,682.902	985.77	15,343.656	940.60
(j) Rape Seed Extractions	7,232.663	1,769.94	6,991.028	1,290.55
(k) Soyabean Meal	168.673	63.06	162.163	56.86
(i) Others (Salt, TSP etc)	5,904.203	321.73	7,498.777	400.30
Total	2,53,069.27	38,992.51	2,67,531.71	32,834.27

Consumption of Mineral Salts

(Amount ₹ in Lakhs)

Particulars	2015 - 16		2014 -15	
	Qty in MT	Value	Qty in Mt	Value
1. Imported	-	-	-	-
2. Indigenous (100%)				
(a) Di Calcium Phosphate	112.776	39.56	115.387	38.68
(b) Calcite Powder	31.428	1.11	22.438	0.80
(c) Magnesium Oxide	21.700	6.53	19.460	5.98
(d) Sodium Thio Sulphate	1.400	0.46	4.595	1.50
(e) Ferrous Sulphate	2.062	0.51	5.505	1.35
(f) Copper Sulphate	2.160	2.61	1.573	1.90
(g) Manganese Sulphate	0.880	0.36	0.860	0.30
(h) Cobalt Sulphate	0.495	2.55	0.400	2.22
(i) Potassium Iodide	0.091	1.82	0.075	1.94
(j) Others (Chelated Manganese, Copper etc)	19.704	8.48	6.734	3.60
Total	192.696	63.99	177.03	58.26

Consumption of Stores and Spares

(Amount ₹ in Lakhs)

Particulars	2015 - 16	2014 -15
Imported	64.75	71.06
Indigenous	120.47	102.28

31.29 CIF value of imports

(Amount ₹ in Lakhs)

Particulars	2015 - 16	2014 -15
Capital Goods	391.99	-
Spares	157.76	154.75

31.30 Expenditure in foreign currency

(Amount ₹ in Lakhs)

Particulars	2015 - 16	2014 -15
Spares imported	549.75	154.75



KERALA FEEDS LIMITED

KALLETUMKARA, THRISSUR - 680 683

Notes forming part of the financial statements

31.31 Earnings in foreign currency - NIL

31.32 Number of NRI Shareholders - NIL

31.33 Number of Shares Held by NRI Share Holders - NIL

31.34 Dividend remitted in foreign currency - NIL

For and on behalf of Board of Directors

sd/-	sd/-	sd/-	sd/-
Vidya Unnikrishnan Company Secretary	Rajasekharan K.N. Manager Finance	Dr.B.Sreekumar Managing Director DIN:01688985	Shri.K.S. Indusekharan Nair Chairman DIN:07730864

Place: Kallettumkara
Date: 27/2/2020

As per our report of even date attached

For BSJ & Associates
Chartered Accountants
FRN. 010560S

Place: Ernakulam
Date: 27/2/2020

sd/-
CA. JOJO AUGUSTINE
Partner (M.No.214088)
UDIN : 20214088AAAAAT2198





सत्यमेव जयते

**OFFICE OF THE ACCOUNTANT GENERAL (ECONOMIC & 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 FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of financial statements of **Kerala Feeds Limited** for the year ended **31 March 2016** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **27 February 2020**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **Kerala Feeds Limited** for the year ended **31 March 2016** under Section 143(6) (a) of the Act.

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

K.P ANAND

Thiruvananthapuram
Dated: 17 .03.2020

ACCOUNTANT GENERAL (E&RSA), KERALA

സുരക്ഷിതമായ പാലിനും
ആരോഗ്യമുള്ള പശുവിനും

കേരള ഫീഡ്സ്

സമീകൃത കാലിത്തീറ്റ

ഒരു കേരള സർക്കാർ ഉൽപ്പന്നം



കേരള ഫീഡ്സ്
ഡയറി റിച്ച് ഷൂസ്
എക്സ്ട്രാ പ്രീമിയം കാലിത്തീറ്റ



കേരള ഫീഡ്സ്
എലൈറ്റ്

കേരള ഫീഡ്സ്
മിടുകി

കെ.എഫ്.
മലബാറി

കേരള ഫീഡ്സ്
TMR

കേരമിൻ
സ്പെഷ്യൽ | ഓർഗാനിക്

കേരള ഫീഡ്സ് ഹൈടെക് ഫാക്ടറികൾ



650 മെട്രിക് ടൺ കാലിത്തീറ്റ ഫാക്ടറി
കല്ലേറ്റുംകര, തൃശൂർ



300 മെട്രിക് ടൺ കാലിത്തീറ്റ ഫാക്ടറി
കുന്നാഗപ്പള്ളി, കൊല്ലം



300 മെട്രിക് ടൺ കാലിത്തീറ്റ ഫാക്ടറി
തിരുവങ്ങൂർ, കോഴിക്കോട്



500 മെട്രിക് ടൺ കാലിത്തീറ്റ
ഫാക്ടറി പ്രൊജക്ട്, അരീക്കുഴ, ഇടുക്കി



ധാതുലവണ മിശ്രിത ഫാക്ടറി,
ആതവനാട്, മലപ്പുറം



TMR ഫാക്ടറി, മുതലമട, പാലക്കാട്



KERALA FEEDS LTD.

A GOVT. OF KERALA UNDERTAKING

Feeds Nagar, Kallattumkara, Thrissur-680 683.

Customer Care cell: Ph: 9447490114, 0480 2727104.

Email: marketing@keralafeeds.com Web: www.keralafeeds.com