



**22<sup>nd</sup>**



**ANNUAL  
REPORT** 2017-18



**KERALA FEEDS LTD.**  
A GOVT. OF KERALA UNDERTAKING



പൊതുമേഖലാ സ്ഥാപനമായ കേരള ഫീഡ്സിന്റെ പുതിയ ഉൽപ്പന്നം 'അതുല്യം ഗ്രോവർ കോഴിത്തീറ്റ' മൃഗസംരക്ഷണ-ക്ഷീര വികസന വകുപ്പ് മന്ത്രി ശ്രീമതി ജെ. ചിഞ്ചുറാണി പുറത്തിറക്കി. ജൂൺ 16, ബുധനാഴ്ച മന്ത്രിയുടെ ചേംബറിൽ നടന്ന പരിപാടിയിൽ കേരള ഫീഡ്സ് എം.ഡി. ഡോ.ബി.ശ്രീകുമാർ സന്നിഹിതനായിരുന്നു. കേരള ഫീഡ്സ് ബ്രാൻഡ് അംബാസഡറും ചലച്ചിത്രതാരവുമായ ശ്രീ. ജയറാമും കേരള ഫീഡ്സ് ഉദ്യോഗസ്ഥരും ഡീലർമാരും ഓൺലൈനായി പരിപാടിയിൽ പങ്കെടുത്തു.



# കേരള ഫീഡ്സ് ലിമിറ്റഡ്

(ഒരു കേരള സർക്കാർ സംരംഭം)

കല്ലേറ്റുങ്കര-680683, തൃശ്ശൂർ, കേരളം

## 22-ാമത് വാർഷിക പൊതുയോഗം (മാറ്റിവെച്ചത്)

2017-18

തീയതി : 23.07.2021

ദിവസം : വെള്ളിയാഴ്ച

സമയം : 11.30 AM

**മാനേജിംഗ് ഡയറക്ടർ :**

ഡോ. ബി. ശ്രീകുമാർ

**ഓഡിറ്റോഴ്സ് :**

**M/s C M Joseph & Associates  
Chartered Accountants, Ernakulam**





# കേരള ഫീഡ്സ് ലിമിറ്റഡ്

രജി. ഓഫീസ് :  
ഫീഡ്സ് നഗർ,  
കല്ലേറ്റംകര  
തൃശ്ശൂർ-680683

## നോട്ടീസ്

കേരള ഫീഡ്സ് ലിമിറ്റഡിന്റെ മാറ്റിവച്ച 22-ാമത് വാർഷിക പൊതുയോഗം 23.07.2021 വെള്ളിയാഴ്ച രാവിലെ 11:30 ന് Video Conference വഴി നടത്തുന്നതാണ്.

## യോഗത്തിലെ ചർച്ചാ വിഷയം

### സാധാരണ വിഷയങ്ങൾ :

1. കമ്പനിയുടെ 2017-18 സാമ്പത്തിക വർഷത്തെ കണക്കുകൾ (ബാലൻസ് ഷീറ്റ്, പ്രോഫിറ്റ് & ലോസ് അക്കൗണ്ട് മുതലായവ), ഡയറക്ടർ റിപ്പോർട്ട് , CAG യുടെ നിരീക്ഷണങ്ങൾ എന്നിവ പരിഗണിച്ച് അംഗീകരിക്കൽ.

ഡയറക്ടർ ബോർഡിന് വേണ്ടി

കല്ലേറ്റംകര  
തൃശ്ശൂർ - 680 683  
തീയതി : 21 ജൂൺ, 2021

Sd/-  
ഡോ.ബി. ശ്രീകുമാർ  
മാനേജിംഗ് ഡയറക്ടർ

## കുറിപ്പ്

തുടർന്നുകൊണ്ടിരിക്കുന്ന COVID 19 പ്രതിരോധനത്തിന്റെ പശ്ചാത്തലത്തിൽ കേന്ദ്രസർക്കാറിന്റെ കമ്പനികാര്യ മന്ത്രാലയത്തിന്റെ 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 Attendance Slip ഇതോടൊപ്പം ഉള്ളടക്കം ചെയ്തിട്ടില്ല.

### നിരാകരണം

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

## KERALA FEEDS LIMITED

Regd. Officer:  
Feeds Nagar  
Kallettumkara  
Thrissur - 680 683

### NOTICE

NOTICE is hereby given that the 22<sup>nd</sup> Adjourned Annual General Meeting of Kerala Feeds Limited will be held on Friday, the 23<sup>rd</sup> day of July, 2021 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 31<sup>st</sup> March 2018 and the Profit and Loss Account as on that date together with the Report of the Directors, Auditors and Nil Comment Certificate of the Comptroller & Auditor General of India as per the provisions of the Companies Act, 2013.

By Order of the Board,

Kallettumkara

Trichur-680 683

Date: 21st June, 2021

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 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.*



**KERALA FEEDS LTD.**  
**DIRECTORS' REPORT**  
**2017-18**

**To the Members,**

Your Directors are pleased to present the Twenty Second Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2018.

**FINANCIAL RESULTS**

(Rs. in Lakhs)

| Particulars   | For the year<br>ending<br>31.03.2018 | For the year<br>ending<br>31.03.2017 |
|---|--------------------------------------|--------------------------------------|
| Profit / (Loss) before Finance costs, Depreciation and amortisation expenses and Tax expenses | 1145.47                              | (2307.03)                            |
| Less : Finance Costs  | 170.90                               | 150.21                               |
| Depreciation and amortisation expenses  | 755.02                               | 518.08                               |
| Tax expenses  |                                      |                                      |
| Profit / (Loss) after tax   | 219.55                               | (2975.32)                            |
| Appropriations:   |                                      |                                      |
| Dividend  | 0                                    | 0                                    |
| Corporate Dividend tax  | 0                                    | 0                                    |
| Accumulated Profit/(Loss)   | (6327.02)                            | (6546.57)                            |

**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 2017-18 was 190219.882 MT with total turnover of Rs. 370.19 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 only nominal profit amounting to Rs.2.20crores

**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. The trial production from our Hi-Tech Cattle Feed Plant at Thodupuzha has also commenced.

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



## **DIVIDENDS**

No dividends are declared during the year due minimal nominal profits made by the Company

## **AMOUNT PROPOSED TO BE CARRIED TO RESERVE**

Since the Company has made nominal profits during the Financial Year, the entire profits are carried to Reserves

## **BOARD OF DIRECTORS:**

**Details to changes to Directors/ Key Managerial Personnel during the Year: NIL**

### **Details of Board Meetings held during the Year**

During the Financial Year, the Board met 6 times on 6/05/2017, 6/07/2017, 22/09/2017, 7/11/2017, 5/02/2018 and 24/3/2018. The intervening gap between the two meetings was as per the provisions prescribed in the Companies Act, 2013

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

| Sl no | Name of Director           | No. of Board meetings eligible to attend | No. of Board meetings attended |
|-------|----------------------------|--|--------------------------------|
| 1     | Shri.K.S.Indusekharan Nair | 6  | 6                              |
| 2     | Dr.B.Sreekumar             | 6  | 6                              |
| 3     | Smt.Mini.V.R               | 6  | 6                              |
| 4     | Smt.Kshithi.V.Das          | 6  | 6                              |
| 5     | Dr.N.N.Sasi                | 6  | 4                              |
| 6     | Shri.Georgekutty Jacob     | 2  | 0                              |
| 7     | Shri Abraham Joseph        | 4  | 3                              |
| 8     | Dr. A S Bijulal            | 5  | 4                              |
| 9     | Dr .Jose James             | 6  | 6                              |
| 10    | Dr.Ani S Das               | 1  | 1                              |
| 11    | Shri.Vinod John            | 6  | 4                              |
| 12    | Shri. James P Jacob        | 6  | 4                              |
| 13    | Shri C K Chandran          | 6  | 6                              |





## **AUDIT COMMITTEE**

The Audit Committee was constituted by the Board of Directors at its meeting held on 14<sup>th</sup> February, 2001. The Audit Committee comprises of three Non-Executive Directors, Managing Director (as invitee), Internal Auditor and Statutory Auditor of the Company. The Chairperson of the Committee during 2017-18 was Smt. Mini V R, Director and Additional Secretary (Finance), Government of Kerala. Two Meetings of the Audit Committee were held during the Financial Year 2017-18. 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 31.3.2018 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](http://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](http://www.keralafeeds.com). Since the Company has not crossed the threshold limits , as per Section 135 of the Companies Act, 2013, during the year, 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 | - | Nil |

### ***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 31<sup>st</sup> March, 2018, and of the profits of the Company for the year ended 31<sup>st</sup> March, 2018;
- (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, NDDDB, 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/-

**Kallettumkara**

**20.01.2021**

**Dr. B Sreekumar**  
**Managing Director**

Sd/-

**Shri K S Indusekharan Nair**  
**Chairman**



# C M Joseph & Associates

*Chartered Accountants*

F.R. No. 006408S

C.M.JOSEPH, FCA, DISA (ICAI)  
SAN CLINIC BUILDING  
MRA 5 A, MOUNT CARMEL CHURCH  
ROAD,  
PALLATH LANE, MAMANGALAM  
PALARIVATTOM P.O., KOCHI - 682025

## INDEPENDENT AUDITORS' REPORT

To

The Members of  
Kerala Feeds Limited  
Kallettumkara, Thrissur

### Report on the Financial Statements

We have audited the accompanying financial statements of Kerala Feeds Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company



or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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 the standalone 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, of the state of affairs of the Company as at March 31, 2018, and its profits and its cash flows for the year ended on that date.

### **Basis for Opinion**

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the



Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

We draw the attention to the following:

1. Note No.30.1 to the financial statements regarding balance under trade receivable, deposits, other advances, trade payables and security deposit received, which are subject to confirmation/ reconciliation.

Our opinion is not modified in respect of this matter.

### **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 of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we enclose in the Annexure-"A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (5) of the Act, we give in 'Annexure - C', on the basis of such checks of the books and the records of the Company as we considered appropriate and according to the information and explanations given to us, on the directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (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) Rules, 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 adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure - B'. our report express an unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial control over financial reporting; and
- a) 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 30.7 and 30.8 to the financial statements;
- ii) The Company does not have any long-term contracts requiring a provision for material foreseeable losses. – Refer Note 30.24 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 30.25 to the financial statements;

**For C M Joseph & Associates**  
***Chartered Accountants***  
**F.R. No. 006408S**

**Sd/-**  
**C.M.JOSEPH, FCA, DISA (ICAI)**  
**Managing partner**  
**Membership Number: 202800**  
**UDIN:21202800AAAABR4012**

Place : Ernakulam

Date : 20.01.2021





## Appendix

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## CARO REPORT 2016

### **Annexure “A” to the Independent Auditors’ Report referred to in Paragraph 1 under “Report on other Legal and Regulatory Requirements” of our Report to the Members of Kerala Feeds Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2018**

- 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 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 (a) According to the information and explanations given to us and on the basis of examination of records of the Company, 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 except the following cases, there were no outstanding dues as at 31st March 2018 for a period of more than six months from the date they became payable:

| Nature of the Dues        | (Amount (Rs |
|---------------------------|-------------|
| Employees Provident Fund  | 2,83,731    |
| Employees State Insurance | 3,62,494    |

- (b) 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:

| Name of the Statute | Nature of the Dues   | Amount (Rs. in lakhs) | Period to which the amount relates (FY)           | Forum where dispute is pending   |
|---------------------|--|-----------------------|---|--|
| The Income Tax Act  | Disallowance of expenditure claimed with respect to gratuity, leave encashment expenditure and short deduction of TDS and notice of demand u/s 156 | 240.06                | 2004-05, 2006-07, 2011-12, 2014-15 & 2016-17      | 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   | 150.40                | 2005-06 to 2017-18                                | Appeals filed before the High Court of Kerala, CESTAT and Commissioner (Appeals) are pending for disposal          |
| The Customs Act     | Demand of customs duty of import of spaces of pellet mill  | 63.79                 | 2004-05 to 2009-10 & 2011-12 to 2013-14 & 2015-16 | Appeal 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, except the following case, 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:

| Particulars   | Amount in Lakhs |
|---|-----------------|
| Installment Repayment of NABARD - RIDF loan to Government of Kerala | 100.00          |



- 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 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 According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph (xv) of the Order is not applicable.
- 16 The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and accordingly ,the provisions of the clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

**For C M Joseph & Associates**  
**Chartered Accountants**  
**F.R.No. 006408S**

**Sd/-**  
**C.M.JOSEPH, FCA, DISA (ICAI)**  
**Managing partner**  
**Membership Number:202800**  
**UDIN: 21202800AAAABR4012**

Place: Ernakulam  
Date: 20.01.2021



## **ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

### **Referred to in Paragraph 3(f) under "Report on other Legal and Regulatory Requirements" of our Report to the Members of Kerala Feeds Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2018**

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

We have audited the internal financial controls over financial reporting of Kerala Feeds Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting (the 'Guidance Note') and the standards on auditing (the 'Standards') issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For C M Joseph & Associates**  
*Chartered Accountants*  
**F.R.No. 006408S**

**Sd/-**  
**C.M.JOSEPH, FCA, DISA (ICAI)**  
**Managing partner**  
**Membership Number:202800**  
**UDIN: 21202800AAAABR4012**

Place: Ernakulam  
Date: 20.01.2021



## ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 2 under "Report on other Legal and Regulatory Requirements" of our Report to the Members of Kerala Feeds Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2018

### AUDIT REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018 AS PER DIRECTIONS OF C&AG UNDER SECTION 143 (5) OF THE COMPANIES ACT 2013

|   |  |  |
|---|--|--|
| 1 | If the Company has been selected for dis-investment, 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 dis-investment   |
| 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                                  | 1613.49               | 500 TPD Cattle Feed Plant at Arikuzha in Idukki District                            |
| 2       | Government of Kerala                                  | 9.91                  | Bye Pass Protein Plant at Kallettumkara in Thrissur District                        |
| 3       | Government of Kerala                                  | 1.05                  | Infrastructre Development at Cattle Feed Plant at Karunagappally in Kollam District |

**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     | 41           | 911.17                         | 360000                  | The delay is attributable to adjournments in courts/ other court related matters |
| 2      | 1 to 3 years         | 16           | 9.42                           | 0                       | The delay is attributable to adjournments in courts/ other court related matters |
| 3      | More than 3 years    | 11           | 276.94                         | 11500                   | The delay is attributable to adjournments in courts/ other court related matters |

**For C M Joseph & Associates**  
*Chartered Accountants*  
**F.R.No. 006408S**

**Sd/-**  
**C.M.JOSEPH, FCA, DISA (ICAI)**  
**Managing partner**  
**Membership Number:202800**  
**UDIN: 21202800AAAABR4012**

Place: Ernakulam  
 Date: 20.01.2021





**CIN: U15331KL1995SGC009521**  
**KALLETUMKARA, THRISSUR - 680683**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018**

| PARTICULARS  | Note No   | Amount ₹ in Lakhs  |   | Amount ₹ in Lakhs |                  |
|--|---|--|---|-------------------|------------------|
|  |   | AS AT 31.3.2018  |   | AS AT 31.3.2017   |                  |
| <b>I. EQUITY AND LIABILITIES</b>   |   |  |   |                   |                  |
| <b>1. Share holder's funds</b>   |   |  |   |                   |                  |
| a. Share capital   | 4   | 3,865.50   |   | 3,865.50          |                  |
| b. Reserves & surplus  | 5   | 436.45   | 4,301.95  | -612.10           | 3,253.40         |
| <b>2. Share application money pending Allotment</b>  |   |  | -   |                   |                  |
| <b>3. Non - Current liabilities</b>  |   |  |   |                   |                  |
| a. Long term borrowings  | 6   | 2,070.00   |   | 2,587.50          |                  |
| b. Deferred tax liabilities (Net)  | 7   | 16.88  |   | 16.88             |                  |
| c. Other long term liabilities   | 8   | 212.16   |   | 186.82            |                  |
| d. Long term provisions  | 9   | 701.03   | 3,000.07  | 608.90            | 3,400.10         |
| <b>4. Current Liabilities</b>  |   |  |   |                   |                  |
| a. Trade payables  | 10  | 4,122.47   |   | 6,432.15          |                  |
| b. Other current liabilities   | 11  | 5,236.83   |   | 2,493.97          |                  |
| c. Short- term provisions  | 12  | 984.18   | 10,343.48   | 572.05            | 9,498.17         |
| <b>TOTAL</b>   |   |  | <b>17,645.50</b>  |                   | <b>16,151.68</b> |
| <b>II. ASSETS</b>  |   |  |   |                   |                  |
| <b>1. Non-current assets</b>   |   |  |   |                   |                  |
| a. Fixed assets  |   |  |   |                   |                  |
| i. Tangible assets   | 13  | 4,906.07   |   | 3,748.31          |                  |
| ii. Intangible assets  | 13  | 0.84   |   | 1.11              |                  |
| iii. Capital work-in progress  | 13  | 5,762.45   | 10,669.36   | 6,040.83          | 9,790.26         |
| b. Long-term Loans and Advances  | 14  | 1,191.68   | 1,191.68  | 785.75            | 785.75           |
| c. Other non-current assets  |   |  | -   |                   | -                |
| <b>2. Current assets</b>   |   |  |   |                   |                  |
| a. Inventories   | 15  | 3,228.70   |   | 2,374.19          |                  |
| b. Trade receivables   | 16  | 1,473.83   |   | 1,779.75          |                  |
| c. Cash and cash equivalents   | 17  | 241.99   |   | 1,065.40          |                  |
| d. Short-term loans and advances   | 18  | 421.96   |   | 313.69            |                  |
| e. Other current assets  | 19  | 417.98   | 5,784.46  | 42.65             | 5,575.67         |
| <b>TOTAL</b>   |   |  | <b>17,645.50</b>  |                   | <b>16,151.68</b> |
| Significant accounting policies  | 3   |  |   |                   |                  |
| Additional information   | 30  |  |   |                   |                  |
| <b>For and on behalf of Board of Directors</b>   |   |  |   |                   |                  |
| Sd/-<br><b>Vidya Unnikrishnan</b><br>Company Secretary<br><br>Place: Kallettumkara<br>Date: 20. 01. 2021   | Sd/-<br><b>Rajasekharan.K.N.</b><br>Manager Finance | Sd/-<br><b>Dr.B.Sreekumar</b><br>Managing Director<br>DIN:01688985 | Sd/-<br><b>Shri.K.S.Indusekharan Nair</b><br>Chairman<br>DIN:07730864 |                   |                  |
| As per our report of even date attached  |   |  |   |                   |                  |
| For C.M.Joseph & Associates<br>Chartered Accountants<br>F.R.No 006408S<br>Sd/-<br><b>C.M.JOSEPH, FCA, DISA (ICAI)</b><br>Managing Partner<br>Membership Number: 202800 |   |  |   |                   |                  |



**CIN: U15331KL1995SGC009521**  
**KALLETUMKARA, THRISSUR - 680683**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

| Particulars  | Note No. | Amount ₹ in Lakhs    |                      |
|--|----------|----------------------|----------------------|
|  |          | Year ended 31.3.2018 | Year ended 31.3.2017 |
| <b>I. REVENUE</b>  |          |                      |                      |
| (a) Revenue from operations  | 20       | 36,864.73            | 40,193.00            |
| (b) Other Income   | 21       | 153.87               | 1,387.81             |
| <b>Total Revenue</b>   |          | <b>37,018.60</b>     | <b>41,580.80</b>     |
| <b>II. EXPENSES</b>  |          |                      |                      |
| (a) Cost of materials consumed   | 22       | 28,515.67            | 36,376.84            |
| (b) Changes in inventories of finished goods                                     | 23       | 34.85                | (364.88)             |
| (c) Employee benefit expenses  | 24       | 3,597.75             | 3,335.84             |
| (d) Finance costs  | 25       | 170.90               | 150.21               |
| (e) Depreciation and amortisation expenses                                       | 26       | 755.02               | 518.08               |
| (f) Other expenses   | 27       | 3,695.16             | 4,539.61             |
| <b>Total Expenses</b>  |          | <b>36,769.35</b>     | <b>44,555.69</b>     |
| <b>III. Profit before exceptional and extraordinary items and tax (I - II)</b>   |          | <b>249.25</b>        | <b>(2,974.89)</b>    |
| IV. Exceptional Items  |          | -                    | -                    |
| <b>V. Profit before extraordinary items and tax (III - IV)</b>                   |          | <b>249.25</b>        | <b>(2,974.89)</b>    |
| VI. Extraordinary Items  |          | -                    | -                    |
| <b>VII. Profit/(Loss) for the year (V - VI)</b>                                  |          | <b>249.25</b>        | <b>(2,974.89)</b>    |
| VIII. Prior period adjustments   | 28       | (29.70)              | (0.43)               |
| <b>IX. Profit/(Loss) before tax (VII + VIII)</b>                                 |          | <b>219.55</b>        | <b>(2,975.32)</b>    |
| <b>X. Tax expenses</b>   |          |                      |                      |
| (a) Current tax  |          | -                    | -                    |
| (b) MAT Credit availed   |          | -                    | -                    |
| (c) Deferred tax   |          | -                    | -                    |
| <b>XI. Profit/(Loss) for the period from continuing operations (IX - X)</b>      |          | <b>219.55</b>        | <b>(2,975.32)</b>    |
| XII. Profit/(Loss) from discontinuing operations                                 |          | -                    | -                    |
| XIII. Tax expenses of discontinuing operations                                   |          | -                    | -                    |
| <b>XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII - XIII)</b> |          | <b>-</b>             | <b>-</b>             |
| <b>XV. Profit/(Loss) for the year (XII + XIV)</b>                                |          | <b>219.55</b>        | <b>(2,975.32)</b>    |
| <b>XVI. Earnings per Equity Share (₹)</b>  | 29       |                      |                      |
| (a) Basic  |          | 567.97               | (7,697.11)           |
| (b) Diluted  |          | 567.97               | (7,697.11)           |
| <b>Nominal value per equity share (₹)</b>  |          | <b>10,000</b>        | <b>10,000</b>        |
| Significant accounting policies  | 3        |                      |                      |
| Additional information   | 30       |                      |                      |

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: 20. 01. 2021

As per our report of even date attached

For C.M.Joseph & Associates  
Chartered Accountants  
F.R.No 0064085

Sd/-  
C.M.JOSEPH, FCA, DISA (ICAI)  
Managing Partner  
Membership Number: 202800

Place: Ernakulam  
Date: 20. 01. 2021



CIN: U15331KL1995SGC009521  
KALLETUMKARA, THRISSUR - 680683

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018**

| Particulars   | Amount ₹ in Lakhs                            | Amount ₹ in Lakhs   |
|---|--|---|
|   | For the year ended<br>31 March 2018          | For the year ended<br>31 March 2017   |
| <b>A. Cash Flow from Operating Activities</b>                                       |  |   |
| <b>Net Profit / (Loss) before taxation and extra ordinary items</b>                 | <b>219.55</b>                                | <b>(2,975.32)</b>   |
| Adjustment for:   |  |   |
| Depreciation  | 755.02                                       | 518.08  |
| Interest and Finance Charges  | 170.90                                       | 150.21  |
| Loss/(Profit) on sale/disposal of assets  | -  | 0.14  |
| Interest on deposit from Banks and other Interest                                   | (10.99)                                      | (11.79)   |
| <b>Operating Profit before working capital changes</b>                              | <b>1,134.47</b>                              | <b>(2,318.68)</b>   |
| Adjustments for   |  |   |
| Trade receivables, loans & advances and other current assets                        | (582.72)                                     | (66.97)   |
| Inventories   | (854.52)                                     | 501.55  |
| Trade payables, other current liabilities and provisions                            | 635.28                                       | 2,749.88  |
| <b>Cash generated from operations</b>   | <b>332.52</b>                                | <b>865.78</b>   |
| Income tax paid (Net of refunds)  | (1.46)                                       | (1.19)  |
| <b>Cash flow before extraordinary item</b>  | <b>331.06</b>                                | <b>864.59</b>   |
| Extraordinary item  | -  | -   |
| <b>Net Cash from operating activities (A)</b>                                       | <b>331.06</b>                                | <b>864.59</b>   |
| <b>B. Cash Flow from Investing Activities</b>                                       |  |   |
| Purchase of fixed assets (net of Government Grants and borrowing costs capitalised) | (1,912.51)                                   | (81.23)   |
| Sale/disposal of fixed assets   | -  | 0.11  |
| Increase in Capital work in progress  | 371.54                                       | (1,849.71)  |
| (Increase) / decrease in earmarked fixed deposits with banks                        | (2.62)                                       | 38.99   |
| Interest on deposit from banks  | 11.55  | 12.63   |
| <b>Net cash used in investing activities (B)</b>                                    | <b>(1,532.03)</b>                            | <b>(1,879.20)</b>   |
| <b>C. Cash Flow from Financing Activities</b>                                       |  |   |
| Interest and Finance Charges  | (264.05)                                     | (240.21)  |
| Proceeds/(Repayment) of bank borrowings   | (190.00)                                     | (290.00)  |
| Dividend Paid (including corporate dividend tax)                                    | -  | -   |
| Contribution from Government for Capital Projects                                   | 829.00                                       | 1,646.70  |
| <b>Net Cash used in financing activities (C)</b>                                    | <b>374.95</b>                                | <b>1,116.49</b>   |
| <b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>                   | <b>(826.02)</b>                              | <b>101.89</b>   |
| Cash and cash equivalents at the beginning of the year                              | 1,032.99                                     | 931.10  |
| <b>Cash and cash equivalents at the end of the year</b>                             | <b>206.96</b>                                | <b>1,032.99</b>   |
| <b>Reconciliation of cash and cash equivalents with the Balance Sheet:</b>          |  |   |
| Cash and cash equivalents at the end of the year as per Note 17                     | 241.99                                       | 1,065.40  |
| Less: Earmarked deposits with banks not considered as cash and cash equivalents     | 35.03  | 32.41   |
| <b>Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements)</b>      | <b>206.96</b>                                | <b>1,032.99</b>   |
| <b>For and on behalf of Board of Directors</b>                                      |  |   |
| Sd/-<br>Vidya Unnikrishnan<br>Company Secretary                                     | Sd/-<br>Rajasekharan.K.N.<br>Manager Finance | Sd/-<br>Dr.B.Sreekumar<br>Managing Director<br>DIN:01688985   |
|   |  | Sd/-<br>Shri.K.S.Indusekharan Nair<br>Chairman<br>DIN:07730864  |
| Place: Kallettumkara<br>Date: 20. 01. 2021  |  | As per our report of even date attached   |
|   |  | For C.M.Joseph & Associates<br>Chartered Accountants<br>F.R.No 006408S<br>Sd/-<br>C.M.JOSEPH, FCA, DISA (ICAI)<br>Managing Partner<br>Membership Number: 202800 |



## **NOTES FORMING PART OF FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

### **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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| <b>Note 4: Share Capital</b>   |                        |                                   |                        |                                   |
|--|------------------------|-----------------------------------|------------------------|-----------------------------------|
| Particulars  | As at<br>31 March 2018 |                                   | As at<br>31 March 2017 |                                   |
|  | Number of shares       | Amount in ₹                       | Number of shares       | Amount in ₹                       |
| <b>Authorised:</b>   |                        |                                   |                        |                                   |
| Equity shares of ₹10,000/- each  | 55,000                 | 550,000,000.00                    | 55,000                 | 550,000,000.00                    |
| <b>Total</b>   | <b>55,000</b>          | <b>550,000,000.00</b>             | <b>55,000</b>          | <b>550,000,000.00</b>             |
| <b>Issued, subscribed and fully paid-up:</b>   |                        |                                   |                        |                                   |
| Equity shares of ₹10,000/- each  | 38,655                 | 386,550,000.00                    | 38,655                 | 386,550,000.00                    |
| <b>Total</b>   | <b>38,655</b>          | <b>386,550,000.00</b>             | <b>38,655</b>          | <b>386,550,000.00</b>             |
| <b>(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>                                  |                        |                                   |                        |                                   |
| Particulars  | As at<br>31 March 2018 |                                   | As at<br>31 March 2017 |                                   |
|  | Number of shares       | Amount in ₹                       | Number of shares       | Amount in ₹                       |
| Equity shares of ₹10,000/- each  |                        |                                   |                        |                                   |
| Opening balance  | 38,655                 | 386,550,000.00                    | 38,655                 | 386,550,000.00                    |
| Fresh issue  | -                      | -                                 | -                      | -                                 |
| Closing balance  | 38,655                 | 386,550,000.00                    | 38,655                 | 386,550,000.00                    |
| <b>(ii) Rights attached to equity shares:</b>  |                        |                                   |                        |                                   |
| 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. |                        |                                   |                        |                                   |
| <b>(iii) Details of shareholders holding more than 5% of the equity share capital:</b>   |                        |                                   |                        |                                   |
| Class of shares / Name of shareholder  | As at 31 March 2018    |                                   | As at 31 March 2017    |                                   |
|  | 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%                            | 32,340                 | 83.66%                            |
| Kerala Agro Machinery Corporation Limited  | 1,500                  | 3.88%                             | 1,500                  | 3.88%                             |
| <b>(iv) For the period of five years immediately preceding the dates as at which the Balance Sheet is prepared:</b>  |                        |                                   |                        |                                   |
| Particulars  | As at 31 March 2018    |                                   | As at 31 March 2017    |                                   |
| 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                    |                                   |
| <b>(v) Other particulars:</b>  |                        |                                   |                        |                                   |
| Particulars  | As at March 31, 2018   |                                   | As at March 31, 2017   |                                   |
| 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                    |                                   |



KALLETUMKARA, THRISSUR - 680683

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Note 5: Reserves & Surplus   |   | Amount ₹ in Lakhs        | Amount ₹ in Lakhs        |
|--|---|--------------------------|--------------------------|
| Particulars  |   | As at 31 March 2018      | As at 31 March 2017      |
| <b>A. Capital Reserve</b>  |   |                          |                          |
| <b>Contribution from Government for Capital Projects</b>   |   |                          |                          |
| 1  | Cattle Feed Plant - Idukki<br>(Out of allocation towards Rakshtriya Krishi Vikas Yojana through Government of Kerala from Government of India)                | 2,211.00                 | 1,908.00                 |
| 2  | Special Livestock Development Fund<br>(Assistance from Government of India for Production enhancement and infrastructure development)                         | 54.06                    | 54.06                    |
| 2  | Mineral Mixture Plant - Athavanadu<br>(Assistance from Government of Kerala)  | -                        | 125.00                   |
| 4  | Cattle Feed Plant - Kozhikode<br>(Assistance from Government of Kerala)   | 1,400.00                 | 1,400.00                 |
| 5  | Assistance under STEP<br>(Assistance from Government of India)  | 223.82                   | 223.82                   |
| 6  | Cattle Feed Plant - Bye Pass Protein Unit<br>(Assistance from Govt of Kerala)   | 50.00                    | 50.00                    |
| 7  | Cattle Feed Plant – Idukki<br>(Assistance from Government of Kerala)  | 2,574.59                 | 2,173.59                 |
| 8  | Cattle Feed Plant - Bye Pass Protein Unit<br>(Out of allocation towards Rakshtriya Krishi Vikas Yojana through Government of Kerala from Government of India) | 150.00                   | -                        |
| 9  | Cattle Feed Plant – Kallettumkara<br>(Assistance from Government of Kerala)   | 100.00                   | -                        |
| <b>Sub-Total</b>   |   | <b>6,763.47</b>          | <b>5,934.47</b>          |
| <p>Note 5.A - 1: Capital Reserve of ₹ 6539.65 Lakhs (Previous Year ₹ 5710.65 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 ₹ 5762.44 Lakhs (Previous Year ₹6040.83 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 - 13.5)</p> <p>Note 5.A - 2: Pursuant to the Government Order (G.ONo.510/2019/AHD dt 15.11.2019) for converting the assistance of ₹ 1400 Lakhs received for the construction of Cattle Feed Plant at Thiruvangoor in Kozhikode District as Share capital, the Company transferred the same to 'Share Application Money Pending Allotment Account' in the year 2019 -20.</p> <p>Note 5.A -3: Assistance under STEP ₹ 223.82 Lakhs (Previous Year ₹ 223.82 Lakhs) shown above represents the balance remaining in the Grant -in -Aid received from Ministry of Women &amp; Child Development, Government of India towards Scheme of Support to Training and Employment Programme for Women (STEP) for the project of Goat rearing (Refer - Note - 30.21)</p> |   |                          |                          |
| <b>B. Surplus in the statement of Profit and Loss Account</b>  |   | <b>Amount ₹ in Lakhs</b> | <b>Amount ₹ in Lakhs</b> |
| As per last Balance Sheet  |   | (6,546.57)               | (3,571.25)               |
| Add: Profit/(Loss) during the Year   |   | 219.55                   | (2,975.32)               |
| <b>Sub-Total</b>   |   | <b>(6,327.02)</b>        | <b>(6,546.57)</b>        |
| <b>Total</b>   |   | <b>436.45</b>            | <b>(612.10)</b>          |



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Note 6: Long term Borrowings  |  | Amount ₹ in Lakhs   | Amount ₹ in Lakhs   |
|---|--|---------------------|---------------------|
| Particulars   |  | As at 31 March 2018 | As at 31 March 2017 |
| 1   | Assistance from Government of Kerala as NABARD - RIDF Loan under (Repayable in 7 years with grace period of 2 years; ie repayable in 5 equal annual instalments after the grace period of 2 years. Interest to be repaid quarterly ) | 2,020.00            | 2,500.00            |
| 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 )             | 50.00               | 87.50               |
|   |  | <b>2,070.00</b>     | <b>2,587.50</b>     |
| Note 7: Deferred Tax Liabilities (Net)  |  | Amount ₹ in Lakhs   | Amount ₹ in Lakhs   |
| Particulars   |  | As at 31 March 2018 | As at 31 March 2017 |
| 1   | <u>Tax effect of items constituting deferred tax liabilities</u>   |                     |                     |
|   | - Provision for employee's benefits  |                     | -                   |
|   | - Gratuity   | 11.10               | 11.11               |
| 2   | <u>Tax effect of items constituting deferred tax assets</u>  |                     |                     |
|   | - on difference between book balance and tax balance of fixed assets   | 10.98               | 106.25              |
|   | - Provision for bad and doubtful debts   | 156.00              | 154.61              |
|   | - Provision for employee's benefits  |                     |                     |
|   | - Half pay leave   | 15.38               | 14.43               |
|   | - Earned Leave   | 35.57               | 32.55               |
|   | <i>Deferred Tax Asset (Net)</i>  | <b>206.83</b>       | <b>296.73</b>       |
| <b>Deferred Tax Liability (Net) recognised in the Financial Statements</b>  |  | <b>16.88</b>        | <b>16.88</b>        |
| Note: No deferred Tax Assets recognised during the year 2017 -18 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 Lakhs   | Amount ₹ in Lakhs   |
| Particulars   |  | As at 31 March 2018 | As at 31 March 2017 |
| 1   | National Dairy Development Board   | 62.41               | 62.41               |
| 2   | Security Deposit - Dealership  | 145.22              | 119.88              |
| 3   | BRNS,Dept.of Atomic Energy   | 4.53                | 4.53                |
|   |  | <b>212.16</b>       | <b>186.82</b>       |

**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 NDDB to provide technical specification of the equipment and purchased the same at a cost of ₹ 37.59 Lakhs on 08.07.2014.

| <b>Note 9: Long Term Provisions</b> |                  | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
|-------------------------------------|------------------|----------------------------|----------------------------|
| <b>Particulars</b>                  |                  | <b>As at 31 March 2017</b> | <b>As at 31 March 2016</b> |
| 1                                   | Leave Encashment | 114.02                     | 98.46                      |
| 2                                   | Gratuity         | 537.70                     | 466.79                     |
| 3                                   | Half Pay Leave   | 49.31                      | 43.66                      |
|                                     |                  | <b>701.03</b>              | <b>608.90</b>              |

Note: Refer Notes - 3(d) and 30.05

| <b>Note 10: Trade Payables</b> |                   | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
|--------------------------------|-------------------|----------------------------|----------------------------|
| <b>Particulars</b>             |                   | <b>As at 31 March 2018</b> | <b>As at 31 March 2017</b> |
| 1                              | Sundry Creditors: | -                          | -                          |
| a                              | for materials     | 3,695.69                   | 6,282.07                   |
| b                              | for others        | 426.78                     | 150.08                     |
|                                |                   | <b>4,122.47</b>            | <b>6,432.15</b>            |

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 2017, 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.

| <b>Note 11: Other current liabilities</b> |   | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
|---|---|----------------------------|----------------------------|
| <b>Particulars</b>                        |   | <b>As at 31 March 2018</b> | <b>As at 31 March 2017</b> |
| 1   | Current Maturities of long term debt                    |                            |                            |
| a   | Loan from Government of Kerala                          | 37.50                      | 50.00                      |
| b   | Assistance - Government of Kerala as NABARD - RIDF Loan | 720.00                     | 380.00                     |
| 2   | Creditors for capital projects                          | 722.45                     | 590.52                     |
| 3   | Advance received from dealers                           | 180.38                     | 327.21                     |
| 4   | Earnest Money Deposit                                   | 27.87                      | 25.40                      |
| 5   | Retention Money   | 14.94                      | 30.11                      |
| 6   | Security Deposit  | 49.96                      | 56.04                      |
| 7   | Performance cum motivation allowance payable            | 116.47                     | 130.91                     |
| 8   | Salary Payable  | 5.06                       | 31.98                      |
| 9   | Other Liabilities                                       | 903.23                     | 871.79                     |
| 10  | Loans repayable on demand from Banks - Secured          |                            |                            |
|   | Cash credit   | 2,458.97                   | -                          |
|   |   | <b>5,236.83</b>            | <b>2,493.97</b>            |

Note: The Cash credit facility with State Bank of India is secured by (1) First Charge by way of hypothecation of stocks, receivables and other current assets of the Company (present and future) and (2) Equitable mortgage of immovable properties of Kallettumkara Unit by deposit of title deeds.



| Note 13: Fixed Assets    |                    |           |                              |                         |                     |                    |  |              |                     |                     |                     |          |
|--------------------------|--------------------|-----------|------------------------------|-------------------------|---------------------|--------------------|--|--------------|---------------------|---------------------|---------------------|----------|
| Fixed Assets             | Gross Block        |           |                              |                         |                     |                    | Depreciation/ Amortisation             |              |                     |                     | Net Block           |          |
|                          | As at 1 April 2017 | Additions | Government Grant Apportioned | Deletions / Adjustments | As at 31 March 2018 | As at 1 April 2017 | Eliminated on disposal during the year | For the year | As at 31 March 2018 | As at 31 March 2018 | As at 31 March 2017 |          |
|                          |                    |           |                              |                         |                     |                    |  |              |                     |                     |                     |          |
| <b>TANGIBLE ASSETS</b>   |                    |           |                              |                         |                     |                    |  |              |                     |                     |                     |          |
| Land                     | 736.80             | -         | -                            | -                       | 736.80              | -                  | -                                      | -            | -                   | 736.80              | 736.80              | 736.80   |
| Land Development         | 195.20             | -         | -                            | -                       | 195.20              | -                  | -                                      | -            | -                   | 195.20              | 195.20              | 195.20   |
| Building - Factory       | 2,328.78           | -         | -                            | -                       | 2,328.78            | 1,022.11           | -                                      | 124.68       | 1,146.79            | 1,182.00            | 1,306.67            | 1,306.67 |
|                          | 2,323.14           | 5.65      | -                            | -                       | 2,328.78            | 884.43             | -                                      | 137.68       | 1,022.11            | 1,306.67            | 1,438.70            | 1,438.70 |
| Building - Others        | 624.61             | -         | -                            | -                       | 624.61              | 313.29             | -                                      | 28.05        | 341.34              | 283.27              | 311.32              | 311.32   |
|                          | 619.63             | 4.98      | -                            | -                       | 624.61              | 274.16             | -                                      | 39.13        | 313.29              | 311.32              | 345.47              | 345.47   |
| Carpeted Roads           | 20.25              | -         | -                            | -                       | 20.25               | 19.24              | -                                      | -            | 19.24               | 1.01                | 1.01                | 1.01     |
|                          | 20.25              | -         | -                            | -                       | 20.25               | 19.24              | -                                      | -            | 19.24               | 1.01                | 1.01                | 1.01     |
| Electrification          | 376.18             | 109.58    | -                            | -                       | 485.76              | 257.81             | -                                      | 58.92        | 316.73              | 169.03              | 118.37              | 118.37   |
|                          | 374.76             | 1.42      | -                            | -                       | 376.18              | 214.25             | -                                      | 43.56        | 257.81              | 118.37              | 160.51              | 160.51   |
| Plant & Machinery        | 4,945.71           | 1,665.71  | 125.00                       | -                       | 6,736.42            | 3,987.50           | -                                      | 501.43       | 4,488.93            | 2,247.49            | 958.21              | 958.21   |
|                          | 4,921.83           | 23.88     | -                            | -                       | 4,945.71            | 3,751.85           | -                                      | 235.65       | 3,987.50            | 958.21              | 1,169.98            | 1,169.98 |
| Vehicles                 | 68.71              | -         | -                            | -                       | 68.71               | 57.84              | -                                      | 3.92         | 61.76               | 6.95                | 10.87               | 10.87    |
|                          | 68.71              | -         | -                            | -                       | 68.71               | 50.86              | -                                      | 6.98         | 57.84               | 10.87               | 17.85               | 17.85    |
| Furniture & Fittings     | 75.03              | 1.84      | -                            | -                       | 76.87               | 51.12              | -                                      | 6.27         | 57.39               | 19.48               | 23.91               | 23.91    |
|                          | 63.44              | 11.59     | -                            | -                       | 75.03               | 45.02              | -                                      | 6.09         | 51.12               | 23.91               | 18.42               | 18.42    |
| Office & other Equipment | 240.52             | 3.27      | -                            | -                       | 243.79              | 201.59             | -                                      | 16.72        | 218.31              | 25.48               | 38.93               | 38.93    |
|                          | 238.32             | 2.69      | -                            | (0.49)                  | 240.52              | 171.66             | -                                      | 30.17        | 201.59              | 38.93               | 66.66               | 66.66    |
| Lab equipment            | 102.24             | 5.32      | -                            | -                       | 107.56              | 66.30              | -                                      | 9.89         | 76.19               | 31.37               | 35.94               | 35.94    |
|                          | 82.50              | 19.74     | -                            | -                       | 102.24              | 58.84              | -                                      | 7.45         | 66.30               | 35.94               | 23.65               | 23.65    |
| Computer & Accessories   | 143.36             | 1.79      | -                            | -                       | 145.15              | 132.29             | -                                      | 4.86         | 137.15              | 7.99                | 11.07               | 11.07    |
|                          | 133.23             | 10.12     | -                            | -                       | 143.36              | 124.18             | -                                      | 8.11         | 132.29              | 11.07               | 9.05                | 9.05     |
| Library Books            | 1.22               | -         | -                            | -                       | 1.22                | 1.22               | -                                      | -            | 1.22                | -                   | -                   | -        |



|                                   |                 |                 |               |          |          |                  |                 |          |                 |                 |                 |                 |
|-----------------------------------|-----------------|-----------------|---------------|----------|----------|------------------|-----------------|----------|-----------------|-----------------|-----------------|-----------------|
|                                   | 1.22            | -               | -             | -        | -        | 1.22             | -               | -        | 1.22            | -               | -               | -               |
| <b>Total of Tangible Assets</b>   | <b>9,858.62</b> | <b>1,787.51</b> | <b>125.00</b> | -        | -        | <b>11,771.12</b> | <b>6,110.31</b> | -        | <b>6,865.05</b> | <b>4,906.07</b> | <b>3,748.31</b> | <b>4,183.30</b> |
|                                   | 9,779.03        | 80.08           | -             | (0.49)   | (0.24)   | 9,858.62         | 5,595.72        |          | 6,110.31        | 3,748.31        | 4,183.30        |                 |
| <b>INTANGIBLE ASSET</b>           |                 |                 |               |          |          |                  |                 |          |                 |                 |                 |                 |
| Software                          | 57.27           | -               | -             | -        | -        | 57.27            | 56.16           | -        | 56.44           | 0.84            | 1.11            |                 |
|                                   | 56.12           | 1.15            | -             | -        | -        | 57.27            | 52.90           | -        | 56.16           | 1.11            | 3.23            |                 |
| <b>Total of Intangible Assets</b> | <b>57.27</b>    | <b>1.15</b>     | <b>-</b>      | <b>-</b> | <b>-</b> | <b>57.27</b>     | <b>56.16</b>    | <b>-</b> | <b>56.44</b>    | <b>0.84</b>     | <b>1.11</b>     |                 |
|                                   | 56.12           | 1.15            | -             | -        | -        | 57.27            | 52.90           |          | 56.16           | 1.11            | 3.23            |                 |
| <b>Total</b>                      | <b>9,915.89</b> | <b>1,787.51</b> | <b>125.00</b> | <b>-</b> | <b>-</b> | <b>11,828.40</b> | <b>6,166.47</b> | <b>-</b> | <b>6,921.49</b> | <b>4,906.91</b> | <b>3,749.42</b> |                 |
| <i>Previous Year</i>              | 9,835.15        | 81.23           | -             | (0.49)   | (0.24)   | 9,915.89         | 5,648.62        |          | 6,166.47        | 3,749.42        | 4,186.53        |                 |

**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 ₹ 992.00 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 Kallettumkara.

13.3. 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 Arukuzha 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.

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



| <b>Note 12: Short term provisions</b>    |                                    | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
|--|------------------------------------|----------------------------|----------------------------|
| <b>Particulars</b>                       |                                    | <b>As at 31 March 2018</b> | <b>As at 31 March 2017</b> |
| <b>1 Provision for Employee benefits</b> |                                    |                            |                            |
| a  | Medical reimbursement to employees | 283.00                     | 259.72                     |
| b  | Wage Revision -Employees           | 474.07                     | 312.33                     |
| c  | Provision for Income Tax           | 227.11                     | -                          |
|  |                                    | <b>984.18</b>              | <b>572.05</b>              |

Note: Provision for Income Tax shown above (₹ 227.11 Lakhs) represents the provision remaining for the balance tax payable for the A.Y -2015 -16. The Company has subsequently paid the tax due in the year 2019 -20 (29.04.2019 - ₹ 197.13 Lakhs and 30.04.2019 - ₹ 29.98 Lakhs)

| <b>Note 13.5: Capital Work- in progress</b> |   | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
|---|---|----------------------------|----------------------------|
| <b>Particulars</b>                          |   | <b>As at 31 March 2018</b> | <b>As at 31 March 2017</b> |
| <b>1</b>                                    | <u>Cattle Feed Plant - Thiruvangoor, Kozhikode</u>          |                            |                            |
| a   | Towards Plant & Equipments                                  | -                          | 1,679.69                   |
| b   | Towards Electrification                                     | -                          | 109.15                     |
| c   | Towards Building - Administration                           | -                          | -                          |
| <b>2</b>                                    | <u>Cattle Feed Plant - Areekuzha, Idukki</u>                |                            |                            |
| a   | Towards Civil Work  | 1,994.86                   | 1,748.55                   |
| b   | Towards Plant & Equipments                                  | 2,888.77                   | 1,933.03                   |
| c   | Towards Consultancy   | 226.89                     | 170.64                     |
| d   | Towards Interest on Borrowed Capital                        | 201.08                     | 108.98                     |
| e   | Towards Electrification                                     | 287.50                     | 62.77                      |
| f   | Towards Fire protectionSystem                               | 52.64                      | 23.73                      |
| g   | Towards Communication System                                | 13.89                      | 4.43                       |
| <b>3</b>                                    | <u>Mineral Mixture Plant, Athavandu, Malappuram</u>         |                            |                            |
| a   | Towards Plant & Machinery                                   | -                          | 105.58                     |
| b   | Towards Consultancy   | -                          | 8.42                       |
| <b>4</b>                                    | <u>By-Pass Protein feed plant - Kallettumkara, Thrissur</u> |                            |                            |
| a   | Towards Bye Pass Protein Plant - Plant & Equipment          | 85.86                      | 85.86                      |
| b   | Towards Bye Pass Protein Plant - Civil Work                 | 9.37                       | -                          |
| c   | Towards Bye Pass Protein Plant - Consultancy                | 0.54                       | -                          |
| <b>5</b>                                    | <u>Cattle Feed Plant - Karunagappally, Kollam</u>           |                            |                            |
| a   | Towards Interest on Borrowed Capital                        | 1.05                       | -                          |
|   |   | <b>5,762.45</b>            | <b>6,040.83</b>            |

| <b>Note 14: Long term Loans and Advances</b> |   | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
|--|---|----------------------------|----------------------------|
| <b>Particulars</b>                           |   | <b>As at 31 March 2018</b> | <b>As at 31 March 2017</b> |
|  | <i>Unsecured - Considered good</i>          |                            |                            |
| 1  | Capital Advances                            | 353.95                     | 237.74                     |
| 2  | Deposits                                    | 128.93                     | 131.01                     |
| 3  | Other Advances                              | 900.20                     | 815.22                     |
| 4  | Advance to Suppliers                        | 2.16                       | -                          |
| 5  | Tax Deducted & Collected at Source          | 69.94                      | (158.64)                   |
|  |   | 1,455.18                   | 1,025.33                   |
|  | Less: Provision for bad & doubtful advances | (263.50)                   | (239.58)                   |
|  |   | <b>1,191.68</b>            | <b>785.75</b>              |



| <b>Note 15: Inventories</b> |                      | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
|-----------------------------|----------------------|----------------------------|----------------------------|
| <b>Particulars</b>          |                      | <b>As at 31 March 2018</b> | <b>As at 31 March 2017</b> |
| 1                           | Raw Materials        | 1,872.48                   | 988.82                     |
| 2                           | Packing Materials    | 117.41                     | 71.46                      |
| 3                           | Chemicals            | 35.42                      | 47.75                      |
| 4                           | Lab Chemicals        | 5.51                       | 6.14                       |
| 5                           | Finished Products    | 545.60                     | 571.05                     |
| 6                           | Stores & Spares      | 582.52                     | 642.82                     |
| 7                           | Furnace Oil & Diesel | 19.23                      | 17.81                      |
| 8                           | Work in Process      | 9.14                       | 18.55                      |
| 9                           | Used Gunny & PP bags | 41.39                      | 9.79                       |
|                             |                      | <b>3,228.70</b>            | <b>2,374.19</b>            |

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

| <b>Note 16: Trade Receivables</b>        |                        | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
|--|------------------------|----------------------------|----------------------------|
| <b>Particulars</b>                       |                        | <b>As at 31 March 2018</b> | <b>As at 31 March 2017</b> |
| <b>Unsecured; Considered good</b>        |                        |                            |                            |
| 1  | Dealers - Government   | 381.30                     | 173.54                     |
| 2  | Dealers - SLBP         | 962.11                     | 1,491.57                   |
| 3  | Dealers - Dairy Co-ops | 5.54                       | 0.52                       |
| 4  | Dealers - Private      | 124.87                     | 114.12                     |
| <b>Unsecured; Considered doubtful</b>    |                        |                            |                            |
| 1  | Dealers - Government   | 113.10                     | 111.03                     |
| 2  | Dealers - SLBP         | 123.00                     | 116.87                     |
| 3  | Dealers - Dairy Co-ops | 0.28                       | 0.01                       |
| 4  | Dealers - Private      | 0.14                       | 0.13                       |
|  |                        | <b>1,710.34</b>            | <b>2,007.79</b>            |
| Less: Provision for bad & Doubtful debts |                        | (236.51)                   | (228.04)                   |
|  |                        | <b>1,473.83</b>            | <b>1,779.75</b>            |
| <u>Out of the above debts exceeding</u>  |                        |                            |                            |
| - More than six months                   |                        | 275.77                     | 260.04                     |
| - Others                                 |                        | 1,434.57                   | 1,747.75                   |
|  |                        | <b>1,710.34</b>            | <b>2,007.79</b>            |



| <b>Note 17: Cash and cash equivalents</b>  |  | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
|--|--|----------------------------|----------------------------|
| <b>Particulars</b>   |  | <b>As at 31 March 2018</b> | <b>As at 31 March 2017</b> |
| 1  | Cash on hand   | 5.90                       | 7.67                       |
| 2  | <u>Bank balances in current accounts</u>   |                            |                            |
|  | - with Scheduled Banks   | 201.06                     | 149.06                     |
|  | - with Treasury (Special TSB Accounts)   | 0.00                       | 876.26                     |
| 3  | <u>Short-term Deposits</u>   |                            |                            |
|  | - with Scheduled Banks   | 35.03                      | 32.41                      |
|  | - with Treasury  | -                          | -                          |
|  |  | <b>241.99</b>              | <b>1,065.40</b>            |
| Bank Balance in Deposit Accounts with Scheduled Banks ₹35.03 Lakh (Previous year - ₹32.41 Lakh) represents fixed deposits against bank guarantees furnished by Banks to Kerala State Electricity Board towards security deposit.   |  |                            |                            |
| <b>Note 18: Short term Loans and Advances</b>  |  | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
| <b>Particulars</b>   |  | <b>As at 31 March 2018</b> | <b>As at 31 March 2017</b> |
| 1  | Advance to suppliers   | 10.88                      | 23.07                      |
| 2  | Other advances   | 365.60                     | 246.36                     |
| 3  | Prepaid expenses   | 45.48                      | 44.26                      |
|  |  | 421.96                     | 313.69                     |
|  | Less: Provision for Bad & Doubtful Advances  | -                          | -                          |
|  |  | <b>421.96</b>              | <b>313.69</b>              |
| <b>Note 19: Other current assets</b>   |  | <b>Amount ₹ in Lakhs</b>   | <b>Amount ₹ in Lakhs</b>   |
| <b>Particulars</b>   |  | <b>As at 31 March 2018</b> | <b>As at 31 March 2017</b> |
| <i>Unsecured considered good</i>   |  |                            |                            |
| 1  | Interest receivable  | 0.27                       | 0.83                       |
| 2  | Amount resumed by Government of Kerala from Special TSB Account with Sub Treasury, Chalakudy | 373.55                     | -                          |
| 3  | <b>Others</b>  |                            |                            |
|  | Compliments  | 3.10                       | 3.15                       |
|  | Canteen Utensils   | 0.53                       | 0.82                       |
|  | Guest House Utensils   | 0.01                       | 0.01                       |
|  | Lab - Glassware  | 11.37                      | 11.12                      |
|  | Tools & Equipments   | 6.23                       | 7.24                       |
|  | Printing & Stationery Items  | 8.41                       | 6.21                       |
|  | Administration & Welfare Items   | 12.45                      | 13.22                      |
|  | Promotional Items  | 2.06                       | 0.04                       |
|  |  | <b>417.98</b>              | <b>42.65</b>               |
| Note: ₹ 373.55 Lakhs shown above as amount resumed by Government of Kerala from Special TSB Account (Account No. 723041400000019) of the Company represents the fund resumed during the year 2017 -18, by virtue of Government Orders G.O (P) No.156/2017/Fin dt 14.12.2017 and G.O (P)No.51/2018/Fin dt 28.03.2018. Subsequently, the Company received back the resumed amounts in three installments (On 09.01.2020 - ₹ 141.99 Lakhs, On 24.07.2020 - ₹ 141.99 Lakhs and On 28.07.2020 - 89.57 Lakhs) from the Government. |  |                            |                            |





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NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

| Note 20: Revenue from Operations |   | Amount ₹ in Lakhs                           | Amount ₹ in Lakhs                           |
|----------------------------------|---|---|---|
| Particulars                      |   | For the year ended<br>31 March 2018         | For the year ended<br>31 March 2017         |
| <b>Sales:</b>                    |   |   |   |
| 1                                | Cattle Feed   |   |   |
|                                  | - K.F Ordinary  | 9,856.44                                    | 6,900.43                                    |
|                                  | - Elite Feed  | 2,258.59                                    | 1,489.28                                    |
|                                  | - Rich Feed   | 7,050.86                                    | 31,620.78                                   |
|                                  | - Midukki Feed  | 17,326.79                                   | -   |
| 2                                | Mineral Mixture - Keramin                               | 315.83                                      | 99.33                                       |
| 3                                | Rabbit Feed   | 0.28  | 1.27  |
| 4                                | Rat Feed  | 0.40  | 0.54  |
| 5                                | Calf Feed   | 5.17  | 9.36  |
| 6                                | Goat Feed   | 68.75                                       | 85.65                                       |
| 7                                | Densified Fodder  | 37.62                                       | 14.56                                       |
| 8                                | Raw Materials & Others                                  | 0.10  | 2.85  |
|                                  | <b>Sub-Total</b>  | <b>36,920.83</b>                            | <b>40,224.05</b>                            |
| <b>Less: Sales Returns</b>       |   |   |   |
| 1                                | Cattle Feed   |   |   |
|                                  | - K.F Ordinary  | 1.90  | 1.24  |
|                                  | - Rich Feed   | 3.00  | 25.74                                       |
|                                  | - Elite Feed  | 7.15  | 3.94  |
|                                  | - Midukki Feed  | 43.45                                       | -   |
| 2                                | Calf Starter  | 0.15  | -   |
| 3                                | Goat Feed   | 0.45  | 0.13  |
|                                  | <b>Sub-Total</b>  | <b>56.10</b>                                | <b>31.06</b>                                |
|                                  | <b>Net Sales</b>  | <b>36,864.73</b>                            | <b>40,193.00</b>                            |
| <b>Note 21: Other Income</b>     |   | <b>Amount ₹ in Lakhs</b>                    | <b>Amount ₹ in Lakhs</b>                    |
| <b>Particulars</b>               |   | <b>For the year ended<br/>31 March 2018</b> | <b>For the year ended<br/>31 March 2017</b> |
|                                  |   | -   |   |
| 1                                | Interest Received                                       | 10.99                                       | 11.79                                       |
| 2                                | Sale of used bags (Net of Stock Differential)           | 103.85                                      | 100.03                                      |
| 3                                | Loading/Unloading Charges - From Vendors & Transporters | -   | 1,183.91                                    |
| 4                                | Profit on sale of assets                                | -   | 0.14  |
| 5                                | Amount no longer payable written back                   | 3.12  | 26.71                                       |
| 6                                | Miscellaneous income                                    | 35.91                                       | 65.24                                       |
|                                  | <b>Total</b>  | <b>153.87</b>                               | <b>1,387.81</b>                             |



KALLETUMKARA, THRISSUR - 680683

NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

| Note 22: Cost of materials consumed                                  |                               | Amount ₹ in Lakhs                   | Amount ₹ in Lakhs                   |
|--|-------------------------------|-------------------------------------|-------------------------------------|
| Particulars  |                               | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
| <b>Cost of Raw Materials, Chemicals &amp; Mineral Salts consumed</b> |                               |                                     |                                     |
| <b>I. Raw Materials</b>  |                               |                                     |                                     |
| Opening Stock  |                               | 986.71                              | 1,949.10                            |
| Purchase ( <i>net of returns</i> )                                   |                               | 29,821.81                           | 36,140.60                           |
| Add: Transfer from MM Plant  |                               | -                                   | 2.40                                |
| Less: Rebate   |                               | (521.38)                            | (754.79)                            |
| Less: Transfer to MM Plant   |                               | -                                   | -                                   |
| Less: Closing Stock  |                               | (1,867.38)                          | (986.71)                            |
|  | <b>Raw Material consumed</b>  | <b>28,419.76</b>                    | <b>36,350.60</b>                    |
| <b>II. Mineral salts</b>   |                               |                                     |                                     |
| Opening Stock  |                               | 49.86                               | 20.47                               |
| Purchase ( <i>net of returns</i> )                                   |                               | 91.61                               | 57.77                               |
| Add: Transfer from Feed Units  |                               | -                                   | -                                   |
| Less: Rebate   |                               | (5.04)                              | (1.24)                              |
| Less: Transfer to Feed Units   |                               | -                                   | (0.90)                              |
| Less: Closing Stock  |                               | (40.52)                             | (49.86)                             |
|  | <b>Mineral Salts consumed</b> | <b>95.91</b>                        | <b>26.24</b>                        |
| <b>Total of cost of Material Consumed (I+II+III)</b>                 |                               | <b>28,515.67</b>                    | <b>36,376.84</b>                    |
|  |                               |                                     |                                     |
| Note 23: Changes in inventories of finished goods                    |                               | Amount ₹ in Lakhs                   | Amount ₹ in Lakhs                   |
| Particulars  |                               | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
| Opening stock of finished goods                                      |                               | 589.59                              | 224.71                              |
| Less: Closing stock of finished goods                                |                               | (554.74)                            | (589.60)                            |
|  | <b>Change in Inventories</b>  | <b>34.85</b>                        | <b>(364.88)</b>                     |



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NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

| <b>Note 24: Employee benefit expenses</b> |   | <b>Amount ₹ in Lakhs</b>                    | <b>Amount ₹ in Lakhs</b>                    |
|---|---|---|---|
| <b>Particulars</b>                        |   | <b>For the year ended<br/>31 March 2018</b> | <b>For the year ended<br/>31 March 2017</b> |
| <b>1</b>                                  | <b>Salaries &amp; Wages</b>   |   |   |
|   | Salary to Production Staff  | 1,101.55                                    | 1,001.03                                    |
|   | Salary to Administrative Staff  | 330.78                                      | 321.41                                      |
|   | Salary to Managing Director   | 12.64                                       | 0.42  |
|   | Honararium - Chairman   | 2.52  | 0.73  |
|   | Incentive to staff(Production & Admin)  | 24.94                                       | 47.89                                       |
|   | Performance Cum Motivation Allowance - Production Staff                                   | 40.72                                       | 58.47                                       |
|   | Performance Allowance - Administrative Staff  | 21.00                                       | 25.82                                       |
|   | Provision for Employee Benefit - Wage Revision  | 161.74                                      | 193.28                                      |
|   | Field Staff Expenses  | 30.83                                       | 31.55                                       |
| <b>2</b>                                  | <b>Contribution to Provident and other funds</b>  |   |   |
|   | Employers Contribution to PF - Production Staff<br>(Including Incidental office Expenses) | 103.06                                      | 96.42                                       |
|   | Employers Contribution to PF-Casual workers<br>(Including Incidental Office Expenses)     | 5.52  | 4.08  |
|   | Employer's contribution to PF - Administraive Staff                                       | 40.25                                       | 38.62                                       |
| <b>3</b>                                  | <b>Contribution to Emploess State Insurance</b>   |   |   |
|   | Employers Contribution to ESI - Production Staff  | 9.45  | 7.23  |
|   | Employers Contribution to ESI-Casual workers  | 2.33  | 1.69  |
|   | Employers contribution to ESI - Administrative Staff                                      | 4.79  | 4.38  |
| <b>4</b>                                  | <b>Leave Salary</b>   |   |   |
|   | Leave Salary - Managing Director  | -   | -   |
|   | Provision for Leave Encashment  | 59.98                                       | 58.51                                       |
| <b>5</b>                                  | <b>Gratuity</b>   | 36.18                                       | 38.46                                       |
| <b>6</b>                                  | <b>Staff Welfare Expenses</b>   |   |   |
|   | Employer's contribution to labour welfare fund  | 0.03  | 0.02  |
|   | Staff - Administration and Welfare expenses   | 95.01                                       | 96.45                                       |
|   | Provision for Medical reimbursement - Employees   | 102.52                                      | 95.20                                       |
|   | Medical Expenses  | 2.28  | 1.73  |
|   | Staff Training Expenses   | 0.56  | 0.32  |
|   | Uniform   | 0.83  | 0.11  |
|   | Telephone Rent -Reimbursement   | 0.07  | 0.08  |
|   | Reimbursement of Fees-Higher Studies  | -   | 0.50  |
|   | LIC - Group Insurance premium   | 15.00                                       | 12.43                                       |
|   | Income Tax paid for employees   | 0.41  | 0.53  |
|   | Provision - Half Pay Leave  | 37.09                                       | 45.53                                       |
|   | Contribution - Employees Welfare Fund   | 4.22  | 2.25  |
|   | Employee benefit expenses - Production Staff - MMP  | 2.13  | 4.81  |
|   | Employee benefit expenses -Administration Staff - MMP                                     | 2.09  | 2.21  |
| <b>7</b>                                  | <b>Wages,Incentives &amp; Bonus - Head Load Workers</b>                                   |   |   |
|   | Wages - Head Load Workers   | 1,050.47                                    | 848.01                                      |
|   | Performance Cum Motivation Allowance - Head Load Workers                                  | 54.30                                       | 46.20                                       |
|   | Holiday wages - Head Load Workers   | 24.82                                       | 18.75                                       |
|   | Other Expenses - Head Load Workers  | 98.32                                       | -   |
|   | <b>Contribution to Provident Fund - Head Load Workers</b>                                 | 80.06                                       | 75.59                                       |
|   | <b>Contribution to ESI- Head Load Workers</b>   | 12.43                                       | 10.38                                       |
|   | <b>Welfare Expenses - Head Load Workers</b>   | 26.83                                       | 144.77                                      |
|   |   | -   | -   |
|   | <b>Total</b>  | <b>3,597.75</b>                             | <b>3,335.84</b>                             |



**KALLETUMKARA, THRISSUR - 680683**

**NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

| <b>Note 25: Finance Costs</b>                          |  | <b>Amount ₹ in Lakhs</b>                    | <b>Amount ₹ in Lakhs</b>                    |
|--|--|---|---|
| <b>Particulars</b>                                     |  | <b>For the year ended<br/>31 March 2018</b> | <b>For the year ended<br/>31 March 2017</b> |
|  | Interest Expense -NABARD-RIDF Loan                         | 121.51                                      | 150.21                                      |
|  | Interest Expense -Working Capital Loan                     | 49.39                                       |   |
|  | <b>Total</b>   | <b>170.90</b>                               | <b>150.21</b>                               |
| <hr/>  |  |   |   |
| <b>Note 26: Depreciation and amortisation expenses</b> |  | <b>Amount ₹ in Lakhs</b>                    | <b>Amount ₹ in Lakhs</b>                    |
| <b>Particulars</b>                                     |  | <b>For the year ended<br/>31 March 2018</b> | <b>For the year ended<br/>31 March 2017</b> |
|  | Depreciation of Tangible Assets ( <i>Refer Note 13</i> )   | 754.74                                      | 514.82                                      |
|  | Amortisation on Intangible Assets ( <i>Refer Note 13</i> ) | 0.28  | 3.26  |
|  | <b>Total</b>   | <b>755.02</b>                               | <b>518.08</b>                               |
| <hr/>  |  |   |   |
| <b>Note 27: Other Expenses</b>                         |  | <b>Amount ₹ in Lakhs</b>                    | <b>Amount ₹ in Lakhs</b>                    |
| <b>Particulars</b>                                     |  | <b>For the year ended<br/>31 March 2018</b> | <b>For the year ended<br/>31 March 2017</b> |
| <b>I. Manufacturing</b>                                |  |   |   |
|  | Stores, spares & fuel consumed                             | 341.92                                      | 333.56                                      |
|  | Electricity charges  | 418.67                                      | 378.03                                      |
|  | Carriage Inwards   | 40.98                                       | 10.44                                       |
|  | Hire Charges   | 0.15  |   |
|  | Repairs & Maintenance-Plant                                | 61.12                                       | 59.10                                       |
|  | Unloading Charges  | 0.51  | 0.36  |
|  | Analysis Charges - Plant                                   | 0.12  | 0.65  |
|  | Clearing Charges   | -   | 0.36  |
|  | Packing material consumed                                  | 670.08                                      | 717.65                                      |
|  | Cleaning Expenses  | 94.89                                       | 77.29                                       |
|  | Processing Charges -- Kanjikode                            | -   | 298.58                                      |
|  | Repairs & Maintenance-Factory building                     | -   | 0.01  |
|  | Stacking charges-Karunagappally                            | 54.54                                       | 60.78                                       |
|  | E-Tender Processing Charges                                | 15.60                                       | 16.55                                       |
|  | Bagging,Stichinh & Stacking - Kozhikode                    | 2.91  |   |
|  | Raw Material dumping Expenses                              | 68.14                                       | 63.27                                       |
|  | Manufacturing Expenses - MMP                               | 16.33                                       | 5.61  |
|  | Bundling Charges   | 49.43                                       | 45.96                                       |
|  | Fumigation Charges   | 4.94  | 4.84  |
|  | Halting Charges  | 0.34  | 4.82  |
|  | Demurage Charges   | 6.38  | 12.71                                       |
|  | Lab Expenses   | 6.14  | 6.44  |
|  | Consumption of Lab Glass Wares                             | 6.38  | 7.42  |
|  | Consumption of Tools & Equipments                          | 0.92  | 0.92  |
|  | <b>Total of Manufacturing Expenses</b>                     | <b>1,860.49</b>                             | <b>2,105.34</b>                             |
| <b>II. Administration</b>                              |  |   |   |
|  | Annual General meeting expenses                            | 0.64  | 0.61  |
|  | Bank Charges   | (0.46)                                      | 0.95  |
|  | Board Meeting expenses                                     | 0.95  | 0.66  |
|  | Sitting Fee to Directors                                   | 0.21  | 0.01  |
|  | Books & Periodicals  | 0.48  | 0.62  |
|  | Conveyance   | 1.14  | 0.26  |
|  | Guest House expenses                                       | 0.64  | 0.35  |
|  | Entertainment expenses                                     | 1.43  | 0.86  |
|  | Filing Fee   | 5.80  | 0.34  |



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NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

| Note 27: Other Expenses (contd.) |   | Amount ₹ in Lakhs                   | Amount ₹ in Lakhs                   |
|----------------------------------|---|-------------------------------------|-------------------------------------|
| Particulars                      |   | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
|                                  | Inauguration Expenses                   | 15.02                               | -                                   |
|                                  | Insurance                               | 27.91                               | 20.91                               |
|                                  | Internal Audit Fee                      | 5.56                                | 6.24                                |
|                                  | Legal & Professional fee                | 12.40                               | 12.77                               |
|                                  | Miscellaneous Expenses                  | 0.32                                | 0.16                                |
|                                  | Notification & Tenders                  | 11.30                               | 10.49                               |
|                                  | Office expenses                         | 2.40                                | 2.44                                |
|                                  | Postage & Telegram                      | 2.19                                | 2.79                                |
|                                  | Printing & Stationary                   | 10.29                               | 11.55                               |
|                                  | Rates & Taxes                           | 9.88                                | 9.34                                |
|                                  | Security expenses                       | 155.23                              | 125.75                              |
|                                  | Staff Recruitment Expenses              | 5.99                                | 0.39                                |
|                                  | Repairs & Maintenance                   | 18.99                               | 19.63                               |
|                                  | Repairs & Maintenance - Building Others | -                                   | 0.63                                |
|                                  | Travelling Expenses                     |                                     | -                                   |
|                                  | Directors                               | 0.22                                | 0.19                                |
|                                  | Managing Director                       | 1.30                                | 0.18                                |
|                                  | Employees                               | 10.30                               | 8.31                                |
|                                  | Others                                  | 0.16                                | 0.07                                |
|                                  | Hiring of vehicle                       | 2.75                                | 3.23                                |
|                                  | Telephone Charges                       | 6.41                                | 9.13                                |
|                                  | Vehicle Fuel & Maintenance              | 14.10                               | 8.88                                |
|                                  | Social Welfare Expenses                 | 0.30                                | 0.20                                |
|                                  | Garden Maintenance expenses             | 15.04                               | 13.43                               |
|                                  | Statutory Audit Fee                     | 2.36                                | 2.36                                |
|                                  | Income Tax Audit Fee                    | 0.12                                | 0.12                                |
|                                  | VAT Audit fees                          | 0.12                                | 0.12                                |
|                                  | Canteen Utensils Consumed               | 0.33                                | 0.26                                |
|                                  | Guest House & Qtrs Utensils consumed    | 0.00                                | 0.00                                |
|                                  | Audit Committee expenses                | -                                   | -                                   |
|                                  | ERP - Licence Renewal Fee               | -                                   | 3.48                                |
|                                  | Administration Expenses M M P           | 8.71                                | 6.80                                |
|                                  | Onam Celebration Expenses               | -                                   | 6.41                                |
|                                  | Membership fee                          | 0.09                                | 0.09                                |
|                                  | Provision for Bad & Doubtful Debts      | 32.39                               | 12.09                               |
|                                  | Interest on STEP Project                | 22.41                               | -                                   |
|                                  | Project Expenses                        | 36.44                               | 91.76                               |
|                                  | Interest - Statutory duties & taxes     | 0.03                                | 0.23                                |
|                                  | PF - Additional Levy                    | 0.16                                | -                                   |
|                                  | TDS Paid                                | 0.05                                |                                     |
|                                  | Broad Band rental charges               | 9.21                                | 2.59                                |
|                                  | <b>Total of Administration Expenses</b> | <b>451.28</b>                       | <b>397.64</b>                       |



KALLETUMKARA, THRISSUR - 680683

NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

| Note 27: Other Expenses (contd.)  |  | Amount ₹ in Lakhs                   | Amount ₹ in Lakhs                   |
|-----------------------------------|--|-------------------------------------|-------------------------------------|
| Particulars                       |  | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
| <b>III.</b>                       | <b>Marketing, Selling &amp; Distribution</b>                   |                                     |                                     |
|                                   | Freight  | 867.81                              | 1,580.17                            |
|                                   | Carriage outward   | 127.84                              | 165.97                              |
|                                   | Rent Regional Office   | 1.83                                | 1.82                                |
|                                   | Bank Charge reimbursed to dealers                              | 5.65                                | 7.30                                |
|                                   | Ordinary Discount  | 209.00                              | 163.11                              |
|                                   | Advertisement & Publicity Expenses                             | 98.01                               | 67.10                               |
|                                   | Other Selling & Distribution expenses                          | 58.67                               | 34.27                               |
|                                   | Commission   | 7.08                                | 15.05                               |
|                                   | Selling & Distribution expenses-MMP                            | 7.50                                | 1.83                                |
|                                   | <b>Total of Marketing, Selling &amp; Distribution Expenses</b> | <b>1,383.39</b>                     | <b>2,036.62</b>                     |
|                                   |  | -                                   |                                     |
|                                   | <b>Total of Other Expenses (I+II+III)</b>                      | <b>3,695.16</b>                     | <b>4,539.61</b>                     |
|                                   |  |                                     |                                     |
| Note 28: Prior Period adjustments |  | Amount ₹ in Lakhs                   | Amount ₹ in Lakhs                   |
| Particulars                       |  | For the year ended<br>31 March 2018 | For the year ended<br>31 March 2017 |
| <b>1</b>                          | <b>Expense</b>   |                                     |                                     |
|                                   | Other Prior period expenses                                    | 29.70                               | 0.43                                |
|                                   |  | <b>29.70</b>                        | <b>0.43</b>                         |
| <b>2</b>                          | <b>Income</b>  |                                     |                                     |
|                                   | Other Prior Period Credits                                     | -                                   | -                                   |
|                                   |  | -                                   | -                                   |
|                                   | <b>Net</b>   | <b>(29.70)</b>                      | <b>(0.43)</b>                       |



KALLETUMKARA, THRISSUR - 680683

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| 29.00 Earnings per share                                    |                                  | (Amount ₹ in Lakhs)              |  |
|---|----------------------------------|----------------------------------|--|
| Particulars   | For the year ended 31 March 2018 | For the year ended 31 March 2017 |  |
| <b>Basic</b>  |                                  |                                  |  |
| Profit for the year attributable to the equity shareholders | 220                              | (2,975)                          |  |
| Weighted average number of equity shares                    | 38,655                           | 38,655                           |  |
| Par value per share   | 10,000                           | 10,000                           |  |
| Earnings per share - Basic (In ₹)                           | 567.97                           | (7,697.11)                       |  |
| <b>Diluted</b>  |                                  |                                  |  |
| Profit for the year attributable to the equity shareholders | 220                              | (2,975)                          |  |
| Weighted average number of equity shares for Basic EPS      | 38,655                           | 38,655                           |  |
| Par value per share   | 10,000                           | 10,000                           |  |
| Earnings per share - Diluted(In ₹)                          | 567.97                           | (7,697.11)                       |  |

30.00 Additional information to the financial statements

30.01 Most of the Trade receivables, deposits, other advances, Trade payables and security deposits received are subject to confirmation.

30.02 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.

30.03 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 Statement of Profit & Loss 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 retained for the next financial year and if no claim received from the parties, the same is written back to Profit & Loss Account in the succeeding financial year.

| 30.04 Details of remuneration paid to the Managing Director. |                     | (Amount ₹ in Lakhs) |  |
|--|---------------------|---------------------|--|
| Particulars  | As at 31 March 2018 | As at 31 March 2017 |  |
| Basic  | 3.05                | 0.12                |  |
| DA (including Arrears)                                       | 9.45                | 0.29                |  |
| Leave Salary   | -                   | -                   |  |
| Other Allowances(HRA)  | 0.14                | 0.01                |  |
| Sales Incentive  | -                   | -                   |  |
| <b>Total</b>   | <b>12.64</b>        | <b>0.42</b>         |  |

30.05 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   | 2017-18 | 2016 -17 |
|---|---------|----------|
| Employer's contribution to Provident Fund                 | 231.32  | 217.49   |
| Employer's contribution to Employees State Insurance Fund | 29.91   | 24.73    |

II. Defined Benefit Plan\Other Long Term Benefits

(i) Actuarial Assumptions

| Particulars                            | Gratuity                       | Compensated Absences (Earned Leave) | Compensated Absences (Half Pay Leave) |
|--|--------------------------------|-------------------------------------|---------------------------------------|
|  | (Funded)                       | (Non - Funded)                      | (Non - Funded)                        |
| Discount Rate (per annum)              | 6.80%                          | 6.80%                               | 6.80%                                 |
| Expected rate of return on plan assets | 6.80%                          | -                                   | -                                     |
| Salary Escalation Rate*                | 5%                             | 5%                                  | 5%                                    |
| Mortality Rate                         | Indian Assured lives Mortality | Indian Assured lives Mortality      | Indian Assured lives Mortality        |
|  | (2012-14) Ultimate Table       | (2012-14) Ultimate Table            | (2012-14) Ultimate Table              |

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



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| (ii) Reconciliation of Present value of obligations: |                     |         |              |         |                |         |
|--|---------------------|---------|--------------|---------|----------------|---------|
| Particulars  | (Amount ₹ in Lakhs) |         |              |         |                |         |
|  | Gratuity            |         | Earned leave |         | Half pay leave |         |
|  | 17-18               | 16-17   | 17-18        | 16-17   | 17-18          | 16-17   |
| PV of obligations at the beginning of the year       | 466.79              | 407.06  | 98.46        | 98.22   | 43.66          | 38.65   |
| Interest cost  | 31.74               | 31.34   | 6.70         | 7.57    | 2.97           | 2.97    |
| Current Service cost                                 | 33.28               | 30.61   | 23.18        | 21.37   | 11.06          | 20.47   |
| Past Service Cost (vested)                           | -                   | -       | -            | -       | -              | -       |
| Actuarial Loss/(Gain)                                | 9.50                | 13.35   | 30.10        | 29.58   | 23.06          | 22.09   |
| Benefits Paid  | (3.60)              | (15.57) | (44.42)      | (58.28) | (31.44)        | (40.52) |
| PV of obligations at the end of the year             | 537.71              | 466.79  | 114.02       | 98.46   | 49.31          | 43.66   |

  

| (iii) Reconciliation of Fair Value(FV) of Plan Assets-Gratuity plan: |                     |         |              |       |                |       |
|--|---------------------|---------|--------------|-------|----------------|-------|
| Particulars  | (Amount ₹ in Lakhs) |         |              |       |                |       |
|  | Gratuity            |         | Earned leave |       | Half pay leave |       |
|  | 17-18               | 16-17   | 17-18        | 16-17 | 17-18          | 16-17 |
| Fair Value of Plan Assets at the beginning of the year               | 500.39              | 431.73  | -            | -     | -              | -     |
| Expected Return on Plan Assets                                       | 35.15               | 40.22   | -            | -     | -              | -     |
| Contributions  | 36.63               | 45.71   | -            | -     | -              | -     |
| Actuarial Gain/(Loss)  | 4.69                | (1.70)  | -            | -     | -              | -     |
| Benefits Paid  | (3.59)              | (15.57) | -            | -     | -              | -     |
| Fair Value of Plan Assets at the end of the year                     | 573.27              | 500.39  | -            | -     | -              | -     |

  

| (iv) Description of plan assets-Gratuity Plan: |                     |        |              |       |                |       |
|--|---------------------|--------|--------------|-------|----------------|-------|
| Particulars                                    | (Amount ₹ in Lakhs) |        |              |       |                |       |
|  | Gratuity            |        | Earned leave |       | Half pay leave |       |
|  | 17-18               | 16-17  | 17-18        | 16-17 | 17-18          | 16-17 |
| Insurer Managed Assets                         | 573.27              | 500.39 | -            | -     | -              | -     |

  

| (v) Net Asset\Liability recognised in the Balance Sheet as at the year end: |                     |         |              |       |                |       |
|---|---------------------|---------|--------------|-------|----------------|-------|
| Particulars   | (Amount ₹ in Lakhs) |         |              |       |                |       |
|   | Gratuity            |         | Earned leave |       | Half pay leave |       |
|   | 17-18               | 16-17   | 17-18        | 16-17 | 17-18          | 16-17 |
| PV of obligations at the end of the Year                                    | 537.71              | 466.79  | 114.02       | 98.46 | 49.31          | 43.66 |
| Fair Value of Plan Assets   | 573.27              | 500.39  | -            | -     | -              | -     |
| Closing Net Liability/(Asset)   | (35.56)             | (33.60) | 114.02       | 98.46 | 49.31          | 43.66 |
| Amount not recognised   |                     |         |              |       |                |       |
| Net Liability/(Asset) recognised in the Balance sheet                       | (35.56)             | (33.60) | 114.02       | 98.46 | 49.31          | 43.66 |

  

| (vi) Expenses recognised in the Profit and Loss Account |                     |              |              |              |                |              |
|---|---------------------|--------------|--------------|--------------|----------------|--------------|
| Particulars   | (Amount ₹ in Lakhs) |              |              |              |                |              |
|   | Gratuity            |              | Earned leave |              | Half pay leave |              |
|   | 17-18               | 16-17        | 17-18        | 16-17        | 17-18          | 16-17        |
| Current service cost                                    | 33.28               | 30.61        | 23.18        | 21.37        | 11.06          | 20.47        |
| Past service cost                                       | -                   | -            | -            | -            | -              | -            |
| Interest cost   | 31.74               | 31.34        | 6.70         | 7.57         | 2.97           | 2.97         |
| Expected return on plan assets                          | (35.15)             | (40.21)      |              |              | -              | -            |
| Curtalement Cost/(Credit)                               | -                   | -            |              |              | -              | -            |
| Settlement Cost/(Credit)                                | -                   | -            |              |              | -              | -            |
| Net actuarial Loss/(Gain)                               | 4.81                | 15.05        | 30.10        | 29.57        | 23.06          | 22.09        |
| <b>Expense recognised in Profit and Loss Account</b>    | <b>34.68</b>        | <b>36.79</b> | <b>59.98</b> | <b>58.51</b> | <b>37.09</b>   | <b>45.53</b> |

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 ₹ 1.50 Lakhs (Previous Year - ₹ 1.67 Lakhs).





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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| 30.06 Details of amount paid to Auditors |         | (Amount ₹ in Lakhs) |  |
|--|---------|---------------------|--|
| Particulars                              | 2017-18 | 2016-17             |  |
| (a) Statutory Auditor                    |         |                     |  |
| (i) As Auditor                           | 1.50    | 1.50                |  |
| (ii) Travelling Expenses                 | 0.30    | 0.30                |  |
| (iii) For out of pocket expenses         | 0.20    | 0.20                |  |
| (iv) Service Tax/GST                     | 0.36    | 0.36                |  |
| (b) Tax Auditor                          |         |                     |  |
| (i) For Income Tax Audit                 | 0.12    | 0.12                |  |
| (ii) Monthly Retainership Fee            | 0.32    | 0.41                |  |
| (iii) Other Matters                      | -       | -                   |  |
| (c) VAT Auditor                          |         |                     |  |
| (i) For VAT Audit                        | 0.12    | 0.12                |  |
| (ii) Monthly Retainership Fee            | 0.56    | 0.55                |  |
| (iii) Other Matters                      | -       | -                   |  |

  

| 30.07 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  | 2017-18         | 2016-17         |  |
| Employees State Insurance (ESI)  | 3.39            | 3.39            |  |
| Employees Provident Fund (EPF)   | 82.98           | 82.98           |  |
| Claim for arrear on Overtime Wages   | 160.00          | 160.00          |  |
| Enhanced Compensation Claim – Land Acquisition - Karunagappally  | 1,002.73        | 840.58          |  |
| Income Tax   | 240.06          | 240.06          |  |
| Service Tax  | 150.40          | 147.64          |  |
| Customs Duty   | 63.79           | 63.79           |  |
| Arbitral award challenged  | 251.84          | 231.06          |  |
| <b>Total</b>   | <b>1,955.19</b> | <b>1,769.50</b> |  |

  

| (ii) Bank Guarantees:             |              |              |  |
|-----------------------------------|--------------|--------------|--|
| (Amount ₹ in Lakhs)               |              |              |  |
| Particulars                       | 2017-18      | 2016-17      |  |
| Bank Guarantees in favour of KSEB | 23.66        | 23.66        |  |
| <b>Total</b>                      | <b>23.66</b> | <b>23.66</b> |  |

  

| (iii) Estimated amount of contracts remaining to be executed on Capital account and not provided for: |                 |                 |  |
|---|-----------------|-----------------|--|
| (Amount ₹ in Lakhs)   |                 |                 |  |
| Particulars   | 2017-18         | 2016-17         |  |
| Estimated amount of contracts remaining to be executed on Capital account and not provided for:       | 2,350.36        | 3,213.48        |  |
| <b>Total</b>  | <b>2,350.36</b> | <b>3,213.48</b> |  |



## KALLETUMKARA, THRISSUR - 680683

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### 30.08 Details in respect of claims against the Company not acknowledged as debts disclosed under Note No.30.07 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 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). Vide order dt 05.02.2020, the Central Government Industrial Tribunal - cum- Labour Court, Ernakulam admitted the appeal subject to remittance of 30% dues within a month. Accordingly, the Company remitted ₹ 24.89 Lakhs on 04.03.20.
- (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 ₹ 160.00 Lakhs. 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 31.3.2018 amount to Rs.1002.73 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 in respect of Gratuity and Leave salary relating to the assessment years 2005 -06, 2007 -08 and 2012 -13 amounting to ₹ 17.98 lakhs and towards short deduction of TDS for the assessment year 2015-16 amounting to ₹ 0.79 lakhs against which Company has preferred appeal/rectification request before the concerned authorities. Also,in respect of the demand u/s.156 for the assessment year 2017 -18 to the tune of ₹ 221.29 Lakhs,the Company has remitted an amount of ₹44.26 Lakhs (20% of the claim) under protest and preferred appeal before the Deputy Commisisonerof Income Tax. The cumulative claim of ₹ 240.06 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 June 2017, the Company has remitted ₹ 150.40 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. Estimated claim together with interest as on 31.03.2018 amounts to ₹ 251.84 Lakhs. 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 ₹ 63.79 lakhs and has preferred refund claims which is pending before various Appellate Authorities. The amount paid under protest as on 31.03.2018 amount to ₹ 64.48 Lakhs.



**KALLETUMKARA, THRISSUR - 680683**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

|       |  |                                   |                |
|-------|--|-----------------------------------|----------------|
| 30.09 | Maximum balance outstanding at any time during the year with various treasury accounts are   | (Amount ₹ in Lakhs)               |                |
|       | <b>Account Details</b>   | <b>2017-18</b>                    | <b>2016-17</b> |
|       | Special Treasury A/c No. 723041400000019   | 1,819.54                          | 1,541.61       |
|       | Special Treasury A/c No. 723041400000011   | -                                 | 250.00         |
| 30.10 | (i). The Income Tax assessments up to and including the assessment year 2012 - 13 has been completed.  |                                   |                |
|       | (ii) Details of Tax Deducted/Collected at Source shown in Note 14 - Long Term Loans & Advances   |                                   |                |
|       |  | (Amount ₹ in Lakhs)               |                |
|       | <b>Tax Deducted at Source</b>  | <b>Net Amount</b>                 |                |
|       | Assessment Year - 2007-08  |                                   | 12.82          |
|       | Assessment year - 2008 -09   |                                   | 17.98          |
|       | Assessment Year - 2009-10  |                                   | 4.32           |
|       | Assessment Year - 2010 -11   |                                   | 1.51           |
|       | Assessment Year - 2013 - 14  |                                   | 18.57          |
|       | Assessment Year - 2014 - 15  |                                   | 4.92           |
|       | Assessment Year - 2016 -17   |                                   | 7.16           |
|       | Assessment Year - 2017 -18   |                                   | 1.19           |
|       | Assessment Year - 2018 -19   |                                   | 1.46           |
|       | <b>Total</b>   |                                   | <b>69.93</b>   |
|       | (iii) Provision for Income Tax ₹ 227.11 Lakhs shown in 'Note 12 - Short Term Provisions' represents the provision remaining for the balance tax payable for the A.Y -2015 -16. The Company has subsequently paid the tax due in the year 2019 -20 (29.04.2019 - ₹ 197.13 Lakhs and 30.04.2019 - ₹ 29.98 Lakhs).  |                                   |                |
|       | (iv) For the assessment year 2018 -19 (Previous Year ended 31.03.2018), no provision is required for Current Tax, as no taxable income exists both under normal provisions of Income Tax and u/s. 115JB of Income Tax Act.   |                                   |                |
| 30.11 | During the year the Company has charged off ₹7.64 Lakhs (Previous year ₹ 8.61 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. |                                   |                |
| 30.12 | . "Other advances" shown under "Long term Loans & Advances" (Note – 14) includes ₹140.58 Lakhs (Previous Year ₹127.24 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.   |                                   |                |
| 30.13 | <b>Related Party Disclosure</b>  |                                   |                |
|       | <b>(a) Details of related parties:</b>   |                                   |                |
|       | <b>Description of relationship</b>   | <b>Names of related parties</b>   |                |
|       | Key Management Personnel   | Dr.B.Sreekumar, Managing Director |                |
|       |  | (Amount ₹ in Lakhs)               |                |
|       | <b>Particulars</b>   | <b>2017-18</b>                    | <b>2016-17</b> |
|       | <u>Salary</u>  |                                   |                |
|       | Dr.B.Sreekumar   | 12.64                             | 0.42           |
|       | <u>Reimbursement of Travelling Expenses</u>  |                                   |                |
|       | Dr.B.Sreekumar   | 1.30                              | 0.18           |
|       | Dr.K.Prathapan   | -                                 | 0.09           |



**KALLETUMKARA, THRISSUR - 680683**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

30.14 In respect of the festival allowance @ ₹ 1,000/- paid to employees amounting to ₹ 1.48 Lakhs relating to the year 2003-04 and ₹ 1.48 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.

30.15 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 ₹ 64.48 Lakhs (Previous year - ₹64.48 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<br>Customs Duty<br>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,<br>₹ 1.35 Lakhs Pending before Dy.Commissioner (Refunds) |
| 2004-05             | 5.21  | ₹ 5.04 Lakhs remanded back to Original Assessing Authority,<br>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  | Pending before CESTAT Division Bench  |
| 2015-16             | 5.37  | Pending before CESTAT Division Bench  |
| <b>Total</b>        | <b>64.48</b>                                |   |



## KALLETUMKARA, THRISSUR - 680683

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

30.16 Pursuant to the recommendation of Board of Research in Nuclear Sciences (BRNS), Department of Atomic Energy, approval had 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, the BARC had 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 amount to ₹ 4.53 Lakhs and the same is shown under Other Long Term Liabilities (Note - 08).

30.17 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  | 2017-18             | 2016-17 |
| Consultancy Fee – Extension of Administrative Block, Kallettumkara | 1.23                | 1.23    |

30.18 **Movement of Provisions**

| (i). Provision for Bad and Doubtful Debts |         |         |
|---|---------|---------|
| (Amount ₹ in Lakhs)                       |         |         |
| Particulars                               | 2017-18 | 2016-17 |
| Opening Balance                           | 467.62  | 456.64  |
| Add: Provision during the year            | 33.27   | 13.40   |
| Less: Bad debts written off               | 0.00    | 0.00    |
| Less: Amount Realised                     | 0.88    | 2.42    |
| Closing Balance                           | 500.01  | 467.62  |

30.19 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.

30.20 In the previous years amounts levied from raw material suppliers towards unloading the raw materials and amounts levied from transport contractor towards loading the finished feed were shown under 'Note - 21 -Other Income'. Since, the purchase value of raw materials accounted is inclusive of unloading charges incurred at the Company and outward freight charges accounted is inclusive of loading charges incurred at the Company, for more appropriate presentation, in the year 2017 -18, amounts levied from raw material suppliers towards unloading the materials (₹ 684.38 Lakhs) is considered as a deduction from the cost of materials consumed (Note -22 - Cost of materials consumed). Similarly, loading charges levied from transport contractor is (₹ 684.38 Lakhs) considered as a deduction from the Freight paid (Note - 27 - Other Expenses). The above change in presentation has no effect on the profitability of the Company for the year 2017 -18.

30.21 In the case of assistance received (₹ 259.88 Lakhs) from Ministry of Women and Child Development, Government of India under Support to Training and Employment Programme for Women (STEP) for the Project of Goat Rearing, the Company had spent only an amount of ₹ 35.74 Lakhs within the time frame stipulated. The Company repaid the balance unspent amount of ₹ 224.14 lakhs in two instalments (₹ 144.25 Lakhs on 05.02.2020 and ₹ 79.89 Lakhs on 13.08.2020) to the Government of India and requested the Ministry of Women and Child Development for waiver of interest on unspent balance. The reply from the Ministry is awaited. However, In accordance with the terms and conditions of the project and in line with the conditions stipulated in the Bond executed, provision has been created in the books of accounts towards interest payable @10% (₹ 22.41 Lakhs for 2017 -18) on the unspent balance. Interest earned by the Company in the interim period out of the Project fund amounts to ₹ 49.24 Lakhs and the same is shown under 'Other liabilities' in 'Note - 11 -Other Current Liabilities'.

30.22 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.

30.23 As approved by the Government of Kerala, The Manufacturing Unit located at Thiruvangoor in Kozhikode District was constructed on the land acquired for 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.

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

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

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



**KALLETUMKARA, THRISSUR - 680683**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**30.27 Particulars in respect of stock and turnover**

| Class of goods manufactured | (Amount ₹ in Lakhs)                    |                                  |  |                                  |  |  |
|-----------------------------|--|----------------------------------|--|----------------------------------|--|--|
|                             | Opening                                |                                  | Closing                                |                                  | Sales                                      |  |
|                             | Qty in MT                              | Value                            | Qty in MT                              | Value                            | Qty in MT                                  | Value                                  |
| Kerala Feeds Ordinary       | 201.250<br>(387.300)                   | 36.13<br>(56.55)                 | 733.900<br>(201.250)                   | 121.53<br>(36.13)                | 52,254.100<br>(52,254.100)                 | 9,854.55<br>(6,899.19)                 |
| Kerala Feeds Elite          | 34.000<br>(221.050)                    | 6.00<br>(38.39)                  | 261.500<br>(34.000)                    | 58.41<br>(6.00)                  | 10,846.350<br>(7,020.400)                  | 2,251.44<br>(1,485.34)                 |
| Kerala Feeds Rich           | 2,883.650<br>(711.101)                 | 520.73<br>(120.09)               | 891.000<br>(2,883.650)                 | 135.40<br>(520.73)               | 37,739.300<br>(170,365.100)                | 7,047.86<br>(31,595.05)                |
| Kerala Feeds Midukki        | -<br>-                                 | -<br>-                           | 1,324.400<br>-                         | 218.20<br>-                      | 88,660.83<br>-                             | 17,283.34<br>-                         |
| Rat Feed                    | 0.460<br>(0.330)                       | 0.09<br>(0.05)                   | -<br>(0.460)                           | -<br>(0.09)                      | 1.400<br>(2.120)                           | 0.39<br>(0.54)                         |
| Keramin                     | 6.561<br>(8.485)                       | 2.71<br>(3.50)                   | 22.644<br>(6.561)                      | 8.68<br>(2.71)                   | 288.224<br>(91.319)                        | 315.83<br>(99.33)                      |
| Calf Feed                   | 0.700<br>(6.950)                       | 0.13<br>(1.16)                   | -<br>(0.700)                           | -<br>(0.13)                      | 16.900<br>(40.000)                         | 5.02<br>(9.36)                         |
| Densified Fodder Block      | 9.553<br>-                             | 2.28<br>-                        | 4.330<br>(9.553)                       | 0.84<br>(2.28)                   | 149.988<br>(65.532)                        | 37.62<br>(14.56)                       |
| Rabbit Feed                 | 0.683<br>(0.340)                       | 0.13<br>(0.06)                   | -<br>(0.683)                           | -<br>(0.13)                      | 1.026<br>(5.396)                           | 0.28<br>(1.27)                         |
| Goat Feed                   | 17.000<br>(14.170)                     | 2.85<br>(2.45)                   | 15.080<br>(17.000)                     | 2.54<br>(2.85)                   | 261.760<br>(428.620)                       | 68.30<br>(85.51)                       |
| <b>Total</b>                | <b>3,153.857</b><br><b>(1,349.726)</b> | <b>571.05</b><br><b>(222.25)</b> | <b>3,252.854</b><br><b>(3,153.857)</b> | <b>545.60</b><br><b>(571.05)</b> | <b>190,219.882</b><br><b>(230,272.587)</b> | <b>36,864.63</b><br><b>(40,190.15)</b> |

**Note:**

- Figures in brackets represent the figures for previous year
- Out of 561.166 Mt (327.550 Mt) of feed, 402.460 MT (20.160 Mt) has been recycled during the year and balance 158.706 MT(122.390 Mt) of feed represents spoilage/damaged feed.
- 0.023 Mt (0.005 Mt) of Keramin has been recycled during the year
- Out of 3.850 Mt (6.050 Mt) of Calf Feed, 3.350 Mt (6.050 Mt) has been recycled and 0.500 Mt (Nil Mt) represents spoilage/damaged items..
- Out of 2.160 Mt ( 3.730 MT) of Goat Feed, 0.360 Mt ( 3.330 Mt) has been recycled and 1.800Mt (0.400 Mt) has been disposed off during the year as spoilage/damaged items
- 0.707 Mt (Nil Mt) of Rabbit Feed and 0.710 Mt (Nil Mt) of Rat Feed recycled during the year.

**30.28 Consumption of Raw Material**

| Particulars                 | (Amount ₹ in Lakhs) |                  |                   |                  |
|-----------------------------|---------------------|------------------|-------------------|------------------|
|                             | 2017 - 18           |                  | 2016 - 17         |                  |
|                             | Qty in MT           | Value            | Qty in Mt         | Value            |
| 1. Imported                 | -                   | -                | -                 | -                |
| 2. Indigenous (100%)        |                     |                  |                   |                  |
| (a) Rice Bran               | 84,147.363          | 11,862.57        | 100,578.764       | 15,340.71        |
| (b) Maize                   | 37,138.671          | 5,955.67         | 45,327.511        | 8,124.80         |
| (c) Coconut Meal            | 15,661.734          | 2,352.75         | 19,839.830        | 3,693.69         |
| (d)Rice Polish              | 11,950.761          | 2,636.82         | 16,669.005        | 3,423.84         |
| (e) Calcite Powder          | 5,423.432           | 225.76           | 6,022.812         | 210.52           |
| (f) Cotton seed extractions | 9,074.983           | 2,003.81         | 6,533.963         | 1,687.02         |
| (g) Ground nut extractions  | 266.119             | 72.37            | 349.981           | 113.07           |
| (h) Jower                   | 2,204.449           | 327.49           | 1,279.557         | 234.75           |
| (i) Molasses                | 5,816.508           | 769.69           | 6,189.654         | 650.62           |
| (j) Rape Seed Extractions   | 6,810.278           | 1,380.68         | 8,063.188         | 1,905.73         |
| (k) Soyabean Meal           | 1,541.392           | 469.89           | 124.508           | 42.58            |
| (l) Sunflower extractions   | -                   | -                | -                 | -                |
| (i) Others (Salt,TSP etc)   | 13,229.888          | 1,673.22         | 11,142.345        | 1,745.69         |
| <b>Total</b>                | <b>193,265.58</b>   | <b>29,730.74</b> | <b>222,121.12</b> | <b>37,173.02</b> |



**KALLETUMKARA, THRISSUR - 680683**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

| <b>Consumption of Mineral Salts</b>         |                | <b>(Amount ₹ in Lakhs)</b> |               |              |  |
|---|----------------|----------------------------|---------------|--------------|--|
| Particulars                                 | 2017 - 18      |                            | 2016 - 17     |              |  |
|   | Qty in MT      | Value                      | Qty in Mt     | Value        |  |
| 1. Imported                                 | -              | -                          | -             | -            |  |
| 2. Indigenous (100%)                        |                |                            |               |              |  |
| (a) Di Calcium Phosphate                    | 204.182        | 63.22                      | 52.800        | 16.56        |  |
| (b) Calcite Powder                          | 62.567         | 2.49                       | 18.123        | 0.65         |  |
| (c) Magnesium Oxide                         | 39.545         | 9.77                       | 10.770        | 2.87         |  |
| (d) Sodium Thio Sulphate                    | 7.997          | 2.39                       | 1.630         | 0.47         |  |
| (e) Ferrous Sulphate                        | 5.983          | 1.72                       | 1.597         | 0.46         |  |
| (f) Copper Sulphate                         | 3.698          | 4.62                       | 0.917         | 1.11         |  |
| (g) Manganese Sulphate                      | 1.766          | 0.75                       | 0.454         | 0.18         |  |
| (h) Cobalt Sulphate                         | 0.910          | 4.80                       | 0.228         | 1.12         |  |
| (i) Potassium Iodide                        | 0.139          | 2.35                       | 0.044         | 0.76         |  |
| (j) Others (Chelated Manganese, Copper etc) | 13.323         | 8.84                       | 3.681         | 2.13         |  |
| <b>Total</b>                                | <b>340.109</b> | <b>100.95</b>              | <b>90.244</b> | <b>26.31</b> |  |

  

| <b>Consumption of Stores and Spares</b> |           |           | <b>(Amount ₹ in Lakhs)</b> |
|---|-----------|-----------|----------------------------|
| Particulars                             | 2017 - 18 | 2016 - 17 |                            |
| Imported                                | 63.65     | 77.16     |                            |
| Indigenous                              | 78.78     | 87.50     |                            |

  

**30.29** CIF value of imports **(Amount ₹ in Lakhs)**

| Particulars   | 2017 - 18 | 2016 - 17 |
|---------------|-----------|-----------|
| Capital Goods | -         | -         |
| Spares        | -         | 39.12     |

  

**30.30** Expenditure in foreign currency **(Amount ₹ in Lakhs)**

| Particulars     | 2017 - 18 | 2016 - 17 |
|-----------------|-----------|-----------|
| Capital Goods   | -         | -         |
| Spares imported | -         | 39.12     |

  

**30.31** Earnings in foreign currency - NIL

**30.32** Number of NRI Shareholders - NIL

**30.33** Number of Shares Held by NRI Share Holders - NIL

**30.34** Dividend remitted in foreign currency - NIL

  

|  |   |   |  |
|--|---|---|--|
| <b>For and on behalf of Board of Directors</b>         |   |   |  |
| Sd/-<br><b>Vidya Unnikrishnan</b><br>Company Secretary | Sd/-<br><b>Rajasekharan K.N.</b><br>Manager Finance | Sd/-<br><b>Dr.B.Sreekumar</b><br>Managing Director<br>DIN:01688985  | Sd/-<br><b>Shri.K.S. Indusekharan Nair</b><br>Chairman<br>DIN:07730864 |
| Place: Kallettumkara<br>Date: 20.01.2021               |   | As per our report of even date attached   |  |
| Place: Ernakulam<br>Date: 20.01.2021                   |   | For C.M.Joseph & Associates<br>Chartered Accountants<br>F.R.No 006408S<br>Sd/-<br>C.M.JOSEPH, FCA, DISA (ICAI)<br>Managing Partner<br>Membership Number: 202800 |  |





**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I) KERALA,  
THIRUVANANTHAPURAM**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER  
SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS  
OF KERALA FEEDS LIMITED, THRISSUR FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of Kerala Feeds Limited, Thrissur for the year ended 31 March 2018 in accordance with the financial reporting frame work prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 20<sup>th</sup> January 2021

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Kerala Feeds Limited, Thrissur for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

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

**Thiruvananthapuram  
Dated: 21.05.2021**





# കേരള ഫീഡ്സ് ഹൈടെക് ഫാക്ടറികൾ



650 മെട്രിക് ടൺ കാലിത്തീറ്റ ഫാക്ടറി  
കല്ലേറ്റുംകര, തൃശൂർ



300 മെട്രിക് ടൺ കാലിത്തീറ്റ ഫാക്ടറി  
കരുനാഗപ്പള്ളി, 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



ബൈപ്പാസ് പ്രോട്ടീൻ പ്ലാന്റ്  
കല്ലേറ്റുംകര, തൃശൂർ



**KERALA FEEDS LTD.**

A GOVT. OF KERALA UNDERTAKING

Feeds Nagar, Kallettumkara, Thrissur-680 683.

Customer Care cell: Ph: 9447490114.

Email: support.kfl@kerala.gov.in Web: www.keralafeeds.com

സുരക്ഷിതമായ പാലിനും  
ആരോഗ്യമുള്ള പശുവിനും  
**കേരള ഫീഡ്സ്**  
സമീകൃത കാലിത്തീറ്റ  
ഒരു കേരള സർക്കാർ ഉൽപ്പന്നം

ഞാൻ എന്റെ ഫാമിൽ  
**കേരള ഫീഡ്സ്**  
ഉൽപ്പന്നങ്ങളാണ്  
ഉപയോഗിക്കുന്നത്.  
**നിങ്ങളോ?**



കേരള ഫീഡ്സ്  
**എലൈറ്റ്**  
സ്പെഷ്യൽ കാലിത്തീറ്റ



കേരള ഫീഡ്സ്  
**മിടുക്കി**  
പ്രീമിയം കാലിത്തീറ്റ



കേരള ഫീഡ്സ്  
**ഡയറി റിച്ച് പ്ലസ്**  
എക്സ്ട്രാ പ്രീമിയം  
കാലിത്തീറ്റ

കെ.എഫ്.  
**മലബാറി**  
പ്രീമിയം ഗോട്ട് ഫീഡ്

കേരള ഫീഡ്സ്  
**TMR**

**കേരമിൻ**  
സ്പെഷ്യൽ | ഓർഗാനിക്  
ധാതുലവണ മിശ്രിതം



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KALLETUMKARA - THRISSUR ♦ KARUNAGAPPALLY - KOLLAM ♦ CHEMMENCHERY-KOZHIKODE ♦ ATHAVANAD - MALAPPURAM ♦ MUTHALAMADA-PALAKKAD