



Kerala State Handloom Development
Corporation Limited, Kannur-1.

**51st ANNUAL REPORT &
FINANCIAL STATEMENTS 2018-2019**



**Kerala State Handloom Development
Corporation Limited, Kannur.**

CIN:- U74140KL1968 SGC002181

Chairman

Sri. K. P. Sahadevan (DIN No. 0998318)

Managing Director

Sri.K.T.Jayarajan (DIN No. 08419243)

Directors

Sri.Sudhir.K (DIN No. 07567643)

Sri.V.K. Rajan (DIN No. 08054406)

Sri.Vinodan C.K (DIN No. 08587948)

Sri. V.G.Raveendran (DIN No. 07961822)

Sri.Mangode Radhakrishnan (DIN No. 08042022)

Company Secretary

Sri.Pradish Nair

Chief Financial Officer

Sri.Sunil Mathew.K

Auditors

M/s. Pavithran & Murali
Chartered Accountants, Thalassery, Kannur

Principal Bankers

State Bank of India, Kannur



REGISTERED OFFICE
PM 32/249, Thilleri Road
Kannur – 670 001

Regional Offices

1. Regional Office
Kannur – 670 001
2. Regional Office
Nemom (P.O)

Legal Advisors

1. M/s Menon & Pai
Advocates
Ernakulam
2. Sri.Shashi.D. Nambiar
Advocate
Kannur
3. Smt.Reeja Kunhimangalam
Advocate
Kannur

Kerala State Handloom Development Corporation Limited, Kannur.

NOTICE FOR FIFTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the 51st Annual General Meeting of the shareholders of Kerala State Handloom Development Corporation Limited will be held on Tuesday the 31st December 2019 at 3:30 P.M at Jawaharlal Nehru Public Library & Research Centre, Yogasala Road, Kannur – 670 001 to transact the following business.

ORDINARY BUSINESS

- 1 To receive, consider and adopt the financial statement of the Corporation for the year ended 31st March 2019, including the audited Balance Sheet as on 31st March 2019, the Statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors' and the Auditors' thereon.
- 2 To consider and fix remuneration of ₹ 57,500/- to M/s Pavithran & Murali, Chartered Accountants, Thalasseri, who has been appointed as Statutory Auditors of the Corporation by the Comptroller and Auditor General of India, New Delhi for the financial year 2019-20.
- 3 To elect a Director in the place of Sri. V.G.Raveendran who retires by rotation and being eligible offers himself for re-election pursuant to Article 51 (V) of the Articles of Association of the Corporation.

SPECIAL BUSINESS

1. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

"Resolved that pursuant to section 61 and other applicable provisions of the Companies Act 2013, the authorized share capital of the Corporation be and is hereby increased from ₹40 crores to ₹ 50 crores."

2. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

RESOLVED THAT pursuant to the provisions of Sections 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules framed thereunder, the Memorandum of Associations of the Company is be and is hereby altered by substituting the existing Clause V thereof with the following new Clause V as under:

"V. The share capital of the Company is ₹ 50 crores (Rupees Fifty crores) divided into 500 lakhs (Five Hundred lakh) equity shares of ₹10/- (ten) each with power to increase or reduce the capital of the Company and to divide the shares in capital for the time being into several classes and attach thereto respectively such preferential, qualified or special right privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being in force and to vary, modify or abrogate such rights, privileges or conditions in such manner as may be permitted by the Act or provided in the Articles of Association of the Company."

"FURTHER RESOLVED THAT any Director or the Company Secretary or the Chief Financial Officer be and is hereby severally authorised to do all such things, acts deeds and matter as may be considered necessary usual, proper and expedient to give effect to the above resolution."

3. To consider and if thought fit to pass with or without modification the following resolution as a special resolution.

"Resolved that clause (6) of Article of Association of the Corporation be altered as follows:

The capital of the Company is ₹ 50 Crores divided into 500 lakh equity shares of ₹ 10/- each."

"FURTHER RESOLVED THAT any Director or the Company Secretary or the Chief Financial Officer be and is hereby severally authorised to do all such things, acts deeds and matter as may be considered necessary usual, proper and expedient to give effect to the above resolution."

4. To consider and if thought fit to pass with or without modification the following resolution as a special resolution.

"Resolved that pursuant to provisions of the Companies Act 2013, the Board of Directors of the Corporation be and is hereby authorized to increase the issued capital of the Company to ₹ 50 crores and to allot shares in such manner to the Governor of Kerala as they may consider necessary".

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of earlier resolutions, if any, passed in this regard and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re enactments thereof, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or Government and/or any body corporate/ entity/entities and/or authority/authorities, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of ₹ 80 crores (Rupees Eighty crores only) for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves.

RESOLVED FURTHER THAT in supersession of all the earlier resolutions passed in this regard, if any, and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re enactments thereof, consent of the shareholders of the Company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of ₹ 80 Crores (Rupees Eighty crores only) for the Company taken together at any time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By Order of the Board,

Place: Thiruvananthapuram
Date : 20-11-2019

Pradish Nair
Company Secretary

Explanatory Statement pursuant to Section 102(1) of the Companies Act 2013 for the matters pertaining to items 1, 2, 3, 4 & 5 under special business.

Item No. 1

The Government vide G.O(Ms)No.52/2019/ID Dated: 25-06-2019 have sanctioned an increase of authorized share capital of the Corporation from ₹ 40 crores to ₹ 50 crores. The approval of the members is required for increasing the authorized share capital from ₹ 40 cores to ₹ 50 crores and to facilitate the issue of new equity shares. Accordingly, item no.1 is placed before the Annual General Meeting for obtaining the approval of the members for increasing the authorized share capital from ₹ 40 crores to ₹ 50 crores.

None of the Directors and Key Managerial Persons is interested in the above resolution.

Item No. 2 & 3

Consequent to increase in authorized share capital of the Corporation from ₹ 40 cores to ₹ 50 crores necessary amendments have to be made in the Memorandum & Articles of Association of the Corporation to facilitate the change in the capital structure. Item 2 & 3 is therefore passed to facilitate the change in the authorized share capital of the Corporation.

None of the Directors and Key Managerial Persons is interested in the above resolution.

Item No. 4

The Government of Kerala holds more than 99% of the share capital of the Corporation. The Government provides assistance to the Corporation by way of share capital contribution at timely intervals. Hence the Corporation has to allot shares to the Government at timely intervals as and when Government orders are received regarding share capital contribution. In order to allot the balance shares to Government towards share capital assistance the issued capital of the Corporation has to be increased. The members may therefore authorize the Board of Directors to increase the issued capital to ₹ 40 crores and allot balance share to Government to that extent.

None of the Directors and Key Managerial Persons is interested in the above resolution.

Item No. 5

Keeping in view future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid up capital and free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits to ₹ 80 Crores for the Company.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a General Meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company.

Further, Section 180(1) (a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting. As creation of mortgage and/or charge by the Company of its movable and/or immovable properties and/or the whole or any part may be regarded as disposal of asset in event of default therefore approval of shareholder is required in compliance of the provision of the Act.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180 (1)(c) and Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No.5 of the Notice as Special Resolution. The Board recommends the Special Resolution as set out at Item No. 5 of the accompanying Notice, for members' approval.

None of the Directors and Key Managerial Persons is interested in the above resolution.

By Order of the Board,

Place: Thiruvananthapuram
Date: 20-11-2019

Pradish Nair
Company Secretary

Note:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The 51st Annual General Meeting is now being held for consideration and adoption of the Audited financial statement of the Corporation for the financial year 2018-19 along with the Report of the Statutory Auditors, Report of the Directors, Reply to Statutory Auditors comments, Comments of the Comptroller & Auditor General of India, as required under the provisions of Companies Act 2013.

**കേരള സംസ്ഥാന കൈത്തറി വികസന കോർപ്പറേഷൻ ലിമിറ്റഡ്,
കണ്ണൂർ - 1.**

നോട്ടീസ്

കോർപ്പറേഷൻ മെമ്പർമാരുടെ 51-ാമത് വാർഷിക പൊതുയോഗം താഴെ പറയുന്ന കാര്യങ്ങൾ നിർവ്വഹിക്കുന്നതിനായി 2019 ഡിസംബർ 31-ാം തീയതി ചൊവ്വാഴ്ച വൈകുന്നേരം 3.30 മണിക്ക് കണ്ണൂർ യോഗശാല റോഡിലുള്ള ജവഹർലാൽ നെഹ്റു പബ്ലിക് ലൈബ്രറി ആന്റ് റിസർച്ച് സെന്ററിൽ വച്ച് ചേരുന്നതാണ് എന്ന് ഇതിനാൽ അറിയിച്ചുകൊള്ളുന്നു.

സാധാരണ കാര്യം

1. 2019 മാർച്ച് 31 ന് അവസാനിച്ച വർഷത്തെ ഡയറക്ടർമാരുടെയും ആഡിറ്റർമാരുടെയും റിപ്പോർട്ടും, ഓഡിറ്റ് ചെയ്ത ബാലൻസ് ഷീറ്റ്, ലാഭഭരത കണക്കുകൾ, ആസ്തി ബാധ്യത എന്നിവ അടക്കമുള്ള കോർപ്പറേഷന്റെ സാമ്പത്തിക പട്ടികയും അംഗീകരിക്കുന്നതിന്.
2. 2019-20 സാമ്പത്തിക വർഷത്തിലേക്ക് കോർപ്പറേഷന്റെ കണക്ക് ഓഡിറ്റ് ചെയ്യുന്നതിന് കമ്പ്യൂട്ടറൈസ്ഡ് ആന്റ് ഓഡിറ്റർ ജനറൽ ഓഫ് ഇന്ത്യ നിയമിച്ച സ്റ്റാറ്റുട്ടറി ഓഡിറ്റർമാരായ മെസ്സർസ് പവിത്രൻ ആന്റ് മൂരളി, തലശ്ശേരി എന്നിവരുടെ ഓഡിറ്റ് ഫീസായി 57,500 രൂപ നിശ്ചയിക്കുകയും അംഗീകരിക്കുകയും ചെയ്യുന്നതിന്
3. കോർപ്പറേഷന്റെ ആർട്ടിക്കിൾസ് ഓഫ് അസോസിയേഷന്റെ ക്ലോസ് 51(V) അനുസരിച്ച് ഊഴപ്രകാരം ഒഴിയുന്ന ഡയറക്ടർ ശ്രീ. വി. ജി. രവീന്ദ്രന്റെ ഒഴിവിലേക്ക് ഒരു ഡയറക്ടറെ നിയമിക്കുന്നതിന്. വീണ്ടും തിരഞ്ഞെടുക്കപ്പെടുന്നതിന് അദ്ദേഹത്തിന് അർഹതയുണ്ട്.

പ്രത്യേക കാര്യം

1. പരിഗണിക്കുന്നതിനും ഉചിതമെന്നു തോന്നുന്ന പക്ഷം മാറ്റത്തോടുകൂടിയോ, അല്ലാതെയോ താഴെ പറയുന്ന പ്രമേയം ഒരു സാധാരണ പ്രമേയമായി പാസാക്കുന്നതിനും.
“കമ്പനി നിയമം 2013 ലെ 61 വകുപ്പും ബാധകമായ മറ്റു വകുപ്പുകളും അനുസരിച്ച് കമ്പനിയുടെ അടങ്കൽ മൂലധനം 40 കോടി രൂപയിൽ നിന്ന് 50 കോടി രൂപയായി ഉയർത്തുവാൻ തീരുമാനിച്ചു.”
2. പരിഗണിക്കുന്നതിനും ഉചിതമെന്നു തോന്നുന്ന പക്ഷം മാറ്റത്തോടുകൂടിയോ, അല്ലാതെയോ താഴെ പറയുന്ന പ്രമേയം ഒരു സാധാരണ പ്രമേയമായി പാസാക്കുന്നതിനും.

കമ്പനി നിയമം 2013 ന്റെ 13, 61, 64 വകുപ്പുകളും ബാധകമായ മറ്റ് വ്യവസ്ഥകളും (ഇപ്പോൾ നിലവിലുള്ള നിയമപരമായ പരിഷ്കരണങ്ങളും പുനർ നിർമ്മാണങ്ങളും ഉൾപ്പെടെ) ആയതിന്റെ അടിസ്ഥാനത്തിൽ നിർമ്മിച്ചു നിയമങ്ങൾക്കനുസൃതമായും കമ്പനിയുടെ മെമ്പർമാരും ഓഫ് അസോസിയേഷനിലെ നിലവിലുള്ള ക്ലോസ് V നു പകരം താഴെപ്പറയുന്ന പുതിയ ക്ലോസ് V പ്രകാരം ഇതിനാൽ മാറ്റം വരുത്തിയിരിക്കുന്നു.

“ V. 10 (പത്തു) രൂപയുടെ 500 ലക്ഷം (അഞ്ഞൂറ് ലക്ഷം) ഇക്വിറ്റി ഷെയറുകളായി വിഭജിച്ചിരിക്കുന്ന 50 കോടി (അൻപത് കോടി) രൂപയാണ് കമ്പനിയുടെ മൂലധനം. ഓരോ ഇക്വിറ്റി ഷെയറിനും കമ്പനിയുടെ മൂലധനം വർദ്ധിപ്പിക്കുവാനും കുറയ്ക്കുവാനുമുള്ള അധികാരമുണ്ട്. അതുപോലെ കമ്പനിയുടെ ഇപ്പോൾ

നിലവിലുള്ള ആർട്ടിക്കിൾസ് ഓഫ് അസോസിയേഷനാൽ നിർണ്ണയിക്കപ്പെട്ടതോ, അനുസൃതമായതോ ആയ മൂലധന ഓഹരികളെ അനേകം വിഭാഗങ്ങളായി തിരിക്കുന്നതിനും അതിലേക്ക് യഥാക്രമം മുൻഗണനാർഹവും, യോഗ്യമായതും, വിശേഷാധികാര അവകാശങ്ങളും നിബന്ധനകളും കൂട്ടിച്ചേർക്കുന്നതിനും കൂടാതെ കമ്പനിയുടെ ആർട്ടിക്കിൾസ് ഓഫ് അസോസിയേഷൻ പ്രകാരമോ അല്ലെങ്കിൽ കമ്പനി നിയമം അനുവദിക്കുന്നതു പോലെയോ പ്രസ്തുത അവകാശങ്ങളും വിശേഷാധികാരങ്ങളും മാറ്റുന്നതിനും, ഭേദഗതി വരുത്തുന്നതിനും റദ്ദു ചെയ്യുന്നതിനുമുള്ള അധികാരം ഉണ്ടായിരിക്കുന്നതാണ്."

"കൂടാതെ മേൽ തീരുമാനം പ്രാവർത്തികമാക്കുന്നതിനു വേണ്ടി ആവശ്യമായതും, സാധാരണമായതും, ഉചിതമായതും, പ്രായോഗികമായതുമായ പ്രവൃത്തികളും, കൃത്യങ്ങളും ചെയ്യുന്നതിന് ഏതെങ്കിലും ഡയറക്ടറെയോ, കമ്പനി സെക്രട്ടറിയെയോ, ചീഫ് ഫിനാൻഷ്യൽ ഓഫീസറിയോ വെവ്വേറെയായി ഇതിനാൽ അധികാരപ്പെടുത്തുന്നു."

- 3. പരിഗണിക്കുന്നതിനും ഉചിതമെന്നു തോന്നുന്ന പക്ഷം മാറ്റത്തോടുകൂടിയോ, അല്ലാതെയോ താഴെ പറയുന്ന പ്രമേയം ഒരു പ്രത്യേക പ്രമേയമായി പാസാക്കുന്നതിനും.

"കോർപ്പറേഷന്റെ ആർട്ടിക്കിൾസ് ഓഫ് അസോസിയേഷന്റെ ക്ലോസ്(6) താഴെപറയുംപ്രകാരം മാറ്റം വരുത്തിയിരിക്കുന്നു.

10 രൂപയുടെ 500 ലക്ഷം ഇക്വിറ്റി ഷെയറുകളായി വിഭജിച്ചിരിക്കുന്ന 50 കോടി രൂപയാണ് കമ്പനിയുടെ മൂലധനം.

"കൂടാതെ മേൽ തീരുമാനം പ്രാവർത്തികമായി തീരുന്നതിനുവേണ്ടി ആവശ്യമായതും, സാധാരണമായതും, ഉചിതമായതും, പ്രായോഗികമായതുമായ പ്രവൃത്തികളും കൃത്യങ്ങളും ചെയ്യുന്നതിന് ഏതെങ്കിലും ഡയറക്ടറെയോ, കമ്പനി സെക്രട്ടറിയെയോ, ചീഫ് ഫിനാൻഷ്യൽ ഓഫീസറിയോ വെവ്വേറെയായി ഇതിനാൽ അധികാരപ്പെടുത്തുന്നു."

- 4. പരിഗണിക്കുന്നതിനും ഉചിതമെന്നു തോന്നുന്ന പക്ഷം മാറ്റത്തോടുകൂടിയോ, അല്ലാതെയോ താഴെ പറയുന്ന പ്രമേയം ഒരു പ്രത്യേക പ്രമേയമായി പാസാക്കുന്നതിനും.

"കമ്പനി നിയമം 2013 ന്റെ വ്യവസ്ഥകൾക്ക് അനുസൃതമായി കമ്പനിയുടെ വിതരണം ചെയ്ത മൂലധനം 50 കോടി രൂപയായി വർദ്ധിപ്പിക്കുന്നതിനും ഷെയറുകൾ കേരള ഗവർണ്ണർക്ക് ആവശ്യാനുസരണം നൽകുന്നതിനും കമ്പനിയുടെ ഭരണസമിതിയെ ഇതിനാൽ അധികാരപ്പെടുത്തുന്നു."

- 5. പരിഗണിക്കുന്നതിനും ഉചിതമെന്നു തോന്നുന്ന പക്ഷം മാറ്റത്തോടുകൂടിയോ, അല്ലാതെയോ താഴെ പറയുന്ന പ്രമേയം ഒരു പ്രത്യേക പ്രമേയമായി പാസാക്കുന്നതിനും.

"ഇത് സംബന്ധിച്ച് മുമ്പ് പാസ്സാക്കിയിട്ടുള്ള പ്രമേയങ്ങൾ റദ്ദാക്കിക്കൊണ്ടും കമ്പനി നിയമത്തിന്റെ 180(1)(c) വകുപ്പും ഇപ്പോൾ നിലവിലുള്ള നിയമപരമായ പരിഷ്കരണങ്ങളും പുനർ നിർമ്മാണങ്ങളും ഉൾപ്പെടെ ബാധകമായ മറ്റ് വ്യവസ്ഥകൾക്കും പ്രസക്തമായ നിയമങ്ങൾക്കും വിധേയമായി ഏതെങ്കിലും ബാങ്കിൽ നിന്നോ/അല്ലെങ്കിൽ മറ്റേതെങ്കിലും സാമ്പത്തിക സ്ഥാപനത്തിൽ നിന്നോ/അല്ലെങ്കിൽ സർക്കാരിൽ നിന്നോ/അല്ലെങ്കിൽ കോർപ്പറേറ്റ് ബോഡികളിൽ നിന്നോ/അല്ലെങ്കിൽ അധികാരി/അധികാരികളിൽ നിന്നോ ആവശ്യാനുസരണവും പരിധിയില്ലാതെയും ബോർഡിന് ഉചിതമെന്ന് കരുതുന്നതുമായ 80 കോടി രൂപ (എൺപത് കോടിരൂപ മാത്രം) വായ്പ എടുക്കുന്നതിന് കമ്പനിയുടെ ഓഹരി ഉടമകളുടെ അനുമതി ഭരണസമിതിക്ക് ഇതിനാൽ നൽകുന്നു. അപ്രകാരം കമ്പനി ആകെ സമാഹരിക്കുന്ന വായ്പാ തുക കമ്പനി മുൻപെടുത്തിട്ടുള്ള വായ്പാ തുകയുടെയും കമ്പനിയുടെ പെയ്ഡ് അപ്പ് ക്യാപിറ്റലിന്റെയും ആകെ തുക കവിയാവുന്നതാണ്."

ഇത് സംബന്ധിച്ച് കമ്പനി മുമ്പ് പാസ്സാക്കിയിട്ടുള്ള പ്രമേയങ്ങൾ റദ്ദാക്കിക്കൊണ്ടും കമ്പനി നിയമത്തിന്റെ 180(1)(a) വകുപ്പും ഇപ്പോൾ നിലവിലുള്ള നിയമപരമായ പരിഷ്കരണങ്ങളും പുനർനിർമ്മാണങ്ങളും ഉൾപ്പെടെ ബാധകമായ മറ്റ് വ്യവസ്ഥകൾക്കും പ്രസക്തമായ നിയമങ്ങൾക്കും വിധേയമായി കാലാകാലങ്ങളിൽ കമ്പനി എടുത്ത വായ്പാ തുക ഉറപ്പുവരുത്തുന്നതിനും പ്രസ്തുത വായ്പയുമായി ബന്ധപ്പെട്ട് കമ്പനി അടയ്ക്കേണ്ട മുതൽ/അല്ലെങ്കിൽ പലിശ സഹിതം, നഷ്ടപരിഹാരം, ചിലവുകൾ എന്നിവ അടയ്ക്കുന്നതിന് ബാങ്കുകളുടെയോ, മറ്റു സാമ്പത്തിക സ്ഥാപനങ്ങളുടെയോ, നിക്ഷേപകരുടെയോ, മറ്റേതെങ്കിലും വായ്പാ ദാതാക്കളുടെയോ പേരിൽ കമ്പനിയുടെ സ്ഥാവര ജംഗമ വസ്തുക്കൾ മുഴുവനായോ, ഭാഗികമായോ ഇൗട് നൽകുന്നതിനോ, പണയം നൽകുന്നതിനോ, ചൂണ്ടിപ്പണയമായി നൽകുന്നതിനോ അല്ലെങ്കിൽ കമ്പനിയുടെ ഏതു തരത്തിലുമുള്ള അണ്ടർടേക്കിങ്ങുകളിൽ ചാർജ് സൃഷ്ടിക്കുവാനും അല്ലെങ്കിൽ കമ്പനിയുടെ സ്ഥാവര ജംഗമ വസ്തുക്കളിൽ മുഴുവനായും, ഭാഗികമായും കമ്പനിയുടെ അണ്ടർടേക്കിങ്ങുകളിൽ മുഴുവനായും ഫ്ളോട്ടിംഗ് ചാർജ് സൃഷ്ടിക്കുന്നതിനും അപ്രകാരം കമ്പനിയുടെ ആസ്തികളിന്മേൽ ഉറപ്പാക്കപ്പെട്ട മൊത്തം കടബാധ്യത 80കോടി (എൺപത് കോടി രൂപ മാത്രം) കവിയാൻ പാടില്ലാത്ത വ്യവസ്ഥയിൽ ഭരണസമിതിക്ക് കമ്പനിയുടെ ഓഹരി ഉടമകളുടെ അനുമതി ഇതിനാൽ നൽകുന്നു.

മേൽകാരുവുമായി ബന്ധപ്പെട്ട് നിയമപരമായതും, കരാറുമായി ബന്ധപ്പെട്ടതും അല്ലെങ്കിൽ മറ്റേതെങ്കിലും തരത്തിലുള്ള അംഗീകാരങ്ങളും കരസ്ഥമാക്കുന്നതിനും കൂടാതെ ഇതുമായി ബന്ധപ്പെട്ടതും, ആകസ്മികമായതുമായ എല്ലാ വിഷയങ്ങളും തീർപ്പു കൽപ്പിക്കുന്നതിനും, കമ്പനിക്കു വേണ്ടി ആവശ്യമായ എഴുത്തുകുത്തുകളും ഒപ്പു വയ്ക്കുകയും, ഉടമ്പടി ചെയ്യുകയും, മേൽ പ്രമേയം പ്രാവർത്തികമായി തീരുന്നതിനു വേണ്ടി ആവശ്യമായതും, സാധാരണമായതും, ഉചിതമായതും, പ്രായോഗികമായതുമായ പ്രവൃത്തികളുടെ കൃത്യങ്ങളും ചെയ്യുന്നതിന് ഭരണസമിതിയെ ഇതിനാൽ ചുമതലപ്പെടുത്തുന്നു."

പ്രത്യേക കാര്യങ്ങളെ സംബന്ധിച്ച് 2013 ലെ കമ്പനി നിയമം 102(1) വകുപ്പനുസരിച്ചുള്ള വിശദീകരണ പ്രസ്താവന

ഇനം 1

25-06-2019 ലെ ജി.ഒ (എം.എസ്) നം. 52/2019/ഐ.ഡി ഉത്തരവ് പ്രകാരം കമ്പനിയുടെ അംഗീകൃത ഓഹരി മൂലധനം 40 കോടി രൂപയിൽ നിന്നും 50 കോടി രൂപയായി വർദ്ധിപ്പിക്കുവാൻ സർക്കാർ അംഗീകാരം നൽകുകയുണ്ടായി. പുതിയ ഇക്വിറ്റി ഷെയറുകൾ നൽകുന്നതിനും അംഗീകൃത മൂലധനം 40 കോടി രൂപയിൽ നിന്നും 50 കോടി രൂപയായി വർദ്ധിപ്പിക്കുന്നതിനും ഓഹരി ഉടമകളുടെ അനുവാദം ആവശ്യമാണ്. അപ്രകാരം കമ്പനിയുടെ അംഗീകൃത ഓഹരി മൂലധനം 40 കോടി രൂപയിൽ നിന്നും 50 കോടി രൂപയായി വർദ്ധിപ്പിക്കുന്നതിന് ഓഹരി ഉടമകളുടെ അനുവാദത്തിനു വേണ്ടി ഇനം നം.1 വാർഷിക പൊതുയോഗത്തിനു മുമ്പാകെ സമർപ്പിക്കുന്നു.

മേൽപ്പറഞ്ഞ പ്രമേയത്തിൽ ഡയറക്ടർമാർക്കോ, പ്രധാന മാനേജിരിയൽ വ്യക്തികൾക്കോ യാതൊരു വിധത്തിലുമുള്ള താൽപര്യവുമില്ല.

ഇനം 2 & 3

കോർപ്പറേഷന്റെ മൂലധനം 40 കോടി രൂപയിൽ നിന്ന് 50 കോടി രൂപയായി ഉയർത്തുമ്പോൾ കോർപ്പറേഷന്റെ മൂലധന ഘടനയിൽ മാറ്റം വരുത്തുന്നതിനു വേണ്ടി കമ്പനിയുടെ മെമ്മോറാണ്ടത്തിലും ആർട്ടിക്കിൾസിലും ആവശ്യമായ മാറ്റം വരുത്തേണ്ടതുണ്ട്. ഇതിനായി ഇനം 2 & 3 പാസ്സാക്കിയിരിക്കുന്നു.

മേൽപ്പറഞ്ഞ പ്രമേയത്തിൽ ഡയറക്ടർമാർക്കോ പ്രധാന മാനേജിരിയൽ വ്യക്തികൾക്കോ യാതൊരു വിധത്തിലുമുള്ള താൽപര്യവുമില്ല.

ഇനം 4

കോർപ്പറേഷന്റെ ഓഹരി മൂലധനത്തിന്റെ 99 ശതമാനവും കേരള സർക്കാരിന്റെ പേരിലാണ്. കാലാകാലങ്ങളിൽ ഓഹരി മൂലധന സംഭാവനയിലൂടെ സർക്കാർ കോർപ്പറേഷന് സഹായം നൽകുന്നുണ്ട്. അതിനാൽ ഓഹരി മൂലധന സംഭാവന സംബന്ധിച്ച് സർക്കാർ ഉത്തരവുകൾ ലഭിക്കുമ്പോൾ കോർപ്പറേഷന് കാലാകാലങ്ങളിൽ സർക്കാരിന് ഓഹരികൾ അനുവദിക്കേണ്ടതുണ്ട്. ഓഹരി മൂലധന സഹായത്തിനായി ബാക്കി ഓഹരികൾ സർക്കാരിന് അനുവദിക്കുന്നതിന് കോർപ്പറേഷൻ ഇഷ്യൂ ചെയ്ത മൂലധനം വർദ്ധിപ്പിക്കേണ്ടതുണ്ട്. അതിനാൽ ഇഷ്യൂ ചെയ്ത മൂലധനം 40 കോടി രൂപയായി ഉയർത്തുവാനും ബാക്കി വിഹിതം സർക്കാരിന് അനുവദിക്കുവാനും അംഗങ്ങൾക്ക് ഡയറക്ടർ ബോർഡിനെ അധികാരപ്പെടുത്താം.

മേൽപ്പറഞ്ഞ പ്രമേയത്തിൽ ഡയറക്ടർമാർക്കോ പ്രധാന മാനേജീരിയൽ വ്യക്തികൾക്കോ യാതൊരു വിധത്തിലുള്ള താൽപര്യവുമില്ല.

ഇനം 5

കോർപ്പറേഷന്റെ ബിസിനസ് പ്രവർത്തനങ്ങളെ പിന്തുണയ്ക്കുന്നതിന് ഭാവിയിലെ സാമ്പത്തിക ആവശ്യകതകൾ കണക്കിലെടുത്ത് അധിക ഫണ്ടുകൾ ആവശ്യമായി വന്നേക്കാം. ഈ ആവശ്യത്തിനായി കോർപ്പറേഷന് കാലാകാലങ്ങളിൽ സർക്കാരിൽ നിന്നും / അല്ലെങ്കിൽ വിവിധ ബാങ്കുകളിൽ നിന്നും/ അല്ലെങ്കിൽ ധനകാര്യ സ്ഥാപനങ്ങളിൽ നിന്നും/ അല്ലെങ്കിൽ മറ്റേതെങ്കിലും വായ്പ നൽകുന്ന സ്ഥാപനങ്ങളിൽ നിന്നും /അല്ലെങ്കിൽ കോർപ്പറേറ്റ് ബോഡീസ് / അല്ലെങ്കിൽ അനുയോജ്യരായ വ്യക്തികളിൽ നിന്നും ധനസമാഹരണം നടത്താവുന്നതാണ്. അപ്രകാരം കമ്പനി ആകെ സമാഹരിക്കുന്ന വായ്പാ തുക (സാധാരണ ബിസിനസ്സ് ഗതിയിൽ കമ്പനിയുടെ ബാങ്കിൽ നിന്ന് ലഭിച്ച താൽക്കാലിക വായ്പ കൂടാതെ) കമ്പനിയുടെ പെയ്ഡ് അപ്ക്യാപിറ്റലിന്റെ ആകെ തുക കവിയാവുന്നതാണ്. അതുകൊണ്ട് കമ്പനിയുടെ പരമാവധി വായ്പയെടുക്കാവുന്ന പരിധി 80 കോടി യായി വർദ്ധിപ്പിക്കാവുന്നതാണ്.

കമ്പനി നിയമം 2013 ലെ സെക്ഷൻ 180 (1) (സി) പ്രകാരം കമ്പനിയുടെ പെയ്ഡ് അപ് ക്യാപിറ്റലിന്റെയും റിസർവ് തുകയുടെയും ആകെ തുകയേക്കാൾ കൂടുതൽ ഒരു സമയത്ത് വായ്പയെടുക്കുവാൻ, ഒരു പൊതു യോഗത്തിലുള്ള കമ്പനി അംഗങ്ങളുടെ സമ്മതത്തോടെയല്ലാതെ ഡയറക്ടർ ബോർഡിന് അധികാരമില്ല. കമ്പനി എടുത്ത വായ്പയുടെ സുരക്ഷിതത്വം ഉറപ്പാക്കുന്നതിനുള്ള സൗകര്യം ചെയ്യുന്നതിനു വേണ്ടി കമ്പനിയുടെ ആസ്തികളിലോ അല്ലെങ്കിൽ അണ്ടർടേക്കിങ്ങുകളിൽ മുഴുവനായോ ഭാഗികമായോ ചാർജ് സൃഷ്ടിക്കേണ്ടത് ആവശ്യമാണ്.

കൂടാതെ പൊതുയോഗത്തിലെ അംഗങ്ങളുടെ അംഗീകാരത്തിന് വിധേയമായി കമ്പനിയുടെ മുഴുവൻ അണ്ടർടേക്കിങ്ങുകളും മുഴുവനായും വിൽക്കാനോ പാട്ടത്തിന് നൽകാനോ അല്ലെങ്കിൽ അധികമായി വിനിയോഗിക്കുവാനോ ഉള്ള അധികാരം കമ്പനി നിയമം 2013 ലെ സെക്ഷൻ 180 (1) (എ) നൽകുന്നു. കമ്പനി ഒരു പരിധിയിൽ കൂടുതൽ തുക വായ്പയെടുക്കുമ്പോൾ അതിന്റെ സ്ഥാവര ജംഗമ വസ്തുക്കളിന്മേൽ മുഴുവനായോ ഭാഗികമായോ പണയം അല്ലെങ്കിൽ ചാർജ് സൃഷ്ടിക്കേണ്ടതുകൊണ്ട് കമ്പനി നിയമത്തിന്റെ വ്യവസ്ഥകൾക്ക് വിധേയമായി ഓഹരി ഉടമകളുടെ അംഗീകാരം ആവശ്യമാണ്. കാരണം വായ്പ തിരിച്ചടവിൽ വീഴ്ച വരുത്തുന്ന പക്ഷം കമ്പനിയുടെ ആസ്തി ഡിസ്പോസ് ചെയ്യേണ്ടി വരികയും ആയതിന് ഓഹരി ഉടമകളുടെ സമ്മതം ആവശ്യമായി വരികയും ചെയ്യും.

അതുകൊണ്ട് നോട്ടീസിന്റെ ഇനം 5ൽ പ്രത്യേക പ്രമേയമായി പ്രതിപാദിച്ചിരിക്കുന്നതുപോലെ കമ്പനി നിയമം 2013 ന്റെ 180(1) (സി), 180 (1) (എ) എന്നീ വകുപ്പുകളുടെയും ബാധകമായ മറ്റ് വ്യവസ്ഥകളുടെയും അടി

സ്ഥാനത്തിൽ അംഗങ്ങൾ ഒരു പ്രത്യേക പ്രമേയമായി പാസ്സാക്കേണ്ടത് അത്യാവശ്യമാണ്. ഇതോടൊപ്പമുള്ള നോട്ടീസിൽ ഇനം 5 ൽ പ്രതിപാദിച്ചിരിക്കുന്ന പ്രത്യേക പ്രമേയം അംഗങ്ങളുടെ അംഗീകാരത്തിനായി ബോർഡ് ശുപാർശ ചെയ്യുന്നു.

മേൽപ്പറഞ്ഞ പ്രമേയത്തിൽ ഡയറക്ടർമാർക്കോ പ്രധാന മാനേജീരിയൽ വ്യക്തികൾക്കോ യാതൊരു വിധത്തിലുള്ള താൽപര്യവുമില്ല.

ബോർഡിന്റെ നിർദ്ദേശപ്രകാരം

(ഒപ്പ്)

പ്രദീപ് നായർ

കമ്പനി സെക്രട്ടറി

തിരുവനന്തപുരം

20.11.2019

- കുറിപ്പ് :-
1. യോഗത്തിൽ ഹാജരാകുവാനും, വോട്ട് ചെയ്യുവാനും അർഹതയുള്ള ഒരു മെമ്പർക്ക് തനിക്കുപകരം യോഗത്തിൽ ഹാജരാകുന്നതിന് ഒരു പ്രതിപുരുഷനെ നിയോഗിക്കാവുന്നതാണ്. പ്രസ്തുത ആൾ കമ്പനിയിലെ ഒരു മെമ്പറായിരിക്കണമെന്ന് നിർബന്ധമില്ല. അങ്ങനെ നിയോഗിക്കുകയാണെങ്കിൽ യോഗം കൂടുന്നതിന് 48 മണിക്കൂർ മുമ്പ് കമ്പനിയുടെ ഓഫീസിൽ അറിയിക്കേണ്ടതാണ്.
 2. കമ്പനി നിയമം 2013 ലെ വ്യവസ്ഥകൾ അനുസരിച്ച് 2018-19 സാമ്പത്തിക വർഷത്തെ ആസ്തി ബാധ്യതാ പട്ടികയും മറ്റു കണക്കുകളും, ഓഡിറ്റർമാരുടെ റിപ്പോർട്ട്, ഡയറക്ടർമാരുടെ റിപ്പോർട്ട്, സ്റ്റാമ്പുട്ടറി ഓഡിറ്റർമാരുടെ കമന്റുസിനുള്ള മറുപടി, കമ്പ്ലോളർ ആന്റ് ഓഡിറ്റർ ജനറൽ ഓഫ് ഇന്ത്യയുടെ വ്യാഖ്യാനം എന്നിവയും പരിഗണിക്കുന്നതിനും അംഗീകരിക്കുന്നതിനും വേണ്ടിയാണ് 51-ാം വാർഷിക പൊതുയോഗം ചേരുന്നത്.

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2019

To the Members

Your Directors are pleased to present the Fifty First Annual Report on the business and operations of the Company and the financial statements for the Financial Year ended 31st March 2019.

The economic environment continued to be hostile during the year under review. Concerns over growth, inflation and capital investment resulted in under performance by core industrial sectors; this had a direct bearing on the business of your Company. Stiff competition from power loom industry is causing concern on the increase of turnover of the Company and indeed measures are taken to meet the challenges and also the performance of the Company.

As you are well aware the main objective of the Corporation is the up liftment and promotion of handloom industry in the State which has a long tradition of excellent craftsmanship. Realizing the need for bringing about viable changes in the living conditions of the handloom weavers, Government have introduced several promotional schemes for the up liftment of weavers.

THE YEAR IN RETROSPECT

During the year, sales turnover increased by 2.74 % from ₹1730.04 lakhs in 2017-18 to ₹1777.58 lakhs in 2018-19. The loss for the year 2017-18 is placed at ₹ 989.62 lakhs as against ₹743.3 lakhs during 2018-19. Your Company has recorded a production of ₹1314.13 lakhs during 2018-19 as against ₹1083.25 lakhs during 2017-18.

Your Company has completed 51 years in the year 2019 and is striving hard to reach the breakeven profit.

As on 31-03-2019 the Corporation has 49 showrooms running directly and 4 exclusive agency showrooms. The Company also conducts exhibition during festival seasons and also participate in Expos conducted at national level. During the year 2013, Govt. have introduced wearing of handloom dress by Govt. servants on every Wednesday for promoting the handloom sector in the State of Kerala

The Company has provided loan of ₹129.50 lakhs to various Weavers' Coop. Societies and subsidiary Company Kerala Garments Ltd. under Section 186 of the Companies Act 2013.

The Company has no contracts or arrangement with related parties as referred in 188(1) of the Companies Act 2013.

PERFORMANCE OF KSHDC

(₹ in lakhs)

Particulars	2018-19	2017-18
Revenue from operations	1777.58	1730.04
Other Income	240.97	243.33
Total revenue	2018.55	1973.37
Expenses		
Cost of materials consumed	423.92	300.36
Changes in inventories of finished goods, work in progress	-472.06	214.85
Employee benefits expenses	1009.21	1080.10
Finance costs	186.98	215.41
Depreciation & amortization expenses	18.89	9.73
Manufacturing, Administration & selling expenses	1594.92	1142.55
Prior period items (net)	NIL	NIL
Total expenses	2761.85	2962.98
Profit before Tax (PBT)	-743.30	(989.62)
Profit after tax (PAT)	-743.30	(989.62)

SHARE CAPITAL

The Authorised Share Capital and Paid Up capital of the Company as on 31-03-2019 is ₹ 40,00,00,000/- and ₹ 39,56,00,000/- respectively.

In compliance with the Government Order (Ms) No.52/2019/ID Dated:25-06-2019 the Corporation is proposing to increase the Authorised Share Capital from the present level of ₹ 40 Crores to ₹ 50 Crores and the matter is placed in the upcoming Annual General Meeting for approval of the share holders.

KERALA GARMENTS LTD

The subsidiary company of your Company - Kerala Garments Ltd. has stopped its operation with effect from 9-1-2007. The audit of accounts of subsidiary company Kerala Garments Ltd was not done from 2009-10 onwards and hence the Annual Report & Accounts of the subsidiary company could not be included in the Annual Report of the Corporation for the year 2017-18 as stipulated under section 129(3) of the Companies Act 2013.

In compliance of the Government Order No.1552/2017/ID dated: 13-10-2017, Board of Kerala Garments Limited was reconstituted and accordingly the Board meeting was held on 21-06-2018 with the reconstituted Board.

HANVEEV PROCESSING HOUSE, CHIRAKKAL AND OTHER DYE HOUSES

The Company's Processing Unit at Chirakkal, Kalliasseri, Chittur-Palghat and Nemom-Thiruvananthapuram are performing well.

WELFARE MEASURES TO WEAVERS

Various weaver welfare measures like Health Package Scheme, House-cum-workshed Scheme, Insurance Cover for the weavers, Contributory Thrift Fund etc. are being perused and it is the endeavour of the Corporation to continue these measures in the coming years also. Similarly the infrastructural support by means of implementing Project Package Scheme is continued so as to ensure that not only the facilities but also the skill of the weaver is improved. During the year 2007 three centrally sponsored schemes funded by Government namely, Thanima, Krithika & Cluster Development Project are being implemented by Hanveev and this will benefit more than 11,000 weavers in the State of Kerala as a whole. The total cost of these 3 projects is ₹ 27.72 crores. The Corporation is also implementing State Government scheme under which unemployed women are provided with Looms and given training in weaving at Panchayath level with an aim for ensuring them continuous employment and wages.

Govt. is also earmarking various amounts for increasing the productivity of looms and for the welfare of the weavers as a whole.

DIRECTORS RESPONSIBILITY STATEMENT UNDER SECTION 134 OF THE COMPANIES ACT 2013

In accordance with the section 134 of the Companies Act 2013, the following particulars are included herewith.

1. The extract of the Annual Return made up to 31-3-2019.
2. The Board of Directors of the Company have met 7 times during the year 2018-19.
3. The Directors affirm that –
 - a) In the preparation of the financial statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;
 - b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the financial statements of the company for that period.

- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the financial statements on a going concern basis; and
- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

Government vide order G.O (Rt) No.129/2019/ID dated:08-02-2019 conveyed the appointment of Sri.B.S.Biju Bhaskar, Joint Secretary, Industries Department as Director of the Corporation. Further to this Government vide order dated: G.O(Rt) No.225/2019/ID dated 01-03-2019 conveyed the appointment of Sri.K.T.Kayarajan (Assistant Director, Export Promotion & Quality Assurance (EP&QA) as the Managing Director of the Corporation. However his directorship was taken on record consequent to his allotment of DIN w.e.f 11-04-2019. The Government vide order G.O (Rt) No.253/2019/ID dated: 11-03-2019 conveyed the appointment of Sri.V.K.Rajan, Additional Secretary, Finance Department as Director of the Corporation. Further to this the Government vide order G.O (Rt) No.424/2019/ID dated: 27-05-2019 conveyed the appointment of Sri.E.K.Sivadasan, Joint Secretary, Industries Department as the Director of the Corporation. The Government vide order G.O (Rt) No.874/2019/ID dated:06-09-2019 conveyed the appointment of Sri.Vinodan C.K, Joint Secretary, Industries Department as the Director of the Corporation.

The Company has no Independent Director within the meaning under Section 149(6) of the Companies Act 2013.

PARTICULARS OF EMPLOYEES

There were no employees who were in receipt of remuneration within the limits prescribed under section 134(3)(Q) of the Companies Act 2013. Hence the particulars as required to be disclosed under Companies (Particulars of Employees) Rules 1975 are 'NIL'.

RESERVES

During the year, the Company has not transferred any amount to reserves.

DIVIDEND

Since there is no profit for 2018-19, no dividend is declared.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO

There was no foreign exchange earning during the year under report and expenditure in foreign currency was nil during the year under report. Also there was no conservation of energy, technology absorption during the year under report.

EVENTS OCCURRING AFTER THE FINANCIAL STATEMENT DATE

No material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and date of the report.

HUMAN RESOURCE DETIALS (As on 1-4-2019)

Employee category	No. of persons employed
Officers	11
Clerical	181
Skilled	3
Semi-skilled	18
Unskilled	15
Total	<u>228</u>

Your Company follows participative style of management with frequent communication meetings between the Management and Trade Unions/Officers Associations. Company had harmonious industrial relations throughout the year and it will be the endeavour of your Company to continue to maintain the good industrial climate.

CORPORATE GOVERNANCE

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility, fairness and transparency in all areas of operations. Our workforce is committed towards the protection of the interest of the weavers, stakeholders including shareholders, creditors, investors, customers, employees etc.

Company follows the best Corporate Governance practices found on the principle of transparency. The present Board of Directors of the Company comprises 7 Directors including the Chairman out of which 4 are official Directors.

COMPOSITION OF BOARD

The Composition and category of the Directors along with their attendance at Board Meetings during the year ended 31st March 2019 are as given below:

Name of Director	Board Meetings attended						
	24-04-2018	23-05-2018	01-07-2018	25-09-2018	31-10-2018	14-11-2018	13-03-2019
1. Sri.K.P.Sahadevan	Present	Present	Present	Present	Present	Present	Present
2. Sri.Sudhir.K	Present	Present	Present	Present	Present	Present	Present
3. Sri.V.Rajappan	Present	Present	Present	Present	Present	Present	-----
4. Sri.K.Sunilkumar	Leave of Absence	Present	Present	Leave of Absence	Leave of Absence	Leave of Absence	-----
5. Sri.V.G.Raveendran	Present	Present	Leave of Absence	Present	Present	Present	Leave of Absence
6. Sri.Mangode Radhakrishnan	Present	Present	Leave of Absence	Leave of Absence	Present	Leave of Absence	Present
7.Sri.B.S.Biju Bhaskar *	-----				-----	-----	Leave of Absence
8.Sri.V.K.Rajan*	-----				-----	-----	Present
9.Sri. K.T.Jayarajan*	-----				-----	-----	Present

*Sri.B.S.Biju Bhaskar was appointed as Director with effect from 13-03-2019 in compliance with the Government Order (Rt) No.129/2019/ID Dated: 08-02-2019.

*Sri.K.T.Jayarajan (Assistant Director, Export Promotion & Quality Assurance (EP&QA) was appointed as the Managing Director of the Corporation vide Government Order (Rt) No.225/2019/ID dated 01-03-2019. However his directorship was taken on record consequent to his allotment of DIN w.e.f 11-04-2019. He attended the meeting on 13-03-2019 as invitee.

*Sri.V.K.Rajan was appointed as Director with effect from 13-03-2019 in compliance with the Government Order (Rt) No.253/2019/ID Dated:11-03-2019.

The compliance by the Company of all Statutory and Regulatory requirements has been prompt and up to date.

INTERNAL CONTROL SYSTEM

The Internal Audit is conducted by outside Chartered Accountants. The Internal Auditors checks the adequacy and effectiveness of internal control system through regular audits, system reviews and monitors compliance of various policies and procedures. Functioning of Internal Audit and adequacy of internal control system is reviewed at Board level.

The Company has well placed proper and adequate systems of internal control covering all financial and operating functions.

RIGHT TO INFORMATION ACT 2005

Kerala State Handloom Development Corporation is a front-runner in implementing the Right to Information (RTI) Act 2005 and has embraced the Act in true letter and spirit. An Appellate Authority,

a Public Information Officer and Asst.Public Information Officers are functioning as part of the Right to Information Group.

To assist and facilitate the citizen in obtaining information, details have been placed on the Company's website, spelling out the procedure for securing access to information and filing first appeal under the Act. Instructions have been issued to administrative units to ensure compliance to the mandatory requirements of the Act. KSHDC's journey in adopting RTI as a tool of transparency also helps in improving efficiency of system and processes.

RIGHT TO INFORMATION ACT, 2005

Details as on 31-03-2019

No. of application received	-	36
No. of applications replied	-	36
No. of appeals received	-	01
No. of appeals replied	-	01

CORPORATE SOCIAL RESPONSIBILITY

As the Company has not earned profit during the year under review, Corporate Social Responsibility is not adopted till now.

AUDIT COMMITTEE

Audit Committee of the Company presently comprises four Directors. Statutory Auditors are invitees to all meetings of the Committee and the Company Secretary is the Secretary to the Audit Committee complies with the requirements of Section 177 of the Companies Act 2013.

Audit Committee discharges the functions laid down in the Companies Act 2013 apart from discharging those functions delegated by the Board of Directors from time to time. Audit Committee has been closely overseeing and monitoring the adequacy and effectiveness of internal control systems and procedures, and audit functions including follow up and compliance of audit reports and interaction with the Auditors.

Audit Committee acts as an effective tier to the Board in the matter of audit and internal control systems and offers useful suggestions in the conduct and management of the business of the Company.

AUDITORS

The Comptroller and Auditor General of India have appointed M/s Pavithran and Murali Chartered Accountants as Statutory Auditors for the financial year 2018-19.

INTERNAL COMPLAINT COMMITTEE

The Company has got an Internal Complaint Committee for looking into the complaint under sexual harassment against women employees with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013.

ACKNOWLEDGMENTS

Your Directors wish to convey their gratitude and appreciation to all of the Company's employees for their tremendous personal efforts as well as their collective dedication and contribution to the Company's performance. The Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, Government and all other business associates for their continued support extended to the Company and the Management. Directors also thank the Comptroller & Auditor General of India and all well-wishers for their encouragement and support.

Board gratefully acknowledges the valuable and timely advices, guidance and support received from time to time from the Government of Kerala. The Directors also acknowledge the services of Statutory Auditors and Internal Auditors. The Directors express their gratitude to various Institutions and Agencies for their continued support.

For and on behalf of the Board

Sd/-

K.P. Sahadevan
Chairman

Place : Thiruvananthapuram

Dt : 20.11.2019

ADDENDUM TO DIRECTORS' REPORT 2018-19

Reply to the statutory Auditor's Comments on the Accounts of the Corporation for the year 2018-19

ANNEXURE – A

- i) a), b) & c). The Fixed assets of the Company is situated in different locations in the state as the Company is having Head Office, 2 Regional Offices, besides showrooms and other procurement centres. The Company is in the practice of verifying the fixed assets once in a year during the stock verification time as this is only practically possible considering the location/volume of the assets. With respect to updating of movable tangible assets, the company will take earnest efforts and with regard to reconciliation of Fixed Assets Register with revenue records, the defect pointed out will be rectified immediately as far as possible.
- ii) a) The stock of the Corporation includes various items of Fabrics with innumerable rates and the stock is spread out throughout the state in 55 showrooms and 2 Regional stores at Trivandrum and kannur. Besides, there is stock maintained at Hanveev Processing House, Chirakkal also. The stock verification is planned in such a way that it will not affect the normal sales in the Corporation and that is done during February-March every year. Considering the nature of stock maintained in the Corporation, it is not practically possible to increase the frequency of physical verification. However, internal control systems are planned in such a manner that there will not be any wide variation between the physical stock and the book stock.
- iii) a) & b). Kerala Garments Ltd is a subsidiary Company of Hanveev, and Hanveev has granted loan/working capital funds to Kerala Garments Ltd during the past several years in order to meet urgent requirement of Kerala Garments Ltd. Kerala Garments Ltd has not finalized its accounts after 2008-09 since the Company has stopped its operation with effect from 9-1-2007 consequent to the introduction of VRS to all employees. Govt. have directed to take over the assets and liabilities of Kerala Garments Ltd as the same has become defunct Company and the Board of Directors of Hanveev in the meeting held on 25-2-2014 decided to amalgamate with Subsidiary Company Kerala Garments Ltd subject to the approval of Govt. and for which Kerala Garments Ltd has to take a decision in their Board Meeting being the transferor company and write to Govt. for approval. The Corporation is hopeful that the entire amount receivable from KGL including interest is recoverable while transferring the assets to Hanveev.
- vii) The Company will be prompt in future in remitting income tax, ESI and LIC as the delay has occurred due to certain technical reasons.
- viii) The amount appearing in the Accounts as on 31-3-2019 is related to loan availed from State Bank of India and other Nationalized Banks on behalf of Weavers under DRI schemes. Since banks have not claimed even the principal amount of the said loan as on date, the Corporation has not made any provision for interest accrued on such loan in its accounts. Even if the Banks claims interest on the Corporation, it will not affect the financial position of the Corporation as the interest so charged will become the liability of the concerned weavers from whom the loan was granted.

ANNEXURE – B

4. It is not practically possible to get confirmation of stock held by all third parties for job work as it is voluminous. However the Corporation has control over the stock held by the third parties.
5. Proper records relating to utilization of grants/loans sanctioned under various Project package Schemes are available in different production centres through which the payments under the schemes had been released to the beneficiary weavers and it is utilized for the purpose for which it is granted.
6. Sundry debtors balance as shown in the accounts related mostly of the credit sales to its large number of individual customers during festival seasons. Due to voluminous nature, collection

of confirmation letter from customers on account of credit sales is very difficult. Majority of the Sundry Debtors balance represents Rebate receivable from Governments. With regard to Sundry creditors, we have collected balance confirmation certificate from Major parties.

7. The Sundry Debtors balance and the Demad collection Balance statement is being reconciled as pointed out by the Statutory Auditors.
8. Long pending Advance Accounts with regard to employees mostly pertains to dismissed employees and their terminal benefits, if any is to be adjusted and for balance amounts recovery proceedings initiated.
9. In order to close the long pending Treasury accounts, we have already given request to Government to give directions to the District/Sub Treasuries for closing the concerned Treasury accounts and refund the balance amount if any, to the Corporation.
10. In the absence of confirmation/claims from suppliers covered under interest on delayed payments to Micro, Small and Medium Enterprises Act 2006, it has not been possible to disclose the principal and the interest outstanding to any such small scale industrial undertakings.
11. Provision is made for leave encashment based on the Balance Sheet date.
12. Noted the direction of Auditors and it will take care with the approval of Board.
13. Already replied in Annexure A Point No. viii.
14. In the case of Thrift fund collected from Weavers, separate thrift pass book is maintained for individual weavers. As such there is no dispute regarding the balance in each individual account, no reconciliation is made. Besides the Internal Auditors in their report informed that no material irregularities were noticed while verifying the thrift fund account.
- 15.&16. Noted for future guidance as the full details of Govt. loans are available in the Corporation.
18. The Company received ₹ 0.80 crores as Government share participation during the year 2018-19. Since the Authorized Share Capital is 40 crores and the Paid Up Capital is 39.56 crores, the company could not allotted the share to Government of Kerala. Meantime the Company was passed a Resolution No. 7863 in the Board Meeting held on 16-05-2017 and requested to Government to increase the Authorized Capital from 40 crores to 60 crores. Government Vide its Order No.PLGEA-BPE1/88/2017-PLGEA dated 16-01-2019 has given approval to increase the Authorized Capital from 40 crores to 50 crores. The same will be placed in the next Annual General Meeting and after getting approval, the Company will allot shares to Government by complying the provisions of Companies Act 2013.
19. Already replied in No.39 to Notes on Accounts for the financial year 2018-19.
21. The audit of accounts of KGL is completed up to 2008-09. In order to complete the audit of Accounts of KGL the company has re-constituted its Board of Directors and a meeting of Board of directors was convened on 21st June 2018 and necessary actions will be taken up with the permission of the Board/Govt to complete the audit of Kerala Garments Ltd and thereafter to strike off/Merge as the case may be. Further it is informed that C & AG Vide with its Order No./CA./V/COY.KERALA, KEGRAM(1)/1955 dated 30-04-2019 has appointed auditors to audit the accounts of Kerala Garments Ltd up to 31-03-2019 and the same is in progress. But, KGL has not completed the audit up to date, and hence the Consolidated Financial Statement cannot be incorporated in the Financial Statements of Hanveev.
23. Already replied Annexure A point No.iii a) & b).

For Kerala State Handloom Development
Corporation Ltd., Kannur

Place : Thiruvananthapuram
Date : 20.11.2019

Sd/-
Chairman

കേരള സംസ്ഥാന കൈത്തറി വികസന കോർപ്പറേഷൻ ലിമിറ്റഡ്
കണ്ണൂർ-1

2019 മാർച്ച് 31-ന് അവസാനിക്കുന്ന വർഷത്തെ ഭരണസമിതിയുടെ റിപ്പോർട്ട്

അവതാരിക

2018-19 വർഷത്തെ കണക്കുകൾ നിങ്ങളുടെ മുമ്പാകെ വെക്കുന്നതിൽ നിങ്ങളുടെ ഡയറക്ടർമാർക്ക് അതിയായ സന്തോഷമുണ്ട്. കോർപ്പറേഷന്റെ പ്രവർത്തനങ്ങളെപ്പറ്റിയുള്ള ഒരു സംക്ഷിപ്ത വിവരം നിങ്ങളുടെ മുമ്പാകെ അവതരിപ്പിക്കുന്നു.

പരിഗണനയിലിരിക്കുന്ന വർഷത്തെ കോർപ്പറേഷന്റെ സാമ്പത്തിക സ്ഥിതി മോശമായതിനാലും വളർച്ചാനിരക്ക്, വിലക്കയറ്റം, മൂലധന നിക്ഷേപം എന്നിവയിലുള്ള ആശങ്കയും കാരണം പ്രധാന വ്യവസായമേഖലകളെല്ലാം മാനുഷ്യാലായതും കോർപ്പറേഷന്റെ വിറ്റുവരവിനെ സാരമായി ബാധിച്ചു.

കേരളത്തിലെ ഒരു പ്രധാന പരമ്പരാഗത വ്യവസായമായ കൈത്തറി വ്യവസായത്തിന്റെ ഉന്നമനവും വളർച്ചയുമാണ് കോർപ്പറേഷന്റെ ലക്ഷ്യമെന്ന് നിങ്ങൾക്ക് നന്നായി അറിയുന്നതാണല്ലോ. കൈത്തറി നെയ്ത്തുകാരുടെ ജീവിത നിലവാരം മെച്ചപ്പെടുത്തേണ്ട ആവശ്യം മനസ്സിലാക്കിക്കൊണ്ട് ഗവൺമെന്റ് നിരവധി പദ്ധതികൾ ആവിഷ്കരിച്ച് നടപ്പിലാക്കി വരുന്നുണ്ട്.

ഉൽപ്പാദനവും വിപണനവും

2018-19 വർഷത്തെ കോർപ്പറേഷന്റെ വിറ്റുവരവ് 2017-18 വർഷത്തെ വിറ്റുവരവായ 1730.04 ലക്ഷം രൂപയായിരുന്ന സ്ഥാനത്ത് 1777.58 ലക്ഷം രൂപയായിരുന്നു. അതായത് വിറ്റുവരവിൽ 2.74 ശതമാനം വർദ്ധനവുണ്ടായി. കോർപ്പറേഷന് 2018-19 സാമ്പത്തിക വർഷം 743.3 ലക്ഷം രൂപ നഷ്ടമുണ്ടായി. (2017-18 ലെ നഷ്ടം 989.62 ലക്ഷം രൂപയായിരുന്നു.) 2017-18 വർഷം തുണിയുടെ ഉൽപ്പാദനവും സംഭരണവും 1083.25 ലക്ഷം രൂപയായിരുന്ന സ്ഥാനത്ത് 2018-19 വർഷത്തെ ഉൽപ്പാദനവും സംഭരണവും 1314.13 ലക്ഷം രൂപയായിരുന്നു.

2019 ൽ 51 വർഷത്തെ പ്രവർത്തനം പൂർത്തിയാക്കുന്ന കോർപ്പറേഷൻ ലാഭത്തിലാക്കുന്നതിനുവേണ്ടി വളരെയധികം പരിശ്രമിക്കുന്നുണ്ട്.

ഇപ്പോൾ കോർപ്പറേഷന് 49 സ്വന്തം ഷോറൂമുകളും (31-3-2019 കണക്ക് പ്രകാരം) 4 ഏജൻസി ഷോറൂമുകളുമുണ്ട്. പ്രത്യേക പ്രദർശനങ്ങൾ നടത്തുകയും ദേശീയ തലത്തിൽ നടത്തപ്പെടുന്ന എക്സ്പോകളിൽ പങ്കെടുക്കുകയും ചെയ്യുന്നു. കൈത്തറി മേഖലയെ പ്രോത്സാഹിപ്പിക്കുന്നതിന്റെ ഭാഗമായി 2013 മുതൽ സർക്കാർ ജീവനക്കാർ എല്ലാ ബുധനാഴ്ചയും കൈത്തറി വസ്ത്രം ധരിക്കണം എന്ന ഗവൺമെന്റ് നിർദ്ദേശം നടപ്പിലാക്കിയിട്ടുണ്ട്.

വിവിധ കൈത്തറി സഹകരണ സംഘങ്ങൾക്കും, കോർപ്പറേഷന്റെ ഉപഘടകമായ കേരള ഗാർമെന്റ്സിനും കൂടി കോർപ്പറേഷൻ 2013 ലെ കമ്പനി നിയമത്തിലെ സെക്ഷൻ 186 അനുശാസിക്കുന്ന തരത്തിലുള്ള 129.50 ലക്ഷം രൂപ കടമായി നൽകിയിട്ടുണ്ട്.

2013 ലെ കമ്പനി നിയമത്തിലെ സെക്ഷൻ 188(1) ൽ പ്രതിപാദിക്കുന്ന തരത്തിൽ കോർപ്പറേഷന് മറ്റു കമ്പനികളോ, വ്യക്തികളോ ആയി ഒരുതരത്തിലുള്ള കോൺട്രാക്ടും, ഏർപ്പാടുകളും ഇല്ല.

കോർപ്പറേഷന്റെ പ്രവർത്തന റിപ്പോർട്ട്

(₹ in lakhs)

Particulars	2018-19	2017-18
Revenue from operations	1777.58	1730.04
Other Income	240.97	243.33
Total revenue	2018.55	1973.37
Expenses		
Cost of materials consumed	423.92	300.36
Changes in inventories of finished goods, work in progress	-472.06	214.85
Employee benefits expenses	1009.21	1080.10
Finance costs	186.98	215.41
Depreciation & amortization expenses	18.89	9.73
Manufacturing, Administration & selling expenses	1594.92	1142.55
Prior period items (net)	NIL	NIL
Total expenses	2761.85	2962.98
Profit before Tax (PBT)	-743.30	(989.62)
Profit after tax (PAT)	-743.30	(989.62)

ഓഹരിമൂലധനം

2019 മാർച്ച് 31-ന് കോർപ്പറേഷന്റെ അംഗീകൃത മൂലധനം 40 കോടി രൂപയാണ്. കോർപ്പറേഷന്റെ അടച്ചുതീർത്ത മൂലധനം 2018-19 വർഷം 39,56,00,000 രൂപയാണ്.

25-06-2019 ലെ ജി.ഒ (എം.എസ്) നം.52/2019/ഐ.ഡി ഉത്തരവ് പ്രകാരം കോർപ്പറേഷന്റെ അംഗീകൃത മൂലധനം നിലവിലുള്ള 40 കോടി രൂപയിൽ നിന്ന് 50 കോടി രൂപയായി വർദ്ധിപ്പിക്കുവാൻ ഉദ്ദേശിക്കുന്നുണ്ട്. ആയത് ഓഹരി ഉടമകളുടെ അംഗീകാരത്തിനുവേണ്ടി വരാനിരിക്കുന്ന വാർഷിക പൊതുയോഗത്തിൽ സമർപ്പിക്കുന്നതുമാണ്.

കേരള ഗാർമെന്റ്സ് ലിമിറ്റഡ്

കോർപ്പറേഷന്റെ ഉപഘടകമായ കേരള ഗാർമെന്റ്സ് ലിമിറ്റഡ് 9-1-2007 ന് പ്രവർത്തനമവസാനിപ്പിക്കുകയും കമ്പനിയുടെ പേര് നീക്കം ചെയ്യുന്നതിന് 2011 ജനുവരിയിൽ ഈസി എക്സിറ്റ് സ്കീം പ്രകാരം കമ്പനി രജിസ്ട്രാർക്ക് അപേക്ഷ സമർപ്പിക്കുകയും ചെയ്തിട്ടുണ്ട്. മേൽക്കാരണത്താൽ കമ്പനിയുടെ 2009-10 സാമ്പത്തിക വർഷം മുതലുള്ള കണക്കുകൾ ആഡിറ്റിന് വിധേയമാക്കിയിട്ടില്ല. ആയതിനാൽ കമ്പനി നിയമത്തിലെ സെക്ഷൻ 129(3) ൽ അനുശാസിക്കുന്നത് പ്രകാരം ഉപഘടകമായ കേരള ഗാർമെന്റ്സിന്റെ 2017-18 വർഷത്തെ കണക്കുകളും റിപ്പോർട്ടും കോർപ്പറേഷന്റെ വാർഷിക റിപ്പോർട്ടിൽ ഉൾക്കൊള്ളിക്കാൻ നിർവാഹമില്ല.

13-10-2017 ലെ 1552/2017/ഐഡി നമ്പർ സർക്കാർ ഉത്തരവ് പ്രകാരം കേരള ഗാർമെന്റ്സ് ലിമിറ്റഡിന്റെ ബോർഡ് പുനഃസംഘടിപ്പിച്ചിട്ടുണ്ട്. അതനുസരിച്ച് 21-06-2018 ൽ കേരള ഗാർമെന്റ്സിന്റെ പുനഃസംഘടിപ്പിച്ച ബോർഡ് അംഗങ്ങളുടെ ഒരു യോഗം കൂടുകയുണ്ടായി.

കോർപ്പറേഷന്റെ സംസ്കരണ ശാലകൾ

കോർപ്പറേഷന്റെ ചിറക്കലിലുള്ള സംസ്കരണ ഫാക്ടറിയും, കല്യാശ്ശേരിയിലും, പാലക്കാട് ചിറ്റൂരിലുമുള്ള ഡൈയിംഗ് യൂണിറ്റുകളും നല്ലരീതിയിൽ പ്രവർത്തിക്കുന്നുണ്ട്.

നെയ്ത്തുകാർക്കുള്ള ക്ഷേമ പ്രവർത്തനങ്ങൾ

ഹെൽത്ത് പാക്കേജ് സ്കീം, വീടും പണിശാലയും നിർമ്മിക്കുന്ന സ്കീം, നെയ്ത്തുകാർക്കുള്ള ഇൻഷുറൻസ്, കോൺട്രി ബ്യൂട്ടറി ത്രിഫ്റ്റ് ഫണ്ട് തുടങ്ങിയ പലതരത്തിലുള്ള ക്ഷേമ പ്രവർത്തനങ്ങൾ നടപ്പിലാക്കിയത് നടപ്പു വർഷവും തുടരുന്നതാണ് കോർപ്പറേഷൻ ഉദ്ദേശിക്കുന്നത്. അതുപോലെതന്നെ നെയ്ത്തുകാരുടെ അടിസ്ഥാന സൗകര്യങ്ങൾ മെച്ചപ്പെടുത്തുന്നതിനും ജോലിയിൽ അവർക്കുള്ള വൈദഗ്ദ്ധ്യം വർദ്ധിപ്പിക്കുന്നതിനും പ്രൊജക്ട് പാക്കേജ് പദ്ധതി തുടർന്നു വരുന്നതാണ്. 2007 വർഷത്തിൽ കേന്ദ്ര സർക്കാറിന്റെ മൂന്ന് പദ്ധതികൾ ഹാൻഡ്വിവ് നടപ്പാക്കി വരുന്നുണ്ട്. തനിമ, കൃതിക, ക്ലസ്റ്റർ ഡവലപ്മെന്റ് പദ്ധതി എന്നിങ്ങനെയുള്ള പദ്ധതികൾ നടപ്പിലാക്കുന്നതിലൂടെ കേരളത്തിലെ 11,000 നെയ്ത്തുകാർക്ക് തൊഴിൽ ലഭിക്കുന്നതിന് അവസരം നൽകുന്നതാണ്. ഈ മൂന്ന് പദ്ധതികളുടെയും ആകെ ചെലവ് 27.72 കോടി രൂപയാണ്. ഈ മൂന്ന് പദ്ധതികളും കേന്ദ്ര സർക്കാറിന്റെ ഫണ്ടിലാണ് നടത്തിവരുന്നത്. കൂടാതെ സംസ്ഥാന സർക്കാറിന്റെ ഒരു പദ്ധതിപ്രകാരം ഹാൻഡ്വിവ് വിവിധ പഞ്ചായത്തുകൾ കേന്ദ്രീകരിച്ച് തൊഴിൽ രഹിതരായ സ്ത്രീകളെ കണ്ടെത്തി അവർക്ക് തനികൾ നൽകു

കയും പഞ്ചായത്ത് തലത്തിൽ നെയ്ത്തു ജോലിയിൽ പരിശീലനം നൽകിവരികയും ചെയ്യുന്നു. നെയ്ത്തു ജോലിയിൽ താല്പര്യമുള്ള തൊഴിൽ രഹിതരായ സ്ത്രീകൾക്ക് സ്ഥിരമായി ജോലിയും കുലിയും ഉറപ്പു വരുത്തുക എന്നതാണ് പ്രസ്തുത പദ്ധതിയുടെ ലക്ഷ്യം.

നെയ്ത്തുകാരുടെ ഉൽപ്പാദനക്ഷമത വർദ്ധിപ്പിക്കുന്നതിനും അവരുടെ ക്ഷേമത്തിനുമായി സർക്കാർ പലതരത്തിലുള്ള തുകകൾ നീക്കിവെക്കുന്നുണ്ട്.

കമ്പനി നിയമപ്രകാരം ഡയറക്ടർമാരുടെ ഉത്തരവാദിത്തം സ്റ്റേറ്റ്മെന്റ്

2013 ലെ കമ്പനി നിയമത്തിലെ സെക്ഷൻ 134 അനുസരിച്ച് താഴെപ്പറയുന്ന വിവരങ്ങൾ ഉൾപ്പെടുത്തുന്നു.

1. 31-3-2019 വരെയുള്ള ആമ്പൽ റിട്ടേണിന്റെ സംക്ഷിപ്തരൂപം ഇതൊടൊപ്പം ഉൾക്കൊള്ളിച്ചിട്ടുണ്ട്.
2. 2018-19 സാമ്പത്തികവർഷം കോർപ്പറേഷന്റെ ഡയറക്ടർബോർഡ് 7 തവണ കൂടിയിട്ടുണ്ട്.
3. താഴെപ്പറയുന്ന കാര്യങ്ങൾ ഡയറക്ടർമാർ ഉറപ്പാക്കുന്നതാണ്.

എ) അനുയോജ്യമായ അക്കൗണ്ടിംഗ് മാനദണ്ഡങ്ങൾ സാമ്പത്തിക കണക്കുകൾ തയ്യാറാക്കുമ്പോൾ ഉപയോഗിച്ചിട്ടുണ്ട്. മേൽ മാനദണ്ഡങ്ങളിൽ സാരവത്തായ വ്യതിയാനങ്ങൾ വരുത്തിയത് ഉചിതമായ വിശദീകരണം ഉൾപ്പെടുത്തിക്കൊണ്ടാണ്.

ബി) സാമ്പത്തിക വർഷത്തിന്റെ അവസാനത്തിൽ തയ്യാറാക്കുന്ന ആസൂത്രിത ബാധ്യതാ പത്രവും ലാഭനഷ്ട കണക്കും കമ്പനിയുടെ യഥാർത്ഥവും തൃപ്തികരവുമായ അവസ്ഥയെ കാണിക്കുന്ന വിധത്തിൽ യുക്തിസഹമായും, മുൻകരുതലോടെയും നിർണ്ണയങ്ങൾ സ്വീകരിച്ചുമാണ് തയ്യാറാക്കിയിരിക്കുന്നത്. മേൽ ഉദ്ദേശത്തോടെ അക്കൗണ്ടിംഗ് നയങ്ങൾ തിരഞ്ഞെടുക്കുകയും അവ സ്ഥിരമായി ഉപയോഗപ്പെടുത്തുന്നുമുണ്ട്.

സി) കമ്പനിയുടെ ആസൂതികൾ സംരക്ഷിക്കാനും തട്ടിപ്പുകളും മറ്റു ക്രമക്കേടുകളും കണ്ടെത്താനും തടയാനുമായി കമ്പനി നിയമം അനുശാസിക്കുന്ന മതിയായ രീതിയിൽ അക്കൗണ്ടിംഗ് രേഖകൾ പരിപാലിക്കപ്പെടാൻ വേണ്ടി ഉചിതവും പര്യാപ്തവുമായ കരുതൽ എടുത്തിട്ടുണ്ട്.

ഡി) അക്കൗണ്ടിംഗിലെ അടിസ്ഥാന അനുമാനങ്ങളിൽ ഒന്നായ "തുടർച്ചയായി പ്രവർത്തിച്ചുകൊണ്ടിരിക്കുന്ന സംരംഭം" എന്ന അനുമാനത്തിനെ ആസ്പദമാക്കിയാണ് സാമ്പത്തിക കണക്കുകൾ തയ്യാറാക്കിയത്.

ഇ) കമ്പനികൾക്ക് ബാധകമായ എല്ലാ നിയമങ്ങളിലെയും വ്യവസ്ഥകൾക്ക് വിധേയമായിരിക്കുന്നു എന്ന് ഉറപ്പാക്കിക്കൊണ്ട് ഉചിതമായ സമ്പ്രദായങ്ങൾ ആസൂത്രണം ചെയ്തിട്ടുണ്ട്. മേൽ സമ്പ്രദായങ്ങൾ ഉചിതമായതും കാര്യക്ഷമമായി പ്രയോഗിക്കപ്പെടാൻ ഉതകുന്നതുമാണ്.

ഡയറക്ടർമാർ

ഗവൺമെന്റിന്റെ 08-02-2019 തീയതിയിലെ ജി. ഒ. ആർ. ടി നം. 129/2019/ ഐഡി ഉത്തരവ് പ്രകാരം ഇൻഡസ്ട്രീസ് ഡിപ്പാർട്ട്മെന്റിലെ ജോയിന്റ് സെക്രട്ടറിയായ ശ്രീ. ബി. എസ് ബിജു ഭാസ്കറിനെ കോർപ്പറേഷന്റെ ഡയറക്ടറായി സർക്കാർ നിയമിച്ചിട്ടുണ്ട്. തുടർന്ന് 01-03-2019 തീയതിയിലെ ജി. ഒ. ആർ. ടി നം. 225/2019/ ഐഡി ഉത്തരവ് പ്രകാരം ശ്രീ. കെ. ടി. ജയരാജനെ (അസിസ്റ്റന്റ് ഡയറക്ടർ, എക്സ്പോർട്ട് പ്രൊമോഷൻ & ക്വാളിറ്റി അച്ചറൻസ് (ഇപി & ക്യാപ്) കോർപ്പറേഷന്റെ മാനേജിംഗ് ഡയറക്ടറായി നിയമിച്ചെങ്കിലും ഡയറക്ടേർസ് ഐഡന്റിഫിക്കേഷൻ നമ്പർ ലഭിച്ചതിനു ശേഷം 11-04-2019 മുതലാണ് അദ്ദേഹത്തിന്റെ അംഗത്വം രജിസ്റ്റർ ചെയ്തത്. ഗവൺമെന്റിന്റെ 11-03-2019 തീയതിയിലെ ജി. ഒ. ആർ. ടി നം. 253/2019/ ഐഡി ഉത്തരവ് പ്രകാരം ഫിനാൻസ് ഡിപ്പാർട്ട്മെന്റിലെ അഡീഷണൽ സെക്രട്ടറിയായ ശ്രീ. വി. കെ. രാജനെ കോർപ്പറേഷന്റെ ഡയറക്ടറായി സർക്കാർ നിയമിച്ചിട്ടുണ്ട്. തുടർന്ന് ഗവൺമെന്റിന്റെ 27-05-2019 തീയതിയിലെ ജി. ഒ. ആർ. ടി നം. 424/2019/ ഐഡി ഉത്തരവ് പ്രകാരം ഇൻഡസ്ട്രീസ് ഡിപ്പാർട്ട്മെന്റിലെ ജോയിന്റ് സെക്രട്ടറിയായ ശ്രീ. ഇ. കെ. ശിവ ദാസനെ കോർപ്പറേഷന്റെ ഡയറക്ടറായി സർക്കാർ നിയമിച്ചിട്ടുണ്ട്. ഗവൺമെന്റിന്റെ 06-09-2019 തീയതിയിലെ ജി. ഒ. ആർ. ടി നം. 874/2019/ ഐഡി ഉത്തരവ് പ്രകാരം ഇൻഡസ്ട്രീസ് ഡിപ്പാർട്ട്മെന്റിലെ ജോയിന്റ് സെക്രട്ടറിയായ ശ്രീ. സി. കെ. വിനോദനെ കോർപ്പറേഷന്റെ ഡയറക്ടറായി സർക്കാർ നിയമിച്ചിട്ടുണ്ട്.

കമ്പനി നിയമം 2013 സെക്ഷൻ 149 (6) പ്രകാരം കോർപ്പറേഷനിൽ ഇൻഡിപെൻഡന്റ് ഡയറക്ടർമാർ ഇല്ല.

ജീവനക്കാരുടെ വിശദാംശങ്ങൾ

2013 ലെ കമ്പനി നിയമം സെക്ഷൻ 134(3) (ഭ)യുടെ പരിധിയിൽ മാസവരുമാനം ലഭിക്കുന്ന ജീവനക്കാർ കോർപ്പറേഷനിൽ ഇല്ലാത്തതിനാൽ 1975 ലെ Companies (Particulars of Employees) Rule പ്രകാരം വെളിപ്പെടുത്തേണ്ട വിവരങ്ങൾ ഒന്നുമില്ല.

കരുതൽ മൂലധനം

2018-19 സാമ്പത്തികവർഷം കമ്പനി ഒരു തുകയും കരുതൽധനമായി മാറ്റിയിട്ടില്ല.

ഡിവിഡൻഡ്

2018-19 സാമ്പത്തിക വർഷം കമ്പനി ലാഭത്തിൽ പ്രവർത്തിച്ചിട്ടില്ലാത്തതിനാൽ ലാഭവിഹിതം നൽകിയിട്ടില്ല.

2018-19 സാമ്പത്തിക വർഷം കോർപ്പറേഷൻ കയറ്റുമതി ഇനത്തിൽ വരവായി ഒന്നും ലഭിച്ചിട്ടില്ല. വിദേശനാണ്യം ചിലവഴിച്ചിട്ടുമില്ല.

2018-19 സാമ്പത്തിക വർഷത്തിന്റെ അവസാനഘട്ടത്തിൽ കോർപ്പറേഷന്റെ സാമ്പത്തികസ്ഥിതിയെ ബാധിക്കുന്ന തരത്തിലുള്ള സ്ഥായിയായ ഒരു മാറ്റവും ഉണ്ടായിട്ടില്ല.

1-4-2019 തീയതിയിൽ കോർപ്പറേഷന്റെ മാനവ വിഭവശേഷി വിവരങ്ങൾ

കാറ്റഗറി	ജീവനക്കാരുടെ എണ്ണം
ഓഫീസർമാർ	11
ക്ലിക്കൽ വിഭാഗം	181
വിഭിന്ന തൊഴിലാളികൾ	3
അർദ്ധ വിഭിന്ന തൊഴിലാളികൾ	18
അവിഭിന്ന തൊഴിലാളികൾ	15
ആകെ	228

കോർപ്പറേഷൻ തൊഴിലാളികളുടെയും ജീവനക്കാരുടെയും സംഘടനകളുമായി നിരന്തരം സമ്പർക്കം പുലർത്തുന്നതുവഴി ഒരു പങ്കാളിത്ത ഭരണപ്രക്രിയയാണ് പിൻതുടരുന്നത്. വ്യാവസായിക രംഗത്ത് വർഷം മുഴുവനും കോർപ്പറേഷന്റെ സജീവ സാന്നിധ്യം നിലനിർത്തുന്നതുവഴി അനുകൂലമായ ഒരു വ്യാവസായിക അന്തരീക്ഷം നിലനിർത്തിക്കൊണ്ടുപോകാനും കമ്പനിക്ക് കഴിയുന്നുണ്ട്.

പ്രവർത്തനത്തിന്റെ എല്ലാ മേഖലകളിലും ഉയർന്ന നിലവാരത്തിലുള്ള കാര്യക്ഷമത, ഉത്തരവാദിത്വം, സുതാര്യത എന്നിവ നിലനിർത്തിക്കൊണ്ടുള്ള ഒരു ഭരണപ്രക്രിയയാണ് കോർപ്പറേഷൻ ലക്ഷ്യം വെക്കുന്നത്. നെയ്ത്തുകാരുൾപ്പെടെയുള്ള ഞങ്ങളുടെ എല്ലാ ജീവനക്കാരുടെയും ഉപഭോക്താക്കളുടെയും നിക്ഷേപകരുടെയും താൽപ്പര്യങ്ങൾ സംരക്ഷിക്കുന്നതിൽ കോർപ്പറേഷൻ പ്രതിജ്ഞാബദ്ധമാണ്.

സുതാര്യതയിൽ അധിഷ്ഠിതമായ ഒരു ഭരണക്രമമാണ് കോർപ്പറേഷൻ അവലംബിക്കുന്നത്. കോർപ്പറേഷൻ ചെയർമാനുൾപ്പെടെ 7 ഡയറക്ടർമാരാണ് നിലവിൽ ഡയറക്ടർ ബോർഡിലുള്ളത്. ഇതിൽ 4 പേർ ഔദ്യോഗിക ഡയറക്ടർമാരാണ്.

2018-19 സാമ്പത്തിക വർഷത്തിൽ നടന്ന ബോർഡ് യോഗങ്ങളിൽ ഡയറക്ടർമാരുടെ ഹാജർനില താഴെപറയും പ്രകാരമാണ്.

Name of Director	Board Meetings attended						
	24-04-2018	23-05-2018	01-07-2018	25-09-2018	31-10-2018	14-11-2018	13-03-2019
1. Sri.K.P.Sahadevan	Present	Present	Present	Present	Present	Present	Present
2. Sri.Sudhir.K	Present	Present	Present	Present	Present	Present	Present
3. Sri.V.Rajappan	Present	Present	Present	Present	Present	Present	-----
4. Sri.K.Sunilkumar	Leave of Absence	Present	Present	Leave of Absence	Leave of Absence	Leave of Absence	-----
5. Sri.V.G.Raveendran	Present	Present	Leave of Absence	Present	Present	Present	Leave of Absence
6. Sri.Mangode Radhakrishnan	Present	Present	Leave of Absence	Leave of Absence	Present	Leave of Absence	Present
7.Sri.B.S.Biju Bhaskar *	-----			-----	-----	-----	Leave of Absence
8.Sri.V.K.Rajan*	-----			-----	-----	-----	Present
9.Sri. K.T.Jayarajan*	-----			-----	-----	-----	Present

*08-02-2019 തീയതിയിലെ ജി. ഒ. ആർ. ടി നം. 129/2019/ ഐഡി ഉത്തരവനുസരിച്ച് ശ്രീ. ബി. എസ് ബിജുഭാസ്കറിനെ കോർപ്പറേഷന്റെ ഡയറക്ടറായി സർക്കാർ നിയമിച്ചു.

*01-03-2019 തീയതിയിലെ ജി. ഒ. ആർ. ടി നം. 225/2019/ ഐഡി ഉത്തരവനുസരിച്ച് ശ്രീ. കെ. ടി. ജയരാജനെ (അസിസ്റ്റന്റ് ഡയറക്ടർ, എക്സ്പോർട്ട് പ്രൊമോഷൻ & ക്യാളിറ്റി അപ്പറൻസ് (ഇപി & ക്യാപ്) കോർപ്പറേഷന്റെ മാനേജിംഗ് ഡയറക്ടറായി നിയമിച്ചെങ്കിലും ഡയറക്ടർ ഐഡിപി ക്ലൈംബർ നമ്പർ ലഭിച്ചതിനു ശേഷം 11-04-2019 മുതലാണ് അദ്ദേഹത്തിന്റെ അംഗത്വം രജിസ്റ്റർ ചെയ്തത്. അദ്ദേഹം 13-03-2019 തീയതിയിലെ ബോർഡ് യോഗത്തിൽ ക്ഷണിക്കപ്പെട്ടയായിട്ടാണ് പങ്കെടുത്തത്.

*11-03-2019 തീയതിയിലെ ജി. ഒ. ആർ. ടി നം. 253/2019/ ഐഡി ഉത്തരവനുസരിച്ച് ശ്രീ. വി. കെ. രാജനെ കോർപ്പറേഷന്റെ ഡയറക്ടറായി സർക്കാർ നിയമിച്ചു.

നിയമപ്രകാരം ചെയ്യേണ്ടുന്ന കാര്യങ്ങൾ കോർപ്പറേഷൻ കൃത്യമായി നിർവഹിക്കുന്നുണ്ട്

ഇന്റേണൽ കൺട്രോൾ സിസ്റ്റം

കോർപ്പറേഷന്റെ ഇന്റേണൽ ആഡിറ്റ് പുറത്തുനിന്നുള്ള ചാർട്ടേഡ് അക്കൗണ്ടന്റ്സ് ആണ് നടത്തുന്നത്. കൃത്യമായ ആഡിറ്റ് നടത്തുക വഴി ഇന്റേണൽ കൺട്രോൾ സിസ്റ്റത്തിന്റെ കാര്യക്ഷമത ഇന്റേണൽ ആഡിറ്റേർസ് പരിശോധിക്കാറുണ്ട്. ഇന്റേണൽ ആഡിറ്റിന്റേയും, ഇന്റേണൽ കൺട്രോൾ സിസ്റ്റത്തിന്റേയും പ്രവർത്തനം ബോർഡ് തലത്തിൽ പുനപരിശോധിക്കാറുണ്ട്.

കോർപ്പറേഷന്റെ സാമ്പത്തികവും മറ്റു നടത്തിപ്പുകളുടെയും പ്രവർത്തനങ്ങളെ കണക്കിലെടുത്തുകൊണ്ട് മതിയായ നിലവാരത്തിലുള്ള ഇന്റേണൽ കൺട്രോൾ സിസ്റ്റമാണ് കോർപ്പറേഷനിൽ നിലവിലുള്ളത്.

വിവരാവകാശ നിയമം 2005

2005 ലെ വിവരാവകാശ നിയമം നടപ്പാക്കുന്നതിൽ കോർപ്പറേഷൻ മുൻപന്തിയിൽ തന്നെയാണ് നിലകൊള്ളുന്നത്. പ്രസ്തുത നിയമം അതിന്റെ എല്ലാ അന്തസ്സത്തയും ഉൾക്കൊണ്ടുതന്നെയാണ് കോർപ്പറേഷൻ നടപ്പാക്കുന്നത്. വിവരാവകാശ നിയമം നടപ്പാക്കുന്നതിന് കോർപ്പറേഷനിൽ ഒരു അപ്പലറ്റ് അതോറിറ്റി, ഒരു പബ്ലിക് ഇൻഫോമേഷൻ ഓഫീസർ, കൂടാതെ അസിസ്റ്റന്റ് പബ്ലിക് ഇൻഫോമേഷൻ ഓഫീസർമാർ എന്നീ വിഭാഗം പ്രവർത്തിക്കുന്നുണ്ട്.

ജനങ്ങൾക്ക് വിവരങ്ങൾ ശേഖരിക്കുന്നതിനുള്ള മാർഗനിർദ്ദേശങ്ങൾ, അപ്പീലുകൾ ഫയൽ ചെയ്യുന്നതിനുള്ള നടപടിക്രമം എന്നിവയുടെ വിശദാംശങ്ങൾ കോർപ്പറേഷന്റെ വെബ്സൈറ്റിൽ പ്രസിദ്ധീകരിച്ചിട്ടുണ്ട്. പ്രസ്തുത ആക്ട് പ്രകാരമുള്ള ആവശ്യകതകൾ കൃത്യമായി നടപ്പാക്കുന്നത് ഉറപ്പുവരുത്താനുള്ള നിർദ്ദേശങ്ങൾ അഡ്മിനിസ്ട്രേറ്റീവ് വിഭാഗങ്ങൾക്ക് നൽകിയിട്ടുണ്ട്.

കോർപ്പറേഷന്റെ പ്രവർത്തനങ്ങളിലും, നടപടിക്രമങ്ങളിലും സുതാര്യത നിലനിൽക്കുന്നതിനുള്ള ഒരു ഉപകരണമായിട്ടാണ് വിവരാവകാശ നിയമത്തെ സ്വീകരിച്ചിരിക്കുന്നത്.

ഈ സാമ്പത്തിക വർഷത്തിൽ കോർപ്പറേഷനിൽ ലഭിച്ച വിവരാവകാശ നിയമപ്രകാരമുള്ള അപേക്ഷകളുടെ വിവരങ്ങൾ:

ആകെ ലഭിച്ച അപേക്ഷകൾ	-	36
മറുപടി കൊടുത്ത അപേക്ഷകൾ	-	36
ആകെ ലഭിച്ച അപ്പീലുകൾ	-	01
മറുപടി നൽകിയ അപ്പീലുകൾ	-	01

കോർപ്പറേറ്റ് സോഷ്യൽ റസ്പോൺസിബിലിറ്റി

നടപ്പുസാമ്പത്തിക വർഷം കോർപ്പറേഷൻ ലാഭം ഉണ്ടാക്കാത്തതിനാൽ കോർപ്പറേറ്റ് സോഷ്യൽ റസ്പോൺസിബിലിറ്റി ഏറ്റെടുത്തിട്ടില്ല.

ആഡിറ്റ് കമ്മിറ്റി

നിലവിൽ കോർപ്പറേഷന്റെ ആഡിറ്റ് കമ്മിറ്റിയിൽ 4 ഡയറക്ടർമാരാണുള്ളത്. ആഡിറ്റ് കമ്മിറ്റിയുടെ എല്ലാ യോഗങ്ങളിലും കോർപ്പറേഷന്റെ സ്റ്റാമ്പുട്ടറി ആഡിറ്റർമാരെയും, പങ്കെടുപ്പിക്കാറുണ്ട്. 2013 കമ്പനി നിയമം സെക്ഷൻ 292 എ അനുശാസിക്കുന്ന ആവശ്യകതകൾ പാലിക്കുന്നതിന് കമ്പനി സെക്രട്ടറിയെ ചുമതലപ്പെടുത്തിയിട്ടുണ്ട്.

ഡയറക്ടർ ബോർഡ് ചുമതലപ്പെടുത്തിയിട്ടുള്ള കാര്യങ്ങൾക്കുപുറമെ 2013 കമ്പനി നിയമം നിഷ്കർഷിച്ചിട്ടുള്ള എല്ലാ ജോലികളും ആഡിറ്റ് കമ്മിറ്റി നിർവഹിക്കുന്നുണ്ട്. ഇന്റേണൽ കൺട്രോൾ സിസ്റ്റത്തിന്റെ കാര്യക്ഷമതയുടെ സൂക്ഷ്മ നിരീക്ഷണവും ആഡിറ്റ് റിപ്പോർട്ടിന്റെ തുടർ നടപടികൾ നടപ്പിലാക്കുന്നതിനുള്ള നിർദ്ദേശങ്ങളും നൽകുന്നത് ആഡിറ്റ് കമ്മിറ്റിയുടെ ചുമതലയാണ്.

ഓഡിറ്റർമാർ

കമ്പ്യൂട്ടറൈസ്ഡ് ഓഡിറ്റർ ജനറലിന്റെ ഉപദേശപ്രകാരമാണ് കേന്ദ്രസർക്കാർ ഓഡിറ്റർമാരെ നിയമിക്കുന്നത്. അതനുസരിച്ച് 2018-19 വർഷത്തെ സ്റ്റാമ്പുട്ടറി ഓഡിറ്റർമാരായി മെസ്സേർസ് പവിത്രൻ ആന്റ് മൂരളി, ചാർട്ടേർഡ് അക്കൗണ്ടന്റ്സ്, തലശ്ശേരി എന്നവരെ നിയമിച്ചിട്ടുണ്ട്.

ഇന്റേണൽ കമ്പ്ലൈന്റ് കമ്മിറ്റി

കമ്പനിയിലെ സ്ത്രീ ജീവനക്കാർക്കെതിരെ നടക്കുന്ന പീഡനങ്ങളിൽമേൽ ലഭിക്കുന്ന പരാതികളെക്കുറിച്ച് അന്വേഷിക്കുന്നതിന് "Sexual Harrassment of Women at Workplace Act 2013" പ്രകാരം ഒരു ഇന്റേണൽ കമ്പ്ലൈന്റ് കമ്മിറ്റി രൂപീകരിച്ചിട്ടുണ്ട്.

കൃത്യത്ത

കോർപ്പറേഷനുമായി ബന്ധപ്പെട്ട് അതിന്റെ പ്രവർത്തനങ്ങളുമായി സഹകരിച്ച എല്ലാ നെയ്ത്തുകാർക്കും സഹകരണ സംഘങ്ങൾക്കും ജീവനക്കാർക്കും സർവ്വോപരി ഉപഭോക്താക്കൾക്കും ഭരണസമിതിയുടെ നന്ദി രേഖപ്പെടുത്തുന്നു. കോർപ്പറേഷന്റെ സ്റ്റാമ്പുട്ടറി ആഡിറ്റർമാരും ഇന്റേണൽ ആഡിറ്റർമാരുടെയും സേവനങ്ങൾക്കും സന്ദർഭോചിതമായ സഹായ സഹകരണങ്ങൾ നൽകിയ സംസ്ഥാന സർക്കാരിനും കേന്ദ്രസർക്കാരിനും അവർ നൽകിയ സഹായത്തിനും നന്ദി രേഖപ്പെടുത്തുന്നു.

എന്ന്
ഭരണസമിതിക്കുവേണ്ടി

ഒപ്പ്
കെ.പി. സഹദേവൻ
ചെയർമാൻ

സ്ഥലം - തിരുവനന്തപുരം
തീയതി - 20.11.2019

2018-19 വർഷത്തെ ഡയറക്ടേഴ്സ് റിപ്പോർട്ടിനുള്ള അനുബന്ധം

2018-19 വർഷത്തെ കണക്കുകളിൽ ഓഡിറ്റർമാരുടെ കമന്റ്സിനുള്ള മറുപടി

അനുബന്ധം എ

ഖണ്ഡിക - i) (a) (b) & (c) - കമ്പനിയുടെ വിവിധ സ്ഥിര ആസ്തികൾ സംസ്ഥാനത്തെ 2 റീജണൽ ഓഫീസുകളിലും ഹെഡ്ക്വാർട്ടേഴ്സിലും ഷോറൂമുകളിലും സംഭരണ കേന്ദ്രങ്ങളിലുമായാണ് സ്ഥിതി ചെയ്യുന്നത്. ഈ സ്വത്തുക്കളുടെ ബാഹുല്യവും പല സ്ഥലങ്ങളിലും സ്ഥിതി ചെയ്യുന്നതിനാലും കണക്കെടുപ്പ് ഓരോ വർഷവും സ്റ്റോക്കിന്റെ കണക്കെടുപ്പിനോടനുബന്ധിച്ചാണ് ചെയ്തു വരുന്നത്. ആഡിറ്റർമാർ ഇക്കാര്യത്തിൽ സൂചിപ്പിച്ച ന്യൂനതകൾ കഴിയുന്നതും ഉടൻ തന്നെ പരിഹരിക്കുവാൻ ശ്രമിക്കുന്നതാണ്.

ഖണ്ഡിക - ii) (a) - കമ്പനിയുടെ സ്റ്റോക്കിൽ പലതരത്തിലുള്ള വിലയിലുള്ളതും സംസ്ഥാനത്തുടനീളമുള്ള 55 ഷോറൂമുകളിലും 2 റീജിയണൽ സ്റ്റോറുകളിലുമായി ശേഖരിച്ചു വെച്ചിട്ടുള്ള തുണിത്തരങ്ങൾ ഉൾപ്പെട്ടിട്ടുള്ളതാണ്. കൂടാതെ ചിറക്കലിലുള്ള പ്രോസസ്സിംഗ് ഹൗസിലും തുണിത്തരങ്ങൾ സ്റ്റോക്ക് ചെയ്തിട്ടുണ്ട്. ഈ തുണിത്തരങ്ങളുടെ വിലപനയെ ബാധിക്കാത്ത വിധത്തിലാണ് ഇവയുടെ സ്റ്റോക്ക് പരിശോധന നടത്തിവരുന്നത്. ആയത് എല്ലാവർഷവും ഫെബ്രുവരി - മാർച്ച് മാസങ്ങളിലാണ് നടത്തുന്നത്. സ്റ്റോക്കിന്റെ സ്വഭാവം പരിഗണിച്ചാൽ ഒന്നിൽക്കൂടുതൽ തവണ സ്റ്റോക്കിന്റെ കണക്കെടുപ്പ് നടത്താൻ പ്രായോഗിക ബുദ്ധിമുട്ടുണ്ട്. എങ്കിലും ഫിസിക്കൽ സ്റ്റോക്കും ബുക്ക് സ്റ്റോക്കും തമ്മിൽ ഗണ്യമായ തോതിലുള്ള വ്യത്യാസം വരാതിരിക്കാനുള്ള ആഭ്യന്തര നിയന്ത്രണ സംവിധാനം കോർപ്പറേഷൻ ഏർപ്പെടുത്തിയിട്ടുണ്ട്.

ഖണ്ഡിക - iii) a) b) - കോർപ്പറേഷന്റെ ഉപഘടകമായ കേരള ഗാർമെന്റ്സിന് കഴിഞ്ഞ കുറേ വർഷങ്ങളായി അടിയന്തിര ആവശ്യങ്ങൾക്ക് ആവശ്യമായ ധനസഹായം വായ്പയായോ പ്രവർത്തന ഫണ്ടായോ കോർപ്പറേഷൻ നൽകിയിട്ടുണ്ട്. ജീവനക്കാർക്ക് സ്വയംപിരിഞ്ഞുപോകുന്നതിനുള്ള അവസരം (വി. ആർ. എസ്) നൽകി 09-01-2007 മുതൽ കേരള ഗാർമെന്റ്സ് അതിന്റെ പ്രവർത്തനം നിർത്തിയതിനാൽ കമ്പനിയുടെ 2008-09 വർഷം വരെയുള്ള വാർഷിക കണക്കുകൾ മാത്രമാണ് പൂർത്തിയാക്കി ആഡിറ്റ് നടത്തിയിട്ടുള്ളത്. കമ്പനിയുടെ ആസ്തി ബാധ്യതകൾ ഹാൻഡിംഗ് ഏറ്റെടുക്കണമെന്ന് സർക്കാർ നിർദ്ദേശിച്ചപ്രകാരം ഹാൻഡിംഗിന്റെ 25-02-2014 തീയതിയിൽ ചേർന്ന ബോർഡ് യോഗത്തിൽ കേരള ഗാർമെന്റ്സ് ഹാൻഡിംഗ് മാതൃകയുള്ള ലയനത്തിന് തീരുമാനമായിട്ടുണ്ട്. പ്രസ്തുത ലയനം നടക്കണമെങ്കിൽ കേരള ഗാർമെന്റ്സിന്റെ ബോർഡ് യോഗത്തിൽ തീരുമാനമെടുത്ത ശേഷം സർക്കാർ അനുമതി ലഭിക്കേണ്ടതുണ്ട്. കമ്പനിയുടെ ആസ്തി ബാധ്യതകൾ ഹാൻഡിംഗ് ഏറ്റെടുക്കുന്നതോടുകൂടി കമ്പനി ഹാൻഡിംഗിന് നൽകാനുള്ള മുഴുവൻ ബാധ്യതകളും പലിശ സഹിതം ഈടാക്കാമെന്ന പ്രതീക്ഷയിലാണ് കോർപ്പറേഷൻ.

ഖണ്ഡിക - vii - ചില സാങ്കേതിക കാരണങ്ങളാൽ ഇൻകം ടാക്സ്, എൽ. ഐ. സി, ഇ. എസ്. ഐ എന്നീ ഇനങ്ങളിൽ തുക അടയ്ക്കുന്നതിന് കാലതാമസം നേരിട്ടിട്ടുണ്ട്. ഭാവിയിൽ കാലതാമസം കൂടാതെ ഇവ അടയ്ക്കുന്നതിന് കമ്പനി ശ്രമിക്കുന്നതാണ്.

ഖണ്ഡിക - viii - 31-03-2019 വരെ എസ്. ബി. ഐ അടയ്ക്കേണ്ടിട്ടുള്ള ദേശസാൽകൃത ബാങ്കുകളിൽ നിന്നും നെയ്ത്തുകാരുടെ പേരിൽ ഡി. ആർ. ഐ സ്കീം പ്രകാരം ലഭിച്ച വായ്പയാണ് അക്കൗണ്ടിലുള്ളത്. ഇതുവരെയായി മുതൽപോലും ബാങ്ക് ആവശ്യപ്പെടാത്തതിനാൽ ആ വായ്പയിൻമേലുള്ള പലിശ കണക്കിൽ വകകൊള്ളിച്ചിട്ടില്ല. ബാങ്കുകൾ പലിശ ആവശ്യപ്പെടുകയാണെങ്കിൽത്തന്നെ ആയത് നെയ്ത്തുകാരുടെ ബാധ്യതയായി വരുന്നതുകൊണ്ട് കോർപ്പറേഷന്റെ സാമ്പത്തിക സ്ഥിതിയെ ബാധിക്കുന്നില്ല.

അനുബന്ധം - ബി.

ഖണ്ഡിക - 4 - മൂന്നാമത് കക്ഷികളുടെ കൈയിലുള്ള സ്റ്റോക്കിന്റെ ബാഹുല്യം കാരണം അവയുടെ കണക്കിന്റെ സ്ഥിരീകരണം ലഭിക്കാൻ പ്രായോഗിക ബുദ്ധിമുട്ടുണ്ട്. എന്നാൽ മൂന്നാമത് കക്ഷികളുടെ കയ്യിലുള്ള സ്റ്റോക്കിന്റെ കാര്യത്തിൽ കോർപ്പറേഷന് മതിയായ നിയന്ത്രണങ്ങൾ ഏർപ്പെടുത്തിയിട്ടുണ്ട്.

ഖണ്ഡിക - 5 - കോർപ്പറേഷന്റെ വിവിധ പ്രൊഡക്ഷൻ സെന്ററുകൾ മുഖേന നെയ്ത്തുകാർക്ക് വിതരണം ചെയ്തുവരുന്ന വിവിധ പ്രോജക്ട് പാക്കേജ് സ്കീം പ്രകാരമുള്ള വായ്പ, ഗ്രാന്റ് മുതലായവ പദ്ധതിപ്രകാരം ഗുണഭോക്താക്കളായുള്ള നെയ്ത്തുകാർക്ക് വിതരണം ചെയ്തിട്ടുള്ളതാണ്. പ്രസ്തുത തുക പദ്ധതി ആവശ്യങ്ങൾക്കായി വിനിയോഗിക്കുകയും ആയതിന്റെ രേഖകൾ അതാത് പ്രൊഡക്ഷൻ സെന്ററുകളിൽ ലഭ്യവുമാണ്.

ഖണ്ഡിക - 6 - സൺഡ്രി ഡെബ്റ്റ്സ് അക്കൗണ്ടിൽ കാണിച്ചിട്ടുള്ള തുകയിൽ കൂടുതലായും ഉൽസവകാലങ്ങളിൽ നടത്തിയ കടം വിൽപന വകയിൽ പിരിഞ്ഞുകിട്ടാനുള്ളതാണ്. ഉപഭോക്താക്കളുടെ എണ്ണം വളരെയധികമായതിനാൽ കൺഫർമേഷൻ ശേഖരിക്കാൻ പ്രായോഗിക ബുദ്ധിമുട്ടുണ്ട്. കോർപ്പറേഷന് ഗവൺമെന്റിൽ നിന്നും കിട്ടാനുള്ള റിവേന്റ് കുടിശ്ശികയാണ് സൺഡ്രി ഡെബ്റ്റ്സിൽ കൂടുതലായും പ്രതിനിധാനം ചെയ്യുന്നത്.

ഖണ്ഡിക - 7 - സ്റ്റാറ്റുട്ടറി ഓഡിറ്റേഴ്സ് ശ്രദ്ധയിൽപ്പെടുത്തിയ സൺഡ്രി ഡെബ്റ്റ്സ് ബാലൻസും കളക്ഷൻ ബാലൻസ് സ്റ്റേറ്റ്മെന്റും തെറ്റുനോക്കുന്നതിനാവശ്യമായ നടപടികൾ സ്വീകരിച്ചിട്ടുണ്ട്.

- ഖണ്ഡിക - 8 - ജീവനക്കാരുടെ പേരിൽ വർഷങ്ങളായി കിടക്കുന്ന അഡ്വാൻസ് അക്കൗണ്ടിൽ കൂടുതലും കോർപ്പറേഷനിൽ നിന്നും പിരിച്ചുവിടപ്പെട്ട ജീവനക്കാരുടെ പേരിലുള്ളതാണ്. ആയത് അവർക്ക് നൽകുവാനുള്ള ആനുകൂല്യങ്ങളിൽ നിന്നും പിടിച്ചെടുക്കുന്നതും, ബാക്കിവരുന്ന തുകയുണ്ടെങ്കിൽ പ്രസ്തുത തുക പിരിഞ്ഞുകിട്ടുന്നതിനായി റവന്യൂ റിക്കവറി നടപടികൾ സ്വീകരിക്കുന്നതാണ്.
- ഖണ്ഡിക - 9 - വർഷങ്ങളായി തീർപ്പാക്കാതെ കിടക്കുന്ന ട്രഷറി അക്കൗണ്ടുകൾ അവസാനിപ്പിക്കുന്നതിനും ബാക്കി തുക ഉണ്ടെങ്കിൽ അത് കോർപ്പറേഷന് തിരിച്ചു നൽകുവാനും ജില്ല/സബ് ട്രഷറികൾക്ക് നിർദ്ദേശം നൽകുവാൻ സർക്കാരിനോട് അപേക്ഷിച്ചിട്ടുണ്ട്.
- ഖണ്ഡിക - 10 - ഇന്റർസ്റ്റ് ഓൺ ഡിലേയ്ഡ് പേയ്മെന്റ് ടു മൈക്രോ സ്മോൾ ആൻഡ് മീഡിയം എന്റർപ്രൈസസ് ആക്ട് 2006 പ്രകാരം വിതരണക്കാരിൽ നിന്നും ഉറപ്പോ അവകാശങ്ങളോ വരാത്തതിനാൽ ഇത്തരം ചെറുകിട വ്യവസായ സ്ഥാപനങ്ങൾക്ക് ഇതുവരെ കൊടുക്കുവാനുള്ള മുതലും പലിശയും കാണിക്കാൻ സാധിച്ചിരുന്നില്ല.
- ഖണ്ഡിക - 11 - ജീവനക്കാർക്കുള്ള ആർജിതാവധി സറണ്ടർ ചെയ്യുന്നതിനത്തിൽ നൽകുവാനുള്ള തുകയ്ക്ക് ബാലൻസ് ഷീറ്റിന്റെ തീയതിയെ ആസ്പദമാക്കി പ്രൊവിഷൻ വച്ചിട്ടുണ്ട്.
- ഖണ്ഡിക - 12 - ആഡിറ്റോഴ്സ് ചൂണ്ടിക്കാട്ടിയ നിർദ്ദേശം ബോർഡിന്റെ ശ്രദ്ധയിൽപ്പെടുത്തുന്നതാണ്.
- ഖണ്ഡിക - 13 - അനുബന്ധം എ യിൽ ഖണ്ഡിക viii ൽ ഉൾക്കൊള്ളിച്ചിട്ടുണ്ട്.
- ഖണ്ഡിക - 14 - നെയ്ത്തുകാരിൽ നിന്നും ശേഖരിക്കുന്ന അംശദായത്തിന്റെ ഇടപാടുകൾക്കായി ഓരോ നെയ്ത്തുകാർക്കും പ്രത്യേകം പാസ്ബുക്ക് ഏർപ്പെടുത്തിയിട്ടുണ്ട്. ബാലൻസ് തുകയിൻമേൽ തർക്കമൊന്നുമില്ലാത്തതിനാൽ റീകൺസിലിയേഷൻ ചെയ്യാറില്ല. സാരവത്തായ ക്രമക്കേടുകളൊന്നും അംശദായ ഫണ്ടിൽ നിലനിൽക്കുന്നില്ലെന്ന് ഇന്റേണൽ ആഡിറ്റോഴ്സ് അവരുടെ റിപ്പോർട്ടിൽ രേഖപ്പെടുത്തിയിട്ടുണ്ട്.
- ഖണ്ഡിക 15 & 16 - ഗവൺമെന്റ് ലോണിന്റെ മുഴുവൻ വിശദാംശങ്ങളും കോർപ്പറേഷനിൽ ലഭ്യമായതിനാൽ ആഡിറ്റോഴ്സ് ചൂണ്ടിക്കാട്ടിയിട്ടുള്ള ന്യൂനതകൾ ഭാവിയിലേക്കുള്ള മാർഗനിർദ്ദേശമായി ശ്രദ്ധയിൽപ്പെട്ടിട്ടുണ്ട്.
- ഖണ്ഡിക - 18 - 2018-19 സാമ്പത്തിക വർഷം സർക്കാരിന്റെ ഓഹരി പങ്കാളിത്തമായി 0.80 കോടി രൂപ കോർപ്പറേഷന് ലഭിച്ചിട്ടുണ്ട്. എന്നാൽ കോർപ്പറേഷന്റെ അംഗീകൃത മുലധനം 40 കോടി രൂപയും, അടച്ചുതീർത്ത മുലധനം 39.56 ലക്ഷം രൂപയും ആയതിനാൽ ഗവർണ്ണറുടെ പേരിൽ ഷെയറുകൾ നൽകുന്നതിന് കോർപ്പറേഷന് സാധിച്ചിട്ടില്ല. ഇതിനിടയിൽ കോർപ്പറേഷന്റെ അംഗീകൃത മുലധനം 40 കോടിയിൽ നിന്നും 60 കോടി രൂപയായി വർദ്ധിപ്പിച്ചു നൽകുന്നതിന് സർക്കാരിനോട് അപേക്ഷിക്കുന്നതിനുവേണ്ടിയുള്ള ഒരു പ്രമേയം (നം. 7863) 16-05-2017 ന് ചേർന്ന കോർപ്പറേഷൻ ബോർഡ് യോഗത്തിൽ പാസ്സാക്കിയിട്ടുണ്ട്. സർക്കാരിന്റെ 16-01-2019ലെ PLGEA-BPE1/88/2017-PLGEA നമ്പർ ഉത്തരവ് പ്രകാരം കോർപ്പറേഷന്റെ അംഗീകൃത മുലധനം 40 കോടിയിൽ നിന്നും 50 കോടി രൂപയായി വർദ്ധിപ്പിക്കുന്നതിനുള്ള അംഗീകാരം ലഭിച്ചിട്ടുണ്ട്. ആയത് വരുന്ന വാർഷിക പൊതുയോഗത്തിൽ വച്ച് അംഗീകാരം ലഭിച്ച ശേഷം കമ്പനി നിയമം 2013 ലെ വ്യവസ്ഥകൾക്ക് അനുസൃതമായി സർക്കാരിന് ഷെയറുകൾ അലോട്ട് ചെയ്യുന്നതായിരിക്കും.
- ഖണ്ഡിക - 19 - 2018-19 അക്കൗണ്ട്സിനോടനുബന്ധിച്ച നോട്ട്സിൽ 39 ാം നമ്പറായി മറുപടി നൽകിയിട്ടുണ്ട്.
- ഖണ്ഡിക - 21 - കേരള ഗാർമെന്റ്സിന്റെ 2008-09 വരെയുള്ള ആഡിറ്റ് പൂർത്തിയാക്കിയിട്ടുണ്ട്. അതിനു ശേഷമുള്ള വർഷങ്ങളിലെ ആഡിറ്റ് പൂർത്തീകരിക്കുന്നതിനു വേണ്ടി കേരള ഗാർമെന്റ്സ് ലിമിറ്റഡ് അതിന്റെ ബോർഡ് പുന:സംഘടിപ്പിച്ചിട്ടുണ്ട്. അതനുസരിച്ച് 21-06-2018 ൽ പുന:സംഘടിപ്പിച്ച ബോർഡ് അംഗങ്ങളുടെ ഒരു യോഗം കൂടുകയും ബോർഡിന്റെ/സർക്കാരിന്റെ അനുവാദത്തോടെ കമ്പനിയുടെ ആഡിറ്റ് പൂർത്തീകരിക്കുവാനും അതിനു ശേഷം കമ്പനിയുടെ പേര് രജിസ്ട്രാർ ഓഫ് കമ്പനീസിൽ നിന്നും നീക്കം ചെയ്യുന്നതിനുള്ള നടപടികൾ ആരംഭിക്കുകയും ചെയ്യുന്നതാണ്. സി & എ.ജി യുടെ 30-04-2019 ലെ CA./V/COY.KERALA, KEGRAM(1)/1955 നമ്പർ ഉത്തരവ് പ്രകാരം കേരള ഗാർമെന്റ്സ് ലിമിറ്റഡിന്റെ 31-03-2019 വരെയുള്ള ആഡിറ്റ് പൂർത്തീകരിക്കുവാൻ ആഡിറ്റർമാരെ നിയമിക്കുകയും അതനുസരിച്ച് ആഡിറ്റ് ജോലികൾ പുരോഗമിക്കുകയും ചെയ്യുന്നുണ്ട്. എന്നാൽ കേരള ഗാർമെന്റ്സ് ലിമിറ്റഡിന്റെ നാളിതുവരെയുള്ള ആഡിറ്റ് പൂർത്തിയാക്കാത്തതു കാരണം കമ്പനിയുടെ വാർഷിക കണക്കുകൾ കോർപ്പറേഷന്റെ വാർഷിക റിപ്പോർട്ടിൽ ഉൾക്കൊള്ളിക്കാൻ നിർവാഹമില്ല.
- ഖണ്ഡിക - 23 - അനുബന്ധം എ യിൽ ഖണ്ഡിക iii) (a)&(b) യിൽ ഉൾക്കൊള്ളിച്ചിട്ടുണ്ട്.

എന്ന്
ഭരണസമിതിക്കുവേണ്ടി

ഒപ്പ്
കെ.പി. സഹദേവൻ
ചെയർമാൻ

സ്ഥലം - തിരുവനന്തപുരം
തീയതി - 20.11.2019

KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD., KANNUR

BALANCE SHEET AS AT 31ST MARCH 2019

Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	395600000		395600000	
(b) Reserves and Surplus	2	-1016877619		-942548003	
(c) Money received against share warrants		NIL	-621277619	NIL	-546948003
(2) Share application money pending allotment	3	185300000	185300000	177300000	177300000
(3) Non-current liabilities					
(a) Long-term borrowings	4	172947341		172947341	
(b) Deferred Tax Liabilities (Net)		NIL		NIL	
(c) Other Long Term Liabilities	5	22122569		24206034	
(d) Long-term provisions		NIL	195069910	NIL	197153375
(4) Current Liabilities					
(a) Short-term borrowings		NIL		NIL	
(b) Trade payables	6	12845872		12470682	
(c) Other current liabilities	7	848735389		798883092	
(d) Short-term provisions		NIL	861581261	NIL	811353774
TOTAL			620673552		638859146
II. ASSETS					
(1) Non-current Assets					
(a) Fixed Assets					
(i) Tangible Assets	8	10433818		11485965	
(ii) Intangible Assets		NIL		NIL	
(iii) Capital work-in-progress		0		0	
(iv) Intangible assets under development		NIL		NIL	
(b) Non-current investments	9	10433818		11485965	
(c) Deferred Tax Assets (Net)		4856400		4856400	
(d) Long-term Loans and Advances	10	NIL		NIL	
(e) Other non-current assets		22661420	37951638	22235408	38577773
(2) Current Assets					
(a) Current Investments		NIL		NIL	
(b) Inventories	11	331440697		284101899	
(c) Trade Receivables	12	120973897		116035946	
(d) Cash and Cash equivalents	13	47254814		121839523	
(e) Short-term loans and advances	14	14700645		14700645	
(f) Other current assets	15	68351861	582721914	63603360	600281373
TOTAL			620673552		638859146

NOTES FORMING PARTS OF ACCOUNTS

1 to 64

This is the Balance Sheet referred to in our report of even date

For and on behalf of Board

For M/s. PAVITHRAN & MURALI
CHARTERED ACCOUNTANTS
Firm Regn. No.002622 S

Sd/-
K.P.SAHADDEVAN
CHAIRMAN
DIN NO: 00998318

Sd/-
K.T.JAYARAJAN
MANAGING DIRECTOR
DIN NO : 08419243

Place: Trivandrum
Date : 31.10.2019

Sd/-
C A VISHNU T.M. (partner)
Mem No: 235614
UDIN:19235614AAAACM9782

Sd/-
SUNIL MATHEW.K
CHIEF FINANCIAL OFFICER

Sd/-
PRADISH NAIR
COMPANY SECRETARY

Sd/-
VINODAN.C.K
DIRECTOR
DIN NO:08587948

KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD.,KANNUR

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	NOTE No.	As at 31st March 2019 ₹	As at 31st March 2018 ₹
I. Revenue from Operations(Gross)	16	179983407	176154348
Less : Excise Duty		Nil	Nil
Total		179983407	176154348
II. Other Income	17	21872061	21182231
III. Total Revenue (I + II)		201855468	197336579
IV. Expenditure			
Cost of materials consumed	18	42391843	30035766
Purchases of Stock-in-trade	19	87276486	73383945
Changes in inventories of finished goods			
Work-in-progress and Stock-in-Trade	20	-47206316	21484809
Employees benefit expense	21	100920829	108009709
Finance Costs	22	18697938	21540504
Depreciation and amortization expense	8	1888548	972689
Other expenses	23	72215756	40870777
Total expenses		276185084	296298199
V. Profit / Loss (-)Before Tax		-74329616	-98961620
VI. Tax expense:			
(1) Current Tax		0	0
(2) Deferred Tax		0	0
VII. Profit / Loss (-)for the year		-74329616	-98961620
VIII. Earnings per equity share:	24	-1.88	-2.50
NOTES FORMING PARTS OF ACCOUNTS	1 to 64		

This is the statement of Profit & Loss referred to in our report of even date

For and on behalf of Board

For M/s. PAVITHRAN & MURALI
CHARTERED ACCOUNTANTS
Firm Regn. No.002622 S

Sd/-
K.P.SAHADEVAN
CHAIRMAN
DIN NO: 00998318

Sd/-
K.T.JAYARAJAN
MANAGING DIRECTOR
DIN NO : 08419243

Place: Trivandrum
Date : 31.10.2019

Sd/-
C A VISHNU T.M. (partner)
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COMPANY SECRETARY

Sd/-
VINODAN.C.K
DIRECTOR
DIN NO:08587948

KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD., KANNUR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2019

	2018-19 ₹	2017-18 ₹
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before taxation(Loss)	(74,329,616)	(98,961,620)
<u>Adjustments for Non Cash and Non Operating Items</u>		
Non Cash Items:	-	-
Deferred income utilised during the year		
Provision for interest on Govt.loan	18,574,386	18,574,220
Depreciation	1,888,548	972,689
Profit on sale of Fixed Assets	-	-
Provision for bad and doubtful debts	5,585,694	694,427
Cash Loss (a)	(48,280,988)	(78,720,284)
Non Operating items:		
Operating Profit before Working Capital Changes (c)=(a)+(b)	(48,280,988)	(78,720,284)
<u>Adjustments for Working Capital changes</u>		
Increase / Decrease in Stock	(47,347,957)	22,655,916
Increase / Decrease in stock of stationery	9,159	56,946
Increase / Decrease in Trade Receivable	(10,523,645)	8,392,855
Increase /Decrease in Receivable from Weavers	(347,658)	(695,480)
Increase /Decrease in Other Current Assets	(4,400,842)	(405,005)
Increase/ Decrease in Trade Payable	375,190	(23,563,239)
Increase/Decrease in Other Current Liability	597,487	407,869
Increase/Decrease in short term loans and advances	-	1,717,482
Increase / Decrease in Grant	30,680,424	11,500,269
Net Increase / Decrease in working capital (d)	(30,957,842)	20,067,613
Cash generated from Operation (e) = (c)+(d)	(79,238,830)	(58,652,671)
Less: Direct Tax Paid	NIL	NIL
Net cash flow before Extra Ordinary Items	(79,238,830)	(58,652,671)
Cash generated from Operations (A)	(79,238,830)	(58,652,671)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(836,402)	(3,469,107)
Sale / Transfer of Fixed Asset	---	---
Increase/Decrease in Deposits	(2,083,465)	(291,707)
Net cash flow from Investing Activities (B)	(2,919,867)	(3,760,814)

(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Issued Capital	-	-
Increase/Decrease in subscribed share capital	8,000,000	153,300,000
Increase in Unsecured loan	-	5,500,000
Increase In Long term Loans & Advances	(426,012)	(906,656)
Increase /Decrease in Loan to Weavers	-	-
Net Cash flow from Financing Activities (C)	7,573,988	157,893,344
	(74,584,709)	95,479,859
Cash and Cash Equivalent in the beginning of the period	121,839,523	26,359,664
Cash and Cash Equivalent at the End of the period	47,254,814	121,839,523

Notes to the Cash Flow Statement

Cash and Cash Equivalents consists of cash in hand and balance with bank and investment in money market Instrument. Cash and Cash Equivalent Included in the cash flow statement comprise the following balance sheet amounts.

Particulars	Current year	Previous Year
Cash in hand including stamps	248,291	283,415
Cash in transit	20,307	15,321
Balance with Nationalised Banks in current A/c	33,741,048	114,198,503
Savings Bank A/c with Government Treasury	12,619,947	6,028,691
Savings Bank A/c with Co-operative Banks	160,669	876,353
Other Bank Balances	464,552	437,240
	47,254,814	121,839,523

For and on behalf of Board

Sd/-
K.P.SAHADEVAN
CHAIRMAN
DIN NO: 00998318

Sd/-
K.T.JAYARAJAN
MANAGING DIRECTOR
DIN NO : 08419243

Sd/-
VINODAN.C.K
DIRECTOR
DIN NO:08587948

Sd/-
PRADISH NAIR
COMPANY SECRETARY

As per our reports attached
For M/s. **PAVITHRAN & MURALI**
CHARTERED ACCOUNTANTS
Firm Regn. No.002622 S

Sd/-
SUNIL MATHEW.K
CHIEF FINANCIAL OFFICER

Sd/-
C A VISHNU T.M. (partner)
Mem No: 235614
UDIN:19235614AAAACM9782

Place: Trivandrum
Date : 31.10.2019

KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD.,KANNUR

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

The Previous year figures have been regrouped/reclassified , wherever necessary to conform to the current year presentation.

		As at 31-03-19 ₹	As at 31-03-18 ₹
1.	<u>SHARE CAPITAL:</u>		
	AUTHORISED CAPITAL 40000000 Equity shares of Rs. 10/- each (Previous year 40000000 Equity shares of Rs. 10/- each)	400000000	400000000
	ISSUED CAPITAL 39560000 Equity shares of Rs. 10/- each (Previous year 39560000 Equity shares of Rs. 10/- each)	395600000	395600000
	SUBSCRIBED AND PAID UP CAPITAL 39560000 Equity shares of Rs. 10 /- each (Previous year 39560000 Equity shares of Rs. 10/- each)	395600000	395600000
	Total	395600000	395600000

1.1.	The details of shareholders holding more than 5% of shares:				
	Name of the Shareholder	As at 31st march 2019		As at 31st march 2018	
		No.of Shares	% held	No.of Shares	% held
	Govt.of Kerala	39505770	99.86%	39505770	99.86%
	Total	39505770		39505770	

1.2.	The reconciliation of the number of shares outstanding is set out below:		
	Particulars	As at 31st march 2019 No.of Shares	As at 31st march 2018 No.of Shares
	Equity Shares at the beginning of the year	39560000	39560000
	Add: Shares issued during the year	-	-
	Equity Shares at the end of the year	39560000	39560000

	As at 31st march 2019		As at 31st march 2018	
	₹	₹	₹	₹
2. Reserves and Surplus				
<u>Capital Reserve</u>				
As per last Balance Sheet	573267		573267	
Add: Transferred from Surplus	441771	1015038	441771	1015038
Retained Earnings	-447153	-447153	-447153	-447153
<u>Profit and Loss Account</u>				
As per last Balance Sheet	-944442927		-845481307	
Add: Profit /Loss(-) during the year	-74329616	-1018772543	-98961620	-944442927
<u>Deferred Income</u>				
As per last Balance Sheet	1327039		1327039	
Add: Deferred Income - IHDS	NIL		NIL	
Total	1327039		1327039	
Less: Transfer to P&L Account	---		---	
		1327039		1327039
Total		-1016877619		-942548003
3. Share Application Money Pending Allotment				
		₹	₹	
		As at 31st march 2019	As at 31st march 2018	
Share Application Money Pending Allotment Received		185300000	177300000	
Total		185300000	177300000	
4. LONG TERM BORROWINGS				
		₹	₹	
		As at 31st march 2019	As at 31st march 2018	
<u>Secured *</u>				
From Govt.of Kerala	423230	423230	423230	423230
<u>Unsecured-From Govt of Kerala</u>				
For Purchase of Accumulated Stock	8000000		8000000	
For Other Purpose	1063000		1063000	
For IDP Kannur & Trivandrum and Export Production Project, Kannur	14586875		14586875	
For steam Press Equipment for subsidiary co.KGL	685695		685695	
For Vehicle Loan	225000		225000	
For Yarn Bank	2000000		2000000	
For Processing Scheme	6903050		6903050	
For Margin Money Loan	37750000		37750000	
For Raw Material Bank	33000000		33000000	
For Mordernisation of Looms	900000		900000	
Loan from Govt.for Sewing Machine to KGL	750000		750000	
For Project Package Scheme - Central Share	33247500		33247500	
For Project Package Scheme - State Share	29322500		29322500	
For Pre Loom & Post Loom	3486115		3486115	
From Banks	604376	172524111	604376	172524111
Total		172947341		172947341

5. OTHER LONG TERM LIABILITIES	As at 31st march 2019 ₹	As at 31st march 2018 ₹
Agency Deposits & Other Deposits	22122569	24206034
Total	22122569	24206034

6. TRADE PAYABLES	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Micro, Small and Medium Enterprises	NIL		NIL	
Others	12845872	12845872	12470682	12470682
Total		12845872		12470682

* secured by Mortgage and charges of all fixed assets of the Corporation including Land & Building.

7. OTHER CURRENT LIABILITIES	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Interest accrued and due on borrowings	384719573		366145187	
Amount payable to Staff	5294097		4524221	
Statutory due Payable	54405027		47222875	
Grant received from Govt.	370695037		340014613	
Thrift Fund	13879726		12686542	
Others #	19741929	848735389	28289654	798883092
Total		848735389		798883092

Includes Creditors for Expenses, Audit Fee Payable etc.

NOTE - 8 FIXED ASSETS (2018-19)

KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD., KANNUR

(Amount in ₹)

Sl. No.	DESCRIPTION OF ASSETS	GROSSBLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		
		Cost as at 31/3/2018	Addition during the year	Deduction during the year	Cost as at 31/3/2019	Total up to 31/3/2018	Addition during the year	Retained Earnings	Deduction during the year	Total upto 31/3/2019	Asat 31/3/2018	Asat 31/3/2019
	TANGIBLE ASSETS:											
1	Land	4606730			4606730	0	0			0	4606730	4606730
2	Office Building	5074279			5074279	3464221	123235			3587456	1610058	1486823
3	Factory Building	4215864			4215864	3797031	74879			3871910	418833	343954
4	Plant & Equipment	5721799	52032		5773831	5095786	127078			5222864	626013	550967
5	Furniture & Fixtures	7992647	737506		8730153	6974224	224184			7198408	1018423	1531745
6	Library Books	39839			39839	38284				38284	1555	1555
7	Office Cycle	3827			3827	3827				3827	0	0
8	Motor Vehicle	7294595			7294595	5089176	811388			5900564	2205419	1394031
9	Computer	8593529	46864		8640393	7594595	527784			8122379	998934	518014
10	Office Equipment	30180			30180	30180				30180	0	0
11	Canteen Utensils	49407			49407	49407				49407	0	0
	TOTAL	43622696	836402	0	44459098	32136731	1888548	0	0	34025279	11485965	10433819
	Previous Figures 2017-18	40153589	3469107		43622696	31164043	972688			32136731	8989546	11485965

9. <u>NON-CURRENT INVESTMENTS</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
<u>UNQUOTED LONG TERM TRADE INVESTMENTS AT COST</u>				
One 'C' class share of the All India Handloom Fabrics Marketing Society Ltd. fully paid	1000		1000	
275 shares of ₹ 200/- each fully paid in Travancore Handloom Weavers Industrial Co-operative Society	55000		55000	
One share of ₹ 200/- each fully paid in Mangalthukonam Weavers Industrial Co-operative Society, Trivandrum	200		200	
One share of ₹ 200/- each fully paid in Puthussery Weavers Industrial Co-operative Society, Kollam	200		200	
48000 Equity Shares of ₹ 100/- each fully paid in Kerala Garments Ltd. (Subsidiary Company)	4800000		4800000	
		4856400		4856400
Total		4856400		4856400

10. <u>LONG-TERM LOANS AND ADVANCES</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
<u>Secured:</u> Loan to Kerala Garments Ltd (Subsidiary)	500000		500000	
<u>Unsecured:</u> Deposits	9720729		9294717	
Loan to Kerala Garments Ltd (Subsidiary)	1520000		1520000	
<u>Loan to Weavers Industrial Co-op Society & Individual Weavers:</u>				
For Assets	6746427		6746427	
For Share Capital	232245		232245	
For Other Loans	3942019		3942019	
		22661420		22235408
Total		22661420		22235408

11. <u>INVENTORIES</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Rawmaterial	11162556		10813292	
Work-in-Progress	9697084		9893306	
Finished Goods	306612361		257361542	
Stock inTrade	3316085		5164366	
Stores and Spares	465447		673070	
Packing Material & Others	187164	331440697	196323	284101899
Total		331440697		284101899

12. <u>TRADE RECEIVABLE</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
<u>UNSECURED:</u>				
Debts outstanding over six months				
Considered good	118449127		110814555	
Considered doubtful	31825028		26239334	
Total		150274155		137053889
<u>Less:</u> Provision for doubtful debts	31825028	31825028	26239334	26239334
Other Trade Receivable		118449127		110814555
		2524770		5221391
Total		120973897		116035946

13. <u>CASH AND CASH EQUIVALENTS</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Balance with Banks	46521664		121103547	
Other Bank Balances	464552		437240	
Cash in hand #	268598		298736	
Total		47254814		121839523

includes cash in transit , Stamps

14. <u>SHORTTERM LOANS AND ADVANCES (Unsecured)</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Working Capital Loan to KGL (Subsidiary)	13377224		13377224	
Advance to Suppliers	1323421		1323421	
Total		14700645		14700645

15 <u>OTHER CURRENT ASSETS (Unsecured)</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Interest on Loan to KGL Receivable	26493111		26493111	
Other Interest Receivable	18838311		18947195	
TDS	661615		590934	
Others	15623230	61616267	11184184	57215424
Receivable from Weavers, Societies etc.	8508047		8160389	
<u>Less:</u> Provision	1772453	6735594	1772453	6387936
Total		68351861		63603360

16. <u>REVENUE FROM OPERATIONS</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Sale of Products				
Sales of Handloom Fabrics	177758273		173003757	
Stock Shortage	229729	177988002	1452154	174455911
Other Operating Revenue				
Processing charges received		1995405		1698437
Total		179983407		176154348

17. <u>OTHER INCOME</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Interest Received	557617		92330	
Sundry Receipts	329815		1368651	
Interest on Stock Deficit	3555		2402	
Profit on Sale of Fixed Assets	-763		19661	
Insurance claim Received	1110040		-	
Miscellaneous sales	134979		254	
Exhibition Grant	67390		484129	
Miscellaneous income (GSU)	17792181		16411625	
Marketing Incentive	1862591		2783394	
Interest on Deposit with KSEB	14656	21872061	19785	21182231
Total		21872061		21182231
18. <u>COST OF MATERIAL CONSUMED</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Opening Stock	11486362		12657469	
<u>Add:</u> purchase(Net of returns)	42533484		28864659	
	54019846		41522128	
<u>Less:</u> Closing Stock	11628003	42391843	11486362	30035766
Total		42391843		30035766
19. <u>PURCHASE OF STOCK IN TRADE</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Stock in trade (from weavers & SHG'S)	87276486		73383945	
Stock in Trade	-		-	
		87276486		73383945
Total		87276486		73383945
20. <u>CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Inventories (At Close)	319625530		272419214	
Inventories (At the beginning)	272419214		293904023	
		-47206316		21484809
Total		-47206316		21484809
21. <u>EMPLOYEE BENEFITS EXPENSE</u>	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Salaries ,Wages & Allowances	89051831		95436374	
Bonus	779230		806346	
Contribution to Provident & Other funds	10396013		11015076	
Staff Welfare Expenses	693755	100920829	751913	108009709
Total		100920829		108009709
21.1 As per Accounting Standard 15 " Employee Benefits ", the disclosures as defined in the Accounting Standard are given below :				
Defined Contribution Plans				
Contribution to Defined Contribution Plans , recognised as expense for the year is as under :				

	As at 31st march 2019		As at 31st march 2018	
	₹		₹	
Employer's Contribution to Provident Fund	9265541		9792241	
Employer's Contribution to ESI	1092500		1194425	
Employer's Contribution to Labour welfare Fund	-248		5112	
Employer's Contribution to KHWWF	38220	10396013	23298	11015076
Total		10396013		11015076
22. FINANCE COST	As at 31st march 2019		As at 31st march 2018	
	₹		₹	
Interest On Govt.Loans	18203977		18203812	
Penal interest on Govt loan	370408		370408	
Interest on late remittance of EPF	108133		2946692	
Interest on Group Gratuity	1100		500	
Interest on Income Tax	114		4786	
Interest on Service Tax/GST	14206		1	
Interest on Vat	-	18697938	14305	21540504
Total		18697938		21540504
23. OTHER EXPENSES	As at 31st march 2019		As at 31st march 2018	
	₹		₹	
MANUFACTURING & TRADING EXPENSES				
Printing, Processing & Dyeing Charges	2801149		2496845	
Carriage Inwards	316842		269300	
Stitching charges	1599436		1340565	
Fuel & Oil	1549777		1189046	
Electricity Charges	779950		789798	
Production Incentive	12302328		5803085	
Repairs	1339953		894895	
Hank yarn subsidy allowed to weavers/societies	-	20689435	-	12783534
OFFICE & ADMINISTRATION EXPENSES				
Director's Sitting Fees		10390		16880
<u>Travelling Expenses:-</u>				
Managing Director	16021		27733	
Directors	121405		107860	
Others	1457955	1595381	1280921	1416514
Rent	6764979		6076107	
Rates & Taxes	748976		1237630	
Filing fee	11400		23300	
Postage telegrams ,Telex & Telephone charges	442643		481271	
Printing & Stationary	661938		599969	
Light & Water Charges	980448		1268180	
Vehicle Maintenance	1916683		1354085	
Insurance	401557		403591	
Legal expenses	178000		242580	
Office expenses	200872		144546	
Meeting expenses	219604		219635	
General charges	23596404		5007347	
Bank Charges	132021	36255525	231614	17289855

	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Payments to Auditors		199513		215360
SELLING AND DISTRIBUTION EXPENSES				
Carriage Outward/Freight,Packing& forwarding	502231		884965	
Advertisement & Publicity	206350		341906	
Commission on Sales	1421578		931296	
Exhibition & Sales Promotion expenses	2744640		3125719	
Discount on Sales	2999411		3143864	
Provision for Bad & Doubtful Debts	5585694	13459904	694247	9121997
PRIOR PERIOD ADJUSTMENTS				
Expense	5608	5608	26637	26637
Total		72215756		40870777
23.1 PAYMENT TO AUDITORS AS:	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Statutory Audit Fees	57500		57500	
Tax Audit Fees	-		30000	
Internal Audit Fee	130000		112600	
In any other Manner	12013	199513	15260	215360
Total		199513		215360
24. EARNING PER SHARE (EPS)	As at 31st march 2019 ₹		As at 31st march 2018 ₹	
Net profit / loss after tax attributable to Equity share holders		-74329616		-98961620
Weighted Average Number of Equity shares		39560000		39560000
Earnings per equity share:				
(1) Basic		-1.88		-2.50
(2) Diluted		-1.29		-2.10

For and on behalf of Board

For M/s. PAVITHRAN & MURALI
CHARTERED ACCOUNTANTS
Firm Regn. No.002622 S

Sd/-
K.P.SAHADEVAN
CHAIRMAN
DIN NO: 00998318

Sd/-
K.T.JAYARAJAN
MANAGING DIRECTOR
DIN NO : 08419243

Place: Trivandrum
Date : 31.10.2019
Sd/-
C A VISHNU T.M. (partner)
Mem No: 235614
UDIN:19235614AAAACM9782

Sd/-
SUNIL MATHEW.K
CHIEF FINANCIAL OFFICER

Sd/-
PRADISH NAIR
COMPANY SECRETARY

Sd/-
VINODAN.C.K
DIRECTOR
DIN NO:08587948

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

25. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

Financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 2013 (the Act) and complying in material aspects with the accounting standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act 2013. The accounting policies have been consistently applied by the Company during the period and are consistent with those used in the previous year

b) Use of Estimates

The preparation and presentation of financial statement required estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c) Fixed Assets

The gross block of fixed assets is stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use. Subsequent expenditure related to each item of Fixed asset are added to book value only if they increase the future benefit from the existing asset beyond previously assessed standard of performance. Cost of borrowing for assets taking substantial time to be ready for uses is capitalized for the period up to the time, the assets is ready for its intended use.

d) Depreciation

Depreciation has been providing on written down value method on pro rata basis at the rate specified in the revised schedule XIV of the Companies Act, 1956 vide notification No.GSR 756 (E) dated 16th December 1993 till the financial year 2013-14. As the Companies Act 2013 is in force w e f 1/4/2014, depreciation is provided using WDV method as per the usual life prescribed in Schedule II of the Companies Act, 2013.

e) Impairment of Assets

On an annual basis of the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is higher of an asset's net selling price and value in use. Value is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

f) Investments

Current investments are carried at lower of cost and quoted/fair value, computed investment wise. Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such decline is other than temporary in the opinion of the management. Investment that are readily realizable and intended to be held for not more than one year from the date on which such investment are made, are classified as current investments. All other investments are classified as long term investments.

g) Employees Retirement Benefits

1. Defined Benefit Plan

Gratuity with respect to defined benefit schemes are covered through Group Gratuity Scheme with Life Insurance Corporation of India and are charged against revenue.

2. Defined Contribution Plans

Company's contribution to Provident Fund, Superannuation Fund, and Employees State Insurance Fund are determined under the relevant Schemes and/or Statute, charged to the Profit & Loss Account when incurred.

3. Provision is made for leave encashment based on at the Balance Sheet date calculated by the Company and recognized as expenses in statement of Profit & Loss.

4. Termination benefits, if any, are recognized as an expense as and when incurred.

h) Inventories

1. Inventories are valued at lower of cost and net realizable value.

2. Cost is determined as follows –

i) Stores, spare parts and catalysts are valued on first in first out method.

ii) Raw materials (Yarn) and Dyes & Chemicals are valued at cost less subsidy receivable and follows first in first out method.

iii) Work in process included in the valuation is determined on the basis of actual consumption rates closer to the year end. Cost of inventory and Finished Goods at retail outlets and Regional Stores are determined on a retail method, by reducing from the sales value of the inventory an appropriate percentage of gross margin. Value of finished cloth is determined based on cost or net realizable value whichever is lower.

i) Taxes on Income

Provision for Income Tax is made on the basis of estimated taxable income for the year at current rates. Tax expense comprise of Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current tax represents the amounts of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of assets. Deferred tax assets are reviewed at each balance sheet date for their reliability.

Minimum Alternative Tax (MAT)

Minimum Alternative Tax credit (MAT credit). Minimum alternative tax credit is recognized as an asset only when and to the extent there is convincing evidence that to the company will pay normal tax during the specified period. Such assets are reviewed at each balance sheet date. And the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

j) Government grants

1. Govt. grants related to depreciable fixed assets are treated as deferred income and are allocated to income over the period in proportion to which depreciation on those assets are charged.

2. Government grants related to non-depreciable fixed assets are credited to Capital Reserve.

3. Grants received for distribution to individual weavers and weaver's industrial co-operative societies are treated as current liabilities to the extent they are not distributed amongst the weavers/societies.

k) Research & Development expenditure

Research and development expenditure other than on specific development-cum-sales contracts is charged off as expenditure when incurred. R & D expenditure on development cum sale contracts is treated at par with other sales contracts. Such expenditure on fixed assets is capitalized.

l) Provision and Contingent Liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present values and are determined based on management estimate required to settle the obligation at the balance sheet date. They are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are neither recognized nor disclosed in the financial statements.

m) Earnings per Share

Basic earnings per share are calculated by dividing the Net Profit after tax attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The diluted Earnings Per Share is arrived by taking into account the number of share application money pending for allotment.

n) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balances with banks in current and deposit accounts with necessary disclosure of cash and cash equivalent balances that are available for use by the company.

o) Revenue recognition

Sales revenue is recognized on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated at net of sales tax, VAT, trade discounts. Income from service is recognized as the services are rendered, based on agreement/arrangement with the concerned parties. Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognized on time proportion basis. Certain claims of the Company, insurance etc., in respect of which quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis. Expenses or Incomes are adjusted to the extent for subsequent recoveries wherever applicable.

p) Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowing is deducted from the borrowing costs incurred.

	<u>2018-19</u>	<u>2017-18</u>
26. Expenditure incurred on employees who were in receipt of remuneration aggregating to ₹ 24, 00,000 or more per year or ₹ 2,00,000 Per month employed for part of the year.	₹ Nil	₹ Nil

27. EARNING PER SHARE

Particulars	2018-19 ₹	2017-18 ₹
a. Net Profit/Loss during the year attributable to Equity share holders before extra ordinary items.	(7,43,29,616)	(9,89,61,620)
b. Extra ordinary items .	Nil	Nil
c. Net Profit/Loss after extra ordinary items.	(7,43,29,616)	(9,89,61,620)
d. Weighted average number of equity shares outstanding during the period	3,95,60,000	3,95,60,000
Basic Earnings per Share for 2018-19		
- after extra ordinary items	(1.88)	(2.50)
- before extra ordinary items	(1.88)	(2.50)

28. STOCK

Items	2018-19	2018-19	2017-18	2017-18
	Opening Stock ₹	Closing Stock ₹	Opening Stock ₹	Closing Stock ₹
Yarn	84,31,803	88,48,636	1,03,95,441	84,31,803
Fabrics/cloth/Lungies/Dothies	27,24,19,214	31,96,25,530	29,39,04,023	27,24,19,214
Dyes&chemicals	23,81,489	23,13,920	17,07,423	23,81,489
Stores	6,73,070	4,65,447	5,54,605	6,73,070
TOTAL	28,39,05,576	33,12,53,533	30,65,61,492	28,39,05,576

No value is considered for the stock of old damaged yarn worth ₹1,04,700/- and cloth (Cut bits/Damaged) worth ₹ 1,17,67,075/- as the Corporation could neither utilize these items till date nor expect to realize any amount by selling the same. However now we have utilizing these cubits for stitching cloth carry bags and which are used in our showrooms in the place of plastic carry bags.

29. The Corporation has received Sales Tax Assessment Order upto 2003-04 and thereafter further notices are not received for assessment.

30. Investment includes an amount of ₹ 48,00,000/- being the value of shares in Kerala Garments Ltd a subsidiary Company of the Corporation. The majority of shares are in the name of the Company and remaining in the name of employees of the corporation as nominees (last year ₹ 48,00,000/-).

	₹
Value of shares held in the name of the Company (Kerala Handloom Finance and Trading Corp. Ltd)	47,99,300
Value of shares held in the name of individuals as nominees	700
	<u>48,00,000</u>

31. An amount of ₹ 10,49,08,948.16 /- is receivable from Government of Kerala on account of rebate allowed on sales of Handloom Fabrics as on 31.03.2019. (last year figure, ₹ 9,77,70,589.90/-). This amount include ₹ 4,45,731/- representing rebate claimed on sale at various expo conducted during 1991-92 to 1999-2000. The Corpn could not get reimbursement of this amount from Govt. for want of supporting Govt order sanctioning 20% rebate . However, as decided in the Board Meeting held at 7-7-2010, the DHT has been requested to recommend to Govt. to sanction and release the amount to the Corpn as a special case as the same was actually incurred by it in the form of rebate allowed to the consumers. Although request was forwarded to Government for releasing ₹ 4,45,731/- no decision is received from Government yet on this matter. These amount have been included under Sundry Debtors.

32. Balance under Sundry Debtors, Loans & Advance, Sundry Creditors etc have not been confirmed.

33. Interest on loan to weaver members (shareholders) has not been provided in the accounts during the year. Repayments are not regularly forthcoming and efforts are being made to recover the maximum possible amount. However, provisions for bad and doubtful debts have been created for full amount.

34. TURNOVER

Particulars	2018-19 (₹)	2017-18 (₹)
Fabrics/cloth/Lungies/dothies etc	17,77,58,273	17,30,03,757
	17,77,58,273	17,30,03,757
Stock Shortage	2,29,729	14,52,154
TOTAL	17,79,88,002	17,44,55,911

35. PURCHASES

Particulars	2018-19 (₹)	2017-18 (₹)
Yarn	4,29,48,207	2,82,89,485
Cloth	13,19,06,538	10,84,43,668
Dyes & Chemicals	12,85,275	19,72,876
Consumable Stores	1,12,675	1,48,370
TOTAL	17,62,52,695	13,88,54,399

36. AUDITORS' REMUNERATION & EXPENSES

₹

1) As Auditor	:	57,500
2) As Adviser, or in any other capacity, in respect of		
a. Taxation matters	:	Nil
b. Company law matters	:	Nil
c. Management services	:	Nil
3) Internal Auditing	:	1,30,000
4) In any other Manner	:	12,013

37. RELATED PARTY DISCLOSURE:

Name of the Related party	Relationship
Sri. K.T.Jayarajan. **	Key Management personnel of Company
Sri. K.P.Sahadevan	Chairman
Sri Sudhir.K	Director
Sri. A.Radhakrishnan Nair	Director
Sri. V.G Raveendran	Director
Sri. B.S Biju Bhaskar	Director
Sri.V.K.Rajan	Director
Kerala Garments Ltd.	Subsidiary Company

** Government of Kerala Vide Go(Rt) No.225/2019/ID dated 1-3-2019, Sri.K.T Jayarajan is appointed as Managing Director of the Corporation for a period of one year on deputation basis and he has taken over the charge of Managing Director w. e. f 11-03-2019. Their after as DIN was allotted to him on 11-04-2019, hence as per the provision of Companies Act 2013, his appointment was taken on record with effect from 11-04-2019.

38. (a). MANAGING DIRECTOR'S REMUNERATION & TRAVELLING EXPENSES

	2018-19 ₹	2017-18 ₹
<u>Salaries & allowances (Gross)</u>		
Sri.K.T Jayarajan	86,495	Nil
<u>Travelling Expenses</u>		
Sri.Sudhir.K	4,128	27,733
Sri.Jayarajan.K.T	11,893	NIL
<u>Value of rent free accomodation</u>		
Sri. Jayarajan.K.T	Nil	Nil

(b) CHAIRMAN'S HONOURARIUM & TRAVELLING EXPENSES

	2018-19 ₹	2017-18 ₹
<u>Honorarium</u>		
Sri.K.P.Sahadevan	2,40,000	2,40,000
<u>Travelling expenses</u>		
Sri.K.P.Sahadevan	69,575	64,567

39. The Corporation had received loans from Government of Kerala for various purposes including implementation of different projects under 20 point programmes. The Corporation has requested the Government of Kerala to convert these loans into equity. Accordingly, Government vide G.O. (MS) No.199 / 89 / ID, dt, 27-12-89 have converted ₹ 120.89 lakhs into equity. Hence, no provision has been made in the account for interest for the loans of ₹ 288.99 lakhs up to the year 1995-96. The interest and penal interest on defaulted principal amount worked out for those loans upto 31-03-96 was ₹ 492.98 lakhs. The loan from Govt is overdue for long time, but Corporation has submitted request to Govt. to convert the loan in to Equity. The loan amount is shown under the head Long Term Borrowings. Out of this long term borrowings, Govt loan amounting to ₹ 17.23 cores includes defaulted principal amount of ₹ 15.37 cores. The accumulated interest including defaulted interest on Govt.Loan amounting to ₹ 38.41 cores outstanding to be paid on 31/3/2019, is shown under the head Other Current Liabilities.

40. The Subsidiary company, Kerala Garments Limited has stopped its operations on 9-01-2007. No provision for interest amounting to ₹ 3,19,14,640 /- is provided by the Corporation in respect of loan given to the above Company, since the recovery is doubtful.
- An amount of ₹ 133,77,224 /- paid to M/s. Kerala Garments Ltd, Subsidiary Company of the Corporation for meeting their day-to-day expenses have been included under loans and advances as working capital loan (last year ₹ 1,33,77,224/-). Maximum amount of working capital loan appearing under this head stood at ₹ 133.77 lakhs. Apart from the above a term loan of ₹ 20,20,000/- is also given to Kerala Garments Limited. As was done last year no interest which work out to ₹ 20,06,580 /- has been provided in the accounts for the working capital loan amount for the year 2018-19, since Kerala Garments LTD has stopped its operations. The interest amount for the year 2007-08 to 2017-18 under this head works out to ₹ 224,73,374/-.The interest amount provided in the accounts is only up to 2006-07 which comes to ₹ 186,77,570/. Interest for the year 2018-19 amounting to ₹ 8,37,865 /- is charged on the loan amount of ₹ 20,20,000/- is not taken as income in to accounts. The Interest amount for the year 2009-10 to 2017-18 under this head works out to ₹ 65,96,821/- Interest is provided in the accounts only up to 2008-09 which comes to ₹ 78,15,542/- However Principal as well as interest amount is not repaid by Kerala Garments Ltd. on the above loan till date. Besides Vide Govt. Order No. G O (MS) No.15/2011/ID dt 18/1/2011 it is ordered to transfer the total assets and liabilities of KGL to Hanveev. Govt has also sanctioned and released an amount of ₹ 50 Lakhs to Hanveev Vide Order No. GO (Rt) No.388/2015/ID dt 14/05/2015 in order to settle the liabilities of KGL. Under the circumstances, it is hopeful that the entire amount receivable from KGL including interest is recoverable while transferring the assets to Hanveev and after complying with the provisions of Companies Act 2013. In this connection Kerala Garments Limited has re-constituted its Board of directors and a meeting of Board of Directors was convened on 21 st June 2018 and necessary actions will be taken up with the permission of the Board/Govt to complete the audit of Kerala Garments Ltd and thereafter to strike off/Merge as the case may be. Further it is informed that C& AG Vide with its Order No./CA./COY.KERALA,KEGRAM (1) 1955 dated 30/04/2019 has appointed auditors to audit the accounts of Kerala Garments Ltd up to 31-03-2019 and the same is in progress.
41. In the absence of confirmation/claims from suppliers covered under interest on delayed payments to Micro, Small and Medium Enterprises Act 2006, it has not been possible to disclose the principal and the interest outstanding to any such small scale industrial undertakings.
42. An amount of ₹ 3,99,262.50 is fixed as final liability of Sri.A.S.Mohammed Sherief, former Managing director towards irregular expenditure and advance claimed by him during his tenure in the Corporation. Said liability has been informed to his parant organization Kerafed for recovery purposes. The same has been also informed to Government.
43. Provision for bad and doubtful debts has been provided at 100% on the balance due from Sundry Debtors outstanding for a period exceeding 3 years. The amount of Sundry Debtors(Sales) and Sundry Debtors (Others) exceeding 3 years comes to ₹ 335,97,482/-and the accumulated provision till date comes to ₹ 2,80,11,788 /- . Since the difference between actual Sundry Debtors exceeding 3 years and the accumulated provision made till date is ₹ 55,85,694/-, the same is added to the provision during this year.
44. Interest on defaulted amount of credit sales affected through showrooms has not been provided for in the accounts. Interests collected on account of overdue payments are accounted on cash basis.
45. Interest on defaulted interest on Government loans have not been provided in the accounts up to 2007-08 and the amount comes to ₹138.35 lakhs as on that date.

46. As the Corporation is not making payment of DA Arrear for the past so many years, and the Board is also taking decision to pay DA with prospective effect only, the provision for DA arrear is not provided in the books of accounts from F.Y 2011-12 onwards.
47. The issue of Yarn to weavers who are not the employees of the Company, for weaving wages accounted as Sales of Yarn under the head Revenue from operation, from the inception of the Company. The Fabrics so manufactured by issuing the yarn is taken back by the Company and is accounted as Purchase of Cloth. Since this treatment is not in agreement with Accounting Standard 9- Revenue recognition, the same is reversed during the year ended 31-3-2019 (₹4,46,30,052/- during 2018-19 and ₹ 3,50,59,723/- during 2017-18)
48. (a) Interest and penal interest in respect of loans given to IDP & EPP societies have not been taken credit of in the accounts during the year under report.
(b) Interest in respect of loans given to Kambil & Kannapuram Societies amounting to ₹ 117.39 lakhs have not been taken credit of in the accounts during the year under report (last year ₹ 93.57 lakhs).
49. Vide packing list No.462 dt.2.04.03 goods worth ₹ 3,48,250/- including 500 Nos of Set Munds worth ₹ 2,03,250/- were transferred from R.O EKM to R.O TVM. Since Set Munds were not required at R.O TVM, they had returned the same through the same vehicle to R.O EKM after accepting other items in the Packing list worth ₹ 1,45,000/- However as per records the above Set Munds were not received back at R.O EKM. Hence a domestic enquiry for the above loss was conducted against the SK, R.O EKM Viz Smt.C.X Philomina, in which she was found responsible for loss of 500 set Munds. Based on that, she was asked to remit the ₹ 2,03,250/- with interest @15% p.a, w.e.f 2/4/2003 being value of 500 Set Munds lost. Necessary entries to this effect had been passed during the financial Year 2004-05. Smt. C.X.Philomina has also been dismissed from the service of the corporation. Smt.C.X.Philomina approaches the Hon'ble Labour Court, Kannur against the dismissed order and the Labour Court set aside the enquiry has not valid. The Corporation moved before the Hon'ble High Court of Kerala challenging the award of the Labour Court and the High Court ordered that fresh enquiry has to be conducted after affording opportunity to the Respondent also and the enquiry is to be completed within a definite time frame. The enquiry process has started and is in progress. Consequently the Hon'ble Court has disposed the case and ordered for a fresh enquiry on the matter. The fresh enquiry is in progress.
50. Sri T. Dhanraj, Sales Assistant had committed misappropriation of Corporation's funds to the tune of ₹ 36,622.80 and he was dismissed from the service of the corporation on 26/4/2008. The amount due from him together with interest @15% p.a will be adjusted from the terminal benefits due to him.
51. Sri.M.V.Ramachandran, S/A; was placed under suspension pending enquiry while working as in charge of Hanveev Showroom Ernakulum for misappropriation of Corporation's funds by way of unauthorized credit sales, stock deficit, difference in banking transactions, cash transactions and personal account balance. The total liability is ₹13,44,618.74. The domestic enquiry is completed and he has been dismissed from the service of the corporation. The dues to the extent of his terminal benefits will be recovered from him and for the balance RR action will be initiated. In the meanwhile he approached the Hon'ble High Court of Kerala against the dismissal order of the Corporation. The Court ordered for a denova enquiry. The denova enquiry is completed and enquiry report received. Further action is being pursued on the finding in the enquiry report..
52. Smt. Ajitha Raveendran, Packer was suspended from service while working in charge of Hanveev showroom, Ranni for the misappropriation and unauthorized credit sales, manipulation of selling price on the fabrics, stock shortage etc...A domestic enquiry has been conducted and liability fixed at ₹ 64,702.85. She has remitted ₹ 36,033/-. Considering this she was reinstated in service and posted at R.O.Kannur without prejudice to the right of the corporation to complete the disciplinary proceedings in a time bound manner as per service rules of the corporation. Further memo dated 17/12/08 was issued to remit the balance amount with 24% penal interest. Since the explanation submitted was found unsatisfactory and considering the serious irregularities, she was dismissed from the service of the Corporation with effect from 30-07-2009. The balance amount of ₹ 28,669.85 with interest will be adjusted from the terminal benefits due to her.

53. An amount of ₹1,81,296+15% interest to be realized from Sri. R.R.Nair, Former MD due to excess salary drawn by him during his tenure as MD and RR proceedings is initiated against him for recovery of the omissions.
54. A case was filed (FDP 16/2008) in the Hon'ble Court of IX Additional City Civil Judge, Bangalore against Sri. M.V Govindan, owner of closed agency showroom of Hanveev at Bangalore for realizing the dues of ₹ 7,09,339/-. The Court has pronounced the judgment in favour of the Corporation allowing to sell the mortgaged property for realizing the dues of ₹ 7,09,339/-. We have filed the execution petition in the Court of City Civil Judge, Bangalore including paper publication for proclamation of the sale of property under attachment through our Advocate.
55. Handloom Projects Krithika, Kannur & Thanima Thiruvananthapuram are being implemented through the Corporation at Kannur & Thiruvananthapuram. Funds required for these projects are released to the Corporation through DRDA, Kannur and Thiruvananthapuram respectively. The accounts relating to these projects are to be kept separately. As such expenses incurred for the implementation of these projects are treated as the concerned project's Expenses and assets created are shown as the concerned Project's Assets. Both these amounts are deducted from the total grant amount received and net amount of grants are shown in the balance sheet under current liability.
56. A project IHCD is being implemented through the corporation. The funds required for this was released to the corporation from the office of the Devt. Commissioner for Handloom. The expenses incurred for the implementation of the project is treated as IHCD project expenses. The transactions relating to this project are now being done directly by IHCD office. The required funds are transferred to the separate bank account No: 67046427657 opened for this purpose with SBI Pravachambalam which is operated by IHCD officials along with RM Trivandrum. The amount already spent by the Corporation together with the amount transferred to said bank account is deducted from the total Grant amount received and net amount of grant shown in Balance sheet under Current Liability.
57. During the financial year 2015-16, Kerala Govt. have introduced VAT on Handloom products @ 1% . So many representations were given to Govt. to exempt handloom fabrics from the purview of VAT. Anticipating that favourable orders would be received from Govt., we have not paid the VAT during the Financial year 2015-16 and hence no provision has been made in the accounts(ie ₹19,03,694 being 1% of 19,03,69,471). During 2017-18, Government of India has introduced GST and this was made applicable w.e.f 1-7-2017, and due to lack of clarity that whether Handloom products are coming under the purview of GST, the Corporation did not collect GST from 1-7-2017 onwards. This has been placed in the meeting of Board of directors held on 20-7-2017, the Board also approved to impose GST as and when the issue is clearly specified by the Government. Further Corporation started collecting GST w.e.f 7-8-2017 onwards.
58. Government of Kerala launched a project for supplying of Free School Uniform to Government School students up to 7 th standard. Government was also nominated to Hanveev as one of the implementing agencies and directed to collect and supply uniform fabrics for 7 districts in Kerala from Thrissur to Kasaragod. Hanveev was also supplied 3.33 lakhs metres school uniform to students for a total value of ₹ 568.57 lakhs during the year 2018-19.

59. **Contingent Liabilities and Commitments not provided for in respect of :**

Particulars	As at 31 st March 2019 (In ₹)
A) Contingent Liabilities	
a) Claim against the Company not acknowledged as debts	1,90,23,670
b) Guarantees given to others	NIL
B) Estimated amount of Contracts remaining to be executed on capital amount and not provided for:	
a) Tangible assets	
Total Contract amount	
Less : Paid	
b) Intangible Assets	NIL
C) Uncalled liability on partly paid shares	NIL
D) Other Commitments	NIL

Claims against the Company not acknowledged as debt:-

- a) Contingent liability for arrear lease rent demanded by District Collector, Trivandrum for ₹1,02,08,710/- was received on 17-6-03 from District Collector for arrear lease rent of Nemom land in survey No.103/16 for the period from 01-06-94 to 31-03-03. The Corporation has filed an appeal before the Revenue Department. The report from the District Collector for re-fixing the arrear lease rent is still pending.
- b) During 2003-04 there was a stock shortage of ₹1,94,279.25 in Regional Store, Ernakulam. Smt. C.X.Philomina, retired Store Keeper was in charge of the Store then. The responsibility was fixed on her for ₹1,94,279.25 plus interest. Recovery towards this account was started from her salary in installments from 7/2005 onwards. In the meanwhile she moved before the Honorable High Court of Kerala challenging the order of the corporation to recover the amount from her salary. So far an amount of ₹1,04,832/- was recovered from her up to 5/2007. The balance yet to be recovered is ₹ 1,84,463.45 together with interest @ 15% p.a from 1.06.07 onwards. If the case is decided against the corporation it will result in liability of ₹ 1,04,832 /-to the corporation with interest.
- c) An amount of ₹ 4,70,655/- levied as damages by the Assistant Commissioner EPFO, kannur vide letter No.KR/KNR/Enf1(2) damages/3215/2014-15/2651 dated 27/10/2014 is stayed by the Honourable High Court of Kerala and hence no provision for damages is made in the Accounts.
- d) An amount of ₹12,25,391/- levied as damages by the Assistant Commissioner, EPFO Kannur vide letter No.KR/KNR/3215/Enf1(2)/7q/2016-17 dated 28-06-2016 is stayed by the Honourable EPF Appellate Tribunal Bangalore.
- e) The Assistant commissioner of EPFO, Kannur vide his letter No.KR/KNR/Enf1(2) I/KR/3215/CA/1842 dated :18-9-2017 has levied interest and damages amounting to ₹ 6,39,007/- and ₹ 10,27,008/- respectively for the period from 5/2016 to 11/2016 with the total liability amounting to ₹ 16,66,015/-.

The Assistant commissioner of EPFO vide letter No.KR/KNR/0003215/0000 Enf/502/Damages/3428 dated:12-01-2018 levied interest and damages amounting to ₹ 8,87,134 and 18,48,196 with the total liability coming to ₹ 27,35,330/- for delayed remittance during the period from 06/2015 to 4/2016.

In connection to the matters mentioned above, after seeking necessary clarification, EPFO issued letter KR/KNR/3215/Enf.1(2)/7Q/2017-18/4905 dated: 22-02-2018 levying interest amounting to ₹ 14,81,098/- for the period from 06/2015 to 11/2016(consolidated).For damages amounting to ₹ 27,81,851/- EPFO issued letter KR/KNR/3215/En fi (2)/Damages/2017-18 dated: 22-02-2018 for the period from 06/2015 to 11/2016(consolidated). Corporation has remitted the interest portion, however for damages, Corporation has filed an appeal before the Honourable EPF Appellate Tribunal and a stay is anticipated.

- f) The Assistant Commissioner of EPFO, kannur vide their letter No.KR/KNR/3215/Enf.1(2) /Damages/ 2018-19/760 dated 30-7-2018 has levied interest and damages for the delayed remittance of EPF for the period from 6/2016 to 01/2018 amounting to ₹ 12,17,467/- and 20,71,522/- respectively, total liability is ₹ 32,88,989/-. Corporation already remitted the interest portion on 21-8-2018. Further corporation filed an appeal against damages levied before the honorable EPF Appellate Authority Central Government Industrial Tribunal-Cum-Labour Court, Ernakulam. On anticipation that the Honourable EPF Appellate Authority will grant stay, hence no provision for damages is made in the account.
- g) Contingent liability for the property tax for ₹ 21,60,709/- payable to Trivandrum corporation in respect of building No.TC 52/2641(1) of cluster office of the corporation, the Corporation has submitted a representation to Government on 13-06-2016 for exempting the corporation from paying the property tax. The report from Government is still pending and hence it is not provided in the Accounts.

60. Break-up details of exhibition expenses of ₹14,84,208/- (Last year ₹16,89,755 /-) is as under in compliance of part II of Schedule II of Companies Act, 2013.

Particulars	2018-19 ₹	2017-18 ₹
Stall Rent / Lease Rent / Shed / Stall Decoration	6,01,962	6,66,626
Publicity Expenses	53,919	81,083
Freight charges, Bundling Charges etc....	1,06,582	1,35,266
Stationery	27,338	20,229
Staff Welfare Expenses	19,720	19,310
Wages	5,82,000	6,78,890
Conveyance/Travelling Expenses	2,300	6,550
Sweeping Charges	12,250	11,740
Hire charges & Rack Fitting charges	14,113	15,270
Bank Charges	0	373
Postage & Telephone charges	170	210
Risk Allowance	11,100	11,150
Inauguration Expenses	10,080	4,050
Electricity charges	35,154	28,816
Insurance	3,675	6,724
Miscellaneous expenses	3,845	3,468
TOTAL	14,84,208	16,89,755

61. Since the Companies Act-2013 in force, necessary amendments /Changes are made in the books of accounts to comply with the various provisions there in.
62. In the opinion of the Board of Directors all the assets other than fixed assets and non-current investments have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance sheet.
63. The Balance sheet and Statement of Profit and Loss, Cash Flow Statements, Statement of significant accounting policies and other explanatory notes forms an integral part of the financial statements, of the company for the year ended 31 March 2019.
64. Figures of the last year have been regrouped or rearranged wherever necessary. The Figures are also rounded to nearest rupee.

For and on behalf of Board

For M/s. PAVITHRAN & MURALI
CHARTERED ACCOUNTANTS
Firm Regn. No.002622 S

Sd/-
K.P.SAHADEVAN
CHAIRMAN
DIN NO: 00998318

Sd/-
K.T.JAYARAJAN
MANAGING DIRECTOR
DIN NO : 08419243

Place: Trivandrum
Date: 31.10.2019
Sd/-
C A VISHNU T.M. (partner)
Mem No: 235614
UDIN:19235614AAAACM9782

Sd/-
SUNIL MATHEW.K
CHIEF FINANCIAL OFFICER

Sd/-
PRADISH NAIR
COMPANY SECRETARY

Sd/-
VINODAN.C.K
DIRECTOR
DIN NO:08587948

Independent Auditors' Report

To

**The Members of Kerala State Handloom Development Corporation Limited.
Report on the Standalone Financial Statements.**

We had audited the accompanying standalone financial statements of **Kerala State Handloom Development Corporation Limited.** ("the Company") which comprise the Balance Sheet as at March 31 2019, the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Standalone 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 statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 the assets of the Company and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditors 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 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 whether the company has in place an adequate internal financial system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriates of accounting policies

used and reasonableness of the accounting estimate 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 qualified audit opinion.

Basis for Qualified Opinion

1. The company has not made provision for term loan of ₹ 20,20,000/- and working capital loan of ₹1,33,77,224/- given to its subsidiary company Kerala Garments Ltd and interest due thereon amounting to ₹ 2,64,93,111/-. The company has stopped its operation on 09/01/2007 and its net worth is negative as per audited financial statement of the year 2008-09. This has resulted in understatement of ₹ 4,18,90,335/- in Reserve and surplus (accumulated loss) and overstatement of Long term Loans and advances to the extent of ₹ 20,20,000/-, short term loans and advances to extent of ₹ 1,33,77,224 and Other current assets to the extent of ₹ 2,64,93,111/-.
2. The company has not made provision for loans given to Weavers Industrial Cooperative Societies and to individual weavers amounting to ₹ 1,09,20,691/- included under the head Long term loans and advances and interest receivable thereon ₹1,88,38,311/- included under other current assets (Other interest receivable), which is due for recovery from several years back. This has resulted in understatement of ₹ 2,97,59,002/- in Reserve and Surplus (accumulated loss) and overstatement of Long term loans and advances to the extent of ₹1,09,20,691/- and other current assets to the extent of ₹1,88,38,311/-.
3. The company has not made provision for advances amounting to ₹13,23,421/- included under the head Short term loans and advances being amount of advance to Societies pending for recovery from several years and without acknowledgment of debt. This has resulted in understatement of ₹13,23,421/- in Reserve and Surplus (accumulated loss) and overstatement of Short term loans and advances to the extent of ₹13,23,421/-.
4. Kerala State Handloom Development Corporation Limited's investment in Kerala Garments Ltd, its subsidiary company whose net worth fully/ substantially eroded and stopped its operation in 09-01-2007, is carried at ₹ 48,00,000/- in the Balance Sheet as at 31st March, 2019. We were unable to obtain sufficient audit evidence about the carrying amount Kerala State Handloom Development Corporation Limited's investment in Kerala Garments Ltd as at March 31, 2019 because the audited financial statements of the Kerala Garments Ltd is available only up to 31st March, 2009. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.
5. Building Tax of ₹ 21,60,709/- demanded by the Trivandrum Corporation for the period 2010-11 to 2015-16 as per the notes on accounts No 59 (g), on the Cluster Office Building of the company as demanded by the Nemom Zonal Office of the Trivandrum Corporation Letter No ZNI/NEI/7466/2010 dated 28-04-2016 is not provided as liability to pay taxes as on 31-03-2019. The company has not filed any appeal against the tax demanded and cannot be considered as contingent liability. This has resulted in understatement of Reserves and surplus to the extent of ₹ 21,60,709/- and understatement of Other current liabilities.
6. The Sales of Textiles is taxable @ 1 % as per the Provisions of the Kerala Value Added Tax during the Year. The Company is seen wrongly shown the sales of textile (Handloom Fabrics) amounting to ₹ 19,03,69,471/- as 0 % taxable goods in Vat Returns during the year and not collected 1 % Vat on the sales bills and not paid Vat on the sale to the Commercial Tax department during the year. The Vat liability on sale of Textile ₹19,03,694/- with interest is payable to the Commercial Tax Department for the financial year 2015-16 is not provided in the books accounts during the year. This has resulted in understatement of Reserves and surplus to the extent of ₹19,03,694/- and understatement of Other current liabilities.

7. Job Work charges payable to Weavers is liable for Reverse Charge under GST regime during the period starting from 01 July 2017 up until 13 October 2017 vide Notification No. 38/2017. The Company has paid Reverse charge @ 5% on the same only during the month of August 2017. The Reverse Charge liable to be paid on the charge payable to Job Workers for the period July 2017 to September 2017 works out to ₹ 9,55,934/- (₹1,91,18,688/- @ 5%). We are unable to work out the charges payable from 1st October 2017 to 13th October 2017. As the Company has not paid this liability before 31st March 2019, it is not eligible to claim input on the same and hence is required to write it off as expenditure for the year. This has resulted in understatement of Reserves and Surplus to the extent of ₹ 3,85,774/- (₹ 5,70,160/- was already paid in August 2017 return) and understatement of Other current liabilities.
8. Stale cheques amounting to ₹14,17,962/- are laying in Bank Reconciliation Statement due to which Current liabilities and Cash and cash equivalents are understated to that extent.

We further report that considering the items mentioned in paragraph 1 to 8 of above qualification in our report, the effect of which have been considered Net Loss for the year would have been ₹15,17,52,551/- (as against reported loss of ₹ 7,43,29,616/-), accumulated loss would have been ₹1,09,61,95,478/- (as against reported figures of ₹1,01,87,72,543/-), Long Term loans and advance would have been ₹ 97,20,729/- (as against the reported figure of ₹2,26,61,420/-), the Current Asset would have been ₹ 52,26,89,847/- (as against the reported figures of ₹ 58,27,21,914/-) and Current Liabilities would have been ₹ 86,74,49,400/- (as against the reported figures of ₹ 86,15,81,261/-)

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone 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 31st March, 2019 and its loss and its cash flows for the year ended that date.

Emphasis of Matter Paragraphs and Other Matter Paragraphs

Other Matter

We draw attention to observation made by us in paragraph 1 to 23 of Annexure–B attached. Our opinion is not qualified in this respect.

Report on Other Legal and Regulatory Requirements.

1. As required under section 143 (5) of the companies Act, 2013, we have given in the annexure 1, a statement on the directions issued by the Controller and Auditor General of India after comply the suggested methodology of audit, the action taken there on and its impact on the accounts and financial statement of the company.
2. 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 Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and expect for the matters described in Basis for Qualified Opinion Paragraph, 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 for the possible effect of the matter described in the Basis for Qualified Opinion Paragraph above, In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books .
- c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account .
- d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under 133 of the Act., read with rule 7 of the Companies (accounts) Rules, 2014
- e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) Being a Government Company, the disqualification from being appointed as director under section 164(2) of the Companies in not applicable to the company.
- g) With respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure C
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- i) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations given to us;
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any for long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M/s. **PAVITHRAN & MURALI**
Chartered Accountants
Firm Regn. No.002622 S

Place: Kannur.
Date: 31.10.2019

CA VISHNU.T.M
Partner
M.No.235614
UDIN: 19235614AAAACM9782

ANNEXURE –A REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE - TO THE MEMBERS OF KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LIMITED, KANNUR FOR THE YEAR ENDED 31ST MARCH, 2019

(i) **IN RESPECT OF ITS ASSETS:**

- a) The company is maintaining Fixed Asset Register at Head Office and its Regional Offices showing full particulars, including quantitative details and situation of fixed assets. Further certain details as regards date of purchase, date of put into use, location, identification etc. of some movable tangible assets needs to be updated. Location details and area of freehold land, factory and office building needs to be updated in the fixed asset register and needs to be reconciled with revenue records maintained by the local authority and latest land and building tax paid should be kept with original title deeds.
- b) All the fixed assets have been physically verified by the management at the year end. There is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. **The physically verified fixed assets items are seen not reconciled with fixed assets register to identify the discrepancy .** However no major discrepancies were noticed on such verification.
- c) According to the information and explanation given to us and on the basis of examination of records of the company, the deed of freehold land amount to ₹ 25.72 lakhs have been verified by us and the same held in the name of the company. Title deeds of freehold land for ₹ 20.35 lakhs were not available for our verification. Further, as per the details made available to us, the title deed of Office building and factory building with WDV amounting ₹18,30,777/- as on 31-03-2019 were also not available for verification.

(ii) **IN RESPECT OF INVENTORIES :**

- a) As per the information furnished to us the management has conducted physical verification of finished goods, raw materials, stores, packing materials at the year-end only. In our opinion the frequency of verification has to be increased based on experiences of discrepancy/ fraud reported in the past in show-rooms and at regional stores of the company. The discrepancy noticed on verification between physical stock and book records were material and same has been properly dealt with in the books of accounts.

(iii.) According to the information and explanations given to us the company has granted unsecured loans to one company, covered under register to be maintained under section 189 of the Companies Act, 2013. The loan is given to its subsidiary company Kerala Garments Ltd involved term loan of ₹20,20,000/- and working capital loan of ₹1,33,77,224/-. The advance given to Kerala Garments Ltd is ₹49,46,200.50/- (including ₹15,865/- given in the current year) to meet its statutory dues and expenses without interest.

- a) In our opinion and according to the information and explanation given to us the rate of interest and other terms and conditions of loan given to subsidiary company are not prima facie prejudicial to the interest of the company. However it is noticed that no loan agreement is executed for the outstanding working capital loan of ₹ 1,33,77,224/- given to Kerala Garments Ltd. and no interest is charged on the working capital loan amounts from the financial year 2007-08 onwards. The interest not charged for the year 2007-08 to 2018-19 on working capital loan is worked out by the company is ₹ 2,44,79,954/-. Similarly on the term loan of ₹ 20,20,000 no interest is provided in books from the financial year 2009-2010 onwards since the company stopped its operation from 09-01-2007. The interest on term loan for the period 2009-10 to 2018-19 not provided in books of accounts worked out by the company is ₹74,34,686/-. Kerala Garments Ltd has defaulted in repaying the principal and interest of term loan, working capital loan and its interest, and advances. The entire loan and advances is overdue for more than 90 days.
- b) According to the information and explanation given to us the company has taken steps for recovery of principal and interest from the subsidiary company. According to the information provided by the management, Kerala Garments Ltd reconstituted its Board of directors and a meeting was convened on 21st June 2018. It was decided that necessary actions with the permission of the Board or Government, will be taken to complete the audit and to strike off or merge the Company as the case may be.

(iv) In our opinion and according to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantee and security given.

- (v) According to the information and explanation given to us, the company has not accepted any deposit from the public during the year pursuant to section 73 to 76 or any other relevant provision of the Companies Act, 2013 and rules framed there under and no amounts are outstanding for repayments on the Balance Sheet date. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the company.
- (vi) According to the information and explanations given to us and on our verification the provisions of maintenance of cost records prescribed by the Central Government under 148 (1) of the Companies Act, 2013 is not applicable to the company.
- (vii). According to the information and explanation given to us in respect of statutory dues;
- a) The company is not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employees state Insurance, Income tax, sales tax, service tax, duty of custom, excise duty, value added tax, cess and other statutory dues with the appropriate authorities during the year. According to the information and explanation given to us, the following undisputed amount payable to in respect of aforesaid dues were outstanding as at March 31, 2019 for a period of more than six months from the date they become payable is given in the statement attached herewith.
- b) According to the information and explanation given to us by the management and as per records of the Company examined by us there are no dues to income tax, or sales tax or wealth tax or service tax or duty of custom or duty of excise or value added tax or cess which have not been deposited on account of any dispute **except** as given in the statement attached herewith.
- (viii). In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to financial institution, bank, Government or due to debenture holders **except Secured and unsecured loans from government and DRI loan from State Bank of India and other banks. The statement of lender wise details of default is attached herewith.**
- (ix). According to the information and explanation given to us, the company has not raised any money by way of public offer/ follow-on offer (including debt instruments). The margin money loan availed by the company from the Industrial Department of Kerala taken during the year, have been applied for the purpose for which the loans were obtained.
- (x) According to the information and explanation given to us and to the best of our knowledge and belief the fraud/misappropriations by the company or on the Company by its officers or employees for the financial year 2018-19 is furnished in Annexure 2.
- (xi). According to the information and explanation given to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii). The Company is not a Nidhi Company hence clause 3 (xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xiii). All transactions with related parties are in accordance with section 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceeding of the meeting of the Audit committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the financial statements as required by the Accounting Standard 18- Related Party Disclosure of the Companies (Accounting Standard) Rules, 2006.
- (xiv). The Company has not made any preferential allotment / private placements of shares or fully or partly convertible debentures during the year under review and hence clause 3 of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xv) The Company has not entered into any non cash transactions with directors or persons connected with them and hence the clause 3 (xv) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45- 1A of the Act Reserve Bank of India Act, 1934.

For M/s. **PAVITHRAN & MURALI**
Chartered Accountants
Firm Regn. No.002622 S

CA VISHNU.T.M
Partner
M.No.235614
UDIN: 19235614AAAACM9782

Place: Kannur.
Date: 31.10.2019

STATEMENT OF ARREARS OF STATUTORY DUES OUTSTANDING FOR MORE THAN SIX MONTHS AS ON 31 MARCH, 2019

REFERRED IN PARA (vii) (a) TO THE ANNEXURE A TO AUDITORS REPORT

Name of statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Due date	Date of payment	Remarks
Property Tax	The amount payable to Trivandrum Corporation in respect building No.TC52/2641(1)	21,60,709.00	2010-11 To 2018-19	Half Yearly		
Employees State Insurance Act, 1948	The amount relating to Head office employee contribution deducted but not remitted in ESI	22,667.81	2000-01 to 2018-19	15 th of next month		The books of accounts are not reconciled periodically with outstanding balance to pay
Employees State Insurance Act, 1948	The amount relating to Kannur region employee contribution deducted but not remitted in ESI	73,432.52	2000-01 to 2018-19	15 th of next month		The books of accounts are not reconciled periodically with outstanding balance to pay
Employees State Insurance Act, 1948	The amount relating to Trivandrum region employee contribution deducted but not remitted in ESI	13,784.78	2000-01 to 2018-19	15 th of next month		The books of accounts are not reconciled periodically with outstanding balance to pay
Employees State Insurance Act, 1948	The amount relating to Ernakulam region employee contribution deducted but not remitted in ESI	3805.12	2000-01 onwards	15 th of next month		The books of accounts are not reconciled periodically with outstanding balance to pay
The Kerala Labour Welfare Fund Act, 1975	Labour Welfare Fund deducted from employee but not remitted to the authority	4.00	2017-18	15 th January		
KVAT Act, 2003	VAT output not collected from customers and not paid to commercial tax department	19,03,694.00	2015-16	20 th of next month		
CGST Act, 2017	Reverse Charge payable on job work charges	3,85,774.00	2017-18	20 th of next month		

STATEMENT OF STATURTORY DUE OUTSTANDING ON ACCOUNT OF DISPUTES AS ON 31 MARCH, 2019

REFERRED IN PARA (vii) (b) TO THE ANNEXURE A TO AUDITORS REPORT

Name of statue	Nature of the dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending	Remarks
Employees Provident Fund Organization	Damages on delayed remittance of monthly payment	12,25,391.00	2014-15, 2015-16	Employees Provident Fund Organization	
Employees Provident Fund Organization	Damages on delayed remittance of monthly payment	4,70,655.00	2013-14	Employees Provident Fund Organization	
Employees Provident Fund Organization	Damages on delayed remittance of monthly payment	16,66,015.00	2016-17	Employees Provident Fund Organization	
District Collector Trivandrum, Revenue Department	Arrear lease rent of Nemom land survey No. 103/16	1,02,08,710.00	1994-2003	District Collector Trivandrum, revenue Department	

STATEMENT OF LOANS DEFAULTED AS ON 31-03-2019:- Dues means Principal And Interest referred to in para (viii) to the Annexure A to Auditors Report

Name of the lender	Loan Amount	Amount defaulted as at the Balance sheet date			Period of default	Remarks
		Principle	Interest	Total		
Govt. of Kerala	1,00,000.00	7,692.00	24,518.00	32,210.00	1971-2019	
Govt. of Kerala	50,000.00	11,538.46	42,012.00	53,550.46	1973-2019	
Govt. of Kerala	1,50,000.00	57,692.00	2,52,648.00	3,10,340.00	1975-2019	
Govt. of Kerala	85,00,000.00	80,00,000.00	2,45,63,001.00	3,25,63,001.00	1977-2019	
Govt. of Kerala	32,50,000.00	14,71,307.00	37,39,198.00	52,10,505.00	1978-2019	
Govt. of Kerala	29,82,000.00	13,91,900.00	31,64,034.00	45,55,934.00	1979-2019	
Govt. of Kerala	79,05,000.00	38,64,550.00	73,20,790.00	1,11,85,340.00	1980-2019	
Govt. of Kerala	35,82,375.00	17,91,825.00	52,20,249.00	70,12,074.00	1981-2019	
Govt. of Kerala	16,67,000.00	8,33,500.00	24,56,356.00	32,89,856.00	1982-2019	
Govt. of Kerala	10,25,000.00	5,12,500.00	15,47,173.00	20,59,673.00	1983-2019	
Govt. of Kerala	41,55,000.00	30,90,050.00	76,82,017.00	1,07,72,067.00	1984-2019	
Govt. of Kerala	13,50,000.00	6,75,000.00	20,37,692.00	27,12,692.00	1985-2019	
Govt. of Kerala	9,25,000.00	5,75,000.00	17,92,276.00	23,67,276.00	1986-2019	
Govt. of Kerala	36,38,000.00	32,88,000.00	86,72,337.00	1,19,60,337.00	1987-2019	
Govt. of Kerala	19,21,885.00	19,21,885.00	60,02,929.00	79,24,814.00	1988-2019	
Govt. of Kerala	32,55,600.00	32,55,600.00	1,02,70,564.00	1,35,26,164.00	1989-2019	
Govt. of Kerala	18,75,000.00	18,75,000.00	57,31,566.00	76,06,566.00	1990-2019	
Govt. of Kerala	29,00,000.00	29,00,000.00	1,72,52,380.00	2,01,52,380.00	1991-2019	
Govt. of Kerala	52,63,810.00	52,63,810.00	1,28,61,953.00	1,81,25,763.00	1993-2019	
Govt. of Kerala	88,61,115.00	88,61,115.00	3,12,68,086.00	4,01,29,201.00	1994-2019	
Govt. of Kerala	57,78,000.00	57,78,000.00	1,83,67,282.00	2,41,45,282.00	1995-2019	
Govt. of Kerala	1,56,14,500.00	1,56,14,500.00	4,41,74,065.00	5,97,88,565.00	1996-2019	
Govt. of Kerala	1,60,02,500.00	1,60,02,500.00	4,15,92,399.00	5,75,94,899.00	1997-2019	
Govt. of Kerala	3,48,00,000.00	3,48,00,000.00	10,30,11,629.00	13,78,11,629.00	1998-2019	
Govt. of Kerala	34,00,000.00	34,00,000.00	59,30,924.00	93,30,924.00	1999-2019	
Govt. of Kerala	14,00,000.00	14,00,000.00	22,02,527.00	36,02,527.00	2000-2019	
Govt. of Kerala	40,00,000.00	40,00,000.00	53,39,290.00	93,39,290.00	2002-2019	
Govt. of Kerala	15,00,000.00	15,00,000.00	18,67,635.00	33,67,635.00	2003-2019	
Govt. of Kerala	15,00,000.00	15,00,000.00	17,53,156.00	32,53,156.00	2004-2019	
Govt. of Kerala	15,00,000.00	15,00,000.00	15,97,384.00	30,97,384.00	2005-2019	
Govt. of Kerala	16,00,000.00	16,00,000.00	15,20,358.00	31,20,358.00	2006-2019	
Govt. of Kerala	5,00,000.00	500,000.00	1,55,920.00	6,55,920.00	2007-2019	
Govt. of Kerala	5,00,000.00	500,000.00	1,46,353.00	6,46,353.00	2008-2019	
Govt. of Kerala	32,00,000.00	28,80,000.00	8,56,131.00	37,36,131.00	2009-2019	
Govt. of Kerala	25,00,000.00	20,00,000.00	5,83,151.00	25,83,151.00	2010-2019	
Govt. of Kerala	20,00,000.00	14,00,000.00	4,14,986.00	18,14,986.00	2011-2019	
Govt. of Kerala	40,00,000.00	24,00,000.00	7,31,425.00	31,31,425.00	2012-2019	
Govt. of Kerala	45,00,000.00	22,50,000.00	6,59,605.00	29,09,605.00	2013-2019	
Govt. of Kerala	65,00,000.00	26,00,000.00	7,44,873.00	33,44,873.00	2014-2019	
Govt. of Kerala	64,00,000.00	19,20,000.00	5,90,203.00	25,10,203.00	2015-2019	
Govt. of Kerala	55,00,000.00	5,50,000.00	166.00	5,50,166.00	2018-2019	
SBI	11,23,108.00	6,04,376.00	-	6,04,376.00	1984-2019	
Total	18,71,74,893.00	15,43,47,340.46	38,41,41,241.00	53,84,88,581.46		

ANNEXURE-B REFERRED TO EMPHASIS OF MATTER PARAGRAPHS AND OTHER MATTER PARAGRAPHS OF INDEPENDENT AUDITORS' REPORTS TO THE MEMBERS OF KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD FOR THE YEAR ENDED 31ST MARCH, 2019

1. The company has valued the stock of finished goods at retail margin method without considering the age of the stock and realizable value. Hence we are unable to express the correctness of valuation of finished goods. The Yarn, Dyes, Chemicals and stores items are valued at cost less subsidy receivable and are accordance with the normally accepted accounting principle.
2. The inventory as on 31-03-2019 does not include damaged yarn costing ₹1,04,700/- and Cut bits valued at selling price amounting to ₹1,17,67,075/-. The realizable value of these items are not available, we are not in a position to quantify the effect on the financial statements.
3. No provision is created for slow/ non moving finished goods, raw materials and age-wise stock details are not available. We are not in a position to quantify the effect on financial statements.
4. Confirmation is not obtained in case of stock of inventory held by third parties for job work valued at ₹ 76,14,060/- as on 31-3-2019.
5. The company has not maintained proper records showing utilization of grant/ loan sanctioned under various schemes. The various grant received from Government as appearing in the Current liabilities (unutilized portion) ₹ 37,06,95,037/- as on 31-03-2019 is seen not reconciled with the balance held against the above fund. We are not able to verify whether the grants are utilized for the purpose for which it is granted.
6. The Confirmation letters balance of sundry debtors, sundry creditors and loans and advances are not produced for our verification.
7. The show room debtors balance as per Demand Collection Balance Statements (DCB) are not reconciled with debtors balance in general ledger of R.O books.
8. Long pending advance accounts appearing in the name of employees and others under the head other current assets which is the amount to be recovered or expenses to be booked.
9. Long pending un-reconciled entries are seen in the treasury accounts without confirmation of balance. The details are furnished in Annexure –1
10. In absence of documentary evidence and confirmation, amount of interest payable to suppliers in the form of Micro, Small and Medium Enterprises and others under the provision of Micro, small and medium Enterprises Development Act, 2006 could not be ascertained.
11. According to Companies Accounting Standard (AS) 15 "Employees Benefit", provision for leave encashment should be made on the basis of Actuarial Valuation but the company made provision for leave encashment on its own calculation on the basis of assumption that existing employees are entitled to their earned leave at the year end.
12. The details of deferred income amounting to ₹ 10,28,048/- included under the Reserves and surplus (Note no 2) is not available with the company. The Company has not recognized any part of deferred income in the profit or loss account and has been carrying the same amount as from the previous financial year.
13. No interest has been provided on loan amount of ₹ 6,04,376/- availed from SBI and other Nationalised Banks on behalf of weavers under DRI scheme. We are unable to quantify the interest as no records are made available to us.
14. Other current liabilities include Thrift Fund balance- ₹ 1,38,79,726/-, the control account balance in ledger is seen not tallied with schedule of balances weavers accounts at the year end.

15. We could not verify the correctness of interest payable to Government of Kerala amounting to ₹ 5,78,329/- being interest accrued and due on borrowing included under Other Current Liabilities.
16. We could not verify the correctness of interest on Government Loans amounting to ₹ 1,82,03,977/- and penal interest ₹ 3,70,408/- included under the head Finance cost as adequate records of terms and condition of loan amount availed are not made available for our verification.
17. Out of long term borrowings ₹ 17,25,24,111/-, loan amount of ₹ 15,43,47,340/- overdue for payment as on 31-03-2019 which is not shown as current liabilities as required in the revised format of Schedule III of Companies Act. The company continue to classify the loan "non-current" as on the balance sheet date since loan is not actually demanded by the government at any time prior to date on which the financial statements is prepared and proposal is with government to convert the loan amount and its interest dues into Equity Share capital.
18. The Share application money ₹ 18.53 crores appearing as per note No. 3 represents ₹ 0.80 crores received in the financial year 2018-19 from the government of Kerala as share capital contribution. As per the terms and condition, the company shall issue share certificate to the Government of Kerala within a month of receipt of share capital contribution. The company is not allotted the shares and the amount still appearing in the Balance sheet under the head Share application money pending allotment as on 31-03-2019. The share application money pending for allotment is not shown as current liability as required by the Schedule III of the Companies Act, 2013.
19. The company has not provided for interest payable to the Government of Kerala for the various loan amounting ₹ 288.99 lakhs availed for the period up to 1995-96 and the interest and penal for the period worked out the company is ₹ 492.98 lakhs resulted in understatement of other liabilities and reserves and surplus.
20. The Company is a Sick Industrial Company under the Companies Act. since its accumulated net losses equal or exceeds its entire net worth and company incurred cash loss for the current year and in the immediate preceding financial year, .As per information provided by the management, Government of Kerala vide letter No. 16646/C1/13/1D dated 01-03-2014 has directed to not to refer the Corporation to BIFR (NCLT).
21. The company is liable to prepare Consolidated Financial Statements incorporating the audited financial statements of the Subsidiary Company Kerala Garments Ltd As per Section 129 (3) of the Companies Act, 2013. The audited financial statement of Kerala Garments is available only up to the financial year 2008-09 and hence the provision of the Companies Act, 2013 is not complied.
22. The company has changed its method of accounting with respect to yarn issued to weaves for production of fabric on Job work basis as well as receipt of Fabrics so manufactured. During the previous years, the issue of Yarn was treated as Sales and the receipt of Fabric, as Purchases which was contrary to AS 9 – Revenue Recognition. This change in accounting treatment has resulted in understatement of Purchase of Stock in trade as well as Sales by ₹ 4,46,30,052/-.
23. The Board Meeting with reconstituted Board of directors of KSHDC Limited held on 21-06-2018 decided to merge its subsidiary company Kerala Garments Ltd or strike off its name subject to the approval of Government of Kerala and Compliance of provisions of Companies Act.

For M/s. **PAVITHRAN & MURALI**
Chartered Accountants
Firm Regn. No.002622 S

CA VISHNU.T.M
Partner
M.No.235614
UDIN: 19235614AAAACM9782

Place: Kannur.
Date: 31.10.2019

ANNUXURE - 1

A. Inoperative Treasury Account with no Confirmation of balance. These accounts are carried over in company's books without any operation and confirmation of the balances;

A/c No	Name of Bank	Dr. Balance as per Book. Rs	Remarks
337	Dist. Treasury - Kollam	6,227.00	
	Dist. Treasury - Kottayam	742.00	
	Dist. Treasury- Pathanamthitta	5,483.00	
230/1	Dist. Treasury Kannur	2,184.00	
590/1	Dist. Treasury Kasaragod	574.00	
8443.00-106	Dist. Treasury Malappuram	3,271.00	
42/1	Dist - Treasury Thamarassery	3,327.00	
106	Dist- Treasury - Wayanad	404.00	
	Total	22,212.00	

ANNEXURE - 2

Fraud/Misappropriations reported during the year

Suspended Employees- (Misappropriation/Malpractices)

Sl no	Name and Designation	Suspension	Amount (as per Charge sheet)	Reason	Enquiry Initiated	Present status	Status of documents	List of witness
1	Ajayakumar C L, Packer	w.e.f 10-08-2017	1,80,556/-	Misappropriation of fund for Rs. 1,74,378.26 towards unauthorized credit sales, stock deficit of Rs. 6177.50 and disobedience of office orders.	As per letter dt 06-01-2018	Enquiry completed. Enquiry Report received.	Documents handed over	Siyad.A,SPS, Sreekumaran Nair.B,S/S, Sajjiminol.M,H,Packer
2	Sri Bahuleyan G, Storekeeper	w.e.f 23-11-2017	22,724/-	Unauthorized sales from Regional Store TVM	As per letter dt 13-03-2018	Enquiry completed. Report received. Reinstated into service by imposing punishment of "Fine" of Rs. 75,000/- and absolute suspension. Retired from service on 30-04-2019.	Documents handed over	Renjith.M,P,A.O, Sreekumaran Nair.B
3	Ajay Gopinath, S/A	w.e.f 04.04.2018	9,49,588/-	Misappropriation of fund unauthorized credit sales for Rs. 8,07,906.21 and stock deficit of Rs. 1,41,681.50	As per letter dt 01-10-2018	Enquiry on progress	Documents handed over	Siyad A, SPS, Surendran T, S/A
4	C T Girija, S/A	w.e.f 26-12-2017	1,84,932/-	Misappropriation of fund and unauthorized credit sales.	As per letter dt 14-07-2018	Enquiry completed	Documents handed over	Bindu,J,QCI
5	Sunilkumar R, Packer	w.e.f 29-12-2017	1,34,214/-	Misappropriation of fund by keeping a sum of Rs. 72,431/- towards credit recovery in hand for a long period, and unauthorized credit sales	As per letter dt 02-07-2018	Enquiry completed	Documents handed over	sreejith,K,RM I/C, Harikumar:S/S
6	Anilkumar A C, Peon	w.e.f 29-12-2017	8,95,688/-	Misappropriation of fund and stock deficit for Rs. 6,60,186.50	As per letter dt 14-07-2018	Enquiry on progress	Documents handed over	Renjith.M,P,AO, Kannan,V,Supdt.
7	Sheeja T A, Packer	w.e.f 05-01-2018	6,24,154/-	Misappropriation of fund of Rs. 6,24,154/-, unauthorized credit sales and manhandling superior officer at Chalakkudy Showroom.	As per letter dt 02-07-2018	Enquiry on progress	Documents handed over	Baburajan.T.M,ARM(P), Sunil Mathew,K,CFO, Sreejith.k,RM I/C, Harikumar:S/S/S, Sheela,L,S/A
8	Jameskutty Abraham, S/A	w.e.f 30-01-2018	1,25,24,13/-	Misappropriation of fund, irregularities noticed between the computer bills and manual bills for Rs. 2,03,028/-, stock adjustment through computer for Rs. 8,03,861/-	As per letter dt 01-10-2018	Enquiry completed. Report received. Delinquent employee filed Writ Petition before Hon'ble High Court against the Enquiry Report and Management decided to reopen the enquiry.	Documents handed over	Baburajan.T.M,ARM(P),S unil Mathew,K,CFO, Kannan.V,
9	Babu T V, Packer	w.e.f 19-02-2018	8,63,831/-	Misappropriation of fund, failure in updating register and recovery of 3,08,012.75 towards credit sales, unauthorized credit sales.	As per letter dt 19-11-2018 and 24-11-2018	Enquiry on progress	Documents handed over	Elias.E,A,M(S/R)
10	Jayakumar K,Packer	w.e.f 01-03-2018	5,81,255,69	Misappropriation of fund in exhibition sales 2016, 2017, for Rs. 5,81,255.69	As per letter dt 30-01-2019	Enquiry on progress	Documents received from R.O.	Prathapan.V,RM(S/R), Kannan.V,Supdt.
11	Jinson Johnson, Packer	w.e.f 09-04-2018	2,29,820.45	Misappropriation of fund, stock deficit, disobedience of office orders and unauthorized credit sales	As per letter dt 15-01-2019	Enquiry on progress	Documents handed over	Baburajan.T.M, ARM(P)

Employees Working- (Misconduct/Malpractices)

Sl No.	Name	Charge Issue	Reason	Present status
1	Sri.M.V.Ramachandran, S/A	Charge Memo issued on 01.02.2017	Issue of Experience Certificate without proper procedures	Enquiry completed. Report received.
2	Sri.Kunhammed.C.P,SPS	Charge Memo issued on 13.12.2016	Gross irregularities, Misconduct, breach of Discipline	Enquiry completed. Report received. Dismissed from the service vide order dt 17-07-2019.
3	Sri Thulaseedharan J. S(TP)	w.e.f 03-04-2017	Unauthorised absence, from duty, Irresponsible in Performing duty	Enquiry completed and Enquiry Report received.

ANNEXURE – C
TO THE AUDITORS REPORT TO THE MEMBERS OF
KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LIMITED, KANNUR
FOR THE YEAR ENDED 31ST MARCH, 2019.

Report on the Internal financial controls under Clause (i) of sub section 3 of section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls over financial reporting of Kerala State Handloom Development Corporation Limited, (the Company) as of March 31, 2018 in conjunction with our audit of standalone financial statement of the Company for the year ended on that date.

Management 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 controls 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 Notes on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those standards and Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control 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 internal financial controls, system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting.

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) 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 (3) 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 controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 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 ICAI.

For M/s. **PAVITHRAN & MURALI**
Chartered Accountants
Firm Regn. No.002622 S

Place: Kannur.
Date: 31.10.2019

CA VISHNU.T.M
Partner
M.NO.235614
UDIN: 19235614AAAACM9782

ANNEXURE -1 TO THE AUDITORS' REPORT.

[Referred to in paragraph 1 of "other legal and regulatory requirements" of our Audit Report on the Statement of Directions & Additional directions under Section 143 (5) of Companies Act, 2013 Issued by Comptroller & Auditor General of India for the year 2017-18]

ANNEXURE-A

Sl. No.	Details/ Directions	Auditor's Reply	Action Taken and Impact on Accounts & Financial Statements
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Most of the transactions are processed manually at inception and then fed into accounting software. Transactions in various showrooms under the Company are compiled manually and then fed into the system. Stock records are prepared manually and quantitative particulars are not entered in the system.	There is no financial impact on the accounts.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	There is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest reported during the financial year.	There is no financial impact on the accounts.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation may be given.	The company has not maintained proper records showing utilization of grant / loan sanctioned under various schemes. The balances in books as Grant received have not been reconciled with the balance held against the fund. We are not able to verify whether the grants are utilized for the purpose for which it is granted.	There is no financial impact on the accounts.

For M/s. PAVITHRAN & MURALI

Chartered Accountants

Firm Regn. No.002622 S

CA VISHNU.T.M

Partner

M.NO.235614

UDIN: 19235614AAAACM9782

Place: Kannur.
Date: 31.10.2019

ADDITIONAL DIRECTIONS FOR AUDIT OF COMPANIES ENGAGED IN MANUFACTURING SECTOR

ANNEXURE-B

Sl. No.	Details/ Directions	Auditor's Reply	Action Taken and Impact on Accounts & Financial Statements
1	Whether the Company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?	The Corporation has been loading 38% on the total cost of production in order to absorb the fixed, variable and other overheads. No proper costing method exists to ascertain the cost of production and for fixing the selling price.	Action pending. The financial impact is not ascertainable on standalone financial statements of the Company.
2	Whether the company has utilized the Government assistance for technology upgradation /modernization of its manufacturing process and timely submitted the utilization certificates.	No utilization during the year.	There is no impact on standalone financial statements of the Company.
3	Whether the company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial actions is in existence.	No fixed norms for normal loss and a system for evaluation of abnormal losses exist.	There is no impact on standalone financial statements of the Company.
4	What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy.	The company values the stock of finished goods in retail margin method.	The financial impact is not ascertainable on standalone financial statements of the Company.
5	Whether the effect of deteriorated stores and spares of closed units been properly accounted for in the books.	No manufacturing units has been closed during the year.	There is no impact on standalone financial statements of the Company.
6	Whether the company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/ excess noticed during the physical verification.	The procedure of physical verification of inventory is done at the end of the year. Non moving items are not identified at the time of physical verification. Shortage/ excess of stock noticed was accounted properly. Age wise stock details are not ascertainable	Yes. The financial impact is not ascertainable.
7	State the extent of utilization of plant and machinery during the year vis-à-vis installed capacity.	No proper records of utilization of machinery hours and its productivity details are available. The company is seen utilized outside facility for the printing its own fabrics due to lack of proper machineries at the unit.	The financial impact is not ascertainable.
8	Report on the cases of discounts/ commission in regard to debtors and creditors where the company has deviated from its laid down policy.	No such deviation in policy for discounts/commission in regard to debtors and creditors noticed during the year	There is no impact on standalone financial statements of the Company.

For M/s. **PAVITHRAN & MURALI**
Chartered Accountants
Firm Regn. No.002622 S

CA VISHNU.T.M
Partner

M.NO.235614

UDIN: 19235614AAAACM9782

Place: Kannur.
Date: 31.10.2019



OFFICE OF THE ACCOUNTANT GENERAL (ECONOMIC AND REVENUE SECTOR AUDIT) KERALA, THIRUVANANTHAPURAM

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LIMITED, KANNUR FOR THE YEAR ENDED 31 MARCH 2019.

The preparation of financial statements of **Kerala State Handloom Development Corporation Limited, Kannur** for the year ended **31 March 2019** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **31 October 2019**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Kerala State Handloom Development Corporation Limited, Kannur** for the year ended **31 March 2019** 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**

**K.P. ANAND
ACCOUNTANT GENERAL (E&RSA), KERALA**

**Thiruvananthapuram
Dated: 11.12.2019**



Form No. MGT-11

Proxy form

[Pursuant to 105 (6) of the Companies Act 2013 and rule 19 (3) of the Companies (Management and Administration) Rules 2014]

CIN : U74140KL1968SGC002181
Name of the company : Kerala State Handloom Development Corporation Ltd.
Registered office : Kannur
Name of the member (s) :
Registered address :
E-mail Id :
Folio No./Client Id :
DP ID :

I/We, being the member (s) of shares of the above named Company, hereby appoint

1. Name

Address :

E-mail Id :

Signature :....., or failing him

2. Name

Address :

E-mail Id :

Signature :.....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 51th Annual General Meeting of the Company, to be held on Tuesday 31st December 2019 at 3.30 p.m. at Kannur and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.
- 2.
- 3.

Signed this day of 2019

Signature of shareholder

Signature of Proxy holder(s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hour before the commencement of the Meeting.

ഫോറം നം. MGT-11

പ്രോക്സി ഫോറം

(2013 കമ്പനി നിയമം സെക്ഷൻ 105 (6) ഉം, 2014 കമ്പനി നിയമം
(അഡ്മിനിസ്ട്രേഷൻ മാനേജ്മെന്റ്) നിയമം 19 (3) ഉം പ്രകാരം

സി. ഐ. എൻ : U74140KL1968SGC002181
 കമ്പനിയുടെ പേര് : കേരള സംസ്ഥാന കൈത്തറി വികസന കോർപ്പറേഷൻ ലിമിറ്റഡ്
 രജിസ്ട്രേഷൻ ഓഫീസ് : കണ്ണൂർ
 മെമ്പറുടെ പേര് :
 അഡ്രസ്സ് :

ഇ- മെയിൽ ഐ. ഡി. :
 ഫോളിയോ നം :
 ഡിപി ഐഡി :

കേരള സ്റ്റേറ്റ് ഹാൻഡ്ലും ഡവലപ്മെന്റ് കോർപ്പറേഷൻ ലിമിറ്റഡ് മെമ്പറായ ഞാൻ/ഞങ്ങൾ

എന്നയാളെ 2019 ഡിസംബർ 31-ാം തീയതി ചൊവ്വാഴ്ച ഉച്ചയ്ക്ക് ശേഷം 3.30ന് നടക്കുന്ന കോർപ്പറേഷന്റെ 51-ാമത് വാർഷിക പൊതുയോഗത്തിലും കൂടാതെ തുടർന്ന് പ്രസ്തുത പൊതുയോഗം തീരുമാനങ്ങളെടുക്കാതെ നീട്ടി വെക്കുകയാണെങ്കിൽ ആയതിലും എനിക്ക് പകരം ഹാജരാകുന്നതിന് നിയോഗിക്കുന്നു.

നെസലുഷൻ നം

- 1
- 2
- 3

2019..... മേൽപറഞ്ഞ എന്ന ആൾ ഒപ്പിട്ടിരിക്കുന്നു.

ഒപ്പ്
പ്രോക്സി

ഒപ്പ്
മെമ്പർ

കുറിപ്പ് : മീറ്റിംഗിന് 48 മണിക്കൂർ മുമ്പേ കണ്ണൂരിൽ തില്ലേരി റോഡിലുള്ള കോർപ്പറേഷന്റെ രജിസ്ട്രേഷൻ ഓഫീസിൽ കിട്ടത്തക്കവണ്ണം പ്രോക്സികൾ തിരിച്ചയക്കേണ്ടതാണ്.

കേരള സംസ്ഥാന കൈത്തറി വികസന കോർപ്പറേഷൻ ലിമിറ്റഡ്

രജി. ഓഫീസ് : തില്ലേരി റോഡ്, കണ്ണൂർ

അറ്റൻഡൻസ് / അഡ്മിഷൻ സ്ലിപ്പ്

ദയവായി ഈ സ്ലിപ്പ് പൂരിപ്പിച്ച് മീറ്റിംഗ് ഹാളിന്റെ കവാടത്തിൽ ഏൽപ്പിക്കുക.
ജോയന്റ് ഷെയർഹോൾഡർമാർ കൂടുതൽ സ്ലിപ്പുകൾക്ക് അപേക്ഷിക്കേണ്ടതാണ്
എൻവലപ്പിൻമേൽ കൊടുത്തിരിക്കുന്ന നമ്പറും പേരും ചുവടെ ചേർക്കുക.

നമ്പർ	പേരും അഡ്രസ്സും
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കോർപ്പറേഷനിലെ ഷെയറുകളുടെ ഉടമയാണ് ഞാൻ എന്ന് സർട്ടിഫൈ ചെയ്യുന്നു. കോർപ്പറേഷന്റെ 2019 ഡിസംബർ 31-ാം തീയതി ചൊവ്വാഴ്ച ഉച്ചയ്ക്ക് ശേഷം 3.30 ന് ജവഹർലാൽ നെഹ്റു പബ്ലിക് ലൈബ്രറി & റിസർച്ച് സെന്റർ, യോഗശാല റോഡ്, കണ്ണൂരിൽ വെച്ച് നടക്കുന്ന 51-ാമത് വാർഷിക പൊതുയോഗത്തിൽ, എന്റെ ഹാജർ ഇതിനാൽ രേഖപ്പെടുത്തുന്നു. ദയവായി മെമ്പറാണോ പ്രോക്സിയാണോ എന്ന് രേഖപ്പെടുത്തുക.

മെമ്പറുടെ / പ്രോക്സിയുടെ ഒപ്പ്

കുറിപ്പ്: മെമ്പർ / പ്രോക്സി ഈ സ്ലിപ്പ് മീറ്റിംഗിൽ കൊണ്ടുവരേണ്ടതും പ്രവേശന കവാടത്തിൽ ഒപ്പിട്ട് ഏൽപ്പിക്കേണ്ടതുമാണ്.

Kerala State Handloom Development Corporation Ltd., Kannur
Registered Office : Thilleri Road, Kannur



ATTENDANCE / ADMISSION SLIP

Please complete this slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional slips on request.

(No. & Name of Shareholder / Joint holders and address as given on the envelope are to be furnished below in BLOCK LETTERS

No.	Name and Address
-----	------------------

I Certify that I am a registered shareholder of the Corporation and hold Shares. I hereby record my presence at the 51th Annual General Meeting at Jawaharlal Nehru Public Library & Research Centre, Yogasala Road, Kannur-1 on Tuesday the 31st December 2019 at 3.30 p.m.

Member / Proxy

Note: Shareholder / Proxy holder must bring this slip to the entrance duly signed.