



Kerala State Handloom Development  
Corporation Limited, Kannur-1.

**53<sup>rd</sup> ANNUAL REPORT &  
FINANCIAL STATEMENTS 2020-2021**



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

CIN:- U74140KL1968 SGC002181

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**Chairman**

Sri.T.K.Govindan Master (DIN No. 07797281)

**Directors**

Sri. Arunachalam Sukumar (DIN No. 06624132)  
Sri. K.S. Anil Kumar (DIN No. 09523874)  
Sri. Binu K. (DIN No. 09405248)  
Sri. Siju Jacob (DIN No. 09715297)  
Sri. V.G.Raveendran (DIN No. 07961822)  
Sri.Mangode Radhakrishnan (DIN No. 08042022)  
Dr.Prasad P. N (DIN No. 09738751)

**Company Secretary (in charge)**

Sri.Sunil Mathew. K

**Chief Financial Officer**

Sri. Sunil Mathew. K

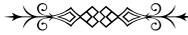
**Auditors**

M/s. George & Regi  
Chartered Accountants, Kannur

**Principal Bankers**

State Bank of India, Kannur

\*Details as on 31.10.2022



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

Regional Offices

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

Legal Advisors

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

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

## **NOTICE OF ADJOURNED FIFTY THIRD ANNUAL GENERAL MEETING**

Notice is hereby given that the Adjourned 53<sup>rd</sup> Annual General Meeting of the Shareholders of the Corporation will be held on Saturday, the 31<sup>st</sup> December 2022 at 03:30 P.M Jawaharlal Nehru Public Library and Research Centre, Kannur to transact the following business.

### **ORDINARY BUSINESS**

To receive, consider and adopt the Financial Statements of the Corporation for the year ended 31<sup>st</sup> March 2021, including the audited Balance Sheet as on 31<sup>st</sup> March 2021, 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.

By Order of the Board,

Sd/-

**Sunil Mathew. K**

Chief Financial Officer

Place: Thiruvananthapuram

Date : 28-10-2022

### **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 adoption of the Accounts and Balance Sheet of the Corporation for the year ended 31<sup>st</sup> March, 2021 was adjourned at the Annual General Meeting held on 28-09-2021 as the accounts were not ready for statutory certification and the certification was received on 11-03-2022. Since then, the Comptroller & Auditor General of India has sent the NIL comments on 09-06-2022. These are included in the addendum to reports and accounts which is sent herewith.
3. The Adjourned 53<sup>rd</sup> Annual General Meeting is now being held for consideration and adoption of the Audited Balance Sheet, and the Profit & Loss Account of the Corporation for the Financial Year 2020-21. The Report of the Statutory Auditors, Report of the Directors, Reply to Statutory Auditor's Comments and Comments of the Comptroller & Auditor General of India, form part of the Annual Report.

# കേരള സംസ്ഥാന കൈത്തറി വികസന കോർപ്പറേഷൻ ലിമിറ്റഡ്, കണ്ണൂർ-1

## നോട്ടീസ്

കോർപ്പറേഷൻ മെമ്പർമാരുടെ നീട്ടിവെച്ചിരുന്ന 53-ാമത് വാർഷിക പൊതുയോഗം താഴെ പറയുന്ന കാര്യങ്ങൾ നിർവ്വഹിക്കുന്നതിനായി 2022 ഡിസംബർ 31 ശനിയാഴ്ച വൈകുന്നേരം 3.30 ന് കണ്ണൂർ യോഗശാല റോഡിലുള്ള ജവഹർലാൽ നെഹ്റു പബ്ലിക് ലൈബ്രറി ആന്റ് റിസർച്ച് സെന്ററിൽ വെച്ച് ചേരുന്നതാണ് എന്ന് ഇതിനാൽ അറിയിച്ചുകൊള്ളുന്നു.

2021 മാർച്ച് 31ന് അവസാനിച്ച വർഷത്തെ ഡയറക്ടർമാരുടെയും ഓഡിറ്റർമാരുടെയും റിപ്പോർട്ടും ഓഡിറ്റ് ചെയ്ത ബാലൻസ് ഷീറ്റ്, ലാഭഘോഷ കണക്കുകൾ, ആസ്തി ബാധ്യത എന്നിവ അടക്കമുള്ള കോർപ്പറേഷന്റെ സാമ്പത്തിക പട്ടികയും അംഗീകരിക്കുന്നതിന്.

ബോർഡിന്റെ നിർദ്ദേശപ്രകാരം  
(ഒപ്പ്)

**സുനിൽ മാത്യു കെ.**

ചീഫ് ഫിനാൻഷ്യൽ ഓഫീസർ

തിരുവനന്തപുരം  
28.10.2022

- കുറിപ്പ് :-
1. യോഗത്തിൽ ഹാജരാകുവാനും, വോട്ട് ചെയ്യുവാനും അർഹതയുള്ള ഒരു മെമ്പർക്ക് തനിക്കുപകരം യോഗത്തിൽ ഹാജരാകുന്നതിന് ഒരു പ്രതിപുരുഷനെ നിയോഗിക്കാവുന്നതാണ്. പ്രസ്തുത ആൾ കമ്പനിയുടെ ഒരു മെമ്പറായിരിക്കണമെന്ന് നിർബന്ധമില്ല. അങ്ങനെ നിയോഗിക്കുകയാണെങ്കിൽ യോഗം കൂടുന്നതിന് 48 മണിക്കൂർ മുമ്പ് കമ്പനിയുടെ ഓഫീസിൽ അറിയിക്കേണ്ടതാണ്.
  2. 2021 മാർച്ച് 31 തീയതിയിൽ അവസാനിച്ച സാമ്പത്തിക വർഷത്തെ കോർപ്പറേഷന്റെ കണക്കുകൾ നിയമപരമായ സർട്ടിഫിക്കേഷൻ ലഭിക്കുന്നതിന് സജ്ജമാകാത്തതിനാൽ ആയത് അഡോപ്റ്റ് ചെയ്യുന്നത് 28.9.2021 തീയതിയിൽ നടന്ന വാർഷിക പൊതുയോഗം നീട്ടിവെച്ചിരുന്നു. പ്രസ്തുത കണക്കുകൾക്ക് 11.3.2022 തീയതിയിൽ നിയമപരമായി സർട്ടിഫിക്കേഷൻ ലഭിക്കുകയും ചെയ്തിട്ടുണ്ട്. അതിനുശേഷം കമ്പ്ലൈൻഡ് ആന്റ് ഓഡിറ്റർ ജനറൽ ഓഫ് ഇന്ത്യ 9.6.2022 തീയതിയിൽ കോർപ്പറേഷന്റെ കണക്കുകളിൽമേലുള്ള NIL കമന്റ്സ് അയച്ചു നൽകിയിട്ടുണ്ട്. ആയത് വാർഷിക കണക്കുകളുടെയും റിപ്പോർട്ടുകളുടെയും അനുബന്ധമായി ചേർത്തിട്ടുണ്ട്.
  3. കമ്പനി നിയമം 2013 ലെ വ്യവസ്ഥകൾക്കനുസരിച്ച് 2020-21 സാമ്പത്തിക വർഷത്തെ കോർപ്പറേഷന്റെ ഓഡിറ്റ് ചെയ്ത ബാലൻസ് ഷീറ്റ്, ലാഭഘോഷ കണക്കുകൾ എന്നിവ പരിഗണിക്കുന്നതിനും അംഗീകരിക്കുന്നതിനും വേണ്ടിയാണ് നീട്ടിവെച്ച 53-ാമത് സ്റ്റാട്ട്യൂട്ടറി ഓഡിറ്റർമാരുടെ റിപ്പോർട്ട്, അതിനുള്ള മറുപടി, ഡയറക്ടർമാരുടെ റിപ്പോർട്ട്, കമ്പ്ലൈൻഡ് ആന്റ് ഓഡിറ്റർ ജനറൽ ഓഫ് ഇന്ത്യയുടെ വ്യാഖ്യാനം എന്നിവയും വാർഷിക റിപ്പോർട്ടിന്റെ ഭാഗമാണ്.

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

### **To the Members**

Your Directors are pleased to present the Fifty Third Annual Report on the business and operations of the Company and the Financial Statements for the Financial Year ended 31<sup>st</sup> March 2021.

As you are well aware the main objective of the Corporation is the upliftment 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 upliftment of weavers.

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 powerloom 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.

Apart from the hostile economic environment, Covid-19 pandemic situation has severely affected the business of the Corporation. The Government of India as part of the measures to contain the Covid-19 pandemic had imposed a nationwide lockdown with effect from the 24<sup>th</sup> Day of March 2020 and had twice extended the nationwide lockdown till the month of May 2020. This lockdown has severely curtailed the financial activities of the Corporation with the Showrooms remaining closed and the loss of rebate seasons resulting in steep decline in sales thereby causing considerable revenue loss to the Corporation. While the nationwide lockdown was eventually lifted in a phased manner, the State Government, as part of its efforts to contain the pandemic had imposed region specific lockdowns and had enforced strict social distancing norms there by limiting the customer's presence in the Showrooms resulting in further loss of business to the Corporation. The Corporation, in order to tide over the current situation is also exploring the possibility of tapping into the online marketing by listing our products in online market places.

### **THE YEAR IN RETROSPECT**

During the year, sales turnover decreased by 6.09 % from Rs. 2079.57 lakhs in 2019-20 to Rs.1952.77 in 2020-21. The loss for the year 2019-20 is placed at Rs. 785.79 lakhs as against Rs. 503.09 Lakhs during 2020-21. Your Company has recorded a production of Rs. 1133.60 Lakhs during 2020-21 as against Rs.1668.40 lakhs during 2019-20.

Your Company has completed 53 years in the year 2021 and is striving hard to reach the breakeven profit.

As on 31-03-2021 the Corporation has 36 showrooms running directly and 2 exclusive agency showrooms. 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 Rs. 129.41 lakhs to various Weavers' Co-operative 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**

(R in lakhs)

Particulars	2020-21	2019-20
Revenue from operations	1952.77	2079.57
Other Income	373.09	244.48
Total revenue	2325.86	2324.05
<b>Expenses</b>		
Cost of materials consumed	280.14	488.71
Changes in inventories of finished goods, work in progress	163.24	-316.24
Employee benefits expenses	850.48	895.65
Finance costs	191.02	187.66
Depreciation & amortization expenses	11.68	18.40
Manufacturing, Administration & selling expenses	1332.39	1835.66
Prior period items (net)	NIL	NIL
<b>Total expenses</b>	<b>2828.95</b>	<b>3109.84</b>
<b>Profit before Tax (PBT)</b>	<b>(503.09)</b>	<b>(785.79)</b>
<b>Profit after tax (PAT)</b>	<b>(503.09)</b>	<b>(785.79)</b>

## **SHARE CAPITAL**

Authorised Share Capital and Paid-Up capital of the Company as on 31-03-2021 stood at Rs. 50,00,00,000/- and Rs. 49,66,00,000/- respectively.

## **CONVENING OF AGM THROUGH VIDEO CONFERENCING & AUDIT OF ACCOUNTS**

In view of COVID-19 pandemic outbreak, Ministry of Corporate Affairs had allowed conducting of Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed with the requirement of personal presence of the members at the meeting. Accordingly, 53<sup>rd</sup> Annual General Meeting (AGM) of the members was held through VC/OAVM as allowed by the Ministry of Corporate Affairs through various circulars.

Due to restrictions imposed on account of on-going Covid-19 pandemic, the audit of the accounts of the Financial Year ended 31<sup>st</sup> March 2021 was not completed consequent to which the audited Financial Statement i.e., Balance Sheet as on 31<sup>st</sup> March 2021 and the Profit & Loss Account for the year ended on that date was not placed before the Annual General Meeting convened on 28-09-2021 and accordingly the meeting was adjourned to future date for adopting the accounts.

Duly audited accounts for the Financial Year 2020-21 along with comments of Controller & Auditor General of India form part of 53<sup>rd</sup> (adjourned) Annual Report.

## **KERALA GARMENTS LTD**

Consequent to the reconstitution of the KGL Board in compliance with G.O (Rt) No. 1552/2017/ID dated: 13-10-2017 the pending accounts of Kerala Garments limited for the period from 2009-10 to 2019-20 have been audited and the audited Financial Statements were placed in the Board and approved, which is also placed before the Annual General Meetings of share holders and adopted. Further the audit of accounts of KGL for the year 2020-21 have also been completed and the audited Financial Statements were placed in the KGL Board dated: 09-05-2022 and approved. As per G.O (Ms) No.15/2011/ID Dated:18-01-2011, direction was given to transfer the land and building of KGL to Hanveev. Accordingly vide letter dated: 25-03-2021 request was made to the Principal Secretary, Industries © Department for waiving the Stamp Duty, Registration Fee and other Government expenses in this regard consequent to which the Government vide orders dated: 22-11-2021 and 23-11-2021 had exempted Hanveev from payment of Stamp Duty, Registration Charge in connection with the transfer of land and building owned by Kerala Garments Limited to Hanveev.

## **HANVEEV PROCESSING HOUSE, CHIRAKKAL AND OTHER DYE HOUSES**

The Company's Processing Unit at Chirakkal & Kalliasseri are performing well.

## **WELFARE MEASURES TO WEAVERS**

Various weaver welfare measures like House-cum-work shed Scheme, Contributory Thrift Fund and Additional Production Incentive are being perused and it is the endeavour of the Corporation to continue these measures in the coming years also. 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.

Government 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 Board of Directors of the Company have met 3 times during the year 2020-21.
2. 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**

The Government vide G.O (Rt) No.570/2020/ID dated: 29-07-2020 conveyed the appointment of Sri. Ubaidulla A.C, Under Secretary, Finance Department as Director of the Corporation. However, his directorship was taken on record consequent to his allotment of DIN w.e.f 11-09-2020. Further to this the Government vide G.O (Rt) No.702/2020/ID dated: 26-08-2020 conveyed the appointment of Sri.Murali.S, Joint Secretary, Industries Department as Director of the Corporation. However, his directorship was taken on record consequent to his allotment of DIN w.e.f 08-09-2020.

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)(O) 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 2020-21, no dividend is declared.

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

There was no foreign exchange earnings 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 31-03-2021)**

Employee category	No. of persons employed
Officers	10
Clerical	145
Skilled	03
Semi-skilled	17
Unskilled	12
<b>Total</b>	<b><u>187</u></b>

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 work force is committed towards the protection of the interest of the weavers, stake holders 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 6 Directors including the Chairman out of which 3 are official Directors.

### COMPOSITION OF BOARD

The Composition and category of the Directors along with their attendance at Board Meetings during the year ended 31<sup>st</sup> March 2021 are as given below:

Sl.No.	Name of Director	25-09-2020	22-12-2020	20-02-2021
1	Sri. K.P. Sahadevan	Present	Present	Present
2	Sri. Sudhir K	Present	Present	Present
3	Sri. Murali S*	Present	Present	Leave of Absence
4	Sri. Ubaidulla A.C*	Present	Present	Present
5	Sri. V.G. Raveendran	Present	Present	Present
6	Sri. Mangode Radhakrishnan	Leave of Absence	Leave of Absence	Present

\*Sri.Ubaidulla A.C, Under Secretary Finance Department was appointed as Director with effect from 11-09-2020 (date of allotment of DIN) in compliance with the Government Order G.O (Rt) No.570/2020/ID dated: 29-07-2020.

\*Sri. Murali.S, Joint Secretary, Industries Department was appointed as Director with effect from 08-09-2020 (date of allotment of DIN) in compliance with the Government Order G.O (Rt) No.702/2020/ID dated: 26-08-2020.

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 31-03-2021

No. of applications received	- 79
No. of applications replied	- 74
No. of appeals received	- 18
No. of appeals replied	- 02

## **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 3 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 George & Regi Chartered Accountants as Statutory Auditors for the Financial Year 2020-21.

## **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/-

**T.K.Govindan Master**  
Chairman

Place : Thiruvananthapuram

Dt : 26.7.2022

## **ADDENDUM TO DIRECTORS' REPORT 2020-21**

**Reply to the statutory Auditor's Comments on the Accounts of the Corporation for the year 2020-21**

### **ANNEXURE-A**

4. 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.
5. Provision is made for leave encashment based on the Balance Sheet date
6. Noted the direction of Auditors and it will take care with the approval of Board.
7. The amount appearing in the Accounts as on 31-3-2021 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.
8. 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.

### **ANNEXURE - C**

- 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 46 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 completed the audit up to 2020-21 and the process of strike/Merge of Kerala Garments is in final stage. 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) Already replied in Annexure B point No.7

For Kerala State Handloom Development Corporation Ltd., Kannur

Sd/-

Place : Thiruvananthapuram

Date : 26.7.2022

Managing Director

# കേരള സംസ്ഥാന കൈത്തറി വികസന കോർപ്പറേഷൻ ലിമിറ്റഡ്, കണ്ണൂർ - 1

## 2021 മാർച്ച് 31-ന് അവസാനിക്കുന്ന വർഷത്തെ ഭരണസമിതിയുടെ റിപ്പോർട്ട്

### അവതാരിക

കമ്പനിയുടെ ബിസിനസിന്റെയും പ്രവർത്തനങ്ങളെയും സംബന്ധിച്ച് 53-ാമത് വാർഷിക റിപ്പോർട്ടും 2021 മാർച്ച് 31 ന് അവസാനിക്കുന്ന സാമ്പത്തിക വർഷത്തെ കണക്കുകളും നിങ്ങളുടെ മുമ്പാകെ വെക്കുന്നതിൽ നിങ്ങളുടെ ധയരക്ടർമാർക്ക് അതിയായ സന്തോഷമുണ്ട്.

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

പരിഗണനയിലിരിക്കുന്ന വർഷത്തെ കോർപ്പറേഷന്റെ സാമ്പത്തിക സ്ഥിതി മോശമായതിനാലും വളർച്ചാനിരക്ക്, വിലക്കയറ്റം, മൂലധന നിക്ഷേപം എന്നിവയിലുള്ള ആശങ്കയും കാരണം പ്രധാന വ്യവസായ മേഖലകളെല്ലാം മാനുഷികമായതും കോർപ്പറേഷന്റെ വിറ്റുവരവിനെ സാരമായി ബാധിച്ചു. പവർലും വ്യവസായത്തിൽ നിന്നുള്ള കടുത്ത മത്സരം കമ്പനിയുടെ വിറ്റുവരവ് വർദ്ധിപ്പിക്കുന്ന കാര്യത്തിൽ ആശങ്കയുണ്ടാക്കുന്നു. വെല്ലുവിളികൾ നേരിടാനും കമ്പനിയുടെ പ്രകടനം മെച്ചപ്പെടുത്തുവാനുമുള്ള നടപടികൾ സ്വീകരിച്ചിട്ടുണ്ട്.

കോർപ്പറേഷന്റെ മോശമായ സാമ്പത്തിക പരിതസ്ഥിതിക്ക് പുറമെ സംസ്ഥാനത്ത് നിലനിൽക്കുന്ന കോവിഡ് - 19 പാൻഡെമിക് സാഹചര്യം കോർപ്പറേഷന്റെ ബിസിനസിനെ സാരമായി ബാധിച്ചു. പകർച്ചവ്യാധി തടയുന്നതിനുള്ള നടപടികളുടെ ഭാഗമായി കേന്ദ്രസർക്കാർ 2020 മാർച്ച് 24 മുതൽ രാജ്യവ്യാപകമായി ലോക്ക്ഡൗൺ പ്രഖ്യാപിക്കുകയും തുടർന്ന് പ്രസ്തുത ലോക്ക്ഡൗൺ 2020 മേയ് മാസം വരെ രണ്ടു തവണ നീട്ടുകയുമുണ്ടായി. ഷോറൂമുകൾ അടഞ്ഞു കിടന്നതും റിബേറ്റ് സീസണുകൾ നഷ്ടപ്പെട്ടതും മൂലം വിലപനയിൽ സാരമായ കുറവുണ്ടാകുകയും ആയത് കോർപ്പറേഷന്റെ സാമ്പത്തിക പ്രവർത്തനങ്ങളെ സാരമായി ബാധിക്കുകയും ചെയ്തു. രാജ്യവ്യാപകമായ ലോക്ക്ഡൗൺ ഒടുവിൽ ഘട്ടംഘട്ടമായി പിൻവലിച്ചപ്പോൾ, സംസ്ഥാന സർക്കാർ, പകർച്ചവ്യാധി തടയുന്നതിന്റെ ഭാഗമായി പ്രാദേശിക ലോക്ക്ഡൗൺ ഏർപ്പെടുത്തുകയും കർശനമായ സാമൂഹിക അകലം പാലിക്കണമെന്ന നിബന്ധന ഏർപ്പെടുത്തുകയും അതുവഴി ഷോറൂമുകളിൽ ഉപഭോക്താവിന്റെ സാന്നിധ്യം പരിമിതപ്പെടുകയും ചെയ്തതിന്റെ ഫലമായും കോർപ്പറേഷന്റെ ബിസിനസിൽ സാരമായ നഷ്ടമുണ്ടായി. നിലവിലെ സാഹചര്യങ്ങളെ നേരിടാൻ കോർപ്പറേഷൻ തങ്ങളുടെ ഉല്പന്നങ്ങൾ ഓൺലൈൻ മാർക്കറ്റിംഗ് വഴി വിലപന നടത്തുന്നതിനുള്ള സാധ്യതയും അന്വേഷിക്കുന്നു.

### **ഉൽപാദനവും വിപണനവും**

കോർപ്പറേഷന്റെ 2019-20 വർഷത്തെ വിറ്റുവരവ് 2079.57 ലക്ഷം രൂപയായിരുന്ന സ്ഥാനത്ത് 2020-21 വർഷത്തെ വിറ്റുവരവ് 1952.77 ലക്ഷം രൂപയായിരുന്നു. അതായത് വിറ്റുവരവിൽ 6.09 ശതമാനം കുറവുണ്ടായി. 2019-20 വർഷത്തെ നഷ്ടം 785.79 ലക്ഷം രൂപയായിരുന്ന സ്ഥാനത്ത് 2020-21 വർഷത്തെ നഷ്ടം 503.09 ലക്ഷം രൂപയാണ്. 2019-20 വർഷം തുണിയുടെ ഉൽപാദനവും സംഭരണവും 1668.40 ലക്ഷം രൂപയായിരുന്ന സ്ഥാനത്ത് 2020-21 വർഷത്തെ ഉൽപാദനവും സംഭരണവും 1133.60 ലക്ഷം രൂപയാണ്. 2021ൽ 53 വർഷത്തെ പ്രവർത്തനം പൂർത്തിയാക്കുന്ന കോർപ്പറേഷൻ ലാഭത്തിലാക്കുന്നതിനുവേണ്ടി വളരെയധികം പരിശ്രമിക്കുന്നുണ്ട്.

ഇപ്പോൾ കോർപ്പറേഷന് 36 സ്വന്തം ഷോറൂമുകളും (31-3-2021 കണക്ക് പ്രകാരം) 02 ഏജൻസി ഷോറൂമുകളുമുണ്ട്. കൈത്തറി മേഖലയെ പ്രോത്സാഹിപ്പിക്കുന്നതിന്റെ ഭാഗമായി 2013 മുതൽ സർക്കാർ ജീവനക്കാർ എല്ലാ ബുധനാഴ്ചയും കൈത്തറിവസ്ത്രം ധരിക്കണം എന്ന ഗവൺമെന്റ് നിർദ്ദേശം നടപ്പിലാക്കിയിട്ടുണ്ട്.

വിവിധ കൈത്തറി സഹകരണ സംഘങ്ങൾക്കും, കോർപ്പറേഷന്റെ ഉപഘടകമായ കേരള ഗാർമെന്റ്സിനും കൂടി കോർപ്പറേഷൻ 2013 ലെ കമ്പനി നിയമത്തിലെ സെക്ഷൻ 186 അനുശാസിക്കുന്ന തരത്തിലുള്ള 129.41 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**

(Rs.in lakhs)

Particulars	2020-21	2019-20
Revenue from operations	1952.77	2079.57
Other Income	373.09	244.48
Total revenue	2325.86	2324.05
Expenses		
Cost of materials consumed	280.14	488.71
Changes in inventories of finished goods, work in progress	163.24	-316.24
Employee benefits expenses	850.48	895.65
Finance costs	191.02	187.66
Depreciation & amortization expenses	11.68	18.40
Manufacturing, Administration & selling expenses	1332.39	1835.66
Prior period items (net)	NIL	NIL
Total expenses	2828.95	3109.84
Profit before Tax (PBT)	(503.09)	(785.79)
Profit after tax (PAT)	(503.09)	(785.79)

**ഓഹരിമൂലധനം**

31.03.2021 തീയതിയിൽ കമ്പനിയുടെ അംഗീകൃത മൂലധനവും അടച്ച മൂലധനവും യഥാക്രമം 50,00,00,000/- രൂപയും 49,66,00,000 - രൂപയുമാണ്.

**അക്കൗണ്ടുകളുടെ ഓഡിറ്റിംഗ്, എ.ജി.എം. എന്നിവ വീഡിയോ കോൺഫറൻസിംഗിലൂടെ നടത്തുന്നത്.**

കോവിഡ്-19 മഹാമാരി കണക്കിലെടുത്ത്, കോർപ്പറേഷന്റെ വാർഷിക പൊതുയോഗം വീഡിയോ കോൺഫറൻസിംഗ് (വിസി) അല്ലെങ്കിൽ മറ്റ് ദൃശ്യ ശ്രാവ്യ മാധ്യമങ്ങൾ മുഖേനയോ (ഐവിഎം) നടത്താൻ കോർപ്പറേറ്റ് കാര്യ മന്ത്രാലയം അനുവദിക്കുകയും യോഗത്തിൽ അംഗങ്ങളുടെ വ്യക്തി പരമായ സാന്നിധ്യം ഒഴിവാക്കുകയും ചെയ്തു. അതനുസരിച്ച് കോർപ്പറേറ്റ് കാര്യ മന്ത്രാലയം വിവിധ സർക്കുലറുകളിലൂടെ അനുവദിച്ച പ്രകാരം അംഗങ്ങളുടെ 53 - ാം വാർഷിക പൊതുയോഗം (AGM) VC / OAVM മുഖേന നടത്തുകയും ചെയ്തു.

നിലവിലുള്ള കോവിഡ് 19 മഹാമാരി കാരണം ഏർപ്പെടുത്തിയിരിക്കുന്ന നിയന്ത്രണങ്ങൾ കാരണം 2021 മാർച്ച് 31 ന് അവസാനിച്ച സാമ്പത്തിക വർഷത്തിലെ അക്കൗണ്ടുകളുടെ ഓഡിറ്റ് പൂർത്തിയായിരുന്നില്ല. അതിന്റെ ഫലമായി 2021 മാർച്ച് 31 വരെയുള്ള ഓഡിറ്റ് ചെയ്ത ബാലൻസ് ഷീറ്റും ആ തീയതിയിൽ അവസാനിച്ച ആ വർഷത്തെ പ്രോഫിറ്റ് & ലോസ് അക്കൗണ്ടും 28.09.2021 തീയതിയിൽ നടന്ന വാർഷിക പൊതുയോഗത്തിൽ വച്ചിരുന്നില്ല. അതനുസരിച്ച് അക്കൗണ്ടസ് അഡ്വൈസ് ചെയ്യുന്നതിന് മറ്റൊരു തീയതിയിലേക്കു യോഗം മാറ്റിവെച്ചു.

2021 മാർച്ച് 31 ന് അവസാനിച്ച സാമ്പത്തിക വർഷത്തിലെ ഓഡിറ്റ് ചെയ്ത കണക്കുകളും കംട്രോളർ & ഓഡിറ്റർ ജനറലിന്റെ കമെന്റും 53-മത് (നീട്ടിവച്ച) വാർഷിക റിപ്പോർട്ടിന്റെ ഭാഗമാണ്.

**കേരള ഗാർമെന്റ്സ് ലിമിറ്റഡ്**

13.10.2017 ലെ 1552/2017/ID നമ്പർ സർക്കാർ ഉത്തരവ് പ്രകാരം കേരള ഗാർമെന്റ്സ് ലിമിറ്റഡിന്റെ ബോർഡ് പുനഃസംഘടിപ്പിച്ചതിനോടനുബന്ധിച്ച് കേരള ഗാർമെന്റ്സ് ലിമിറ്റഡിന്റെ 2009-10 സാമ്പത്തിക വർഷം മുതൽ 2019-20 സാമ്പത്തിക വർഷം വരെയുള്ള കണക്കുകൾ ഓഡിറ്റ് ചെയ്യുകയും ഓഡിറ്റ് ചെയ്ത കണക്കുകൾ ഭരണസമിതിയുടെ അംഗീകാരത്തോടെ ഓഹരിയുടെ മേൽ വാർഷിക പൊതുയോഗത്തിൽ വച്ച് അഡ്വൈസ് ചെയ്തിട്ടുണ്ട്. കൂടാതെ 2020-21 സാമ്പത്തിക വർഷത്തെ കണക്കുകളുടെ ഓഡിറ്റിംഗ് പൂർത്തിയാക്കുകയും ഓഡിറ്റ് ചെയ്ത കണക്കുകൾ 09-05-2022 തീയതിയിലെ ഭരണസമിതി അംഗീകരിക്കുകയും ചെയ്തിട്ടുണ്ട്. 18.01.2011 തീയതിയിലെ G.O (Ms)No.15/2011/ID ഉത്തരവ് പ്രകാരം കേരള ഗാർമെന്റ്സിന്റെ ഭൂമിയും കെട്ടിടവും ഹാൻഡ്വിവിന് കൈമാറാൻ സർക്കാർ നിർദ്ദേശം നൽകുകയുണ്ടായി അത് പ്രകാരം ഭൂമി കൈമാറുവുമായി ബന്ധപ്പെട്ട് സ്റ്റാമ്പ് ഡ്യൂട്ടി, രജിസ്ട്രേഷൻ ചാർജ്ജ് മറ്റ് സർക്കാർ ചിലവുകൾ എന്നിവ ഒഴിവാക്കി തരണമെന്ന് 25-03-2021 തീയതിയിലെ കത്ത് പ്രകാരം വ്യവസ്ഥാപന (സി) വകുപ്പ് പ്രിൻസിപ്പൽ സെക്രട്ടറിക്ക് അപേക്ഷ നൽകിയിട്ടുണ്ട്.

**കോർപ്പറേഷന്റെ സംസ്കരണ ശാലകൾ**

കോർപ്പറേഷന്റെ ചിറക്കൽ, കല്യാശ്ശേരി എന്നിവിടങ്ങളിലുള്ള സംസ്കരണ ഫാക്ടറികൾ നല്ല രീതിയിൽ പ്രവർത്തിക്കുന്നുണ്ട്.

**നെയ്ത്തുകാർക്കുള്ള ക്ഷേമ പ്രവർത്തനങ്ങൾ**

വീടും പണിശാലയും നിർമ്മിക്കുന്ന സ്കീം, കോൺട്രിബ്യൂട്ടറി ത്രിഫ്റ്റ് ഫണ്ട്, അധിക ഉൽപ്പാദന ഇൻസെന്റീവ് തുടങ്ങിയ പലതരത്തിലുള്ള ക്ഷേമ പ്രവർത്തനങ്ങൾ നടപ്പിലാക്കിയത് നടപ്പുവർഷവും തുടർന്നുള്ള വർഷങ്ങളിലും തുടരുന്നതാണ് കോർപ്പറേഷൻ ഉദ്ദേശിക്കുന്നത്. കൂടാതെ സംസ്ഥാന സർക്കാരിന്റെ ഒരു പദ്ധതി പ്രകാരം ഹാൻഡ്വിവി വിവിധ പഞ്ചായത്തുകൾ കേന്ദ്രീകരിച്ച് തൊഴിൽരഹിതരായ സ്ത്രീകളെ കണ്ടെത്തി അവർക്ക് തനികൾ നൽകുകയും പഞ്ചായത്ത് തലത്തിൽ

നെയ്ത്തുജോലിയിൽ പരിശീലനം നൽകിവരികയും ചെയ്യുന്നു. നെയ്ത്തുജോലിയിൽ താല്പരമുള്ള തൊഴിൽ രഹിതരായ സ്ത്രീകൾക്ക് സ്ഥിരമായി ജോലിയും കുലിയും ഉറപ്പുവരുത്തുക എന്നതാണ് പ്രസ്തുത പദ്ധതിയുടെ ലക്ഷ്യം.

കൂടാതെ തനികളുടെ ഉല്പാദന ക്ഷമത വർദ്ധിപ്പിക്കുന്നതിനും നെയ്ത്തുകാരുടെ ക്ഷേമത്തിനുമായി സർക്കാർ വിവിധ തുകകൾ നീക്കിവയ്ക്കുന്നുമുണ്ട്.

**കമ്പനി നിയമം 2013, 134-ാം വകുപ്പ് പ്രകാരമുള്ള ഡയറക്ടർമാരുടെ ഉത്തരവാദിത്വ സ്റ്റേറ്റ്മെന്റ്**

2013 ലെ കമ്പനി നിയമത്തിലെ സെക്ഷൻ 134 അനുസരിച്ച് താഴെപ്പറയുന്ന വിവരങ്ങൾ ഉൾപ്പെടുത്തുന്നു.

1. 2020-21 സാമ്പത്തികവർഷം കോർപ്പറേഷന്റെ ഡയറക്ടർ ബോർഡ് 3 തവണ കൂടിയിട്ടുണ്ട്.
2. 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 ആസ്തി ബാധ്യതാപത്രവും ലാഭനഷ്ടകണക്കും കമ്പനിയുടെ യഥാർത്ഥവും തൃപ്തികരവുമായ അവസ്ഥയെ കാണിക്കുന്ന വിധത്തിൽ യുക്തിസഹമായും, മുൻകരുതലോടെയും നിർണ്ണയങ്ങൾ സ്വീകരിച്ചുമാണ് തയ്യാറാക്കിയിരിക്കുന്നത്. മേൽ ഉദ്ദേശത്തോടെ അക്കൗണ്ടിംഗ് നയങ്ങൾ തിരഞ്ഞെടുക്കുകയും അവ സ്ഥിരമായി ഉപയോഗപ്പെടുത്തുന്നുമുണ്ട്.

സി) കമ്പനിയുടെ ആസ്തികൾ 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**

സർക്കാരിന്റെ 29-07-2020 തീയതിയിലെ ജി.ഒ.ആർ.ടി നം. 570/2020/ഐഡി ഉത്തരവ് പ്രകാരം ശ്രീ. ഉബൈദുള്ള എ.സി., അണ്ടർ സെക്രട്ടറി, ഫൈനാൻസ് വകുപ്പ് കോർപ്പറേഷന്റെ ഡയറക്ടറായി സർക്കാർ നിയമിച്ചിട്ടുണ്ട്. എന്നാൽ ഡയറക്ടർ ഐഡെന്റിഫിക്കേഷൻ നമ്പർ ലഭിച്ചതിനുശേഷം 11-09-2020 തീയതി മുതലാണ് അദ്ദേഹത്തിന്റെ ഡയറക്ടർഷിപ്പ് രേഖപ്പെടുത്തിയിട്ടുള്ളത്. കൂടാതെ സർക്കാരിന്റെ 26-08-2020 തീയതിയിലെ ജി.ഒ.ആർ.ടി നം. 702/2020/ഐഡി ഉത്തരവ് പ്രകാരം ശ്രീ. മുരളി എസ്, ജോയിന്റ് സെക്രട്ടറി, വ്യവസായ വകുപ്പ് കോർപ്പറേഷന്റെ ഡയറക്ടറായി സർക്കാർ നിയമിച്ചിട്ടുണ്ട്. എന്നാൽ ഡയറക്ടർ ഐഡെന്റിഫിക്കേഷൻ നമ്പർ ലഭിച്ചതിനു ശേഷം 08-09-2020 തീയതി മുതലാണ് അദ്ദേഹത്തിന്റെ ഡയറക്ടർഷിപ്പ് രേഖപ്പെടുത്തിയിട്ടുള്ളത്.

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

**ജീവനക്കാരുടെ വിശദാംശങ്ങൾ**

1956 ലെ കമ്പനി നിയമം സെക്ഷൻ 134 (3) (Q) യുടെ പരിധിയിൽ മാസവരുമാനം ലഭിക്കുന്ന ജീവനക്കാർ കോർപ്പറേഷനിൽ ഇല്ലാത്തതിനാൽ 1975 ലെ Companies (Particulars of Employees) Rule പ്രകാരം വെളിപ്പെടുത്തേണ്ട വിവരങ്ങൾ ഒന്നുമില്ല.

**കരുതൽ മൂലധനം**

2020-21 സാമ്പത്തിക വർഷം കമ്പനി ഒരു തുകയും കരുതൽ ധനമായി മാറ്റിയിട്ടില്ല.

**ഡിവിഡൻഡ്**

2020-21 സാമ്പത്തിക വർഷം കമ്പനി ലാഭത്തിൽ പ്രവർത്തിച്ചിട്ടില്ലാത്തതിനാൽ ലാഭവിഹിതം നൽകിയിട്ടില്ല.

**ഊർജ്ജസംരക്ഷണം, സാങ്കേതിക വിദ്യ ആഗീകരണം ചെയ്യൽ, വിദേശനാണ്യ വരവ്/ചിലവ്**

2020-21 സാമ്പത്തിക വർഷം കോർപ്പറേഷൻ കയറ്റുമതി ഇനത്തിൽ വരവായി ഒന്നും ലഭിച്ചിട്ടില്ല. വിദേശ നാണയം ചിലവഴിച്ചിട്ടുമില്ല. കൂടാതെ ഊർജ്ജസംരക്ഷണം, സാങ്കേതികവിദ്യ ആഗീകരണം എന്നിവ നടന്നിട്ടില്ല.

**സാമ്പത്തിക വർഷത്തിന്റെ അവസാനഘട്ടത്തിൽ നടന്ന സംഭവങ്ങൾ**

2020-21 സാമ്പത്തിക വർഷത്തിന്റെ അവസാനഘട്ടത്തിൽ കോർപ്പറേഷന്റെ സാമ്പത്തിക സ്ഥിതിയെ ബാധിക്കുന്ന തരത്തിലുള്ള സ്ഥായിയായ ഒരു മാറ്റവും ഉണ്ടായിട്ടില്ല.

31-03-2021 തീയതിയിൽ കോർപ്പറേഷന്റെ മാനവ വിഭവശേഷിവിവരങ്ങൾ കാറ്റഗറി ജീവനക്കാരുടെ എണ്ണം

ഓഫീസർമാർ	10
ക്ലറിക്കൽ വിഭാഗം	145
വിദഗ്ദ്ധ തൊഴിലാളികൾ	03
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കോർപ്പറേഷൻ മാനേജ്മെന്റ്, തൊഴിലാളികളുടെയും ജീവനക്കാരുടെയും സംഘടനകളുമായി നിരന്തരം സമ്പർക്കം പുലർത്തുന്നതുവഴി ഒരു പങ്കാളിത്ത ഭരണപ്രക്രിയയാണ് പിൻതുടരുന്നത്. വ്യാവസായിക രംഗത്ത് വർഷം മുഴുവനും കോർപ്പറേഷന്റെ സജീവസാന്നിധ്യം നിലനിർത്തുന്നതുവഴി അനുകൂലമായ ഒരു വ്യാവസായിക അന്തരീക്ഷം നിലനിർത്തിക്കൊണ്ടുപോകാനും കമ്പനിക്ക് കഴിയുന്നുണ്ട്.

**കോർപ്പറേറ്റ് ഗവേർനൻസ്**

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 6 ഡയറക്ടർമാരാണ് നിലവിൽ ഡയറക്ടർ ബോർഡിലുള്ളത്. ഇതിൽ 3 പേർ ഔദ്യോഗിക ഡയറക്ടർമാരാണ്.

**ഭരണസമിതിയുടെ രൂപീകരണം**

2020-21 സാമ്പത്തിക വർഷത്തിൽ നടന്ന ഭരണസമിതി യോഗങ്ങളിൽ ഡയറക്ടർമാരുടെ വിഭാഗം, ഹാജർനില എന്നിവ താഴെപറയും പ്രകാരമാണ്.

Sl.No.	Name of Director	25-09-2020	22-12-2020	20-02-2021
1	Sri. K.P. Sahadevan	Present	Present	Present
2	Sri. Sudhir K	Present	Present	Present
3	Sri. Murali S*	Present	Present	Leave of Absence
4	Sri. Ubaidulla A.C*	Present	Present	Present
5	Sri. V.G. Raveendran	Present	Present	Present
6	Sri. Mangode Radhakrishnan	Leave of Absence	Leave of Absence	Present

\*29-07-2020 തീയതിയിലെ ജി.ഒ (ആർ.ടി.) നം.570/2020/ID ഉത്തരവ് പ്രകാരം ശ്രീ. ഉബൈദുള്ള.എ.സി(അണ്ടർ സെക്രട്ടറി, ഫൈനാൻസ് വിഭാഗം) യെ 11-09-2020 (ഡിൻ അനുവദിച്ച തീയതി) മുതൽ കോർപ്പറേഷന്റെ ഡയറക്ടർ ആയി നിയമിച്ചിട്ടുണ്ട്.

\*26-08-2020 തീയതിയിലെ ജി.ഒ (ആർ.ടി.) നം.702/2020/ID ഉത്തരവ് പ്രകാരം ശ്രീ.മുരളി.എസ് (ജോയിന്റ് സെക്രട്ടറി, വ്യവസായ വിഭാഗം) യെ 08-09-2020 (ഡിൻ അനുവദിച്ച തീയതി) മുതൽ കോർപ്പറേഷന്റെ ഡയറക്ടർ ആയി നിയമിച്ചിട്ടുണ്ട്. നിയമപ്രകാരം ചെയ്യേണ്ടുന്ന കാര്യങ്ങൾ കോർപ്പറേഷൻ കൃത്യമായി നിർവഹിക്കുന്നുണ്ട്.

**ഇന്റേണൽ കൺട്രോൾ സിസ്റ്റം**

കോർപ്പറേഷന്റെ ഇന്റേണൽ ഓഡിറ്റ് പുറത്തുനിന്നുള്ള ചാർട്ടേഡ് അക്കൗണ്ടന്റ്സ് ആണ് നടത്തുന്നത്. കൃത്യമായ ഓഡിറ്റ് നടത്തുക വഴി ഇന്റേണൽ കൺട്രോൾ സിസ്റ്റത്തിന്റെ കാര്യക്ഷമത ഇന്റേണൽ ആഡിറ്റോർസ് പരിശോധിക്കാറുണ്ട്. ഇന്റേണൽ ഓഡിറ്റിന്റെ പ്രവർത്തനവും ഇന്റേണൽ കൺട്രോൾ സിസ്റ്റത്തിന്റെ പര്യാപ്തതയും 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 ഇൻഫോർമേഷൻ ഓഫീസർ, കൂടാതെ അസിസ്റ്റന്റ് പബ്ലിക് ഇൻഫോർമേഷൻ ഓഫീസർമാർ എന്നിവരടങ്ങിയ വിഭാഗം പ്രവർത്തിക്കുന്നുണ്ട്.

ജനങ്ങൾക്ക് വിവരങ്ങൾ ശേഖരിക്കുന്നതിനുള്ള മാർഗ്ഗനിർദ്ദേശങ്ങൾ, അപ്പീലുകൾ പയൽ ചെയ്യുന്നതിനുള്ള നടപടിക്രമം എന്നിവയുടെ വിശദാംശങ്ങൾ കോർപ്പറേഷന്റെ വെബ്സൈറ്റിൽ പ്രസിദ്ധീകരിച്ചിട്ടുണ്ട്. പ്രസ്തുത ആക്ട് പ്രകാരമുള്ള ആവശ്യകതകൾ കൃത്യമായി പാലിക്കുന്നത് ഉറപ്പുവരുത്താനുള്ള നിർദ്ദേശങ്ങൾ അഡ്മിനിസ്ട്രേറ്റീവ് വിഭാഗങ്ങൾക്ക് നൽകിയിട്ടുണ്ട്.

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

ഈ സാമ്പത്തിക വർഷത്തിൽ (31-03-2021) കോർപ്പറേഷനിൽ ലഭിച്ച വിവരാവകാശ നിയമപ്രകാരമുള്ള അപേക്ഷകളുടെ വിവരങ്ങൾ :

ആകെ ലഭിച്ച അപേക്ഷകൾ	-	79
മറുപടി കൊടുത്ത അപേക്ഷകൾ	-	74
ആകെ ലഭിച്ച അപ്പീലുകൾ	-	18
മറുപടി നൽകിയ അപ്പീലുകൾ	-	02

**കോർപ്പറേറ്റ് സോഷ്യൽ റസ്പോൺസിബിറ്റി**

നടപ്പുസാമ്പത്തിക വർഷം കോർപ്പറേഷൻ ലാഭം ഉണ്ടാക്കാത്തതിനാൽ കോർപ്പറേറ്റ് സോഷ്യൽ റസ്പോൺസിബിറ്റി ഏറ്റെടുത്തിട്ടില്ല.

**ഓഡിറ്റ് കമ്മിറ്റി**

നിലവിൽ കോർപ്പറേഷന്റെ ഓഡിറ്റ് കമ്മിറ്റിയിൽ 3 ഡയറക്ടർമാരാണുള്ളത്. ഓഡിറ്റ് കമ്മിറ്റിയുടെ എല്ലാ യോഗങ്ങളിലും കോർപ്പറേഷന്റെ സ്റ്റാമ്പുട്ടറി ഓഡിറ്റർമാരെയും പങ്കെടുപ്പിക്കാറുണ്ട്. കമ്പനി നിയമം 2013 ലെ സെക്ഷൻ 177 അനുശാസിക്കുന്ന ആവശ്യകതകൾ പാലിക്കുന്ന ഓഡിറ്റ് കമ്മിറ്റിയുടെ സെക്രട്ടറിയാണ് കമ്പനി സെക്രട്ടറി.

ഡയറക്ടർ ബോർഡ് ചുമതലപ്പെടുത്തിയിട്ടുള്ള കാര്യങ്ങൾക്കു പുറമെ 2013 കമ്പനി നിയമം നിഷ്കർഷിച്ചിട്ടുള്ള എല്ലാജോലികളും ഓഡിറ്റ് കമ്മിറ്റി നിർവഹിക്കുന്നുണ്ട്. ഇന്റേണൽ കൺട്രോൾ സിസ്റ്റത്തിന്റെ കാര്യക്ഷമതയുടെയും, പര്യാപ്തതയുടെയും സൂക്ഷ്മ നിരീക്ഷണവും ഓഡിറ്റ് റിപ്പോർട്ടിന്റെ തുടർ നടപടികൾ നടപ്പിലാക്കുന്നതിനുള്ള നിർദ്ദേശങ്ങൾ നൽകുന്നതും ഓഡിറ്റ് കമ്മിറ്റിയുടെ ചുമതലയാണ്.

ഓഡിറ്റിന്റെയും, ഇന്റേണൽ കൺട്രോൾ സംവിധാനങ്ങളുടെയും കാര്യത്തിൽ ഓഡിറ്റ് കമ്മിറ്റി ബോർഡിന് ഫലപ്രദമായ തലത്തിൽ പ്രവർത്തിക്കുകയും കമ്പനിയുടെ ബിസിനസിന്റെ ഭരണ നിർവ്വഹണത്തിലും നടത്തിപ്പിലും ഉപയോഗപ്രദമായ നിർദ്ദേശങ്ങൾ നൽകുകയും ചെയ്യുന്നു.

**ഓഡിറ്റർമാർ**

കമ്പ്ലൈൻസ് & ഓഡിറ്റർ ജനറലിന്റെ ഓഫീസ് ഇന്ത്യ 2020-21 സാമ്പത്തിക വർഷത്തെ സ്റ്റാമ്പുട്ടറി ഓഡിറ്റർമാരായി മെസ്സേർസ് ജോർജ്ജ് & റെജി, ചാർട്ടേർഡ് അക്കൗണ്ടന്റസിനെ നിയമിച്ചിട്ടുണ്ട്.

**ഇന്റേണൽ കമ്പ്ലൈൻസ് കമ്മിറ്റി**

കമ്പനിയിലെ സ്ത്രീ ജീവനക്കാർക്കെതിരെ നടക്കുന്ന പീഡനങ്ങളിൽ മേൽ ലഭിക്കുന്ന പരാതികളെക്കുറിച്ച് അന്വേഷിക്കുന്നതിന് "The Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013" പ്രകാരം ഒരു ഇന്റേണൽ കമ്പ്ലൈൻസ് കമ്മിറ്റി രൂപീകരിച്ചിട്ടുണ്ട്.

**കൃത്യജ്ഞത**

കമ്പനിയിലെ എല്ലാ ജീവനക്കാർക്കും അവരുടെ വ്യക്തിപരമായ പ്രയത്നത്തിനും കൂട്ടായ സമർപ്പണത്തിനും കമ്പനിയുടെ പ്രകടനത്തിന് നൽകിയ സംഭാവനകൾക്കും ഭരണസമിതിയുടെ നന്ദി അറിയിക്കുന്നു. കൂടാതെ കമ്പനിക്ക് മാനേജ്മെന്റിനും നിരന്തരമായ പിന്തുണ നൽകിയ എംപ്ലോയീസ് യൂണിയനുകൾക്കും, ഓഫീസ് ഉടമകൾക്കും, ഉപഭോക്താക്കൾക്കും, ഡീലർമാർക്കും, വിതരണക്കാർക്കും, ബാങ്കേഴ്സിനും, സർക്കാരിനും മറ്റെല്ലാ ബിസിനസ് അസോസിയേറ്റുകൾക്കും ഡയറക്ടർമാർ നന്ദി അറിയിക്കുന്നു. അതോടൊപ്പം കമ്പ്ലൈൻസ് & ഓഡിറ്റർ ജനറൽ ഓഫീസ് ഇന്ത്യക്കും, എല്ലാ അഭ്യൂദയകാംക്ഷികൾക്കും അവരുടെ പ്രോത്സാഹനത്തിനും പിന്തുണയ്ക്കും ഡയറക്ടർമാർ നന്ദി അറിയിക്കുന്നു.

കേരള സർക്കാരിൽ നിന്നും കാലാകാലങ്ങളിൽ ലഭിക്കുന്ന വിലയേറിയതും സമയബന്ധിതവുമായ ഉപദേശങ്ങളും മാർഗനിർദ്ദേശങ്ങളും പിന്തുണയും ബോർഡ് നന്ദിയോടെ അംഗീകരിക്കുന്നു. സ്റ്റാമ്പുട്ടറി ഓഡിറ്റർമാരുടെയും ഇന്റേണൽ ഓഡിറ്റർമാരുടെയും സേവനങ്ങളും ഡയറക്ടർമാർ അംഗീകരിക്കുന്നു. കമ്പനിക്ക് നിരന്തര പിന്തുണ നൽകിയ വിവിധ സ്ഥാപനങ്ങൾക്കും ഏജൻസികൾക്കും ഡയറക്ടർമാർ നന്ദി രേഖപ്പെടുത്തുന്നു.

എന്ന്  
ഭരണസമിതിക്കുവേണ്ടി

ഒപ്പ്  
ടി.കെ.ഗോവിന്ദൻ മാസ്റ്റർ  
ചെയർമാൻ

സ്ഥലം - തിരുവനന്തപുരം  
തീയതി - 26.07.2022

## 2020-21 വർഷത്തെ ഡയറക്ടേഴ്സ് റിപ്പോർട്ടിനുള്ള അനുബന്ധം

### 2020-21 വർഷത്തെ കണക്കുകളിൽ ഓഡിറ്റർമാരുടെ കമന്റിനുള്ള മറുപടി

**അനുബന്ധം - എ**

- ഖണ്ഡിക - 4**      കോർപ്പറേഷന്റെ വിവിധ പ്രൊഡക്ഷൻ സെന്ററുകൾ മുഖേന നെയ്ത്തുകാർക്ക് വിതരണം ചെയ്തുവരുന്ന വിവിധ പ്രോജക്ട് പാക്കേജിംഗ് പ്രകാരമുള്ള വായ്പ, ഗ്രാന്റ് മുതലായവ പദ്ധതി പ്രകാരം ഗുണഭോക്താക്കളായുള്ള നെയ്ത്തുകാർക്ക് വിതരണം ചെയ്തിട്ടുള്ളതാണ്. പ്രസ്തുത തുക പദ്ധതി ആവശ്യങ്ങൾക്കായി വിനിയോഗിക്കുകയും ആയതിന്റെ റിക്കാർഡുകൾ അതാത് പ്രൊഡക്ഷൻ സെന്ററുകളിൽ ലഭ്യമാണ്.
- ഖണ്ഡിക - 5**      ജീവനക്കാർക്കുള്ള ആർജിതാവധി സറണ്ടർ ചെയ്യുന്നതിനുള്ള നൽകുവാനുള്ള തുകയ്ക്ക് ബാലൻസ് ഷീറ്റിന്റെ തീയതിയെ ആസ്പദമാക്കി പ്രോവിഷൻ വച്ചിട്ടുണ്ട്.
- ഖണ്ഡിക - 6**      ആഡിറ്റേഴ്സ് ചൂണ്ടിക്കാട്ടിയ നിർദ്ദേശം ബോർഡിന്റെ ശ്രദ്ധയിൽപ്പെടുത്തുന്നതാണ്.
- ഖണ്ഡിക - 7 -**      31-03-2021വരെ എസ്. ബി. ഐ അടക്കമുള്ള റേസോൽക്യൂട്ട ബാങ്കുകളിൽ നിന്നും നെയ്ത്തുകാരുടെ പേരിൽ ഡി. ആർ. ഐസ്കീം പ്രകാരം ലഭിച്ച വായ്പയാണ് അക്കൗണ്ടിലുള്ളത്. ഇതുവരെയായി മുതൽപോലും ബാങ്ക് ആവശ്യപ്പെടാത്തതിനാൽ ആ വായ്പയിൽ മേലുള്ള പലിശ കണക്കിൽ വകകൊള്ളിച്ചിട്ടില്ല. ബാങ്കുകൾ പലിശ ആവശ്യപ്പെടുകയാണെങ്കിൽ തന്നെ ആയത് നെയ്ത്തുകാരുടെ ബാധ്യതയായി വരുന്നതുകൊണ്ട് കോർപ്പറേഷന്റെ സാമ്പത്തികസ്ഥിതിയെ ബാധിക്കുന്നില്ല.
- ഖണ്ഡിക - 8 -**      നെയ്ത്തുകാരിൽ നിന്നും ശേഖരിക്കുന്ന അംശദായത്തിന്റെ ഇടപാടുകൾക്കായി ഓരോ നെയ്ത്തുകാർക്കും പ്രത്യേകം പാസ്ബുക്ക് ഏർപ്പെടുത്തിയിട്ടുണ്ട്. ബാലൻസ് തുകയിൽമേൽ തർക്കമൊന്നുമില്ലാത്തതിനാൽ റീകൺസിലിയേഷൻ ചെയ്യാനില്ല.

**അനുബന്ധം - സി**

- ഖണ്ഡിക - i) (a), (b) & (c)** - കമ്പനിയുടെ വിവിധസ്ഥിരം സ്വത്തുക്കൾ സംസ്ഥാനത്തെ 2 റീജണൽ ഓഫീസുകളിലും ഹെഡ്ക്വാർട്ടേഴ്സിലും ഷോറൂമുകളിലും സംഭരണകേന്ദ്രങ്ങളിലുമായാണ് സ്ഥിതിചെയ്യുന്നത്. ഈ സ്വത്തുക്കളുടെ ബാഹുല്യവും പലസ്ഥലങ്ങളിലും സ്ഥിതിചെയ്യുന്നതിനാലും കണക്കെടുപ്പ് ഓരോവർഷവും സ്റ്റോക്കിന്റെ കണക്കെടുപ്പിനോടനുബന്ധിച്ചാണ് ചെയ്തുവരുന്നത്. ആഡിറ്റർമാർ ഇക്കാര്യത്തിൽ സൂചിപ്പിച്ച ന്യൂനതകൾ വരും വർഷങ്ങളിൽ പരിഹരിക്കുവാൻ ശ്രമിക്കുന്നതാണ്.
- ഖണ്ഡിക - ii) (a)** - കമ്പനിയുടെ സ്റ്റോക്കിൽ പലതരത്തിലുള്ള വിലയിലുള്ളതും സംസ്ഥാനത്തുടനീളമുള്ള 46 ഷോറൂമുകളിലും കണ്ണൂരും, തിരുവനന്തപുരത്തുമുള്ള 2 റീജിയണൽ സ്റ്റോറുകളിലുമായി ശേഖരിച്ചുവെച്ചിട്ടുള്ള തുണിത്തരങ്ങൾ ഉൾപ്പെട്ടിട്ടുള്ളതാണ്. കൂടാതെ ചിറക്കലിലുള്ള പ്രോസസ്സിംഗ് ഹൗസിലും തുണിത്തരങ്ങൾ സ്റ്റോക്ക് ചെയ്തിട്ടുണ്ട്. ഈ തുണിത്തരങ്ങളുടെ വിലപനയെ ബാധിക്കാത്ത വിധത്തിലാണ് ഇവയുടെ സ്റ്റോക്ക് പരിശോധന നടത്തിവരുന്നത്. ആയത് എല്ലാവർഷവും ഫെബ്രുവരി - മാർച്ച് മാസങ്ങളിലാണ് നടത്തുന്നത്. കമ്പനിയിൽ സൂക്ഷിച്ചിരിക്കുന്ന സ്റ്റോക്കിന്റെ സ്വഭാവം കണക്കിലെടുത്ത് ഒന്നിൽ കൂടുതൽ തവണ സ്റ്റോക്കിന്റെ കണക്കെടുപ്പ് നടത്താൻ പ്രായോഗിക ബുദ്ധിമുട്ടുണ്ട്. എങ്കിലും ഫിസിക്കൽ സ്റ്റോക്കും ബുക്ക് സ്റ്റോക്കും തമ്മിൽ ഗണ്യമായ തോതിലുള്ള വ്യത്യാസം വരാതിരിക്കാനുള്ള സംവിധാനം കോർപ്പറേഷൻ ഏർപ്പെടുത്തിയിട്ടുണ്ട്.
- ഖണ്ഡിക - iii) (a) & (b)** - കോർപ്പറേഷന്റെ ഉപപേടകമായ കേരളഗാർമെന്റ്സിന് കഴിഞ്ഞ കുറേവർഷങ്ങളായി അടിയന്തിര ആവശ്യങ്ങൾക്ക് ആവശ്യമായ ധനസഹായം വായ്പയായോ പ്രവർത്തന ഫണ്ടായോ കോർപ്പറേഷൻ നൽകിയിട്ടുണ്ട്. കേരളഗാർമെന്റ്സിന് ലിമിറ്റഡിന്റെ 2020-21 വർഷം വരെയുള്ള ആസ്തി ബാധ്യത കണക്കുകളുടെ ആഡിറ്റ് പൂർത്തിയായിട്ടുണ്ട്. കൂടാതെ കേരളഗാർമെന്റ്സിന് ലിമിറ്റഡിന്റെ പേര് രജിസ്ട്രാർ ഓഫ് കമ്പനീസിൽ നിന്നും നീക്കംചെയ്യൽ / ഹാൻഡ്‌വീവുമായുള്ള ലയനത്തിനുള്ള നടപടികൾ അവസാനപ്പെടുത്തിയിട്ടുണ്ട്. കമ്പനിയുടെ ആസ്തിബാധ്യതകൾ ഹാൻഡ്‌വീവ് ഏറ്റെടുക്കുന്നതോടുകൂടി കമ്പനി ഹാൻഡ്‌വീവ് 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** - അനുബന്ധം ബി യിൽ ഖണ്ഡിക vii ൽ ഉൾക്കൊള്ളിച്ചിട്ടുണ്ട്.

**എന്ന്**  
കേരള സംസ്ഥാന കൈത്തറി വികസന കോർപ്പറേഷനുവേണ്ടി

**ഒപ്പ്**  
റ്റി. കെ. ഗോവിന്ദൻ മാസ്റ്റർ  
ചെയർമാൻ

സ്ഥലം - തിരുവനന്തപുരം  
തീയതി - 26.07.2022

**KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD.,KANNUR**

**BALANCE SHEET AS AT 31ST MARCH 2021**

Particulars	Note No.	As at 31 March 2021		As at 31 March 2020	
		R	R	R	R
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' Funds					
(a) Share Capital	1	496,600,000		395,600,000	
(b) Reserves and Surplus	2	-1,145,766,773		-1,095,457,008	
(c) Money received against share warrants		NIL	-649,166,773	NIL	699,857,008
(2) Share application money pending allotment	3	88,300,000	88,300,000	185,300,000	185,300,000
(3) Non-current liabilities					
(a) Long-term borrowings	4	175,017,341		172,947,341	
(b) Deferred Tax Liabilities (Net)		NIL		NIL	
(c) Other Long Term Liabilities	5	848,677		1,060,222	
(d) Long-term provisions	6	65,705,413	241,571,431	72,473,433	246,480,996
(4) Current Liabilities	7				
(a) Short-term borrowings		NIL		NIL	
(b) Trade payables		NIL		NIL	
(i) Due to MSME		NIL		NIL	
(ii) Due to Others		453,683,616		426,402,977	
(c) Other current liabilities		410,059,527		425,847,323	
(d) Short-term provisions		NIL	863,743,143	NIL	852,250,300
<b>TOTAL</b>			<b>544,447,801</b>		<b>584,174,288</b>
<b>II. ASSETS</b>					
(1) Non-current Assets					
(a) Property, Plant and Equipment					
(i) Tangible Assets	8	10,835,428		11,322,484	
(ii) Intangible Assets		NIL		NIL	
(iii) Capital work-in-progress		NIL		NIL	
(iv) Intangible assets under development		NIL		NIL	
(b) Non-current investments	9	10,835,428		11,322,484	
(c) Deferred Tax Assets (Net)		4,856,400		4,856,400	
(d) Long-term Loans and Advances	10	NIL		NIL	
(e) Other non-current assets		24,436,212	40,128,040	24,216,492	40,395,376
(2) Current Assets					
(a) Current Investments		NIL		NIL	
(b) Inventories	11	344,485,127		364,709,135	
(c) Trade Receivables	12	35,209,229		57,162,258	
(d) Cash and Cash equivalents	13	34,876,398		25,017,514	
(e) Short-term loans and advances	14	25,935,836		25,195,621	
(f) Other current assets	15	63,813,172	504,319,761	71,694,384	543,778,912
<b>TOTAL</b>			<b>544,447,801</b>		<b>584,174,288</b>
NOTES FORMING PARTS OF ACCOUNTS	1 to 63				

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

For M/s. **GEORGE & REGI**  
 CHARTERED ACCOUNTANTS  
 Firm Regn.No.009022S  
 Sd/-  
**P.J. REGI, FCA,D.I.S.A(ICAI)** (partner)  
 Memb. No: 209836  
 Place: Kannur  
 Date: 11/03/2022  
 UDIN: 22209836AEZRVE2752

Sd/-  
**T.K.GOVINDAN**  
 CHAIRMAN  
 DIN: 07797281  
 Sd/-  
**SUNIL MATHEW.K**  
 CHIEF FINANCIAL OFFICER

For and on behalf of Board

Sd/-  
**K.S.PRADEEP KUMAR**  
 MANAGING DIRECTOR  
 DIN.:08250833  
 Sd/-  
**PRADISH NAIR**  
 COMPANY SECRETARY  
 Sd/-  
**BINU.K**  
 DIRECTOR  
 DIN: 09405248

**KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD.,KANNUR**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021**

<b>Particulars</b>	<b>NOTE No.</b>	<b>As at 31 March 2021 R</b>	<b>As at 31 March 2020 R</b>
I. Revenue from Operations(Gross)	17	196,558,376	209,379,542
<b>Total</b>		196,558,376	209,379,542
II. Other Income	18	36,028,217	23,025,547
III. Total Income (I + II)		232,586,593	232,405,089
<b>IV. Expenditure</b>			
Cost of materials consumed	19	28,013,899	48,871,006
Purchases of Stock-in-trade	20	84,630,662	114,014,302
Changes in inventories of finished goods Work-in-progress and Stock-in-Trade	21	16,323,961	-31,624,389
Employees benefit expense	22	85,048,842	89,564,900
Finance Costs	23	19,102,112	18,766,201
Depreciation and amortization expense	9	1,168,506	1,840,545
Other expenses	24	48,608,377	69,551,912
Total expenses		282,896,359	310,984,477
V. Profit / Loss (-)Before Tax		-50,309,766	-78,579,388
<b>VI. Tax expense:</b>			
(1) Current Tax		0	0
(2) Deferred Tax		0	0
VII. Profit / Loss (-) for the year		-50309766	-78579388
VIII. Earnings per equity share:	24 A	-1.13	-1.99
NOTES FORMING PARTS OF ACCOUNTS	1 to 63		

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

For and on behalf of Board

For M/s. **GEORGE & REGI**  
CHARTERED ACCOUNTANTS  
Firm Regn.No.009022S

Sd/-  
**P.J. REGI, FCA,D.I.S.A(ICAI)** (partner)  
Memb. No: 209836

Place: Kannur  
Date: 11/03/2022  
UDIN: 22209836AEZRVE2752

Sd/-  
**T.K.GOVINDAN**  
CHAIRMAN  
DIN: 07797281

Sd/-  
**SUNIL MATHEW.K**  
CHIEF FINANCIAL OFFICER

Sd/-  
**K.S.PRADEEP KUMAR**  
MANAGING DIRECTOR  
DIN.:08250833

Sd/-  
**PRADISH NAIR**  
COMPANY SECRETARY

Sd/-  
**BINU.K**  
DIRECTOR  
DIN: 09405248

**KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD., KANNUR**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST March 2021**

	31st March 2021 R	31st March 2020 R
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items (as per Statement of Profit and Loss)	(5,03,09,766.00)	(7,85,79,388.00)
<b>Adjustments for Non Cash/ Non trade items:</b>		
Depreciation & Amortization Expenses	11,68,506.00	18,40,545.00
Finance Cost	1,91,02,112.00	1,87,66,201.00
Interest received	(5,74,957.00)	(59,054.00)
Other Inflows / (Outflows) of cash	(69,79,565.00)	(23,96,350.00)
<b>Operating profits before Working Capital Changes Adjusted For:</b>	<b>(3,75,93,670.00)</b>	<b>(6,04,28,046.00)</b>
(Increase) / Decrease in trade receivables	2,19,53,029.00	6,38,11,639.00
Increase / (Decrease) in trade payables	2,72,80,639.00	(39,83,881.00)
(Increase) / Decrease in inventories	2,02,24,008.00	(3,32,68,438.00)
Increase / (Decrease) in other current liabilities	(1,57,87,796.00)	3,79,26,321.00
(Increase) / Decrease in Short Term Loans & Advances	(7,40,214.00)	-
(Increase) / Decrease in other current assets	78,81,212.00	(33,03,464.00)
<b>Cash generated from Operations</b>	<b>2,32,17,208.00</b>	<b>7,54,131.00</b>
<b>Net Cash flow from Operating Activities (A)</b>	<b>2,32,17,208.00</b>	<b>7,54,131.00</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(6,81,449.00)	(27,29,212.00)
Interest Received	5,74,957.00	59,054.00
Cash advances and loans made to other parties	(2,19,720.00)	(15,55,072.00)
<b>Net Cash used in Investing Activities(B)</b>	<b>(3,26,212.00)</b>	<b>(42,25,230.00)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance Cost	(1,91,02,112.00)	(1,87,66,201.00)
Increase in / (Repayment) of Long term borrowings	20,70,000.00	-
Increase / (Decrease) in share capital	10,10,00,000.00	-
Increase / (Decrease) in share application money pending allotment	(9,70,00,000.00)	-
<b>Net Cash used in Financing Activities(C)</b>	<b>(1,30,32,112.00)</b>	<b>(1,87,66,201.00)</b>

<b>D. Net Increase / (Decrease) in Cash &amp; Cash Equivalents(A+B+C)</b>	<b>98,58,884.00</b>	<b>(2,22,37,300.00)</b>
E. Cash & Cash Equivalents at Beginning of period	2,50,17,514.00	4,72,54,814.00
F. Cash & Cash Equivalents at End of period	3,48,76,398.00	2,50,17,514.00
<b>G. Net Increase / (Decrease) in Cash &amp; Cash Equivalents(F-E)</b>	<b>98,58,884.00</b>	<b>(2,22,37,300.00)</b>

Summary of Cash and Cash equivalent		
Particulars	As on 31.03.2021	As on 31.03.2020
Cash in Hand	3,29,326.00	3,11,516.00
Cash at Bank	3,45,47,072.00	2,47,05,998.00

This is the statement of Cash Flow referred to in our report of even date

For and on behalf of Board

For M/s. **GEORGE & REGI**  
CHARTERED ACCOUNTANTS  
Firm Regn.No.009022S

Sd/-  
**T.K.GOVINDAN**  
CHAIRMAN  
DIN: 07797281

Sd/-  
**K.S.PRADEEP KUMAR**  
MANAGING DIRECTOR  
DIN.:08250833

Sd/-  
**P.J. REGI, FCA,D.I.S.A(ICAI)** (partner)  
Memb. No: 209836

Place: Kannur  
Date: 11/03/2022  
UDIN: 22209836AEZRVE2752

Sd/-  
**SUNIL MATHEW.K**  
CHIEF FINANCIAL OFFICER

Sd/-  
**PRADISH NAIR**  
COMPANY SECRETARY

Sd/-  
**BINU.K**  
DIRECTOR  
DIN: 09405248

## KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD., KANNUR

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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

		As at 31st March 2021 R	As at 31st March 2020 R
<b>1.</b>	<b><u>SHARE CAPITAL:</u></b>		
	AUTHORISED CAPITAL 50000000 Equity shares of Rs. 10/- each (Previous year 50000000 Equity shares of Rs. 10/- each)	500,000,000	500,000,000
	ISSUED CAPITAL 49660000 Equity shares of Rs. 10/- each (Previous year 39560000 Equity shares of Rs. 10/- each)	496,600,000	395,600,000
	SUBSCRIBED AND PAID UP CAPITAL 49660000 Equity shares of Rs. 10 /- each (Previous year 39560000 Equity shares of Rs. 10/- each)	496,600,000	395,600,000
	<b>Total</b>	<b>496,600,000</b>	<b>395,600,000</b>

<b>1.1.</b>	<b>The details of shareholders holding more than 5% of shares:</b>				
	Name of the Shareholder	As at 31st march 2021		As at 31st march 2020	
		No.of Shares	% held	No.of Shares	% held
	Govt.of Kerala	49,605,770	99.89 %	39,505,770	99.86 %

<b>1.2.</b>	<b>The reconciliation of the number of shares outstanding is set out below:</b>				
	Particulars	As at 31st march 2021		As at 31st march 2020	
		Rs.	No.of Shares	Rs.	No.of Shares
	Equity Shares at the beginning of the year	395,600,000	39,560,000	395,600,000	39,560,000
	Add: Shares issued during the year	101,000,000	10,100,000	-	-
	Equity Shares at the end of the year	<b>496,600,000</b>	<b>49,660,000</b>	<b>395,600,000</b>	<b>39,560,000</b>

2. Reserves and Surplus	As at 31st march 2021		As at 31st march 2020	
	R	R	R	R
<b>Capital Reserve</b>				
As per last Balance Sheet	567,885		567,885	
<b>Profit and Loss Account</b>		567,885		567,885
As per last Balance Sheet	-1,097,351,931		-1,018,772,543	
Add: Profit /Loss(-) during the year	-50,309,766	-1,147,661,697	-78,579,388	-1,097,351,931
<b>Deferred Income</b>				
As per last Balance Sheet	1,327,039		1,327,039	
Total	1,327,039		1,327,039	
		1,327,039		1,327,039
<b>Total</b>		<b>-1,145,766,773</b>		<b>-1,095,457,007</b>

3. Share Application Money Pending Allotment	R	
	As at 31st march 2021	As at 31st march 2020
Share Application Money Pending Allotment Received	88,300,000	185,300,000
<b>Total</b>	<b>88,300,000</b>	<b>185,300,000</b>

4. LONG TERM BORROWINGS	R		R	
	As at 31st march 2021		As at 31st march 2020	
<b>Secured *</b>				
From Govt.of Kerala	423,230	423,230	423,230	423,230
<b>Unsecured-From Govt of Kerala</b>				
a) For Purchase of Accumulated Stock	8,000,000		8,000,000	
b) For Other Purpose	1,063,000		1,063,000	
c) For IDP Kannur & Trivandrum and Export Production Project, Kannur	14,586,875		14,586,875	
d) For steam Press Equipment for sub. co.KGL	685,695		685,695	
e) For Vehicle Loan	225,000		225,000	
f) For Yarn Bank	2,000,000		2,000,000	
g) For Processing Scheme	6,903,050		6,903,050	
h) For Margin Money Loan	39,820,000		37,750,000	
i) For Raw Material Bank	33,000,000		33,000,000	
j) For Mordernisation of Looms	900,000		900,000	
k) Loan from Govt.for Sewing Machine to KGL	750,000		750,000	
l) For Project Package Scheme - Central Share	33,247,500		33,247,500	
m) For Project Package Scheme - State Share	29,322,500		29,322,500	
n) For Pre Loom & Post Loom	3,486,115		3,486,115	
o) DRI Loans	604,376	174,594,111	604,376	172,524,111
<b>Total</b>		<b>175,017,341</b>		<b>172,947,341</b>

<b>5. OTHER LONG TERM LIABILITIES</b>	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>R</b>		<b>R</b>	
Agency Deposits & Other Deposits	848,677		1,060,222	
<b>Total</b>	<b>848,677</b>		<b>1,060,222</b>	

<b>6. LONG-TERM PROVISIONS</b>	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>R</b>		<b>R</b>	
<b>a) Provision for Employee Benefits</b>				
i) Gratuity	44,710,843		53,807,436	
ii) Leave Encashment - Surrender Salary	20,994,570	65,705,413	18,665,997	72,473,433
<b>Total</b>		<b>65,705,413</b>		<b>72,473,433</b>

<b>7. TRADE PAYABLES</b>	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>R</b>		<b>R</b>	
a) Micro, Small and Medium Enterprises				
b) Due to others				
For Purchase	2,748,286	2,748,286	4,196,979	4,196,979
For Expenses	450,935,330	450,935,330	422,205,998	422,205,998
<b>Total</b>		<b>453,683,616</b>		<b>426,402,977</b>

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

<b>OTHER CURRENT LIABILITIES</b>	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>R</b>		<b>R</b>	
Statutory due Payable	2,572,012		2,724,302	
Grant received from Govt.	369,895,508		377,224,038	
Thrift Fund	19,100,131		16,328,069	
Others	18,491,876	410,059,527	29,570,914	425,847,323
<b>Total</b>		<b>410,059,527</b>		<b>425,847,323</b>

**NOTE -8 FIXED ASSETS (2020-21)**  
**KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD., KANNUR**

Sl. No.	DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
		Cost as at 3/31/2020	Addition during the year	Deduction during the year	Cost as at 3/31/2021	Total up to 3/31/2020	Addition during the year	Deduction during the year	Total up to 3/31/2021	As at 3/31/2020	As at 3/31/2021
	<b>TANGIBLE ASSETS :</b>										
1	Land	4,606,730	-	-	4,606,730	-	-	-	-	4,606,730	4,606,730
2	Office Building	5,074,279	410,000		5,484,279	3,704,174	111,303		3,815,477	1,370,105	1,668,802
3	Factory Building	4,215,864			4,215,864	3,933,129	51,028		3,984,157	282,735	231,707
4	Plant & Equipment	6,372,219	6,198		6,378,417	5,400,567	184,134		5,584,701	971,652	793,716
5	Furniture & Fixtures	10,772,739	136,314		10,909,053	7,925,699	713,210		8,638,909	2,847,040	2,270,143
6	Library Books	39,839			39,839	38,284			38,284	1,555	1,555
7	Office Cycle	3,827			3,827	3,827			3,827	-	-
8	Motor Vehicle	7,351,079	16,487		7,367,566	6,479,182	24,334		6,503,516	871,897	864,050
9	Computer	8,672,147	112,450		8,784,597	8,301,376	84,496		8,385,872	370,771	398,725
10	Office Equipment	30,180			30,180	30,180			30,180	-	-
11	Canteen Utensils	49,407			49,407	49,407			49,407	-	-
	<b>TOTAL</b>	<b>47,188,310</b>	<b>681,449</b>	<b>-</b>	<b>47,869,759</b>	<b>35,865,825</b>	<b>1,168,506</b>	<b>-</b>	<b>37,034,331</b>	<b>11,322,485</b>	<b>10,835,428</b>
	Previous Figures 2019-20	44,459,098	2,729,212		47,188,310	34,025,280	1,840,545		35,865,825	10,433,818	11,322,485

(Amount in ₹)

<b>9. NON-CURRENT INVESTMENTS</b>	<b>As at 31st march 2021</b> ₹		<b>As at 31st march 2020</b> ₹	
UNQUOTED LONG TERM TRADE INVESTMENTS AT COST				
One 'C' class share of the All India Handloom Fabrics Marketing Society Ltd. fully paid	1,000		1,000	
275 shares of R 200/- each fully paid in Travancore Handloom Weavers Industrial Co-operative Society	55,000		55,000	
On share of R 200/- each fully paid in Mangalthukonam Weavers Industrial Co-operative Society, Trivandrum	200		200	
One share of R 200/- each fully paid in Puthussery Weavers Industrial Co-operative Society, Kollam	200		200	
48000 Equity Shares of R 100/- each fully paid in Kerala Garments Ltd. (Subsidiary Company)	4,800,000	4,856,400	4,800,000	4,856,400
<b>Total</b>		<b>4,856,400</b>		<b>4,856,400</b>
<b>10. LONG-TERM LOANS AND ADVANCES</b>	<b>As at 31st march 2021</b> ₹		<b>As at 31st march 2020</b> ₹	
<b>Secured:</b>				
Loan to Kerala Garments Ltd (Subsidiary)	500,000		500,000	
<b>Unsecured:</b>				
Deposits	11,495,521		11,275,801	
Loan to Kerala Garments Ltd (Subsidiary)	1,520,000		1,520,000	
Loan to Weavers Industrial Co-op Society & Individual Weavers:				
a) For Assets	6,746,427		6,746,427	
b) For Share Capital	232,245		232,245	
c) For Other Loans	3,942,019		3,942,019	
		24,436,212		24,216,492
<b>Total</b>		<b>24,436,212</b>		<b>24,216,492</b>
<b>11. INVENTORIES</b>	<b>As at 31st march 2021</b> ₹		<b>As at 31st march 2020</b> ₹	
Rawmaterial	9,174,139		12,765,113	
Work-in-Progress	12,807,656		2,140,392	
Finished Goods	320,930,941		347,640,317	
Stock inTrade	1,187,361		1,469,211	
Stores and Spares	117,475		413,861	
Packing Material & Others	267,555	344,485,127	280,241	364,709,135
<b>Total</b>		<b>344,485,127</b>		<b>364,709,135</b>

12. TRADE RECEIVABLE	As at 31st march 2021		As at 31st march 2020	
	r		r	
UNSECURED:				
Debts outstanding over six months				
Considered good	27,873,533		54,069,733	
Considered doubtful	26,888,499		23,960,725	
<b>Total</b>		<b>54,762,032</b>		<b>78,030,458</b>
Less: Provision for doubtful debts		26,888,499		23,960,724
Debtors outstanding less than six months		27,873,533		54,069,734
		7,335,696		3,092,524
<b>Total</b>		<b>35,209,229</b>		<b>57,162,258</b>

13. CASH AND CASH EQUIVALENTS	As at 31st march 2021		As at 31st march 2020	
	r		r	
Balance with Banks	34,019,015		24,211,533	
Other Bank Balances	528,057		494,465	
Cash in hand #	329,326		311,516	
<b>Total</b>		<b>34,876,398</b>		<b>25,017,514</b>

# includes Stamps

14. SHORTTERM LOANS AND ADVANCES (Unsecured)	As at 31st march 2021		As at 31st march 2020	
	r		r	
Loan to KGL (Subsidiary)	18,911,146		18,695,852	
Advance to Suppliers	1,323,421		1,323,421	
Duties and Taxes	5,701,269		5,176,349	
<b>Total</b>		<b>25,935,836</b>		<b>25,195,621</b>

15. OTHER CURRENT ASSETS (Unsecured)	As at 31st march 2021		As at 31st march 2020	
	r		r	
Interest on Loan to KGL Receivable	26,493,111		26,493,111	
Other Interest Receivable	18,838,230		18,838,230	
TDS/TCS	716,047		634,745	
Others	12,541,113	58,588,501	16,859,545	62,825,631
Receivable from Weavers, Societies etc.	6,997,124		10,641,206	
Less: Provision	1,772,453	5,224,671	1,772,453	8,868,753
<b>Total</b>		<b>63,813,172</b>		<b>71,694,384</b>

16. REVENUE FROM OPERATIONS	As at 31st march 2021		As at 31st march 2020	
	r		r	
<b>Sale of Products</b>				
Sales of Handloom Fabrics	195,277,207		207,957,071	
Stock Shortage	180,235	195,457,442	248,401	208,205,472
<b>Other Operating Revenue</b>				
Processing charges received		1,100,934		1,174,070
<b>Total</b>		<b>196,558,376</b>		<b>209,379,542</b>

<b>17. OTHER INCOME</b>	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>f</b>		<b>f</b>	
Interest Received	562,856		39,431	
Sundry Receipts	2,290,617		1,959,928	
Interest on Stock Deficit	-		7,987	
Insurance claim Received	41,624		26,866	
Sale of Scrap	73,282		22,350	
Exhibition Grant	810,651		-	
Miscellaneous income (GSU)	25,000,000		20,000,000	
Bonus Written Back	6,860		-	
Group Gratuity Writtenback	6,952,215		-	
Cutting Allowances	4,327		-	
Marketing Incentive	-		957,349	
Sale of Tender Form	44,826			
Interest on Deposit with KSEB	12,101	35,799,359	11,636	23,025,547
<u>Prior period Adjustment</u>				
Income	228,858		-	
Expense	-	228,858	-	-
<b>Total</b>		<b>36,028,217</b>		<b>23,025,547</b>

<b>18. COST OF MATERIAL CONSUMED</b>	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>f</b>		<b>f</b>	
Opening Stock	13,178,974		11,628,003	
Add: purchase(Net of returns)	24,126,539		50,421,977	
	37,305,513		62,049,980	
Less: Closing Stock	9,291,614	28,013,899	13,178,974	48,871,006
<b>Total</b>		<b>28,013,899</b>		<b>48,871,006</b>

<b>19. PURCHASE OF STOCK IN TRADE</b>	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>f</b>		<b>f</b>	
Stock in trade (from weavers & SHG'S)	84,630,662		114,014,302	
		84,630,662		114,014,302
<b>Total</b>		<b>84,630,662</b>		<b>114,014,302</b>

<b>20. CHANGES IN INVENTORIES OF FINISHED GOODS,WORK IN PROGRESS AND STOCK IN TRADE</b>	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>f</b>		<b>f</b>	
Inventories (At the beginning)	351,249,919		319,625,530	
Inventories (At Close)	334,925,958	16,323,961	351,249,919	-31,624,389
<b>Total</b>		<b>16,323,961</b>		<b>-31,624,389</b>

<b>21. EMPLOYEE BENEFITS EXPENSE</b>	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>f</b>		<b>f</b>	
Salaries, Wages & Allowances	74,734,950		78,352,791	
Bonus	727,029		851,144	
Contribution to Provident & Other funds	9,081,613		9,730,430	
Staff Welfare Expenses	505,250	85,048,842	630,535	89,564,900
<b>Total</b>		<b>85,048,842</b>		<b>89,564,900</b>

<b>22. 1 As per Accounting Standard 15 " Employee Benefits ", the disclosures as defined in the Accounting Standard are given below :</b>				
<b>Defined Contribution Plans</b>				
<b>Contribution to Defined Contribution Plans , recognised as expense for the year is as under :</b>				
	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>R</b>		<b>R</b>	
Employer's Contribution to Provident Fund	8,529,839		8,978,838	
Employer's Contribution to ESI	446,669		674,608	
Employer's Contribution to Labour welfare Fund	17,085		6,864	
Employer's Contribution to KHWWF	88,020	9,081,613	70,120	9,730,430
<b>Total</b>		<b>9,081,613</b>		<b>9,730,430</b>

<b>22. FINANCE COST</b>				
	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>R</b>		<b>R</b>	
Interest On Govt.Loans	18,355,061		18,355,061	
Penal interest on Govt loan	370,408		370,408	
Interest on late remittance of EPF	122,447		-	
Interest on prof tax	38		-	
Interest on loan	232,475		32,879	
Interest on Income Tax	9,375		16	
Interest on Service Tax/GST	12,308		7,336	
Interest on LWF	-	19,102,112	501	18,766,201
<b>Total</b>		<b>19,102,112</b>		<b>18,766,201</b>

<b>23. OTHER EXPENSES</b>				
	<b>As at 31st march 2021</b>		<b>As at 31st march 2020</b>	
	<b>R</b>		<b>R</b>	
<b>MANUFACTURING &amp; TRADING EXPENSES</b>				
Printing, Processing & Dyeing Charges	1,031,422		4,827,811	
Carriage Inwards	100,831		350,793	
Stitching charges	2,397,325		1,026,851	
Fuel & Oil	260,116		742,321	
Electricity Charges	612,211		573,436	
Production Incentive	9,405,383		15,451,219	
Repairs	817,414	14,624,702	1,302,077	24,274,508
<b>OFFICE &amp; ADMINISTRATION EXPENSES</b>				
Director's Sitting Fees		10,900		19,600
<b>Travelling Expenses:-</b>				
Managing Director	-		131,795	
Directors	16,490		87,151	
Others	421,315	437,805	1,216,155	1,435,101
Rent	6,381,350		6,118,135	
Rates & Taxes	1,099,364		214,793	
Filing fee	9,600		788,311	
Postage telegrams,Telex & Telephone charges	439,417		355,546	
Printing & Stationary	683,583		597,656	
Light & Water Charges	766,185		929,205	
Vehicle Maintenance	1,357,841		1,582,221	
Insurance	786,641		597,896	
Legal expenses	148,505		606,500	
Audit Fee for Other Services	-		78,537	

	As at 31st march 2021		As at 31st march 2020	
	₹		₹	
Office expenses	146,025		217,757	
Meeting expenses	178,563		499,192	
General charges	6,678,136		30,243,661	
Bank Charges	200,122	18,875,332	158,723	42,988,133
Payments to Auditors	237,325	237,325	199,513	199,513
<b>SELLING AND DISTRIBUTION EXPENSES</b>				
Carriage Outward/Freight,Packing& forwarding	422,865		929,076	
Advertisement & Publicity	330,748		379,211	
Commission on Sales	374,525		1,024,770	
Exhibition & Sales Promotion expenses	499,810		2,756,534	
Discount on Sales	9,866,591		4,072,107	
Provision for Bad & Doubtful Debts	2,927,774	14,422,313	-7,864,304	1,297,394
<u>Prior period Adjustment</u>				
Expense	-		816,649	
Income	-	-	154,312	-662,337
<b>Total</b>		<b>48,608,377</b>		<b>69,551,912</b>

<b>23.1 PAYMENT TO AUDITORS AS:</b>	As at 31st march 2021		As at 31st march 2020	
	₹		₹	
Statutory Audit Fees	57,500		57,500	
Tax Audit Fees	5,000			
Internal Audit Fee	160,000		130,000	
In any other Manner	14,825	237,325	12,013	199,513
<b>Total</b>		<b>237,325</b>		<b>199,513</b>

<b>24. EARNING PER SHARE (EPS)</b>	As at 31st march 2021		As at 31st march 2020	
	₹		₹	
Net profit / loss after tax attributable to Equity share holders		-50,309,766		-78,579,388
Weighted Average Number of Equity shares		44,610,000		39,560,000
Earnings per equity share:				
(1) Basic		-1.13		-1.99
(2) Diluted		-1.13		-1.35

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

For and on behalf of Board

For M/s. **GEORGE & REGI**  
CHARTERED ACCOUNTANTS  
Firm Regn.No.009022S

Sd/-  
**T.K.GOVINDAN**  
CHAIRMAN  
DIN: 07797281

Sd/-  
**K.S.PRADEEP KUMAR**  
MANAGING DIRECTOR  
DIN.:08250833

Sd/-  
**P.J. REGI, FCA,D.I.S.A(ICAI)** (partner)  
Memb. No: 209836

Sd/-  
**SUNIL MATHEW.K**  
CHIEF FINANCIAL OFFICER

Sd/-  
**PRADISH NAIR**  
COMPANY SECRETARY

Sd/-  
**BINU.K**  
DIRECTOR  
DIN: 09405248

Place: Kannur  
Date: 11/03/2022  
UDIN: 22209836AEZRVE2752

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

### **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 16<sup>th</sup> 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 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 GST and trade discounts. Income from services 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 assts 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.

	2020-21	2019-20
26. 1. a) Expenditure incurred on employees who were in receipt of remuneration aggregating to Rs. 24, 00,000 or more per year or Rs. 2,00,000 Per month employed for part of the year.	Rs Nil	Rs Nil
b) Expenditure incurred on employees who were in receipt of remuneration aggregating to Rs. 24 lakhs or more per year or Rs. 2 lakh per month where employees are employed throughout the year	Nil	Nil

2. **Disclosure requirement U/s 73 of Companies Act 2013**

The total amount of loan outstanding

(a) from shareholders	Rs. 17,52,47,341	Rs. 17,29,47,341
(b) from directors	NIL	NIL
(c) from relatives of directors	NIL	NIL

Accounting head in the financial statements : Loans under Long Term Borrowings

The loan from Shareholders include loan amounting to Rs. 15,45,47,341 outstanding as on 31-03-2014.

**27. EARNING PER SHARE**

Particulars	2020-21 Rs.	2019-20 Rs.
a. Net Profit/Loss during the year attributable to Equity share holders before extra ordinary items.	(5,03,09,766)	(7,85,79,388)
b. Extra ordinary items .	Nil	Nil
c. Net Profit/Loss after extra ordinary items.	(5,03,09,766)	(7,85,79,388)
d. Weighted average number of equity shares outstanding during the period	4,46,10,000	3,95,60,000
Basic Earnings per Share for 2020-21		
- after extra ordinary items	(1.13)	(1.99)
- before extra ordinary items	(1.13)	(1.99)

**28. STOCK**

Items	2020-21	2020-21	2019-20	2019-20
	Opening Stock Rs.	Closing Stock Rs.	Opening Stock Rs.	Closing Stock Rs.
Yarn	1,07,28,907	72,48,485.13	88,48,636	1,07,28,907
Fabrics/cloth/Lungies/Dothies	35,12,49,919	33,49,25,958.07	31,96,25,530	35,12,49,919
Dyes & chemicals	20,36,207	19,25,654.50	23,13,920	20,36,207
Stores	4,13,861	1,17,475.00	4,65,447	4,13,861
<b>TOTAL</b>	<b>36,44,28,894</b>	<b>34,42,17,572.70</b>	<b>33,12,53,533</b>	<b>36,44,28,894</b>

No value is considered for the stock of old damaged yarn worth Rs. 20,317.75/- and cloth (Cut bits/Damaged) worth Rs. 1,03,49,025.70/- .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 Rs.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 Rs.48, 00,000/-).

	Rs.
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	<u>700</u>
	<u><b>48,00,000</b></u>

31. An amount of Rs. 1,18,30,385.56 /- is receivable from Government of Kerala on account of rebate allowed on sales of Handloom Fabrics as on 31.03.2021 (last year figure, Rs. 3,08,66,226.76/-). This amount include Rs. 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 Rs. 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	2020-21 (Rs.)	2019-20 (Rs.)
Fabrics/cloth/Lungies/dothies etc.	19,52,77,207	20,79,57,071
	<b>19,52,77,207</b>	<b>20,79,57,071</b>
Stock Shortage	1,80,235	2,48,401
<b>TOTAL</b>	<b>19,54,57,442</b>	<b>20,82,05,472</b>

#### 35. PURCHASES

Particulars	2020-21 (Rs.)	2019-20 (Rs.)
Yarn	2,39,05,692	5,10,93,672
Cloth	8,46,30,662	11,40,14,302
Dyes & Chemicals	8,24,332.68	8,87,733
Consumable Stores	2,02,831	49,240
<b>TOTAL</b>	<b>10,95,63,518</b>	<b>16,60,44,947</b>

**36. AUDITORS' REMUNERATION & EXPENSES**

	Rs.
1) As Auditor	57,500
2) As Adviser, or in any other capacity, in respect of	
a. Taxation matters	5,000
b. Company law matters	Nil
c. Management services	Nil
3) Internal Auditing	1,60,000
4) In any other Manner	14,825

**37. RELATED PARTY DISCLOSURE:**

Name of the Related party	Relationship
Sri K.Sudhir *	Key Management Personnel of Company
Sri. K.P.Sahadevan**	Chairman
Sri. A.Radhakrishnan Nair	Director
Sri. V.G Raveendran	Director
Sri.Ubaidulla ***	Director
Sri. Murali.S	Director
Kerala Garments Ltd.	Subsidiary Company

\* Government of Kerala Vide Go(Rt) No.1000/2021/ID dated 16-09-2021 pleased to order that Sri.K.S Pradeepkumar, Director of Handlooms and Textiles will hold full additional charge of Managing Director of the Corporation in the place of Sri.K.Sudhir, Director of Handlooms & Textiles.

\*\* Vide Go(Rt) No.1326/2021/ID dated 7-12-2021, Sri.T.K.Govindan Master is appointed as Chairman of the Corporation.

\*\*\* Vide Go(Rt) No.1193/2021/ID dated 29-10-2021, Sri. Binu.K, Under Secretary, Finance Department is nominated as new director of the Corporation in the place of Sri.Ubaidulla.A.C, under secretary, finance Department.

**38. RELATED PARTY TRANSACTIONS**

<b>(a). MANAGING DIRECTOR'S REMUNERATION &amp; TRAVELLING EXPENSES</b>	<b>2020-21</b>	<b>2019-20</b>
	Rs.	Rs.
<u>Salaries &amp; allowances (Gross)</u>		
Sri.K.T Jayarajan	Nil	10,27,236
Sri.Sudhir.K	Nil	Nil
<u>Travelling Expenses</u>		
Sri.Jayarajan.K.T	Nil	1,31,795
Sri.Sudhir.K	Nil	Nil
<u>Value of rent free accomodation</u>		
Sri. Sudhir.K	Nil	Nil
<b>(b) CHAIRMAN'S HONOURARIUM &amp; TRAVELLING EXPENSES</b>	<b>2020-21</b>	<b>2019-20</b>
	Rs.	Rs.
<u>Honorarium</u>		
Sri.K.P.Sahadevan	2,40,000	2,40,000
<u>Travelling expenses</u>		
Sri.K.P.Sahadevan	9,348	48,916

(c) RELATED PARTY TRANSACTIONS

NAME	TRANSACTION	RELATION	AMOUNT (in Rs)	OUTSTANDING AS ON 31/03/2021
Government of Kerala	Loan Received	Share holder	23,00,000	<b>17,52,47,341</b>
Government of Kerala	Interest paid	Share holder	1,87,25,469	<b>42,21,70,510.43</b>

- Transactions with the subsidiary company Kerala Garments Limited has been disclosed under **clause 40** of the notes to accounts.

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 Rs.120.89 lakhs into equity. Hence, no provision has been made in the account for interest for the loans of Rs. 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 Rs. 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 Rs. 17.46 cores includes defaulted principal amount of Rs.16.03 cores. The accumulated interest including defaulted interest on Govt. Loan amounting to Rs. 42.16 cores outstanding to be paid on 31/3/2021, 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 Rs. 3,76,62,886 /- is provided by the Corporation in respect of loan given to the above Company, since the recovery is doubtful.

An amount of Rs.133,77,224 /- paid to M/s. Kerala Garments Ltd, Subsidiary Company of the Corporation for meeting their day-to-day expenses and an amount of Rs. 55,33,922 incurred on behalf of M/s Kerala Garments Limited. In respect of their day-to-day expense have been included under loans and advances as loan (Total – 1,89,11,146) (last year Rs. 1,86,95,852/-). Maximum amount of loan appearing under this head stood at Rs. 189.11 lakhs. Apart from the above a term loan of Rs. 20,20,000/- is also given to Kerala Garments Limited. As was done last year no interest which work out to Rs. 20,06,580 /- has been provided in the accounts for the working capital loan amount for the year 2020-21, since Kerala Garments LTD has stopped its operations. The interest amount for the year 2007-08 to 2019-20 under this head works out to Rs. 2,64,86,534 /-. The interest amount provided in the accounts is only up to 2006-07 which comes to Rs.186,77,569 /-. Interest for the year 2020-21 amounting to Rs. 8,76,242 /- is charged on the loan amount of Rs. 20,20,000/- is not taken as income in to accounts. The Interest amount for the year 2009-10 to 2019-20 under this head works out to Rs. 82,93,528 /- Interest is provided in the accounts only up to 2008-09 which comes to Rs. 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 Rs. 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. Further Kerala Garments Ltd has completed its audit up to 2019-20 and the process of strike off/Merge of Kerala Garments Ltd is in final stage.

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 Rs. 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 Rs. 2,68,88,499 /-and the accumulated provision till date comes to Rs. 2,39,60,724 /-. Since the difference between actual Sundry Debtors exceeding 3 years and the accumulated provision made till date is Rs. 29,27,774 /-, 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 Rs.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. However certain ex-employees of the Corporation vide 3 WP (c) approached Hon'ble High Court of Kerala and has claimed to provide DA arrear from 2004 onwards and the case is disposed and court has directed to hear the petitioner to consider the matter and inform the status to Govt accordingly
47. (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 Rs. 175.93 lakhs have not been taken credit of in the accounts during the year under report(last year Rs.143.71 lakhs).
48. Sri T.Dhanraj, Sales Assistant had committed misappropriation of Corporation's funds to the tune of Rs. 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.
49. 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 Rs. 64,702.85. She has remitted Rs.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 Rs. 28,669.85 with interest will be adjusted from the terminal benefits due to her.
50. An amount of Rs. 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.
51. 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 Rs. 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 Rs. 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.
52. 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.

53. 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.
54. 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 7.29 lakhs metres school uniform to students for a total value of Rs.1171.04 lakhs during the year 2020-21.
55. Governement Vide order dated 52/2019/ID dated 25-06-2019 has granted permission to increase Authorised Share Capital from 40 crores to 50crores. Thereafter matter was placed in Annual General Meeting convened on 31/12/19. Consequent to approval in Annual General Meeting, necessary steps were taken to increase Authorised Share Capital from 40 crores to 50 crores. In obedience to that Corporation was increasing the Authorsied share capital to 50 crores. Further the Corporation in its meeting of Board of Directors held on 25/9/2020 as resolved to allot shares to Government for an amount of 10.10crores and the share certificate has been issued to Government and necessary filing with Registrar of Companies has also being affected. Since the share has been allotted to Government based on the Board decision on 25-9-2020, Share Application Money Pending Allotment revised to Rs. 8,83,00,000 as per Schedule 3 of Balance Sheet as on 31-3-2021.

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

Particulars	As at 31 st March 2021 (In R)
A) Contingent Liabilities	
a) Claim against the Company not acknowledged as debts	2,02,41,226
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	Rs.
Less : Paid	Rs.
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 Rs.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) An amount of Rs. 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 Honorable High Court of Kerala and hence no provision for damages is made in the Accounts.
- c) An amount of Rs.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 Honorable EPF Appellate Tribunal Bangalore.
- d) 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 Rs.6,39,007 /- and Rs.10,27,008/- respectively for the period from 5/2016 to 11/2016 with the total liability amounting to Rs.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 Rs. 8,87,134 and Rs.18,48,196 with the total liability coming to Rs.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 Rs. 14,81,098/- for the period from 06/2015 to 11/2016(consolidated).For damages amounting to Rs. 27,81,851/- EPFO issued letter KR/KNR/3215/Enfi(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 Honorable EPF Appellate Tribunal and a stay is anticipated.

- c) 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 Rs.12,17,467/- and Rs. 20,71,522/- respectively, total liability is Rs.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.

With reference to damages, appeal against the order of CGIT to remit 60% of damages (Rs.39,29,651/-), has been filed before Hon'ble High Court . As per the direction of the Hon'ble High Court, Corporation has remitted 50 % of damages (Rs. 19,64,824/-) asked to remit by CGIT for filing WP(C) Nos 11667/2020,23325/2020,23140/2020 & 23097/2020 before the Hon'ble High Court and the matter is still pending before the Hon'ble High Court.

- d) Contingent liability for the property tax for Rs. 31,84,726/- 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 17-06-2020 for exempting the corporation from paying the property tax. Further Corporation Vide their Demand notice dated 23-3-2021 and again they ask the corporation to remit an amount of Rs. 31,84,726/- in respect for the above building. Corporation is in the process of giving representation to Government for exempting /waving the property tax. Corporation except the favorable response from the government that the property tax will be exempted. Since the building constructed by utilizing the grant received from Government for the upliftment of shattered traditional weavers and hence the property tax amount payable to Tvm Corporation is not provided in the Accounts.
- e) As per the directions of the board of directors in it's 335th meeting, dated 13.03.2019 the MD was authorized to make further negotiation with KWA up on the matter of Revenue Recovery of the Water Charge dues related to the old Regional Office Building at Ernakulam. Even though the Assistant Executive Engineer reduced the due amount from Rs. 25,41,444/- to Rs. 2,98,371/-, we are still and requesting to KWA to reduce the amount further. The negotiation with officials is going on in this matter. The last communication, was made on 08.02.2020. The letter number KSHDC/G2/ MIS / 1121 / 2019-20 on the said date, was addressed to the Managing Director, KWA to reduce the Water Charges dues. But we are yet to receive response from KWA with regarding to our last letter for the full and final settlement of the balance due. As the communication on the matter is still going on and the amount is not yet finalised, we have not made the provision for the due amount of Rs. 2,98,371.

57. Due to financial constraints the Corporation was not in a position to remit Gratuity/Terminal benefits to retired employees on a timely basis. Consequently five of the retired employees approached Hon;ble High Court of Kerala filing W.P.(C) No.100/2021 and W.P (C) No.2626/2021. Hon;ble High Court vide its judgment dt 08-04-2021 directed to make remittance of terminal benefits including Gratuity adverting to the Board Resolution No.8379 of the Corporation dt 20-02-2021. Further Hon'ble High Court directed to ensure that at least one or two persons from the list of retired employees placed before the High Court are paid their eligible retiral benefits, including gratuity every month and continue to do so, until such time as the last person in the said list is finally paid. Since provision for Gratuity/other Terminal benefits of employees has already been made in the accounts in each financial year, no additional provision is required and not provided in the accounts during the year.

58. Break-up details of exhibition expenses of Rs.2,56,294/- (Last year Rs.14,04,243 /-) is as under in compliance of part II of Schedule II of Companies Act, 2013.

Particulars	2020-21 R	2019-20 R
Stall Rent / Lease Rent / Shed / Stall Decoration	1,48,000	3,49,626
Publicity Expenses	16,000	70,655
Freight charges, Bundling Charges etc....	9,800	1,81,560
Stationery	1,090	15,464
Staff Welfare Expenses	384	18,330
Wages	67,200	6,57,200
Conveyance/Travelling Expenses		3,619
Sweeping Charges	500	13,070
Hire charges & Rack Fitting charges	5,040	7,550
Postage & Telephone charges		344
Risk Allowance		11,700
Inauguration Expenses	400	4,988
Electricity charges	7,880	56,020
Insurance		3,675
Miscellaneous expenses		10,442
<b>TOTAL</b>	<b>2,56,294</b>	<b>14,04,243</b>

59. Government of kerala considering the heritage aspect of old Regional building has taken necessary steps for declaring the old Regional building as protected monument as per the provisions of the Kerala Ancient Monuments and Archaeological Sites and Remains Act 1968(26 of 1969)  
Further developments related to conservation of properly for Museum purposed were informed to Industrial Department, Government of Kerala. Further in the Memorandum of Understanding(MoU) entered in to between the Corporation and the Department of Museums and Zoos, it is specifically mentioned that ownership of the old Regional Office building will remain vested with the Corporation.
60. 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.
61. 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.
62. 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 2021
63. 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

Sd/-  
**SUNIL MATHEW.K**  
CHIEF FINANCIAL OFFICER

Sd/-  
**T.K.GOVINDAN**  
CHAIRMAN  
DIN: 07797281

Sd/-  
**K.S.PRADEEP KUMAR**  
MANAGING DIRECTOR  
DIN.:08250833

Sd/-  
**BINU.K**  
DIRECTOR  
DIN: 09405248

Sd/-  
**PRADISH NAIR**  
COMPANY SECRETARY

As per our report attached  
For M/s. **GEORGE & REGI**  
CHARTERED ACCOUNTANTS  
Firm Regn.No.009022S

Place: Kannur  
Date: 11/03/2022  
UDIN: 22209836AEZRVE2752

Sd/-  
**P.J. REGI, FCA, D.I.S.A(ICAI)** (partner)  
Memb. No: 209836

## INDEPENDENT AUDITOR'S REPORT

To

**The members of KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD.,  
Report on the Financial Statements**

### QUALIFIED OPINION

We have audited the Financial statements of **KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD.** ,("The Company"), which comprises of the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, Cash Flow statement and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and **Loss** and its cash flows for the year ended on that date.

### BASIS FOR QUALIFIED OPINION

1. The company has given term loan of Rs.20,20,000/- and other loans of Rs.1,89,11,146/- to its subsidiary company M/s Kerala Garments Limited. Interest on loan amounting to Rs.2,64,93,111 is provided upto 2009-10. The subsidiary company has stopped its operation on 09/01/2007 and its net worth is negative as per audited financial statement of the year 2020-21. However the company has not made provision for loan given and interest due thereon. This has resulted in understatement of Rs. 4,74,24,257/- in Accumulated loss (under Reserves and Surplus) and overstatement of Long term Loans and advances to the extent of Rs.20,20,000/-, Short term loans and advances to extent of Rs. 1,89,11,146/- and Other current assets to the extent of Rs.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 Rs.1,09,20,691/- included under the head Long term loans and advances and interest receivable thereon Rs.1,88,38,230/-included under other current assets (Other interest receivable), which is due for recovery from several years back. This has resulted in understatement of Rs.2,97,58,921/- in Accumulated loss(under Reserves and Surplus) and overstatement of Long term loans and advances to the extent of Rs. 1,09,20,691/-and other current assets to the extent of Rs.1,88,38,230/-.
3. The company has not made provision for advances amounting to Rs.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 Rs. 13,23,421/-in in Accumulated loss(under Reserves and Surplus) and overstatement of Short term loans and advances to the extent of Rs.13,23,421/-.
4. Investment in Kerala Garments Ltd, its subsidiary company whose net worth fully eroded and stopped its operation in 09-01-2007, is carried at Rs. 48,00,000/- in the Balance Sheet as at 31 March, 2021 We were unable to obtain sufficient audit evidence about the carrying amount of the investment in Kerala Garments Ltd as at March 31, 2021. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.
5. Building Tax of Rs. 31,84,726/- demanded by the Trivandrum Corporation from 2010-11 onwards as per the notes on accounts No 56 (d) is not provided in the books of accounts. The company has not filed any appeal against the tax demanded and cannot be considered as contingent liability. This has resulted in

understatement of in Accumulated loss (under Reserves and Surplus) to the extent of Rs. 31,84,726/- and understatement of Other current liabilities.

6. The Vat liability on sale of Textile amounting to Rs.19,03,694/- with interest is payable to the Commercial Tax Department for the financial year 2015-16 is not provided in the books of accounts. This has resulted in understatement of in Accumulated loss (under Reserves and Surplus) to the extent of Rs.19,03,694/- and understatement of Other current liabilities.
7. Job Work charges payable to Weavers were liable for Reverse Charge under GST regime during the period 01 July 2017 to 13 October 2017 vide Notification No. 38/2017. The Reverse Charge liability on Job work charge payable for the period July 2017 - September 2017 works out to Rs.9,55,934/- (Rs. 1,91,18,688/- @ 5%). The remaining charges payable from 01<sup>st</sup> October 2017 to 13<sup>th</sup> October 2017 could not be quantified. The company has paid Rs. 5,70,160 and hence the balance payable is Rs. 3,85,774 is not provided in books of accounts. This has resulted in understatement of in Accumulated loss (under Reserves and Surplus) to the extent of Rs. 3,85,774/- and understatement of Other current liabilities.
8. The loan amount outstanding to Rs. 17,29,47,341 received from Government of Kerala prior to 31/03/2020 were classified and disclosed under the head long term borrowings. Due to the lack of information regarding the amount which is currently due for payment the correctness of the disclosure as term loan and as current maturity of long term debts could not be verified. An amount of Rs. 4,23,230 has been classified as secured against current asset but no confirmation has been obtained regarding the same. Interest accrued and payable for the above mentioned loan to the tune of Rs. 42,21,70,510.43 has been provided in the books of accounts as payable as on 31.03.2021. Current year interest has been worked out at the rate which is usually being provided. Sufficient evidence were not made available for verification to confirm the rate of interest.
9. Handloom products also includes goods which attracts the rate of 12% under GST. However the corporation has resolved in its 338<sup>th</sup> meeting held on 03.09.2019 that in case of GST sales greater than Rs. 1000, GST shall be collected at the rate of 5% from the customers and balance liability of 7% should be paid out of corporation fund. It is observed on our verification that corporation has paid GST to the government to the extent of 5% only. No provision has been created in the books of accounts for the balance unpaid amount.
10. The company is engaged in the sale of goods which are both exempt and taxable. Rule 42 of CGST Rules 2017, prescribes that input tax credit availed proportionate to exempt sale should be reversed. However it is observed that, the company is availing the entire input tax credit and the same has been utilized to discharge the GST tax liability which is against the provisions of the Act. The excess input tax credit availed has to be worked out and has to be reversed. Hence the duties and taxes under short term loans and advances amounting to Rs. 57,00,919/- is overstated to that extent.
11. Presently the company is issuing yarn for the weavers for weaving and at the time of receipt of the cloth from the weavers the amount of weaving charges paid is debited to the purchase account. Since the same is a job work of weaving, the actual weaving charges should be debited separately to weaving charges account and tax is to be deducted as per section 194C of the Income Tax Act, 1961.
12. Balance confirmation certificate of Other Current Liabilities, Trade Receivables, Trade payable, Long Term loans and Advances were not available for our verification.
13. During the year 2020-21 the company has received a Grant amounting to Rs. 5,00,00,000 from the Government of Kerala for the purpose of Modernization of Hanveev. It has been specifically mentioned in the sanction order that the amount shall not be transferred to any other bank account or shall not be utilized except for the purpose for which it was sanctioned. But it is observed that the company has

utilized the amount for meeting the day-to-day expense and the amount has been transferred to the bank account of the company. Hence it is observed that the utilization of the fund is not in order.

14. As per the Balance confirmation obtained from NHDC, the balance of the company in the books of accounts is Rs. 23,73,449.46 whereas in the books of company the total amount payable (Net of Subsidy receivable) to NHDC is only Rs. 11,86,021.75. Hence there is a difference of Rs. 11,87,427.71. The difference has not been reconciled by the company.
15. The company has not made provision for Rs. 64,170.50 payable towards GST under Reverse charge mechanism of the CGST Act, 2017.
16. The company has not collected GST on on E-Tender Form fees collection amounting to Rs. 2,28,707. Accordingly the GST liability on the same amounting to Rs. 41,167.26 has not been paid and no provision is made. The loss for the year is understated to the extent of Tax amount.
17. No provision is seen made for 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.
18. 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. Hence the provision of the Companies Act, 2013 is not complied with.
19. The Share application money Rs. 8.83 crores appearing as per note No. 3 represents share capital contribution received from the Govt. of Kerala pending to be allotted. The company has received share application money over and above the authorized capital of Rs. 50,00,000,00.
20. The company has not provided for interest payable to the Government of Kerala for the various loan amounting Rs. 288.99 lakhs availed for the period up to 1995-96 and the interest and penal interest for the period worked out by the company is Rs. 492.98 lakhs which has resulted in understatement of reserves and surplus and other liabilities.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

## **EMPHASIS OF MATTER PARAGRAPHS AND OTHER MATTER PARAGRAPHS**

### **Other Matter**

We draw attention to observation made by us in the paragraph 1 to 23 of "Annexure A" attached. Our opinion is not modified in respect of this matter.

### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. As the company is not listed company this clause is not applicable.

## **OTHER INFORMATION**

- a) The Company's board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.
- b) Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- c) In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- d) If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibility of Management for the Financial Statements**

- a) The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)<sup>1</sup> and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- b) In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- c) The Board of Directors are also responsible for overseeing the company's financial reporting process.

## **AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "**Annexure C**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Sec. 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure D**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company does not have any pending litigations which would impact its financial position.
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. We have complied with the directions u/s 143(5) of the Companies Act, 2013 and its impact on the Accounts and Financial Statements is not material. Our observations on the directions u/s 143(5) of the Companies Act, 2013 are given in "**Annexure E**".

**For GEORGE & REGI**  
Chartered Accountants  
Firm Reg. No.009022S

Place: Kannur  
Date: 11/03/2022  
UDIN : 22209836AEZRVE2752

**P.J.REGI, FCA, D.I.S.A (ICAI)**  
Partner  
(Membership No.209836)

**ANNEXURE -A TO THE INDEPENDENT AUDITOR'S REPORT OF  
KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD**

**as of and for the year ended March 31, 2021  
(Referred to in our report of even date)**

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 31-03-2021 does not include damaged yarn costing Rs. 20,317.75/- and Cut bits valued at cost amounting to Rs.1,03,49,025.70/-. 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. 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 Rs. 36,98,95,508/- as on 31-03-2021 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.
5. 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.
6. The details of deferred income amounting to Rs.13,27,039.39/- 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.
7. No interest has been provided on loan amount of Rs. 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.
8. Other current liabilities include Thrift Fund balance - Rs.1,91,00,131/-, the control account balance in ledger is seen not tallied with schedule of balances weavers accounts at the yearend.
9. Balance confirmation has not been obtained for certain treasury accounts. The details are furnished in Annexure-1 to this Annexure.
10. 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).

**For GEORGE & REGI**  
Chartered Accountants  
Firm Reg. No.009022S

**P.J.REGI, FCA, D.I.S.A (ICAI)**  
Partner  
(Membership No.209836)

Place: Kannur  
Date: 11/03/2022  
UDIN : 22209836AEZRVE2752

**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 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	
	Treasury - 11781	1,000.00	
	Total	23,212.00	

**For GEORGE & REGI**  
Chartered Accountants  
Firm Reg. No.009022S

**P.J.REGI, FCA, D.I.S.A (ICAI)**  
Partner  
(Membership No.209836)

Place: Kannur.  
Date: 11/03/2022  
UDIN : 22209836AEZRVE2752

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF  
KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD.**

**as of and for the year ended March 31, 2021  
(Referred to in our report of even date)**

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

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

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

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

**For GEORGE & REGI**  
Chartered Accountants  
Firm Reg. No.009022S

**P.J.REGI, FCA, D.I.S.A (ICAI)**  
Partner  
(Membership No.209836)

Place: Kannur  
Date: 11/03/2022  
UDIN : 22209836AEZRVE2752

**ANNEXURE - C TO THE INDEPENDENT AUDITOR'S REPORT OF  
KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD**  
as of and for the year ended March 31, 2021  
(Referred to in our report of even date)

(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.
- c) Title deeds of freehold land for Rs. 46.07 lakhs and the title deed of Office building and factory building with WDV amounting Rs.16,68,802/- as on 31-03-2021 were 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 showrooms 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 its subsidiary Kerala Garments Limited, 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.

- 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 seen executed for the outstanding loan of Rs. 1,89,11,146 /- given to Kerala Garments Ltd, and no interest is charged on the loan amounts from the financial year 2007-08 onwards. The interest not charged for the year 2007-08 to 2020-21 on working capital loan is worked out by the company is Rs. 2,84,93,114/-. Similarly on the term loan of Rs. 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 2020-21 not provided in books of accounts worked out by the company is Rs. 91,69,770/-. Kerala Garments Ltd has defaulted in repaying the principal and interest of term loan, working capital loan and its interest. The entire loan 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 21 June 2018. The accounts have been audited upto 31 March 2020. It was decided that necessary actions with the permission of the Board or Government, will be taken to take over/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 ( As per Annexure 1 of this Annexure) in respect of aforesaid dues were outstanding as at March 31, 2021 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 ( Annexure 2 of this Annexure).

(viii) In our opinion and according to the information and explanation given to us, the company has defaulted in repayment of dues of Secured and unsecured loans from government and DRI loan. We have not obtained confirmation regarding the period of default and amount due as on 31.03.2021.

(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 2020-21 is furnished in Annexure 4 to this Annexure.

(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 GEORGE & REGI**  
Chartered Accountants  
Firm Reg. No.009022S

**P.J.REGI, FCA, D.I.S.A (ICAI)**  
Partner  
(Membership No.209836)

Place: Kannur  
Date: 11/03/2022  
UDIN : 22209836AEZRVE2752

**STATEMENT OF ARREARS OF STATUTORY DUES OUTSTANDING FOR MORE THAN SIX MONTHS AS ON 31<sup>st</sup> MARCH, 2021**

**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)	31,84,726.00	2010-11 To 2020-21	Half Yearly		
Employees State Insurance Act,1948	The amount relating to Head office employee contribution deducted but not remitted in ESI	23,425.81	2000-01 To 2020-21	15 <sup>th</sup> 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	1,17,635.64	2000-01 To 2020-21	15 <sup>th</sup> 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	13,924.93	2000-01 To 2020-21	15 <sup>th</sup> 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	3,805.12	2000-01 onwards	15 <sup>th</sup> 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	2,603.00	2007-08 onwards	15 <sup>th</sup> January		
KVAT Act,2003	VAT output not collected from customers and not paid to commercial tax department	19,03,694.00	2015-16	20 <sup>th</sup> of next month		
CGST Act,2017	Reverse charge payable on job work charges	3,85,774.00	2017-18	20 <sup>th</sup> of next month		

STATEMENT OF STATUTORY DUE OUTSTANDING ON ACCOUNT OF DISPUTES AS ON 31<sup>ST</sup> MARCH, 2021

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

Name of Statute	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 payments	1,44,898.00	2014-15 To 2017-18	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	

**Annexure 4 to Annexure C of the Injdependent Auditors Report  
DISCIPLINARY ACTIONS TAKEN AGAINST THE DELIQUENT EMPLOYEES  
Suspended Employees-(Misappropriation/Malpractices)**

SI No	Name and Designation	Suspension	Charge sheet dt	Reason	Enquiry Initiated	Present status
1	Ajayakumar C L, Packer	w.e.f 10-08-2017	11/21/2017	Misappropriation of fund towards unauthorized credit sales, stock deficit matters and disobedience of office orders. (Rs. 1,80,556/-)	As per letter dt 06-01-2018	Dismissed from service w.e.f 10-08-2017 vide order dt 08-11-2019.
2	Sri Bahuleyan G, Storekeeper	w.e.f 23-11-2017	1/16/2018	Unauthorized sales from Regional Store TVM (Rs. 22,724/-)	As per letter dt 13-03-2018	Enquiry Report received. Reinstated into service by imposing punishment of "Fine" of Rs. 75,000/- and absolute suspension. Retired from service on 30-04-2019.
3	Ajay Gopinath, S/A	w.e.f 04.04.2018	5/22/2018	Misappropriation of fund, unauthorized credit sales and stock deficit matters (Rs. 9,49,588/-)	As per letter dt 01-10-2018	Enquiry completed. Dismissed from the service w.e.f 04-04-2018 vide order dt 09-12-2020.
4	C T Girija, S/A	w.e.f 26-12-2017	2/15/2018	Misappropriation of fund and unauthorized credit sales. (Rs. 1,84,932/-)	As per letter dt 14-07-2018	Dismissed from the service w.e.f 26-12-2017 vide order dt 16-01-2020.
5	Sunilkumar R, Packer	w.e.f 29-12-2017	3/23/2018	Misappropriation of fund by keeping a sum towards credit recovery in hand for a long period, and unauthorized credit sales. (Rs. 1,34,214/-)	As per letter dt 02-07-2018	Dismissed from the service w.e.f 29-12-2017 vide order dt 28-02-2020.
6	Anilkumar A C, Peon	w.e.f 29-12-2017	2/27/2018	Misappropriation of fund and stock deficit matters. (Rs. 8,95,688/-)	As per letter dt 14-07-2018	Enquiry Report received. Dismissed from service w.e.f 29-12-2017 vide order dt 22-12-2020.
7	Sheeja T A, Packer	w.e.f 05-01-2018	23-03-2018 & 07-09-2018	Misappropriation of fund of, unauthorized credit sales and manhandling superior officer at Chalakkudy Showroom. (Rs. 6,24,154/-)	As per letter dt 02-07-2018	Enquiry Report received. Dismissed from the service w.e.f 05-01-2018 vide order dt 26-08-2020.
8	Jameskutty Abraham, S/A	w.e.f 30-01-2018	4/28/2018	Misappropriation of fund, irregularities noticed between the computer bills and manual bills, stock adjustment through computer. (Rs. 12,52,413/-)	As per letter dt 01-10-2018	Enquiry completed. Report received. Delinquent employee filed with Petition before Honble High Court against the Enquiry Report and Management decided to reopen the enquiry. Enquiry completed
9	Babu T V, Packer	w.e.f 19-02-2018	5/9/2018	Misappropriation of fund, failure in updating register and recovery towards credit sales, unauthorized credit sales. (Rs. 8,63,831/-)	As per letter dt 19-11-2018 and 24-11-2018	Dismissed from the service w.e.f 19-02-2018 vide order dt 28-07-2020.
10	Jayakumar K, Packer	w.e.f 01-03-2018	5/18/2018	Misappropriation of fund in Exhibition sales 2016, 2017. (Rs. 5,81,255.69)	As per letter dt 30-01-2019	Enquiry completed. Decided to impose punishment of barring of 3 Annual increments with cumulative effect w.e.f 01-03-2018 vide order dated:06-10-2021.
11	Jinson Johnson, Packer	w.e.f 09-04-2018	7/2/2018	Misappropriation of fund, stock deficit, disobedience of office orders and unauthorized credit sales. (Rs. 2,29,820.45)	As per letter dt 15-01-2019	Enquiry completed. Dismissed from the service w.e.f 09-04-2018 vide order dt 13-09-2021.
12	Manoj K K, Packer	w.e.f 26-07-2019	7/25/2019	Misappropriation of fund and unauthorized credit sales.	As per letter dt 05-09-2019	Enquiry completed. Enquiry Report not received.

**Employees Working-(Misconduct/Malpractices)**

SI 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	Enquiry completed. Report received. Dismissed from the service w.e.f 18-01-2020 vide order dt 16-01-2020.
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 w.e.f 19-07-2019 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	Enquiry completed. Reinstated in to service vide order dt 16-01-2020 by imposing a punishment of barring two increments.

**“Annexure D” to the Independent Auditor’s Report of  
even date on the Financial Statements of  
KERALA STATE HANDLOOM DEVELOPMENT CORPORATION LTD (“The Company”)**

**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 LTD**, (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, 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 the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India .

**For GEORGE& REGI**  
Chartered Accountants  
Firm Reg. No.009022S

**P.J.REGI, FCA, D.I.S.A (ICAI)**  
Partner  
(Membership No.209836)

Place: Kannur  
Date : 11/03/2022  
UDIN : 22209836AEZRVE2752

**“Annexure E” to the Independent Auditor’s report of even date of Kerala State Handloom Development Corporation as at 31st March 2021.  
Direction under sub section (5) of section 143 of the Companies Act 2013.**

Sl. No.	Details/ Directions	Auditors Comment
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.
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. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	There is no restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest reported during the financial year.
3	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	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

**Sector Specific sub-directions under section 143(5) of the  
companies Act, 2013: Manufacturing Sector**

Sl. No.	Details/ Directions	Auditor's Reply
1	Whether the Company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?	The Company 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.
2	Whether the company has utilized the Government assistance for technology up gradation/modernization of its manufacturing process and timely submitted the utilization certificates.	The company has not utilized the amount received during the year for technology upgradation/modernization of its manufacturing process.
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.
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 deducting the margin of 32.50 % from the selling price. No such pricing policy exists for 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.
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 ascertained
7	State the extent of utilization of plant and machinery during the year vis-a-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
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.

**For GEORGE & REGI**  
Chartered Accountants  
Firm Reg. No.009022S

**P.J.REGI, FCA, D.I.S.A (ICAI)**  
Partner  
(Membership No.209836)

Place: Kannur  
Date: 11/03/2022  
UDIN : 22209836AEZRVE2752



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

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF KERALA STATE HANDLOOM DEVELOPMENT CORPORATION  
LIMITED, KANNUR FOR THE YEAR ENDED 31 MARCH 2021.**

The preparation of financial statements of **Kerala State Handloom Development Corporation Limited, Kannur** for the year ended **31 March 2021** 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 **11 March 2022**.

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 2021** 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**

Sd/-

**Dr. BIJU JACOB**

**Thiruvananthapuram**

**Dated:09.06.2022**

**PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II), KERALA**

**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 Adjourned 53rd Adjourned Annual  
General Meeting of the Company, to be held on Saturday 31st December 2022 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.

*Affix  
Revenue  
Stamp*

Signed this ..... day of ..... 2022

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  
രജിസ്ട്രേഡ് ഓഫീസ് : കണ്ണൂർ  
മെമ്പറുടെ പേര് :  
അഡ്രസ്സ് :

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

കേരള സ്റ്റേറ്റ് ഹാന്റലും ഡവലപ്മെന്റ് കോർപ്പറേഷൻ ലിമിറ്റഡ് മെമ്പറായ ഞാൻ/ഞങ്ങൾ .....

എന്നയാളെ 2022 ഡിസംബർ 31-ാം തീയതി ശനിയാഴ്ച ഉച്ചയ്ക്ക് ശേഷം 3.30ന് നടക്കുന്ന കോർപ്പറേഷന്റെ 53-ാമത് നീട്ടിവെച്ച വാർഷികപൊതുയോഗത്തിലും കൂടാതെ തുടർന്ന് പ്രസ്തുത പൊതുയോഗം തീരുമാനങ്ങളെടുക്കാതെ നീട്ടി വെക്കുകയാണെങ്കിൽ ആയതിലും എനിക്ക്

പകരം ഹാജരാകുന്നതിന് നിയോഗിക്കുന്നു.

നെസലുഷൻ നം

- 1
- 2
- 3

2022..... മേൽപറഞ്ഞ ..... എന്ന ആൾ ഒപ്പിടിക്കുന്നു.

<b>ഒപ്പ്</b> പ്രോക്സി	<b>ഒപ്പ്</b> മെമ്പർ	<b>റവന്യൂ</b> <b>സ്റ്റാമ്പ്</b> <b>പതിക്കുക</b>
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കുറിപ്പ് : മീറ്റിംഗിന് 48 മണിക്കൂർ മുമ്പേ കണ്ണൂരിൽ തില്ലേരി റോഡിലുള്ള കോർപ്പറേഷന്റെ രജിസ്ട്രേഡ് 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 2022 ഡിസംബർ 31-ാം തീയതി ശനിയാഴ്ച ഉച്ചയ്ക്ക് ശേഷം 3.30 ന് ജവഹർലാൽ നെഹ്റു പബ്ലിക് ലൈബ്രറി & റിസർച്ച് സെന്റർ, യോഗശാല റോഡ്, കണ്ണൂരിൽ വെച്ച് നടക്കുന്ന 53-ാമത് നീട്ടിവെച്ച വാർഷിക പൊതുയോഗത്തിൽ, എന്റെ ഹാജർ ഇതി നാൽ 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
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I Certify that I am a registered shareholder of the Corporation and hold ..... Shares. I hereby record my presence at the Adjourned 53rd Annual General Meeting at Jawaharlal Nehru Public Library & Research Centre, Yogasala Road, Kannur-1 on Saturday the 31st December 2022 at 3.30 p.m.

Member / Proxy

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

LOCATION MAP

