



KERALA FOREST DEVELOPMENT CORPORATION LTD.

(A Govt. of Kerala Undertaking)

KOTTAYAM- 686 003

CIN No. UO2001KL1975SGC002660

**Regd. Office : “Aranyakom”,
Karapuzha,
Kottayam- 686003.**

Grams : ‘Trees’

Fax : 0481- 2581338

Email : md_kfdcktm@yahoo.co.in

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**Telephone` : 2582640 (M.D)
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2581205**

**46th ANNUAL REPORT
2019-20**



KERALA FOREST DEVELOPMENT CORPORATION LIMITED. BOARD OF DIRECTORS (2019-20)

Shri. Adv.George Thomas

Chairman.

Shri. K.P Singh,IFS

Additional Director General (central) Moef,Bangalore (Appointment:02/07/2019)

Shri. A Jayathilak,IAS

Principal Secretary, Forest & Wildlife Department (Cessation :16/12/2019)

Smt.Dr.Asha Thomas,IAS

Principal Secretary, Forest & Wildlife Department (Appointment:16/12/2019)

Shri. P.K.Kesavan ,IFS

Principal Chief Conservator & HoFF, F&WLD Department (Cessation 02/07/2019)

Shri.Deepak Mishra IFS

Principal Chief Conservator & HoFF, F&WLD Department (Appointment 02/07/2019)

Shri. P R Suresh, IFS

Managing Director

Shri. Shajumudheen.H

Deputy Secretary, Finance Department (Appointment :27/02/2019)

Shri. V.S Anilkumar

Deputy Secretary, F&WLD Department (Cessation:02/07/2019)

Shri. Zulfiker Rahman A

Deputy Secretary, F&WLD Department (Appointment:02/07/2019)

Shri. M.V.Vidyadharan

Director

Shri. P.N.Vijayan

Director

Shri. P Muthupandi

Director

Bankers:

District Treasury, Kottayam

State Bank of India

Union Bank of India

Canara Bank

Auditors:

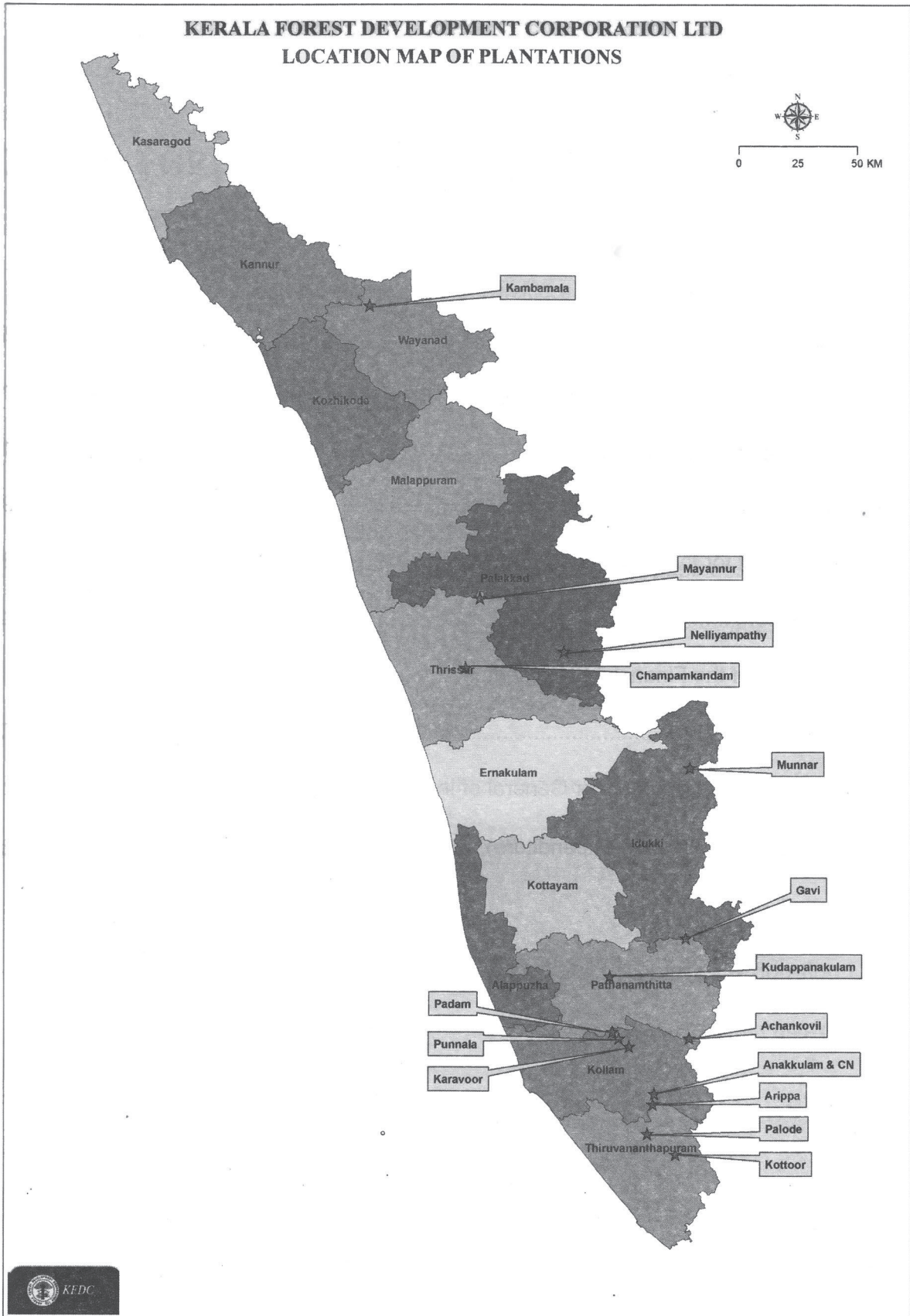
M/s. M.J Thomas & Co.,

Chartered Accountants.

Sunshine, T.M.M Hospital Road,

Thiruvalla -689101

**KERALA FOREST DEVELOPMENT CORPORATION LTD
LOCATION MAP OF PLANTATIONS**





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Registered Office: "AARANYAKOM", KARAPUZHA, KOTTAYAM- 686 003.

Ph: -91-481-2581204, 2581205, Fax-2581338, MD- 2581236

E Mail: md_kfdcktm@yahoo.co.in, CIN No. UO2001KL1975SGC002660

NOTICE TO SHARE HOLDERS

Notice is hereby given that the 46th Annual General Meeting of the Company shall be convened on Wednesday, 30th day of September, 2020 at the Registered office of the Company at Building No.13/XXV/KMC, Aaranyakam, Karapuzha, Kottayam-686 003 at 11 A.M. to transact the following business: -

1. To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Director's and Auditor's there on.
2. Fixation of remuneration of Statutory Auditors for the year 2020-21.
3. To transact any other business of which due notice is given.

By order of the Board
For Kerala Forest Development Corporation Limited.,

Sd/-
MANAGING DIRECTOR

Place: Kottayam

Date: 03/09/2020



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E Mail: md_kfdcktm@yahoo.co.in, CIN No. UO2001KL1975SGC002660

NOTICE TO SHARE HOLDERS

Notice is hereby given that the 46th Adjourned Annual General Meeting of the members of Kerala Forest Development Corporation Limited will be held at 11.00A.M. on 31st August 2022 at the registered office of the Company at Building No.13/XXV/KMC, 'Aaranyakam', Karapuzha, Kottayam- 686 003, to transact the following business:-

- 1). To receive, consider and adopt Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Director's and Auditor's there on.

By order of the Board
For Kerala Forest Development Corporation Limited.,

Sd/-
MANAGING DIRECTOR

Place: Kottayam

Date: 10.08.2022



DIRECTORS' REPORT

To
The Members,

The Board of Directors hereby submits the 46th Annual Report on the business and operations of your Company together with the Audited Statement of Accounts and Auditors' Report of the Company for the financial year ended, 31st March, 2020.

1.1. OPERATIONS & FINANCIAL RESULTS.

The Company's financial performance for the year under review along with previous years figures are given here under:

Financial Results	For the financial year ended, 31st March, 2020 (₹ in Lakhs)	For the financial year ended, 31st March, 2019 (₹ in Lakhs)
Sales & other Income	1380.64	1662.44
Total expenses	1990.20	1614.27
Profit/(Loss) Before exceptional and extraordinary items and Tax	(609.54)	48.16
Exceptional items	-	-
Profit/(Loss) before Tax	(609.54)	48.16
Provision for Tax	.06133	.69712
Profit After Tax	(609.54)	47.46
Net Profit transferred to Reserves and Surplus Account	(609.54)	47.46
Earning Per share (in ₹)	-66.30	5.16

1.2 Total area of plantations raised during the year 2019-20 was 38.92Ha (Eucalyptus Pellitta) in Trivandrum and Punalur Divisions. Clear felled area of Eucalyptus was 77.51 Ha., Accacia Auriculiformis was 7.25ha, and Accacia Manjium 97.12ha. during the year.

1.3 There was no change in the authorized share capital and paid up share capital of the company which remained at ₹10,00,00,000/- and ₹ 9,19,53,500/- respectively as on 31st March 2020.

The amount of loans due to the State Government including interest as on 31.03.2020 was ₹ 6.19crores.

Loan : ₹ 1,25crores

Interest : ₹ 4.94crores

Out of this write off proposal for Loan amounting ₹1.06crores (principal amount) in lieu of investment in the subsidiary company M/s. Kerala State Wood Industries Limited (under liquidation) was submitted to Government vide Letter No.A4-4808/2013Vol IV/592 dated 26.06.2018.

1.4 DIVIDEND

Total paid up capital of your Company is ₹ 9,19,53,500. 90% shares are held by Government of Kerala and 10% shares are held by Government of India. Considering the Financial position of the Company, no dividend was recommended by Directors for the Financial Year 2019-20.

2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS.

Your Directors wish to present the details of Business operations done during the year under review:



2.1. SALE OF WOOD CROPS.

The revenue realization under wood crops was poor with an achievement of only ₹ 4.02 crores .Even though sale of Eucalyptus wood plantations for 83.80ha were carried out during 2019-20, only about 77.51 Ha. extraction could be completed prior to March 31st realizing a revenue of ₹ 4.02. The spread of Corona Virus in the state and subsequent lockdown have badly affected the timber extraction.

The contractors executed the agreements but didn't completed the extractions in due time and extension of contract period were granted on their request to complete the work.

The clearfelling for Timber extraction in Acacia auriculiformis plantations of Punalur & Thiruvananthapuram divisions (96.85ha.) were completed. Two Acacia mangium plantations in Thrissur Division (75.36ha), at Thozhupadam and Kyampoovam were also clearfelled for Timber extraction.

Raising of Plantations:-. The 2019 plantations are :

Thiruvananthapuram Division: Species: Eucalyptus Pellitta.

Arippa Subunit:5.08ha., Palode Subunit:13.42ha, Anakulam Subunit: 2.04ha

Punalur Division: Punnala Subunit: 12.38 (Eucalyptus Pellitta)

2.2.CASH CROPS

The production of Cardamom and Pepper has decreased during the FY 2019-20 compared to the previous year. The production details are as follows:-

	19-20 (In Kg)	18-19 (In Kg)	increase/decrease (%)
CURED CARDAMOM:	2266.470	3,568.800	36.49 % (decrease)
COFFEE	76027.800	63,669.00	19.41% (increase)
GREENTEA LEAVES	770268	7,52,705.00	2.33% (increase)
PEPPER	1491.700	1,615.100	7.64% (decrease)

2.3 ECO TOURISM.

Number of visitors:

Total number of visitors for Eco Tourism activities have increased during the year 2019-20 to 5 Lakhs compared to 4.47 lakhs number of visitors for the previous year.

Revenue:

Total Revenue from Eco-Tourism have increased to ₹6.31 Crores during the year 2018-19 from ₹.5.57 Crores for the year 2018-19.

3. ANNUAL RETURN

In accordance with the Sections 134(3)(a) and 92(3)of the Act read with Rule 12 of the Companies (Management and Administration) Rules 2014, the relevant extract of Annual Return in Form MGT- 9 for the year 2019-20 is uploaded in the website of the Company. The link is. <https://kfdc.kerala.gov.in/general-updates>.

4. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES.

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year 2019-20.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

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

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER 134(3)(M) OF THE COMPANIES ACT.

Conservation of Energy: As the company is engaged in forestry operations, the requirements relating to these matters are not applicable to the Company. However the company has been utilizing gravitational force to provide drinking water to workers and to irrigate plantations wherever possible, to dispense with use of fuel and electricity. Drying of cardamom is now being done using energy efficient modern driers. A Pico hydel power generation unit is functioning in Silent Valley of Munnar division to meet the energy requirements of camping facilities. Solar water heaters are provided at Sky Cottage and Rhodo Mansion in Munnar during the year. A biogas plant is functioning in Gavi Eco tourism unit.

TECHNOLOGY ADOPTION: Not Applicable.

There was no earnings or outgo of foreign exchange during the year.

7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY.

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable for the year under report.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

10. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS.

The explanations/comments made by the Board relating to the qualifications, reservations or adverse remarks made by the Auditors in their report are furnished as Annexure-1 and is attached to this report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

11. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.



12. DIRECTORS

The details of Directors and the status of attendance of Board Meeting by each of Director are as follows:

Sl. No.	Name of Director	No. of Board Meeting Held	No. of Board Meeting Attended
1.	Sri. Adv. George Thomas, Chairman. DIN:01081490	6	6
2.	Sri. P.K Kesavan IFS Principal Chief Conservator of forest & Hoff DIN: 07519813	1	0
3.	Sri. A Jayathilak, IAS, Principal Secretary, F & WLD DIN:03346179	5	0
4.	K.P Singh IFS, Addl Director General (Central), Regional office, Banglore.DIN:08504281	5	1
5	Sri. P R Suresh IFS, Managing Director DIN:08124839	6	6
6.	Sri. Deepak Mishra IFS, Chief Conservator of forest high range cir- cle ,Kottayam. DIN:08544381	5	1
7.	Sri.Sulfikar Rahman A , Deputy secretary F&WLD. DIN:08569464	4	2
8.	Sri. V. S Anilkumar, Deputy Secretary, FWLD . DIN:08240902	1	1
9.	Sri. Shajumudheen. H, Deputy Secretary, Finance DIN:07752419	6	4
10.	Sri. P Muthupandi DIN:08000189	6	6
11.	Sri. M V Vidyadharan DIN:08047961	6	6
12.	Sri. P N Vijayan DIN:08124833	6	5
13.	Sri. Dileep Kumar T.I, Deputy secretary F&WLD.DIN:	1	0
14.	Dr. Asha Thomas IAS, Addl Chief Seretary. DIN:07545743	1	0

During the period under report Sri. P.K Kesavan IFS Principal Chief Conservator of forest & Hoff, Sri. A Jayathilak, IAS, Principal Secretary, Sri. V. S Anilkumar, Deputy Secretary Sri.Sulfikar Rahman A , Deputy Secretary F&WLD, are ceased to be Directors & K.P Singh IFS, Addl Director General (Central), Sri. Deepak Mishra IFS, Chief Conservator of forest high range circle ,Kottayam, Sri.Sulfikar Rahman A , Deputy secretary F&WLD, Sri. Dileep Kumar T.I, , Deputy secretary F&WLD, Dr. Asha Thomas IAS, Addl. Chief Seretary are appointed as Directors.

13. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW.

During the financial year 2019-20, the Board of Directors of the Company duly met six times i.e. on 10-05-2019,25-07-2019,28-10-2019,28-11-2019,17-12-2019 and 19.02.2020. The intervening gap between the two meetings was within the period as prescribed under the Companies Act, 2013.

14. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- (a) In the preparation of the annual accounts, 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 profit and loss 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 annual accounts 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.

15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES.

The Audit of Accounts of M/s.Kerala State Wood Industries Ltd (KESWIL) is completed only up to the year 2017-18. The Annual Report and Audited Accounts of M/s.KESWIL for the year ended 31st March 2018 shall be furnished to the members on demand, as and when, these are ready. Government of Kerala, Forest & Wildlife (D) Department vide G.O (MS) No.5/2009/F&WLD dtd 31-01-2009 has accorded sanction in principle for the winding up of the M/s. KESWIL

16. DEPOSITS.

The Company has neither accepted nor renewed any deposits during the year under review.

17. SECRETARIAL STANDARDS.

The Company complies with all applicable mandatory secretarial Standards issued by the Company Secretaries of India.

18. STATUTORY AUDITORS.

M/s. M J Thomas &Co, Chartered Accountants, Sunshine, T.M.M. Hospital Road, Tiruvalla-689101, Kerala were appointed as the Statutory Auditors of the Company for the year 2019-20 and their Audit Report has been annexed to the Accounts.

19. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM.

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

20. GENERAL

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year.



b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares and does not have any Employees stock option scheme for its employees/Directors during the year under review.

c. EQUITY SHARES WITH DIFFERENTIAL RIGHTS & BONUS SHARES

Your company has not issued Equity shares with differential rights as to Dividend, voting or otherwise .No Bonus Shares were issued during the year under review.

d. No frauds were reported by the Auditors under Subsection 12 of section 143.

e. Maintenance of Cost Records as per Section 148(1)of the Companies Act, 2013 is not applicable to the Company.

f. Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harrassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

2.4. ACKNOWLEDGEMENT

In conclusion, your Directors wish to place on record their appreciation to the contribution made by the employees at all levels towards successful operations of the company during the year. They also take this opportunity to thank the Central and State Government, Financial Institutions, Banks, Spices Board, Tea Board, Suppliers, Tour Operators, Business Associates and all customers who unhesitatingly reposed their trust on the company during the year under review.

For and on behalf of the Board

Date: 11-08-2022

Place: Kottayam.

Sd/-

CHAIRPERSON

ANNEXURE - I

REPLIES TO THE REPORT OF STATUTORY AUDITORS – M/S M J THOMAS & CO., CHARTERED ACCOUNTANTS, TIRUVALLA- 689 101 TO THE MEMBERS OF M/S KFDC LTD., KOTTAYAM ON AUDIT OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020.

1. Note 3-Reserve & Surplus-Regeneration Reserve.

Reply to :- (a), (b), (d), (e), (f) and (g).

Forest Development Tariff (non renamed as Regeneration Charges) is collected and utilized by the company for planting and maintenance cost and the amount collected is accounted as capital reserve instead of as revenue in the P/L A/c. This has been the practice followed by the company in accounting of the above items since its introduction. Board of Directors in their 142nd meeting held on 21.5.2007, discussed the various aspects relating to the collection of Forest Development Tariff by KFDC. The Board was of the opinion that the nomenclature “FDT” is to be changed as “regeneration charges” or collected as part of the sale value. It was also decided that since the collection of Forest Development Tariff was commenced as per the decision of the Board of Directors there is no need to formulate separate rules for utilizing the amount collected as Forest Development Tariff and the entire amount already collected can be utilized for plantation activities and passed the Resolution vide No. 1187 that the entire amount collected as Forest Development Tariff by the Company be utilized for tree plantation activities. And the nomenclature of Forest Development Tariff has been changed as “Regeneration Charges” to avoid miss-interpretation of Forest Development Tariff with Forest Development Tax (FDT) being collected by the Forest Department for sale of Forest Produce by the Government”. Regeneration charges collected on forest produce are utilized by the company for the planting and maintenance of softwood species of trees and for forest research including fire protection expenses. The details are given below:

	2019-20	2018-19
Opening reserve balance	4,421,865.25	1,25,04,598.97
Addition during the year	2,327,372.61	39,17,789.02
Planting and maintenance of softwood species of trees and for Fire protection expenses	3,77,1797.87	1,20,00,522.74
Closing balance	29,77,439.99	44,21,865.25

C) Noted .Instructions has already been given to all divisions to avoid such mistakes in future.

2. Capital Subsidy – Govt A/c Pulpwood Supply

Reply to para a) As per G.O (Rt) No.4/2020/F&WLD dated 05/01/2020 Govt of Kerala has allowed the company to adjust the amount of Rs.5,42,36,375.72 due to Company by Govt under the following heads.



A	AMOUNT DUE TO KFDC FROM GOVERNMENT	
1.	Loss on account of sale of Eucalyptus to Grasim Industries and Hindustan News Print Limited as per direction of Government at rates less than the selling price.	Amount in Rs.
(a)	Grasim Industries during the period 1988-89 to 1996-97.	3,95,89,620.90
(b)	Hindustan News Print Limited during the period 1992-93 to 1995-96.	77,66,754.82
2	Valuation of 252 ha of Plantations handed over to Agasthyavanam Biological Park during 1991-92.	68,80,000.00
	TOTAL	5,42,36,375.72

Against Amount due by company to Govt under the following heads for Rs.5,04,79,250.54

B	AMOUNT DUE TO GOVERNMENT FROM KERALA FOREST DEVELOPMENT CORPORATION	
1	Amount of firewood as part of Firewood Supply Scheme.	63,01,082.57
2	Coupe sale and plantations transferred to Kerala Forest Development Corporation from Forest Department.	96,63,018.70
3	Sale of wind fallen trees by Kerala Forest Development Corporation.	1,71,73,054.75
4	Sale of wind fallen Rosewood trees by Kerala Forest Development Corporation.	24,59,489.00
5	Mathikettan Cardamom Sale	13,40,253.00
6	Arrears of lease rent payable upto 2009-10	1,35,42,352.52
	TOTAL	5,04,79,250.54
C	NET AMOUNT DUE TO KERALA FOREST DEVELOPMENT CORPORATION FROM GOVERNMENT (A-B)	37,57,125.18

The net effect of the above adjustment has resulted in a balance of Rs.37,57,125.18, this amount is ordered as can be adjusted from lease rent payable from 2018-19.

In compliance of the above Government order adjustment entries has been passed to set of the above assets and Liabilities and balance amount as agreed is carry forwarded as Advance for lease Rent under the head Other Advance (Loans and Advances) in balance sheet, so as to set off with future lease rent.

In the Govt letter No.21250/b3/88/F&WLD dt 04/03/1989, it is specifically mentioned that "this loss is only due to Govt's policy of subsidizing an industry this may be reimbursed to Kerala Forest Development Corporation as capital subsidy". In the above Rs.47356375/- is the adjustment for loss on supply of material to Grasim and HNL during the year 1988-99 to 1996-97. This loss was decided to set off against the liabilities as stated above in column (B). Only adjustment entries are affected to set off the dues as per the Government order. Actual cash flow was not taken place for the subsidies in any financial year.

Complying the Government decision in the letter No.21250/b3/88/F&WLD dt 04/03/1989, the accounting policy followed for accounting of the Govt subsidies pertaining to the loss on material supply to Grasim and HNL was considered as capital subsidy and accounted as such in the financial statement of KFDC. This has been the practice followed by the company in accounting of the above items since its introduction. This accounting policy was followed continuously.

3). Note 4 -Long Term Borrowings and Note 7– Current Maturity of Long Term Borrowings

Reply to para b) : The classification of long term and short term borrowings have been done in accordance with schedule III of the Companies Act, 2013 and as per the direction of C&AG. .

Reply to para (c,d,e) : In the case of loan of ` 81.00 lakhs from Contingency Fund, though Government in G.O.No. 90/94/F&WLD dt.19.02.94 had ordered that the terms and condition in the General Circular No.60/86/Fin dt.08.08.86 would apply, interest rates specified therein could not be adopted as Government had not stipulated the nature of the loan whether it was investment loan or working capital loan and also the period of its repayment. The company has therefore adopted the interest rate at 10.75% as in the case of other loans.

In the case of loan for Pulpwood (₹ 13 lakhs) and Loan for Cardamom (₹ 15 lakhs) penal interest has been provided on outstanding installments of principal only.

Reply to (f) Noted ,will be corrected.

4). Note 5 -Other Long Term Liabilities and Note 7- Short Term Liabilities

Reply to para (a). Details of Projects funds balance were properly disclosed in Note No.37 Financial Statement and the same has been given to the auditors at time of audit.

Reply to (b):- available details of retention deposit , earnest money deposit and security deposit for the last 8 years were given to the auditors. Direction in this regard is noted for future compliance.

Reply to (d) :- Clerical mistake will be rectified.

Reply to(e) :-Noted

Reply to (f):- Details were submitted to the auditors at the time of audit. Noted for future compliance.

5). Cases where tax is not seen deducted at source in accordance with Income tax Act, 1961

a. Reply to Para (a) .Convenior system introduced vide GO (Ms) No. 118/89/F&WLD dt. 21.12.1989 in Kerala Forest Department is also binding to all forestry works in KFDC. In Forest department Tax is not being deducted from the convener bills, same guidelines and Government Order is followed in KFDC since 1989. The convener is one among the labourers, and not contactors. Conveners are getting the work done through other workers and people residing inside the forest area or nearby area without making any profit as per the forest schedule rate and the forest schedule rate is much lower than the prevailing wage rate. There are no agreements or contracts entered with these conveners, hence tax has not been deducted from these payments.However income tax under section 194 c was decided to be deducted from convener bills since August 2019 as per the board decision dated 25.07.2019. All the convener payments after the decision were made after deducting applicable tax.

Reply to para. b,c,d,e,f,g,h,i,k,l,m,n,o,p,q.

This payments were payment to different persons on which bill amounts are Below thirty thousand in case of single payments and not exceeding Rs.100000 in case of multiple payments to a single person in a year ,hence tax deduction is not applicable.



6). Note 6- Provisions

- a. Noted.
- b. Noted for future guidance
- c. Noted.
- d. plantation tax and agricultural income tax are not applicable for this Financial year hence no provision is required.

7). Note 8- Tangible Asset and Note 9 – Capital work in progress

Reply. A to h Noted

8). Note 10-Non-current Investment:

Reply to para (a) : As per the decision taken in the meeting held on 25.07.2018 & 16.02.2018 by the Hon'ble Forest Minister and the Principal Secretary of Forest & Wild Life a proposal has been submitted to Forest & Wildlife Department to set off three numbers of loan totaled Rs. 1.04 crores (13 lakhs, 10lakhs and 81lakhs) against the investment in equity shares of Kerala State Wood Industries Ltd .(Rs.95.22 Lakh). Orders in this regard from Government is awaited..

9). Note 11- Long term advances Rs.2,27,39,734/-

Reply to para (a) : The AIT & Sales Tax dispute is pending before the Tribunal. Hence the balances are stagnant. Note No.32 is relating to Agricultural Income Tax is modified and updated and attached to the Notes to Financial Statements for the year ended 31-03-2020. It may be noted that most of the appeals relating to AIT are pending before the Hon'ble Tribunal and decisions are awaited. At present there is no need of providing any amount in the accounts relating to the above cases.

10). Note 12 and 19-Inventories

Reply to Para a). Significant Accounting policies followed for the valuation of WIP Wood plantations are disclosed in note 1(D).This policy was consistently followed by the Company till the FY 2016-17 in the evaluation of work in progress wood plantations. Work in progress wood plantations is to be valued at cost. Cost means expenses incurred from planting the seedlings to direct maintenance cost, and any other directly attributable expenses from year to year .To this, overhead expenses from other general heads of expenses are also transferred each year depending on the area under plantation which depend on the felled area and area of new plantations. The Company deviated from this generally followed accounting policies in the valuation for the years 2017-18 and 2018-19.Thus although revenue was recognised on sale of trees during the above years, no corresponding write off was made in the value of inventory. Again in the matter of allocation of overhead charges the Company's accounting policy is allocating 25% of such overhead to work in progress. In the year 2018-19 the newly added area for plantation was 8.300 Ha, but the cost added to work in progress for overhead allocation was Rs.15499115/-.on verification, it is observed that there are in consistence in the allocation of overhead; ie 100% of salaries and allowances of Punalur Division and 75% of salaries and allowances of Trivandrum Division. In the FY2019-20, the rate of allocation was again maintained at a level of 25% as followed in earlier years.

The fire protection expenses incurred up to the plantations of third year were booked against the regeneration charges and set off from that head. In 2019-20 regeneration reserve is almost exhausted and could not set off the fire protection expenses fully. Further it is the policy of the Company to charge the fire protection expenses as the revenue expenditure not as capital expenditure.

Further the cost of plantations sold during the year including the areas of coppice has been reduced from the value of closing work in progress, while the cost of new plantations raised as well as the maintenance cost of existing plantations including the coppice plantation has been added to it.

- e) In the year 2018-19, sandal wood log was valued at net realisable value which is against the accounting standards notified and the generally followed accounting policy by the Company till then. The mistake was rectified during this year.
- f) In this case also, for the FY2018-19 the stock was valued at net realisable value by mistake, this was also corrected during this year and valued at cost.

11). Note 13 – Trade Receivables

Reply to Para a) :- Corporation will take every effort to recover the amount due from M/s. TPI, Sri. K. Balasubramanyam and M/s. Grasim. As such no provision has been made in accounts for the above dues.

Reply to Para b to g Noted.

12). Note 14- Cash and Cash Equivalent

- a) Noted
- b) Noted
- c) SBI 884 A/c is reconciled however branch division reconciliation with Gavi is only not reconciled. Directions in this regard given to the Gavi Division to reconcile at the earliest.

13). Note 15-Short Term Loans and Advances:

A,b,c. Noted

- d). Detailed working regarding lease rent payable for the years 18-19 & 19-20 were furnished to the Auditors during the time of Audit. Balance amount of Rs 24,07,127.18 after adjustment of Lease rent has been correctly disclosed as advance for Lease rent.
- e) Noted for future guidance.
- f) Noted, Will be corrected at the time of printing of Annual Report.

14) Details of current and Noncurrent assets were furnished to the auditors. The classification have been done in accordance with schedule III of the Companies Act 2013 and as per the direction of C&AG.

15) Maximum effort has been taken to comply with the schedule III classifications while preparing the Balance sheet.

Matters relating to statement of Profit & Loss

Noted for future guidance and all efforts will be taken to comply with the directions.

16) Company has disclosed all material items with balances in excess of 1% of revenue separately in the respective ledger in each division.

17. Matters relating to Other Notes to Financial Statements

Revenue recognition policy is disclosed in Note.1 (E) in the financial statement.

- c) Accounting policy with regards to earnings per share is disclosed as Note no.48 (a) in the financial statement.
- K) Details were furnished at the time of audit.

18). Applicability of Accounting Standards

- a) AS 2 are followed for the valuation of inventories and valuation method is disclosed in the Note no.12.



- b) Cash flow statement has been correctly prepared based on the method followed till last year. The difference in grouping of items noted for future compliance and will be corrected.
- c) Valuation method followed is projected unit credit method as referred in AS 15. In the case of estate workers engaged by the company, the provision is created based on the actuarial valuation done by LIC. The Detailed working and disclosures as per as15 is disclosed in note no. (F).
- 19) Noted, Directions have already be given to authorize the Journal entries from the respective divisions and at head office.
- 20) Noted
- 21) Noted, All purchases is including eco shop items and plants are done complying the store purchase rules . Estimates and budget allocations are given prior to purchase of these items.
- 22) Noted for future guidance and strict directions were given to eliminate all cash transactions exceeding Rs. 10000/-.
- 23) There is a system of 3 level check measurement for ascertaining the quantity of wood over felling and transportation of trees is made by Field officers, Managers, Divisional Manager and information regarding check measurement is given to Flying Squad of the Forest Department. Assistant General Manager and Managing Director are also verifying the check measurements on random basis. Valuations are taken for timber and Fire wood quantity and end results are compared with approved valuation table, The loss figures shown in draft reply Rs.26,77,259/- is not correct.
- Corporation has not received any amount exceeding rs.2 lakhs in cash. Suppliers/contractors have remitted the aforesaid amount in to bank directly .On enquiry with bank they informed that they have exemption in receiving cash exceeding 2 lakhs.
- Even receipt of EMD in cash is exempted u/s 269SS of Income tax Act .Strict directions were given to all section of head office and all divisions of corporation in receiving cash exceeding Rs. 2,00,000/- and to eliminate all cash transaction exceeding Rs.10000/-
- 24) Eco tourism receipts in each divisions were reconciled with receipts and occupancy in division level and deviation are corrected monthly.
- 25) GST is collected from 1/04/2019 for ecotourism activities except exempted items like Entry Fee.
- VI) Reconciliation statement has been furnished to the audit.
- X) Turnover as per books and GSTR 1 is reconciled and furnished to the audit
- XVI) Noted, GST Payable is tallied and furnished to Audit.
- XVIII) Noted
- XXX) Total turn over as per Books has been reconciled with the total turnover as per GSTR 9
- XXXIV) Nil rated supplies and zero rated and exempted were wrongly entered in GSTR3B is corrected in GSTR 9.
- 26) Noted
- 27) Machine Log is maintained at Sandal oil Factory, but during this year no production is carried out and hence no entry recorded in it.
- 28) Noted
- 29) Noted, will be corrected.



- 30) Noted
- 31) Will be furnished after getting printed the annual report.
- 32) ESI is not applicable.
- 33) The preliminary report with regards to enquiry on loss of cardamom production during 2019-20 is furnished to the auditors. Final enquiry by the Spices Board of India and Police Vigilance Department is progressing.
- 34) Noted
- 35) Noted
- 36) Noted.
- 37) Details regarding working of 27A has been given at the time of audit .All the details are available in respective divisions.
- 38) Details are furnished at the time of audit
- 39) Details are furnished at the time of audit
- 40) Details are furnished at the time of audit
- 41) The observations in internal audit report viewed seriously and directions have given to rectify the mistakes. Replies from the Divisional managers regarding internal audit queries are not finalized and compliance in this regard is continued.
- 42) Noted
- 43) Noted
- 44) Noted

For KERALA FOREST DEVELOPMENT CORPORATION LTD

Place:Kottayam

Date: 11.08.2022

Sd/-
CHAIRMAN



ANNEXURE - I

REPLIES TO THE 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 FOREST DEVELOPMENT CORPORATION LIMITED, KOTTAYAM FOR THE YEAR ENDED 31ST MARCH 2020.

1.COMMENTS ON PROFITABILITY

Statement of Profit and Loss for the year ended 31st March 2020.

IV. Expenses

Plantation, Upkeep, Harvesting(Note 18)

Harvesting & Upkeeping ₹1,08,64,169.68

Reply :

Forest Development Tariff (non renamed as Regeneration Charges) is collected and utilized by the company for planting and maintenance cost and the amount collected is accounted as capital reserve instead of as revenue in the P/L A/c. This has been the practice followed by the company in accounting of the above items since its introduction. Board of Directors in their 142nd meeting held on 21.5.2007, discussed the various aspects relating to the collection of Forest Development Tariff by KFDC. The Board was of the opinion that the nomenclature "FDT" is to be changed as "regeneration charges" or collected as part of the sale value. It was also decided that since the collection of Forest Development Tariff was commenced as per the decision of the Board of Directors there is no need to formulate separate rules for utilizing the amount collected as Forest Development Tariff and the entire amount already collected can be utilized for plantation activities and passed the Resolution vide No. 1187 that the entire amount collected as Forest Development Tariff by the Company be utilized for tree plantation activities. And the nomenclature of Forest Development Tariff has been changed as "Regeneration Charges" to avoid miss-interpretation of Forest Development Tariff with Forest Development Tax (FDT) being collected by the Forest Department for sale of Forest Produce by the Government". Regeneration charges collected on forest produce are utilized by the company for the planting and maintenance of softwood species of trees and for forest research including fire protection expenses. The details are given below:

	2019-20	2018-19
Opening reserve balance	44,21,865.25	1,25,04,598.97
Addition during the year	23,27,372.61	39,17,789.02
Planting and maintenance of softwood species of trees and for Fire protection expenses	37,71,797.87	1,20,00,522.74
Closing balance	29,77,439.99	44,21,865.25

During previous years upto 2018-19, there was sufficient balance in regeneration reserves every year to Set off Planting, Maintenance and fire protection expenses upto 3rd year of plantation.

During the year 2019-20, due to non availability of sufficient balance in Regeneration Reserve the fire protection expense of ₹ 94,76,883 was routed through P&L Account under the head Harvesting and Upkeeping showed in Note No. 18 (Plantation, Upkeep, Harvesting).

But the entire balance of ₹ 29.77Lakhs have been utilised during the year 2020-21 for set off the total planting, maintenance and fire protection expenses for the year. This is submitted for kind consideration.



II. COMMENTS ON FINANCIAL POSITION

Balance Sheet as at 31 March 2020

Equity & Liabilities

Non- current liabilities

b. other long-term liabilities(Note 5)

Balance in fund received for projects

Scheme fund(Annexure 1) ₹8,43,305/-

Reply:As per the Accounting Policy 36(ii), funds received and expended after 31-03-2012 from National Medicinal Planting Board, Western Ghat Development Programme, Bamboo Mission & Fund from Forest Department for eco tourism activities etc are maintained as separate accounts and net amounts have been shown under Scheme Fund Account in other long term liabilities.

It is brought to kind notice that the balances are opening balances and not relating to the current year period.In the case of Western Ghat Development Project, there is only a net credit amount of ₹ 69,563 Cr balance in the fund.Net amount of ₹8,43,305(Credit) is shown under scheme account. Hence scheme fund is not understated by ₹ 202.16Lakhs.

For KERALA FOREST DEVELOPMENT CORPORATION LTD

Sd/-
CHAIRPERSON

Place: Kottayam

Date : 11.08.2022



INDEPENDENT AUDITOR'S REPORT

To
The Members of Kerala Forest Development Corporation Ltd.,
Aaranyakom, Karapuzha, Kottayam.

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of KERALA FOREST DEVELOPMENT CORPORATION LIMITED ("the company"), Kottayam, which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and the Cash Flow Statement and notes to the financial statements including a summary of the significant accounting policies and other explanatory information for the year then ended. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Refer Annexure I to this report.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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.

Responsibilities of Management and Those Charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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.

As part of an audit in accordance with Standards on Auditing, 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.
- 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.



Report on Other Legal and Regulatory Requirements

- a) As required by the Section 143 (5) of the Act, we give a statement on the compliance to the directions issued by the Comptroller and Auditor General of India in Annexure III.
- b) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure II a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- c) As required by Section 143 (3) of the Act, we report that:
 - i. We have sought and except for the matters described in the basis for qualified opinion paragraph obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - iii. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account subject to our observation in Annexure I regarding non reconciliation of certain balances to books;
 - iv. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - v. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - vi. We have not received any written representations from the directors as on 31st March, 2020 so as to determine whether any of the directors are disqualified as on March 31, 2020, from being appointed as director in terms of Section 164 (2) of the Act;
 - vii. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - viii. 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, subject however to our comments given in basis for qualified opinion para above :
 - 1) The Company has partly disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to 34 to the financial statements and also our comments in this report. The list of other legal cases and its financial effect is not seen disclosed;
 - 2) The company in our opinion, did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - 3) We are unable to confirm whether any amount is required to be transferred to the investor education and protection fund by the company, since dividend declared is unpaid;
 - ix. MCA vide its notification dated 13th June 2017 (G.S.R. 583(E)) has exempted reporting on adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company;

Place: Tiruvalla

Date: 30-11-2021

UDIN: 21214091AAAAFX4802

Annexure I to the Independent Auditor's Report to the members of Kerala Forest Development Corporation Ltd., Karapuzha, Kottayam.(CIN:U02001KL1975SGC002660) for the Year ended 31-03-2020.

1. Note 3-Reserve & Surplus-Regeneration Reserve:

- a. It was explained to us by the management that the credits in the account, during the year totalling to Rs.23,27,372.61/-, pertain to collection of an amount equal to 5% of sale values of timber and other forest products towards regeneration of the plantation felled.
- b. This credit, in our view is revenue of the company, which should have been credited to the Statement of Profit and Loss. On account of being routed through the Balance Sheet, the loss of the company is overstated by Rs. 23,27,372.61/-.It is seen that the company has admitted this sum to be its turnover while filing its returns under the Kerala VAT Act, 2003 up to 31/3/2015 only. GST is seen collected on regeneration reserve. The financial effect of the same pertaining to previous years could not be quantified for want of details.
- c. Regeneration reserve collected for sale of Black Dammar in Gavi division is seen credited to sales. Regeneration reserve are not seen collected for sales of Rs.337/- invoice no. FL/2530 (MNR division) dated 01-09-2019.
- d. Similarly, the debits in the Regeneration Reserve during the year aggregating to Rs. 37, 71,797.87/-were explained by the management to be expenses incurred towards planting and maintenance of softwood species of trees and for fire protection expense (as per Note 1 (G) of the financial statement 2019-20).These, in our opinion, are in the nature of plantation costs and should have been routed through the Statement of Profit and Loss and not through the Balance Sheet. On this account, the loss for the year is understated by Rs. 37, 71,797.87/-. The financial effect of the same pertaining to previous years could not be quantified for want of details.
- e. The accounting treatment presently followed by the company in this regard is not in accordance with the Standards of Accounting pertaining to Accounting Standard 5 on recognition of Net Profit or Loss for the period and Accounting Standard 9 on Revenue Recognition.
- f. As stated in Note no. 31, Government of Kerala vide letter No 3252/F2/90/F&WL (F) dept. Dated 19/06/1991 has directed the company to increase the selling price of trees instead of collecting Forest Development Tax. No authorisation from government of Kerala to collect 'Regeneration Charge/Forest Development Tax' on the sale value of timber and other forest products is available to us as envisaged in section 75A of the Kerala Forest Act 1961.
- g. An amount of Rs.53,30,007.71 (opening) being debit balance for Forest Development Tariff is seen set off against Forest Development Reserve by FDT Rs.83,07,447 Cr and the net amount of Rs.29,77,439 Cr is seen disclosed as Regeneration Reserve in the financial statement. We are not provided with necessary approval to set off Forest Development Tariff against Forest Development Reserve by FDT.

2. Capital Subsidy – Govt A/c Pulpwood Supply

- a. As per G.O. (Rt) No. 4/2020/F & WLD dated 05/01/2020, Government of Kerala has allowed to set off amount due to KFDC from Government against the amount due by the company to Government. This includes the amount due to the KFDC on account of subsidised sale of Eucalyptus to Grassism Industries during the period 1988 -89 to 1996 - 97 amounting to Rs.3,95,89,620.90/- and subsidised sale to Hindustan News Print Limited during the period 1992-93 to 1995 -1996 amounting to Rs. 77,66,754.82/-. The Company has accounted the entire amount of subsidy i.e. Rs. 4,73,56,375.72/- as Capital subsidy under the head Reserves and Surplus. Based on Accounting Standard 12, the subsidy is entirely in the nature of revenue grant and the Company had already incurred the expenditure i.e. the loss on subsidized sale. Since the expenditure has already been routed through the statement of profit and loss account, the matching income i.e. the subsidy received as compensa-



tion should also have been accounted in the statement of profit and loss account. Further as per Para 18 of AS 12 Government grant received in current year as compensation for expenses or losses incurred in a previous accounting year should be recognized and disclosed in the statement of profit and loss as an extra ordinary items. So in our opinion Rs.4,73,56,375.72 Government grant should be treated as an extraordinary income in the statement of profit and loss account. As such current year loss is overstated by Rs.4,73,56,375/-. As reply to our draft audit report, the company has informed that it had relied on a Government of Kerala letter dated 04-03-1989 informing the company that such grants are capital subsidy. However in our view the Companies Accounting Standards Rules 2014 overrides the directions of government of Kerala. Such treatment to treat as revenue grant was earlier accepted by company based on CAG comments dated 08-10-2018 for the year 2016-17.

- b. As per AS 12 an enterprise receiving government grant should disclose the accounting policy adopted by an enterprise for the government grants. This includes the method of presentation in the financial statements. The company has not complied with these requirements.

3. Note 4 -Long Term Borrowings and Note 7– Current Maturity of long Term Borrowings

- a. It is noted that loans totalling Rs.1,25,09,200/-was taken by the company from the State Government on various dates up to 1992. These sums together with their interest accrued have not been paid off till date.
- b. Loan amounting to Rs. 1,00,09,200/- is disclosed as Long Term Borrowings and Rs. 25,00,000/- is seen disclosed as Current Maturity of Long Term Borrowings.
- c. It is noted that the company is accounting interest@10.75% on loans totalling Rs.1,19,00,000/-, interest @ 14% on loan of Rs.6,09,196.49, penal interest @2.5% on loan of Rs.15,00,000/-and penal interest @ 3.25% on loan of Rs.10,00,000/-.
- d. The company was neither able to produce confirmations of balances for the loans and accrued interest nor was it able to show evidence that the government had waived repayment of the loan and its interest. The current terms of repayment could not be ascertained.
- e. In our opinion:
 - i. The terms of repayment and method of compounding should have been disclosed in the financial statements.
 - ii. Penal interest should have been provided at appropriate rate for all loans. The amount of penal interest could not be reasonably ascertained by us due to the want of clarity in interest rates.
 - iii. All Long Term Borrowing should have been disclosed as Other Current Liabilities since all are due for repayment. As such Long Term Borrowings are overstated by Rs. 2,73,26,132.48/- and Short Term Liabilities are under stated to the same extent.
 - iv. The current maturity of long term loans has not been classified as “Unsecured”.
 - v. Further we are unable to conclude whether interest @ 17.5% as stated in page 2 of Circular No. 60/86/Fin. dated 08-08-1986, Government of Kerala is applicable.
 - vi. Period and amount of continuing default as on the balance sheet date in repayment of loans and interest shall be specified separately.
- f. Bank Overdraft of Rs.1,73,16,932.48/- was availed by the company from the State Bank of India. Bank overdraft should have been classified under Short Term Liabilities, loan repayable on demand instead of Long Term Liabilities. As such Long Term Liabilities are overstated by Rs.1,73,16,932.48/- and Short Term Liabilities understated to the same extent. Details of security, terms of repayment and rate of interest is not seen disclosed.

4. **Note 5 -Other Long Term Liabilities and Note 7- Short Term Liabilities**

a. Balance in Funds received for projects comprises of the following:

Note 5	Scheme Funds	Rs. 8,43,305/- Cr.
Note 5&Note 7	Eco-tourism projects	Rs. 54,61,295/- Cr.

- i. As stated by the company in Notes 36(i) to the Balance Sheet, the company has considered the funds received up to 31/3/2012 as deferred Government grants. However up to the FY 2015-16 the company has disclosed in its notes that "The adjustment of these grants in terms of the relevant Accounting Standard will be considered at the time of extraction of their Plantation". This accounting policy has been omitted from the year 16-17. We are also unable to verify whether any portion of the grant needs to be systematically recognized in the Statement of Profit and Loss as per Accounting Standard 12 Accounting for Government Grant.
- ii. Scheme wise balances carried on account of following the policy as stated in note 36(i) and as per policy as stated in note 36(ii) of financial statements is not readily available for our verification.
- iii. We are unable to comment whether any portion of the scheme funds currently shown as Long term liability needs to be disclosed as Short term liability.
- b. Amounts outstanding under Retention Deposit, Earnest Money Deposit and Security Deposit are mostly stagnant. The company was not able to produce a full list of parties to whom these sums and amounts are repayable along with date of receipt and purpose. Balances under these heads of account are grouped under Other Long Term Liabilities (Note 5) and Short Term liabilities (Note7).It is noted that these balances are a net of several debit and credit balances in the books of accounts of the company. In the absence of complete list showing party-wise details of balances outstanding, period of outstanding, purpose for which outstanding and confirmation from the relevant parties, we are not in a position to ascertain the correctness of the balances, classification and disclosures made thereof.
- c. Fund from KESWIL-The stagnant balance of Rs.29,615/-was explained to be fund received from Government and the balance outstanding as available for the winding up of the subsidiary company Kerala State Wood Industries Limited.
- d. Advance from Customers- The amount as per Notes to financial statement is Rs.82,60,814.86 /-. However the amount as per Annexure III Advance from Customers is Rs.82,33,564.86/-. Further the amount in books is Rs.81,42,987.58/-. The reasons for these differences are not explained to us. The company has not produced a party-wise list of balance outstanding showing details of age of the balances, nature etc. under this head. Segregation between Long term and Short term liabilities are not available party wise. Confirmation of balances from the parties is not available for our verification. Further we are not provided with explanation as to why some of the advance (other than inter corporate advances) received against the supply of goods/ services outstanding for more than 365 days are not treated as deposits as per Sl. xii (a) of 2(1) c of Companies Acceptance of Deposit Rules, which states that any advance for supply of goods/ service not appropriated against supply of goods/ service outstanding for more than 365 days shall be treated as deposit. Hence, we are not in a position to ascertain the correctness of these balances, the classification and the disclosure made.
- e. In Gavi division an amount of Rs.19,025/- being security deposit received for film shooting in August 2019 for two days, is not seen repaid. We are not provided with any additional information and whether it needs to be treated as income.
- f. Other liabilities-
- Rs.3,78,09,878.27 Cr. (Note 5-Long Term) and
Rs.72,07,800Cr. (Note 7-Short Term)



We are not provided with break up between short term and long term liabilities. The total other liabilities, inter-alia includes the following amounts:

i. Dividend payable and dividend tax payable:

The dividend payable relates to the FY 2016-17 and 2018-19. Based on legal opinion obtained by the company dated 23-07-2021 there is non compliance of section 124(7) and section 127 of the Companies Act 2013. The legal opinion further clarifies that Unpaid Dividend account is to be opened and interest @ 12% is payable as contemplated in section 124(3) of the Companies Act 2013. Further Dividend Distribution Tax shall be deposited within 14 days from date of declaration of dividend with the Income tax authorities.

ii. Bonus payable Rs.36,99,000/-should have been grouped under the Provisions [Short term and long term separately]. As such Other Liabilities have been overstated by Rs. 36,99,000/- and Short Provisions is understated to the same extent. It was explained to us by the management that the provision is made on ad-hoc basis and workings in accordance with the Payments of Bonus Act, 1965 were not readily available for all units/divisions for our verification. However on verification of subsequent payment it is found that the provision is not fully paid in Gavi

Division	Bonus Payable as on 31/03/2020	Paid During 2020-21	Excess Provision
Gavi	17,18,497.00	13,01,638.00	4,16,859.00

We are not provided reason for the excess provision.

iii. VAT and allied balances Payable: On verification of subsequent payment it is seen that Rs. 17,916/-is remaining as unpaid with respect to VAT on civil contract and the reason for the same has not been explained to us.

iv. Income Tax deducted/collected at source: On verification of the subsequent payment it is observed that Rs. 1,58,337/-is remaining unpaid.

v. Gratuity payable Rs. 57,93,104/- represent amount received from LIC under group Gratuity Scheme pending payment. The exact nature has not been explained to us. As such we are unable to comment on the existence, valuation and classification.

vi. The following balances namely Govt. Account Forest Development Tax Rs. 13,30,802.46, SSY Scholarship Payable Rs. 70,800/- and EPF (Deduction -12%) Rs.1,65,757.74/- are not seen paid subsequently. Further the exact nature and break up was not available for our verification. As such we are unable to comment on the existence, valuation and its classification.

vii. Amount recoverable from employees under Social Security Scheme Rs. 34,187.17 is seen net off against current liability. This should have been grouped under Other Current Asset.

viii. In Thrissur division during March 2020, the entry for EPF deduction @ 12% is not seen made. However Rs.67,873/- is seen debited to EPF (Deduction 12%) account during March 2020 being the payment entry.

ix. Liability for expense includes amounts due on account of purchase or services received in the normal course of business and the same needs to be classified as "trade payables". One such instance is Rs.1,01,28,470/- payable to forest department on account of purchase of sandal roots. Confirmation for this amount is also not available. This amount is unpaid for more than one year. No GST invoices is seen received. No interest is seen provided for delayed payment if any. Input tax credit is not seen availed. The amount payable as per board minutes is Rs.1,22,593,49/-. Also an analysis of the subsequent payment of liability for expenses are as follows:-

Division	Opening	Paid during FY 2020-21	Balance unpaid
GAV	33,40,891.00	15,78,995.98	17,61,895.02
HO	32,79,857.32	4,97,069.10	27,82,788.22
MTY	7,52,847.00	6,03,714.00	1,49,133.00
MNR	9,87,498.48	11,94,114.98	(2,06,616.50)
MNR(Sandal wood)	1,01,28,470.00	NIL	1,01,28,470.00
PLR	25,57,176.00	24,45,492.00	1,11,684.00
TCR	24,05,985.00	7,51,198.00	16,54,787.00
TVM	36,84,375.00	17,18,222.86	19,66,152.14

We are not provided reason for this above stated balances being unpaid.

- x. Dividend: It was explained to us that the approval of the Governor needs to be obtained in pursuance of Article 30 of the Articles of Association of the company before declaration of dividend. The said approval is not seen taken for the dividend proposed for the year ended 31.03.2019.
- xi. GST payable Rs.2,35,675.43 and Kerala Flood Cess payable Rs.4699.25/- as per books could not being traced to the financial statement. No explanation is provided for the same.
- xii. As per Form 26AS, TDS default of Rs.5,33,224.70/- is payable by the company. It is seen that the provision amounting to Rs.3,98,348.00/- is only carried in the books. As such current year loss is understated to the extent of Rs.1,34,876.70/-.
- xiii. We are not able to confirm the correctness of Rs. 12,29,335.02/-carried in the books as Eco tourism advance as we are not provided with item wise breakup. The company does not have a full list of such advances with date of receipt of advances and its subsequent square up. Further in our view a portion of the amount relates to cancellation charges which is of revenue nature for the entity. The amount is not quantified and hence we are not able to provide its financial impact.
- xiv. In the following cases provision is not seen made.
 - a) Professional/ legal charges Rs.84,000/- (HO)
 - b) Advertisement charges Rs.26,166/- (MNR)
 - c) Wages to casual sweeper Rs.7,000/- (TCR)
 - d) Wages to DRE employees Rs.7,180/- (TCR)
 - e) Bonus & Festival allowances to workers Rs.1,000/- (PLR)
 - f) Fire Protection Rs.5,38,093/- (MNR)

However overall excess provision is seen carried.
- xv. No provision is seen made for Rs.19, 250/- incurred for rent in Thrissur division during the year 2019-20.
- xvi. It is observed that Rs.1,140.35 excess TCS is seen paid in Punalur division.
- xvii. There was a difference of Rs.15,036/- in workings of Tax deducted from employees salary as per books and the working provided to us. The difference is not explained.



5. Cases where tax is not seen deducted at source in accordance with Income tax Act, 1961

- a. It is noted that, the company had spent a significant amount which are supported by Convenor Bills and Mazdoor Bills. It was explained to us by the company that Convenors /Mazdoor are not employees of the company and that the payments made to them are for plantation, cultivation, and maintenance of the company's assets. Hence, we are of the opinion that the total amounts paid under convenor system and as Mazdoor bills should have been subjected to deduction of tax at source at appropriate rates under the Income Tax Act, 1961. As per board minutes dated 25-07-2019, the company has decided to deduct income tax under section 194 C for such payments. However we are unable to confirm whether tax has been appropriately deducted for full year as proper workings in this regard is not made available to us. The exact amount of non deduction is not easily ascertainable and hence not disclosed. Further no interest is seen paid for delayed payment if any of TDS. However, in cases where the company has adequate documentary records to prove that the convenor has acted on behalf of others, the same may not be applicable.
- b. Tax is seen deducted under section 194 J of the Income Tax Act 1961 for the payments to Directors from October 2019 onwards only.
- c. Tax is not seen deducted for Rs.87,500/- accounted in books as allowances payable to Managing director for engaging an office assistant from March 2018 to March 2020.
- d. Tax is not seen deducted from leave salary paid to retired employees.
- e. Kerala Nirmithi Kendra –Rs.7,68,716/- Gavi dated 31-03-2020
- f. Annual service of boiler Royal Tech Boilers – Rs.41,200/- MNR dated 05-11-2019
- g. Tally Software charges Indmerc Solutions Pvt.ltd–Rs.32,400/- HO dated 15-06-2019
- h. Cost of examination Director Centre of Management Development – Rs.35,400/- HO dated 02-08-2019.
- i. Repairs of vehicle Friends Automobile – Rs.47,500/-GAVI dated 09-10-2019.
- j. Designing charges Wild Thoughts – Rs.1,150/- MNR dated 16-09-2019
- k. Printing charges Wild Thoughts – Rs.1,460/- HO dated 24-08-2019
- l. Printing charges Wild Thoughts – Rs.8,500/- HO dated 25-09-2019
- m. Diary (printing charges) CC Industries - Rs.2,06,039 HO dated 31-03-2020.

6. Note 6- Provisions

- a. In Note 6, under Provisions for gratuity the provision during the year should have been Rs.1,37,72,455/- instead of Rs.1,35,59,392/-.
- b. Provision for leave encashment has not been actuarially determined and provided. There is no reliable estimate of the provision required in respect of other terminal benefits liable to be paid to employees. Hence, we are not in a position to quantify the financial effect thereof. Moreover, it was explained to us that the amount disclosed as Long Term Provision for terminal surrender is the actual amount payable to employees who have encashed their earned leave. In our opinion, the said provision of Rs.18,05,002/-needs to be disclosed as a current liability and not as a Long Term Provision.
- c. An amount of Rs.1,87,041/- being 2014 pay revision arrear paid during the year is seen booked as current year expense. There is an opening provision of Rs.2.7 Crore for pay revision arrear relating to 2014 and hence the payment of Rs.1,87,041/- should have been reduced from opening provision instead of charging the same as expenditure. As such the loss of the company is overstated to the same extent.

- d. No information is available regarding opening provision for Plantation Tax and Provision for Agriculture Income Tax.

7. Note 8- Tangible Asset and Note 9 – Capital work in progress

- a. The Fixed Asset Register showing item-wise details of fixed assets incorporating the cost, date of acquisition, asset identification, number/code/location, remaining useful life, deletion/sale of assets and present written down value (tallying with the ledger balance) was not made available for our verification.
- b. Records are seen produced to show verification of fixed assets by the management. However, the said list is not seen reconciled with fixed asset register and as such we are unable to verify the extent of verification conducted by the management.
- c. Land: In case of lease hold land, as per the statement furnished by the management, the company is in possession of 10054.464 Hectares of Government Forest lands. Out of this, the company produced lease agreement for 8000.138 Hectares only, the remaining 2054.464 Hectares, though in possession of the company, is not supported by any document. However, the lease agreement with Government dated 12.6.2006, recording the lease from 1.1.2001, covers an extent of 7748.441 Hectares only though according to the management the actual area covered by the lease agreement is 8000.138 Hectares.
- d. The books of accounts maintained by the company inter-alia include numerous accounts under various heads pertaining to fixed assets. The company could not tally the said ledgers with the fixed asset schedule forming part of the financial statements on individual asset level. However the total value of 'Assets Purchased or Works Completed' as per books of accounts matches with the fixed asset schedule.
- e. A vehicle (Bolero Jeep KL5 –K/8111) was sold during the year for Rs.1,09,999/-. The Company has credited 87,194.54/- as profit on sale of old vehicle. As per Fixed Assets schedule the written down value of the vehicle sold was Rs.3,028.29/-. Hence the correct profit on sale of vehicle is Rs.1,06,970.71/-. It is further observed that the gross block deducted is Rs.26,909/- instead of Rs.5,46,682/-. We are not provided any explanation regarding Rs.26,909.26 deduction from Vehicle which includes Rs.4104.80 GST.
- f. Battery costing Rs.5,078 is seen capitalized even though it is revenue expenditure.
- g. In Note 8, Tangible Asset is found to show the following discrepancies:
- Gross block as on 31-03-2020 Rs.19,51,49,479.80 less depreciation up to 31-03-2020 Rs.14,56,60,076.49 won't result in the net block as on 31-3-2020 Rs.4,94,65,498.68 and there is a difference of Rs.23,905/-.
 - Previous year figures are not seen disclosed.
 - Deletion of accumulated depreciation for assets sold is not seen done.
- h. Depreciation:
- No depreciation is seen charged for roads as the same is grouped with land. The useful life is between 3 and 10 years for roads as per schedule II. The financial impact cannot be reasonably ascertained.
 - Water Supply: All assets are seen provided a useful life of 30 years. The general useful life for Plant and Machinery is 15 years.
 - Useful life taken for factory building (Sandal Wood Factory) is 60 years instead of 30 years.
 - For the assets acquired prior to the year 1999, we were unable to verify the elapsed life due to non availability of adequate records.
 - The extent to which the profit or loss is affected due to variations as stated above is not ascertained by the company.



- vi. Vehicle: The net block as on 31/3/20 in the case of vehicle as per fixed asset schedule provided is Rs.44,271.24/-. The figure when recomputed is Rs.9,24,515.79/-. The difference of Rs.8,80,244.55/- is not explained.
- vii. The elapsed life and balance useful life for Tangible Asset-Sandal oil factory is to be updated in the depreciation computation statement though there is no computational error.
- viii. The net block of cardamom Pachakkanam project is negative Rs.2,35,879.14/- where by excess depreciation of Rs.1,56,899.08/- is charged.
- ix. The net block of cardamom Nelliampathy project is negative Rs.35,442.89/- where by excess depreciation of Rs.35,442.89/- is charged.
- x. As stated in Note 1 (c) the useful life for Solar Power Fencing, Office Equipment's and Compound Wall is different from Schedule II useful life. However the company has not provided justification duly supported by technical advice.
- xi. The treatment for purchases and exchange of battery Rs.38,500/- and its depreciation computation was not fully explained to us.
- xii. In case of new assets, while calculating depreciation, number of days taken was one day less than actual number of days.
- xiii. We have come across cases where depreciation was not charged, depreciation charged but at lower rates or higher rates than actually required for some assets. Following is the summary of our observations. The working were communicated vide email dated 01-07-2021. We have not received any response.

Assets	Depreciation Recomputed	Depreciation as per Financials	Difference
Check Dam/Ponds	1,87,436.00	1,87,433.00	3.00
Computer Installation	2,80,330.61	98,706.61	1,81,624.00
Electrical Fitting	4,40,549.53	4,31,101.53	9,448.00
Furniture	42,777.96	40,743.96	2,034.00
Office Equipment's	23,023.00	27,054.00	-4,031.00
Plant and Machinery	1,13,808.47	1,11,221.47	2,587.00
Vehicles	2,98,705.66	2,99,581.31	-875.65
Total	13,86,631.23	11,95,841.88	1,90,789.35

As such the current year depreciation and net block is understated to the extent of Rs.1,90,789.35/-.

- i. The working for the Note 8 Tangible assets is not reconciling with depreciation computation sheet in the case of vehicle and electrical fitting. The gross block value and accumulated depreciation are not matching between Note 8 and depreciation working.
- j. Capital Work-in-progress There are three items with balance outstanding as at 31.03.2020 as shown below:-
 - i. Building Rs.2,42,358/- : As stated in Note 38 and based on explanations given by the management, the said asset could not be completed. In our opinion, the management should have ascertained if the asset is impaired and, if so, made requisite provisions accordingly as per Accounting Standard 28 on Impairment of

asset. Hence asset and profit are overstated to an extent of Rs.2,42,358/- .

- ii. Cardamom Project Rs.1,96,023/- :The company did not explain the nature of these stagnant debits. In our opinion, the management should have ascertained if the balance is to be written off or made requisite provisions or else disclosed it as a prior period expense. Hence, assets and profit are overstated to an extent of Rs. 1,96,023/-.
- iii. Tea Factory Rs.5,51,500/- : Based on information available, the balance pertains to consultancy fee paid during past periods and no further expense was incurred on this project and that the project has been abandoned. This in our opinion, the management should have been written off as a prior period expense. Hence, assets and profit are overstated to an extent of Rs.5,51,500/-.

k. The following fixed assets are not seen capitalized:

- i. 14/06/19 Ecotourism (Exp Gavi Eco) Cost of fridge – Rs.13,411.02/- (GAVI Vr no. DIV 119)
- ii. 21/12/19 Ecotourism (Exp Gavi Eco) Cost of brush cutter -Rs.22,372.88/- (GAV Vr no. DIV 433)
- iii. 10/02/2020 Ecotourism (Exp- Vagamon Eco) Cost of water purifier-Rs.7,788.14/-(GAV Vrno.VP/193)

As such the loss is overstated to the same extent and depreciation understated proportionately.

8. Note 10-Non-current Investment:

- a. An amount of Rs.95,22,400/- is disclosed as investment in shares of Kerala State Wood Industries Ltd., (KESWIL) a subsidiary of the company. The C&AG had, in their report for the year ended 31.03.2015 commented that the profits of the company were overstated by Rs.95.22lakhs due to nonprovision of diminution in the value investment in KESWIL, the net worth of which has become nil. The company has not made any provision for diminution this year also on account of which the CY loss and Non-Current Investments are understated and overstated respectively by Rs.95,22,400/.
- b. The latest audited financial statements of M/s KESWIL were also not available for our verification. It was explained to us that the subsidiary is in the process of liquidation. In our opinion, the company has not complied with Accounting Standard 13 on Accounting for Investments.

9. Note 11- Long term advances Rs.2.27.39.734/-

- a. As shown in Notes 32 and 33 and as explained by the company's management, the balances relating to Agriculture Income Tax Advance Rs. 1,77,67,898/- and advance to VAT Rs.7,28,266/- are stagnant. We are not in a position to comment on the recoverability of these amounts grouped in Note 11. Further we are unable to comment whether any additional provision is required for Agriculture Income Tax and VAT as the matters are before adjudicating/appellate authorities.
- b. Detail of the stagnant Earnest Money Deposit of Rs.25,000/-was not available for our verification. Hence, we are not in a position to comment on the recoverability of the same.
- c. No information is available for HNL (KGST / KVAT) Adjustment Rs.28, 59,091/-regarding its recoverability in future from Commercial Tax Department for excess KGST/ VAT collected and paid for sale to HNL. Since the recoverability of the amount is doubtful, in our opinion provision for the entire amount needs to be created. The profit of the company is overstated to the extent of Rs 28,59,091/- as no provision is made in this account.
- d. Break up of Income Tax advances Rs.13,59,478/- is not furnished.

10. Note 12 and 19-Inventories

- a. Observations about Inventories of WIP of standing trees, inventories of Sandal Oil Factory and Eco shops are given below:-



- i. The company has valued the work-in-progress of wood plantations without considering damages that occur due to natural causes such as lightning, storm, rainfall, passage of time etc., and damages caused by wildlife. Failure of Eucalyptus Hybrid Cloned has not been considered. The failure of teak plantation at Trivandrum division has not been considered.
- ii. The input cost incurred for each plantation is not precisely verifiable and the write off cost of plantation felled are not precisely verifiable for want of information and records. Plantation registers are not seen updated as per internal audit report.
- iii. The company is unable to sell the softwood trees as planned and this has resulted in reduction of stock by way of transformation into scrubs. We are unable to ascertain the financial impact on the value of inventory.
- iv. The basis for allocation of indirect expenses to work in progress of wood plantation during the year has undergone change whereby the portion of cost apportioned to WIP of wood plantation is reduced. If previous year basis was followed, the loss for the year would have decreased by Rs.1,19,83,307.52/-. The change of basis and its financial impact has not been disclosed in the financial statement. No board approved policy for valuation of wood crop is available. A comparison of cost allocation to wood work in progress for the current year and previous year is as follows:-

Particulars	FY 2018-19		FY 2019-20		Revised allocation for CY if PY basis was followed
	Percentage allocated	Amount allocated	Percentage allocated	Amount allocated	
Salaries and Allowances					
Thiruvananthapuram Division	75%	44,53,002.75	25%	17,11,368.50	47,55,415.50
Thrissur Division	25%	15,45,699.25	5%	3,63,168.10	16,78,044.50
Punalur Division	100%	71,53,691.00	20%	15,73,650.00	73,85,396.00
Head Office	25%	27,06,656.00	10%	16,09,664.30	26,63,139.25
Repairs & Maintenance					
Thiruvananthapuram Division	100%	3,87,059.02	NIL	NIL	3,59,201.48
Thrissur Division	100%	3,35,902.68	NIL	NIL	2,63,268.59
Punalur Division	100%	1,20,767.74	NIL	NIL	1,36,693.10
Total		1,67,02,778.44	52,57,850.90		1,72,41,158.42

Detailed working has been emailed on 9-11-2021 and no response was received.

- v. During current year while allocating salaries and allowances in WIP of wood plantation, leave salary is also included in salaries and allowances. However in previous year leave salary is not considered. In the above working leave salary is not considered. An amount of Rs.12,93,094/- being dearness allowances arrear is also not considered as salaries and allowances while computing the above working since it should have been debited against opening provision.

- vi. While allocating 25% of leave salary at Thiruvananthapuram division, only Rs.17,11,368/- is seen allocated instead of Rs.17,32,063/- whereby a shortage of Rs.20,695/- is observed.
- vii. As per Note no.1 (D) of financial statement of 2019-20, the cost of new plantation raised as well as the maintenance cost of existing plantations has been added to the value of closing work in progress of wood plantation. However Rs.91,80,719/- being fire protection expenses incurred for these plantations should have been added with the closing value of work in progress of wood plantation. The reason for non-inclusion of such cost is not seen explained. If the same was considered, the loss for the year would have accordingly decreased. We are unable to quantify due to lack of working.
- viii. There is computation error in the workings for arriving at WIP of wood plantation. The correct figure when recomputed is Rs.59,29,37,388.86/-. Hence the work in progress of wood plantations is overstated by Rs.13,315.35/-.
- ix. During the year, 160.12 Ha of trees were felled. Out of the above 69.21 Hectares relates to plantation to be maintained as coppice. Of the 69.21 Hectares, 64.82 Hectares was already included in the compliance report of 2018-19 harvest. During the previous year while computing cost of work in progress of wood plantation, the area of coppice plantations sold or transferred during the year has not been reduced from the area of closing work in progress. However during the current year, area of coppice plantation has been reduced from the value of closing work in progress. If the area of coppice plantation has not been reduced from the area of closing WIP of trees the value of standing trees would have been Rs.59,73,72,583/- and current year loss would have reduced by Rs.44,21,879 /-. There is no board approved policy for treatment of coppice plantation at the time of valuation of standing trees. Detailed working has been emailed on 09- 11-2021 and no response was received.
- x. On review of the list of wood plantation, it is observed that some of the old plantations carried as WIP of wood plantation are remaining unsold. The data given below is taken from the plantations older than the plantation extracted recently. We are unable to confirm whether these trees are existing and the same is saleable at the value carried.

Species	Year	Area	Value
Eucalyptus Pellita	2000	1.540	99,557.74
Eucalyptus Pellita	2002	10.00	6,46,478.85
Eucalyptus Pellita	2004	76.494	46,20,610.25
Eucalyptus Clonal	2000	0.33	21,333.80
Eucalyptus Clonal	2001	141.707	91,61,057.79
Eucalyptus Clonal	2002	44.216	28,58,470.87
Eucalyptus Clonal	2003	67.523	43,65,219.12
Eucalyptus Coppice	2002	31.2	20,17,014.00
Eucalyptus Coppice	2004	23.992	15,51,032.05
Acacia Auriculiformis	1998	4.80	2,81,793.36
Acacia Auriculiformis	1999	11.410	12,44,948.76
Acacia Auriculiformis	2000	5	3,23,239.42
Acacia Mangium	2001	6.080	28,21,147.84
Acacia Mangium	2002	9.5	3,76,327.43



Teak and Softwood	1983	4.460	2,88,329.57
Teak and Softwood	1984	22.540	14,57,163.32
Teak claredBombax/Ailanthus	1979	19.850	12,83,260.51
Casuarinas	1999	11.027	7,12,872.22
Casuarinas	2001	30.332	19,60,899.64
Casuarinas	2004	16.010	10,35,012.63

It is also seen that Cashew trees are appearing in the list of wood plantations.

- xi. It is also observed that the area felled during a year is not properly determined. For example in Punalur, Karavoor 2008 Eucalyptus plantation is seen sold during 2018-19 and 2019-20. The extent felled in compliance report during 2018-19 is 18 hectares (fully felled). However it is seen that the sale from the same area to Jojo Joseph is seen booked in FY 2019-20 also. There is no system to measure the trees felled but not lifted by the contractors as on 31st of a year.
- xii. In our opinion, the company should have taken a census of all, trees/plants on 31.03.2020, identify those trees/plants which are saleable, place realizable values there on and appropriate values for other trees/plants and then find out total realizable values. If the realizable value is more than the value now placed, the value now placed may be adopted. If, on the other hand, the realizable value is less than that now adopted, the realizable value may be adopted.
- b. The detailed workings as per AS 2 to ascertain cost has not been provided in cases (other than producer's inventories of agriculture and forest products) where closing inventory has been valued at Net Realizable Value. As such compliance of Accounting Standard 2 could not be ensured.
- c. The stock transfer in and stock transfer out between divisions is not seen reconciled. This is necessary for appropriate physical control over inventory. For example 569gm of sandal oil transferred from Thrissur division is not taken as transfer in, in any of the divisions. Also disposal of 804gm of sandal oil from factory is not reconciling with 5595 gm receipt at Munnar division. 20gm receipts of sandal oil at Munnar is not reconciling with transfer out.
- d. Stores and spares of sandal wood unit are not seen valued. Further inventory of provisions and consumables held by eco-tourism units are not seen valued as closing stock. The extent of profit or loss affected due to the above is not ascertained by the company.
- e. Out of the total inventory of sandal wood 253.7kg are valued at cost being Rs.6530/Kg. The remaining 93.83Kg are valued at Rs.19,400/Kg being selling price. The last purchase of sandal wood is at Rs.12,306 per Kg (average). As such the net loss is understated to the extent of Rs.6,65,680/-.
- f. Sandal wood oil in Marayoor factory is seen valued at cost based on a computation dated 03-12-2018. As per the computation, the cost of sandal oil is Rs.2,55,295/- per Kg. On review of the working it is seen that depreciation and Rs.10 lakhs incurred for packing charges including cost of containers are not considered while computing the cost of sandal wood oil. The fixed production overheads should be absorbed systematically to units of production over normal capacity as per AS 2. We are not able to confirm whether the company has considered these facts for computing the cost of sandal wood oil. As such we are not able to confirm whether cost of sandal wood oil will be higher than net realisable value or not.

- g. As stated above, the sandal oil at Marayoor factory is seen valued at cost. However the same sandal wood oil lying at other divisions is valued at net realisable value. As such the company has adopted different valuation for same inventory. We are not able to quantify the impact of the same in financials since the cost working are not properly drawn.
- h. In note no. 25(1) of financial statement, for FY 2019-20 opening stock of cured cardamom is 614.86kg. As per audited balance sheet of FY 2018-19 closing stock as on 31st March 2019 was 607.160Kg. The difference is not explained. The correct production quantity is 2433.870Kg and disposal quantity is 912.350Kg. The correct closing quantity is therefore 2145.63Kg instead of 2115.83Kg.
- i. In note no.25 of financial statement disposal of pepper is Rs.2,13,743.78/- and sale of wood crops is Rs.4,02,96,755.97. However in note no. 16(A) sale of pepper is Rs.213723.76/- and timber and trees growth is Rs.4,02,96,419.83/-. The difference is not explained.
- j. The following inventory is seen valued at net realisable value. It is observed that, during the financial year 20-21 these goods are sold at a rate lower or higher than the net realisable value adopted for valuation of these goods. As such we are not able to confirm the net realisable value adopted for valuation.

Valuation	Name of items	Closing rate at NRV as adopted in inventory valuation	Lowest rate for retail sales during FY 20-21	Lowest rate for bulk sale during FY20-21
NRV	Cardamom	2,380.00	3,809.60	1,160.00
NRV	Cardamom Seed	1,025.00	3,809.60	-
NRV	Cardamom husk	50.00	155.00	-
NRV	Cardamom dust	50.00	96.00	-
NRV	Coffee dried	66.00	-	70.50
NRV	Pepper	285.00	514.28	285.00
NRV	Coffee powder	380.00	380.00	342.84
NRV	Rubber	120.00	-	115.00
NRV	Coconut	20.00	-	27.00
NRV	Arecanut	100.00	-	205 /110
NRV	Clove	1,425.00	1,904.80	-
NRV	Sandal wood pure powder	26,780.00	26,786.00	23,893.80
NRV	Sandalwood oil	424.00	424	350
NRV	Sandal deoiled powder	1,780.00	1,785.00	1,608.80

11. **Note 13 – Trade Receivables**

- a. The balances are subject to confirmation. Statements of accounts from the parties are also not available. We are informed that the balance due from TPI Rs.40,56,429/- , K Balasubramanyan Rs.23,35,423/- and Grasim Rs. 1,13,35,657/- are under legal dispute.
- b. In our opinion, the company should have made a provision for all debit balances outstanding for more than 6 months as it is said to be the practice of the management not to allow any credit period for its trade transactions. Hence, the balance of trade receivables and profits are overstated to the extent of Rs. 1,06,03,625/-.
- c. Breakup of sundry customer A/c Rs.36,866/-(HO) is not available.



- d. Revenue recovery of Rs.9500/- is seen collected from Jayamohan in Thrissur division, when there is credit balance due to him. No other information is available.
- e. The disclosure of debtors more than 6 months is not correct. Amount due from FDA Palakkad Rs.1,64,085/- is not disclosed as debtors more than 6 months.
- f. In Munnar division out of Rs. 9,81,865/- balance in sundry customer account no explanation is provided for Rs.13,289/- . The maintenance of sundry customer accounts needs further streamlining. This may be closed at regular interval for adequate control. For example Rs.8600/- received against sale of tender form at Gavi is still lying in sundry customer account.
- g. During the year it is observed that sundry customer accounts are not seen reconciled periodically.

12. Note 14- Cash and Cash Equivalent

- a. Balances with scheduled bank (SB accounts) Rs.2,28,206.68 includes Rs.380/- being "Cash in Transit "and Rs.22/- cash in hand which should have been disclosed as cash in hand. As per Circular No.3/2020 dated 06-03-2020 no cash balance should remain as on 31st March in hand.
- b. Balance with SBT A/c 67397060640 having balance Rs.2,000/- and Canara Bank having balance Rs.5,755/- is seen grouped under balances with SB accounts instead of current accounts.
- c. SBI SB flexi a/c no.6884 is not reconciled. As per Bank statement the closing balance as on 31st March 2020 is Rs.25000.52/- and balance as per books as on 31st March 2020 is Rs.1,09,163.52/-. This difference is not explained fully. This difference relates to Rs.84,163/- pertaining to Gavi division. As on the date of report also, the difference is not identified and rectified. As such the internal control in relation to timely preparation, review and supervision of bank reconciliation is not adequate.

13. Note 15-Short Term Loans and Advances:

- a. The balances are subject to confirmation.
- b. The amount disclosed under Other Advances is net of various debit and credit balances. The stagnant balances should have been reported as noncurrent. The company should have grouped the debit and credit balances separately based on their nature. For want of details, we are not in a position to confirm the correctness of the above figures. Further no provision is seen created for the stagnant balances as given below:
 - i. Leave Salary Recoverable From Government.Rs.1,29,280.68 Dr
 - ii. Amount to be recovered From Tsunami Relief Fund Rs.27,383.00 Dr
 - iii. TA Advance Rs. 89,389/- (A portion being non moving)
 - iv. Non moving festival advance Rs.36,428.92 and part payment Rs.23,967/-
- c. Security Deposit Dr. Rs. 7,47,111/- represents repayment of security deposits received and the same should have been reduced from the Security Deposit in Current Liability. As such Short Term Loans and Advances and Long Term/ Short Term Liabilities are both overstated to the same extent of Rs.7,47,111/-.
- d. As per G.O. (Rt) No. 4/2020/F & WLD dated 05/01/2020 net amount due to KFDC from Government is Rs. 37,57,125.18/- Government also sanctioned that, the amount over and above the dues can be adjusted from lease rent payable from FY 18-19. Hence Rs.13,50,908/- lease rent payable up to FY 2019-20 was adjusted and balance of Rs.24,07,127.18/- is disclosed as advance for lease rent. As per Forest department Oder no. Pro(7) - 5529/2011, advance lease rent to be set off from amount due from Government is Rs.23,63,005/-. This is not reconciling. Further the advance lease rent is not segregated between current and non current advances.

- e. During the year Rs.3,00,000/- was advanced to an employee as educational loan with interest. The balance outstanding as on 31st March 2020 is Rs.2,32,770/-. Recovery of Rs.7230/- interest on loan is deducted from the loan amount instead of disclosing the same as interest income.
- f. The previous year total of Rs.15,10,444.09/- is not correct.
- g. Pre deposit for service tax includes Luxury tax pre deposit also.
- 14. We are not in a position to comment whether the classification of various account heads as current and non-current is correct as requisite age wise particulars / list were not furnished for audit.

15. Matters relating to Schedule III of Companies Act, 2013.

The financial statements drawn up by the company are not fully in conformity with the Schedule III of the Companies Act, 2013 for the following reasons:

Matters relating to Balance Sheet

- a. Note 3- Reserves and Surplus-The nature and purpose of Government Grant Rs. 23.53 Crores (Note 36 (1) gives only a broad disclosure) has not been specified.
- b. Note 4-Long Term Borrowings-The terms of repayment, whether secured, unsecured and the nature of security, number and amount of installments due, period and amount of continuing default in repayment of loans and interest rate as on the balance sheet date, which are to be specified separately in each case have not been disclosed.
- c. Note 5 Other Long Term Liabilities-Long term Trade Payables if any has not been disclosed. Note 7-Short Term Liabilities should have been bifurcated as Trade Payables and other current liabilities. Trade Payables- Short term (Trade payables are dues in respect of goods purchased or services received (including from employees, professionals and others under contract) in the normal course of business) is not seen disclosed separately. The trade payables should have been bifurcated as follows:
 - (i) Total outstanding dues of micro enterprises and small enterprises; and
 - (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.
- d. Further in Note 7 –Short Term Liabilities, Income received in advance (Unearned revenue) is disclosed as Other Liabilities and Statutory remittances payable (Contributions to PF, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.) has not been separately disclosed.
- e. Note No 6 Provisions-The name should have been “Long Term Provisions” as it is classified under Non Current Liabilities. Provision for 2014 pay revision and Provision for Terminal Surrender are seen classified as long term provisions. Short term provisions have not been appropriately disclosed. This includes provision for employee benefits such as: Provision for bonus, Provision for compensated absences (current portion), Provision for gratuity (current portion), Provision for tax (net of advance tax), Provision for proposed equity dividend, Provision for tax on proposed dividends etc.
- f. The nomenclature “Fixed Assets” is to be replaced as “Property, Plant and Equipment” on the face of balance sheet.
- g. Note 8 and 9- Fixed Assets
 - i. Particulars of leased assets have not been reported other than land.
 - ii. Fixed assets acquired from grant require treatment as per Accounting Standard 12.



- h. Note 10-Non-current investment-Diminution in value of investment has not been disclosed. Further bifurcation between Trade and Non Trade investment, Subsidiary or not is not seen disclosed.
- i. Note 11-Long Term Loans and Advances and Note 15-Short Term Loans and Advancesi. Whether secured/unsecured/considered good / doubtful and the nature of security have not been disclosed.
- ii. Provision for bad and doubtful loans and advances has not been made.
- iii. EMD Dr. Rs.25,000/- is repayment of EMD and should have been net off with EMD Cr.
- iv. No disclosure as to Secured/ Unsecured/ considered good or bad is seen complied for HNL balance.
- v. Loans and advance to employees needs to be separately disclosed. (Part Payment, Tsunami relief, Festival Advance, Tsunami Advance, TA Advance, Leave Salary recoverable from Govt.)
- vi. In general, no provision is seen created for any doubtful advances.
- j. Note 12-Inventoriesi.
- i Loose Tools- These are stated to have been revalued. The date of such revaluation and the financial effect of the same have not been disclosed.
- ii. List of loose tools have not been furnished for audit.
- iii. Loose tools are not seen physically verified by the management.
- iv. Cost formula for traded goods are not seen disclosed.
- v. As per accounting policy of the company, all traded goods are valued at cost. However it is observed that as per Note 12 Sandal wood purchased and sold is valued at net realisable value. Sandal oil and sandal wood powder manufactured by the company is seen valued at NRV, Flowering plants purchased and sold is seen valued at selling price and not at cost as described in accounting policy.
- vi. Sandal wood is seen valued at net realisable value. However in Note 12 Sandal Wood is said to be 'Valued at estimated cost'.
- vii. Clove, coconut, coffee powder, arecanut and rubber are seen valued at net realisable value. However there is no disclose regarding the accounting policies adopted in measuring the value of these inventories.
- viii. The Company has failed to disclose cost formula and methods of valuation used in valuation of trade and manufactured goods.
- ix. In note no. 12 of financial statements, Orchids and flowering plants are grouped under finished goods (valued at net realisable values). In our opinion orchids and flowering plants should have been grouped under stock in trade because these are purchased and sold by the company. Orchids and flowering plants are seen valued at selling price, which is not in compliance with AS 2. Further we are unable to cross check the selling price adopted.
- x. The accounting policies adopted in valuing the manufacturing goods is not seen disclosed.
- k. Note 13-Trade Receivablesi.
- i The balances have not been bifurcated as current and non-current.
- ii. Whether secured/unsecured/considered good/doubtful and the nature of security have not been adequately disclosed.
- iii. Provision has not been made for bad and doubtful balances.
- iv. Balance due from TPI Punalur and Grasim Industries are seen classified as due from Government for which no document is available to show that government has taken over the liability. All debtors are unsecured. However it is disclosed as having personal security.

I. Note 14 Cash and Cash Equivalents:

i. The balances that meet the definition of Cash and Cash Equivalents as per Accounting Standard 3 Cash Flow Statements are not seen disclosed.

m. In the following cases the value carried in books (Tally software), Notes to the financial statement and Annexure to the Notes are different.

Particulars	Books (Tally)	Notes to the financial statement	Annexures to the notes
Advance From Customers	81,42,987.58 Cr	82,60,814.86 Cr	82,33,564.86 Cr
Other Liabilities	4,49,98,976.02 Cr	4,50,17,678.27 Cr	4,50,17,678.27 Cr
Ecotourism Project in areas of Forest Department	54,61,295.00 Cr	54,61,295.00 Cr	53,23,359.00 Cr
Divisions	NIL	1,03,845.15 Cr	NIL
CGST	1,21,033.65 Cr	NIL	NIL
SGST	1,14,641.78 Cr	NIL	NIL
Kerala Flood Cess	4,699.25 Cr	NIL	NIL

The reason for such difference has not been explained and hence the financial statement is not fully in agreement with the books.

n. No prepaid expenses is booked during the year as per books even though payments such as insurance is seen made. Liabilities (Contingent/otherwise):

o. The company has neither made a provision nor disclosed the liability that will arise on account of cases filed by 13 ex-employees as commented by the C&AG in their report for the year ended 31.03.2015. In the absence, of particulars, we are not in a position to quantify the financial implication thereof.

p. The company has neither made a provision nor disclosed the liability that will arise on account of losses of its subsidiary company Kerala State Wood Industries Ltd. In the absence, of particulars, we are not in a position to quantify the financial impact thereof.

q. Similarly, the company has not made a mention of the potential liability that may arise if the cases and appeals filed by or against the company in various forums are to be decided against the company.

r. The service tax liability on eco-tourism has neither been paid nor provided/disclosed as a contingent liability. As stated in Note No. 34(b) a Notice of Show Cause dated 16-04-16 for not paying Rs. 56,72,788/- as service tax has been served on the company under the category "Tour Operator Service". The notes on accounts is silent about the confirmed orders No 96/2017/ST dated 20/06/17 and No 57/2020-21 dated 25/03/21 of Rs.56,72,788/- and Rs.67,29,419/- along with interest and penalty for the period 01/10/10 to 30/06/17. No provision is seen made by the company. In the absence of full particulars, we are not in a position to quantify the financial effect of the same other than above. We are informed that the matter is under dispute. Further the liability for GST on eco-tourism is seen complied only from 01/04/19. The GST payable for the period 01/07/2017 to 31/03/2019 is not seen provided. We are not able to quantify the financial impact due to non-availability of adequate workings by the company in this regard.



- s. The company has been in the business of undertaking projects on behalf of the Government and other concerns. The liability, if any that may arise on account of non-performance or defective performance has not been reckoned. In the absence, of particulars, we are not in a position to quantify the financial impact thereof.
- t. The company has not provided for Luxury tax obligation under dispute as stated below

Year	Amount to be paid as per Demand Notice
2009-10	Rs. 38,425/-
2010-11	Rs. 3,02,238/-
2011-12	Rs.24,78,456/-
2012-13	Rs.27,06,938/-
2013-14	Rs.35,73,790/-

- u. In case of TDS deducted under section 192B from employees, the amount deducted is not seen paid during year. The detailed workings is as follows:-

Month	Amount Deducted	Amount Paid	Difference
Opening Balance	1,38,967.00	74,820.00	64,147
April	19	52,120.00	55,440.00 (3,320)
May 19	45,470.00	45,400.00	70
June 19	56,500.00	56,400.00	100
August 19	1,18,754.00	58,900.00	59,854
October 19	59,800.00	63,800.00	(4000)
November 19	67,800.00	63,800.00	4000
March 20	2,08,581.00	1,74,836.00	33,745

We are unable to confirm whether the amount deducted has been paid in full.

Matters relating to Statement of Profit and Loss

- a. Wages is not shown as part of employee cost.
- b. As per Schedule III of the Companies Act 2013, Revenue from operations shall disclose separately. Sale of Products, Sale of Services and Other Operating Income separately. This is not complied as Other Operating Income is clubbed with sale of products.
- c. Penalty & ground rent, interest received, miscellaneous receipts and film shooting charges are seen included in retail sales.
- d. Lease rent for FY 2019-20 as per books is Rs.6,77,005/- However as per Forest department Oder no. Pro(7) - 5529/2011 lease rent is Rs.6,96,928/- The difference of Rs.19,923 /- is not provided.
- e. In Munnar division, Kerala Flood Cess is seen collected by reducing the sales price instead of collecting separately where by the income of the company is reduced. This is seen for the whole year.

- f. Even though there is no price change for Sandal de-oiled powder, during the year it was observed that in Munnar division during the months of August and September, Sandal de-oiled powder is sold at the rate of Rs.160.07/-, 161.42/, Rs.168.56/-per 100 gram. The reason for such difference is not explained.
- g. The price change for Cardamom is not seen implemented on the date the change was to be given effect.
- h. An amount of Rs.1,75,068/- being fifty percentage advance paid to Keltron for processing biometric attendance as per the agreement entered is seen treated as Computer software development expense. No invoice is available. We are unable to confirm whether any portion forms part of fixed assets.
- i. An amount of Rs.11,086/- was treated as Liability for Expenses in the previous year 2018-19. This expense is again debited to Fire protection expenses in the current year and thereby overstating both loss for the year and liability for expenses by Rs.11,086/- . (Rs.11086/- fire protection wages is seen paid to Sri Muraleedharan Pilla vide cheque no: 527847).
- j. As per information provided to us only 10% discount can be offered in the case of ecotourism. However on a test verification, it was observed that 20% discount is seen provided to Receipt no.2206, 2207 and 2208 (Munnar division). We are not provided with the any explanation regarding the same.
- k. In Punalur division during the financial year 2018-19, Rs.4,64,226/- and Rs.4,84,572/- (including regeneration charges) as per the invoice no.2088 & 2082 for sale of Accacia Auriculiformis is seen entered in Tally software as Rs.4,13,083/- and Rs.4,31,186/- . On further review it is found that 5% GST as per invoice is seen altered as 18% GST in Tally software which has resulted in reduction in sales consideration in FY 2018-19.
- l. An amount of Rs.7,001/- being expense incurred by the company for wood plantation is wrongly debited to TNPL account.
- m. Revenue from sale of orchids and flowering plants, eco shop items and entry ticket Vagamon as per books of accounts does not match with register kept at Vagamon in this regard. The register is not seen signed and sealed by the Manager (Vagamon) during the months of April to June 2019 and August 2019.

Particulars	Revenue as per Books	Revenue as per Vagamon revenue register	Difference
Entry Ticket Vagamon	9,37,197.00	9,30,905.00	6,292
Sale of Orchids and Flowering Plants	8,30,642.06	8,33,245.00	(2,602.94)
Sale Eco Shop Items	5,99,014.94	6,26,212.00	(27,197.06)

- n. A provision for Rs.60,00,000/- was made for DA arrear and pay revision made during financial year 2018-19. However during the current year Rs.15,77,979/- DA arrear paid during the year is seen accounted as salaries and allowances instead of debiting the provision. As such loss of company is overstated by Rs.15,77,979/-.
- o. As per G.O. (Rt) No. 4/2020/F & WLD dated 05/01/2020, KFDC has been paying the annual lease rent from the year 2010-11 to 2017-18 regularly, but did not pay the lease rent for the year 2018-19 owing to financial constraints. The annual lease rent payable for FY 2018-19 is Rs. 7,18,954/- as per the government order. But as per Forest department Oder no. Pro(7) - 5529/2011 lease rent for FY 2018-19 is Rs.6,96,928/-. The amount of



lease rent as booked by the Company is Rs.6,56,871/- . We are not able to conclude on the correct lease rent payable. Further prior period disclosure for the lease rent pertaining to FY 2018-19 is not seen made.

- p. As per G.O. (Rt) No. 4/2020/F & WLD dated 05/01/2020 the KFDC has paid annual lease rent from the year 2010-11 to 2017-18 regularly. However it is observed that Rs. 16,122/- lease rent is seen paid during the year relating to the FY 2017-18.
- q. No provision is seen made for Rs.2,97,478/- incurred for enumeration and tar banding expenses incurred on eucalyptus and acacia plantation in Thiruvananthapuram divisions. The loss for the year is understated to that same extent.
- r. The following expenditure relates to the financial year 2018-19 and booked in current year should have been classified as prior period item:-

Date	Division	Particulars	Amount
26-12-19	MNR	Sandal oil factory expenditure (Leave with wage)	18,839.00
06-09-19	HO	Bonus Festival Allowance to Staff(Festival allowance for FY 2018-19)	13,750.00
25-09-19	HO	Professional Fees & Legal Charges	24,000.00
31-3-20	HO	Pay and allowance to MD (engaging as office assistant from March2018 -19)	45,500.00
09-04-19	TVM	Eucalyptus Nursery	1,09,613.00
06-09-19	PLR	Bonus and Festival Allowance	36,750.00
25-09-19	PLR	Bonus and Festival Allowance	2,750.00
05-10-19	PLR	Bonus and Festival Allowance	1,000.00
07-06-19	PLR	Teak Thinning	4,19,019.00
08-05-19	PLR	Leave Salary	53,535.00
08-05-19	PLR	Leave Salary	1,30,092.00
13-05-19	TCR	Incentive paid to workers in coffee harvesting during FY 2018-19	47,890.00
11-04-19	TCR	Repairs & service charges	1,253.00
06-09-19	TCR	Bonus & Festival Allowance to staff	1000.00
02-05-19	TCR	Rent of building	12,500.00
17-05-19	MTY	Advertisement charge	14,516.00
14-06-19	PLR	Fire Protection	6,955.00
29-04-19	PLR	Telephone charges	11,233.00
09-05-19	TVM	Matty Nursery 2018-19	11,689.00
29-04-19	TVM	Eucalyptus Nursery	21,600.00
31-12-19	MTY	Lease Rent	20,134.00

16. The company has not disclosed all material items, i.e. items with balances in excess of 1% of revenue separately. Certain cases that came to our notice are listed below:

	Particulars	Amount	Bifurcation in books of accounts	Balance
18	Plantation, Upkeep, Harvesting Akamalavaram Plantations	14,08,958.91	Rubber Maintenance Rubber - 2011 Harvesting & Processing Rubber Harvesting & Processing Coconut Coconut Maintenance	7,08,683.66 7,444.00 5,85,639.25 85,059.00
	Nelliampathy Estate Expenditure	45,07,348.46	Beatrice Estate Rosary Estate Mira Flores Estate	4,83,378.62 7,73,631.00 32,50,338.84
	Harvesting & Upkeeping Plantation Direct expenses Plantation Stores and maintenance	1,08,64,169.68 41,13,162.84 92,33,117.42	Unable to bifurcate these amounts due to the reason mentioned below	
	Wages to Permanent Workers	2,91,10,510.56	Unable to bifurcate these amounts due to the reason mentioned below	
	Wages to Casual workers	17,42,857.00	Wages to Casual workers Leave with Wages	8,72,246.00 8,70,611.00
20	Employees Benefit Salaries and Allowances	4,89,12,819.00	Salaries and Allowances Wages to D R E Employees Wages to Casual Sweeper	4,68,24,582.00 17,36,237.00 3,52,000.00
	Welfare Expenses to Staff and Workers	30,83,422.55	Welfare Expenses to Staff & Workers Others	20,95,430.58 9,87,991.97
	Bonus and Festival Allowance	35,44,233.00	Bonus and Festival Allowance to Workers Bonus and Festival Allowance to Staff	32,85,893.00 2,58,340.00
21	Other Expenses Eco-Tourism	2,08,52,307.28	Eco-Tourism (Catering Expenses- Gavi Eco) Ecotourism Catering Service Expenses Eco-Tourism (Exp-Gavi Eco) Eco-Tourism (Exp-Vagamon) Eco-Tourism (Exp) Others	28,99,539.34 10,90,362.34 75,50,632.89 31,75,574.91 46,63,910.72 14,72,287.08
22	Finance cost - Interest expenses	16,44,243.95	Finance Charges (government loan) Interest on Over Draft (SBI)	14,34,537.51 2,09,706.44



- a. We are unable to reconcile the heads Harvesting and Upkeeping, Plantation Stores and Maintenances, Plantation Direct Expenses and Wages to Permanent Workers, with the figures available in Tally software independently. However the aggregates figures are reconciling. No explanations were provided by the management. Further during the previous year the figures of Plantation Stores and Maintenances and Wages to permanent Workers are not reconciling with previous year audited financial statement.
- b. Similarly, expenses under the various heads have to be bifurcated based on its components. Presently all expenses in the respective heads are grouped under single account. For example labour charges incurred like catering expenses, watch and ward expenses, tour guide cost etc. cost of materials purchased for catering are debited in Ecotourism. Similarly, Sandal Oil Factory expenses includes wages paid, other administrative expenses incurred, marketing expenses etc. Nelliampathy Estate Expenditure includes payments made at Beatrice Estate, Rosary Estate and Miraflores Estate towards wages and allowance.
- c. Wages paid to workers are grouped under various heads like Nelliampathy Estate Expenditure, Sandal Oil Factory Expenditure and Wages to workers (all grouped under Note 18 Plantation, upkeep and harvesting) and not shown under Employee Benefit Expenses.
- d. We are unable to reconcile the interest earned as SBI SB flexi Rs.59,606/- with the interest certificate issued by bank amounting to Rs.57,239/-.
- e. We are unable to reconcile the interest earned on Short term deposit in SBI account Rs.6,94,856/- with the interest certificate issued by the bank amounting to Rs.4,45,620/-.
- f. Provision for Income Tax has been determined by bifurcating expenses between agriculture and other activities of the company. Basis for arriving at the same was not satisfactorily explained to us and is as decided by the company's management. There is no board approved policy for the same.

17. Matters relating to Other Notes to Financial Statements

- a. Accounting policy for revenue recognition for Income from Service is not seen disclosed.
- b. Accounting policy for government grants is not seen disclosed.
- c. Accounting policy for EPS is not seen disclosed.
- d. Accounting policy for Provisions and contingencies is not seen disclosed.
- e. Accounting policy for Taxation and deferred tax is not seen disclosed.
- f. Accounting policy for use of estimates is not seen disclosed.
- g. No disclosure has been made regarding the exemption for applicability of Accounting Standards for Small and Medium Company.
- h. Estimated amount of contracts remaining to be executed on Capital Account and not provided for, net of advance payments is not seen disclosed.
- i. Contingent liabilities include Claims against the Company not acknowledged as debt. The company after having disclosed it as NIL, has disclosed in other notes regarding potential liability under Central IT, Service tax, Luxury tax, Agriculture IT and VAT. Disclosure in relation to TDS demands are not seen taken into consideration nor any provision has been made. The disclosure of service tax demands are not updated with current orders and its appeals filed.
- j. We are not in a position to confirm if all items of inventory shown by the company are saleable or whether they include unsaleable, damaged items. In this connection, our comments given elsewhere may also be referred to.

- k. We are not in a position to confirm the accuracy of the details furnished in Note 32 and 33 of the financial statements pertaining to Agricultural Income Tax, KGST and KVAT, as the relevant particulars from legal counsel were not produced for our verification.
- l. We are not in a position to comment on the correctness of the claim made in Note 41 relating to liability towards micro, small and medium enterprises. No disclosure is seen made in trade payables in this regard.

18. Applicability of Accounting Standards

- a. AS 2 Valuation of Inventories:
- i. In our opinion AS2 is applicable to trading and manufacturing activities of the company.
- b. AS 3 Cash Flow Statement:
- i. Gross amount of grants received from the State Government and related agencies accounted under Scheme Fund, Ecotourism Projects in Notes, have not been shown as an inflow and the amounts spent out of such sums have not been shown as outflows. Only the net movement thereof has been reckoned.
- ii. Non cash expense being interest payable to government Rs. 14,34,537/- is seen included in Finance charges.
- iii. The following figures as recomputed by us could not be reconciled with the cash flow as per the company. The detailed workings were emailed on 01-07-2021.

Particulars	Recomputed Figure by us	Cash Flow as per FS	Difference
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax as per Profit and Loss statement	(6,09,55,474.90)	(6,09,55,474.90)	-
Adjustment for:			-
Depreciation	54,99,753.69	55,28,953.69	(29,200.00)
Interest income	(8,14,416.91)	(8,14,416.91)	-
Finance cost	16,44,243.95	16,44,243.95	-
Profit/ loss on sale of assets	(87,194.54)	-	(87,194.54)
Operating profit before Working Capital Changes	(5,47,13,088.71)	(5,45,96,694.17)	(1,16,394.54)
Adjustment for working capital			-
Increase/(decrease) in Trade Receivables	19,14,686.97	19,14,686.97	-
(Increase)/decrease in Inventories	79,12,753.70	79,41,953.70	(29,200.00)
(Increase) /decrease in long term loans & advances	-	-	(67,09,068.36)
(Increase)/decrease in short term loans & advances	(33,54,534.18)	33,54,534.18	(8,57,27,034.24)
Increase/(decrease) in Other long term Liabilities	(4,28,63,517.12)	4,28,63,517.12	-
Increase/(decrease) in Other Current Liabilities	(21,01,134.19)	21,01,134.19	(42,02,268.38)
Increase/(decrease) in Provisions	80,29,431.00	80,29,431.00	-
Decrease in reserves (net)	4,59,11,950.46	(1,50,49,657.44)	6,09,61,607.90



Cash generated from Operations	(3,92,63,452.07)	(34,41,094.45)	(3,58,22,357.62)
Taxes paid (net)	(6,133.00)	(6,133.00)	-
Net cash from operating Activities (I)	(3,92,69,585.07)	(34,47,227.45)	3,58,22,357.62)
CASH FLOW FROM INVESTING ACTIVITIES	(3,68,998.78)	(3,68,988.78)	-
Increase/decrease in Fixed Assets	8,14,416.91	8,14,416.91	-
Interest Income	1,20,999.00	-	1,20,999.00
Sale of Fixed Asset	-	3,81,036.40	(3,81,036.40)
Decrease in non current assets	-	(14,44,425.26)	14,44,425.26
Decrease in regeneration reserve	-	(14,44,425.26)	14,44,425.26
Net Cash (Used in) investing Activities (II)	5,66,417.13	(6,17,970.73)	11,84,387.86
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in Long term Borrowings	1,73,16,932.48	(1,73,16,932.48)	3,46,33,864.96
Finance charges	(16,44,243.95)	(16,44,243.95)	-
Net cash in financing activity (III)	1,56,72,688.53	(1,89,61,176.43)	3,46,33,864.96
Net(Decrease/Increase) in Cash and Cash Equivalents (I+II+III)	(2,30,30,479.41)	(2,30,26,374.61)	(4,104.80)
Opening Balance of Cash and Cash Equivalents	2,35,83,869.22	2,35,83,869.22	-
Closing Balance of Cash and Cash Equivalents	5,57,494.61	5,57,494.61	-

There is also difference of Rs. 4,104.80 in cash flow as the net decrease in cash and cash equivalents is not reconciling with the difference in opening and closing balance.

- c AS 12 relating to Government Grants are not seen complied with as detailed elsewhere in the report.
- d AS 13 relating to Accounting for Investments are not seen complied with as detailed elsewhere in the report.
- e Following disclosure as per AS 15 not seen done for gratuity liability
 - (a) Reconciliation of present value of obligation at the beginning of the year, interest cost, current service cost, benefits paid, actuarial loss and present value of obligation at the balance sheet date is not seen disclosed.
 - (b) Breakup amount recognised in the statement of Profit and loss as current service cost, interest cost and actuarial loss is not seen disclosed.
 - (c) Actuarial valuation is seen done by LIC instead of independent actuary.
 - (d) The valuation is not dated 31/03/2020.
 - (e) For Policy 433720 the PV of obligation as at end of the year and FV of plan asset at year end as disclosed in notes could not be reconciled with the working provided. The figures disclosed for gratuity of workers also is not reconciling with the working provided.
 - (f) We are in the opinion that the joining date of workers as used for gratuity computation is the date on which KFDC has taken over the respective plantation. However gratuity liability can arises from the actual date of joining of the employee. This is not seen considered.

- f. No workings are available to explain that there is no timing difference with respect to income tax and hence, there is no requirement to provide for deferred tax in accordance with AS 22.
- g. AS 28 on Impairment of Assets is not seen complied for Sandal Wood factory and other segments which has indicators of impairment.
19. There is inadequate control over passing of journal entries in the books. Transaction wise authorised journal vouchers are not available.
20. The balances other than bank balances are subject to confirmation. We have relied on the balances as per the books of accounts maintained and information and explanations furnished by the management. In the absence, of particulars, we are not in a position to quantify the financial impact thereof.
21. No system of E-auction/ tendering/ system of obtaining quotes is in vogue for purchase of nursery plants (other than orchid), purchase of materials, consumables, vegetables, meat, hiring of vehicles in relation to eco-tourism at Gavi and Munnar. As such we are unable to determine the system for price checks for these purchases. Further internal control with respect to eco tourism activities needs to be further streamlined. Competitive quotes for administration expenses such as printing and advertisement are not seen taken.
22. Cash payments for expenses above Rs. 10,000/- were observed which is not in line with Sec 40A (3) of the Income Tax Act, 1961. Further we are not provided with adequate information to determine whether the exemptions under Rule 6 DD would be applicable. Few instances are given below which was emailed to the company on 25-06-2021 and 10-11-2021.

Date	Division	Account Head	Amount
18-12-19	Gavi	Cardamom Nursery (Hardware items from Mubarak Hardwares, Bill no: 408, 412)	11,145.00
21-12-19	Gavi	Cardamom Nursery (Hardware items from Mubarak Hardwares, Bill no: 432, 436)	17,250.00
16-11-19	Gavi	Electricity Charges	14,437.00
16-12-19	Gavi	Electricity Charges	18,721.00
29-02-20	Gavi	Electricity Charges	25,850.00
10-02-20	Gavi	R & M Vehicles (Spares from Mubarak Automobiles, Bill no: 113, 114)	17,780.00
10-02-20	Gavi	R & M Vehicles (Fuel charges for Vehicles)	17,639.00
02-08-19	Gavi	R & M Vehicles (Spares from Mubarak Automobile)	14,090.00
21-11-19	Gavi	Power Fencing (Solar Energizer) (crown power)	16,695.00



02-08-19	Gavi	Wages To Casual worker (Paid to drivers)	10,836.00
10-02-19	Gavi	Cardamom store (paid to Mubarak for plumbing materials)	15,450.00
12-11-19	Gavi	ECO- Tourism (Exp Vagamon) (Purchase of Tent from Leemas wedding Centre)	12,000.00
21-05-19	Gavi	Vehicle (Purchase of Raw boat)	39,995.00
21-05-19	Gavi	Eco Tourism (exp- Gavi Eco) (Life jacket)	17,404.00
18-05-19	Gavi	Eco Tourism (exp- Gavi Eco) New Thangam steel (New Thangam steel)	18,560.00
02-07-19	MNR	Floriculture (Exp) (wages paid to Unni Krishnan)	11,305.00
06-06-19	MNR	Eco tourism exp (wages paid to Unni Krishnan)	12,322.00
04-09-19	MNR	Eco tourism exp (wages paid to Unni Krishnan)	12,322.00
05-09-19	MNR	Floriculture (Exp) (wages paid to Unni Krishnan)	11,409.00
06-11-19	MNR	Floriculture (Exp) (wages paid to Unni Krishnan)	12,321.00
07-02-20	MNR	Wages to permanent worker (wages paid to Unni Krishnan)	12,322.00
26-12-19	MNR	Sandal oil Factory Expenditure (Leave with wage for 2018-19 paid to casual workers)	18,839.00
06-06-19	MNR	Eco tourism exp (Wage paid to Rajan worker at Rhodo mansion)	12,288.00
06-06-19	MNR	Eco tourism exp (Paid to Kumar caretaker in silent valley)	11,815.00
05-10-19	MNR	Eco tourism exp (Wage paid to Rajan worker at Rhodo mansion)	10,869.00
05-10-19	MNR	Eco tourism exp (Wages paid to Shine Jacob)	10,813.00

06-11-19	MNR	Eco tourism exp (Wage paid to Rajan worker at Rhodo mansion)	12,288.00
07-02-20	MNR	Wages to casual workers (cash paid to workers)	1,67,771.00
10-03-20	MNR	Wages to casual workers (cash paid to workers)	1,40,829.00
24-04-19	HO	R&M –Others	24,500.00
26-08-19	TVM	Eco - Tourism (Exp) (Paid to Daily fresh)	20,608.62
16-09-19	TVM	Eco - Tourism (Exp) (Paid to Daily fresh)	10,178.00
26-08-19	TVM	Electricity Charges	18,394.00
09-10-19	TVM	Electricity Charges	12,829.00
25-10-19	PLR	Insurance Vehicle	11,176.00
15-06-19	TVM	Trade Fair – Expenses (cost of loading)	19,800.00
10-12-19	TCR	Mira Flores Estate (Cash paid to Ahmed Rowther& Co.)	10,268.00
10-01-20	TCR	Mira Flores Estate (Cash paid to Ahmed Rowther& Co.)	10,686.00
10-02-20	TCR	Mira Flores Estate (Cash paid to Ahmed Rowther& Co.)	14,285.00
10-03-20	TCR	Mira Flores Estate (Cash paid to Ahmed Rowther& Co.)	16,695.00
10-01-20	TCR	Eco -Tourism (Exp) (Cash paid to Fresh & More Delma Centre, Nemmara being consumable items purchased for eco- tourism catering services)	13,558.00
10-02-20	TCR	Eco -Tourism (Exp) (Cash paid to Fresh & More Delma Centre, Nemmara being consumable items purchasd for eco- tourism catering services)	12,656.00



15-11-19	TCR	R & M Vehicles (Cash paid to M A Ahmed Rowther & Co.)	19,681.00
08-05-19	MNR	Eco- Tourism Expenses (salary)	10,814.00
06-06-2019	MNR	Eco- Tourism Expenses (salary)	10,398.00
08-08-19	MNR	Eco Tourism	12,288.00
08-08-19	MNR	Eco Tourism	22,685.00
25-10-19	MNR	R & M Vehicles	11,879.00
10-01-20	MNR	Eco- Tourism Expenses (salary)	10,813.00
10-01-2020	MNR	Eco- Tourism Expenses (salary)	17,959.00
10-01-20	MNR	Eco- Tourism Expenses (salary)	12,287.00
09-04-19	TVM	Insurance Vehicle	16,716.00
07-09-2019	TVM	Wages to Casual Sweeper	10,560.00
24-08-19	TVM	Insurance Vehicle	10,300.00

23. Internal control over felling and transportation of trees is inadequate. In our opinion the internal control over sale of wood crop in its present structure is inadequate. As reported in Note 45, irregularities over classification of sale of eucalyptus as sale of eucalyptus lops and tops has earlier caused loss to the company to the extent of Rs.54,19,894/- . The current internal control structure is susceptible to collusion between employees and further streamlining is required for this area including the possibility of using latest technologies. Further as per the current practice followed, instances were noticed where sale proceeds of were received in cash. The entries in the books do not reflect these transactions as cash transaction but instead as bank transactions. However on verification of bank statement it is observed that cash is seen deposited in the bank account. These transactions are more than Rs. 2,00,000/- and may lead to violation of Sec 269ST of the Income Tax Act. Instance being Rs.2,31,100/- received in SBI 6884 on 13/01/2020. In this case the whole amount was deposited in bank by Sujam as cash (being sale proceeds of cashew nut). Another example being Rs.1,19,000/- cash deposited in SBI 6884 on 30/01/2020 against sale of cashew nuts to Noushad A. The amount is below Rs.2,00,000/-. Both the above instances relates to the Punalur division. Another instances for Trivandrum division is on 25/02/2020 (SBI 6684) where Rs.1,39,000/- was received in cash from Jayasingh against sale of cashew.
24. The company was unable to provide overall broad reconciliation of eco tourism income with number of occupancy.
25. GST observation:
Following are our observation for non compliance of provisions of GST, the quantification of its impact is not provided to us by the management.

- I. From 01/07/2017 to 31/03/2019 GST is not seen collected for Eco Tourism Income and no provision is made for the same.
- II. No GST is seen collected for entry fee. In case of entry fee, the company is of the opinion that the services by way of admission to a museum, national park, wildlife sanctuary, tiger reserve or zoo is exempt under GST. However no legal opinion in this regard has been produced for our verification as to whether the entry to Vagamon / Munnar Floriculture centre would come under this.
- III. GST reverse charge on notified services such as Advocate service, services supplied by government, lease rent paid to government, services supplied by director of the company are not seen paid.
- IV. The entity is not reversing input tax credit attributable to exempt supply from common credit.
- V. The entity is not availing input tax credit on bank charges
- VI. Reconciliation of GSTR 2A with credit availed has not been furnished for our verification.
- VII. No GST is seen paid for advertisement charges collected for annual diary.
- VIII. The company, on 23/10/18 obtained a legal opinion with respect to applicability of GST to ecotourism. The legal opinion has recommended the company to collect GST till the commissioner disposes the service tax appeal. This is not seen implemented by the company during the year 2018-19. Further the board of the company on 31/10/18 has accepted this legal opinion. This is not seen disclosed in the notes to accounts. No provision is seen made for the indirect tax due.
- IX. Turnover as per books and as per GSTR1 is not reconciled.
- X. In table 7- B2C (Others) of GSTR 1, Rs.18,580.81 and Rs.21,486.55 are shown as cess for the month November 2019 and October 2019 respectively. However as per books, Rs.18,580.81 and Rs.21,486.55 are Kerala flood cess for which separate return is available
- XI. We came across the instances where input tax credit availed without proper invoices. (For example voucher no.328 (MNR) dated 05-11-2019, Taxable value Rs.41200 and ITC Rs.7,416)
- XII. Input tax credit is seen availed for motor vehicle repairs which is a blocked credit as per Section 17 of CGST Act 2017. As per GST Act for catering services, GST is charged at 5% without input tax credit. The Company charge 5% GST for catering services and for sale of instant tea and coffee. However the company is seen to have availed input tax credit for catering expenses and for purchase of coffee and tea premix.
- XIII. Input tax credit in respect of purchase of fertilizers for tea plantation at Mananthavady division is seen availed. Mananthavady division deals only in green tea leaves for which there is no output tax. As per CGST Act 2017, input tax credit cannot be availed for exempted supplies.
- XIV. Credit note of Rs.22,804.46 issued as per books during the March 2020 is not seen in GSTR 1.
- XV. Company while filing GSTR 3B, shows the value of nil rated supplies and exempted supplies are shown as Zero rated supplies.
- XVI. The amount of GST payable as per books as on 31-3-20 is Rs.1,26,505.56/- CGST and Rs.1,20,113.69/-SGST. However as per GSTR 3B the amount payable is only Rs.72,961.97/- CGST and SGST each for the month of March 2020. This is not reconciled.
- XVII. The amount of IGST payable as per GSTR 3B is Rs.3,53,610/-. However as per books IGST payable is Rs.3,68,071/-.
- XVIII. We have seen difference in output tax as per GSTR 3B and books in the following cases:-
- XIX. Free gifts or free samples to any unrelated person shall not be treated as supply under GST. ITC in respect of



Month	As per GSTR 3B		As per Books		Difference	
	CGST	SGST	CGST	SGST	CGST	SGST
April	4,66,083.74	4,66,083.74	5,07,131.87	5,07,131.87	(41,048.13)	(41,048.13)
May	8,11,144.31	8,11,144.31	8,10,392.25	8,10,392.25	752.06	752.06
June	2,39,412.95	2,39,412.95	2,39,234.93	2,39,324.93	178.02	178.02
August	7,97,455.38	7,97,455.38	7,98,929.74	7,98,929.74	(1,474.36)	(1,474.36)

inputs utilized for making such free supply shall be blocked under the provisions of section 17(5) of CGST Act. We are unable to confirm whether any ITC is to be reversed for 17.5 Kg of cardamom supplied as gifts.

- XX. Sale of orchids and flowering plants Rs.2,68,200/-, sale of tea Rs.12,570/-and sale of coffee Rs.18,440/-for the month of April 2019 and May 2019 are recorded in books as sale only during June 2019 and GST return for these supplies are filed in the tax period June 2019 without paying any interest.
- XXI. Debit note adjustment of Rs.15,353.93/- as disclosed in GST return of November 2019 and credit note adjustment of Rs.1,60,736.75/- as disclosed in GST return of January 2020 is not seen entered in books.
- XXII. Debit note of Rs.13,906.93/-, Rs.1,65,955.10/- and Rs.1,24,854.56/- issued in books in the month of September 2019, December 2019 and March 2020 respectively is not seen in GST return.
- XXIII. Credit note of Rs.3,25,290.55/-, Rs.1,441.30/-, Rs.1,08,397.43/- and Rs.65,840.28/- issued in books in the month October 2019, December 2019, February 2020 and March2020 respectively is not seen in GST return.
- XXIV. Input tax credit utilized for payment of tax as per GST return and books are not matching and we are not provided with reconciliation of GST return with books.
- XXV. In May 2019 GSTR 1 return amendment made in B2B invoice Rs.24,880/- is not seen in books.
- XXVI. In the month of April 2019 we have seen a difference of Rs.15,669.49/- between IGST paid as per GSTR 1 and GSTR 3B.
- XXVII. A portion of ITC availed in books during April 2019 is seen used to pay GST liability for March 2019.
- XXVIII. Reason for debiting Rs.25,466.16/- on 30-4-2019 to CGST(Good and services Tax) account and SGST (Good and services Tax) account is not explained to us.
- XXIX. In the following months we have seen difference in turnover declared as per GSTR 1 and GSTR 3B:-

Month	GSTR 3B	GSTR 1	Difference
April 2019	98,30,948.12	81,61,762.76	16,69,185.36
November 2019	1,00,06,441.70	1,00,21,795.63	(15,353.93)
January 2020	1,22,58,648.80	1,20,97,913.95	(1,60,734.85)

- XXX. In GSTR 9, Company has declared 12,65,67,343.50/- as total turnover for the financial year 2019-2020. However turnover as per books is Rs.11,36,88,034.48. The differences is not reconciled.
- XXXI. In Table 4 of GSTR 9 only details of advances, inward and outward supplies made during the year on which tax is payable should be shown. However in Table 4 (A) (supplies made to unregistered persons B2B) and 4(B)

(supplies made to registered persons B2C) it is seen that, turnover including the turnover of nil rated or exempted supplies are also included.

XXXII. As per GSTR 9 Rs.3,26,731.85/- credit note issued and Rs.1,81,349.03/- debit note has been issued. There figures of credit note and debit note are not in agreement with GSTR 1.

XXXIII. In GSTR 9 turnover of supplies on which tax is to be paid by the recipient on reverse charge is Rs.79,079/-. However the company does not have any supplies on which tax is to be paid in reverse charges basis.

XXXIV. The turnover of nil rated supplies as per GSTR 9 is Rs.1,39,18,045/- and as per books is Rs.1,88,87,065/- and as per GSTR 3B is Rs.1,95,18,967/-. The difference is not explained.

XXXV. The amount of IGST paid as per GSTR 9 is Rs.12,60,467.13/-. However the amount of IGST paid during the year is Rs.35,54,905/- .

XXXVI. In the following cases we have seen difference in turnover of nil rated or exempted supplies in GSTR 1 and GSTR 3

Month	GSTR 3B	GSTR 1
October 2019	38,16,748	15,93,358.00
November 2019	11,99,990.81	Nil
December 2019	22,56,620.00	Nil

XXXVII. Interest is not seen paid for delayed payment of tax

XXXVIII. In the following cases no GST is seen paid:

- i. GST is not seen paid for Kouchupamba catering (lunch), boating and Kuttavanchi in Gavi division till August 2019. However ITC is seen availed for these items.
- ii. In Munnar division, GST is not seen paid for instant coffee and instant tea upto May 2019.
- iii. GST is not seen paid for registration fees charged from travel agents and drivers.
- iv. GST is not collected for eco-tourism entry fee, floriculture entry fee, fine and penalty charged from customers for breaking the rules and laws in floriculture centre.
- v. In Gavi division GST is not paid for shop rent income.
- vi. GST is not seen paid for the amount retained by the company as charges after cancellation of ecotourism advance booking.
- vii. GST is not charged for miscellaneous receipt (recovery from staff) - Rs.2,43,706/- on 18-06-19 (HO).
- viii. GST is not charged for miscellaneous receipt (film shooting) - Rs.19,025/- on 15-06-19 (HO).
- ix. GST is not charged for miscellaneous receipt (film shooting) - Rs.19,025/- on 05-04-19 (PLR).
- x. GST is not charged for fee, fine & penalty – Rs.1760/- on 13-05-19 (TVM)
- xi. GST is not charged for Nelliampathy Guide & Trekking - Rs.2,954/- and Rs.5,904/- on 18-04-19 and 30-04-19 respectively. (TCR)
- xii. GST is not charged for Nelliampathy Food and Beverage –Rs.7,352/- and Rs.3,676/- on 30-04-2019 and 18-04-19 (TCR)
- xiii. GST is not charge for Eco tourism stay package (Gavi)-
Rs.150 on 18-04-19 (V.no. GAVPASS/125)
Rs.2050 on 19-04-2019 (V.no. GAVPASS/137)



Rs.600 on 20-04-19 (V.no. GAVPASS/159)

Rs.8000 on 19-04-19 (V.no. GAVPASS/130)

- xiv. In Gavi division we have seen Rs.2,43,762/- in Ecotourism receipt account which includes revenue from sale of eco-shop items, food and beverages, day packages collection, stay package collection and entry fee for which GST is not seen paid.

XXXIX. Reverse charge liability is not seen paid in the following cases:

- i. Professional / Legal charges - Rs.1000/- (14-08-19 PLR (V.no: DM/67)
- ii. Professional / Legal charges – Rs.10,000/- (16-11-19 TCR (V.no: 258)
- iii. Professional /Legal charges - Rs.14,500/- (10-01-20 HO (V.no :784)
- iv. ABT Parcel service's – Rs.1,270/- (25-10-19 seen in GSTR 2A)
- v. Shezin super market & home appliances - Rs.220/- (15-07-19 seen in GSTR 2A).
- vi. GST reverse charge is not seen paid for lease rent paid to Government. These rent debited during the year is Rs.13,70,132/-.
- vii. An amount of Rs.84,000/- legal charges was paid to advocate in September 2019. However reverse charge is seen paid only for Rs.75600/-.

XL. During the financial year 2018-19, company amended invoice no.1767 pertaining to TNPL for correcting tax value from 5% to 18%. The details are as follows:

Particulars	Amount
Sales Values	6,96,615.00
IGST @ 18%	1,25,390.00
IGST already paid @	5% 34,831.00
Balance actually payable	90,559.00
Balance payable as per Tally	76,578.00
Difference	13,981.00

The difference of Rs.13,981/- is not explained.

XLI. The additional provision for GST required for above non-compliances is not quantified by the company and hence not disclosed.

XLII. In GSTR 1 we have seen tax declared through amendment in invoices during the month of April 2019 and May 2019. However in GSTR 9 we have seen nil value in Table 4(K) (supplies/tax declared through amendments).

XLIII. Difference in turnover declared in GSTR 3B and Books.

Month	Turnover as per GSTR3B			Turnover as per Books			Difference		
	Taxable	NIL rated/Exempt	Total	Taxable	NIL rated/Exempt	Total	Taxable	NIL rated/Exempt	Total
April	69,56,834.53	28,74,113.59	98,30,948.12	69,32,592.50	25,29,172.33	94,61,764.83	24,242.03	3,44,941.26	3,69,183.29
May	1,07,81,697.00	11,37,276.52	1,19,18,973.52	1,07,51,689.27	11,31,540.81	1,18,83,230.08	30,007.73	5,735.71	35,743.44
June	44,53,147.28	10,37,198.00	54,90,345.28	44,52,040.81	10,37,198.00	54,89,238.81	1,106.47	-	1,106.47
July	60,64,579.74	13,78,864.00	74,43,443.74	60,80,582.67	13,78,864.00	74,59,446.67	(16,002.93)	-	(16,002.93)
August	94,85,902.29	10,67,641.31	1,05,53,543.60	95,01,264.83	10,49,677.08	1,05,50,941.91	(15,362.54)	17,964.23	2,601.69
September	60,15,879.83	7,08,934.00	67,24,813.83	60,15,805.14	7,22,840.93	67,38,646.07	74.69	(13,906.93)	(13,832.24)
October	86,90,723.00	38,16,748.00	1,25,07,471.00	86,90,726.05	34,91,459.45	1,21,82,185.50	(3.05)	3,25,288.55	3,25,285.50
November	88,06,450.89	11,99,990.81	1,00,06,441.70	86,87,864.89	11,30,841.70	98,18,706.59	1,18,586.00	69,149.11	1,87,735.11
December	1,15,03,731.17	22,56,620.00	1,37,60,351.17	1,15,01,632.15	24,23,273.07	1,39,24,905.22	2,099.02	(1,66,653.07)	(1,64,554.05)
January	1,08,72,215.80	13,86,433.00	1,22,58,648.80	1,08,69,547.73	13,86,433.00	1,22,55,980.73	2,668.07	-	2,668.07
February	82,11,184.07	20,67,829.00	1,02,79,013.07	82,11,171.68	19,59,431.57	1,01,70,603.25	12.39	1,08,397.43	1,08,409.82
March	31,06,040.08	5,87,319.00	36,93,359.08	31,06,051.54	6,46,333.28	37,52,384.82	(11.46)	(59,014.28)	(59,025.74)
Total	9,49,48,385.68	1,95,18,967.23	11,44,67,352.91	9,48,00,969.26	1,88,87,065.22	11,36,88,034.48	1,47,416.42	6,31,902.01	7,79,318.43



26. Kerala Flood Cess Observations:
- Kerala Flood Cess not collected for sale of Milma cup butterscotch ice cream, Milma Cup ice cream 100ml and Milma mango mist 70ml in Gavi division.
 - In Gavi division from August 2019 to first week of September 2019 for sale of Pepsi, 7up, Maa mango and other similar items Kerala Flood cess was collected but it was adjusted with CGST and SCGST amount.
 - In Gavi division for the sale of Kerala soaps in some cases kerala flood cess was collected but it was adjusted with CGST and SGST amount.
 - In Mananthavady division Kerala Flood Cess is not seen collected for the month of August 2019.
 - During October 2019 nil return is seen filed for Kerala Flood Cess but as per books Rs.21,829.91/- cess was collected during the same period. This amount is seen paid by the company along with December 2019 return.
 - Turnover of Rs.10,28,777.38/- , Rs.63,58,921/- and Rs.33,30,236/- declared in Kerala Flood Cess return for the month of August 2019, December 2019 and January 2020 could not be reconciled with the books.
27. No machine log is seen maintained for sandal oil factory.
28. Previous year figures are not seen disclosed for Note 49 (MD remuneration)
29. In Note 49(a) Audit fee, the fee payable for Taxation Matters is Rs.40,000/- instead of Rs.22,500/-.
30. The nomenclature “Depreciation” under SL ‘A’ of cash flow statement should have been “Depreciation and Amortization”.
31. We are not provided with the draft of the annual report pertaining to the year 2019-20 and hence the same is not reviewed.
32. We are not provided with any information as to non applicability of ESI to the company.
33. The production of cardamom is comparatively low during the year. We are not provided with the any explanation regarding the same.

Year	Total Production
	(in Kg)
2015-16	13,353.270
2016-17	6,802.80
2017-18	9,950.465
2018-19	3,568.80
2019-20	2,266.47

34. We were unable to verify gate pass for transportation of timbers and other forest produce and other necessary documents for all the sale transaction. Only test verification was possible.
35. We were unable to conduct physical verification of inventory and cash as on 31st March 2020 due to lockdown imposed by the Government of India.
36. Director’s report was not made available for our review.
37. We were unable to reconcile the amount paid to deductee as per Form 27A and (for form 26Q and 27EQ) the workings provided for income tax deducted at source in the following cases:

Division	Form	Quarter	Form 27 A	Workings
GAVI	26Q	Q3	3,62,989.00	1,11,715.00
PLR	26Q	Q4	5,16,089.00	5,04,676.00
PLR	26Q	Q3	18,65,575.00	4,13,530.00
PLR	27EQ	Q1	35,77,689.00	49,82,693.00
PLR	27EQ	Q2 1	4,89,441.00	1,13,26,137.00

38. TDS/TCS -27A for the following branches are not made available for our verification:
- a) HO (24Q) – Q4
39. We are provided with workings of TDS and TCS. However in some cases the working provided is incomplete.
40. The following observation in internal audit report needs immediate attention of management –
- In Munnar division input tax credit was not availed (in GST returns) for purchases of fertilizer in some cases because the bills were not reported for claiming GST input credit. However ITC is seen claimed in Tally.
 - In Munnar division purchases were made without following the STP rules. (Eco tourism).
 - Quotations were not obtained for purchase of Kerala Soap and Honey bottle and STP rules were not followed for purchase of Kerala soap in Munnar division.
 - In Munnar division there is no internal control over plant purchase in floriculture centre. Plant register is not certified by the manager. Every month there is a plant purchase but purchases are made without taking quotations and these plants are not taken into stock register. Planters hose and other accessories purchased for floriculture centre are not taken into stock register and no quotations are obtained for these purchases.
 - In floriculture centre in Munnar division stock register is not maintained for planters and other utensils, chemicals, fertilizers etc.
 - In Munnar division advance received for ecotourism activities are seen accounted in Ecotourism advances. However refund for cancellation is seen accounted in ecotourism expenses, ecotourism receipts, sundry customer etc. However we have observed that refunds are debited to Eco Tourism advances net of cancellation charges.
 - In Munnar division catering items purchased for ecotourism at Silent valley is not taken into stock register and issued for catering. This is a serious lapse as expenses incurred for catering purpose is approximately Rs.2 lakhs per month.
 - In Munnar division sandal oil factory asset register is not updated.
 - As per internal audit report Rs.13,43,762/- is payable to Kerala State Nirmidhi Kendra. However no provision is seen created for the amount payable to Kerala State Nirmidhi Kendra in the books to this extent.
 - Fixed asset register is not up to date in Gavi division.
 - In Gavi division, no prior sanction from head office is obtained for purchase of fertilizers and other stores items as the delegation of divisional manager for purchase of fertilizers is only Rs.25000/-.
 - Quotations files for renovation work at Kochu Pamba were not provided for internal audit purpose.
 - In Gavi division, closing balance and opening balance are not entered in register kept for provisions, vegetables, etc. and the same is not verified by the Manager Eco tourism.



- n. In Gavi division revenue from sale of eco shop items as reported to head office does not match with monthly register kept at Vagamon.
- o. In Gavi division quotations are not seen obtained for purchase of fertilizers.
- p. In Gavi division closing stock abstract at year ending is not seen posted in the stock register.
- q. A difference of 500gm green cardamom is seen in the stock register at Pamba with stock register at Gavi division. Curing stock details are not kept regularly and neatly recorded. Corrections are seen in the register.
- r. As per internal audit report stock of 372.770 kg of sandal deoiled powder is available in Sandal factory as per stock register as on 18-01-2020. But in closing stock valuation sheet there is no stock of sandal deoiled powder in Marayoor factory. We are not provided any explanations for the same.
- s. In Punalur division, steps are to be initiated to recover Rs.8,82,556/- from Sri Ulahannan Joseph (timber buyer) being difference in price of risk and loss auction.
- t. In auction for teak held on 10 October 2019, for lotnos.16, 18, 20,21,22,23 & 27(Vth class) the starting price is not seen recorded in the auction register in Punalur division.
- u. We are not provided with internal audit report of Head Office, Trivandrum, Thrissur and Mananthavady division.
41. During the year the average realization for per unit sold of major items dealt by the entity has changed when compared to previous year. The reason for such change has not been fully explained.

Items	SalesFY 19-20	Area/Quantity for FY 19-20	Average Realisation	Sales FY 18-19	Area/Quantity for FY 18-19	Average	Realisation
Trees	4,02,96,419.83	95.30	4,22,837.56	5,91,75,623.52	125.09	4,73,064.38	
Green Tea Leaves	1,06,89,940.03	7,70,268	13.88	1,20,13,483.00	7,52,705	15.96	
Sandal Wood oil		33,85,450.09	13,357	253.46	1,04,29,951.69	10,555.43	988.11
Pepper	2,13,723.76	374.80	570.23	13,73,399.67	2,806.45	489.37	
Cardamom	21,57,638.13	912.35	2,364.92	63,29,641.23	3,474.80	1,821.58	

42. With respect to the amount that could not be quantified by us for want of information, the overstatement/understatement of profits/assets/liabilities will further increase / decrease to that extent, as and when the same is quantified by the company.
43. Statement on Impact of Audit Observations for the financial year ended 31.03.2020.

Sl: No:	Particulars	Audited figures (as reported before adjusting for observations)	Adjusted figures (audited figures after adjusting for observation)
1	Total income	13,80,64,755.07	18,77,75,509.07
2	Total Expenditure	19,90,20,229.97	24,75,57,242.09
3	Net Profit /(loss)	-6,09,55,474.90	-5,97,81,733.02
4	Earnings per share	-66.3	-65.70
5	Total assets	72,53,23,909.49	70,00,03,174.07
6	Total liabilities	72,53,23,909.49	70,00,03,174.07



Statement on impact of Audit Observation for the financial year ended 31.03.2020

Sl. No	Particulars	Paragraph in Annexure 1 to Auditor's report	Total Income	Total expense	Total Asset	
1	Regeneration Reserve	1.a	23,27,372		(23,27,372.00)	
		1.c		(37,71,798.00)		37,71,798.00
2	Capital Subsidy – Govt. A/C Pulpwood Supply	2.a	4,73,56,376.00			(4,73,56,376.00)
3	Other Long Term Liabilities /Short term Liabilities	4.f.xii		1,34,876.70		1,34,876.70
4	Provisions	6.c		(1,87,041.00)		(1,87,041.00)
5	Tangible Assets and Capital Work in Progress	7.e	19,776.00		19,776.00	
		7.f		5,078.00	(5,078.00)	
		7.viii		(1,56,899.00)	1,56,899.00	
		7.ix		(35,442.89)	35,442.89	
		7.xiii		1,90,789.35	(1,90,789.35)	
		7.j.i		2,42,358.00	(2,42,358.00)	
		7.j.ii		1,96,023.00	(1,96,023.00)	
		7.j.iii		5,51,500.00	(5,51,500.00)	
		7.k		-43,752.04	43,752.04	
6	Non-current investment	8.a		95,22,400.00	(95,22,400.00)	
7	HNL balance	9.c		28,59,091.00	(28,59,091.00)	
8	Inventories	10.e		6,65,680.00	(6,65,680.00)	
9	Trade receivable	11.b		1,06,03,625.00	(1,06,03,625.00)	
10	Short Term loans and advances/Short Term Liabilities	13.c			(7,47,111.00)	(7,47,111.00)
		13.e	7,230.00		7,230.00	
11	Service tax demand	15.r		1,24,02,207.00		
12	Luxury tax	14.t				
	2009-10			38,425.00		38,425.00
	2010-11			3,02,238.00		3,02,238.00
	2011-12			24,78,456.00		24,78,456.00
	2012-13			27,06,938.00		27,06,938.00
	2013-14			35,73,790.00		35,73,790.00
13	Matters relating to Profit & Loss	15.i		(11,806.00)		(11,806.00)
		15.l		7,001.00		7,001.00
		15.n		(15,77,979.00)		(15,77,979.00)
		15.q		2,97,478.00		2,97,478.00
a		Total (a)	4,97,10,754.00	4,85,37,012.12	(2,53,20,735.42)	(2,64,94,477.30)
b	Figures as per audited financial statements (b)		1380,64,755.07	19,90,20,909.49	72,53,23,909.49	72,53,23,909.49
c	Figures adjusted for qualification(a + b)		18,77,75,509.07	24,77,57,242.09	70,00,03,174.07	69,88,29,432.19
	Net loss			5,97,81,733.02		
	Current loss			6,09,61,607.90		
	Impact on loss					(11,73,741.88)
		Total (Rs)			70,00,03,174.07	70,00,03,174.07



ANNEXURE II to the Independent Auditor's Report to the members of Kerala Forest Development Corporation Ltd. Aranyakom, Karapuzha, Kottayam on matters referred to in the Companies (Auditors' Report) Order 2016.

1. The Fixed Asset Register showing item-wise details of fixed assets incorporating the cost, date of acquisition, asset identification number/code, location, remaining useful life and present written down value (tallying with the ledger balances) was not made available for our verification. Further, if the assets acquired in the course of implementation of various Projects, Missions, etc. carried out by the company {mentioned elsewhere in our report} which are in the possession and enjoyment of the company, belong to the company, they should have been included and duly depreciated.
2. Some of the fixed assets are seen verified at year end (except fixed asset at head office). However we are unable to determine the extent of verification due to nonreconciliation of such verification list with the fixed assets register and also the ledger. However, no action is seen done for the findings made at the time of physical verification and hence we are unable to confirm whether there is any material discrepancy.
3. We have verified an acknowledgement and sanction advise from State Bank of India stating that the title deeds in support of two pieces of land freehold shown in the accounts has been deposited with the bank for availing a loan. In case of lease hold land, as per the statement furnished by the management, the company is in possession of 10054.464 Hectares of Government Forest lands. Out of this, the company produced lease agreement said to cover 8000.138 Hectares only, the remaining 2054.326 Hectares, though in possession of the company, is not supported by any document. However, the Lease agreement with Government dated 12.6.2006, recording the lease from 1.1.2001, covers an extent of 7748.441 Hectares only though according to the management the actual area covered by the lease agreement is 8000.138 Hectares.
4. Physical verification of inventory other than WIP of standing trees and loose tools is seen conducted at year end by the management and we are not informed of any material discrepancies. However we are not aware of the extent of verification and possible dislocation caused due to lockdown imposed during March 2020. Please also see our comments in Annexure I.
5. The Company has not granted any loans to parties covered by Section 189 of the Companies Act, 2013.
6. The Company has invested Rs. 95,22,400/- in Kerala State Wood Industries Ltd. which is in liquidation. It is understood that no recoveries are anticipated and so, in our opinion, this is a loss asset.
7. As explained to us, the Company has not accepted any deposits. Also refer to Annexure I regarding our comments on credit balances in sundry customer accounts (other than inter corporate) more than one year.
8. As explained to us, the Company is not required to maintain Cost records, as per the Companies Act, 2013.
9. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious. However in the following cases there are arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
Kerala VAT Act	VAT on civil contract	17,916	For the FY 2015-2016	Various	NIL
Income Tax Act	TDS	64,147	Not available	Not available	NIL

Income Tax Act	TDS demand as per TRACES	5,33,224	various	Not available	NIL
FDT	FDT	13,30,802	Not available	Not available	NIL
LWF Act	Contribution	22,721	Not available	Not available	NIL
EPF	Provident Fund dues	1,67,915	Up to Sept 2018	Various	NIL
Income Tax Act	Dividend Tax	3,26,507	Related to FY 16-17 and 18-19	14 days from declaration of dividend	NIL
Kerala Municipal Act	Professional Tax	5,620 Not available	Not available	NIL	
Goods and Service Tax	For the period 01/07/2017 to 31/03/2019. GST is not seen paid for ecotourism income refer Annexure I. The amount is not quantified by company and hence not disclosed.				

10. According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, Value Added Tax and cess on account of any dispute, are as follows

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Kerala tax on Luxuries Rules , 1976	Arrear	Rs. 38,425 Rs. 3,02,238 Rs.24,78,456	2009-10 2010-11 2011-12	Appellate Tribunal Trivandrum
The Kerala tax on Luxuries Rules , 1976	Arrear	Rs. 27,06,938 Rs. 35,73,790	2012-13 2013-14	The Deputy commissioner (appeals), Commercial taxes
Agriculture Income Tax	Refer to note 32 to financial statement			
KGST and KVAT	Refer to note 33 to financial statement			
Income Tax Act	Refer to note 34 to the financial statement			
Finance Act – Service tax	Refer to note 34 to the financial statement and Annexure I to our report regarding confirmed demands for the period till 30-06-2017.			

11. As explained to us the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or dues to debenture holders. However for Government loans we are unable to comment on the default as necessary information in this regard could not be furnished by the company and hence not able to quantify the default. In this connection our comments in Annexure I may be looked into.
12. As explained to us, the Company has not taken any term loan during the year.



13. As explained to us no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year. However, due to the inherent nature of frauds, it may not be possible to detect fraud in the normal course of audit. Kindly refer to the Notes to the financial statement regarding fraud reported in previous year. Attention is also invited to the following:-
 - a) Bank reconciliation of Gavi unit is incomplete and no action is taken till date to ascertain the short coming.
 - b) There is apparent reduction in production of cardamom in Gavi.
14. This being a Private Limited Company, the provisions of Managerial Remuneration are not applicable.
15. This is not a Nidhi Company.
16. No transactions with related parties came to our notice except remuneration of Managing Director, honorarium to Chairman and TA/sitting fee to directors.
17. The Company has not made preferential allotment or private placement of shares.
18. We have not come across any non-cash transactions that the Company had with Directors or persons connected with Directors as outlined in Section 192 of the Companies Act, 2013.
19. As explained to us, the Company is not required to be registered with the Reserve Bank of India.

Thiruvalla

Dated: 30-11-2021

Annexure III to the Independent Auditor's Report to the Members of Kerala Forest Development Corporation Ltd. Aranyakom, Karapuzha, Kottayam, for the year ended 31st March, 2020.

I. Replies to Directions under section 143[5] of the Companies Act, 2013

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 accounts along with the financial implications, if any, may be stated. Tally software is used to account the transaction in case of all divisions and head office. Inventory records are still kept manual and not integrated with Tally software. Separate billing software are seen used at various point of sale (floriculture at Munnar and Vagamon) and only the daily summary is seen entered in tally. Billing using Tally software is seen done. Implications includes non integrations of accounting records with inventory records, delay in updating records as data in manual form has to be re-entered in software and inherent limitation of processing in manual environment. Further it is learned that there is no system control for access and edit opting in tally. Approval of second level authority is not seen taken for editing or deleting of entries. This is also applicable at the point of sale also. Journal entries are passed without any journal vouchers and hence we are unable to confirm its authentication.
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. The company has outstanding loans due to Government of Kerala and State Bank of India. Since the correct terms /settlement/ set-off is not clear, we are not able to comment on the same for government loans. In the case of loan from State Bank of India, there is no default based on our observation.
3. Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation. As per Note 37 to financial statement, the company is having balance fund for six schemes/projects and its current status is shown in the said note. During the current year no additional fund was received.

II. Specific Sub-directions u/s 143(5)

General

1. Whether the land owned by the Company is encroached upon, under litigation, not put to use or declared the surplus. Details may be provided. As explained to us, no such cases were noticed other than as disclosed by the company regarding 551.247 Ha. of unproductive land in note no.46 to this financial statement.
2. Whether physical verification and valuation of standing crops/trees was done at the end of the Financial Year in accordance with the standard industry practices? In our opinion, physical verification of standing trees/crops was not done at the end of the year by the management. However, valuation has been made, details of which are given in Note No.12 under the Head "Inventories" in the Annual Accounts. In this connection our comments in Annexure I to our report may also be seen. In case of valuation of standing wood crop a board approved policy may be set and adhered each year.
3. Whether the stock of seeds packing/certification materials and other items has been taken on the basis of stock records after adjustment of shortage/excess found on physical verification and whether due consideration has been given for deterioration in the quality of old stocks which may result into overvaluation of stock? As explained to us, this paragraph is not applicable.
4. Whether all the agriculture produce procured are properly stored and adequately insured. If any insurance claims



are rejected, the details may be reported. As explained to us, all agricultural products are properly stored however, they are not seen insured. The impact on frequent lock down imposed by the government on the quantity of harvested agriculture produce is not evaluated.

5. Whether the Company has an effective mechanism for disbursement of loans/subsidies/ agro inputs and agriculture machineries to beneficiaries and recovery thereof (loans) along with interest, if any, from beneficiaries? As explained to us, the Company is not doing any activity of disbursement of Loans / subsidies/ agro inputs and agricultural machineries to beneficiaries.

6. Whether grants/subsidies received for implementing various schemes are accounted for as per the accounting standards and utilized for intended purpose. No, Please see our comments in Annexure I to this report. As stated by the company in Notes 36 and 37 to the annual statements of Accounts, the company has disclosed only the net balances of the schemes and fund accounts under liabilities as under:-

Note 5	Scheme Funds	Rs.8,43,305/-
Note 5 & 7	Eco-tourism projects	Rs.54,61,295/-

7. Whether the cost incurred on abandoned projects has been written off? The following debit balances with regard to completed or abandoned projects, have not been written off (The balances are netted off in the Annual Account as Ecotourism Project in areas of Forest Department and Scheme Funds).

<i>Kerala Road fund Board</i>	<i>Rs. 1,11,603 Dr.</i>
<i>Choondapana Plantations</i>	<i>Rs. 7,369 Dr.</i>
<i>State Horti Mission</i>	<i>Rs. 39,886 Dr.</i>

Kindly also refer to capital work in progress of Rs.9,89,881.29/- which needs to be written off.

III. **Agriculture Procurement**

As explained to us, the matters referred to under the above head are not applicable.

IV. **Forest Plantation**

1. Whether requisite permission for clearing of forest, existing plants, etc. has been obtained under the prevailing rules and regulations in compliance with Forest Conservation Act so as to protect/preserve forest cover. Has the Company taken adequate steps to stop unauthorized felling of trees for conservation and spread of forest cover?

We are informed that the management plan approved by the Central Government is the requisite permission for clearing of forest, existing plants, etc. we are unable to confirm whether the company had taken adequate steps to stop unauthorized felling of trees for conservation and spread of forest cover.

2. Whether the management has ensured that by-product/scrap is produced within the norms.

It was explained to us, that there was no by-products or scrap.

3. Whether the Policy of accounting for trees felled after economic life of rubber or other plantation is in accordance with the standard practices followed in similar industries?

As explained to us, the Rubber trees are in the stage of yielding and are not in the stage of felling.

4. Whether re-plantation reserve has been utilised for the intended purposes and to meet the requirement of compensatory afforestation under respective legislation. The Company has a Regeneration Reserve which is used for planting and maintenance of softwood species of trees and for fire protection expense.

V. Extraction/Utilisation of Forest Produce

1. Indicate whether the Company has devised a proper system for timely taking over of marked forest lots for felling, extraction of timber and as a safeguard against deterioration during extraction, transportation and storage. If not, losses incurred due to deterioration of timber during the year may be highlighted.

As explained to us management plan is being followed by the company in this regard. We are unable to confirm the safeguards taken by the company against deterioration during extraction, transportation and storage. Loss if any, on account of deterioration due to damages caused by wind storm, wild life, pests, aging, flood etc. are not seen to have been taken into account. Further the company was unable to sell the softwood trees as planned and this has resulted in reduction of stock by way of transformation into scrubs.

2. Whether the Company has a proper system to check the basis of calculation and timely payment of royalty to the Forest Department. Interest paid to the State Government on account of delay in payment of royalty may be stated.

As explained to us, no royalty is payable by the Company to the Forest Department.

3. Examine the system of auction to determine whether it is transparent enough to ensure fair realization of value of timber.

As explained to us, there is a transparent system of auction to ensure fair realisation of values of timber. However also refer to SL 45 in notes to accounts and our comments on internal control over sale of wood crop in Annexure 1 of our report. Also the company was unable to sell softwood trees in auction as planned resulting in inventory deteriorating in quantity and value. However the internal audit system has highlighted shortages in tendering of timber.

4. Whether management has monitored that production of by products was within the norms.

As explained to us, there are no by-products.

5. Whether the inventory management is effective in bridging the gap between the demand and supply to avoid distress selling of timber?

As explained to us, the company was unable to sell wood crop as per plan. This can lead to distress selling of timber.

6. Report the cases of diversion of grants/subsidies received from Central/State Government or their agencies.

It has been explained to us, that no such diversion has taken place during the year. However, attention is invited to our comments in Para II (6) above.

VI. Agro based Industries

As explained to us, the Company is not doing any agro-based industries.

VII. Livestock and Poultry Companies

As explained to us, the Company is not engaged in the above activities. Hence, items 1 to 3 are not applicable.

VIII. Finance Sector

As explained to us, this Para is not applicable to the company.

IX. General and Social Sector

As explained to us, this Para is not applicable to the company.

X. Food and Civil supplies

As explained to us, the items mentioned under this Para are not applicable to this company.

XI. Tourism

1. Whether the grant received for development of tourism infrastructure were utilized for the intended purpose and have been properly accounted for based on the utilization certificates submitted in compliance with applicable Accounting Standards.



As stated in Note 37 to the financial statement, the company has not received any funds during the year for Eco tourism at Munnar. Please also refer to Annexure 1 in this regard. The Company is not seen to have realised any charges for the services rendered by it for implementing the above works.

- Whether outsourcing of services, leasing of tourism infrastructure, etc. was done in the accordance with the policy/ guidelines issued by Government whether the Company has an effective system for monitoring the contractual obligations.

No outsourcing or leasing came to our notice.

- Whether the company is computing the cost of major operations/ jobs including occupancy, products, processes and services regularly? If not, describe the failures.

No such computations of cost have been furnished to us though requested during audit and hence we are unable to comment. However on the basis of an overall analysis from the data available, the overall cost incurred for eco tourism has increased where compared to previous year.

- What are the criteria for giving discounts and whether any cost benefit analysis have been done to ensure recovery of cost? In cases of under recovery, such areas may be identified and loss incurred due to such under recovery may be commented.

Discounts are seen offered to FDA (Forest Development Agencies), Khadi shops etc. for sale of eco tourism products. Discounts to students, employees etc are given for eco tourism. No cost benefit analysis has been furnished to us. Also refer to Annexure I regarding instances where the discounts were seen offered beyond the policy set by the company.

XII. Transport

As explained to us, as this company is not engaged in transport business and hence the points mentioned are not applicable to the Company.

XIII. Housing

As explained to us, as this company is not engaged in Housing projects and hence the points mentioned here are not applicable to the Company.

XIV. Culture

As explained to us, as this Company is not engaged in any cultural activities and hence the points mentioned under this head are not applicable to this Company.

XV. Health

As explained to us, as this Company is not engaged in any health promotion activities and hence the points mentioned under this head are not applicable to this company.

XVI. Infrastructure Sector

As explained to us, as this Company is not engaged in any Infrastructure Sector activities and hence the points mentioned under this head are not applicable to this company.

XVII. Industrial Promotion

As explained to us, as this Company is not engaged in any Industrial promotion activities and hence the points mentioned under this head are not applicable to this company.

XVIII. Manufacturing Sector

The company extracts sandal oil from sandal wood and our comments are given below:

- a. Whether the Company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?

Necessary information to comment on the above has not been provided by the company for the year. However based on overall analysis we are of the opinion that the price set may not recover all the fixed and variable cost of production as well as the allocation of overheads.

- b. Whether the Company has utilized the Government assistance for technology upgradation / modernization of its manufacturing process and timely submitted the utilization certificates. No such instance came to our notice during the current year.

- c. Whether the Company has fixed norms for normal loss and a system for evaluation of abnormal loss for remedial action is in existence. No such norms are seen fixed.

- d. What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy.

No such system for valuation of by-products and finished products has been explained to us.

- e. Whether the effect of deteriorated stores and spares of closed units been properly accounted for in the books. The unit is not closed.

- f. 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 physical verification.

The company does not have an effective system as stated above other than a year end physical stock count. Stock of stores and spares has not been taken into consideration.

- g. State the extent of utilization of plant and machinery during the year vis-a-vis installed capacity.

Requisite information has not been produced to us for Sandal Wood Factory. However it is seen that there was no production of sandal oil during the year.

- h. Report on the cases of discounts /commission in regard to debtors and creditors were the Company has deviated from its laid down policy.

No such case came to our notice.

XIX. Mining

As explained to us, as this Company is not engaged in any Mining activities and hence the points mentioned under this head are not applicable to this company.

XX. Power sector

As explained to us, as this Company is not engaged in any Power Sector business and hence the points mentioned under this head are not applicable to this company.

XXI. Generation

As explained to us, as the Company is not engaged in Power Generation Business and hence the points mentioned under the above head are not applicable here.

XXII. Transmission

As explained to us, as the Company is not engaged in above business and hence the points mentioned under the above head are not applicable here.



XXIII. Distribution

As explained to us the company is not engaged in the above business and hence the points raised there in are not applicable to the Company.

XXIV. Services Sector

The Company offers eco-tourism services to the public.

- a. Whether the Company's pricing policy absorbs all fixed and variable cost of production and the overheads allocated at the time of fixation of price?

During the course of our audit, we have not come across any such pricing policy.

- b. Whether the Company recovers Commission for work executed on behalf of Government/other organizations that is properly recorded in the books of accounts? Whether the Company has an efficient system for billing and collection of revenue.

During the course of our audit, we have not come across any such receipt/income.

- c. Whether the Company regularly monitors timely receipt of subsidy from Government and it is properly recording them in its books?

During the course of our audit we have not come across any such monitoring.

- d. Whether interest earned on parking of funds received for specific projects from Government was properly accounted for?

The funds received for the projects are not seen parked specifically in any interest earning way. Surplus funds of the company are seen deposited in treasury term deposit and scheduled bank term deposit.

- e. Whether the Company has entered into Memorandum of Understanding with its Administrative Ministry, if so, whether the impact thereof has been properly dealt with in the financial statements.

During the course of our audit, we have not come across any such Memorandum of Understanding.

XXV. Trading

- a. Whether the Company has an effective system for recovery of dues in respect of its sales activities and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?

Please refer to Annexure I, regarding long outstanding debts. The value of debtors more than one year is Rs.2.14 crore. During the year the outstanding due from Priyadarsini Tribal Plantation has increased substantially.

- b. Whether the Company has effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/excess noticed during physical verification. In our opinion, there is a year end system of physical verification of stocks. The system of valuation and treatment of non moving items needs further streamlining. These matters have been dealt with in Annexure I to this report.

- c. The effectiveness of the system followed in recovery of dues in respect of sale activities may be examined and reported. In our opinion, the company does follow up for recovery of dues and suits are seen filed for such recovery.

XXVI. Miscellaneous sector

A. Technology Oriented

As explained to us, the above paragraph is not applicable here.

B. Other.

- a. Examine the system of effective utilization of Loans/Grant-in- Aid/Subsidy. List the cases of diversion of funds.
Please see Annexure I to this report.
- b. Examine the cost benefit analysis of major capital expenditure/expansion including IRR and payback period.*In the absence of details/particulars, we are not able to give our comments.*
- c. If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the Company is in electronic format, which of the area such as accounting, sales personnel information, pay roll, inventory etc. have been computerized and whether the company has evolved proper security policy for data/software/ hardware?

It was explained to us by the management that the accounts and book keeping of the company are computerised. The company during the period under audit was using accounting software "Tally" for accounting its day-to-day financial operations. It was explained to us that there are 7 divisions for accounting purposes- Head Office, Trivandrum, Punalur, Thrissur, Munnar, Gavi and Manathavady and under each of these divisions there are several sub-divisions. It was further explained to us that all accounting records relating to all the divisions are maintained at the Head Office. We are not in a position to comment on the extent of computerization in other areas other than that point of sale software are used at Munnar Floriculture unit and Vagamon Eco Tourism unit. Further the monthly payroll is seen processed through a web based programme. As regards inventory is concerned, it was explained to us that the same is not computerized but maintained manually. In our opinion, there is no data security for the following reasons:

- a. *The software permits passing of journal entries by any staff on any date.*
- b. *There is no fool-proof numbering system for entries made in the software.*
- c. *Hard copies of entries made in the software are not printed and kept duly authorized by a passing official and countersigned by the person who entered the same. This is required as the system control is not robust.*
- d. *The internal audit report is conducted by personnel of the company and is not independent. Also the scope and area is not sufficient. Internal audit of all divisions are seen conducted with delay the observations in the internal audit may be suitably followed up. We are provided only with the internal audit report of Munnar, Gavi and Punalur divisions. The reports of head office, Trivandrum and Mananthavady is not provided to us.*
- e. *There are no internal control procedures regarding periodic backup especially for data at head office.*
- f. *Adequate password protection, authority matrix and transaction log need to be maintained in Tally software as an internal control. The system driven controls needs to be made robust.*

Sd/-

For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD. KOTTAYAM-3
BALANCE SHEET AS AT 31st MARCH 2020

		Description	Notes Reference Number	As at	As at
				31st March 2020	31st March 2019
				₹	₹
	A	EQUITY & LIABILITIES			
1		Shareholders' Funds			
	a	Share Capital	2	9,19,53,500.00	9,19,53,500.00
	b	Reserves & Surplus	3	37,84,76,596.93	39,35,26,254.37
2		Non Current Liabilities			
	a	Long term borrowings	4	2,73,26,132.48	1,00,09,200.00
	b	Other long term liabilities	5	5,32,17,428.63	9,60,80,945.75
	c	Provisions	6	11,45,77,604.00	10,65,48,173.00
3		Current Liabilities			
	a	Short term Liabilities	7	5,97,72,647.45	6,18,73,781.64
		Total		72,53,23,909.49	75,99,91,854.76
	B	ASSETS			
1		Non current assets			
	a	Fixed Assets			
	i	Tangible Assets	8	4,94,65,498.68	5,46,34,162.85
	ii	Capital work in progress	9	9,89,881.29	9,89,881.29
	b	Non Current Investments	10	95,22,400.00	95,22,400.00
	c	Long term loans and advances	11	2,27,39,734.35	2,27,39,734.35
2	d	Current Assets			
	i	Inventories	12	61,97,22,468.45	62,76,35,222.15
	ii	Trade receivables	13	1,73,92,655.84	1,93,07,342.81
	iii	Cash & Cash Equivalents	14	5,57,494.61	2,35,83,869.22
	iv	Short term loans and advances	15	49,33,776.27	15,79,242.09
		Total		72,53,23,909.49	75,99,91,854.76
		Significant Accounting Policies	1		
		Notes forming integral part of financial statements	2-48		

"For and on behalf of Board of Directors"

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD. KOTTAYAM-3
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2020

	Particulars	Notes Reference Number	As at 31st March 2020	As at 31st March 2019
			₹	₹
I	Revenue From Operations	16	13,71,63,143.62	16,17,61,164.34
II	Other Income	17 (A)	9,01,611.45	6,54,400.00
	Prior Period Income	17 (B)	0.00	38,28,581.91
III	Total Revenue (I+II)		13,80,64,755.07	16,62,44,146.25
IV	Expenses:			
	Plantation, Upkeep, Harvesting	18	6,19,66,548.30	4,56,83,640.41
	Changes in Inventories	19	78,83,553.70	-2,38,52,854.97
	Employee Benefit expenses	20	8,58,17,241.55	8,78,44,787.75
	Other Expenses	21	3,59,56,555.78	4,34,85,336.45
	Prior Period Expense	21 (F)	0.00	4,652.06
	Finance Cost	22	16,44,243.95	14,74,787.51
	Depreciation/Amortisation expenses	8	54,99,753.69	63,77,333.20
	Rates and Taxes	23	2,52,333.00	4,09,838.00
	Total Expenses		19,90,20,229.97	16,14,27,520.41
V	Profit before extraordinary items and Tax:(III-IV)		-6,09,55,474.90	48,16,625.84
VI	Tax expenses			
	a) Income Tax		6,133.00	69,712.00
	b) Agricultural Income Tax		0.00	0.00
VII	Profit for the period (V-VI)		-6,09,61,607.90	47,46,913.84
VIII	Earnings per equity share			
	(i) Basic Earnings Per Share	48	-66.30	5.16
	(ii) Face Value Per Share		100.00	100.00
	Significant Accounting Policies	1		
	Notes forming integral part of financial statements	2-48		

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3
Cash Flow Statement for the year ended 31st March 2020

	As at 31.3.2020	As at 31.3.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax as per Profit and Loss statement	-6,09,55,474.90	48,16,625.84
Adjustment for:		
Depreciation	55,28,953.69	64,13,833.20
Interest income	-8,14,416.91	-6,54,400.00
Finance cost	16,44,243.95	14,74,787.51
Operating profit before Working Capital Changes	-5,45,96,694.17	1,20,50,846.55
Adjustment for:		
Increase/(decrease) in Trade Receivables	19,14,686.97	7,42,423.00
(Increase)/decrease in Inventories	79,41,953.7	-2,38,16,354.97
(Increase)/decrease in long term loans & advances	0	94,268
(Increase)/decrease in short term loans & advances	33,54,534.18	7,98,842.00
Increase/(decrease) in Other long term Liabilities	4,28,63,517.12	1,10,62,274.49
Increase/(decrease) in Other Current Liabilities	21,01,134.19	-18,34,663.99
Increase/decrease in Provisions	80,29,431.00	1,79,92,915.37
Decrease in reserves (net)	-1,50,49,657.44	-1,46,70,820.09
Cash generated from Operations	-34,41,094.45	24,19,730.36
Taxes paid (net)	-6,133.00	69,712.00
Net cash from operating Activities	-34,47,227.45	24,89,442.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-3,68,998.78	-4,77,960.68
Interest Income	8,14,416.91	6,54,400.00
decrease in non current asset	3,81,036.40	0.00
Decrease in regeneration reserve	-14,44,425.26	0.00
Net Cash (Used in) investing Activities	-6,17,970.73	1,76,439.32
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long Term Borrowings	-1,73,16,932.48	0
Finance charges	-16,44,243.95	-14,74,787.51
Net cash in financing activity	-1,89,61,176.43	-14,74,787.51
Net(Decrease/Increase) in Cash and Cash Equivalents	-2,30,26,374.61	11,91,094.17
Opening Balance of Cash and Cash Equivalents	2,35,83,869.22	2,23,92,775.05
Closing Balance of Cash and Cash Equivalents	5,57,494.61	2,35,83,869.22

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies:

A. Basis of preparation of Financial Statements

These Financial Statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act 2013.

The Financial Statements are prepared on accrual basis, under the historical cost convention, except those mentioned elsewhere in the notes.

B. Fixed Assets

Tangible Fixed Assets:

Tangible Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises of purchase price and any cost directly attributable to bringing the assets to its working condition for its intended use. Subsequent expenditure related to as item of Tangible Assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed Standard of Performance.

Projects under which assets are not ready for their intended use are disclosed under Capital Work-in-Progress.

C. Depreciation.

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written down Value (WDV) Method except in case of assets pertaining to Development of Property where depreciation is provided on the basis of useful life of the plantations.

Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following assets where useful life is different than those prescribed in Schedule II are used.

SL.No.	Particulars	Useful life
1.	Solar power fencing	60 years
2.	Office equipments	30 years
3.	Compound wall	30 years

The cost of raising cardamom plantation till the commercially yielding stage has been capitalized and shown under the head 'Development of Property Account'. Every year 1/15th of this capitalized amount is being written off in the profit and loss account on the basis that the commercial life of the cardamom plant is 15 years.

The cost of raising Tea, Coffee and Cashew Plantations till the commercially yielding stage has been capitalized and shown under the head 'Development of Property'. Every year 1/50th of this capitalized amount of Tea and Coffee and 1/30th of such cost of Cashew plantation are being written off in the Profit & Loss A/c. on the basis that commercial yielding period of Tea and coffee plants is 50 years and that of Cashew 30 years.

D. Inventories

WIP wood plantations

The cost of raising wood plantations have been accumulated and shown under the head 'Work-in-Progress-Wood Plantations'. The wood plantations have been raised for the purpose of felling and sale of the wood when



the trees reach commercial maturity. The opening and closing work-in-progress have been valued at cost (including overheads). The cost of plantations sold/transferred during the year has been reduced from the value of closing work-in-progress, while the cost of new plantations raised as well as the maintenance cost of existing plantations has been added to it. Incidental revenues arising from plantations during their growth period have been shown as income in the Profit & Loss A/c. and have not been set off against the cost of the plantations.

The basis adopted for the valuation of closing stock of Coffee, Cardamom, and Pepper is on net realisable value.

Loose tools, Survey instruments and Hospital equipments have been valued on the basis of revaluation by the Managing Director.

All the traded goods have been valued at cost.

E. Revenue Recognition

Sales are recognized on supply of the material to the customers. In cases where supplies have not been billed, due to technical reasons, the sale value has been estimated on probable realizable value, after taking into account all the relevant circumstances. In cases of auction sales of future crops, appropriate amount has been transferred to advance account.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and interest rate applicable.

F. EMPLOYEE BENEFITS

- (i) Post Employment benefits (defined benefit plans): The employees Gratuity plan is a defined benefit plan. The Company is a participant in the Group-Gratuity-cum-Life Assurance Scheme of the LIC of India with regard to the gratuity liability of the staff of the Company. Only the premium pertaining to each year is brought into account. Valuation method followed is projected unit credit method as referred in AS 15. In the case of estate workers engaged by the company, the provision is created based on the actuarial valuation done by LIC. As per AS 15, details are as follows:

Policy No. 433720	
Assumption	31.03.2020
Discount rate	7.50%
Salary Escalation	8.00%
Present value of obligation as at end of year	Rs. 32144065.00
Fair value of plan assests at the end of year	Rs. 19556802.00
Actuarial Gain/loss recognised	Nil
Amount to be recognised in the B/S and P&L	Rs. 5751457.00

Policy No. 603000499	
Assumption	31.03.2020
Discount rate	7.50%
Salary Escalation	8.00%
Present value of obligation as at end of year	Rs. 1858997.00
Fair value of plan assests at the end of year	Rs. 1434649.00
Actuarial Gain/loss recognised	Nil
Amount to be recognised in the B/S and P&L	Rs. 1231162.00

Actuarial Valuation of Gratuity to workers is given below:

Valuation method	Projected Unit credit Method
Actuarial Assumptions	Mortality rate- LIC (2006-08) ultimate
Withdrawal rate	1% to 3% depending on age
Discount rate	7.50%
Salary Escalation	7.00%
PV of past Service Benefit	Rs. 39011067.00
Service Cost	Rs. 2187106.00
Amount to be recognised in the B/S and P&L	Rs. 37533971.00

- ii. Post Employment Benefit (EPF): Contribution to PF which is a defined contribution Scheme is recognised in the statement of P&L in the period in which the contribution is made.
- iii. Leave salary in respect of terminal surrender on Earned leave is charged to the profit and loss statement in the year of exercise of option by the employees. Provision is made for terminal surrender due to retired employees.
- G. Regeneration charges collected at 5% on forest produce during the year 2019-20 Rs.2327375.61 has been fully utilized by the company for the planting and maintenance of softwood species of trees and for fire protection. The total expenditure during the year are Rs.3771797.87 Out of this an amount Rs.1444425.26 were utilized from the accumulated balance of previous years.
- H. The accounts of the Sandal oil factory are incorporated in the accounts of the Company. The Assets and Liabilities of the Sandal Oil Factory have been incorporated in the Financial Statements and are separately disclosed under Fixed Assets and Inventories.
- I. Government Assisted Scheme & Projects are separately accounted in respective project head and balance in fund received from Government has been shown under other current liabilities.

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



SHARE CAPITAL

Note Ref.No.	Particulars	As at 31-03-2020		As at 31-03-2019	
		₹		₹	%
2.	Share Capital				
	Equity Share Capital	10,00,00,000	100.00	10,00,00,000	100.00
	a) Authorized				
	<i>10,00,000 Equity shares of Rs.100/each</i>				
	b) Issued subscribed and fully paid up	91953500	91.95	91953500	91.95
	<i>919535 Equity shares of Rs.100/- each fully paid up.</i>	91953500		91953500	
	c) Particulars of share holders holding more than 5% of the aggregate shares in the Company				
	<i>(a) Govt. of India- 93000 shares</i>	93000	10.00	93000	10.00
	<i>(b) Govt. of Kerala- 826535 shares</i>	826535	90.00	826535	90.00
	d) The reconciliation of the number of shares outstanding is set out below	No. of shares	Value	No. of shares	Value
	<i>Balance at the beginning of the year</i>	919535	91953500	919535	91953500
	<i>Issued during the year</i>	---	---	---	---
	<i>Balance as at the end of the year</i>	919535	91953500	919535	91953500

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

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PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3
Note Reference No.3
RESERVES AND SURPLUS

As at 31st March 2019	PARTICULARS		As at 31st March 2020
₹			₹
543510.00		Capital Reserve	543510.00
		Regeneration Reserve	
	12504598.97	Opening balance	4421865.25
	3917789.02	Addition during the year	2327372.61
4421865.25	12000522.74	Deduction during the year	2977439.99
		General Reserve	
	10190067.35	Opening balance	10190067.35
	0.00	Addition during the year	0.00
10190067.35	0.00	Deduction during the year	10190067.35
		Govt. Grant	
	68727000.00	Fund from Kerala Forestry Project	68727000.00
	12043000.00	Fund from Govt. Under NAEB	12043000.00
	750000.00	Fund from KFP (Clonal Nursery)	750000.00
235314737.00	153794737.00	Fund from State Govt- W GDP	235314737.00
		Capital Subsidy	
0.00	0.00	Govt A/c Pulpwood Supply	47356375.72
		Profit & Loss Appropriation A/c	
	139412547.93	Opening balance:	143056074.77
	4746913.84	Add: profit for the year	-60961607.90
	0.00	Add: Appropriations	0.00
	919535.00	a) Proposed Dividend	0.00
	183852.00	b) Proposed Dividend Tax	0.00
	0.00	c) General Reserve	0.00
143056074.77			82094466.87
393526254.37		TOTAL	378476596.93

"For and on behalf of Board of Directors"

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3
Note Ref.No.4
Long term borrowings

As at 31st March 2019 ₹	PARTICULARS	As at 31st March 2020 ₹
	<u>Unsecured loans</u>	
1300000.00	Loan for Pulp Wood Plantation	1300000.00
8100000.00	Fund from State Government Contingency Fund	8100000.00
609200.00	Loan for PKNM Cardamom Plantation	609200.00
	<u>Secured loans</u>	
0.00	State Bank of India Over Draft A/C	17316932.48
10009200.00	TOTAL	27326132.48

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3

Note Ref.No.5 Other long term liabilities

As at 31st March 2019 ₹	PARTICULARS	As at 31st March 2020 ₹
	<u>Amount Due to Govt:</u>	
6301082.57	Government Account-Firewood	0.00
9663018.70	Government Account-(Coupe Sale and Plantations)	0.00
17173054.75	Government Account Wind fallen trees	0.00
2459489.00	Government Account-Windfallen Trees (Rosewood)	0.00
1340253.00	Government Account-Mathikettan (Cardamom)	0.00
	<u>Balance in fund received for Projects</u>	843305.00
843305.00	Scheme Fund (Annexure I)	
5323359.00	Ecotourism Project in areas of Forest Department (Annexure II)	5323359.00
	<u>Refundable deposits</u>	
633762.50	Retention Deposit	638562.50
229736.00	Earnest Money Deposit	70836.00
395398.00	Security deposit	268308.00
29615.00	Fund from Govt. (KESWIL)	29615.00
9655186.68	Advance from Customers (Annexure III)	8233564.86
	<u>Others</u>	
42033685.55	Other liabilities (Annexure IV)	37809878.27
96080945.75	TOTAL	53217428.63

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

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PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3

Note Ref.No.6

Provisions

As at 31st March 2019	PARTICULARS		As at 31st March 2020
870000.00		Provision for Plantation Tax	870000.00
27675451.00		Provision for Agriculture Income Tax	27675451.00
		Provision for Gratuity	
	36413065.63	Opening balance	49197720.00
	18274301.37	during the year	13772455.00
49197720.00	5489647.00	deduction	5181567.00
			57788608.00
27000000.00		Provision for 2014 pay revision	26438543.00
1805002.00		Provision for Terminal surrender (Leave Salary)	1805002.00
106548173.00		TOTAL	114577604.00

“For and on behalf of Board of Directors”

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Company Secretary

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Chairman
DIN : 07922330

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For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3

Note Ref.No.7 Short term liabilities

As at 31st March 2019	PARTICULARS	As at 31st March 2020
₹		₹
	<u>Amount Due to Govt:</u>	
	<u>Balance in fund received for Projects</u>	
137936.00	Ecotourism Project in areas of Forest Department (Annexure II)	137936.00
	<u>Refundable deposits</u>	
		0.00
4800.00	Retention Deposit	
63000.00	Earnest Money Deposit	300200.00
173505.00	Security deposit	80821.00
1036835.18	Advance from Customers (Annexure III)	27250.00
	<u>Others</u>	
9977447.67	Other liabilities (Annexure IV)	7207800.00
	<u>Other Current Liabilities</u>	
	Divisions	103845.15
	<u>Current maturities of Long term debt</u>	
1000000.00	Loan for Fire Wood Distribution Scheme	1000000.00
1500000.00	Loan for Cardamom Plantation	1500000.00
47980257.79	Interest accrued and due on loan up to 31-03-2020	49414795.30
61873781.64	TOTAL	59772647.45

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



Kerala Forest Development

Note No. 8 Tangible Assets

	Gross Block as on 01-04-2019	Additions during the year	Date of addition	Deductions during the year	Date of deduction	Gross Block as on 31-03-2020	No. of days (additions CY)	Total Useful Life
Assets Purchased or Works completed								
Land	2359302.73	0.00	0	0	0	2359302.73	0	0
Check Dam/Ponds	3619650.30	0.00		0		3619650.30		
Building	55089597.63	0.00		0		55089597.63		
Computer Installation	4192052.08	133931.42	0	0	0	4325983.50	0	0
Electrical Fitting	5177463.31	91973.81		11000		5258437.12		
Furniture	2661423.64	0.00		0		2661423.64		
Office Equipments	1515444.65	93098.27		0		1608542.92		
Plant and Machinery	3779304.74	14285.72		0		3793590.46		
Library	54903.26		0	0	0	54903.26	0	0
Vehicles	11505336.29	35709.56	0.00	26909.19	.	11514136.66	0.00	0
Water supply installations	18801768.10	0		0		18801768.10		
Total	108756246.73	368998.78	0.00	37909.19	0.00	109087336.32	0.00	0.00
Adjustment								
Development of Property								
Kanni Elam Project	3402808.30					3402808.30		
Mankulam Project	3345938.18					3345938.18		
Nemmara Project	10605903.80					10605903.80		
Pachakkanam Project	40107910.54					40107910.54		
Cashew Project	5483900.40					5483900.40		
Wynad Project	9691928.63					9691928.63		
Total	72638389.85	0.00	0.00	0.00	0.00	72638389.85	0.00	0.00
Grand Total	181394636.58	368998.78	0.00	0.00	0.00	181749630.80	0.00	0.00
Sandal Oil Factory, Marayoor								
Building	4598589.00	0.00		0.00		4598589.00		60
Plant and machinery	5091325.00	0.00		0.00		5091325.00		15
Vehicles	56898.00	0.00		0.00		56898.00		8
Furniture & Fittings	1449097.00	0.00		0.00		1449097.00		10
Electrical fittings	2203940.00	0.00		0.00		2203940.00		10
Total	13399849.00	0.00	0.00	0.00	0.00	13399849.00		
Gross	194794485.58	368998.78	0.00	0.00	0.00	195149479.80		

“For and on behalf of Board of Directors”

Sd/-

ALMA M.S
Company Secretary

Sd/-

PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874



Corporation Ltd. , Kottayam -3

Elapsed life	Balance useful life (as on 01-04-2019)	Opening WDV (01-04-2019) or CY Cost	Scrap Value (5% of Gross block)	New rate of depreciation	Depreciation for the current Year	Depreciation upto 31-3-2019	Depreciation upto 31-3-2020	Net Block as at 31-03-2020
0	0	2359302.73	0		0	0	0.00	2359302.73
		1446468.72	180982.52		187433.00	2173181.58	2360614.58	1259035.72
		20518541.10	2754479.88		1510002.00	34571056.57	36081058.57	19008539.06
0	0	364303.14	216299.18	0.00	98706.61	3827748.94	3926455.55	399527.95
0	0	1624687.28	262921.86	100.00	431101.53	3552776.03	3983877.56	1274559.56
0	0	161653.31	133071.18		40743.96	2499770.33	2540514.29	120909.35
		235242.56	80427.15	100.00	27054.00	1280202.09	1307256.09	301286.83
	0	580948.73	189679.52	0.00	111221.47	3198356.01	3309577.48	484012.98
0	0	0.00	0.00		0.00	54903.26	54903.26	0.00
0	0	335052.26	575706.83	100.00	299581.31	11170284.11	11469865.42	44271.24
	0	3139817.23	940088.41	100.00	231201.52	15661950.87	15893152.39	2908615.71
0.00	0.00	30766017.06	5454366.82	400.00	2937045.40	77990229.79	80927275.19	28160061.13
		1990811.84			68056.17	1411996.46	1480052.63	1922755.67
		772776.01			66060.66	2573162.17	2639222.83	706715.35
		3507341.55			411828.98	7098562.25	7510391.23	3095512.57
		7266714.65			1098860.99	32841195.89	33940056.88	6167853.66
		2949997.77			182796.68	2533902.63	2716699.31	2767201.09
		3230610.8			193838.57	6461317.82	6655156.39	3036772.24
0.00	0.00	19718252.62	0.00	0.00	2021442.05	52920137.22	54941579.27	17696810.58
0.00	0.00	50484269.68	5454366.82	400.00	4958487.45	130910367.01	135868854.46	45880776.34
7.62	52.38	2332636.87	229929.45	4.33	101003.00	2265952.13	2366955.13	2231633.87
7.62	7.38	1298095.97	254566.25	19.81	257153.00	3793229.03	4050382.03	1040942.97
7.35	0.65	4080.24	2844.90	42.60	1235.24	52817.76	54053.00	2845.00
7.62	2.38	204323.23	72454.85	35.31	72147.00	1244773.77	1316920.77	132176.23
7.62	2.38	310756.89	110197.00	35.31	109728.00	1893183.10	2002911.10	201028.90
		4149893.20	669992.45		541266.24	9249955.79	9791222.03	3608626.97
		54634162.88	6124359.27		5499753.69	140160322.80	145660076.49	49465498.68

Sd/-

SABU GEORGE
Chairman
DIN : 07922330

Sd/-

For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



Kerala Forest Development Corporation Ltd., Kottayam -3
Note. No.9.
Capital Works-in-Progress

PARTICULARS	ORIGINAL COST				DEPRECIATION (W.D.V)				NET BLOCK	
	As on 1.4.2019	Additions During the year	Deductions on a/c of sale/ adjustment (-)	As on 31.3.2020	Upto 31.3.2020	During the year	Adjustment due to sale etc. during the year (+/-)	Upto 31.3.2020	As on 31.3.2020	As on 31.3.2019
	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.
(i). Buildings	242358.12	0.00	0.00	242358.12	0.00	0.00	0.00	0.00	242358.12	242358.12
(iii). Cardamom Project	196023.17	0.00		196023.17	0.00	0.00	0.00	0.00	196023.17	196023.17
(VI) Tea Factory	551500.00	0.00	0.00	551500.00	0.00	0.00	0.00	0.00	551500.00	551500.00
Total	989881.29	0.00	0.00	989881.29	0.00	0.00	0.00	0.00	989881.29	989881.29
Previous year	2060461.59	0.00	0.00	989881.59	0.00	0.00	0.00	0.00	989881.29	2060461.59

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3
Note Ref.No.10
Non Current Investment

As at 31st March 2019	Other investment	As at 31st March 2020
₹		₹
9522400.00	(1) Investment in Equity Shares in Kerala State wood Industries Ltd., a subsidiary of Kerala Forest Development Corporation Ltd.(95,224 Shares of ₹100/-each fully paid up). These shares are unquoted and valued at cost	9522400.00
9522400.00	Total	9522400.00

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3

Note Ref.No.11 Long term loans and advances

As at 31st March 2019	PARTICULARS	As at 31st March 2020
₹	Advances	₹
1359478.00	Income Tax Advance	1359478.00
17767898.60	Agricultural Income tax advances	17767898.60
2859091.75	HNL (KGST/KVAT) Adjustment	2859091.75
728266.00	Advance to VAT	728266.00
25000.00	Earnest Money Deposit(Dr.)	25000.00
22739734.35	TOTAL	22739734.35

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3

Note Ref.No.12

INVENTORIES

As at 31st March 2019		PARTICULARS		As at 31st March 2020
₹				₹
		Inventories as certified and valued by the Managing Director as shown below		
595093621.14		<u>Work in Progress (Valued at estimated cost)</u> Work-in-progress of wood plantations		592950704.21
		<u>Finished Goods (valued at net realisable values)</u>		
	1443347.05	Cardamom	4928285.15	
	878444.40	Pepper	807786.90	
	3607853.56	Coffee	4707634.80	
	78375.00	Coffee Powder	61465.00	
	320.00	Red Sandal powder	0.00	
	9262.50	Clove	8122.50	
	0.00	Coconut	40420.00	
	0.00	Arecanut	800.00	
	0.00	Rubber	341640.00	
	1390953.20	Sandal Powder - Pure	684496.80	
	1125720.00	Sandal Wood Oil	663984.00	
	2222580.00	Orchid and other flowering plants	1312260.00	
	10756855.71		13556895.15	
		<u>Valued at Estimated cost</u>		
	15270150.00	Sandal wood Oil (Factory)	9089267.89	
	183268.80	Sandal dust valued at cost(De-oiled)	177038.80	
	5831543.00	Sandalwood	3477098.80	
	2269.50	Red sandal wood	0.00	
	21287231.30		12743405.49	
		<u>Stock in Trade</u>		
		<u>Valued at cost</u>		
	107190.00	Lemon grass oil	127422.00	
	11880.00	Eucalyptus oil	37697.00	
	206340.00	Honey	180289.60	
	8674.00	Kerala soaps and Rudraksham	0.00	
	17430.00	Black Dammer	9255.00	
	351514.00		354663.60	26654964.24
32395601.01		Re-valued as under:-		
		Hospital Equipments:		
	182500.00	Book value at the beginning of the year	146000.00	
146000.00	36500.00	Less: Written off in the year	29200.00	116800.00
627635222.15		TOTAL		619722468.45

"For and on behalf of Board of Directors"

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3
Note Ref.No.13
TRADE RECEIVABLES

As at 31st March 2019	PARTICULARS	As at 31st March 2020
₹		₹
	<u>Trade Receivables</u>	
	<u>Amount due from Govt.</u>	
	Outstanding for a period exceeding six months from the date they are due for payment	
	Govt.A/c.Agastiavanam	0.00
6880000.00	Biological Park	
4056429.88	TPI Ltd. Punalur	4056429.88
11335657.59	Grassim Industries Ltd	11335657.59
22272087.47		15392087.47
	Less: Provision for Doubtful Debts - Grassim Industries Ltd	11335657.59
11335657.59		
10936429.88		4056429.88
	<u>Sundry Debtors</u>	
	(Subject to confirmation, considered good, secured by debtors personal security)	
	(a) Debtors outstanding for a period exceeding six months	6016950.93
8370912.93	(b) Other debts	7319275.03 13336225.96
19307342.81	TOTAL	17392655.84

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3

Note Ref.No.14 Cash & Cash Equivalents

As at 31st March 2019	PARTICULARS	As at 31st March 2020
₹		₹
132453.00	1) a) Cash in hand	0.00
	b) Cash in EBS (online booking Recievable)	
	2) Bank balances	
	i) With Scheduled Banks	
265598.93	a) In current Accounts (SBI A/c. No. 551)	297249.93
4660486.29	b) SB Accounts	228206.68
18493164.00	c) In Fixed Deposits less than 12 months	0.00
0.00	d) In Fixed Deposits more than 12 months	0.00
	ii) With Treasury	
32167.00	a) SB Accounts	32038.00
0.00	b) In Fixed Deposits less than 12 months	0.00
0.00	c) In Fixed Deposits more than 12 months	0.00
23583869.22	TOTAL	557494.61

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD., KOTTAYAM-3
Note Ref.No.15
Short term loans and advances

As at 31st March 2019	PARTICULARS	As at 31st March 2020
₹		₹
0.00	Education loan	232770.00
425460.00	Pre Deposit for Appeal Filing - Service Tax	1131107.00
0.00	Tax deducted at source	44576.00
	<u>Other advances (Annexure V)</u>	
1127737.13	Unsecured, Considered Good	3499278.31
	<u>Doubtful</u>	
26044.96	Power fencing Project	26044.96
1579242.09	TOTAL	4933776.27

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



KERALA FOREST DEVELOPMENT CORPORATION LTD. KOTTAYAM-3

Note Ref.No.	PROFIT & LOSS A/c.	For the year ended 31st March 2020	For the year ended 31st March 2019
		₹	₹
16	Revenue From Operations		
	A. Sale of Products: (1) Manufactured	66832977.57	98065426.25
	(2) Traded	7186404.36	9401509.09
	B. Sale of Services	63143761.69	54294229.00
		137163143.62	161761164.34
A	Sale of Products: (1) Manufactured		
	Cardamom	2157638.13	6329641.23
	Cashew	3982949.63	3468700.00
	Coffee	3801078.03	1711535.96
	Green Tea Leaves	10689940.03	12013483.00
	Pepper	213723.76	1373399.67
	Sale Proceeds from Akamalavaram Plantations -Rubber	843514.00	1312810.10
	Sale Proceeds from Akamalavaram Plantations - Coconut	59464.00	133570.00
	Timber & Tree Growth	40296419.83	59175623.52
	Bamboo	0.00	507787.00
	Sale of Sandal wood Oil	3385450.09	10429951.69
	Sandal Deoiled powder	423886.13	465017.97
	Sandal powder - Pure	607858.32	588920.58
	Red Sanders	2664.99	105408.68
	Coffee Powder	368390.63	449576.85
		66832977.57	98065426.25
	(2)Traded		
	Sale of orchid and other flowering plants	1436087.06	1385125.00
	Honey	611476.98	457984.53
	Eucalyptus Oil	297021.66	348012.87
	Lemon Grass Oil	445893.04	564748.09
	Kerala Soaps	525323.75	152564.74
	Ice cream	314498.09	278480.63
	Sale of Sandalwood	1368736.32	2650902.90
	Rudhraksham	34883.82	18780.74
	Soft drinks	20818.83	2674.48



Note Ref.No.	PROFIT & LOSS A/c.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Other operating Revenue		
	Others (Stumps/Seedlings)	82260.00	198600.00
	Others(dammer, Arecanut, clove, Isora, etc.)	211008.21	171116.16
	Miscellaneous Receipts, Fine, Penalty etc	1008707.97	2999187.32
	Retail sales	771814.56	0.00
	Pass/Tender Forms	57874.07	173331.63
		7186404.36	9401509.09
B	Sale of Services		
	Eco-Tourism (Receipts)	39961905.69	38390903.00
	Floriculture Receipts	23181856.00	15903326.00
		63143761.69	54294229.00
17	Other Income		
(A)	Interest on Deposits	814416.91	654400.00
	Profit on Sale of old Vehicles	87194.54	0.00
		901611.45	654400.00
(B)	Prior Period Income		
	Prior Period Income - Depreciation	0.00	3828581.91
		0.00	3828581.91
		901611.45	4482981.91
18	Plantation, Upkeep, Harvesting		
	Harvesting & Upkeeping	10864169.68	569065.36
	Akamalavaram Plantations	1408958.91	1259546.19
	Nelliampathy Estate Expenditure	4507348.46	4218102.54
	Sandal Oil Factory expenditure	613787.34	592659.72
	Plantation Stores and maintenance	9233117.42	3566456.43
	Plantation Direct expenses	4113162.84	2633199.18
	Wages to Permanent Workers	29110510.56	29027443.39
	Wages to Casual workers	1742857.00	3151561.42
	Enumeration Expenses	372636.09	665606.18
	Sub shedule - Annexure VI	61966548.30	45683640.41
19	Changes in Inventories		
	Increase/decrease in stock		
	Closing Stock - Stock in Trade		
	Cardamom	4928285.15	1443347.05



Note Ref.No.	PROFIT & LOSS A/c.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Coffee	4707634.80	3607853.56
	Orchid and other flowering plants	1312260.00	2222580.00
	Pepper	807786.90	878444.40
	Sandalwood	3477098.80	5831543.00
	Sandal wood oil (division)	663984.00	1125720.00
	Sandal Deoiled powder	177038.80	183268.80
	Red sandal powder	0.00	320.00
	Red sandal wood	0.00	2269.50
	Rubber	341640.00	0.00
	Nelliampathy Estate-Clove	0.00	9262.50
	Coffee Powder	61465.00	78375.00
	Sandal Oil (Factory)	9089267.89	15270150.00
	Other items (Lemon grass oil, Eucayptus oil, Tea dust, dammer etc.)	404006.10	351514.00
	Sandal wood pure powder	684496.80	1390953.20
	Work in Progress		
	WIP Wood Plantation	592950704.21	595093621.14
		619605668.45	627489222.15
	Opening Stock		
	Cardamom	1443347.05	709424.00
	Coffee	3607853.56	1072825.00
	Orchid and other flowering plants	2222580.00	2073690.00
	Pepper	878444.40	1165516.00
	Sandalwood	5831543.00	3049168.00
	Red sandal powder	320.00	2340.00
	Red sandal wood	2269.50	0.00
	Sandal De-oiled Powder	183268.80	402200.00
	Sandal wood oil (division)	1125720.00	833200.00
	Rubber	0.00	98644.50
	Other items (Lemon grass oil, Eucayptus oil, Tea dust etc.)	351514.00	146450.00
	Coffee Powder	78375.00	77560.00
	Sandal Wood pure powder	1390953.20	699600.00
	Nelliampathy Estate-Clove	9262.50	3000.00
	Sandal Oil (Factory)	15270150.00	7278800.00



Note Ref.No.	PROFIT & LOSS A/c.	For the year ended 31st March 2020	For the year ended 31st March 2019
	WIP Wood Plantation	595093621.14	586023949.68
		627489222.15	603636367.18
	Net	7883553.70	-23852854.97
20	Employees Benefit Expenses		
	Salaries and Allowances	48912819.00	54307386.00
	Contribution to PF	8762801.00	8203962.00
	Group Gratuity Cum Life Assurance Scheme	5751457.00	2319396.00
	Bonus and Festival Allowance	3544233.00	2749218.00
	Gratuity Expenses	7807935.00	16004905.37
	Salaries and Allowance to Managing Director	1656475.00	1188180.00
	Leave Salary and Earned Leave Surrender	6050759.00	0.00
	Honorarium to Chairman	240000.00	240000.00
	Staff Training Expenses		
	Welfare Expenses to Staff and Workers	3083422.55	2822896.38
	Contribution to LWF	7340.00	8844.00
*	Sub shedule - Annexure VII	85817241.55	87844787.75
21	Other Expenses		
A	General Administrative Expenses		
	Advertisement Charges	620148.94	510871.48
	Sports	30467.64	0
	Bank Charges & Commission	268185.27	29202.73
	Books & Periodicals	49819.00	59096.66
	Computer Software Development Expenses	442743.44	397232.00
	Electricity & Water Charges	582958.00	666429.00
	Insurance on vehicles	340532.00	248596.00
	Lease Rent	1370132.00	200196.00
	Office & Miscellaneous Expenses	512111.29	424635.74
	TA to Directors	140132.59	68086.00
	TA to MD	42909.00	0.00
	Travelling Expenses	372553.00	449619.00
	Postage & Telephone	415529.02	460325.86
	Printing & Stationery	280731.81	320390.10
	Professional Fees/Legal Charges	368340.00	406990.00



Note Ref.No.	PROFIT & LOSS A/c.	For the year ended 31st March 2020	For the year ended 31st March 2019
	Remuneration to Auditors	175866.00	177650.00
	Rent	717650.00	686426.92
	Sales Promotion and Commission	6774.00	143210.00
	Workmen compensation Claim	0.00	609839.00
			-17.99
B	Repairs & Maintenance:		
	Building	212074.06	215533.34
	Vehicles	2893803.29	2575627.80
	Machinery and Other Assets (power fencing, computer and irrigation)	286746.13	290584.34
C	Cost of Raw material consumed -services		
	Eco-Tourism	20852307.28	17702241.29
	Floriculture Expenses	2964421.62	3383905.00
D	Consumption of Stores		
	Raw material cost of Sandal wood (Root)	0.00	10128470.5
	Purchase of Sandalwood (Cheria)	0	2062849.00
	Purchase of Sandalwood	1491568.00	0.00
	Loose Tools- Stores and Spares	29200.00	36500.00
E	Cost of Traded Goods		
	Purchase of Retail sale items	488852.40	1230846.68
	Sub shedule - Annexure VII	35956555.78	43485336.45
F	Prior period Expense- Depreciation	0.00	4652.06
		0.00	4652.06
22	Finance cost - Interest expenses	1644243.95	1474787.51
23	Rates and Taxes		
	Rates, Taxes, & Registration Expenses	252333.00	409838.00
	Sub shedule - Annexure VII	252333.00	409838.00

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



24. The Balance Sheet as at 31-03-2020 and the Profit & Loss A/c. for the year ended on that date have been drawn up as far as possible and are applicable in terms of the provisions of Schedule III of the Companies Act 2013. All the other required information has been given in these Notes. The figures for the previous year have been regrouped or recasted wherever necessary.
25. The details of opening stock, closing stock, production and disposal of cured cardamom, coffee, pepper and tea are as follows:

i) CURED CARDAMOM							
Year	Opening Stock		Production	Disposal		Closing Stock	
	Qty. Kg.	Value (₹)		Qty. Kg.	Qty. Kg.	Value (₹)	Qty. Kg.
2018-19	513.160	709424.00	3568.800	3474.800	6329641.23	607.160	1443347.05
2019-20	607-160	1443347.05	2532.37	993.9	2157638.13	2145.63	4928285.15
ii) GREEN TEA LEAVES							
Year	Opening Stock		Production	Disposal		Closing Stock	
	Qty. Kg.	Value (₹)		Qty. Kg.	Qty. Kg.	Value (₹)	Qty. Kg.
2018-19	Nil	Nil	752705	752705	12013483.00	Nil	Nil
2019-20	Nil	Nil	770268	770268	10689940.03	Nil	Nil
iii) COFFEE							
Year	Opening Stock		Production	Disposal		Closing Stock	
	Qty. Kg.	Value (₹)		Qty. Kg.	Qty. Kg.	Value (₹)	Qty. Kg.
2018-19	16505.000	1072825.00	63669.000	27117.330	1711535.96	53056.670	3607853.56
2019-20	53056.670	3607853.56	76027.800	57756.670	3801078.03	71327.800	4707634.800
iv) PEPPER							
Year	Opening Stock		Production	Disposal		Closing Stock	
	Qty. Kg.	Value (₹)		Qty. Kg.	Qty. Kg.	Value (₹)	Qty. Kg.
2018-19	2913.790	1165516.00	1615.100	2806.45	1373399.67	1722.440	878444.40
2019-20	1722.440	878444.40	1491.700	374.800	213743.78	2834.340	807786.90
v) SANDALWOOD							
Year	Opening Stock		Purchase	Disposal		Closing Stock	
	Qty. Kg.	Value (₹)		Qty. Kg.	Qty. Kg.	Value (₹)	Qty. Kg.
2018-19	190.570	3049168.00	301.100	143.334	2650902.90	300.595	5831543.00
2019-20	300.595	5831543.00	121.200	74.258	1368736.32	347.537	3477098.80

- Vi) i) The closing stock of Garden plants during the year 2019-20 is valued at ₹ 1312260/- only.
ii) The details of wood plantation areas felled are as follows:

Particulars	Year	
	2019-20	2018-19
a). Area	Area clear felled (Ha.) 160.12	Area clear felled (Ha.) 28.720
b). Sale value of wood crops (Including misc. tree growth, teak poles and wood billets)	Rs. 40296755.97	Rs. 59175623.52

26. The details of area under Wood, Cardamom, Coffee, Tea and Cashew plantations are as follows:

A). Wood Plantations

Particulars	Year	
	2019-20	2018-19
a) Total area of wood plantations	7198.000 (Including bamboo and Cashew plantations)	7198.000 (Including bamboo and Cashew plantations)

B). Cash crops

- (i) Cardamom Plantations

Division	Total area under cardamom Ha.	Unproductive area Ha.	Commercially yielding area Ha.
Munnar	73.50	30.50	43.00
Thrissur	38.00	18.50	19.50
Gavi	862.61	310.80	551.81
Total	974.11	359.80	614.31



(ii). Coffee Plantation

Division	Total area under coffee (Ha.)	Unproductive area (Ha.)	Commercially yielding area (Ha.)	Remarks
Thrissur	457.427	0.00	457.427	385.527 Ha. Nellyampathi estates
Munnar	69.700	0.00	69.700	
Gavi	70.30	42.3	28.00	
Total	597.427	42.3	555.127	

(iii). Tea Plantation

Division	Area under Tea cultivation	
	2019-20	2018-19
Mananthavady	90 ha.	90 ha.

Note: 10.67 Ha. area is used on colony, office etc

(iv) Cashew plantation

Division	2019-20		2018-19	
	Total area (ha)	Yielding area (ha)	Total area (ha)	Yielding area (ha)
Trivandrum	149.063	149.063	149.063	149.063
Punalur	163.200	163.200	163.200	163.200
Total	312.263	312.263	312.263	312.263

(V) Rubber : 57.936 Ha

(VI) Pepper : 3.80 Ha

Particulars	2019-20	2018-19
i. Value of imports of CIF basis	Nil	Nil
ii. Expenditure in foreign currency during the year on royalty, know how, professional consultation fees, interest etc.	Nil	Nil
iii. Value of imported raw materials, spare parts and components during the year	Nil	Nil
iv. Amount remitted in foreign currencies towards dividends during the year	Nil	Nil
v. Earnings in foreign exchange during the year	Nil	Nil

28. (i) The Kerala State Wood Industries Ltd., (KESWIL) Nilambur is in the process of winding up from 31.01.2009 onwards. VRS to the employees of KESWIL has been implemented from 2009 onwards and completed. A balance amount of Rs. 29615/- as a refundable deposits received from the Govt. for the settlement of dues by KESWIL to other agencies are carried on by the Government. As per the exceptions in Accounting Standards 21.9 the consolidated Financial Statements of KESWIL are not required to be prepared along with the KFDC's Financial Statements.

(ii) Share Capital investment in KESWIL by KFDC is Rs. 95.22 lakhs. As per the decisions of the minutes of the meeting held on 16.02.2018 in the chamber of Principal Secretary to Government(F&WLD) department, it was decided to take necessary steps to write off the Govt. loans pending in relation to investment of shares in KESWIL. Accordingly it was proposed to write off the following Govt. Loans sanctioned to KFDC as financial assistance in the initial years, against the value of investment of KFDC in KESWIL vide KFDC letter No. A4-4808/2013/Vol. IV/592 dt. 26.6.2018. Decision from Govt. is awaited.

Sl. No	Govt. Orders	Loan Amount (Rs.)
1	GO(Rt)No. 889/79/AD dt. 26.03.1979	10,00,000/-
2	GO(MS) No. 93/82/AD dt. 12.03.1982	3,00,000/-
3	GO(Rt)No. 950/78/AD dt. 31.03.1978	10,00,000/-
4	GO(Rt)No. 2653/89/Fin dt. 27.05.1989	81,00,000/-
	Total	1,04,00,000/-

29. The Management Plan for KFDC for the period 2015-16 to 2019-20 has been approved by Government of India vide letter No F(C)A/11.6/4/WP/KER/7588 dt 13/10/2015. The area of the Rosary estate 80.937 ha, Miraflores estate 196.932 ha and Beatrice estate 99.658 ha are brought under the total area of KFDC in the approved Management Plan. Management prescriptions for these coffee estates are also given in the approved Management Plan. The revenue and expenditures on these estates have included in the profit and loss account of KFDC.



30. Sandal Oil Factory: Government vide order No.G.O.(MS) No.84/2010/F&WLD dated 4.12.2010 accorded administrative sanction for the setting up of a Sandal Oil Extraction Unit at Marayoor, Iddukki. Factory commenced production on 19/8/2011. As per the decision of the Board, and in compliance of the observation of the C&AG the accounts of the Sandal Oil Factory have been incorporated in the accounts of the Company.
- 31 The Board of Directors of the Company at the 73rd Meeting passed a resolution (No 592) for collecting Forest Development Tariff (FDT) for setting up a Forest Development Reserve to be utilized for research and developmental activities. As FDT collected is in the nature of a capital receipt, this has been taken directly to the Balance Sheet as an addition to the said Reserve A/c. Government of Kerala vide letter No. 3252/F2/90/F&WLD (F) dept. dt. 19.06.1991 has given direction to KFDC to fix and collect additional price on sale of products in lieu of FDT.

Board of Directors in their 142nd meeting held on 21.5.2007, discussed the various aspects relating to the collection of Forest Development Tariff by KFDC. The Board was of the opinion that the nomenclature "FDT" is to be changed as "regeneration charges" or **collected as part of the sale value**. It was also decided that since the collection of Forest Development Tariff was commenced as per the decision of the Board of Directors there is no need to formulate separate rules for utilising the amount collected as Forest Development Tariff and the entire amount already collected can be utilised for plantation activities and passed the Resolution vide No. 1187 that the entire amount

collected as Forest Development Tariff by the Company be utilised for tree plantation activities. And the nomenclature of Forest Development Tariff has been changed as "Regeneration Charges" to avoid mis-interpretation of Forest Development Tariff with Forest Development Tax(FDT)being collected by the Forest Department for sale of Forest Produce by the Government". Regeneration charges collected on forest produce are utilized by the company for the planting and maintenance of softwood species of trees and for forest research including fire protection expenses. The details are given below:

Particulars	2019-20	2018-19
Opening reserve balance	4421865.25	12504598.97
Addition during the year	2327375.61	3917789.02
Planting and maintenance of softwood species of trees and for Fire protection expenses	3771800.87	12000522.74
Closing balance	2977439.99	44,21,865.25

TAXATION MATTERS

32. Agricultural Income Tax

Period	Particulars	DC(Appeal) Tribunal	Amount (Rs)
Up to 31-03-2005	Settled under Amnesty Scheme and remitted Rs. 1,63,26,648/- during 2010-11. Loss of Rs. 56,87,279/- is available for set off for the A. Y 2004-05		
AY 2005-06	Assessed loss is Rs. 8,46,840/- Sale value of spontaneous tree growth to the extent of Rs. 49,84,164/- could not exclude from agricultural income in the original return and hence revised return filed on 14/1/2012 claiming loss of Rs. 58,31,004/- and requested Inspecting Assistant Commissioner to revise the assessment order. Since the request was rejected by IAC an appeal has been filed on 25.11.2014 before DC Appeal Kottayam and the Appellate order dt 30.8.2016 allowing the claim of KFDC has been received. Modified order received from IAC on 10.1.17 vide order no.23900020/05-06 dated 20.12.2016 assessing the loss as Rs.58,31,004/- Appeal No.06/2016 dtd 01.12.2016 is pending before the Appellate Tribunal for Spont. Tree Gr. Rs.49,84,164/- against DC order on 30.8.16.	Appeal filed by Dept of Commercial Taxes before Hon'ble Tribunal to set aside the order of DC Appeal allowing the claim in favour of KFDC.	Rs.49,84,164/- (Tax comes to Rs.24,92,082)
AY 2006-07	As per the Assessment Order: 23900020/06-07 dt 24.12.2008, assessed taxable agricultural income is Rs.75,59,380/- and tax is Rs.37,79,690/- Sale value of spontaneous tree growth to the extent of Rs 1,17,79,166/- could not exclude from agricultural income in the original return and hence revised return filed on 14/1/2012 claiming loss of Rs.42,19,786/- Favourable orders has been received from the Deputy Commissioner Appeal vide order dated 23.10.2014. Deputy Commissioner Commercial Taxes, Kottayam has moved second appeal before the Appellate Tribunal, Kottayam against the order of the DC (Appeal No.02/2015. dated 21.01.2016 is pending in the Appellate Tribunal for the items disallowed such as Spontaneous tree growth Rs.1,17,79,166/- and Development of property Rs.27,25,246.10 (Total Rs.1,45,04,412/-), against DC order on 23.10.14 and decision on appeal is awaited. As per the modified order of the IAC Kottayam, loss for the year Rs.69,45,032/- carry forwarded to 2007-08. Actual loss to be carry forwarded from 06-07 to 07-08 was Rs 1,27,76,036/- (Rs.69,45,032+ Rs.58,31,004)	Appeal filed by Dept of Commercial Taxes before Hon'ble Tribunal to set aside the order of DC Appeal allowing the claim in favour of KFDC.	Rs.1,45,04,412/- (Tax comes to Rs.72,52,206)



<p>AY 2007-08</p>	<p>As per the Assessment Order No 23900020/07-08 dt.21.12.2009 assessed taxable income is Rs 40,83,370/- and tax Rs.20,41,685/-. Sale value of spontaneous tree growth to the extent of Rs 1,13,83,240/- could not exclude from agricultural income in the original return and hence revised return filed on 14/1/2012 claiming loss of Rs 72,99,870/- Favourable orders allowing spontaneous tree growth Rs.1,13,83,240 has been received from the Deputy Commissioner Appeal vide order dated 23.10.2014. Commercial Taxes, Kottayam has moved second appeal before the Appellate Tribunal, Kottayam against the the order of the DC (Appeal No.03/2015 dated 15.01.2015 and decision on appeal is awaited. IAC vide order dt 27/10/2014 re opened the assessment and agricultural income is fixed as Rs.2,74,33,462. An appeal has been filed against this order before DC (Appeals). Vide modified order of IAC dt 10/7/2015 agricultural income is re fixed as Rs.50,21,820/-The Appellate order dt 30/8/2016 allowing the claim (Rs.2,33,50,094) of KFDC has been received. Modified order from IAC is received on 20.12.2016. Rectification submitted on 20.01.2017 is pending before IAC. Disputed items: Cost of failed plantation Rs.1,53,12,500/-& Prior period exp. Rs 12,38,625/- Which was allowed by DC. If the Disputed items allowed, the net loss for 2007-08 will be Rs.2,23,82,129/-</p>	<p>Appeal filed by Dept of Commercial Taxes before Hon'ble Tribunal to set aside the order of DC Appeal allowing the claim in favour of KFDC.</p>	<p>Rs 1,13,83,240/- (Tax comes to Rs.56,91,620)</p>
<p>AY-2008-09</p>	<p>As per the assessment Order: 23900020/08-09 dt.31.12.2010 taxable income is Rs.14,63,650/- and tax is Rs.7,31,825/-. Sale value of spontaneous tree growth to the extent of Rs 1,37,40,110/- could not exclude from agricultural income in the original return and hence revised return filed on 14/1/2012 claiming loss of Rs.1,22,76,460/- and requested to the Inspecting Assistant Commissioner to revise the assessment order and refund the tax already paid on 31.12.2010 Rs 7,31,825/-. On 25/2/2016, the IAC, Kottayam issued an re assessment order assessing Agricultural income of Rs.7,35,96,376/-Appeal filed against this order has been disposed in favour of KFDC and as directed in the appellate order dtd 16-08-2016. Dept of Commercial Taxes filed Appeal No.01/2017 dtd 07.02.2017 which is pending in the Appellate Tribunal for Spontaneous Tree growth Rs.1,37,40,110/- against DC order dtd.16.8.2016.As per the order of IAC on 20.12.2016, Net agricultural income is fixed for 2008-09 is Rs. 1,99,73,509/- Rectification submitted on 20.1.2017 is pending before IAC. Disputed items : Cost of failed plantation Rs.3,03,54,627/- & Prior period exp. Rs 33,59,288/-which were allowed by DC.</p>	<p>Appeal filed by Dept of Commercial Taxes before the Hon'ble Tribunal to set aside the order of DC Appeal allowing the claim in favour of KFDC.</p>	<p>Rs.1,37,40,110/- (Tax comes to Rs.68.70,055) {Tax Paid Rs.7,31,825/- As per the latest IAC order 20.12.2016, Net agricultural income is fixed for 2008-09 is Rs.1,99,73,509/-}</p>

<p>AY 2009-10</p>	<p>Loss as per original return is 7,39,377/- But as per per the Assessment Order: 23900020/10-11 dt.23-12.2011 net agricultural income fixed as Rs.3,08,14,410/- As per rectified order of IAC dtd 02-01-2013 net agricultural income re fixed as Rs.3,74,68,410/- Order from DC (Appeals) was obtained on 2/5/2013. Modified order of IAC dt 29/7/2015 received on 12/8/15 and agricultural income assessed is Rs. 2, 19, 54,840/-.</p> <p>AIT paid for the year is Rs.34,55,118/- For the disallowed items second Appeal has been filed before the AIT Tribunal on 9/5/2014. Deputy commissioner Commercial taxes Kottayam also had filed an Appeal against the order of the. DC (Appeal) before the Appellate Tribunal, Kottayam (Appeal NO. 03/2014 dated 5/07/2014). Both these Appeals are pending at Appellate Tribunal. RR Notice received on 06/08/2019 R.R steps initiated during the pending of Appeal were stayed by Hon'ble Revenue Minister until the disposal of the case.</p> <p>As per the order of IAC on 29.07.2015, net agricultural income is re fixed for 2009-10 is Rs. 2,19,54,840/- Rectification submitted on 25.07.2016 is pending before IAC.</p> <p>Disputed items: Provision for doubtful debts Rs.1,13,35,658/-, Provision for tax Rs.4,67,424/-</p>	<p>Appeal filed by Dept of Commercial Taxes before the Hon'ble Tribunal to set aside the order of DC Appeal allowing the claim in favour of KFDC. Second appeal filed By KFDC before the Hon'ble Tribunal against the order of DC Appeal & IAC</p>	<p>Rs.3,75,79,117 (Tax comes to Rs.1,87,89,558)</p> <p>{AIT paid for the year is Rs.34,55,118/- As per the latest order of IAC dtd 29.07.2015, net agricultural income is re fixed for 2009-10 is Rs. 2,19,54,840/-}</p>
<p>AY 2010-11</p>	<p>Loss as per return is Rs.1,15,83,598/-. As per assessment order dtd 12-11-2012, IAC assessed agricultural income as Rs.5,41,81,110/- An appeal has been filed on 12.01.2013 before DC Appeal Kottayam. AIT paid for the year Rs.1,14,24,732/- and Rs.62,94,912/- is due for refund as per IAC modified order dtd 29-07-2015. Department has filed appeal before the Appellate Tribunal Kottayam against the the order of the DC (Appeal No.04/2014 dated 05.07.2014 and decision on appeal is awaited. For the disallowed items second Appeal has been filed by KFDC before the AIT Tribunal on 09/05/2014. Revenue recovery steps initiated against KFDC during the pendency of appeal was stayed by Hon'ble Revenue Minister until the disposal of the case. Modified order of IAC dt 29/07/2015 received on 12/08/2015 and the agriculture income is Rs.1,02,59,640/- AIT refund due to KFDC is Rs.62,94,912/- is adjusted to 2007-08 and 2009-10 in the order.</p> <p>Rectification submitted for allowing FDT Rs.71, 87,678/- on 25.07.2016 is pending before IAC.</p>	<p>Appeal filed by Dept of Commercial Taxes before the Hon'ble Tribunal to set aside the order of DC Appeal allowing the claim in favour of KFDC. Second appeal filed By KFDC before the Hon'ble Tribunal against the order of DC Appeal & IAC</p>	<p>Rs.5,04,05,071 (Tax comes to Rs.2,52,02,535)</p> <p>{AIT paid for the year Rs.1,14,24,732/- order of IAC dt 29/07/2015 received on 12/08/2015 and the agricultural income is Rs.1,02,59,640/- AIT refund due to KFDC is Rs.62,94,912/- is adjusted to 2007-08 and 2009-10}</p>



<p>AY2011-12</p>	<p>Assessment Order: 23900020/11-12 dated 11/10/2013 Assessed taxable income is Rs. 5,25,77,997/-as against the returned income Rs.1,90,64,249/- Rs. 25,00,000 paid as advance AIT. Carry forward loss for the A.Y 2010-11 Rs.1,15,83,598/- and rebate on IDS Rs. 38,12,850/- were not considered in the assessment. Appeal filed before the DC Appeal has been ordered in favour of KFDC. Appellate order has been received on 30/8/2016. As per the order of IAC on 20.12.2016 Net agricultural income re fixed for 2011-12 is Rs.3,74,05,041/-. Dept of Commercial Taxes moved second appeal against the order of DC Appeal Order dated 30.08.2016 ,vide Appeal No.7 on 01/12/2016</p> <p>Rectification submitted on 20.01.2017 is pending before IAC. Disputed items as per Appeal dated 01/12/2016: Prior period expense Rs.38,43,167/-, office & misc.exp.Rs.2,20,796/-,Purchase of Sandalwood Rs.37,28,709/-,gratuitycumlifeinsuranceRs.96,27,535/-, Sale value of Garden Plants Rs.9,20,585/-</p> <p>Authorisation to M/s Krishna Iyer &Co .submitted on 24.01.2017 before the Appellate Tribunal ,Kottayam for filing counter objection on behalf of KFDC.</p>	<p>Appeal filed By Dept of Commercial Taxes before the Hon'ble Tribunal to set aside the order of DC Appeal allowing the claim in favour of KFDC.</p>	<p>Rs. 48,82,920 (Tax comes to Rs.24,41,460) {Rs. 25,00,000 paid as advance AIT}</p>
<p>AY 2012-13</p>	<p>As per the Assessment Order: 23900020/12-13 dated 11.12.2014 assessed taxable income is Rs. 4,88,75,780/- as against return of agricultural income Rs.2,89,83,405/-Appeal filed before DC Appeal on disputed items on 15.1.2015. Revenue recovery steps initiated against KFDC during the pendency of appeal was stayed by Hon'ble Revenue Minister till the disposal of the appeal. Stay order No: 212/15/RR/M(ROC) Dtd.6.08.2015. Modified order of IAC based on DC (Appeals) order dtd 08-06-2016 received on 14.6.2016. Appeal filed by the Department is pending at Appellate Tribunal. (Appeal No.05 date 22/06/2016). Disputed items is Rs.1,89,07,031/- (sale value of spontaneous tree growth).</p> <p>As per the IAC on 08.06.2016, net agricultural income is fixed for 2012-13 is Rs.2,99,68,749/- Rectification submitted on 02.02.2017 is pending before IAC.</p>	<p>Appeal filed by Dept of Commercial Taxes before the Hon'ble Tribunal to set aside the order of DC Appeal allowing the claim in favour of KFDC.</p>	<p>Rs.1,89,07,031 (Tax comes to Rs.94,53,515)</p>

AY 2013-14	<p>As per the return agricultural loss for the AY 2013-14 is Rs.2,60,93,043/-. As per the assessment order order No. 23900020/13-14 dated 31.12.2015 net agricultural income is Rs.12,20,200/- Appeal filed for the disallowed items and Appellate order dtd 30.08.2016 received from DC (Appeals). Modified order from IAC dtd 20-12-2016 was received 09-01-2017.</p> <p>On 09.03.2018 IAC re opened the assessment and net agricultural loss is re fixed for 2013-14 is Rs. 2,23,11,862/- by disallowing prior period expenses. Rs.26,98,040/- Rectification submitted on 20.01.2017 is pending before IAC. Another rectification was submitted on 25.05.2018 before IAC against order dtd 9.3.2018.</p> <p>Disputed items Sale of Garden Plants Rs.10,83,145/- Prior period expenses Rs.26,98,040/-</p> <p>Dept of Commercial Taxes filed Second Appeal against the order of DC(Appeals) (order No AIT 17/16 dated 30.8.2016) Vide Appeal No.08/2016 at Appellate Tribunal on 1/12/2016.</p>	Appeal filed by Dept of Commercial Taxes before the Hon'ble Tribunal to set aside the order of DC Appeal allowing the claim in favour of KFDC.	(Rs.2,31,47,828 Tax comes to Rs.1,15,73,914)
AY 2014-15	<p>As per the return filed net agriculture loss is Rs.1,41,77,480/- . Total carry forward loss is Rs.5,22,37,213/-. As per the assessment order received on 23.12.2016, net agricultural income is fixed as Rs.90,19,610/- Appeal filed for the disallowed item before DC (Appeals), Kottayam. Appeal filed before DC (Appeals) on 18.06.2017 is pending.</p> <p>As per the Order IAC on 26.12.2017, net income re fixed for 2014-15 is Rs.90,19,609.72/- Rectification submitted on 08.02.2017 is pending before IAC (Garden plants Rs. 13,18,000, Spontaneous Tree growth Rs.1,77,80,480/-, Development of property Rs.30,98,610/-). C/f loss from 2013-14 as per order of IAC on 26.12.2017 Rs.2,50,09,902/- is allowed.</p>	Appeal filed By KFDC before the DC Appeal against the order of IAC	Rs.2,21,97,089 Tax comes to Rs.1,10,98,544)
AY2015-16	As per return, net agriculture income is Rs.58,12,312/-. As per the Order of IAC on 21.12.2017, net agricultural income is fixed as Rs.58,12,313/-. Total loss of 4,02,70,523/-carry forwarded from 2014-15 to 2015-16.		
AY 2016-17	As per return, net agriculture income is Rs.4,88,679/- As per the order of AIT/STO on 27/12/2018, Net agricultural income fixed is Rs.1,14,70,068/- is adjusted in the losses carry forwarded from the previous years. Appeal filed before DC (Appeals) against the disallowance of sale of garden plants –Rs.21,35,265/- Appeal is pending.	Appeal filed By KFDC before the DC Appeal against the order of IAC	Rs. 21,35,265 Tax comes to Rs.10,67,632)



33. Reassessment of KGST & KVAT for the years 2003-04, 04-05, 05-06 & 06-07 has been done by Assessing Officer and additional liability has been fixed at Rs.72,82,655/- including interest. These assessments are under appeal. The IAC (commercial Taxes) has however initiated revenue recovery proceedings against the Company for realizing the tax assessed and interest there on aggregating to Rs.72,86,655/- for the year from 2003-04 to 2006-07. To avoid recovery proceedings the Company was compelled to remit 10% of the total demand ie. Rs. 7,28,665/- during 2010-11 to the authority to settle it in future demands. It has included in loans and advances in Schedule C. The order from Appellate authority had been received on 06/05/2011. The orders on certain issues were against the law and facts submitted and hence appeal before the Hon'ble Tribunal have been filed. The order of the Hon'ble Tribunal has been received on 23.6.2016 for the year 2003-04,2004-05, and the order of the authorities are setaside and the matter is remitted back to the Fast Track Team for passing fresh orders. As such, a rectification appeal has been filed.

34. (a) Income Tax

The Assessments for the AY 2012-13, 2013-14 and 2014-15 have been completed by the Deputy Commissioner of Income Tax, Circle- 1, Kottayam. Aggrieved by the above orders KFDC have filed Appeals before the Commissioner of Income Tax (Appeals), Kottayam.

Assessment Year	Date of Appeal	Amount Involved
2012-13	17.04.2015	Rs. 6797390.00
2013-14	19.04.2016	Rs. 2304680.00
2014-15	21.01.2017	Rs. 471340.00

Later, Vide letter No. ACIT/KTM/STAY/17-18 dt. 24.1.2018, Income Tax authorities directed to pay 20% of the outstanding demand for the AY 2012-13 and 2014-15 for Rs. 14,53,746/- (Rs. 67,97,390/- + Rs. 4,71,340/- = Rs. 72,68,730/-) on or before 31.1.2018. Same has been remitted on 31.1.2018 and informed to ACIT on 1.2.2018.

During the year 2018-19, in appeals filed by the company for the AY 2012-13and 2013-14 have been allowed in favour of the Company. But Income tax authorities have filed appeal before the Appellate Tribunal against this order. Appellate Tribunal had passed order in favour of the company. For AY 2014-15, appeal filed by the Company was allowed infavour of the Company and refund of 20% of the outstanding demand remitted by the Company on 31.1.2018 amounting to Rs. 94,268/- plus interest Rs. 16,870/- plus advance remittance amount of Rs. 43,362/- total Rs. 154500/- was received from the IT department on 10.11.2018 and same was accounted.

Assessment for the AY 2016-17(FY-2015-16) have been completed and order issued by the Assistant Commissioner of Income Tax, Circle & TPS, Kottayam on 24.10.2018.

(b). Service Tax

Service Tax department have demanded for payment of Service Tax on eco-tourism receipts from 01.10.2010 to 30.09.2015 amounting to Rs. 56,72,786/-. Aggrieved by the order, KFDC filed appeal and the same is not disposed off till date.

(c). GST – Eco Tourism

Kerala Forest Development Corporation filed appeal before the Commissioner of Central Exices (Appeals) on 25.08.2017. The major contentions of the Company in the appeal are :-

1. Eco Tourism packages cannot be classified under “Tour Operator Services” from the period 1.10.2010 to 30.6.2012.
2. KFDC is a “Governmental Authority” and is eligible for the major exemption in Service Tax under Sl. No. 39 in the exemption notification No. 25/2012-St dated 20.06.2012 from the period 1.7.2012 to 30.9.2015.

Since the Appeal is not disposed off, service tax/GST was not collected.

(d). Luxury Tax

Luxury Tax Assessment orders for Gavi division for the year 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 have been received. The turnover assessed by the Assessing authorities are not correct hence appeals filed for the years 2009-10, 2010-11, 2011-12 in the Appellate Tribunal, Trivandrum. Orders are awaited. For the years 2012-13 and 2013-14, appeals are pending at the DC(Appeals), Kollam. Demand as per orders under dispute are as below:-

Year	Amount(Rs.)
2009-10	38,425/-
2010-11	3,02,238/-
2011-12	24,78,456/-
2012-13	27,06,938/-
2013-14	35,73,790/-

35. (i) In the case of loan of ₹ 81.00 lakhs from Contingency Fund, though Government in G.O.No. 90/94/F&WLD dt.19.02.94 had ordered that the terms and condition in the General Circular No.60/86/Fin dt.08.08.86 would apply, interest rates specified therein could not be adopted as Government had not stipulated the nature of the loan whether it was investment loan or working capital loan and also the period of its repayment. The company has therefore adopted the interest rate at 10.75% as in the case of other loans.
(i) In the case of loan for Pulpwood (₹ 13 lakhs) and Loan for Cardamom (₹ 15 lakhs) penal interest has been provided on outstanding installments of principal only.
36. (i) Fund assistance received up to 31/3/2012 from Govt. under various schemes such as Kerala Forestry Project, Western Ghat Development Programme, National Afforestation and Eco-Development Board’s Program etc., have been accounted as deferred Govt. grant and shown below ‘Reserves and Surplus’ on the liability side of Balance sheet The assets created/plantation raised using such funds are accounted under appropriate sub head in fixed /Current assets.
(ii) Fund received and expended after 31/3/2012 from National Medicinal Planting Board, Western Ghat Development Programme, Bamboo Mission & Fund from Forest Department for Eco-Tourism activities etc are maintained as separate account and net amounts has been shown under Scheme fund Account in other long term Liabilities.
(iii) As per para 16 of the 45th Report of Public Accounts Committee (2006-2008) it was recommended to settle the amount due from the Kerala Forest Development Corporation and to adjust the amount due in between KFDC and Government. Accordingly vide G.O.(Rt)No.4/2020/F&WLD Dt 5/01/2020 Govt. accorded sanction to adjust the amount of Rs.50479250.54 due from Kerala Forest Development Corporation to Government with the amount of Rs.54236375.72 due to the KFDC from Government as recommended by PAC. Government also sanctioned that the amount over and above the dues i.e Rs.3757125.18 can be adjusted from lease rent payable from 2018-19. In compliance with the above Govt. Order adjustment entry to set off the amount due in between KFDC and Government has been passed during this year. The balance amount of Rs.2407127.18 after adjusting lease rent for 2018-19 and 2019-20 has been carried over to next years so as to set off with future lease rent.



37. Eco Tourism Projects:

The State Government have entrusted the implementation of various Eco tourism projects in forest areas to the company and civil works in connection with the projects were completed. Projects expenditure incurred in this connection are separately accounted in respective project head itself. Balance fund received from Government has been shown under other long term liabilities.

During the year 2017-18, Tourism Department vide order No. P5-17084/2017 dt. 01.01.2018 sanctioned for Rs. 90,00,000/- lakhs for “ Expansion of the Ecotourism activities at Silent Valley, Rhodovally and Meesapulimala in Munnar” and released an amount of Rs. 45,00,000/- lakhs as the first part 50% and 32.94 lakhs were received during the year 2018-19. Balance amount has been shown under Short term liabilities.

Details of the projects as on 31.3.2020 are given below.

Sl. No.	Projects and Government Orders	Project cost (Rs.in lakhs)	Expenses (Rs.in lakhs)	Balance (Rs.in lakhs)	Remarks
1	Arippa Tourism Project GO (Rt)No. 4119/12/Tsm \dt. 19.05.2012	58.50	58.50	00	Work completed
2	Ghandhi Smrithivanam Project. GO (Ms) No. 86/12/F&WLD/ Tvm dt. 25.07.2012	100.00	6.48	3.52	Balance diverted to 1.Sabarijalam Project-25lakhs 2. Kallar- 10 Lakhs 3. Vagamon project- 55Lakhs GR(Rt) No. 334 /2014/ F&WLD dt. 16.07.2014. Govt. Letter No. 12571/ D1/201/F&WLD dt. 27.10.2014.
3	Gavi Eco tourism Project GO(Rt) 6112/ 2013/ Tsm /Tvm dt. 23.07.2013	67.50	65.20	2.30	Completed
4	Kambamala Tourism Project GO(Ms) 115/12 F&WLD/Tvm dt. 01.12.2012	50.00	2.35	2.65	45 lakhs transferred to Kottoor -Kapukad project (Govt. Ir. No. 12571/ D1/ 201/F&WLD dt. 27.10.2014.
5	Kochupamba Ecotourism Proj- ect GO(Rt) 5148/ 2013/Tsm Dt. 24.06.2013.	33.50	31.20	2.30	Completed
6	Sabarijalam Project GO(Rt)237/2013/F&WLD dt. 20.6.2013	50.00	7.54	42.46	Ist phase completed.
7	Expansion of the Eco-tourism activities at silent valley, Rhodo Valley and Meesapulimala in Munnar(Order No. ET/45/2017 dt. 9.1.2018)	77.94	76.56	1.38	Works not completed
	Closing Balance			54.61	

38. Since the bills relating to the Curing house at Munnar are pending settlement due to some dispute, the expenditure incurred Rs.2,42,358.42 in this work has not been transferred from work-in-progress to the respective asset account in the final accounts.
39. Employees receiving remuneration more than ` 24,00,000 per annum : Nil.
40. Contingent liabilities : Nil.
41. The Company has no liability towards trade payables to any micro, small and medium enterprises for more than 30 days.
42. The confirmation of balances from debtors is pending and other balances are also subject to the confirmation.
43. All the wood and cash crop plantations shown under appropriate sub heads under current and fixed assets and other items such as Building, Check Dam, Water supply installation etc are on lease hold land except those relating to Head Office .
44. The Government of India approval of the 5th Management Plan of Kerala Forest Development Corporation for the period 2015-16 to 2019-20 has been obtained on 13/10/2015 vide letter No. F(c)A/11.6/4/WP/KER/7588 of Deputy Conservator of Forests (C), Bangalore- 34.
45. i. The Company has suspended from the service of KFDC one Senior Superintendent and one Peon Grade I for misappropriation of Money vide order No. IA 3791/2017 dt. 20.12.2017.
ii. One Divisonal Manager and one Manager were also suspended from the service of KFDC vide order No. E1-1523/17 dt. 19.6.2017 for irregularities.
Suspended Officers were reinstated and Departmental enquiry and disciplinary actions were continued during this year against these staff.
46. Land: KFDC manages two types of Land. One is own land and second is lease hold land from the Government forest Department.

1. Total Area of own land of KFDC are:

Sl. No.	Place	Area
1	KFDC,HO, Karapuzha	79.150 cent
2	Nagampadam, Kottayam	33.680 cent

2. Details of Lease hold area of KFDC are below:

Sl. No.	Plantation	Area (Ha.)
1	Wood plantaion	6808.941
2	Cardamom plantation	954.110
3	Coffee Plantation	597.427
4	Tea Plantation	100.670
5	Cashew plantation	312.263
6	Rubber plantation	57.936
7	Pepper Plantation	3.800
8	Area used for Eco tourism	668.070
9	Other Un productive areas	551.247
	Total	10054.464

Leased forest land used for wood plantations as per lease deed dtd. 12.06.2006 read with letter dtd. 19.7.2006 of the Company addressed to Chief Conservator is 8000.138Ha. Balance is 2054.326Ha. No lease deed is executed for Cash crop areas of the Company. Lease rent payable for Cash crop area is

1589.605Ha. at the rate of Rs. 200/-ha. and Wood crops area is 8020.625ha. at the rate of Rs. 50/-ha. Total lease rent payable in a year is Rs. 718954/-.



Details of Government land in possession of the Company for which no lease rent is payable are given below:-

1. Vettiyil Estate - 59.519Ha.
2. Rosary Estate - 98.213Ha.
3. Meera flores - 196.932Ha.
4. Beatrice - 99.658
5. Sandal Oil Factory, Vagamon Orchidarium/Floriculture Centre , Munnar- 16.47Ha.

47. (a). Audit Fee

Sl. No.	Particulars	2019-20 (₹)	2018-19 (₹)
1	Statutory Audit	₹135000	₹135000.00
2	Taxation matters	₹40000	₹ 22500.00
3	Audit expense	₹866.00	₹00 .00
	Total	₹175866.00	₹157500.00

(b). Managerial Remuneration

Particulars	2019-20 (₹)	2018-19 (₹)
TA & Sitting Fee to Directors	₹ 140132.59	₹ 68086.00
Honorarium to Chairman	₹ 240000.00	₹ 240000.00

Related party Disclosure as per AS 18.

Remuneration to Key Managerial Personnel

Related Party : 1. MANAGING DIRECTOR

Particulars	2019-20
Name of related party	Sri. P R Suresh IFS
Period of Service	1.4.2019 to 31.3.2020
Rendering of Service	Salary - ₹1699384.00

Disclosure as per AS 20

48. a). Earnings Per Share

	Current year	Previous year
	₹	₹
Net profit	-60961607.90	4746913.84
Weighted average No. of share	919535	919535
Earnings Per share	-66.30	5.16
Nominal value of share	100	100

b). Rights, Preferences and restriction attached to shares

The Company has only one class of equity share having face value of Rs. 100/- each. Every share holder is eligible for one vote per share held.

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



Annexure I

Scheme Fund

1-Apr-2019 to 31-Mar-2020

Particulars	Scheme Fund	
	1-Apr-2019 to 31-Mar-2020	
	Closing Balance	
	Debit	Credit
Kerala Road Fund Board	111603.00	
Choondapana Plantations	7369.00	
KLD Board		4110.00
National Afforestation		486000.00
Fund for Protective Works-Idukki Dam		161618.00
State Horti Mission	39886.00	
Cashew (KSACC)		280872.00
Western Ghat Development Project (2012-13)	7493490.14	7563053.14
Western Ghat Development Project-2013-14	5063306.86	5063306.86
Western Ghat Development Project-2014-15	7500000.00	7500000.00
Grand Total	20215655.00	21058960.00

“For and on behalf of Board of Directors”

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Company Secretary

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PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

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SABU GEORGE
Chairman
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For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
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Annexure II

Ecotourism Project in Areas of Forest Department

1-Apr-2019 to 31-Mar-2020

Particulars	Ecotourism Project in Areas of Forest Department	
	1-Apr-2019 to 31-Mar-2020	
	Closing Balance	
	Debit	Credit
Gandhi Smrithivanam Project		352086.00
Gavi Ecotourism Project		229669.00
Kambamala Tourism Project		264668.00
Kochupamba Ecotourism Project		230834.00
Sabarijalam Project		4246102.00
Grand Total		5323359.00

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
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Chairman
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For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
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Annexure III

Advance From Customers

1-Apr-2019 to 31-Mar-2020

Particulars	Advance From Customers			
	1-Apr-2019 to 31-Mar-2020			
	Opening Balance	Transactions		Closing Balance
Debit		Credit		
Guruvayoor Devaswom	223499.00 Cr			223499.00 Cr
Credit Balance at Debtors	10468522.86 Cr	10441272.86	7982815.86	8010065.86 Cr
Grand Total	10692021.86 Cr	10441272.86	7982815.86	8233564.86 Cr

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

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Managing Director
DIN : 08511874

Sd/-
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Chairman
DIN : 07922330

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Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



Annexure IV

Other Liabilities

1-Apr-2019 to 31-Mar-2020

Particulars	Opening Balance	Transactions		Closing Balance
		Debit	Credit	
Audit Fee Payable	180000.00 Cr	165000.00		15000.00 Cr
Gratuity Payable	5793104.00 Cr	9113223.00	9113223.00	5793104.00 Cr
Pay Revision Arrear-2006 Payable	400431.00 Cr			400431.00 Cr
Govt.Account-Forest Development Tax	1330802.46 Cr			1330802.46 Cr
SSY Scholarship Payable	70800.00 Cr			70800.00 Cr
Ecotourism Advance		24727126.98	25956462.00	1229335.02 Cr
Recoveries to Be Remitted	218592.05 Cr	1074232.00	985060.00	129420.05 Cr
House Rent Recovery-Dept	8213.00 Cr			8213.00 Cr
Surcharge on ST	650.00 Dr			650.00 Dr
Chief Ministers Relief Fund	93582.00 Cr		21600.00	115182.00 Cr
Bank Recovery	98735.05 Cr	1056680.00	962780.00	4835.05 Cr
Miscellaneous Recovery	18712.00 Cr	17552.00	680.00	1840.00 Cr
Lease Rent Payable	13542352.52 Cr	14892350.52	1349998.00	
Deductions to Be Remitted	330182.21 Cr	13988354.00	14028889.00	370717.21 Cr
C G E -Group Insurance Scheme	25500.00 Cr	310400.00	309900.00	25000.00 Cr
General Provident Fund	29600.00 Cr	395533.00	360177.00	5756.00 Dr
State Life Insurance	46140.00 Cr	545340.00	546520.00	47320.00 Cr
LIC-Staff	31331.00 Cr	499065.00	516211.00	48477.00 Cr
LIC - Workers	68250.64 Cr	1048334.00	1152800.00	172716.64 Cr
Social Security Scheme	33787.17 Dr	89800.00	89400.00	34187.17 Dr
PAIS		36400.00	36000.00	400.00 Dr
Labour Welfare Fund	22725.00 Cr	5488.00	5274.00	22511.00 Cr
E.P.F.(Deduction-12%)	140422.74 Cr	11057994.00	11012607.00	95035.74 Cr
Duties and Taxes	5203274.02 Cr	9557457.29	5496972.75	1142789.48 Cr
Income Tax -Employees	138967.00 Cr	976211.00	1166716.00	329472.00 Cr
Profession Tax	4370.00 Cr	65750.00	67000.00	5620.00 Cr



TDS Demands of Income Tax Employees by IT Dept.	398348.00 Cr			398348.00 Cr
TDS Under Goods and Service Tax	56434.00 Cr	56434.00		
VAT on Civil Work Contract	17916.00 Cr			17916.00 Cr
Income Tax Deduction at Source-Contractors	34258.00 Cr	240720.00	215064.00	8602.00 Cr
Income Tax Collection at Source-Contractors	230047.05 Cr	1214583.14	988352.40	3816.31 Cr
CGST (Goods and Service Tax)	496266.75 Cr	1215889.14	725094.30	5471.91 Cr
IGST (Goods and Service Tax)	3330400.47 Cr	4585844.26	1623515.14	368071.35 Cr
SGST (Goods and Service Tax)	496266.75 Cr	1215889.14	725094.30	5471.91 Cr
Liabilities for Expenses	24941594.96 Cr	52905369.46	62480351.30	34516576.80 Cr
Bonus Payable	3650727.00 Cr	3644000.00	3692273.00	3699000.00 Cr
Dividend Payable	1839070.00 Cr			1839070.00 Cr
Dividend Tax Payable	326507.00 Cr			326507.00 Cr
CPF Payable	1466880.00 Cr	1466880.00	1409473.00	1409473.00 Cr
Liability for Expense	17473382.96 Cr	6997286.46	16672089.30	27148185.80 Cr
Expenses on WGDP (Payable)	1646.00 Cr			1646.00 Cr
Salary Payable	183382.00 Cr	39447205.00	39356518.00	92695.00 Cr
Lease Rent Payable	13542352.52 Cr	14892350.52	1349998.00	
Grand Total	52011133.22 Cr	126423113.25	119410956.05	45017678.27 Cr

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

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PRAKRITI SRIVASTAVA IFS
Managing Director
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SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



Annexure V

Other Advances

1-Apr-2019 to 31-Mar-2020

Particulars	Other Advances	
	1-Apr-2019 to 31-Mar-2020	
	Closing Balance	
	Debit	Credit
Amount to Be Recovered From Tsunami Relief Fund	27383.00	
Leave Salary Recoverable From Govt.	129280.68	
Advance for Lease Rent	2407127.18	
Amount Recoverable From Central Govt.		2821.50
Baburajan.K	7000.00	
Govt. A/c.-Treasury	5860.00	
Jayarajan.V.V	4750.00	
Mohanam.P.N (Manager)		615.00
Other Advances	114.00	
Security Deposit With KSEB	3020.00	
Narayanan PV (Manager)	2185.00	
Festival Advance to Workers	46028.92	
T A Advance	89389.13	
Other Advance	9259.90	
Security Deposit (Dr.)	747111.00	
Part Payment	23967.00	
Suspense Account	239.00	
Grand Total	3502714.81	3436.50

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
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Managing Director
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Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



Annexure VI

Direct Expenses

Group Summary
1-Apr-2019 to 31-Mar-2020

Particulars	1-Apr-2019 to 31-Mar-2020	
	Closing Balance	
	Debit	Credit
Matty/Cashew(WIP)	167923.00	
3rd Yr. Maint. - Matty & Cashew 2017pltn.	167923.00	
Cashew- Maintenance	667713.00	
Matty (WIP)	212122.00	
Matty 3rd Yr Maintenance	71066.00	
Matty Nursery 2018-19	27564.00	
Second Year Maintanance of Matty	113492.00	
Nelliampathy Expenditure	4507348.46	
Sandal Oil Factory Expenditure	613787.34	
Sandal(WIP)	621363.00	
2009 Red Sandal Maintanance	452437.00	
Sandal-2011	21404.00	
Sandal Nursery	11660.00	
Sandal-2010	135862.00	
Accacia (WIP)	267657.00	
Acacia Cracicarpa 3rd Year Maint.	36543.00	
Accacia Auriculiformis-3rd Year Maint:	231114.00	
Teak (WIP)	1735441.00	
Pulling Out Seedlings & Preparation of Stumps	19200.00	
Teak-2019	677785.00	
Teak Pltn - Engaging Mazdoor	122605.00	
Teak - 5th Year Maintenance	60700.00	
Teak Thinning	855151.00	
Seedlings (Exp)	6655.00	
Teak Seedlings	6655.00	
Survey & Marking	106910.33	
Wood Crops(Expenses)	565896.27	
Bamboo 2nd Year Maintenance	35051.27	
Bamboo- 5th Year Maintenance	107148.00	
Teak Extraction 2018-19	423697.00	
Cash Crops (Exp.)	24631478.09	
4th Year Maintenance of Tea	14394682.61	
Cardamom Maintenance	1533405.38	
Clove Maintenance	3642.00	
Coconut Maintenance	85059.00	
Cofee Nursery	21383.26	
Coffee Incentive	4457.00	
Coffee Nursery	13988.44	



Harvesting and Processing Exp.(Coffee)	279057.58	
Harvesting & Processing Arecanut	7834.00	
Harvesting & Processing Coconut	22133.00	
Harvesting & Processing Coffee	384350.55	
Harvesting & Processing Pepper	11486.00	
Harvesting & Processing Rubber	585639.25	
Rubber - 2011	7444.00	
Rubber Maintenance	708683.66	
Harvesting & Processing Cardamom	649247.07	
Cardamom Nursery	57529.98	
Cardamom-Planting & 1st Year Maint:	47070.66	
Cardamom-STA	2185265.71	
Cardamom-Stores	1790306.70	
Coffee Maintenance	1695775.24	
Coffee-Stores	9635.00	
Pepper Maintenance	133402.00	
Eucalyptus (WIP)	676458.94	
Eucaly Pelletta-2017	7050.00	
Eucaly Pellita- 2017	10013.00	
Eucalyptus Coppice Maintenance	42382.00	
Eucalyptus Nursery	3.00	
Eucalyptus-2nd Year Maintenance	98715.94	
Eucalyptus-3rd Year Maintenance	518295.00	
Fertilizers	12118.30	
Power Fencing-KFDC Pln.	21550.00	
Plantation, Upkeep, Harvesting	27152126.57	
Central Nursery Maintenance	10727.00	
Cross Cutting & Desapping-Rosewood Tree	8787.00	
General Maintenance	55311.42	
Upkeeping Central Nursery	90326.00	
Leave With Wages	870611.00	
Enumeration Expenses	372636.09	
Wages to Permanent Workers	15394599.00	
Fire Protection Expenses	9476883.06	
Wages to Casual Workers	872246.00	
Grand Total	61966548.30	

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



Annexure VII

Indirect Expenses

Group Summary
1-Apr-2019 to 31-Mar-2020

Particulars	Closing Balance	
	Debit	Credit
Group Gratuity-Cum-Life Assurance Scheme	5751457.00	
Interest on Over Draft	209706.44	
Remuneration to Auditors	175000.00	
Depreciation on Development of Property	2021442.05	
Pay and Allowances-M.D.	1656475.00	
TA to MD	42909.00	
T A to Directors	107277.43	
Honorarium to Chairman	240000.00	
Income Tax (Company)	6133.00	
Medical and Hospital Facilities to Workers	83780.14	
Rates & Taxes -Vehicle	10920.00	
Board Meeting Exp.	32855.16	
Collection Charge of Black Dammar	38353.00	
Collection Charge of Small Honey	9800.00	
Debit Card Charge	18974.54	
Eco-Tourism (Catering Expenses)	53000.00	
Eco-Tourism (Catering Expenses-Gavi Eco)	2899539.34	
Eco-Tourism (Catering Expenses-Kochu Pamba Eco)	69992.80	
Eco Tourism Catering Service	5100.00	
Ecotourism Catering Service Expenses	1090362.34	
Eco-Tourism (Exp-Gavi Eco)	7550632.89	
Eco-Tourism (Exp-Kallar)	92939.16	
Eco-Tourism (Exp-Kochu Pamba Eco)	805743.77	
Eco-Tourism (Exp-Vagamon)	3175574.91	
Electricity\Water Charges	15719.00	
Finance Charges	1434537.51	
Garden Maintenance (Ecotourism)	4116.00	
Loose Tools - Stores and Spares	29200.00	
Medical Leave Wages to Workers	360795.00	
Purchase of Drinking Water	54000.00	
Purchase of Icecream	31055.50	
Purchase of Softdrinks	15843.90	
R&M Computer	3644.06	
Round Off		1140.14
Sandal Wood Purchase	1491568.00	
Solar Fencing - Nelliampathy Ecotourism	39306.00	
Sports Expenses	30467.64	
TAC	242051.00	
TAC - DRIVER	144415.99	
Trade Fair--Expenses	19800.00	
Vehicle Tax	8080.00	
Audit Expenses	866.00	
Professional Fees/Legal Charges	368340.00	



Insurance -Vehicles	340532.00	
Diary	127000.00	
Depreciation	3478311.64	
Rates & Taxes-Buildings	132844.00	
Collection Charge of Honey	320000.00	
Floriculture (Exp)	2964421.62	
Wages to Casual Sweeper	352000.00	
Contribution to LWF	7340.00	
Electricity/water Charges	21643.00	
Water Charges	3624.00	
Gratuity Expenses	7807935.00	
Medical Facility to Staff & Workers	251880.50	
Rent of Building	717650.00	
Sales Commission	6774.00	
Rates, Taxes and Registration	100489.00	
Electricity Charges	541972.00	
Contribution to PF	8762801.00	
Weather Protection Expenses	291536.33	
Computer Software Dev. Exp.	442743.44	
Bonus and Festival Allowance to Staff	258340.00	
Bank Charges	268185.27	
Lease Rent	1370132.00	
R&M -Buildings	212074.06	
R & M - Vehicles	2893803.29	
R&M -Plant and Machinery	19726.78	
Wages to D R E Employees	1736237.00	
Postage	57760.30	
Telephone Charges	357768.72	
Advertisement Charges	493148.94	
Eco-Tourism (Exp)	4663910.72	
Leave Salary	6050759.00	
R&M -Others	263375.29	
Printing and Stationery	280731.81	
Books and Periodicals	49819.00	
Travelling Expenses	372553.00	
Office and Misc. Expenses	512111.29	
Bonus and Festival Allowance to Workers	3285893.00	
Rounded Off		2212.04
Salaries and Allowances	46824582.00	
Welfare Expenses to Staff & Workers	2095430.58	
Grand Total	129179613.15	3352.18

“For and on behalf of Board of Directors”

Sd/-
ALMA M.S
Company Secretary

Sd/-
PRAKRITI SRIVASTAVA IFS
Managing Director
DIN : 08511874

Sd/-
SABU GEORGE
Chairman
DIN : 07922330

Sd/-
For M.J.Thomas & CO
Chartered Accountants
Juan Thomas M., Partner (M.N.214091)
FRN : 004409s



सत्यमेव जयते

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 FOREST DEVELOPMENT CORPORATION LIMITED, KOTTAYAM FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of **Kerala Forest Development Corporation Limited, Kottayam** for the year ended **31 March 2020** 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 **30 November 2021**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Kerala Forest Development Corporation Limited, Kottayam** for the year ended **31 March 2020** under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

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

I. COMMENTS ON PROFITABILITY

Statement of Profit and Loss for the year ended 31 March 2020

IV. Expenses

Plantation, Upkeep, Harvesting (Note 18)

Harvesting & Upkeeping ₹1,08,64,169.68

1. The Company had created a Forest Development Reserve by collecting Forest Development Tariff (FDT) to be utilised for research and developmental activities (Note 31). FDT was later renamed (May 2007) as Regeneration Charge and the company decided



to utilise the entire amount already collected as FDT for tree plantation activities including fire protection expenses. The Company has disclosed the policy regarding utilisation of Regeneration Reserve in the Significant accounting policies- Item No-1.G. The Company had followed the same accounting policy during the earlier years 2017-18 and 2018-19 and accordingly, the fire protection expenses were deducted from the regeneration charges accumulated in Capital Reserve. During the current year, the Company charged entire Fire Protection Expenses amounting to ₹94,76,883/- in the Statement of Profit & Loss under the head -Harvesting & Upkeeping, though there was a balance of ₹29,77,440/- under Regeneration Reserve. This has resulted in overstatement of Loss for the year by ₹29.77 lakh with corresponding overstatement of Regeneration Reserve.

II. COMMENTS ON FINANCIAL POSITION

Balance Sheet as at 31 March 2020

Equity & Liabilities

Non-current Liabilities

b. Other long-term liabilities (Note 5)

Balance in fund received for Projects

Scheme fund (Annexure 1) ₹ 8,43,305/-

2. The above amount was arrived at after netting off ₹2,02,15,655/- being the receivables against the following six schemes:

Sl No	Name of Institution/ Scheme	Amount (₹)
1.	Kerala Road Fund Board	111603
2.	Choondapana Plantations	7369
3.	State Horti Mission	39886
4.	Western Ghat Development Project (2012-13)	7493490.14
5.	Western Ghat Development Project (2013-14)	5063306.86
6.	Western Ghat Development Project (2014-15)	7500000
	Total	20215655

This has resulted in understatement of Scheme Fund by ₹202.16 lakh with corresponding understatement of Current Assets.

For and on behalf of The Comptroller & Auditor General of India


Dr. BIJU JACOB

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

Thrissur

Dated: 10.05.2022



GOVERNMENT OF KERALA

Abstract

Finance Department- Annual Accounts of Public Sector Undertakings-
Discontinue the existing practice of offering Comments by Finance Secretary
- Orders issued

FINANCE (PUBLIC UNDERTAKING -A) DEPARTMENT

G.O.(Ms)No. 505/2018/FIN

Dated, Thiruvananthapuram, 24/12/2018

Read :- 1. Circular.No. 38/2015/Fin dated 30.03.2015
2. Companies Act, 2013.

ORDER

The Annual Accounts of Public Sector Undertakings are now forwarded to Finance Department for obtaining the comments of Finance Secretary. In the circular read above, Public Sector Undertakings were directed to furnish certain required details while forwarding their Annual Accounts for the comments of Finance Secretary. However this process is not mandatory as per Companies Act, 2013.

Government have examined the matter in detail and are pleased to discontinue the practice of offering comments by the Finance Secretary on the Annual Accounts of Public Sector Undertakings. All other instructions issued in circular read above should be complied with while submitting the Annual Accounts to Finance Department.

By order of the Governor,
DR. SHARMILA MARY JOSEPH IAS
SECRETARY (FINANCE EXPENDITURE)



The Principal Accountant General (Civil & Commercial Audit), Kerala,
Thiruvananthapuram.
The Principal Accountant General (Audit & Entitlement), Kerala,
Thiruvananthapuram.
The Accountant General (E&RSA), Kerala, Thiruvananthapuram.
All Principal Secretaries/Secretaries/Special Secretaries to Government
Chief Executive Officers/Managing Directors of all Public Sector Undertakings
Planning & Economic Affairs (BPE) Department
Parliamentary Affairs Department
Nodal Officer WWW.Finance.Kerala.gov.in .
Stock file/Office copy

Forwarded/by order

Section Officer



Note



Note