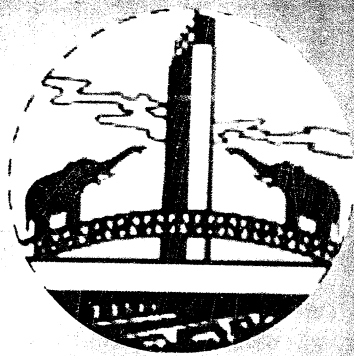


**KERALA STATE CONSTRUCTION CORPORATION LIMITED**



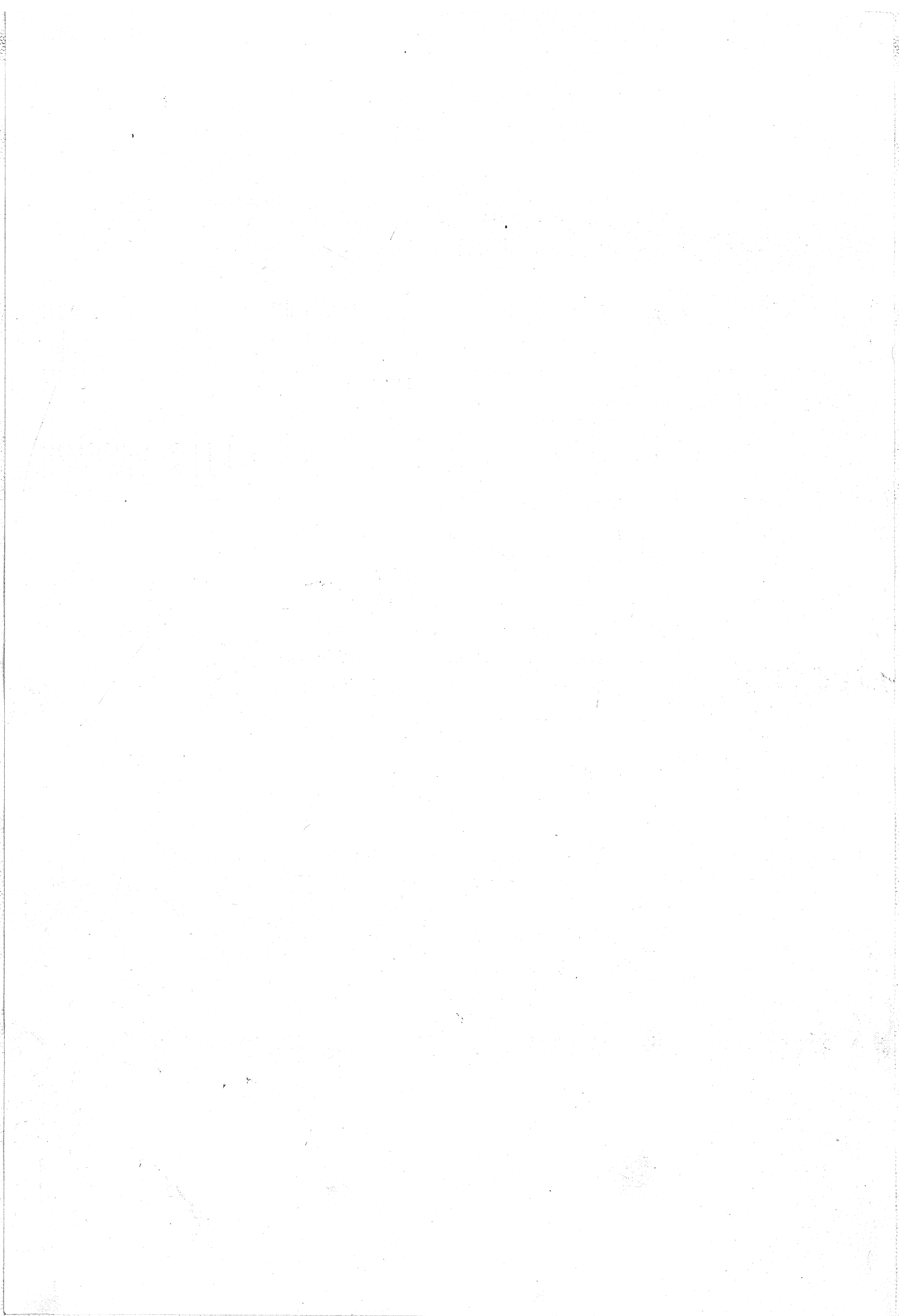
**(GOVERNMENT OF KERALA UNDERTAKING)**

**42<sup>nd</sup> ANNUAL REPORT**  
**2016-2017**



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**KERALA STATE CONSTRUCTION CORPORATION LIMITED**  
(A Government of Kerala Undertaking)

**BOARD OF DIRECTORS**

**CHAIRMAN**

**Shri. G.SUDHAKARAN,**  
Minister for Public works  
and Registration

**VICE CHAIRMAN**

**Shri. RAJESH KUMAR SINGH IAS**  
The Principal Secretary to Govt.  
Public Works Department

**MANAGING DIRECTOR**

**Shri. DEEPU.S**  
Superintending Engineer PWD

**DIRECTORS**

**Smt. DARLIN CARMALITA D'CRUZ**  
Chief Engineer , KSTP  
**Shri. K.A. JOSHY**  
Chief Engineer, Kerala Irrigation Department  
**Smt. SOBHA V.R.**  
Joint Secretary (Finance Department)

**AUDITORS**

**M/s JVR & ASSOCIATES**  
Chartered Accountants  
39/2790A, Wilmont Park Business Centre,  
Near St.George's Church, Pallimukku  
Kochi – 682 016. Ph No. 0484 2355314

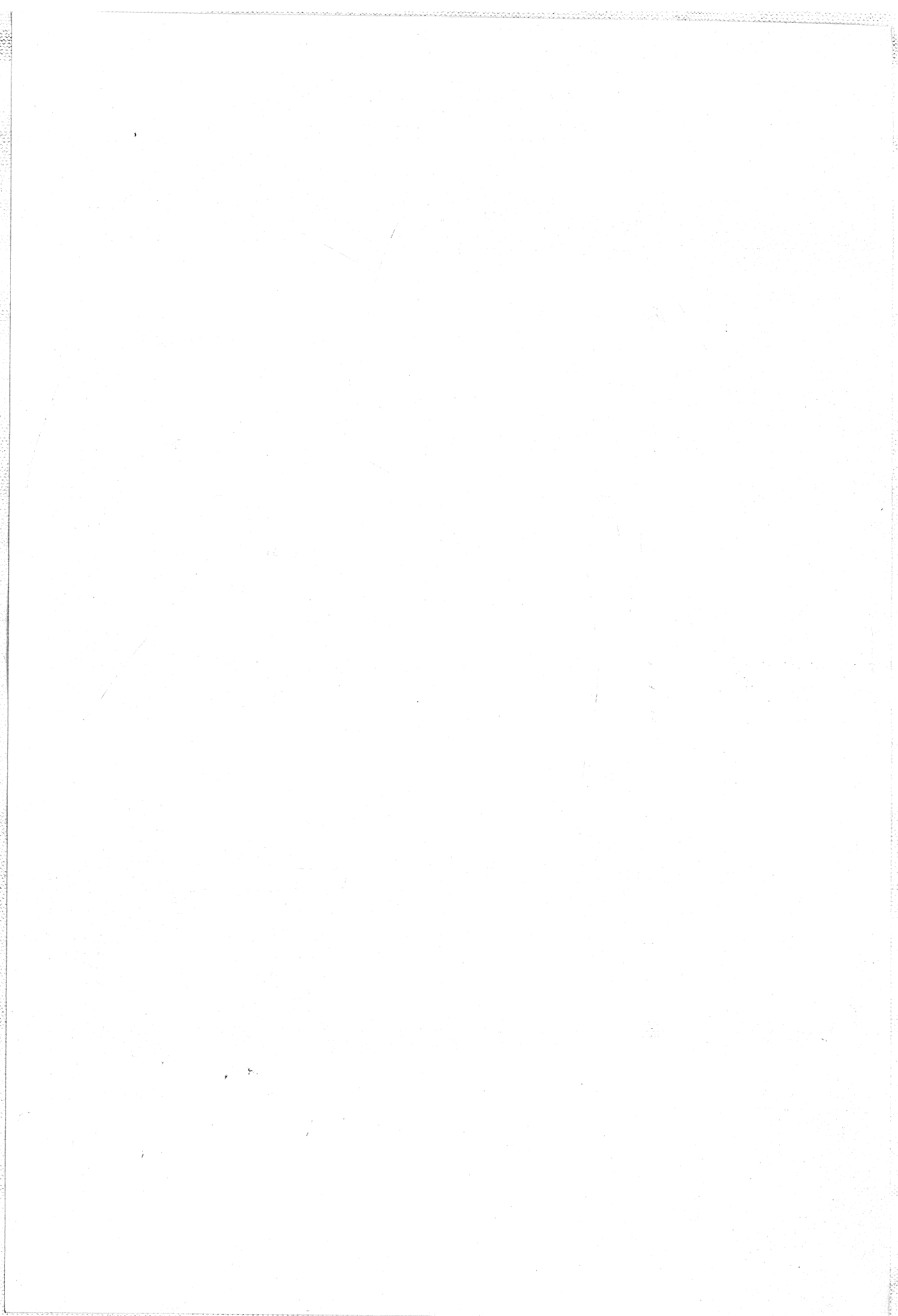
**REGISTERED OFFICE**

**OLD PWD DISTRICT STORE COMPOUND**

NEAR BSNL OFFICE,  
P.M.G. JUNCTION,  
THIRUVANANTHAPURAM – 695 033  
Ph. NO. 0471- 2306139

**ADMINISTRATIVE OFFICE**

C.C. 30/1521-A, BAY UNDER,  
THE BRIDGE  
NORTHERN SIDE OF RAILWAY  
PONNURUNNY, VYTTILA, KOCHI – 682019  
Fax no. (0484)2339953  
Ph. No. (0484) 4037529



**KERALA STATE CONSTRUCTION CORPORATION LIMITED**

(A Government of Kerala Undertaking)

CIN: 14520IKL1975GC002681

Administrative Office  
Door No JO/1521-A,  
Bay under the Bridge  
Northern side of Railway  
Ponnurunny, Vyttila- 682019  
Tele Fax: 0484 2339953  
Mail: info @ kscc.in  
Web: www.kscc.in  
No.CC/E2/AGM/83/Vol.VIII/



Registered Office  
Old PWD Store Compound  
Near BSNL Office  
PMG Junction, Vikas Bhavan PO  
Thiruvananthapuram  
Kerala - 695033  
Ph/Fax: 0471 2306139/2302881  
E -mail: ksccgmtvm@gmail.com

15.08.2017

**NOTICE OF THE 42nd ANNUAL GENERAL MEETING**

Notice is hereby given that the 42<sup>nd</sup> Annual General Meeting of the shareholders of Kerala State Construction Corporation Limited will be held on 08.09.2017 at 12.30 PM in the Chamber of the Special Secretary to Govt, Public Works Department. (Chairman, Kerala State Construction Corporation Limited) to transact the following business.

**ORDINARY BUSINESS**

To consider the Audited Profit and Loss Account of the Company for the financial year ended on 31.03.2017, Balance Sheet as on that date together with schedules therein, notes thereon and forming part of them, Directors' report to the share holders, report of the auditors on the accounts, comments of Comptroller and Auditor General of Kerala on the accounts of 2016-17 and replies therein as Addendum and Annexure to Directors' report.

Thiruvananthapuram  
15.08.2017

By order of the Board  
Sd/-  
SECRETARY

Note:

A member entitled to attend the meeting can appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The proxy form should be furnished to the Registered Office of the Company before 48 hours of the meeting.

To

1. Shri. Biju Prabhakar IAS (Chairman, KSCC)
2. Shri. P. G. Suresh, Managing Director, KSCC Ltd. Ernakulam
3. Shri. Selvarajan, Jr. Secretary to Govt., Public Works Dept. (Representative of Governor,
4. The Statutory Auditors, M/s JVR Associates, Chartered Accountant, 39/2790 A, Will Mont Park Business Centre, Near St. Georges Church, Pallimukku, Cochin - 16

**KERALA STATE CONSTRUCTION CORPORATION LIMITED**  
(A Government of Kerala Undertaking)  
CIN: 14520IKL1975GC002681

Administrative Office  
Door No JO/1521-A,  
Bay under the Bridge  
Northern side of Railway  
Ponnurunny, Vyttila- 682019  
Tele Fax: 0484 2339953  
Mail: info @ kscc.in  
Web: www.kscc.in  
No.CC/Rg/TVM/AGM/19/



Registered Office  
Old PWD Store Compound  
Near BSNL Office  
PMG Junction, Vikas Bhavan PO  
Thiruvananthapuram  
Kerala - 695033  
Ph/Fax: 0471 2306139/2302881  
E -mail: ksccgmtvm@gmail.com

21.10.2019

**NOTICE OF THE ADJOURNED 42<sup>nd</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Adjourned 42<sup>nd</sup> Annual General Meeting of the shareholders of Kerala State Construction Corporation Limited will be held on 6th of November 2019 at 12 Noon in the Chamber of the Hon'ble Minister for Public Works, Thiruvananthapuram. (Chairman, Kerala State Construction Corporation Limited) to transact the following business.

**Ordinary Business**

To consider the Audited Profit and Loss Account of the Company for the financial year ended on 31.03.2017. Balance Sheet as on that date together with schedules therein, notes thereon and forming part of them, Directors' report to the share holders, report of the auditors on the accounts, comments of Comptroller and Auditor General on the accounts of 2016-17 and replies therein as Addendum and Annexure to Directors' report.

Thiruvananthapuram  
21.10.2019

By order of the Board  
Sd/-  
SECRETARY

Note:

A member entitled to attend the meeting can appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The proxy form should be furnished to the Registered Office of the Company before 48 hours of the meeting.

To

Shri. Deepu S  
Managing Director  
Kerala State Construction Corporation Ltd.

# KERALA STATE CONSTRUCTION CORPORATION LTD

## DIRECTORS REPORT-2016-17

To

The Share holders of Kerala State Construction Corporation Limited.

1. Your Directors have the privilege to present the 42<sup>nd</sup> Annual report on the working of KSCC for the financial year ended 31.3.2017, the date up to which the accounts of the Company have been audited.
2. Your Company's turnover during 2016-17 was ₹ 51506.91 lakh compared to the turnover of ₹ 62921.41 lakh for 2015-16. The net profit of the Company before provision for tax for the year 2016-17 is ₹ 2581.78 lakh. The provision for taxation is ₹ 1343.74 lakh. The net profit after provision for tax is ₹ 1503.56 lakh. The net surplus is ₹ 4780.60 lakh during the year 2016-17.

### 3. ANALYSIS OF INCOME/PROFIT

(₹ in lakh)

<i>Income</i>	<b>2016-17</b>	<b>2015-16</b>
Contract Receipts	51348.79	62717.49
Consultancy Charges	158.12	203.93
Other Incomes	635.08	953.46
Total Revenue	52141.99	63874.87
<i>Less Expenditure</i>		
Contract Expenses	48517.68	59282.15
Employee benefits	894.78	1056.32
Other Expenses	104.24	245.97
Profit before interest/depreciation	2625.28	3290.43
Less Financial costs	81.59	228.16
Less Depreciation and amortization expenses	15.11	19.29
Profit before Exceptional and extraordinary items and tax	2528.58	-
Add Excess Provision for Tax Reversed	53.21	-
Profit before Tax	2581.79	3042.98
Less Tax Expenses	1078.23	1270.25
<i>Net Profit</i>	<b>1503.56</b>	<b>1772.74</b>

## **REVIEW OF THE FUNCTIONING OF THE CORPORATION**

### **4. STATE OF AFFAIRS**

- 1) The Company is engaged in the Business of Construction. There has been no change in the business of the Company during the financial year ended 31<sup>st</sup> March, 2018.
- 2) There has been no change in the business of the Company during the financial year ended 31<sup>st</sup> March, 2018.

### **5. WEB LINK OF ANNUAL RETURN**

The Company is having website i.e [www.kscc.in](http://www.kscc.in) and annual return of Company has been published on such website.

### **6. CAPITAL.**

The authorised capital of the company is ₹ 200 lakh. The paid up capital is only ₹ 87.50 lakh.

### **7. WORKING CAPITAL**

#### **7.1 LOANS**

Loan assistance provided so far by Government is ₹ 205 lakh.

#### **7.2 MOBILISATION ADVANCE**

The unadjusted advance received from contractees towards works, as on 31.3.2017 is 3659.96 lakh against ₹ 7372.75 lakh for the previous year. This will be progressively adjusted from part/final bills.

### **8. RESERVES & PROVISIONS**

	(₹ in lakh)
1 Provision for Employee Benefit	673.04
2. Provision for bad & doubtful debts, advances and deposits.	305.97

### **9. GUARANTEES**

The State Bank of Travancore guaranteed an amount of ₹210 lakh to Projects and Equipment Corporation of India Ltd, New Delhi in 1981 towards Bridging finance provided in Libya. The guarantee was invoked for ₹162 lakh and the bank in turn invoked the counter guarantees in 1984. The Delhi High Court passed an attachment order against the bank for an amount of ₹55.57 crore with 18% interest. Both SBT and PEC being public sector undertakings, the court suggested that notwithstanding the merit of rival contentions, to explore the possibility of a settlement. Accordingly, an amount of ₹15 crore was paid by the Bank to PEC in full and final settlement. SBT requested your company to reimburse an amount of ₹15,10,34,440 with interest at the rate of 17.5% per annum which is disputed on the ground that SBT had by its own Commission and Omission brought on itself the huge financial burden and the corporation is in no way liable for the same. SBT approached the Debt Recovery Tribunal, against your company



demanding realization of an amount of ₹17.25 Crore plus interest @ 17.25% from 20.01.2005 till the date of payment. Our Company had filed an application by IA : 2037/07 to implead the Project & Equipment Corporation Ltd., as an additional defendant and this was allowed by the Debt Recovery Tribunal by order dated 16.06.2008. M/S PEC have filed an application by IA No: 2445/2009 to set aside the order to implead them in this case. The Hon'ble high court ordered to hear the Project & Equipment Corporation by the Debt Recovery Tribunal within six months from 30.06.2013 on petition filed by PEC before the Hon'ble High Court of Kerala. The DRT issued orders allowing the petitions for not impleading the PEC with case. The Corporation had filed an appeal before the Debt Recovery Appellate Tribunal, Chennai against the order. At present the case is pending before the Debt Recovery Tribunal, Ernakulam and appeal before DRT, Appellate Authority Chennai.

There is an arbitration case between PEC and the Company. An interim award on the arbitration, which was favorable to the company, has been challenged by PEC and was before the Delhi High court. We have also approached the Hon.ble High Court, Delhi for converting the award into a rule of court. By suit No: 1925/1994, Hon.ble High Court pronounced the judgments in 07.04.2008 against which we have filed an appeal in the Division Bench of the Hon.ble High Court of New Delhi. The appeal filed is against the finding of the Hon.ble High Court, New Delhi as per judgment dated 07.04.2008 that "All rights and contentions of the parties on the merits of the dispute on which the Arbitrators have not pronounced their findings are hereby reserved and kept open". The appeal was heard and judgment was pronounced by the Division Bench in October 2012. As per the judgment the Court directed to adjudicate the claim of both PEC & KSCC afresh. As both the parties have agreed, the Hon'ble Court appointed an Arbitrator and the hearing is going on and the last hearing was on 7.1.2016. In the hearing held on 7.1.2016, the arbitrator suggested for a mutual discussion of both the parties for an amicable settlement which is going on. 1st conciliation meeting were held at PEC head office, Delhi on 08.02.2016 and 2nd meeting on 14.03.2016. The Company is of the view that no amount is due to the PEC and therefore invocation of the Bank guarantee from SBT was unjustified. Your company has contested the claim of bank guarantee amount of ₹ 15 Crores received by PEC to be returned to KSCC for which PEC has taken a negative approach. Both the parties has decided to take up this said issue regarding bank guarantee with their respective managements the 3rd meeting scheduled on 3rd week of April 2016. A tripartite meeting is proposed to convene, which is not yet being held.

#### **10. WORKS (including post report period)**

10.1. A list of works under execution is annexed as Annexure – A

10.2. The Company was participating in tenders floated by various agencies for construction of buildings, roads, bridges, consultancy service etc., as per G.O. (P) No. 14/2015/Fin dated 13.01.2015 the 10% Price Preference enjoyed by KSCC has been limited to those works which are directly executed by KSCC. The High Court of Kerala in W.A. No. 2142

of 2012 in WP (C) 10699/2012 dated 03.07.2015 has ordered that pre-qualification for all works sanctioned as per Government Order dated 12.02.1992 is restricted to those works which are directly executed by KSCC. Based on the above two orders the company is unable to participate in tenders floated by PWD and other client departments. Now the Corporation is acting as special purpose vehicle (SPV) for the implementation of works of SC/ST Department, Registration and Home Department funded by KIIFB. As a Government approved accredited agency, KSCC is also taking up works of various Department, such as SC/ST Department NHM, etc.

## **11 BOARD OF DIRECTORS, COMMITTEES AND ITS MEETINGS**

### **11.1. Board of Directors (Present Composition)**

Shri.G.Sudhakaran, Minister for Public Works and Registration & Chairman (from 31.03.2018)

Shri. G. Kamala Vardhana Rao, IAS, Principal Secretary to Government, P.W.D & Vice Chairman (from 03.10.2017 to 01.11.2019). Shri. Rajesh Kumar Singh IAS, Principal Secretary to Government, P.W.D & Vice Chairman (from 2.11.2019.)

Shri. Deepu.S, Superintending Engineer, PWD, Managing Director (from 25.11.2018)

Smt. Darlin Carmalita D'Cruz, Chief Engineer KSTP (from 06.09.2019)

Sri. K.A.Joshy Chief Engineer Kerala Irrigation Department (from 06.09.2019)

Smt. Sobha V.R Joint Secretary (Finance Dept.) (06.09.2019).

#### **11.1.1 MEETINGS OF BOARD OF DIRECTORS**

Four numbers of Board Meetings were held during the period under report.

### **11.2 Committees**

#### **11.2.1. Audit committee(Present Composition):**

(i) Smt. Darlin Carmalita D'Cruz, Chief Engineer, KSTP

(ii) Smt. Sobha V.R - Joint. Secretary (Finance. Dept)

(iii) Shri. Deepu. S, Superintending Engineer - PWD, Managing Director

#### **11.2.2 CSR Committee (Present Composition):**

1. Shri. Deepu. S, Managing Director, Chairman

2. Smt. Sobha V. R, Director, Member

## **12. TOTAL NUMBER OF EMPLOYEES**

Total number of Employees as on 31.3.2017 was 136 , breakup of which is as follows:-

Particulars	Technical	Non-Technical	On Long Leave	On Deputation to other departments	Total
Regular	28	44	2	2	76
On Deputation to KSCC	8	3	0	0	11
On Contract & Daily wages, Time scale	34	15	0	0	49
<b>Total</b>	<b>70</b>	<b>62</b>	<b>2</b>	<b>2</b>	<b>136</b>

### **13. DIVIDEND AND TRANSFER TO RESERVES**

The company does not propose to declare any dividend. Also no amount is transferred to Reserves.

### **14. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

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

### **15. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the company during the financial year ending 31.03.2017.

### **16. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review, there were no significant or material Orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operations in future.

### **17. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

The company has no subsidiary, associate or has not entered into any joint venture during the year and hence, the company is not required to disclose any information.

### **18. DEPOSITS**

The company has not accepted any deposits and as such no amount of principal or interest was outstanding on the date of the Balance Sheet.

### **19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

During the year under review, the company has not granted any loan, guarantee or made any investment coming within the purview of Section 186 of the Companies Act, 2013.

### **20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, the company has not entered into any contract or arrangements with related parties attracting the provisions of section 188(1) of the Companies Act, 2013 and hence information to be furnished in Form AOC-2 is not provided. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

## **21. MANAGERIAL REMUNERATION**

There are no directors, key managerial personnel or other employees who are in receipt of remuneration exceeding the limits prescribed under section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **22. CONSERVATION OF ENERGY/ TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The disclosure requirements as to the conservation of energy and technology absorption as per Section 134 (m) of the companies Act 2013 are not applicable to the Company.

Total Foreign Exchanges earned : NIL

Total Foreign Exchanges used : NIL

## **23. CORPORATE SOCIAL RESPONSIBILITY.**

The Annual Report on Corporate Social Responsibility (CSR) pursuant to Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as Annexure B and forms part of the Directors' Report.

## **24. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return of the company in Form MGT-9 is attached as Annexure C and forms part of the Directors' Report.

## **25. DIRECTORS RESPONSIBILITY STATEMENT**

In terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors hereby state and confirm that—

- (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;
- (e) the directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively; and
- (f) 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.

## **26. AUDITORS**

We place on record our appreciation for the service rendered by M/s.JVR & Associates Chartered Accountants 39/2790A, Wilmont Park Business Centre, Near St.George's Church, Pallimukku, Kochi – 682 016.the Statutory Auditors of the Company for the year 2016-17.

## **27. ACKNOWLEDGEMENT**

The Company is grateful to the various Departments of Government of Kerala, the Government of India and the clients for the support and confidence bestowed on us. We are thankful to the Hon'ble Minister for Public Works for his valuable guidance, advice and support.

Your Directors place on record their appreciation for the service and contribution put in by the officers and employees of the Corporation and they are confident that they will continue to work with devotion and due spirit of dedication to attain better levels.

For and on behalf of the Board of Directors of K.S.C.C.

Thiruvananthapuram  
15.10.2019

Sd/-  
CHAIRMAN

**Progress Report of Ongoing Consultancy Works as on 31.03.2017**

Sl.No	Name of work	Contract PAC (in lakh)	Balance PAC (in lakhs)
<b>Thiruvananthapuram Region</b>			
1	STDD - Construction of Post Matric Hostel for Boys at Mannanthala - Balance works	60.54	42.54
2	Providing Gate and compound wall for Govt. Women's ITI at Parassala in Thiruvananthapuram District	11.08	3.08
3	Balance works to the Otters enclosure at Zoo & Museum, Thiruvananthapuram	12.09	8.09
<b>Tribal road works</b>			
4	Constn. of Kallar Aranakuzhy ST settlement road	68.85	38.85
5	Constn of Elanjyam-Arukanamkuzhi-Chathuppu in peringamala Gramapanchayath	38.57	0.00
<b>Total</b>		<b>191.00</b>	<b>93.00</b>
<b>Kottayam Region</b>			
1	SPEEID Kerala Project - Improvements and Heavy Maintenance to Ramapuram Nalambalam Darshanam Roads	5075.03	43.03
2	SPEEID Kerala Project - Upgradation of Kanjikkuzhy - Vettathukavala - Karukachal Road	4534.57	0.00
<b>Tribal road works</b>			
3	SCSTDD - NABARD XX - STDD Construction of Plakkathadam ST colony road at Peerumedu Gramapanchayath in Idukki District.	153.88	127.42
4	SCSTDD-NABARD RIDF XX-STDD-Construction of Vattamedu ST colony road in Idukki District	76.94	76.94
5	SCSTDD-NABARD RIDF XX-STDD-Construction of Mudikkunnu Melmudikkunnu Road	24.58	0.58
6	SCSTDD-NABARD RIDF XX-STDD-Improvements of Vathikkudy ST Colony Road(Starting from Thalachirappally) for a length of 1600 M in Vathikkudy panchayath in Idukki District	31.24	17.89
<b>Total</b>		<b>9896.00</b>	<b>266.00</b>
<b>Alappuzha Region</b>			
1	Construction of Compound wall for Government ITI for at Thevalakkara in Kollam District	33.00	33.00
<b>Tribal road works</b>			



2	Construction of Urukunnu Colony Road	117.84	40.84
3	Construction of Kadamangodu Kuzhaviyod Colony Road	109.75	60.75
4	Construction of Shylajappady Raghavan Puthupprambilppady road in Pathanamthitta district	130.87	2.87
5	Construction of Evanjalikkal Pallippady Udayanampady Road	78.03	2.03
	<b>Total</b>	<b>469.00</b>	<b>139.00</b>
<b>Ernakulam Region</b>			
1	GIDA - Moolampilly Chathanad Road Project - Project I - Construction of Moolampilly Pizhala Bridge and its approaches.	6675.21	3103.21
2	GIDA - Moolampilly Chathanad Road Project - Project II - Construction of Valiyakadamakkudy - Chathanad Bridge and its approaches.	3448.84	1435.84
3	NHAI- Construction of Four Lane Connectivity to ICTT- Vallarpadam Mulavukadu	318.95	318.95
<b>Tribal road works</b>			
5	Construction of Anoor-Ellappilly-Greenvalley Link Road	107.00	107.00
6	Construction of Aalkallu Valayattikadavu Peringassery Road	263.00	263.00
7	Construction of Adikoodiplakkal-Ambalam Road	63.68	63.68
8	Construction of Manikantanchal Vellaramkunnu road	111.88	111.88
	<b>Total</b>	<b>10989.00</b>	<b>5404.00</b>
<b>Thrissur Region</b>			
1	SCDD - Construction of a hostel & ITC Building at Varavoor, Thrissur District	263.33	181.33
2	STDD - Construction of Pre-Matric Hostel for Boys (60bedded) at Parali, Palakkad District	248.09	4.09
3	STDD - Construction of Pre-Matric Hostel Building for Boys (100bedded) at Sholayur, Attappady	384.90	181.65
4	Improving roads connecting Chamravattom Bridges - Providing BM&BC to Nariparambu - Pothannur - Perimparambu - Edappal - Angadi Road from Km 0/000 to 6/950and junction improvements.	411.68	0.68

5	Improving roads connecting Chamravattom Bridges - Widening and Providing BM&BC to Tirur - Chamravattom Road Km 3/200 - 11/500 in Malappuram Dist.	605.18	0.18
6	Improving roads connecting Chamravattom Bridges - Improvements to Tirur - Kadalundy Road Km 18/000 to 27/000	713.01	0.00
7	Improvements to various junctions to Chamravattom - Tirur - Kadalundy Road.		0.00
8	Improving roads connecting Chamravattom Bridges - Widening and providing BM & BC surfacing to Tanalur - Puthenathani road Km 0/000 to 13/000	965.55	0.00
10	STDD - Construction of Post Matric Hostel Building for Boys (60bedded) at Sholayur, Attappady	366.84	251.84
11	STDD - Construction of Pre Matric Hostel for Girls (100 bedded) at Meenakshipuram in Palakkad District	539.10	439.10
12	Const. of New Class rooms for ITI, Malampuzha, in Pkd Dist. Civil work	25.63	17.63
12a	Modernisation of ITI, Malampuzha. Electrical work	35.05	0.00
13	Women Amenity centre for ITI, Malampuzha.	13.02	3.02
14	Construction of New Building for ITI, Kozhinjampara in Palakkad District	286.82	116.82
15	IHRD-CAS Ayalur- Constn of 2nd floor of main building in Palakkad	66.79	11.79
	<b>Tribal road works</b>		
16	Construction of Maniyankinar St Colony Road	271.91	71.91
17	Construction of Thavalakkuzhippara ST Colony Road	146.38	0.00
18	Construction of Elikode ST Colony Road	72.62	0.00
19	Construction of Mattinmugal ST Colony Road	11.69	1.69
	<b>Total</b>	<b>5428.00</b>	<b>1282.00</b>
	<b>Kozhikkode Region</b>		
1	SCDD - Construction of a Building and compound wall for ITC Pathaikara in Malappuram District	124.27	8.32

1a	SCDD - Electrification works for ITC Pathaikkara in Malappuram District	11.33	9.39
2	SCDD-Post Matric Hostel for 50 Boys for ITI, Nilambur	196.12	31.42
3	IHRD - Construction of Academic Block for Applied Science, Thamarassery - First floor	83.19	9.37
4	SCDD - Construction of New Building for Government ITI at Kuravangad in Kozhikkode District	143.53	108.53
	<b>Tribal road works</b>		
5	Improvements to Poovaranthodu - Anakkallumpara Kodothikunu ST Colony Road in Koodaranhi Grama Panchayath in Kozhikkode Dist.	80.96	66.46
6	Improvements to Chittari -Ambedkar Colony Road in Vanimal & Valayam Panchayath of Kozhikkode Dist.	165.49	127.12
7	Improvements to Thottakkad Punurpoil ST Colony Road at Karassery Grama Panchayath in Kozhikkode District. Agmt No. 6/RM/KKD/2015-16 dt. 01.03.2016	21.31	21.31
8	Construction of Thudimutti - Kavalappara Road	48.64	0.00
9	Improvements to Veeralimunda - Unnikulam ST Colony Road from 0/000 to 0/700 in Amarambalam grama panchayath in Malappuram Dist.	45.13	7.48
10	Construction of Mundappadam-Chathanputhuvai ST Colony Road	50.09	0.00
11	Improvements to Nallathanni ST Colony road from 0/0 to 0/450 in Nilambur Municipality of Malappuram Dist. Agmt No. RM/KKD/7/2016-17 dt. 01.06.2016	7.03	4.03
12	Improvements to Girijan Colony School padi - Estate Road in chokkad Grama Panchayath in Malappuram Dist. Agmt No. RM/KKD/8/2016-17 dt. 01.06.2016	37.21	12.21
13	Improvements to Vadakkumpadam Marakkar Kunnu Road in Vandoor Grama panchayath in Malappuram Dist. Agmt No. RM/KKD/6/2016-17 dt. 01.06.2016	19.41	9.41
14	Construction of Puthusserikkunnu- Gandikunnu Road -kalpetta, Wayanad Dist.	114.81	89.81
15	Construction of Edathil colony-Nadukani colony road-kalpetta, Wayanad Dist. Agmt No. CC/GM(E)/DT/25/KKD/2015-16 Dt. 06.06.2016	67.41	44.77
16	Construction of Thirumangalam colony Road -kalpetta, Wayanad Dist. Agmt No. RM/KKD/4/2016-17 dt. 01.06.2016	20.68	12.68
17	Construction of Jaihind- Muthaappankunnu Colony Road -kalpetta, Wayanad Dist.	74.04	34.04

18	Construction of Kottakunnu-Thazheyidam colony road -kalpetta, Wayanad Dist. Agmt No. RM/KKD/5/2016-17 dt. 01.06.2016	15.84	13.84
19	Construction of Kaladiyan Colony Road -kalpetta, Wayanad Dist. Agmt No. RM/KKD/3/2016-17 dt. 01.06.2016	10.48	7.48
20	Construction of Cholapuram-Pandikkadavu- Vazhatha colony Road - kalpetta, Wayanad Dist. Agmt No. CC/GM(E)/DT/26/KKD/2015-16 Dt. 06.06.2016	59.73	19.73
21	Construction of Vazhakkandi-Kunnuvayal Colony Road -kalpetta, Wayanad Dist. Agmt No. RM/KKD/2/2016-17 dt. 01.06.2016	18.47	9.47
22	Construction of Kuzhivayal- Chooralmoola Colony Road -kalpetta, Wayanad Dist. Agmt No. CC/GM(E)/DT/31/KKD/2016-17 dt. 21.06.2016	41.78	21.78
23	Construction of Karachal-Poolakkapoil-Thannikuzhi Road	39.01	0.00
24	Construction of Muthukadu-Kulathur ST Colony Road	23.74	0.00
	<b>Total</b>	<b>1520.00</b>	<b>669.00</b>
	<b>Kannur Region</b>		
1	Construction of New Block at Central Prison, Kannur.	179.02	0.02
2	STDD Construction of Pre Metric Hostel Building for Boys at Pinangode at Wayanad Dt.	324.66	0.00
3	STDD - Construction of Pre-Matric Hostel for Boys at Mullankolly	382.90	262.90
4	STDD-Construction of Pre-Matric Hostel for Girls(100 bedded) at Aralam in Kannur Dt.	570.52	570.52
	<b>Tribal road works</b>		
5	Constn: of <b>Edathana - Alammukka Road</b> at Thavinjal Grama Panchayath, Mananthavady in Wayanad District	35.30	17.30
6	Constn: of <b>Cherualam Colony Road</b> at Vellamunda Grama Panchayath, Mananthavady in Wayanad District	29.52	1.52
7	Constn:of <b>Venmani - Kavilpadam Road</b> at Thavinjal Grama Panchayath, Mananthavady in Wayanad District	33.53	10.53
8	Constn: of <b>Aravanzhi Foot Bridge</b> at Thirunelli Gramapanchayath, Mananthavady in Wayanad District	26.96	4.74
9	Constn: of <b>Madathumkuni Pullora Colony Road</b> at Vellamunda Grama Panchayath, Mananthavady in Wayanad District	99.46	46.46

10	Constn: of <b>Kuttival Kappattumala Road</b> at Thavinjal Grama Panchayath, Mananthavady in Wayanad District	41.19	15.19
11	Constn: of <b>Edappady Colony Road</b> in Mananthavady Gramapanchayath in Wayanad District	45.67	9.67
12	Constn: of <b>Valakkode Colony Road</b> at Vellamunda Grama Panchayath, Mananthavady in Wayanad District	46.89	46.89
13	Constn: of <b>Edathana School Vengana-Karikkattil Road</b> at Thavinjal Grama Panchayath, Mananthavady in Wayanad District	63.59	13.59
14	Constn: of <b>Makkimala-Meethalapuzha Athimala Colony Road</b> at Thavinjal Grama Panchayath, Mananthavady in Wayanad District	78.51	9.51
15	Constn: of <b>Vellavayal Colony Road</b> at Ambalavayal Gramapanchayath, Sulthan Batheri in Wayanad District	13.83	0.00
16	Constn: of <b>Poolakkara Colony Road</b> at Nenmeni Grama Panchayath, Sulthan Batheri in Wayanad District	31.30	0.00
17	Constn: of <b>Kolampatta Palam to Moothimoola Colony Road</b> at Meenangadi Grama Panchayath, Sulthan Batheri in Wayanad District	66.23	0.00
18	Constn: of <b>Boki ST Colony Road</b> at Mullenkolly Grama Panchayath, Sulthan Batheri in Wayanad District	47.42	47.42
19	Constn: of <b>Kattikkolli Colony-Kudalloor Sreenarayanapuram Road</b> at Puthadi Grama Panchayath, Sulthan Batheri in Wayanad District	311.44	86.44
20	Constn: of <b>Ambalavayal Karamkolly Road</b> at Ambalavayal Gramapanchayath, Sulthan Batheri in Wayanad District	138.72	13.72
21	Constn: of <b>Kalloor Mannurkundu Road</b> at Nulouzha Grama Panchayath, Sulthan Batheri in Wayanad District	41.79	26.79
22	Constn: of <b>Kazhambukara Kuruma Colony Road</b> at Nenmeni Grama Panchayath, Sulthan Batheri in Wayanad District	107.22	27.22
23	Constn: of <b>Pathanpara - Paremotta - Mailampetti Road</b> at Naduvil Grama Panchayath in Kannur District	39.21	0.00
24	Constn: of <b>Mavumthattu Transformerpadi - Perumunda Colony Road</b> at Udayagiri Grama Panchayath in Kannur District	28.98	0.00
25	Constn: of <b>Kunambila Kurichya Colony Road</b> at Kottiyoor Gramapanchayath in Kannur District	225.87	225.87
26	Constn: of <b>Aryankkode ST Colony Road</b> at Padiyoor Grama Panchayath, in Kannur District	39.42	19.71

27	Constn: of <b>Vattiyam Thodu Gandhi Nagar Colony Road</b> at Ullikkal Grama Panchayath in Kannur District	42.26	12.68
28	Constn: of <b>Viyatnam Kabody Colony Road</b> at Aralam Grama Panchayath in Kannur District	94.32	0.00
29	Constn: of <b>Balanadukka Junction - Nagathanmoola ST Colony Road</b> at Delampady Grama Panchayath in Kasaragod District	29.47	0.97
30	Constn: of <b>Mudimar Vachanikkal ST Colony Road</b> at Manjeswer Grama Panchayath in Kasaragod District	35.07	7.07
31	Constn: of <b>Devalakkara Muntoth Valluradukka ST Colony Road</b> KM 0/000 to 2/300 in Badiadukka Grama Panchayath in Kasaragod District	72.13	63.13
32	Constn: of <b>Kammady Harijan Colony Road</b> KM 0/000 to 1/240 in Balal Grama Panchayath in Kasaragod District	45.91	0.00
33	Constn: of <b>Vellore Ottappadavu Road</b> KM 0/000 to 1/320 in Paivalika Grama Panchayath in Kasaragod District	90.28	0.00
34	Constn: of <b>Periyanganam Cheeta Colony Road</b> KM 0/000 to 1/740 in Kinanoor Grama Panchayath in Kasaragod District	69.61	0.00
35	Constn: of <b>Puluvinji ST Colony Road</b> KM 0/000 to 1/780 in Kuttikole Grama Panchayath in Kasaragod District KM 0/000 to 0/780	36.96	0.00
36	Constn: of <b>Kaithakolly Foot Bridge</b> at Thavinjal Grama Panchayath, Mananthavady in Wayanad District	66.08	65.68
37	Constn: of <b>Ayanikkal Thodu Foot Bridge</b> at Vellamunda Grama Panchayath, Mananthavady in Wayanad District	52.09	17.09
38	Constn: of <b>Karimam Colony Road and Foot Bridge</b> at Thirunelly Grama Panchayath, Mananthavady in Wayanad District KM 0/000 to 0/385	98.59	65.59
	<b>Total</b>	<b>3782.00</b>	<b>1688.00</b>



**Progress Report of Ongoing works undertaken by KSCC as on 31.03.2017**

Sl.No	Name of work	Contract PAC (in lakhs)	Balance PAC (in lakhs)
<b>Trivandrum Region</b>			
1	Development TS canal from Astamudi kayal to Eravipuram Paravoor kayal	920.00	705.00
2	WSS to Kozhenchery Panchayath Phase I - Design and construction of 5MLD water treatment plant at Kurangumala.	415.00	280.00
3	Comprehensive Water supply scheme to Vithura and Tholicodu villages - Thiruvananthapuram District - Supplying, Laying, Testing and commissioning of distribution systems (Zonc - I and V) from OHSR ar Thavakkal.	469.00	69.00
4	Improvements to Nettichira Vellanadu Poovachal road 0/000 to 5/200	1636.80	436.80
5	Construction of head office and laboratory complex for legal metrology , Pattom	2152.40	1152.40
6	Ulloor Akkulam Kuzhivila road	1545.50	0.00
7	Higher Education Department - College of Engineering, Tvm - Extension of building of the Architectural Department.	306.29	66.29
8	Improvement to Charumoodu-Ayyappankuzhi (via) Nallikuzhi -ParuthiKuzhy	653.32	373.32
9	Construction of Bridge at Koovakkudy across Karamana River in Thiruvananthapuram District.	1333.01	583.01
10	NABARD - RIDF XIX Constn of Bridge at Keezharoorkadavu Across Neyyar River	1132.98	852.98
11	Construction of bridge at Kallikkad	1183.21	833.21
12	Construction of five storied building attached to Dental College, Thiruvananthapuram	898.36	893.36
<b>Total</b>		<b>12646.00</b>	<b>6245.00</b>
<b>Kottayam Region</b>			
1	Mini Civil Station , Ranni	822.98	22.98
2	Construction of a Building for OP Block and Surgical block at Taluk Hospital, Ranni.	491.86	141.86
3	Constn. of Improvement to Elamkadu Valiyantha Kolahalamedu-Vagamon road Km 0/00 to 8/065	1473.00	783.00
4	Improvements to Chamappara - Teekoy Estate - Marmala Aruvi road at Ch. 0/00 to 2/900	494.11	328.37
5	Construction of Building for Taluk Hospital Kanjirappally.	499.88	0.00
6	Construction of Bridge at Kanamala across Pampa River in Pathanamthitta District.	792.63	98.63
7	Formation of Kottayam Corridor - Formation of link road from Erayilkadavu approach to MC road at Manipuzha.	2952.48	100.58

8	Construction of Residential Quarters at Govt. Medical College, Kottayam.	630.08	0.00
9	Construction of K.R. Narayanan Memorial Speciality Hospital, Uzhavoor in Meenachil Taluk - Phase II	1146.85	46.85
10	Improvements and Gradient correction to Pala parallel road from Mini civil station to Pala - Kozha road.	606.44	6.44
11	NABARD RIDF XVIII - Construction of two new bridges along with approaches from Cement Kavala at MC road to Graminchira Parechal Thiruvathukkal Road from 0/000 to 3/526 km. in Kottayam District.	5743.04	513.04
12	Homoeopathy Department - Construction of Building for District Homoeo Hospital, Kottayam.	231.09	37.22
13	RIDF XVIII - Construction of building of Government Hospital, Ramapuram, Pala.	851.27	404.54
14	Construction of New building for College of Pharmaceutical Science, Kottayam.	923.00	448.00
15	Construction of New Block for Nephrology Unit & Dialysis Centre. - Cardiac Unit with ICU, Cath Lab, Modern Lab & Blood Bank, Casualty cum Trauma care unit etc. for General Hospital, Pala.	804.59	679.59
16	Main block of Polytechnic Kaduthuruthi Phase II	1399.67	549.67
17	MI Class I - Construction of Check Dam cum cause way across Manimala river at Karimbukayam in Kanjirappally Taluk.	320.63	67.60
18	Improvements to Moonilavu Kadappuzha Mudikunnu Mechal Thoranamkunnu - Chakkikkavu Road Ch. 0/000 to 7/800.	730.27	145.74
19	Construction of Women & Children Hospital at Vaikom, Kottayam.	836.31	397.54
20	H & FWD - ADF - 2013 - 14 - Pala LAC - Construction of Diagnostic Centre in General Hospital, Pala.	423.89	311.12
21	Construction of Mini Civil Station, Ponkunnam - Phase II	415.91	166.91
	<b>Total</b>	<b>22589.98</b>	<b>5250.00</b>
	<b>Alappuzha Region</b>		
1	Construction of bridge at Vaisambhagam across Pookaithayar river (Pamba) in Alappuzha dist.	2091.48	502.48
2	NABARD RIDF XVIII - Construction of a Bridge at Cheruthanakkadavu across Achankovil River.	1152.79	57.79
3	Construction of Bridge near Mancombu Civil Station across Manimala River in Alappuzha District.	2447.09	685.09
4	Construction of five storied building for Court Complex, Chengannur.	487.58	4.58
5	Improvements to Thuravoor - Pamba road and portion from Pallithodu to Mackey landing road from Ch. 0/000 to 10/300 km.	808.87	120.87
	<b>Total</b>	<b>6988.00</b>	<b>1370.81</b>

<b>Ernakulam Region</b>			
1	Vypin Bridges Package 2 (Reconstruction of 8 weak bridges)	1692.57	377.57
2	Vypin Bridges Package 1 (Reconstruction of 8 weak bridges in Vypin - Pallipuram road.)	1490.86	205.86
3	Construction of Mattathankadavu Bridge across Konathupuzha connecting Amballoor and Udayam peroor Panchayath in Ernakulam Dist.	482.13	117.13
4	IIP - Construction of Flush Escape and leading channel at Ch. 16360 m of Main Canal	276.21	96.21
5	Construction of Pay ward at Co- operative Medical College, Kochi	1610.40	635.40
6	Budget Work - 2012-13 - Construction of Korankadavu Bridge across Manjalithodu in Kalamasserry Constituency in Ernakulam District.	1044.09	9.09
7	White topping of Concrete road from HMT Junction to Manalimukku	1671.20	161.20
8	Construction of Nettoor- Kundannoor Bridge in Ernakulam District.	2656.59	1256.59
9	Construction of Court Complex, Perumbavoor	1628.14	1228.14
10	Construction of Kannangattu Willington Island Bridge across Kumbalam Kayal in Ernakulam District	7254.68	3454.68
11	NABARD RIDF XVI - Construction of regulator cum Bridge at Purappalikkavu across Periyar river in Ernakulam District.	9986.04	3398.04
12	NABARD RIDF XVI - Renovation of Angamaly - Manjalithodu from Vettippuzhakkavu Sri. Bhagavathy temple to Madhurapuram Bridge	1374.00	1224.00
	<b>Total</b>	<b>29793.00</b>	<b>12163.91</b>
<b>Trichur Region</b>			
1	Athirappally- Malakkapara Road	2609.00	776.00
2	Construction of Mampuram Bridge across Kadalundi river.	2647.61	265.61
3	Nilambur Bye pass Road	1837.08	1537.08
4	Providing BM & BC resurfacing to Kodungallur Athani Nedumbassery Air port road (Part II)	1139.00	0.00
5	NABARD - RIDF - XIX - Improvements to Kodungallur Athani Air port road (Part I) - Ch. 0/000 to 16/900 in Thrissur District	1102.50	55.50
6	Restoration work of Kodungallur-Athani Airport Road 1st reach between Poyya Jn and Poopathy in Poyya Panchayath and 2nd reach between Polakkulam Jn and Kuzhur Panchayath	48.79	0.00
7	Improvements to Ayyanthole Puzhakkal Thrissur Model Road Phase-III from West Fort to Ayyanthole Chungam Km0/000 to 0/580.	557.47	457.47
	<b>Total</b>	<b>9941.00</b>	<b>3091.66</b>

	<b>Kozhikode Region</b>		
1	Stimulus Package - New Formation of KARMA Bypass Road from Km 0/000 to 5/700 in Ponnani Municipality in Malappuram District.	1670.85	0.00
	<b>Total</b>	<b>1670.85</b>	<b>0.00</b>
	<b>Kannur Region</b>		
1	Kottappuram Bridge across Thejaswini River, Neeleswaram	2274.44	244.44
2	Construction of Chekkadi Bridge on Pulpally - Chekkadi- Baveli Road, Wayanad Dist.	658.22	33.22
3	Construction of Main Building for Govt. Polytechnic, Meppadi in Wayanad Dist.	1248.28	938.28
4	NABARD RIDF XVI - Construction of Regulator cum Bridge at Pandikkandam across Payaswini river in Bedadka Panchayath in Kasargode District.	1761.10	0.10
5	Construction of Pollampara Bridge across Koodampuzha at Ch. 0/900 of Koodankunnu - Kachal Road in Wayanad District.	409.47	9.47
6	State Hill High way project - Construction of new bridge across Payaswini river on Padiathadka - Parappa - Sankaranpady - Padappu road in Kasargode District - Athanadi Bridge	2120.00	75.00
7	Constn.of Nanicherrykadavu Bridge across Valapattanam River in Kannur Dt.	3504.27	0.27
8	Improvements including BM&BC to Hillhighway Puranjan-Chembri-Payyavoor-Chamathachal Road KM 33/400 to 50/250 in Kannur Dt.	850.09	215.09
	<b>Total</b>	<b>12826.00</b>	<b>1516.00</b>

For Kerala State Construction Corporation Ltd

Place: Thiruvananthapuram

Date: 15-10-2019

Sd/  
Managing Director

**Annual Report on Corporate Social Responsibility (CSR)**

Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014

1. Brief outline of the Company's CSR Policy, including overview of projects/ programmes proposed to be undertaken:

CSR policy encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities/ projects and programmes for welfare and sustainability, development of community at large. The Company is since its inception has seen responsible to the society and has pioneered in undertaking activities which promote various social and charitable objectives. The Company has already spent amounts for social and charitable activities over the past several years.

**Areas of activities to be undertaken**

The activities will be executed directly or through registered and accredited trust, society or NGO or in collaboration with other companies. The Company shall be undertaking activities in the following areas.

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, youth, elderly and the differently abled persons and livelihood enhancement projects
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water

- v. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art and setting up of public libraries
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents
- vii. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women.
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- x. Rural Development projects

## 2. Composition of the CSR committee

The CSR Committee as constituted by the Board of Directors, pursuant to Section 135(1) of the Companies Act, 2013 comprises of two Directors & Managing Director.

- I) Shri. Deepu.S, Managing Director, Chairman.
- II) Smt. Sobha V.R, Director, Member.
- III) Shri. E.K Hydru, Director, Member. (Retied on 31.07.2019)

## 3. The Average Net Profit of the Company for the last three financial years

(2013-14, 2014-15 and 2015-16) is ₹194,024,027.99/-

4. Prescribed CSR expenditure (2% of the amount as above) ₹ 38,80,481/-

## 5. Details of CSR spent during the financial year 2016-17

- |  |               |
|--|---------------|
| (i) Total amount to be spent for the financial year              | ₹ 38,80,481/- |
| (ii) Total amount spent during the financial year                | Nil           |
| (iii) Amount unspent, if any                                     | ₹38,80,481/-  |
| (iv) Manner in which the amount spent during the financial year: |               |



SI. No	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programmes (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects/ programs subheads: (1) Direct expenditure on projects or programs (2) Over heads	Cumulative expenditure Up to the reporting period (in ₹)	Amount spent Direct or through implementing agency
	CSR Projects or Activities for the socio economic development like promotion of education, eradicating extreme hunger and social business projects etc., are under consideration	Education Health Rural Development etc are proposed	Nil; Local Area, Trivandrum and Ernakulam Districts are under consideration  Nil; Local Area, Trivandrum and Ernakulam Districts are under consideration	under consideration	Nil, under consideration	Nil, under consideration	NA

#### 6. Reason for the amount not spent during the year

During the period under report, the Company had not spent the prescribed amount of ₹38,80,481/- towards CSR activities as per the provisions of Section 135 of the Companies Act, 2013 read with rules made there under. It was due to the delay in identifying genuine projects. But more focus is given by the CSR Committee in implementing and monitoring CSR activities.

## 7. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company will be in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board of Directors of  
Kerala State Construction Corporation Limited

Palce: Kochi  
Date : 15-10-2019

Sd/-  
(Member)  
(Director)

Sd/-  
( Managing Director)

Sd/-  
(Chairman)

Form No.MGT-9

## EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2017

[Pursuant to section92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]**1 REGISTRATION AND OTHER DETAILS**

i) CIN	U45201KL1975SGC002681
ii) Registration date	25-03-1975
iii) Name of the Company	<b>KERALA STATE CONSTRUCTION CORPN LTD</b>
iv) Type of the Company	Private Company
v) Category	Company limited by shares
vi) Sub-category of the Company	State Government Company
vii) Address of the Registered Office and contact details	OLD PWD STORE COMPOUND, NEAR BSNL OFFICE PMG JUNCTION, VIKAS BHAVAN P O Thiruvananthapuram, kerala- 695033. INDIA
vii) Whether listed company	No
viii) Name, address and contact details of Registrar and Transfer Agent	Nil

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sl. No.	Name and description of main products/ services	NIC code of the product/ service	% of total turnover of the company
1	CIVIL CONSTRUCTION	995312	100

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
	NIL		NIL	NIL	NIL

IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS A PERCENTAGE OF TOTAL EQUITY)

(I) CATEGORY-WISE SHAREHOLDING

Category Code	Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
		No. of shares held in dematerialised form	No. of shares held in physical form	Total number of shares	% of total number of shares	No. of shares held in dematerialised form	No. of shares held in physical form	Total number of shares	% of total number of shares	
<b>(A)</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individual/ Hindu undivided Family	0	2	2	0.02	0	2	2	0.02	0
(b)	Central Government/ State Govt.	0	87498	87498	99.98	0	87498	87498	99.98	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Financial institutions/ Banks	0	0	0	0	0	0	0	0	0
(e)	any others - Promoter group	0	0	0	0	0	0	0	0	0
	<b>Sub total (A) (1)</b>	<b>0</b>	<b>87,500</b>	<b>87,500</b>	<b>100</b>	<b>0</b>	<b>87,500</b>	<b>87,500</b>	<b>100</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>									
(a)	Individuals (Non-resident individuals/ Foreign individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e)	Any other (Specify)	0	0	0	0	0	0	0	0	0
	<b>Sub total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(A)</b>	<b>Total Shareholding of Promoter and Promoter group (A)</b>	<b>0</b>	<b>87500</b>	<b>87500</b>	<b>100</b>	<b>0</b>	<b>87500</b>	<b>87500</b>	<b>100</b>	<b>0</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
(b)	Financial institutions/ Banks	0	0	0	0	0	0	0	0	0
(c)	Central Government	0	0	0	0	0	0	0	0	0
(d)	State Government	0	0	0	0	0	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f)	Insurance Companies	0	0	0	0	0	0	0	0	0
(g)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(h)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(i)	Any other (Specify)	0	0	0	0	0	0	0	0	0
	<b>Sub total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Non institutions</b>									
(a)	Bodies Corporate									
	1) Indian	0	0	0	0	0	0	0	0	0
	2) Overseas	0	0	0	0	0	0	0	0	0
(b)	Individuals									
	i Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0
	ii Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0

Category Code	Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				% change during the year
		No. of shares held in dematerialised form	No. of shares held in physical form	Total number of shares	% of total number of shares	No. of shares held in dematerialised form	No. of shares held in physical form	Total number of shares	% of total number of shares	
(c)	Any other (Specify)									
i	Clearing member	0	0	0	0	0	0	0	0	0
ii	Market maker	0	0	0	0	0	0	0	0	0
iii	Non resident indians (repatriable)	0	0	0	0	0	0	0	0	0
iv	Non resident indians (non-repatriable)	0	0	0	0	0	0	0	0	0
v	Trust	0	0	0	0	0	0	0	0	0
	<b>Sub total (B) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(B)</b>	<b>Total Public Shareholding (B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(C)</b>	<b>Shares held by Custodians and against GDRs and ADRs.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Sub total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>0</b>	<b>87500</b>	<b>87500</b>	<b>100</b>	<b>0</b>	<b>87500</b>	<b>87500</b>	<b>100</b>	<b>0</b>

#### IV II SHAREHOLDING OF PROMOTERS

SL. No.	Shareholder's Name	Folio	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
			No. of shares	% of shares of the company	% of pledged/encumbered to total shares	No. of shares	% of shares of the company	% of pledged/encumbered to total shares	
1	Government of Kerala	1	87,498	99.98	0	87498	99.98	0	
2	Chairman-Nominee of Govt. of Kerala		1	0.01	0	1	0.01	0	
3	MD-Nominee of Govt. of Kerala		1	0.01	0	1	0.01	0	
				100			100	0	

#### IV III CHANGE IN SHAREHOLDING OF PROMOTERS

SL. No.	Name of Promoter/ Promoter group member	Shareholding at the beginning and end of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

IV iv SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (Other than Directors, Promoters and Holders of GDRs and ADRs)

SL. No.	Shareholder's Name	Folio	Shareholding at the beginning of the year			Cumulative shareholding during the year	
			No. of shares		% of total shares of the company	No. of shares	% of total shares of the company
			Opening	Change (+/-)			
1			0	0.00	0	0.00	
2			0	0.00	0	0.00	
3			0	0.00	0	0.00	
4			0	0.00	0	0.00	
5			0	0.00	0	0.00	
6			0	0.00	0	0.00	
7			0	0.00	0	0.00	
8			0	0.00	0	0.00	
9			0	0.00	0	0.00	
10			0	0.00	0	0.00	

IV v SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

SL. No.	Shareholder's Name	Folio	Shareholding at the beginning of the year			Cumulative shareholding during the year	
			No. of shares		% of total shares of the company	No. of shares	% of total shares of the company
			Opening	Change (+/-)			
1							
2							

## V INDEBTEDNESS

Indebtedness of the company including interest outstanding/ accrued but not due for payment

Sl. No.		Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	<b>Indebtedness at the beginning of the financial year</b>				
i)	Principal amount	0	0	0	0
ii)	Interest due but not paid	0	0	0	0
iii)	Interest accrued but not due	0	0	0	0
	<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Change in indebtedness during the financial year</b>				
	Addition	0	0	0	0
	Reduction	0	0	0	0
	<b>Net change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Indebtedness at the end of the financial year</b>				
i)	Principal amount	0	0	0	0
ii)	Interest due but not paid	0	0	0	0
iii)	Interest accrued but not due	0	0	0	0
	<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A Remuneration to Managing Director, Wholtime Directors and/ or Manager:

Sl. No.	Particulars of remuneration	Name of MD/ WTD/ Manager	Name of MD/ WTD/ Manager	Total Amount Rs.
		Santhosh Kumar P R Managing Director	P G Suresh Managing Director	
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4,92,161	404700	8,96,861
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0
(c)	Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission :			
	As % of the profit	0	0	0
	Others (specify)	0	0	0
5	Others (specify)	36667	134900	1,71,567
	<b>Total (A)</b>	<b>5,28,828</b>	<b>5,39,600</b>	<b>10,68,428</b>

## VI

## B Remuneration to other directors

Sl. No.	Particulars of remuneration	Name of Directors		
<b>1</b>	<b>Independent Directors</b>			
(a)	Fee for attending Board/ Committee meetings	N.A.		
(b)	Commission Income Tax Act, 1961	N.A.		
(c)	Others (specify)	N.A.		
	<b>Total (1)</b>	N.A.	N.A.	N.A.
<b>2</b>	<b>Other non-executive Directors</b>			
(a)	Fee for attending Board/ Committee meetings			
(b)	Commission Income Tax Act, 1961			
(c)	Others (specify)			
	<b>Total (2)</b>			

Sl. No.	Particulars of remuneration	Name of Directors			Total Amount Rs.
<b>1</b>	<b>Independent Directors</b>				
(a)	Fee for attending Board/ Committee meetings	--	--	--	--
(b)	Commission Income Tax Act, 1961	--	--	--	--
(c)	Others (specify)	--	--	--	--
	<b>Total (1)</b>	N.A.	N.A.	N.A.	N.A.
<b>2</b>	<b>Other non-executive Directors</b>				
(a)	Fee for attending Board/ Committee meetings				
(b)	Commission Income Tax Act, 1961				
(c)	Others (specify)				
	<b>Total (2)</b>	N.A.	N.A.	N.A.	N.A.

**Total Managerial Remuneration (A+B)**

Overall Ceiling as per the Act

(Ceiling as per Schedule V - Section II)

## B Remuneration to Key Managerial Personnel other than MD/ WTD/ Manager

Sl. No.	Particulars of remuneration	Name of Key Managerial Personnel	Total Amount Rs.
	NIL	NIL	NIL



**VII PENALTIES/ PUNNISHMENT/ COMPOUNDING OF OFFENCES:**

Amount in Rs.

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/ compounding fees imposed	Authority [RD/ NCLT/ Court]	Appeals made, if any (give details)
A COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punnishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punnishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punnishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For Kerala State Construction Corporation Ltd.

Sd/-  
**MANAGING DIRECTOR**

**KERALA STATE CONSTRUCTION CORPORATION LIMITED**  
Old Pwd Store Compound, Near BSNL Office, Pmg Junction, Vikas Bhavan P O, Thiruvananthapuram - 695033

**Profit and Loss Statement for the year ended 31st March 2017**

Particulars	Notes	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
I. Revenue from Operations	17	5,15,06,91,593.00	6,29,21,41,635.00
II. Other Income	18	6,35,07,812.00	9,53,45,755.00
<b>III. Total Revenue</b>		<b>5,21,41,99,405.00</b>	<b>6,38,74,87,390.00</b>
<b>IV. Expenses:</b>			
Contract Expenses	19	4,85,17,68,317.00	5,92,82,14,562.00
Employee Benefits	20	8,94,78,584.00	10,56,32,263.00
Financial costs	21	81,59,373.00	2,28,15,979.78
Depreciation and amortization expense		15,11,701.00	19,29,080.00
Loss on Impairment of Assets		-	4,62,014.63
Other expenses	22	1,04,23,989.08	2,41,34,706.72
<b>Total Expenses</b>		<b>4,96,13,41,964.08</b>	<b>6,08,31,88,606.13</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	25,28,57,440.92	30,42,98,783.87
VI. Exceptional/Extraordinary items-Excess Provision for Tax Reversed		(53,21,165.00)	-
VII. Profit before tax	(V - VI)	25,81,78,605.92	30,42,98,783.87
VIII. Tax expense:			
(1) Current Tax		13,43,74,250.00	13,80,90,800.00
(2) Deferred Tax		(2,65,51,652.28)	(1,10,66,078.24)
IX. Profit for the year from continuing operations	(VII-VIII)	<b>15,03,56,008.20</b>	<b>17,72,74,062.11</b>
X. Earning Per Share : Basic & Diluted		1,718.35	2,025.99

*The accompanying notes form integral part of the financial statements*

As per our report of even date attached

For and on behalf of Kerala State Construction Corporation Limited

For JVR & Associates  
Chartered Accountants

Sd/-  
DEEPU S  
Managing Director

Sd/-  
P JAYALAKSHMI  
Director

Sd/-  
K KUNHAMBUR NAIR  
Finance Manager

Sd/-  
ANISH ABRAHAM  
Partner

Place: Ernakulam  
Date: 19.03.2019

## KERALA STATE CONSTRUCTION CORPORATION LIMITED

Old Pwd Store Compound, Near BSNL Office, Pmg Junction, Vikas Bhavan P O, Thiruvananthapuram - 695033

### Balance Sheet as at 31.03.2017

Particulars	Notes	Current Year Amount (Rs)	Previous Year Amount (Rs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	87,50,000.00	87,50,000.00
(b) Reserves and Surplus	4	47,80,60,865.82	32,77,04,857.62
<b>(2) Non-Current Liabilities</b>			
(a) Other Long Term Liabilities	5	82,93,626.20	73,51,926.20
(b) Long Term Provisions	6	6,73,04,193.00	5,02,02,511.00
<b>(3) Current Liabilities</b>			
(a) Trade Payables	7	28,78,71,472.52	43,89,93,755.03
(b) Other Current Liabilities	8	63,55,36,268.33	73,36,14,317.41
(c) Short-Term Provisions	9	14,85,51,075.00	13,80,90,800.00
<b>Total</b>		<b>1,63,43,67,500.87</b>	<b>1,70,47,08,167.26</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	55,24,701.80	67,28,372.80
(b) Deferred Tax Asset (Net)		6,28,04,730.52	3,62,53,078.24
(c) Long Term Loans and Advances	11	6,95,74,190.77	6,93,83,672.77
(d) Other Non-current Assets	12	35,85,555.32	32,40,925.32
<b>(2) Current Assets</b>			
(a) Trade Receivables	13	3,52,51,186.95	19,04,78,138.95
(b) Cash and Cash Equivalents	14	91,74,04,003.51	47,93,95,276.03
(c) Short Term Loans and Advances	15	53,97,49,562.00	91,79,80,919.00
(d) Other Current Assets	16	4,73,570.00	12,47,784.15
<b>Total</b>		<b>1,63,43,67,500.87</b>	<b>1,70,47,08,167.26</b>

*The accompanying notes form integral part of the financial statements*

As per our report of even date attached

For and on behalf of Kerala State Construction Corporation Limited

For JVR & Associates  
Chartered Accountants

Sd/-  
DEEPU S  
Managing Director

Sd/-  
P JAYALAKSHMI  
Director

Sd/-  
K KUNHAMBUR NAIR  
Finance Manager

Sd/-  
ANISH ABRAHAM  
Partner

Place: Ernakulam  
Date: 19.03.2019

# KERALA STATE CONSTRUCTION CORPORATION LIMITED

Old Pwd Store Compound, Near BSNL Office, Pmg Junction, Vikas Bhavan P O, Thiruvananthapuram - 695033

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

	2016-17	2015-16
<b>A. <u>Cashflow from Operating Activities</u></b>		
a. Net Profit before tax and extra ordinary items	25,28,57,441	30,42,98,784
Adjustments for :-		
Depreciation	15,11,701	19,29,080
Loss on Impairment of Asset	-	4,62,015
Loss/(Profit) on sale of Fixed Assets	-	-
Interest Received	(5,90,26,553)	(8,97,72,986)
Interest Paid	81,59,373	2,28,15,980
<b>b. Operating Profit before Working Capital Changes</b>	<b>20,35,01,962</b>	<b>23,97,32,872</b>
Adjustments for :-		
Trade Receivables, Short Term Loans & Advances, Other Current Assets & Inventories	53,42,32,523	(4,39,04,598)
Deferred Tax Assets(Net), Long term Loans & Advances & Other Non-Current Assets	(2,70,86,800)	2,16,00,663
Trade Payables, Other Current Liabilities, & Long term provisions	(22,06,96,675)	3,48,360
<b>c. Cash Generation from Operations</b>	<b>48,99,51,010</b>	<b>21,77,77,297</b>
d. Interest Paid	(81,59,373)	(2,28,15,980)
e. Proposed Dividend	-	-
f. Income Tax Paid	(10,78,22,598)	(12,70,24,722)
g. Cashflow before Extraordinary Items	37,39,69,039	6,79,36,596
h. Extraordinary Items	(53,21,165)	-
<b>i. Net Cash from Operating Activities</b>	<b>37,92,90,204</b>	<b>6,79,36,596</b>
<b>B. <u>Cashflow from Investing Activities</u></b>		
a. Purchase of Fixed Assets	(3,08,030)	(9,69,772)
b. Investments	-	-
c. Interest Received	5,90,26,553	8,97,72,986
d. Sale of Fixed Assets	-	-
<b>e. Net Cash from Investing Activities</b>	<b>5,87,18,523</b>	<b>8,88,03,214</b>
<b>C. <u>Cashflow from Financing Activities</u></b>		
b. Proceeds from Borrowings / Conversion	-	-
<b>d. Net Cash from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>D. Net increase / decrease in cash or cash equivalents(A+B+C)</b>	<b>43,80,08,727</b>	<b>15,67,39,810</b>
Cash & Cash equivalents as at 01/04/2016	47,93,95,276	32,26,55,466
Cash & Cash equivalents as at 31/03/2017	<b>91,74,04,004</b>	<b>47,93,95,276</b>

Notes:

- 1) Comparative figures have been regrouped wherever necessary.
- 2) The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India

As per our report of even date attached

For JVR & Associates  
Chartered Accountants

Sd/-  
DEEPU S  
Managing Director

Sd/-  
P JAYALAKSHMI  
Director

Sd/-  
KUNHAMBU NAIR  
Finance Manager

Sd/-  
ANISH ABRAHAM  
Partner

Place: Ernakulam

Date: 19.03.2019

# KERALA STATE CONSTRUCTION CORPORATION LIMITED

Old Pwd Store Compound, Near BSNL Office, Pmg Junction, Vikas Bhavan P O, Thiruvananthapuram - 695033

## NOTES TO FINANCIAL STATEMENTS

### 1. BACKGROUND

Kerala State Construction Corporation Limited is a Government Company incorporated on 25th day of March 1975 under the Companies Act, 1956. The company is engaged in the business of contracting/ execution, consultancy and administration of construction works.

### 2. ACCOUNTING POLICIES

#### Significant Accounting Policies

The significant Accounting Policies followed by the company are as stated below:

#### General

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Corporation has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of The Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on accrual basis under historical cost convention except consultancy charges received, which are accounted on cash basis.

#### Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principal (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amount of income and expenses during the period. Actual figures may differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any .

#### Depreciation

Depreciation on Fixed Assets has been provided under Written down value method as per the rates specified in Schedule II to The Companies Act, 2013 subject to impairment if any.

The management estimates the useful life of the fixed assets as follows:

Building	30 years
Plant & Machinery	15 years
Electrical Fittings	10 years
Furniture & Fixtures	10 years
Office Equipment	5 years
Computer & Accessories	3 years
Motor Car	8 years
Jeep & Tractor	8 years
Steel Girder	15 years
Sheet Form Works	15 years

Useful life of Building constructed on Lease hold land have been estimated at 30 years.

#### Revenue Recognition

- Contract revenue is recognised on the completion of agreed services.
- Consultancy Charges are recognised on receipts basis.
- Interest income is recognized on time proportion basis.
- Rental income is recognized as and when it falls due.
- Other incomes are recognized on an accrual basis.

#### Work in progress

The works are subcontracted on 100% back to back basis, and therefore there are no work in progress at the end of the year.

#### Prior Period Items

Individual items of income and expenditure relating to prior period is accounted as a prior period item and disclosed accordingly. The term 'prior period items', as defined in this Standard, refers only to income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. The term does not include other adjustments necessitated by circumstances, which though related to prior periods, are determined in the current period, e.g., arrears payable to workers as a result of revision of wages with retrospective effect during the current period.

#### Employee Benefits

- a. Short term employee benefits such as salaries, wages, bonus and incentives which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the profit and loss account.
- b. Provision for Accumulated Encashable Earned Leave Salary in respect of permanent employees of the corporation has been made for the balance earned leave available at credit of the employees based on the salary dues as on 31.03.2017
- c. Defined Contribution Plans - During the year, employer's contributions to Provident fund have been recognised in the statement of profit and loss on accrual basis. The Company has no further obligations for future Provident Fund benefits other than its monthly contributions.
- d. Defined Benefit Plans - Provision for gratuity in respect of all employees of the corporation has been made based on gross [undiscounted] amount of such liability assuming that all employees will discontinue at the end of the year. The same charged to revenue is not on the basis of actuarial valuation.

#### Segment Reporting

In the absence of more than one distinguishable business/ geographical segment, segment information is not given.

#### Earnings Per Share

The company reports basic and diluted earnings per share in accordance with AS-20. Basic Earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earnings per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year adjusted for the effects of dilutive options.

#### Taxes on Income

Income tax expense comprises current tax and deferred tax charge or credit. The current tax is determined as the amount of tax payable in respect of the estimated taxable income of the period. The deferred tax charge or credit is recognised using prevailing enacted or substantively enacted tax rates. Where there are unabsorbed depreciation or carry forward losses, deferred tax asset are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets are reviewed at each Balance Sheet date based on the developments during the period.

### Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use; the estimated future cash flows are discounted to the present value using the weighted average cost of capital. Management periodically assesses using internal sources whether there is any indication that an asset may be impaired.

### Provisions, Contingent Liabilities and Contingent Assets

The company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

### 3.SHARE CAPITAL

#### A. Authorised

200000 Equity shares of Rs. 100 each  
(Previous Year 200000 equity shares of Rs.100/- each).

Current Year

Previous Year

2,00,00,000.00

2,00,00,000.00

2,00,00,000.00

2,00,00,000.00

#### B. Issued, Subscribed and Paid-up

87500 Equity shares of Rs. 100 each  
(Previous Year 87500 equity shares of Rs.100/- each).

87,50,000.00

87,50,000.00

87,50,000.00

87,50,000.00

### Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

Particulars	Current Year		Previous year	
	Number	Amount	Number	Amount
At the beginning of the period	87500	8750000	87500	8750000
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Add: Other movements during the year	-	-	-	-
Balance at the End of the Year	87500	8750000	87500	8750000

### Terms/rights attached to equity shares.

The company has only one class of equity shares having par value of Rs.100/- per share. Each holder of equity share is entitled to one vote per share.

The company has not declared dividend during the year

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders

Shares held by shareholders holding more than 5% shares

Equity Share Capital

Particulars	Current Year		Previous Year	
	Number of shares	% of share holding	Number of shares	% of share holding
<b>List of significant share holders (&gt;5%)</b>				
Government of Kerala	87,498.00	99.99%	87,498.00	99.99%

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**4. RESERVES & SURPLUS**

**Profit and Loss Account**

Opening Balance  
Add : Profit for the year

	Current Year	Previous Year
Opening Balance	32,77,04,857.62	15,04,30,795.51
Add : Profit for the year	15,03,56,008.20	17,72,74,062.11
	<b>47,80,60,865.82</b>	<b>32,77,04,857.62</b>

9.23

**5. LONG TERM LIABILITIES**

Earnest Money Deposits

	Current Year	Previous Year
Earnest Money Deposits	82,93,626.20	73,51,926.20
	<b>82,93,626.20</b>	<b>73,51,926.20</b>

**6. LONG TERM PROVISIONS**

Provision for Employee Benefits (Gratuity)  
Provision for Leave Encashment

	Current Year	Previous Year
Provision for Employee Benefits (Gratuity)	4,99,33,108.00	4,06,53,768.00
Provision for Leave Encashment	1,73,71,085.00	95,48,743.00
	<b>6,73,04,193.00</b>	<b>5,02,02,511.00</b>

**7. TRADE PAYABLES**

Creditors: - For work  
- For Expenses

	Current Year	Previous Year
Creditors: - For work	17,95,24,251.00	29,15,64,769.00
- For Expenses	10,83,47,221.52	14,74,28,986.03
	<b>28,78,71,472.52</b>	<b>43,89,93,755.03</b>

**8. OTHER CURRENT LIABILITIES**

Current maturities of long term debt

Unsecured

From Bank

SBT Bridge Finance [Refer Note 8.1]

39,46,875.58 39,46,875.58

Other than Bank

From Govt of Kerala [Refer Note 8.2]

2,05,00,000.00 2,05,00,000.00

Interest Accrued and Due - Loan from Govt. of Kerala

5,40,90,542.00 5,23,93,792.00

Advance From Contractees towards Work

31,95,27,167.62 39,86,45,008.62

Earnest Money Deposit

4,55,000.00 17,34,900.00

Retention Money

19,20,82,318.66 21,42,38,469.66

Statutory Dues

4,49,34,364.47 4,21,55,271.55

**63,55,36,268.33 73,36,14,317.41**

8.1 The terms of repayment, installment, interest rate etc on bridge finance loan from SBT depends on the final order of the Debt Recovery Tribunal, Ernakulam and the arbitration case pending before the Arbitrator having jurisdiction over new delhi.

The Company has defaulted in repayment of SBT Bridge Finance loan for Rs.39,46,875.58 since March 2000.

8.2 The Company has availed unsecured loan from Government of Kerala since 1978 to 1987 amounting to Rs.205 Lakhs (P.Y - Rs.205 lakhs) together with interest of Rs 540.90. lakhs (P.Y - Rs.523.94 lakhs) is overdue for more than 15 years. Proposal is submitted before Government to convert said loan to Equity.

**9. SHORT TERM PROVISIONS**

Provision for Taxation

	Current Year	Previous Year
Provision for Taxation	14,85,51,075.00	13,80,90,800.00
	<b>14,85,51,075.00</b>	<b>13,80,90,800.00</b>



10. FIXED ASSETS												
S/No	Nature of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As at 01.04.2016	Additions during the year	Sale/Deletions during the year	As at 31.03.2017	As at 01.04.2016	Accumulated depreciation reversed/adjusted	During the year	As at 31.03.2017	Impairment Loss adjusted in Financial Year 2015-16	As at 31.03.2017	As at 31.03.2016
A	TANGIBLE ASSETS											
1	Building	42,96,388.00	-	-	42,96,388.00	12,12,223.31	-	3,12,423.00	15,24,646.31	-	27,71,741.69	30,84,164.69
2	Plant & Machinery	68,40,089.93	-	-	68,40,089.93	64,57,462.75	-	38,894.00	64,57,462.75	3,82,627.18	-	-
3	Electrical Fittings	6,65,823.61	-	-	6,65,823.61	4,44,151.20	-	98,082.00	4,82,953.20	-	1,82,868.41	2,21,672.41
4	Furniture & Fixtures	14,55,257.00	37,700.00	-	14,92,957.00	11,27,891.19	-	36,547.00	10,34,138.67	-	2,66,963.81	3,27,345.81
5	Office Equipment	11,27,188.59	-	-	11,27,188.59	9,97,591.67	-	1,92,648.00	27,38,679.67	-	93,049.92	1,29,596.92
6	Computer & Accessories	28,08,623.30	2,70,330.00	-	30,78,953.30	25,46,251.67	-	7,15,622.00	60,58,551.78	-	3,40,073.63	2,62,391.63
7	Motor Car	76,12,555.11	-	-	76,12,555.11	53,42,999.78	-	1,17,575.00	8,40,488.14	-	3,16,001.01	4,33,576.01
8	Jeep & Trailer	11,56,487.15	-	-	11,56,487.15	7,22,913.14	-	-	3,68,203.30	2,022.94	0.00	0.00
9	Steel Grider	3,70,226.24	-	-	3,70,226.24	40,34,988.85	-	-	40,34,988.85	77,364.51	(0.00)	(0.00)
10	Sheet Form Works	41,12,353.36	-	-	41,12,353.36	2,32,54,566.86	-	15,11,701.00	2,47,66,267.86	-	55,24,701.80	67,28,372.80
	Grant Total:-	3,04,44,954.29	3,08,030.00	-	3,07,52,984.29	2,13,25,486.86	-	19,29,080.00	2,32,54,566.86	4,62,014.63	67,28,372.80	81,49,695.43
	Previous Year	2,94,75,182.29	9,69,772.00	-	3,04,44,954.29	2,13,25,486.86	-	-	2,32,54,566.86	-	67,28,372.80	81,49,695.43

**11. LONG TERM LOANS AND ADVANCES**

<u>Security Deposits</u>		
Unsecured, Considered Good	6,85,05,870.00	6,58,65,410.00
Doubtful	88,55,089.86	88,55,089.86
Less: Provision for Bad & Doubtful Deposits	(88,55,089.86)	(88,55,089.86)
	<u>6,85,05,870.00</u>	<u>6,58,65,410.00</u>
<u>Other Loans and advances</u>		
Unsecured, Considered Good	10,68,320.77	35,18,262.77
Doubtful	75,00,949.53	65,36,060.53
Less: Provision for Bad & Doubtful Advances	(75,00,949.53)	(65,36,060.53)
	<u>10,68,320.77</u>	<u>35,18,262.77</u>
	<u>6,95,74,190.77</u>	<u>6,93,83,672.77</u>

**12. OTHER NON CURRENT ASSETS**

Claims Receivable	35,85,555.32	32,40,925.32
	<u>35,85,555.32</u>	<u>32,40,925.32</u>

**13. TRADE RECEIVABLES**

<u>Debtors</u>		
<u>Outstanding for a period exceeding six months</u>		
Unsecured Considered Good	1,38,17,937.95	96,63,108.95
Doubtful	1,42,40,656.73	1,35,39,469.72
Less: Provision for Doubtful Debts	(1,42,40,656.73)	(1,35,39,469.72)
	<u>1,38,17,937.95</u>	<u>96,63,108.95</u>
<u>Other Debts</u>		
Unsecured Considered Good	2,14,33,249.00	18,08,15,030.00
	<u>3,52,51,186.95</u>	<u>19,04,78,138.95</u>

**14. CASH AND CASH EQUIVALENTS**

Balances with Banks in Current Accounts	50,30,32,246.88	24,71,15,022.35
Other Bank balances - Fixed Deposits	41,43,36,442.67	23,22,54,334.67
Cash in Hand	34,571.96	25,816.01
Stamps in Hand	742.00	103.00
	<u>91,74,04,003.51</u>	<u>47,93,95,276.03</u>

**15. SHORT TERM LOANS AND ADVANCES (unsecured considered good)**

Mobilisation Advances	36,59,96,262.00	73,72,75,077.00
Interest Receivable on Mobilisation Advances	98,38,024.00	1,84,12,875.00
Income Tax Deducted at Source	13,49,98,828.00	14,34,94,788.00
Sales Tax Deducted at Source	1,19,41,760.00	82,38,771.00
Advance Income Tax paid	1,30,00,000.00	75,00,000.00
Salary Advances	14,33,649.00	16,31,822.00
Other Advances	25,41,039.00	14,27,586.00
	<u>53,97,49,562.00</u>	<u>91,79,80,919.00</u>

	Current Year	Previous Year
<b>16. OTHER CURRENT ASSETS</b>		
Rent Receivable	4,73,570.00	6,45,777.00
Bill Discounting charges	-	6,02,007.15
	<b>4,73,570.00</b>	<b>12,47,784.15</b>
<b>17. REVENUE FROM OPERATIONS</b>		
<b>(a) Contract Receipts</b>		
Work Bills Receipts	5,13,48,79,480.00	6,27,17,49,105.00
<b>(b) Other Operating Revenues</b>		
Consultancy Charges Received	1,58,12,113.00	2,03,92,530.00
	<b>5,15,06,91,593.00</b>	<b>6,29,21,41,635.00</b>
<b>18. OTHER INCOME</b>		
<b>(a) Interest Income</b>		
Interest on Mobilisation Advances	5,22,26,324.00	8,03,88,836.00
Interest on Bank Deposits	65,70,775.00	90,18,133.00
Interest on Salary Advance	1,71,800.00	1,11,100.00
Interest on Income Tax Refund - AY 2010-11	-	1,02,104.00
Interest on Other Deposits	57,654.00	1,52,813.00
	<b>5,90,26,553.00</b>	<b>8,97,72,986.00</b>
<b>(b) Rental Income</b>		
Hoarding Rent	26,90,738.00	24,46,125.00
<b>(b) Other Non-Operating Income</b>		
Miscellaneous Income	7,27,239.00	6,01,897.00
Sale of Tender Documents	10,63,282.00	12,67,268.00
Prior Period Income (Refer note no.24)	-	12,57,479.00
	<b>17,90,521.00</b>	<b>31,26,644.00</b>
	<b>6,35,07,812.00</b>	<b>9,53,45,755.00</b>
<b>19. CONTRACT EXPENSES</b>		
Sub Contract Expenses	4,80,75,99,884.00	5,87,47,79,510.00
Kerala Construction Workers Welfare Fund	4,41,68,433.00	5,34,35,052.00
	<b>4,85,17,68,317.00</b>	<b>5,92,82,14,562.00</b>
<b>20.EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	6,84,29,902.00	4,91,65,259.00
Pay Revision Arrears	-	3,31,58,184.00
Leave Salary	12,41,631.00	3,56,059.00
Contribution to Provident Fund	26,42,551.00	25,46,798.00
Bonus	72,000.00	60,410.00
Gratuity	1,70,60,350.00	2,03,14,138.00
Staff Welfare Expenses	32,150.00	31,415.00
	<b>8,94,78,584.00</b>	<b>10,56,32,263.00</b>

## 21. FINANCE COSTS

Interest on Government Loan  
Interest on Work Advances  
Bank Charges

Current Year	Previous Year
16,96,750.00	16,96,750.00
64,49,392.00	2,10,73,078.00
13,231.00	46,151.78
<b>81,59,373.00</b>	<b>2,28,15,979.78</b>

## 22. OTHER EXPENSES

Payments to the Auditor as  
(a) Auditor:  
Repairs to Building  
Repairs to Vehicle  
Repairs & Maintenance - Others  
Rent  
Lease Rent (refer note no. 22.1)  
Insurance  
Rates & Taxes  
Legal & Professional Charges  
Travelling Expenses  
Business Promotion Expenses  
Centage Charges  
Electricity & Water Charges  
Office & Miscellaneous Expenses  
Postage & Telephone  
Printing & Stationery  
Income Tax Paid  
Royalty for Hoardings  
Provision for Bad & Doubtful Debts  
Provision for Bad & Doubtful Deposits  
Provision for Bad & Doubtful Advances

3,00,000.00	2,50,000.00
23,629.00	15,828.00
11,11,900.00	11,09,907.00
2,47,413.50	2,43,028.00
4,34,750.00	4,01,086.00
1,23,028.00	1,14,803.00
82,624.00	-
5,95,184.00	3,39,726.00
21,34,258.00	34,82,689.00
12,94,839.00	16,37,939.00
5,87,611.00	20,92,385.00
-	4,11,111.00
2,98,948.00	2,70,583.00
4,64,977.16	4,39,396.61
4,84,844.92	4,48,573.80
3,04,832.70	3,43,007.90
-	21,00,747.00
2,69,073.80	2,44,612.50
7,01,187.00	15,40,299.96
-	23,20,702.70
9,64,889.00	63,28,281.25
<b>1,04,23,989.08</b>	<b>2,41,34,706.72</b>

### **22.1. Lease Rent**

The Company has two operating lease for land that are renewable on a periodic basis and cancellable at its option.

The Company has a plot of 186.655 cents of land in Vyttila in Ernakulam for setting up the central store from 1986 on lease from Government of Kerala @ Rs. 19,853/- per annum.

The Government vide GO (MS) No.617/94/R.D. dated 20.12.1994 have allotted 52.750 cent land in survey No.324/01 in Kakkannadu Village, Kanayannur Taluk in Ernakulam Dist. on lease rent basis for a period of 10 years. The lease rent has been paid to the Government upto 31.03.2011. The Government have revised the lease rate and have requested the company to remit an amount of Rs.1,54,96,474/ towards arrears of lease rent upto 31.03.2013 vide letter number LS-16891/2013 dt 08.12.2016 and the same has been provided during FY 2014-15. But the company has provided provision for lease rent for the year 2013-14 and 2014-15 & 2015-16 for Rs.2,84,850 (Rs.94,950/- p.a) only on the argument that no demand received from revenue department for higher rent for that period.

The company have also made request before the Government to assign the land in the name of KSCC which is still pending with the Government.

It is learned that this is under active consideration of the Government and the file is being processed in the Collectorate Ernakulam.

**23. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)**

**Claims against the company pending before various legal/statutory authorities and not acknowledged as debt**

Risk and Cost Liability of terminated works (See Note No: 23(A))	18,84,98,000	18,84,98,000
Counter Guarantee invoked by the State Bank of Travancore (See Note No: 23(B))	55,00,00,000	55,00,00,000
Claims by Projects and Equipment Corporation (See Note No: 23(B))	2,37,00,000	2,37,00,000
Service Tax under Dispute (See Note No:23 (C))	60,90,096	56,39,914
Income Tax (See Note No: 23(D))	53,77,867	53,77,867
	<b>77,36,65,963.00</b>	<b>77,32,15,781.00</b>

**23 (A). Risk and Cost Liability of terminated work**

Work	Region	Risk & Cost Liability
ARP Quarters, Kannur	Thrissur	1,23,10,000.00
RVDA Hospital	Thrissur	27,19,000.00
Ladies Hostel, Engineering College	Thrissur	3,14,000.00
Rajiv Gandhi Memorial Ashram School	Kozhikode	70,27,000.00
Working Womens Hostel	Kozhikode	3,06,65,000.00
Addl Block, B2, Civil Station	Ernakulam	78,21,000.00
Flush Escape & Leading Channel of Canal	Ernakulam	52,72,000.00
Chellangi Bridge	Trivandrum	3,60,70,000.00
Muttakavu Bridge	Trivandrum	2,80,90,000.00
Meppadi Gov. Poly Technic	Kannur	5,82,10,000.00
Muriyankanni Bridge, Palakkad	Thrissur	Not Ascertained
Chavakkad Mini Civil Station	Kozhikode	Not Ascertained
Improvements to Elamkadu - Kolahalamedu - Vagamon Road	Kottayam	Not Ascertained
Barton Hill	Trivandrum	Not Ascertained
Excise Division	Trivandrum	Not Ascertained
		<b>18,84,98,000.00</b>

**23 (B). Foreign Contracts-Libya**

The State Bank of Travancore guaranteed an amount of Rs. 210 Lakh to Projects and Equipment Corporation of India Ltd, New Delhi in 1981 towards bridging finance provided in Libya. The guarantee was invoked by Projects and Equipment Corporation for Rs. 162 lakh and the bank in turn invoked the counter guarantees in 1984. The Delhi High Court passed an attachment order against bank for an amount of Rs. 55.57 crore with 18 % interest. Both SBT and Projects and Equipment Corporation of India Ltd being public sector undertakings, the court suggested, notwithstanding the merit of rival contentions, to explore the possibility of a settlement. Accordingly, an amount of Rs.15 crore was paid by the Bank to Projects and Equipment Corporation of India Ltd in full and final settlement. SBT requested the Corporation to reimburse an amount of Rs. 15,10,34,440 with interest at the rate of 17.5 % per annum which was disputed on the ground that SBT had by its own Commission and Omission brought on itself the huge financial burden and the Corporation is in no way liable for the same. SBT approached the Debt Recovery Tribunal, demanding an amount of Rs.17.26 crore plus interest @ 17.25% from 20.01.2005 till date of payment, approximating Rs.55 Crores. The Corporation has filed an application by IA Bi: 2037/07 to implead the Project & Equipment Corporation Ltd., as an additional defence and this was allowed by the Debt Recovery Tribunal by order dated 16.06.2008. M/S Projects and Equipment Corporation of India Ltd has filed an application by IA No. 2445/2009 to set aside the order to implead them in this case. The Projects and Equipment Corporation of India Ltd has challenged this order of impleading, before the Hon'ble High Court of Kerala. The High Court ordered to hear the Projects and Equipment Corporation of India Ltd by the D.R.T within six weeks from June 2013. The D R T issued orders allowing the petition for not impleading them in the case. the Corporation had filed an appeal before the Debt Recovery Appellate Tribunal, Chennai. At present, the case is pending before DRT, Ernakulam and Debt recovery Appellate tribunal, Chennai. Meanwhile M/s Project Equipment Corporation have filed a petition before the Hon'ble High Court of Kerala praying for an order for cancellation of the order passed by the Debt Recovery Appellate Tribunal, Chennai making M/s PEC as a party in this case.

There is an arbitration case between Projects and Equipment Corporation of India Ltd and the company. An interim award on the arbitration, which is favourable to the company, has been challenged by PEC and is before the Delhi High Court. We have approached the Hon.ble High Court, Delhi for converting the award into a rule of court. By suit No. 1925/1994, Hon.ble High Court pronounced the judgements in April 7th 2008 against which we have filed an appeal in the division bench of the Hon.ble High Court of New Delhi. The appeal filed against the finding of the Hon.ble High Court New Delhi as per judgement dated 7th April 2008 that "All rights and contentions of the parties on the merits of the dispute on which the Arbitrators have not pronounced their findings are hereby reserved and kept open". The appeal was heard and judgement was pronounced by the division bench by October 2012. As per the judgement the Court directed to adjudicate the claim of both Projects and Equipment Corporation of India Ltd & KSCC afresh. As both parties have agreed, the Hon.ble Court appointed an arbitrator and the hearing is going on and the matter is posted for hearing on 01.12.2014. Company is of the view that no amount is due to Projects and Equipment Corporation of India Ltd and therefore invocation of the bank guarantee from SBT was unjustified. Last date of hearing was on 19/08/2017 and still the case is pending. Hence no interest is provided for the same.

**23 (C). Service Tax**

(i) The appeal filed by the Corporation against the assessment of service tax on the work of Shopping Complex Cum Bank Building for Aloor and Thazhekkad Co-Operative Societies has been considered by Additional Commissioner of Service Tax Ernakulam and dropped the proceedings. However it has further reviewed and demand amounting to Rs. 36,92,914 relating to F.Y 2009-10 & 2010-11 has been raised by the department, the review has been objected by the Corporation, hence the provision not provided for and included under contingent liabilities based on the assessment of the management

(ii) The assessment notice for service tax for work of Azheekal Port [ Rs.2,08,000/-] and Kinfra Aparal Park at at Nadukani [Rs. 17,39,000/-] was received by the Corporation, which was challenged in appeal on the ground that said works do not comes under Industrial & Commercial

Construction. Hence as per Corporation no provision to be provided; however disclosed under contingent liabilities

(iii) Service Tax appeal pending before CESTAT, Bangalore Rs 4,50,182/- pertaining to F.Y. 2008-09(Appeal No-22932/2014)

**23 (D). Income Tax**

The Company had received an assessment order and demand for Rs.3,06,257/- for the A.Y 2010-11 , Rs.10,05,040/- for the A.Y 2011-12 on 14.05.14 and Rs.18,46,280/- for the A.Y 2013-14 on 23.03.2016, which was challenged in appeal on the ground that no credit given on amount appearing in Form 26 AS and the disallowance are not justified.

The Company had received order from Deputy Commissioner of Income Tax demanding additional amount of Income Tax for Rs. 22,20,290/- on 03.11.2016 against the assessment for the F.Y 2013-14. However corporation has not provided provision for the same in profit and loss account on the basis of argument that corporation will file appeal against the order challenging the same. Hence the same is disclosed as contingent liability in financial statements

**24 B. PRIOR PERIOD ITEMS**

	Current Year	Previous Year
<b>Prior Period Income</b>		
Creditors written back	-	12,57,479.00
	-	12,57,479.00
	-	12,57,479.00

25. In the opinion of the management , the current assets, loans and advances shall realise the value as shown in the balance sheet, if realised in the normal course of business.

26. Balance of debtors, creditors & loans and advances are subject to confirmation/reconciliation.

## 27. RELATED PARTY DISCLOSURES

### Name of the related party and nature of relationship where control exists

Key Management Personnel	Nature of Relationship
Sri. Subrata Biswa IAS (18.07.2016 to 31.06.2017)	Chairman
Sri. P G Suresh (31.12.2016 to 31.10.2017)	Managing Director
Sri. P R Santhoshkumar (02.03.2015 to 31.12.2016)	Managing Director
Sri. Jacob Koshi(Add'l Secretary, Finance Department)( 08.04.2016 to 31.05.2017)	Director
Smt. M Pennamma (Chief Engineer, B&LAW) (21.01.2013 to 04.01.2017)	Director
Sri. M N Jeevaraj (Dy. Chief Engineer, PWD & R&B) ( from 27.11.2015)	Director
Sri J Raveendran( Chief Engineer, PWD Buildings)(18.11.2016 to 19.06.2017)	Director

### Transactions with related parties during the year as per the books of accounts

Name of Related Party	Description of Relationship	Nature of Transaction	Transaction Value	
			Current Year	Previous Year
Santhosh Kumar P.R	Managing Director	Salary	4,92,161.00	5,60,774.00
		Leave Salary	36,667.00	28,627.00
		Travelling Allowance	76,122.00	44,261.00
		Charge Allowance	-	13,578.00
P G Suresh	Managing Director	Salary	4,04,700.00	-
		Leave Salary	1,34,900.00	-

The Managing Director have been allowed the use of company car and driver for his official use.

### 28. Basic and Diluted Earning per Share (EPS), of face value Rs.100/- has been calculated as under:

Numerator		
Net Profit for the year as per Statement of Profit and Loss	15,03,56,008	17,72,74,062
Denominator		
Weighted average number of equity shares outstanding during the year	87500	87500
Earning Per Share: Basic & Diluted	1,718.35	2,025.99

### 29. Major Components of Deferred Tax Asset/Deferred Tax Liability are:-

Item	As on 01.04.2016	Current Year	As on 31.03.2017	
	Asset/(Liability)	Asset/(Liability)	Asset	Liability
Depreciation	(1,65,129.93)	1,63,229.64	-	(1,900.28)
Expenses disallowed u/s 40(a)(ia)	-	1,98,93,276.95	1,98,93,276.95	-
Provision for Gratuity	1,40,69,456.03	32,11,393.99	1,72,80,850.02	-
Provision for Gratuity (Pay Arrears)	69,40,503.24	-	69,40,503.24	-
Provision For Leave encashment	33,04,628.98	27,07,156.12	60,11,785.10	-
Provision for Leave encashment(Pay Arrears)	20,91,310.91	-	20,91,310.91	-
Provision for Doubtful Debts	46,85,739.68	2,42,666.80	49,28,406.48	-
Provision for Doubtful Deposits	30,64,569.50	-	30,64,569.50	-
Provision for Doubtful Advances	22,61,999.83	3,33,928.79	25,95,928.61	-
<b>Total</b>	<b>3,62,53,078.24</b>	<b>2,65,51,652.28</b>	<b>6,28,06,630.80</b>	<b>(1,900.28)</b>
<b>NET DTA/ (DTL)</b>	<b>3,62,53,078.24</b>	<b>2,65,51,652.28</b>	<b>6,28,04,730.52</b>	

30. The details of Provisions as per AS- 29 are given below:

Particulars	Opening Balance	Additions	Reversals / Utilisations	Closing Balance
Provision for Taxation	13,80,90,800.00	13,43,74,250.00	(12,39,13,975.00)	14,85,51,075.00
Provision for Gratuity	4,06,53,768.00	1,70,60,350.00	(77,81,010.00)	4,99,33,108.00
Provision for Gratuity (Pay Arrears)	2,00,54,621.00			2,00,54,621.00
Provision for Leave Encashment	95,48,743.00	1,41,01,612.00	(62,79,270.00)	1,73,71,085.00
Provision for Leave encashment(Pay Arrears)	60,42,854.00			60,42,854.00
Provision For Bad & Doubtful Debt	1,35,39,469.72	7,01,187.00	-	1,42,40,656.73
Provision For Bad & Doubtful Deposit	88,55,089.86	-	-	88,55,089.86
Provision For Bad & Doubtful Advances	65,36,060.53	9,64,889.00	-	75,00,949.53

Debts, Deposits and Advances exceeding three years with no transactions have been considered as doubtful.

31. ADDITIONAL INFORMATION

	Current Year	Previous Year
a) CIF Value of imports made during the year	Nil	Nil
b) Earnings in Foreign Exchange	Nil	Nil
c) Expenditure in Foreign Currency	Nil	Nil
d) Amount remitted during the year in foreign currency	Nil	Nil

32. The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

33. Previous year figures have been regrouped /reclassified wherever necessary to suit the current year's layout.

As per our report of even date attached

For and on behalf of Kerala State Construction Corporation Limited

For JVR & Associates  
Chartered Accountants

Sd/-  
DEEPU S  
Managing Director

Sd/-  
P JAYALAKSHMI  
Director

Sd/-  
K KUNHAMBU NAIR  
Finance Manager

Sd/-  
ANISH ABRAHAM  
Partner

Place: Ernakulam  
Date:19.03.2019



## **INDEPENDENT AUDITORS' REPORT**

To

The Members of

**THE KERALA STATE CONSTRUCTION CORPORATION LIMITED**

Thiruvananthapuram

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of THE KERALA STATE CONSTRUCTION CORPORATION LIMITED, (“the Company”) which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Basis For Adverse Opinion

- a. An amount of ₹.9,10,59,286/- has been accounted by company during the year as income tax deducted at source (TDS) by the clients from the Company. The tax credit as per 26AS of Income Tax Department for the F.Y 2016-17 shows a TDS credit of ₹ 9,50,03,682/- only. The difference of TDS amounting to ₹ 39,44,396/- is doubtful of recovery. This has resulted in overstatement of current year profit and overstatement of current assets to that extent.
- b. The liability in respect of gratuity and encashment of earned leave to the employees are provided in books of account on the basis of probable liability that may arise if the employee retires at the end of the year. However the same is not on the basis of actuarial valuation as required by Accounting Standard 15, on accounting for retirement benefits, issued by the Institute of Chartered Accountants of India. The correct amounts of provision on these accounts and its effects on the Financial Statements are not quantifiable.
- c. Service Tax was not collected and paid for 'Hoardings Rent Received' during 2016-17. Rent received during the year amounts to ₹ 26,90,738/-. Company has not paid Service Tax amounting to ₹ 4,01,458/-. The current year profit is overstated and current liabilities are understated to that extent of ₹4,01,458/-.

- d. The company has made a provision of ₹ 94,950/- only as lease rent for the leased land from Government of Kerala for the year. The company had admitted and paid a demand of ₹ 34,49,683/- per year for the three year ended 31.03.2013 totaling to ₹ 1,03,49,049/-, based on notice from Thahasildar, Taluk Office, Kanayannur. Accordingly, for the three years i.e. 2013-14, 2014-15 & 2015-16, a provision of ₹ 103,49,051/- should have been made. Had this been done, the current year profit would have been less by ₹ 1,00,64,199/- and the current liabilities would have been more by ₹ 1,00,64,199/-.
- e. Provision for Interest on Bridge Finance Loan [Loan amount outstanding ₹ 39,46,875/-] from State Bank of Travancore is not provided since March 2000. The amounts of provision and its effects on the Financial Statements are not quantifiable from the information and explanations furnished to us.
- f. Confirmations has not been obtained for the following balances:

Particulars	Note No.	Amount (₹)
Earnest Money Deposits	5 & 8	87,48,626
Trade Payables	7	28,78,71,472
Other Current Liabilities	8	55,65,43,849
Security Deposits (considered good)	11	6,85,05,870
Trade Receivables (considered good)	13	3,52,51,186
Fixed/Recurring Deposits	14	2,54,00,252
Mobilisation Advances	15	36,59,96,262
Interest Receivable on MA	15	98,38,024
Other Advances	15	25,41,039

- g. The party wise breakup of Earnest Money Deposits amounting to ₹ 86,98,626/- was not made available for our verification. (Note No. 5 & 8)
- h. The party wise break up of ₹ 9,50,40,640/- of 'Retention Money Payable' out of the total outstanding of ₹ 19,20,82,318/- was not made available for our verification. (Note No.8).
- i. Current Lease Documents for leased land at Vytilla and Kakkanad were not made available. Therefore we are not in a position to comment upon the present position of the lease.
- j. Confirmations of bank guarantees outstanding as on 31.03.2017 was not made available for our verification.
- k. Consultancy charges are recognized as income only when the bills for the works are submitted and not under accrual method. The effect of the same in the accounts of the Company is not quantifiable from the information and explanations furnished to us. (Note No.17(b))
- l. The Company has not maintained any register showing details of various claims against the Company, so we are unable to verify the correctness of the claims not acknowledged as debt by the Company.

- m. "Had the quantifiable qualifications in clause "a" to "m" under 'Basis of Qualification' above have been effected, the profit for the year would have been less by ₹ 1,44,10,053/- , Current Assets would have been lower by ₹ 39,44,396/- and Current Liabilities would have been higher by ₹ 1,04,65,657/-.

### **Adverse Opinion**

In our opinion, because of the omissions of the information mentioned in the Basis for Adverse Opinion paragraph, the financial statements do not give the information required by The Companies Act, 2013 in the manner so required and also do not 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 2017, and its profit and its cash flows for the year ended on that date.

### **Report On Other Legal And Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the annexure 1 a statement on the matters specified in paragraphs 3 & 4 of the order.
2. We are enclosing our report in terms of Section 143(5) of the Act, on the basis of such checks of the books and records of the as we considered appropriate and according to the information and explanation given to us, in the annexure 2 on the directions issued by the Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, we report that:
  - a) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraph, 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, except that consultancy charges are not recognized on accrual basis. Proper returns adequate for the purposes of our audit have been received from the locations not visited by us.
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, except for the effects of the matter described in the Basis for Adverse Opinion paragraph, 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.
  - e) The provisions of sub-section (2) of section 164 of the Companies Act, 2013 is not

applicable to the Company vide Notification No. 463(E) dated 05.06.2015, 'Exemptions to Government Companies under section 462 of Companies Act 2013'.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations [Refer Note No.23 to the Financial Statements] on its financial position in its standalone financial statements, which would impact its financial position:

**a. Service Tax & Income Tax Under Dispute**

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Finance Act	Service Tax	17,39,000.00	F.Y. 2002-03 to 2007 -08	CESTAT, Bangalore
Finance Act	Service Tax	2,08,000.00	F.Y. 2006-07	Appellate Commissioner
Finance Act	Service Tax	4,50,182.00	F.Y. 2008-09	CESTAT, Bangalore
Finance Act	Service Tax	10,50,812.00	F.Y. 2009-10	Appellate Commissioner
Finance Act	Service Tax	26,42,102.00	F.Y. 2010-11	Appellate Commissioner
Income Tax Act, 1961	Income Tax	10,05,040.00	A.Y. 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	3,06,257.00	A.Y. 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	18,46,280.00	A.Y. 2013-14	Commissioner of Income Tax (Appeals)

- ii. The Company has not provided for/disclosed the impact of the following pending litigations on its financial position in its standalone financial statements, which would impact its financial position:

(a) **Writ Petitions pending before the Hon'ble High Court of Kerala:**

SI.no	Case no.	Petitioner	Nature	Region	Dispute amount
1	W P C 344144/2015	P.B.Manaf	Enhanced Claim - Govt. Polytechnic, Meppady	Kannur	2,88,00,326
2	W P C 23924/2015	K V Joseph & Sons	Dispute on Tax Levied - PWD Rest House&Office complex	EKM	2,97,894
3	W P C 9594/16	Irrigation Department	Loss for Delay in Work - Construction of Flush Escape	EKM	45,70,000
4	W P C 29625/16	Thoppil Contractors (india)Pvt Ltd	Dispute in recovery of bill amount - 35-th National Games-Road Work	Tvpm	84,86,670
5	W P C 37109/2016	K M Latheef	Pending Claim for DPR Work for 100 Roads	EKM	79,04,563
6	W P C 18314/16	NobleTech	Enhanced Claim - KSFE-Kakkanad	EKM	18,04,105

(b) **List of Cases pending before sub - courts:**

SI. No	Case no.	Name of Petitioner	Sub Court	Claimed Amount
1	OS 117/2015	Hope Construction - Pending Claim	Ernakulam	2,30,92,161
2	OS 518/16	K.P.Chandradasan - Enhancement of Claim - Noolpuzha work.	Munzif Court, Kozhikode	3,56,300

- iii. The company has made provisions as required under applicable Laws or Accounting Standards for long term contracts including derivative contracts for which there were any material foreseeable losses;
- iv. The company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

For JVR & ASSOCIATES  
Chartered Accountants  
(F. R. No. 011121S)

Sd/-  
ANISH ABRAHAM  
Partner  
M.No. 217939

Place: Kochi-16  
Date : 19-03-2019

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF THE KERALA STATE  
CONSTRUCTION CORPORATION LIMITED**

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

We have audited the internal financial controls over financial reporting of The Kerala State Construction Corporation Limited as at March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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

**Auditors' Responsibility**

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Adverse Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2017:

- a. Reconciliation of income tax deducted at source (TDS) by the clients from the Company between the amount accounted in books and Form 26AS has not been done/corrected.
- b. Service Tax was not collected and paid for 'Hoardings Rent Received' during 2016-17
- c. Confirmations has not been obtained for the following balances:
- d. The party wise breakup of Earnest Money Deposits amounting to Rs. 86,98,626/- was not made available for our verification. (Note No. 5 & 8)
- e. The party wise break up of ₹ 9,50,40,640/- of 'Retention Money Payable' out of the total outstanding of ₹ 19,20,82,318/- was not made available for our verification. (Note No.8).
- f. Lease Documents for leased land at Vytilla and Kakkanad were not made available. Therefore we are not in a position to comment upon the present position of the lease.
- g. Consultancy charges are recognized as income only when the bills for the works are submitted and not under accrual method.



Particulars	Note No.	Amount (Rs.)
Earnest Money Deposits	5 & 8	87,48,626
Trade Payables	7	28,78,71,472
Other Current Liabilities	8	55,65,43,849
Security Deposits (considered good)	11	6,85,05,870
Trade Receivables (considered good)	13	3,52,51,186
Fixed/Recurring Deposits	14	2,54,00,252
Mobilisation Advances	15	36,59,96,262
Interest Receivable on MA	15	98,38,024
Other Advances	15	25,41,039

- h. The Company has not maintained any register showing details of various claims against the Company, so we are unable to verify the correctness of the claims not acknowledged as debt by the company.
- i. The company does not have an updated fixed assets register.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of control criteria, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of audit tests in our audit of the financial statements of the Company, and these material weaknesses does not affect our opinion on the financial statements of the Company.

For JVR & ASSOCIATES  
Chartered Accountants  
(F. R. No. 011121S)

Sd/-  
ANISH ABRAHAM  
Partner  
M.No.217939

Place : Kochi-16  
Date : 19-03-2019

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF THE KERALA STATE CONSTRUCTION  
CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH,2017**

**(Referred to in paragraph 1 under "Report on other legal and regulatory requirements"  
section of our report of even date)**

In terms of Companies (Auditor's Report) Order 2016, issued by Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that:-

- 1) (i) The company is maintaining Fixed Assets register. However, full particulars, including quantitative details and situation of fixed assets, are not updated.  
(ii) Fixed assets have not been physically verified by the management at reasonable intervals and accordingly, the discrepancies if any are not ascertained.  
(iii) The company does not own any immovable property except building constructed on leasehold land.
- 2) As the company has subcontracted the entire work on back to back basis, revenue is recognized as and when the subcontractors raise their bills. Hence no work in progress is recognized and accounted in the books of accounts. The Company does not have any other Inventory. Therefore, the provisions of Clause(ii) of the aforesaid order, in our opinion, are not applicable to the Company.
- 3) The company has not granted any loans, secured or unsecured to companies, firms, LLPs, or other parties covered in register maintained under Section 189 of The Companies Act, 2013.
- 4) The company has not given any loans or guarantees/made any investments within the meaning of section 185 & 186 of The Companies Act, 2013.
- 5) The company has not accepted any deposits from the public in terms of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 company has not accepted any deposits.
- 6) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of The Companies Act, 2013 for any of the business of the Company.
- 7) According to the information and explanation given to us and the records of the company examined by us in respect of statutory dues:
  - (i) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs; duty of excise, value added tax, cess and any other statutory dues applicable to it with appropriate authorities.
  - (ii) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable except for the following:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period	Due Date	Date of Payment
Sales Tax	Sales Tax on Works Contract (CEPZ)	6,50,626.00	F.Y 2001-02	Not Known	Not paid
Income Tax Act, 1961	Surcharge on Income Tax (CEPZ)	65,556.00	F.Y 2001-02	Not Known	Not paid
Income Tax Act, 1961	Surcharge on Income Tax (CEPZ)	17,612.00	F.Y 2001-02	Not Known	Not paid
Income Tax Act, 1961	TDS	8,000.00 1,000.00 1,885.00	FY 2013-14	07.07.2013 07.09.2013 07.01.2014	Not paid
The Kerala Value Added Tax Act, 2003	VAT	500.00	FY 15-16	15.06.2015	14.06.2016

(iii) Details of dues of Income Tax and Sales Tax or Service tax or Duty of Customs or Duty of Excise or Value Added Tax which have not been deposited on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period	Forum where dispute is pending
Finance Act	Service Tax	17,39,000	2002-03 to 2007-08	Appellate Commissioner
Finance Act	Service Tax	2,08,000	2006-07	Appellate Commissioner
Finance Act	Service Tax	10,50,812	2009-10	Appellate Commissioner
Finance Act	Service Tax	26,42,102	2010-11	Appellate Commissioner
Income Tax Act, 1961	Income Tax	10,05,040	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	3,06,257	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	18,46,280	2011-12	Commissioner of Income Tax (Appeals)

- 8) (a) The company has defaulted in repayment of Bridge Finance Loan from State Bank of Travancore of ₹ 39,46,875/- since March 2000. The terms of repayment, interest rate etc on bridge finance loan from SBT depends on the final order of the Debt Recovery Tribunal, Ernakulam and the arbitration case pending before the Arbitrator having jurisdiction over New Delhi.
- b) The Company has availed unsecured loan from government of Kerala Since 1978 to 1987 amounting to ₹ 205 Lakhs together with interest of ₹ 540.90 Lakhs is overdue for more than 15 years. Proposal is submitted before Government to convert the said loan to Equity.

- 9) The company has not raised any money by way of initial public offer or further public offer. Based on the information and explanations given to us, the company has obtained any term loans during the year.
- 10) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the company or on the company by its officers/employees has been noticed or reported during the course of our audit.
- 11) The provisions of section 197 of The Companies Act, 2013 is not applicable to the Company vide Notification No. 463(E) dated 05.06.2015, 'Exemptions to Government Companies under section 462 of Companies Act 2013'.
- 12) The transactions entered into with related parties are in compliance with section 177 and 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 13) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 14) The company has not entered into any non-cash transactions with directors or persons connected with him, during the year.
- 15) The company is not required to be registered under section 45-IA of The Reserve Bank of India Act, 1934.
- 16) Matters specified in clauses (xii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

For JVR & ASSOCIATES  
Chartered Accountants  
(F. R. No. 011121S)

Sd/-  
ANISH ABRAHAM  
Partner  
M.No.217939

Place : Kochi-16  
Date : 19-03-2019

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF THE KERALA STATE CONSTRUCTION  
CORPORATION LIMITED FOR**

**THE PERIOD ENDED 31STMARCH,2017**

**(Referred to in paragraph 2 under "Report on other legal and regulatory requirements"  
section of our report of even date)**

**Report on the Directions issued by the C & AG under section 143(5) of the Companies Act, 2013**

<b>SI. No</b>	<b>Directions</b>	<b>Action Taken</b>
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Lease Deeds of the following Lease Deeds were not available for our verification:  i) 186.655 cents of land in Vyttila in Ernakulam for setting up the central store from 1986 on lease from Government of Kerala.  ii) 52.750 cent land in survey No.324/01 in Kakkanadu Village, Kanayannur Taluk in Ernakulam Dist. on lease from Government of Kerala
2	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	According to the explanations and information provided to us and in our verification we have not come across any case of waiver / write off of debts/loans/interest etc during the year under report
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	According to information and explanations given to us there is no inventory lying with third parties and no assets received as gift/grant(s) from Government or other Authorities

## **Sector Specific Sub-directions under Section 143(5) of The Companies Act, 2013.**

### **Infrastructure Sector**

1. The company does not own any land.
2. The system in vogue for identification of projects taken up under public/private partnership is in line with the guidelines/policies of government.
3. The system of monitoring the execution of works vis-à-vis milestones stipulated as per the agreements is in existence. The company has not maintained any register showing details of various claims against the Company, so we are unable to verify the correctness of the claims not acknowledged as debt by the company.
4. No funds have been received/receivable for specific schemes from Central/State agencies.
5. Confirmations/complete details for bank guarantees outstanding as on 31.03.2017 were not made available. Therefore we are not in a position to comment whether the bank guarantees have been revalidated on time.
6. Confirmations have not been provided for the balances of trade receivables and trade payables. The term deposits were not fully confirmed. Cash balances at various regional offices and administrative office were confirmed by the management.
7. As per the information/explanations provided, there are no abandoned projects during the year.

### **Services Sector**

1. The company's pricing policy absorbs all fixed and variable costs and the overheads allocated.
2. There are no cases of recovery of commission for work executed on behalf of Government/ other organizations during the period of audit. The billing is done on a back to back basis and revenue is recognized as and when the subcontractors raise their bills. Income from consultancy charges are accounted on cash basis.
3. The Company has not received any subsidy from Government.
4. Interest earned on parking of funds received for specific projects from Government are properly accounted for.
5. The company has not entered into Memorandum of Understanding with its Administrative Ministry. Majority of the works are executed through agreements with Public Works Departments (PWD).

### **Others**

1. The Company has not received grants / loans/ subsidiaries during the year.

2. No major capital expenditure was incurred during the year.
3. The financial data/operations are computerized. Hard copies are generated periodically. Backup of data are taken in the computer itself. The security policy for data such as login ids, passwords, data accessibility options and back-ups has to be improved.



सत्यमेव जयते

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

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KERALA STATE CONSTRUCTION CORPORATION LIMITED, ERNAKULAM FOR THE YEAR ENDED 31 MARCH 2017.**

The preparation of financial statements of **Kerala State Construction Corporation Limited, Ernakulam** for the year ended **31 March 2017** 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 **19 March 2019**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Kerala State Construction Corporation Limited, Ernakulam** for the year ended **31 March 2017** 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.

**A. COMMENTS ON PROFITABILITY**

**Statement of Profit and Loss for the year ended 31.03.2017**  
**Profit/(loss) for the period - ₹ 1503.56 lakh**



**This is understated by a net value of ₹ 106.75 lakh due to;**

- i) Non accounting of interest accrued on fixed deposits amounting to ₹ 128.55 lakh for the year ending 31 March 2017.
- ii) Understatement of expenses on account of non-provision of service tax amounting to ₹ 21.80 lakh

**B. COMMENTS ON FINANCIAL POSITION**

**Trade payables- 2878.71 lakh**

This is overstated by ₹ 80.54 lakh being the non-reversal of excess provision with respect to pay revision arrears. This has resulted in understatement of profit and overstatement of Trade payables by ₹ 80.54 lakh.

**C. COMMENTS ON DISCLOSURE**

The details of Specified Bank Notes (SBN) held and transacted by the Company during the period from 8 November, 2016 to 30 December, 2016 were not disclosed in the financial statements as required vide MCA Notification No. G.S.R. 308(E) dated 30.03.2017.

**For and on behalf of**

**The Comptroller & Auditor General of India**

**Thiruvananthapuram**

**Dated: 16 .08.2019**

*Sd/-*

**K.P. ANAND**

**ACCOUNTANT GENERAL (E&RSA), KERALA**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE  
AUDITED ACCOUNTS OF "KERALA STATE CONSTRUCTION CORPORATION LTD  
FOR THE YEAR ENDED ON 31.03.2017**

**A. COMMENTS ON PROFITABILITY**

Statement of Profit and Loss for the year ended 31.03.2017 Profit /(loss) for the period – 150.56 lakh.

This is understated by a net value of ₹106.75 lakh due to;

- i) Non accounting of interest accrued on fixed deposits amounting to ₹128.55 lakh for the year ending 31 March 2017.
- ii) Understatement of expenses on account of non-provision of service tax amounting to ₹ 21.80 lakh

**Reply :-** i) Interest on fixed deposits amounting to ₹128.55 was accounted in accounts for the financial year 2017-18.

**Reply :-** ii) As per the order received from the department, the company had remitted an amount of ₹21,61,283/- on 14.06.2019. The provision for the same is made in the financial year 2017-18.

**B. COMMENTS OF FINANCIAL POSITION**

Trade payables – 2878.71 lakh

This is overstated by ₹80.54 lakh being the non-reversal of excess provision with respect to pay revision arrears. This has resulted in understatement of profit and overstatement of Trade payables by ₹ 80.54 lakh

**Reply :-** The excess provision of ₹ 80.54 lakh was reversed in the F.Y 2017-18.

**C. COMMENTS ON DISCLOSURE**

The details of specified Bank notes (SBN) held and transacted by the Company during the period from 8 November, 2016 to 30 December, 2016 were not disclosed in the financial statements as required vide MCA Notification No. G.S.R 308 (E) dated 30.03.2017.

**Reply :-** Noted for future compliance.

## **ADDENDUM TO DIRECTORS REPORT**

### **Comments of the Statutory Auditors M/s. JVR Associates, Chartered Accountants on the accounts of the Kerala State Construction Corporation Limited for the year ended 31st March 2017 and the Boards replied thereon.**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of THE KERALA STATE CONSTRUCTION CORPORATION LIMITED (“the Corporation”), which comprise the Balance Sheet as at March 31st, 2017, and the Statement of Profit and Loss for the year then ended and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS.**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, and financial performance of the Corporation in accordance with 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.

#### **AUDITOR'S RESPONSIBILITY**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to

design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Reply - No** separate reply furnished for this statutory observations.

**COMMENTS: -**

- a) An amount of ₹ 9,10,59,286/- has been accounted by company during the year as income tax deducted at source (TDS) by the clients from the Company. The tax credit as per 26AS of Income Tax Department for the F.Y 2016-17 shows a TDS credit of ₹ 9,50,03,682/- only. The difference of TDS amounting to ₹ 39,44,396/- is doubtful of recovery. This has resulted in overstatement of current year profit and overstatement of current assets to that extent.

**Reply:-** Total Income Tax deducted at source (TDS) by the clients of the corporation is ₹ 9,44,30,237/- and tax credit of the corporation is ₹ 9,74,76,802. The difference of ₹ 30,46,565/- has been reconciled. Of this ₹ 27,40,797/- has been traced and the balance ₹ 3,05,768/- will be written off in the books during FY 2017-18 (as per AG's observation)

- b) The liability in respect of gratuity and encashment of earned leave to the employees are provided in books of account on the basis of probable liability that may arise if the employees retires at the end of the year. However the same is not on the basis of actuarial valuation as required by accounting standard 15, on accounting for retirement benefits, issued by the Institute of Chartered Accountants of India. The correct amounts of provision on these accounts and its effects on the financial statements are not quantifiable.

**Reply:-** Gratuity payable is made in the accounts based on the number of employees retiring during the financial year. As per the Accounting Standard 15, valuation of gratuity is applicable to KSCC since there are more than 50 employees. Action has been taken for conducting an actuarial valuation of gratuity in consultation with auditors.

- c) Service Tax was not collected and paid for 'Hoardings Rent Received' during 2016-17. Rent received during the year amounts to ₹ 26,90,738/-. Company has not paid Service Tax amounting to ₹ 4,01,458/-. The current year profit is overstated and current liabilities are understated to that extent of ₹ 4,01,458/-.

**Reply :-** This was an account of an oversight. This matter has been discussed with service tax consultants and short fall if any will be remitted.

- d) The company has made a provision of ₹ 94,950/- only as lease rent for the leased land from Government of Kerala for the year. The company had admitted and paid a demand of ₹ 34,49,683/- per year for the three year ended 31.03.2013 totaling to ₹ 1,03,49,049/-, based on

notice from Thahasildar, Taluk Office, Kanayannur. Accordingly, for the three years i.e. 2013-14, 2014-15 & 2015-16, a provision of ₹ 103,49,051/- should have been made. Had this been done, the current year profit would have been less by ₹ 1,00,64,199/- and the current liabilities would have been more by ₹ 1,00,64,199/-.

**Reply:-** As per the original lease deed with Revenue Department, the lease rent is ₹ 94,950/- per year. Hence company has made a provision of ₹ 94,950/- for the year 2016-17. Subsequently Revenue Department has intimated the revised lease rent for the years 2010-2011 to 2012-13 amounting to ₹ 1,03,49,051/-. Thus company has made a provision of ₹ 1,34,91,821/- in the F.Y. 2014-15 for the revised lease rent. KSCC requested the Government to exempt the Corporation from paying the exorbitant amount. Considering the total amount of lease rent of ₹ 18.15 lakh which had already remitted, was equivalent to the actual land value of that time and have requested to the Government to sanction a very nominal amount in future. Until such time a decision is taken by the Government on the request made by the Corporation the original provision for ₹ 94,950/- has been retained.

- e) Provision for Interest on Bridge Finance Loan [Loan amount outstanding ₹ 39,46,875/-] from State Bank of Travancore is not provided since March 2000. The amounts of provision and its effects on the Financial Statements are not quantifiable from the information and explanations furnished to us.

**Reply:-** SBT has provided the Bridge finance for foreign contract at Libya, the bank guarantee provided by SBT were invoked by Project Equipment Corporation which were mutually settled by them by payment of ₹ 15 Crore to PEC. SBT has filed a petition before the Debt Recovery Tribunal, Chennai for the recovery of said amount from KSCC which is pending. Hence no interest has been provided for the above Bridge finance.

- f) Confirmations has not been obtained for the following balances:

Particulars	Note No.	Amount (₹)
Earnest Money Deposits	5 & 8	87,48,626
Trade Payables	7	28,78,71,472
Other Current Liabilities	8	55,65,43,849
Security Deposits (considered good)	11	6,85,05,870
Trade Receivables (considered good)	13	3,52,51,186
Fixed/Recurring Deposits	14	2,54,00,252
Mobilisation Advances	15	36,59,96,262
Interest Receivable on MA	15	98,38,024
Other Advances	15	25,41,039

**Reply:-** Confirmation has been obtained for the Fixed/Recurring Deposits accounts amounting to ₹2,54,00,252/- in Earnest Money Deposit, Security Deposit and Fixed Deposit/Recurring Deposit etc Confirmation in the accounts amounting to ₹ 56,78,33,514/-are not available as the parties are not traceable or have closed their business. A proposal is being put up for writing of these amounts. Noted to resend confirmation letters to remaining accounts amounting to ₹76,74,62,814/-.

- g) The party wise breakup of Earnest Money Deposits amounting to ₹ 86,98,626/- was not made available for our verification. (Note No. 5 & 8)

**Reply:-** It was made available for verification.

- h) The party wise break up of ₹ 9,50,40,640/- of 'Retention Money Payable' out of the total outstanding of ₹19,20,82,318/- was not made available for our verification. (Note No.8).

**Reply:-** It was made available for verification.

- i) Current Lease Documents for leased land at Vytilla and Kakkanad were not made available. Therefore we are not in a position to comment upon the present position of the lease.

**Reply:-** The lease deed of Land at Kakkanad has not been renewed after 2005. The lease deed of Land at Vytilla is not available.

- j) Confirmations of bank guarantees outstanding as on 31.03.2017 was not made available for our verification.

**Reply:-** Bank guarantees are confirmed by the concerned bank at the time of accepting the same by KSCC. When the contractual obligation of concerned contractor is over, automatically the validity of concerned bank guarantee expires. Even after repeated request to various banks, there is no positive reply from the banks with regards to the conformation of BG as on 31.03.2016.

- k) Consultancy charges are recognized as income only when the bills for the works are submitted and not under accrual method. The effect of the same in the accounts of the Company is not quantifiable from the information and explanations furnished to us. (Note No.17(b))

**Reply:-** Consultancy charges are recognized as income only when the bills of the work are submitted, and duly got released for payment by the client department.

- l) The Company has not maintained any register showing details of various claims against the Company, so we are unable to verify the correctness of the claims not acknowledged as debt by the Company.

**Reply:-** Claims against corporation cannot be quantified as these claims are under arbitration and before debt recovery tribunal. However these are mentioned under contingent liability in the notes to financial statement. Some works has been terminated at the risk and cost of the corporation for which no quantifiable amount were fixed. In some cases the risk and cost amount

fixed by department were arbitrary and without considering the final bill, retention and security recovered by PWD on this individual works. KSCC has objected this arbitrary fixation before the department.

- m) "Had the quantifiable qualifications in clause "a" to "m" under 'Basis of adverse opinion above have been effected, the profit for the year would have been less by ₹ 1,44,10,053/- , Current Assets would have been lower by ₹ 39,44,396/- and Current Liabilities would have been higher by ₹1,04,65,657/-.

**Reply:-** No remarks.

### **QUALIFIED OPINION**

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 paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016.
- b) In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Reply:-** No Remarks.

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

1. As required by the Companies (Auditors Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, we give in the annexure – I a statement on the matters specified in paragraphs 3 & 4 of the order.
2. We are enclosing our report in terms of section 143(5) of the Act, on the basis of such checks of the books and records of the KSCC as we considered appropriate and according to the information and explanation given to us, in the annexure - II on the direction issued by the Comptroller and Auditor General of India.
3. As required by section 143 (3) of the Act, we report that:
  - a) Except for the effects of the matter described in the basis for qualified opinion paragraph, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that consultancy charges are not recognized on accrual basis. Proper returns adequate for the purposes of our audit have been received from the locations not visited by us.

- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, 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.
- e) The provisions of sub- section (2) of section 164 of the Companies Act, 2013 is not applicable to the Company vide Notification No.463 (E) dated 05.06.2015, 'Exemptions to Government Companies under section 462 of Companies Act 2013'.
- f) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion and the best of our information and according to the explanation given to us:-
  - i) The Company has disclosed the impact of pending litigations (refer note no.23 to the financial statements) on its financial position in its stand alone financial statements, which would impact its financial position.
  - ii) The Company has disclosed the impact of the following pending litigations on its financial position in its standalone financial statements, except serial number a & b Report on other Legal and Regulatory Requirements.
  - iii) The company has made provisions as required under applicable laws or Accountings Standards for long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iv) The company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

Place: Thiruvananthapuram

Date: 15-10-2019

Sd/-

**CHAIRMAN**