

KERALA STATE CONSTRUCTION CORPORATION LIMITED


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

Provisional Balance Sheet as at 31.03.2020

Particulars	Notes	Current Year	Previous Year
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	87,50,000.00	87,50,000.00
(b) Reserves and Surplus	4	70,39,34,222.36	64,64,89,156.16
(2) Non-Current Liabilities			
(a) Other Long Term Liabilities	5	94,28,284.20	1,00,48,276.20
(b) Long Term Provisions	6	2,19,17,981.00	2,92,97,953.00
(3) Current Liabilities			
(a) Trade Payables	7	10,28,91,658.61	11,54,33,975.85
(b) Other Current Liabilities	8	39,75,98,530.33	44,74,39,938.70
(c) Short-Term Provisions	9	2,60,00,000.00	2,60,00,000.00
Total		1,27,05,20,676.50	1,28,34,59,299.91
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	10	38,27,369.49	41,27,714.16
(b) Deferred Tax Asset (Net)		4,82,41,418.77	4,82,41,418.77
(c) Long Term Loans and Advances	11	8,37,33,747.66	7,29,40,657.50
(d) Other Non-current Assets	12	3,24,84,502.32	13,60,555.32
(2) Current Assets			
(a) Trade Receivables	13	1,79,82,826.27	1,88,07,910.00
(b) Cash and Cash Equivalents	14	81,77,18,874.18	78,89,61,649.56
(c) Short Term Loans and Advances	15	26,47,65,609.80	34,70,99,410.60
(d) Other Current Assets	16	17,66,328.00	19,19,984.00
Total		1,27,05,20,676.49	1,28,34,59,299.91

The accompanying notes form integral part of the financial statements

For and on behalf of Kerala State Construction Corporation Limited


DEEPU S
Managing Director


NISHA K M
Finance Manager(I/c)

Place: Ernakulam
Date: 28.05.2020

KERALA STATE CONSTRUCTION CORPORATION LIMITED


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


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

Particulars	Notes	Current Year	Previous Year
I. Revenue from Operations	17		
II. Other Income	18	58,60,81,640.60	97,23,35,680.35
III. Total Revenue		<u>2,64,13,565.93</u>	<u>6,49,57,629.14</u>
		<u>61,24,95,206.53</u>	<u>1,03,72,93,309.49</u>
IV. Expenses:			
Contract Expenses	19	50,01,07,424.92	88,01,33,904.24
Employee Benefits	20	4,61,92,854.00	5,43,48,548.00
Financial costs	21	6,10,792.00	27,52,266.67
Depreciation and amortization expense		4,25,263.27	11,42,415.00
Loss on Impairment of Assets			
Other expenses			
Total Expenses	22	<u>77,13,806.14</u>	<u>2,76,88,767.37</u>
		<u>55,50,50,140.33</u>	<u>96,60,65,901.28</u>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	5,74,45,066.20	7,12,27,408.21
VI. Exceptional/Extraordinary items-Excess Provision for Tax Reversed Pay revision arrears			
VII. Profit before tax	(V - VI)	<u>5,74,45,066.20</u>	<u>7,12,27,408.21</u>
VIII. Tax expense: (1) Current Tax			
IX. Profit for the year from continuing operations	(VII-VIII)	<u>5,74,45,066.20</u>	<u>7,12,27,408.21</u>
X. Earning Per Share : Basic & Diluted			

The accompanying notes form integral part of the financial statements

For and on behalf of Kerala State Construction Corporation Limited


DEEPU S
Managing Director


NISHA K.M
Finance Manager(I/c)

Place: Ernakulam
Date: 28.05.2020

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 31.03.2018
- 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		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
List of significant share holders (>5%)				
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
	64,64,89,156.16	57,52,61,747.95
	5,74,45,066.20	7,12,27,408.21
	70,39,34,222.36	64,64,89,156.16

5. LONG TERM LIABILITIES

Earnest Money Deposits

	Current Year	Previous Year
	94,28,284.20	1,00,48,276.20
	94,28,284.20	1,00,48,276.20

6. LONG TERM PROVISIONS

Provision for Employee Benefits (Gratuity)
Provision for Leave Encashment

	Current Year	Previous Year
	1,42,63,597.00	1,83,65,280.00
	76,54,384.00	1,09,32,673.00
	-	-
	-	-
	2,19,17,981.00	2,92,97,953.00

7. TRADE PAYABLES

Creditors: - For work
- For Expenses

	Current Year	Previous Year
	5,70,37,014.00	7,86,79,861.00
	4,58,54,644.61	3,67,54,114.85
	10,28,91,658.61	11,54,33,975.85

8. OTHER CURRENT LIABILITIES

Current maturities of long term debt

Unsecured

From Bank

SBT Bridge Finance [Refer Note 8.1]

Other than Bank

From Govt of Kerala [Refer Note 8.2]

Interest Accrued and Due - Loan from Govt. of Kerala

Advance From Contractees towards Work

Earnest Money Deposit

Retention Money

Statutory Dues

	Current Year	Previous Year
	39,46,875.58	39,46,875.58
	2,05,00,000.00	2,05,00,000.00
	5,74,84,042.00	5,74,84,042.00
	13,69,38,388.92	17,13,66,130.92
	-	-
	14,48,85,808.16	15,36,21,610.16
	3,38,43,415.67	4,05,21,280.04
	39,75,98,530.33	44,74,39,938.70

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.

	Current Year	Previous Year
9. SHORT TERM PROVISIONS		
Provision for Taxation	2,60,00,000.00	2,60,00,000.00
Provision for Employee Benefits (Gratuity)		
Provision for Leave Encashment		
	2,60,00,000.00	2,60,00,000.00
11. LONG TERM LOANS AND ADVANCES		
<u>Security Deposits</u>		
Unsecured, Considered Good	8,25,49,507.66	7,18,56,991.50
Doubtful	0	1,46,41,025.86
Less: Provision for Bad & Doubtful Deposits	0	(1,46,41,025.86)
	8,25,49,507.66	7,18,56,991.50
<u>Other Loans and advances</u>		
Unsecured, Considered Good	11,84,240.00	10,83,666.00
Doubtful	0	1,39,81,962.80
Less: Provision for Bad & Doubtful Advances	0	(1,39,81,962.80)
	11,84,240.00	10,83,666.00
	8,37,33,747.66	7,29,40,657.50
12. OTHER NON CURRENT ASSETS		
Claims Receivable	3,24,84,502.32	13,60,555.32
	3,24,84,502.32	13,60,555.32
13. TRADE RECEIVABLES		
<u>Debtors</u>		
<u>Outstanding for a period exceeding six months</u>		
Unsecured Considered Good	1,79,82,826.27	1,77,46,290.00
Doubtful	-	1,48,29,756.67
Less: Provision for Doubtful Debts	0	(1,48,29,756.67)
	1,79,82,826.27	1,77,46,290.00
<u>Other Debts</u>		
Unsecured Considered Good	0	10,61,620.00
	1,79,82,826.27	1,88,07,910.00
14. CASH AND CASH EQUIVALENTS		
Balances with Banks in Current Accounts	6,63,61,104.75	7,86,93,646.24
Other Bank balances - Fixed Deposits	865130760.21	71,02,38,342.21
Cash in Hand	12450.67	28,904.11
Stamps in Hand	757	757.00
	81,77,18,874.18	78,89,61,649.56
15. SHORT TERM LOANS AND ADVANCES (unsecured considered good)		
Mobilisation Advances	13,28,70,052.60	22,58,32,329.60
Interest Receivable on Mobilisation Advances	57,21,483.00	1,09,38,210.00
Income Tax Deducted at Source	8,77,12,867.20	7,37,41,725.00
Sales Tax Deducted at Source	3,68,25,935.00	3,48,84,910.00
GST Input Tax Credit		
Advance Income Tax paid		
Salary Advances	8,01,995.00	8,07,795.00
Other Advances	8,33,277.00	8,94,441.00
	26,47,65,609.80	34,70,99,410.60

	Current Year	Previous Year
16. OTHER CURRENT ASSETS		
Interest Receivable	17,66,328.00	19,19,984.00
	<u>17,66,328.00</u>	<u>19,19,984.00</u>
17. REVENUE FROM OPERATIONS		
(a) Contract Receipts		
Work Bills Receipts	50,39,47,259.60	94,98,87,654.35
(b) Other Operating Revenues		
Consultancy Charges Received	8,21,34,381.00	2,24,48,026.00
	<u>58,60,81,640.60</u>	<u>97,23,35,680.35</u>
18. OTHER INCOME		
(a) Interest Income		
Interest on Mobilisation Advances	1,00,66,132.00	2,61,76,278.00
Interest on Bank Deposits	1,13,57,776.00	3,29,02,069.00
Interest on Salary Advance	-	29,250.00
Interest on Other Deposits	-	79,521.00
	<u>2,14,23,908.00</u>	<u>5,91,87,118.00</u>
(b) Rental Income		
Hoarding Rent	-	-
(b) Other Non-Operating Income		
Miscellaneous Income	46,41,808.93	38,64,415.14
Sale of Tender Documents	3,47,849.00	19,06,096.00
Prior Period Income (Refer note no.24)	-	-
	<u>49,89,657.93</u>	<u>57,70,511.14</u>
	<u>2,64,13,565.93</u>	<u>6,49,57,629.14</u>
19. CONTRACT EXPENSES		
Sub Contract Expenses		
Kerala Construction Workers Welfare Fund	49,63,31,127.92	87,32,56,528.24
	37,76,297.00	68,77,376.00
	<u>50,01,07,424.92</u>	<u>88,01,33,904.24</u>
20.EMPLOYEE BENEFIT EXPENSES		
Salaries & Wages	4,33,23,511.00	5,21,63,334.00
Pay Revision Arrears	-	-
Leave Salary	22,47,143.00	18,60,058.00
Contribution to Provident Fund	-	20,00,593.00
Festival Allowance	2,79,510.00	2,92,930.00
Bonus	-	88,000.00
Gratuity	-	(21,67,298.00)
Staff Welfare Expenses	3,42,690.00	1,10,931.00
	<u>4,61,92,854.00</u>	<u>5,43,48,548.00</u>

21. FINANCE COSTS

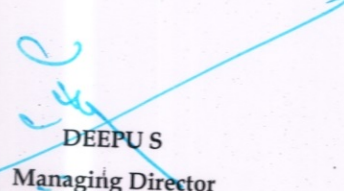
Interest on Government Loan
Interest on Work Advances
Bank Charges

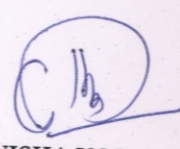
Current Year	Previous Year
-	16,96,750.00
6,11,858.00	10,38,668.00
(1,066.00)	16,848.67
6,10,792.00	27,52,266.67

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
Unclaimed GST
Provision for Bad & Doubtful Debts
Provision for Bad & Doubtful Deposits
Provision for Bad & Doubtful Advances

-	2,36,700.00
1,89,038.00	-
10,95,147.50	13,69,197.70
2,08,219.02	1,95,121.29
3,69,982.00	4,04,098.00
-	1,14,803.00
73,777.00	78,891.00
100.00	(81,480.00)
29,73,382.18	1,55,40,695.60
13,14,945.00	11,53,710.00
2,45,492.00	5,65,555.03
-	-
2,57,355.00	2,66,124.00
4,02,420.26	4,53,882.32
3,33,788.22	3,94,386.16
2,50,159.96	3,31,408.77
-	-
-	-
-	3,43,106.00
-	62,500.00
-	62,60,068.50
77,13,806.14	2,76,88,767.37


DEEPU S
Managing Director


NISHA.K.M
Finance Manager (I/c)

Place: Ernakulam
Date: 28.05.2020