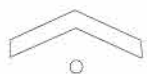




Meghalaya State Warehousing Corporation  
SHILLONG

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## **Chairman Speech for the Eighth Annual General Meeting of the Meghalaya State Warehousing Corporation, Shillong.**

Ladies & Gentlemen,

I have great pleasure to welcome you to the 38th Annual General Meeting of the Corporation which is being held today. The Annual Report and audited Statement of Accounts for 2013-2014 are already with you, providing a comprehensive picture on the performance of your Corporation. I seek your permission to consider them as having been read.

During the year under report, the earning of the Corporation by way of Warehouse charges etc. remains at Rs. 32.27 lakhs. The revenue earned could not reach the expected limit mainly due to partial utilization of Godown. Earnest efforts are being made by Corporation for complete utilization of its storage capacity.

The Corporation has incurred loss of Rs. 12.35 lakhs during the year. Hence it is regretted that Corporation will not be in a position to pay dividend to the Shareholders for the year.

The Corporation has not received Share Capital from Central Warehousing Corporation for the period from 2005-2006 onwards. As the limit of Authorized Share Capital of Meghalaya State Warehousing Corporation has been enhanced to Rs. 5.00 crores, it is hoped that Central Warehousing Corporation will release its Share Capital to Meghalaya State Warehousing Corporation for the said period.

Construction of 2000 M.T additional Godown at Khanapara Warehouse Complex has been completed and taken over for utilization by F.C.I. The Corporation has also undertaken construction of another two godowns of 500M.T and 2000M.T capacity at the existing Shillong & Tura Warehouse Complexes respectively which are expected to be completed soon.

With the increase in storage capacity and complete utilization of Warehouses the revenue of the Corporation is expected to increase and it is hoped that Corporation will be in position to declare dividend in the coming year.

Before I conclude, I would gratefully acknowledge the valuable guidance and support received from the State Govt. and Central Warehousing Corporation.

I extend my sincere appreciation to my colleagues in the Board for their wise and matured counsel for the smooth functioning of the Corporation.

Finally, I would like to thank the employees and officers of the Corporation working at all levels, for contributing to the smooth functioning and development of the Corporation.

I am looking forward to your continued support in the coming years as well.

Chairman



## REPORT OF THE DIRECTORS

To

The Shareholders,  
Meghalaya State Warehousing Corporation  
Shillong

Ladies & Gentlemen,

On behalf of your Directors, I have great pleasure in presenting the Thirty Eighth Annual Report together with audited Statements of Accounts along with the Report of the Comptroller Accountant General of India on the Accounts of the Corporation for the year ending on 31st March 2014. Highlights of the financial performance and the progress made by the Corporation are mentioned below:-

### Financial Report Income

Sl.No.	Particulars	Years	
		2013-2014	2012-2013
1.	Warehouse charges	Rs. 33,78,791.00	Rs. 32,27,249.00
2.	Interest	Rs. 10,26,621.00	Rs. 17,51,835.00
3.	Other Income	Rs. 10,100.00	Rs. 26,900.00
Total		Rs. 44,15,512.00	Rs. 50,05,984.00
EXPENDITURE			
1.	Establishment	Rs. 49,99,165.55	Rs. 43,24,077.55
2.	Taxes	-	-
3.	Depreciation on fixed Assets	Rs. 65,09,55.76	Rs. 5,39,226.48
Total		Rs. 56,50,121.31	Rs. 48,63,304.03
Profit/Loss		{-} Rs. 12,34,609.31	{+} Rs. 1,42,679.97



**CAPITAL STRUCTURE:**

The total paid-up Share Capital of the Corporation as on 31st March 2014 stands at Rs. 3,36,12,400/-. Central Warehousing Corporation has not released its matching Share Capital Contribution since 2005-2006 onwards. Hence Share Capital Contribution paid by the State Govt. as on 31st March 2014 is Rs. 2,13,56,200/- and by Central Warehousing Corporation remains at Rs. 1,22,56,200/-. The limit of Authorized Share Capital is Rs. 5.00 crores. Request has been made to Central Warehousing Corporation for releasing their matching contribution for the period from 2005-2006 onwards.

**WORKING RESULT:**

The average utilized capacity during the year under report was 74.679%. The revenue earned during the year stood at Rs. 32.27 lakhs as against of Rs. 33.78 lakhs of the preceeding year.

The Corporation is not in a position to pay dividend to its shareholders in view of loss incurred during the year.

**CONSTRUCTION PROGRAMME**

The Corporation has taken up construction of another 2000 M.T and 500 M.T capacity additional godowns at the existing Tura and Shillong Warehouse Complexes respectively. Progress of Construction works of these godowns are satisfactory.

Presently the Corporation has the following warehouses located at different districts of the State.

	Constructed		Under Construction
1. Shillong Warehouse, East Khasi Hills District	2000M.T	+	500 M.T
2. Khanapara Warehouse, Ri-Bhoi District	5000M.T		
3. Williamnagar Warehouse, East Garo Hills District	2200M.T		
4. Araimile Warehouse, West Garo Hills District	2500M.T	+	2000M.T
5. Jowai Warehouse, Jaintia Hills District	1600M.T		
6. Nongstoin Warehouse, West Khasi Hills District	2500M.T		
	Total		2500M.T
	15,800M.T		

**SUNDRY DEBTORS:-**

The outstanding and realizable storage charges for the year under report stands at Rs. 87,354/- only and Rs. 2,61,919/- only against the storage space and warehouses utilized by Tribal Multipurpose Cooperative Society and Food Corporation of India respectively. The Corporation is making earnest effort to realize the outstanding Warehouse charges from the defaulting parties.

**MEETING OF THE BOARD AND EXECUTIVE COMMITTEE:**

Two meetings of the Board of Directors were convened during the year 2013-14. As all the business of the Corporation was taken up by the Board of Directors no Executive Committee Meeting was held during the year under report.

**AUDITORS OF THE CORPORATION:**

The Government of Meghalaya on the advice of the Comptroller Accountant General of India has appointed Ashoke Kumar Jalan & Associates, Chartered Accountant as Auditors of Meghalaya State Warehousing Corporation for the year 2013-2014.

**ACKNOWLEDGEMENT:**

The Directors wish to express their sincere thanks and gratitude to the Shareholders namely the State Government and the Central Warehousing Corporation for their valuable and continued support, guidance and cooperation in all the activities of this Corporation.

The Directors also wish to thank the valuable customers for their continued patronage and confidence in the services of the Corporation.

Lastly, but not the least the Directors wish to place on record their deep appreciation to the Officers and Staff of the Corporation for their dedicated and sincere works done during the year.

For and on behalf of the Board of Directors  
of the Meghalaya State Warehousing Corporation  
Managing Director





**MEGHALAYA STATE  
WAREHOUSING  
CORPORATION**

**38<sup>TH</sup> ANNUAL REPORT : 2013-2014**

**Balance Sheet as at 31st March, 2014**

Previous Year	Capital and Liabilities	Current Year	Previous Year	Property and Assets	Current Year
	<b>SHARE CAPITAL</b>			<b>CASH IN HAND</b>	
	AUTHORISED CAPITAL		1536.00	At Head Office (On Imprest Account)	317.00
50000000.00	500000 Shares of Rs. 100/- each	50000000.00	9.00	At Warehouse	9.00
	<b>ISSUED AND PAID UP CAPITAL</b>			<b>CASH AT BANK</b>	
	336124 Shares of Rs. 100/- each			With Meghalaya Co-operative Apex Bank Limited:	
21356200.00	State Government	21356200.00	20537.00	Current Account	70373.00
12256200.00	Central Warehousing Corporation	12256200.00	48591.21	Savings Bank Account (General)	62813.21
			20334.00	Provident Fund	21208.00
			16637.00	Staff Security	17820.00
	<b>FINANCIAL AID FROM GOVERNMENT</b>				
9375054.00	Financial Assistance (State Govt.)	8481764.00			
	<b>RESERVES AND SURPLUS</b>		30104.00	With State Bank of India in:	
	Depreciation Fund:			Current Account	33332.00
10396273.01	Balance of Fund	10697069.77	11482142.00	<b>INVESTMENTS:</b>	205546.21
2426203.22	Add: Interest for the year	3299658.22	5000.00	General Fund Investment	8609142.00
				Staff Security Deposit	5000.00
439704.00	Medical to Staff	95600.00	180000.00		8614142.00
	Reid Benefit Endowment, Employee Welfare Fund	5198198.69		Security Deposit from Tenants as per Schedule B	180000.00
4643209.69				<b>OTHER INVESTMENTS</b>	
	<b>!!RRRENT LIABILITIES</b>		12822475.72	Depreciation Fund Investment as per Schedule 'C' annexed	13695930.72
27188.00	Provision for Taxation	0.00			
	<b>DEFERRED TAX LIABILITY:</b>		4643209.42	Reid Benefit Endowment, Employee Welfare Fund Investment as per Schedule 'D' annexed	5061710.00
352373.24	Earlier Years	444757.74		<b>FIXED ASSETS:</b>	
92384.50	Current Year	0.00	444757.74	as per Schedule 'N. annexed	24326316.61
			23276804.61	<b>TOTAL CARRIED FORWARD</b>	52083971.54
61364789.66	<b>TOTAL CARRIED FORWARD</b>	61829448.42	52547379.96		

Chairman

Managing Director

Director

Director

Auditor

61364789.66	TOTAL BROUGHT FORWARD	61829448.42	52547379.96	TOTAL BROUGHT FORWARD	52083971.54
	OTHER LIABILITIES			OTHER ASSETS	
245576.62	Liabilities for expenses	145171.62	7500000.00	Financial Assistance Receivable	13500000.00
	(as per Schedule 'I' annexed)		11772.30	Stationery in Hand	4675.75
893558.97	Sales Tax Payable	1151.97	17.00	Postage and Stamp in Hand	0.00
			167869.00	Sundry Debtors	349273.00
322169.00	Forest Royalty Payable	0.00		as per Schedule 'E' annexed	
	Security Deposit from Construction		794198.00	Accrued interest on Fixed Deposit	692004.00
2646029.00	Contractors	3172535.00		as per Schedule 'F' annexed	
180000.00	Security Deposit from Tenants	180000.00	424700.00	Advances as per Schedule 'G' annexed	40400.00
116341.00	Income Tax for Contractors	0.00	800.00	Security deposit with DOT	800.00
115974.00	Building Permission Fees	0.00	816491.00	Earnest money payable held as Security	756491.00
				Deposit	
18377.00	Service Tax to be received		100000.00	Land Development Expenses	0.00
	from Storage parties	38421.00		as per Schedule 'H' annexed	
	Security Deposit from Staff				
5640.30	as per Schedule 'J' annexed	5640.30			
0.00	Contractor Bills Payable for Tura W/h	7114922.00		Advance Tax:	
0.00	Performance Guarantee Bond	84800.00	289747.57	Income Tax	289747.57
			298181.00	Income Tax (TDS)	478089.00
			2957299.72	Accumulated Losses	767836.57
					4376638.45
65908455.55		72572090.31	65908455.55		72572090.31

Accounting Policies- Schedule N  
Notes on Accounts- Schedule O

Chairman

Managing Director

Director

Director

Auditor



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

38<sup>TH</sup> ANNUAL REPORT 2013-2014

## 38<sup>th</sup> Annual Report 2013-2014

### Profit and Loss Account for the year ended on 31st March, 2014

Previous Year	Expenses	Current Year	Previous Year	Income	Current Year
4324077.55	Establishment Expenses (as per Schedule K)	4999165.55	3227249.00	Warehousing Charges	3378791.00
539226.48	Depreciation on Fixed Assets	650955.76		Interest on:	
			1640525.00	Fixed Deposits	935134.00
142679.97	Net Profit Carried Down	0.00	105418.00	Saving Bank Account	83893.00
			5892.00	Current Deposit Account	7594.00
			26900.00	Miscellaneous Receipts	10100.00
			0.00	Net Loss Carried Down	1234609.31
<u>5005984.00</u>		5650121.31	<u>5005984.00</u>		<u>5650121.31</u>
0.00	Net Loss Brought Down	1234609.31	142679.97	Net Profit Brought Down	0.00
92384.50	Provision for Deferred Tax Liability	0.00	250335.54	Loss transferred to Accumulated Losses	1419338.73
27188.00	Provision for Taxation	0.00			
273443.02	Prior Period Adjustments	184729.42			
<u>393015.52</u>		1419338.73	<u>393015.52</u>		<u>1419338.73</u>

Accounting Policies- Schedule N  
Notes on Accounts- Schedule 0

Chairman

Managing Director

Director

Director

Auditor



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

38<sup>TH</sup> ANNUAL REPORT : 2013-2014

38<sup>TH</sup> ANNUAL REPORT : 2013-2014



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

38<sup>TH</sup> ANNUAL REPORT 2013-2014

DASSETS	As at 1st April 2013	Additions during the year		Sales/ Adjustments		As at 31st March 2014	Rate of Depn.	As at 1st April 2013	For the year	Adjustment	As at 31st March 2014	all figures in NETF Asat 1st April 2013	
		upto 11.00113	upto 31.03114	upto 11.002013	upto 31.032014							Asat 1st April 2013	Asat 31st March 2014
LAND AT COST:													
Shillong	28303.00	0.00	0.00	0.00	0.00	28303.00						28303.00	28303.00
Jowai	26719.02	0.00	0.00	0.00	0.00	26719.02						26719.02	26719.02
Williamnagar	1.00	0.00	0.00	0.00	0.00	1.00						1.00	1.00
Khanapara	1026722.75	1520000.00	0.00	0.00	9345.00	2537377.7						1026722.75	2537377.75
Araimile (Tura)	374179.70	0.00	0.00	0.00	0.00	374179.70						374179.70	374179.70
Non stain	623332.00	0.00	0.00	0.00	0.00	623332.00						623332.00	623332.00
BUILDING:													
Shillong	1577788.32	0.00	0.00	0.00	0.00	1577788.32						679173.86	645215.16
Jowai	1726529.79	0.00	0.00	0.00	0.00	1726529.79						769915.25	731419.49
Williamnagar	2967548.44	0.00	0.00	0.00	0.00	2967548.44	5.00%					1420317.38	1349301.54
Khana ara	5161515.25	0.00	60000.00	0.00	0.00	5221515.25	5.00%					2347959.95	2287561.95
Additional 2000M.T. Khana ara W/h	0.00	4173746.00	0.00	0.00	4173746.00	0.00				Work in Progress			
Additional 2000M.T. Araimile W/h	909214.00	0.00	7118522.00	0.00	8027736.00	0.00				Work in Progress			
Additional 500M.T. Mawlai W/h	0.00	0.00	1494308.00	0.00	1494308.00	0.00				Work in Progress			
Araimile (Tura)	3111481.13	0.00	0.00	0.00	0.00	3111481.13	5.00%	1740056.33	68751.24	Work in Progress	1808627.57	1371424.80	1302853.56
Non stain	3034295.00	9240.00	0.00	0.00	0.00	3043535.00	5.00%	485645.08	127894.50		613539.58	2548649.92	2429995.42
OFFICE COMPLIER	42463.00	44699.00	0.00	0.00	0.00	87162.00	40.00%	39161.08	19200.37		58361.45	3301.92	28800.55
FURNITURE AND FIXTURE	73256.68	19980.00	0.00	0.00	0.00	93236.68	18.10%	69438.73	4307.43		73746.16	3817.96	19490.52
DUNNAGE AND EQUIPMENTS	292765.91	0.00	0.00	0.00	0.00	292765.91	13.91%	275399.26	2415.70		277814.96	17366.65	14950.95
ELECTRICAL INSTALLATION	983596.30	0.00	0.00	0.00	0.00	983596.30	13.91%	610580.69	51886.47		662467.16	373015.61	321129.14
Plant & Machineries													
Non stain	0.00	0.00	697500.00	0.00	697500.00	0.00				Work in Progress			
WATER INSTALLATION:													
Tura	43778.00	0.00	0.00	0.00	0.00	43778.00	5.00%	29886.60	694.57		30581.17	13891.40	13196.83
Khanapara	64834.00	0.00	0.00	0.00	0.00	64834.00	5.00%	41975.54	1142.92		43118.46	22858.46	21715.54
VEHICLE	475159.00	782579.00	7520.00	888.00	475159.00	789311.00	25.89%	443589.11	89507.40	350159.00	182937.51	31569.89	606373.49
RING WELL:													
Khanapara	8145.00	0.00	0.00	0.00	0.00	8145.00	5.00%	5462.10	134.15		5596.25	2682.90	2548.75
OFFICE MACHINERY	230701.00	0.00	0.00	0.00	0.00	230701.00	13.91%	151834.72	10970.30		162805.02	78866.28	67895.98
ROADS AND BRIDGES	494476.32	0.00	0.00	0.00	0.00	494476.32	5.00%	287228.40	10362.40		297590.80	207247.92	196885.52
TOTAL	23276804.61	6550344.00		888.00		24326316.61		10396273.01	650955.76	350159.00	10697069.77	11971317.62	13629246.84
TOTAL as on 31.03.2013	22309879.61	3873575.00		0.00		23276804.61		9857046.53	539226.48	0.00	10396273.01	12452833.08	11971317.60

Chairman

Managing Director

Director

Director

Auditor



**Schedule for Balance Sheet as at 31st March, 2014**

(all figures in ₹)

**SCHEDULES FORMING PART OF ACCOUNTS**

		CURRENT YEAR	PREVIOUS YEAR
<b>B</b>	<b>FIXED DEPOSITS:</b>		
	Security from Tenants	180000.00	180000.00
		180000.00	180000.00
<b>C</b>	<b>DEPRECIATION FUND INVESTMENT ACCOUNT:</b>		
	Fixed Deposits	12130496.00	10648979.00
	Accrued Interest on Fixed Deposits	1565434.72	1634033.72
	FD transferred from General Fund Investment	0.00	539463.00
		<u>13695930.72</u>	<u>12822475.72</u>
<b>D</b>	<b>RETD BENEFIT ENDOWMENT, EMPLOYEE WELFARE FUND INVESTMENT:</b>		
	Savings Bank Account	47875.00	20151.00
	Accrued Interest on Fixed Deposits	445399.00	54622.42
	Fixed Deposits	4568436.00	508000.00
	FD transferred from General Fund Investment	0.00	4060436.00
		<u>5061710.00</u>	<u>4643209.42</u>
<b>E</b>	<b>SUNDRY DEBTORS:</b>		
		More than six months	Less than six months
	Food Corporation of India	0.00	261919.00
	T.M.C	50924.00	36430.00
		261919.00	167869.00
		87354.00	0.00
		<u>349273.00</u>	<u>167869.00</u>
<b>F</b>	<b>ACCRUED INTEREST ON FIXED DEPOSITS:</b>		
	General Fund Investment	639808.00	756981.00
	Staff Security Deposit	513.00	232.00
	Tenants	51683.00	36985.00
		<u>692004.00</u>	<u>794198.00</u>
<b>G</b>	<b>ADVANCES:</b>		
	Advances to Staff:	14000.00	20000.00
	Festival Advance	26400.00	29700.00
	Children Education Advance	0.00	375000.00
	Medical Advance to Staff	<u>40400.00</u>	<u>424700.00</u>
<b>H</b>	<b>LAND DEVELOPMENT:</b>		
	Byrnihat Project	0.00	100000.00
		<u>0.00</u>	<u>100000.00</u>
	<b>LIABILITIES FOR EXPENSES:</b>		
	Professional Charges Payable	67416.00	33708.00
	Office Rent Payable	20444.62	19146.62
	Medical TA Payable	22662.00	23856.00
	Telephone Charges Payable	2103.00	1038.00
	Electric Charges Payable	0.00	818.00
	Audit Fees	28090.00	28090.00
	Service Tax Payable	0.00	30115.00
	Cess Tax	0.00	108805.00
	Travelling Expenses Payable	<u>4456.00</u>	<u>245576.62</u>
		<u>145171.62</u>	<u>245576.62</u>

Ashoke Kumar Jalan & Associates  
Chartered Accountants  
(Ritesh Ajitsaria) Partner  
Auditor

Chairman      Managing Director      Director      Director



<b>J</b>	<b>SECURITY DEPOSITS: STAFF</b>		
	Shri Mek Bahadur	250.90	250.90
	Shri Morning Star Pathaw	389.40	389.40
	Shri Aleric Tariang	5000.00	5000.00
		5640.30	5640.30
<b>K</b>	<b>ESTABLISHMENT EXPENSES</b>		
	Advertisement	0.00	74571.00
	AGM & BOD Meeting	0.00	2527.00
	Annual Subscription Fees	30101.00	20070.00
	Arrear-DA	94505.00	67241.00
	Audit Fees	28090.00	28090.00
	Bad & Doubtful	100000.00	0.00
	Bank Charges	1928.00	1637.00
	Books & Periodicals	3004.00	3433.00
	Cash Allowance	0.00	2700.00
	Conveyance Allowance (Chairman)	70114.00	67704.00
	Conveyance Allowance (EE)	25308.00	0.00
	Conveyance Allowance (GM)	43091.00	39108.00
	Conveyance Allowance (MD)	33428.00	58037.00
	Conveyance	1425.00	1314.00
	ECPF (Deposit)	395604.00	370873.00
	Electric Charges	12697.00	15917.00
	Electric Equipment	0.00	930.00
	Medical TA	22662.00	0.00
	Meeting Expenses	2917.00	3533.00
	Miscellaneous Expenditure	30390.00	24498.00
	Office Contingency	17620.00	10290.00
	Office Rent	1298.00	0.00
	Pay & Allowances	3699612.00	3285755.00
	Photography A/e	900.00	0.00
	Postage & Stamps	7683.00	8326.00
	Printing & Stationery	19521.55	40073.55
	Professional Charges	46737.00	42474.00
	Professional Charges for Khanapara Project	0.00	2000.00
	Professional fees for Legal Advocate	75000.00	0.00
	Repairs and Maintenance (Others)	0.00	750.00
	Repairs and Maintenance (Xerox)	7832.00	4120.00
	Repairs to Computer	8740.00	17649.00
	Sitting Fees	500.00	500.00
	TA Bill (Medical)	0.00	42228.00
	TA to Director	34453.00	34043.00
	TA to Auditors	9464.00	0.00
	Telephone Charges	20097.00	15571.00
	Travelling Expenses	18794.00	38115.00
	Provision Retd Benefit, Endowment Employees Fund	135650.00	0.00
		4999165 55	4324QZZ 55

Ashoke Kumar Jalan & Associates  
Chartered Accountants  
(Ritesh Ajitsaria) Partner  
Auditor

Chairman      Managing Director      Director      Director





**SCHEDULE -0 :: NOTES ON ACCOUNTS**

1. Details of Prior period Adjustments are as follows:

Sl.No.	Particulars	Debit Items	Amount int Credit Items
1.	Employees Contributory Provident Fund	29443.00	
2.	Festival Advance	5000.00	
3.	Children Educational Advance	3300.00	
4.	Building Permission Fees		382.00
5.	Accrued Interest General Investment Fund	150130.00	
6.	Accrued Interest Retired Benefit Endowment, Employee Welfare Fund	838.42	
7.	Current Deposit (MCAB)		3600.00
	<b>Net Prior Period Adjustments</b>	<b>184729.42</b>	

2. Interest accrued on Fixed Deposits of depreciation Fund amounting to ₹3299658.22 has been credited to the Depreciation Fund Account.
3. On account of loss incurred during the year and no definite assurance of future profit, no deferred tax provision has been made in the accounts as per AS-22.
4. No provision made for professional tax, as professional tax for the year 2013-2014 was deducted from the employees' salary and subsequently deposited.
5. Gratuity Fund has been renamed as Retired Benefit Endowment, Employee Welfare Fund, which includes employees' Gratuity/Leave encashment/Others employees' welfare fund.
6. The Fixed Deposits have been earmarked as follows:

Sl	Particulars	Amount
	General Fund Investment	Rs. 8614142.00
B.	Depreciation Fund Investment	Rs. 13695930.72
C.	Security from Tenants	Rs. 180000.00
D.	Staff Security Deposit	Rs. 5000.00
	<b>TOTAL</b>	<b>Rs. 22495072.72</b>

7. Previous year's figures have been re-grouped wherever necessary.
8. ₹125000.00 received by way of sale of vehicle has been adjusted with the book value of the asset and the balance of ₹350159.00 has been adjusted with the remaining book value standing in that group of asset.

Ashoke Kumar Jalan & Associates  
Chartered Accountants  
(Ritesh Ajitsaria) Partner  
Auditor

Chairman      Managing Director      Director      Director



**SCHEDULE-0 ::NOTES ON ACCOUNTS**

1. Details of Prior period Adjustments are as follows:

Sl.NQ.	Particulars	Amount in Rs.	
		Debit Items	Credit Items
1.	Employees Contributory Provident Fund	29443.00	
2.	Festival Advance	5000.00	
3.	Children Educational Advance	3300.00	
4.	Building Permission Fees		382.00
5.	Accrued Interest General Investment Fund	150130.00	
6.	Accrued Interest Retired Benefit Endowment, Employee Welfare Fund	838.42	
7.	Current Deposit (MCAB)		3600.00
	Net Prior Period Adjustments	184729.42	

2. Interest accrued on Fixed Deposits of depreciation Fund amounting to t3299658.22 has been credited to the Depreciation Fund Account.
3. On account of loss incurred during the year and no definite assurance of future profit, no deferred tax provision has been made in the accounts as per AS-22.
4. No provision made for professional tax, as professional tax for the year 2013-2014 was deducted from the employees' salary and subsequently deposited.
5. Gratuity Fund has been renamed as Retired Benefit Endowment, Employee Welfare Fund, which includes employees' Gratuity/Leave encashment/Others employees' welfare fund.
6. The Fixed Deposits have been earmarked as follows:

Sl	Particulars	Amount	
<b>A</b>	General Fund Investment	(	8614142.00
B.	Depreciation Fund Investment	Rs.	13695930.72
C.	Security from Tenants	Rs.	180000.00
D.	Staff Security Deposit	Rs.	5000.00
	<b>TOTAL</b>	<b>Rs.</b>	<b>22495072.72</b>

7. Previous year's figures have been re-grouped wherever necessary.
8. Rs.125000.00 received by way of sale of vehicle has been adjusted with the book value of the asset and the balance of Rs.350159.00 has been adjusted with the remaining book value standing in that group of asset.

Chairman

Managing Director

Director

Director

Ashoke Kumar Jalan & Associates  
Chartered Accountants  
(Ritesh Ajitsaria) Partner  
Auditor



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

## ASHOKE KUMAR JALAN & ASSOCIATES

CHARTERED ACCOUNTANTS

House No. 39, Bholanath Mandir Path, Milanpur Bye Lane - 1

Piyoli Phukan Road, Ulubari, Guwahati-781 007 (Assam)

Phone: 0361-2540820, 2510438, 2510634, Fax: 2549739, E-mail: akj\_asso@sify.com

### AUDITOR'S REPORT

To

The Members

MEGHALAYA STATE WAREHOUSING CORPORATION

SHILLONG-793 001

We have audited the attached Balance Sheet of MEGHALAYA STATE WAREHOUSING CORPORATION, Shillong as at 31st March 2014 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examination on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subject to our comments given below, we report that

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion, proper books of accounts have been kept by the Corporation so far as appears from our examination of the books.
- (iii) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the Books of Accounts.
- (iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view:
  - (1) In the case of the Balance Sheet of the state of the Corporation's affairs as at 31st March 2014, and
  - (2) In the case of Profit and Loss Account of the loss of the Corporation for the period ended on that date.

Contd.2/-



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38th ANNUAL REPORT: 2013-2014

COMMENTS:

- 1) Depreciation on additions to Building at Khanapara Rs. 60,000/- was charged at full rate @ 5% instead of 2.50% being the allowable rate for additions of assets put to use for less than 180 days. Depreciation has been overcharged by Rs. 1,500/- and net loss is overstated by this amount.
- 2) The Corporation has disposed off its old vehicle for a consideration of Rs. 1,25,000/-. This amount has been adjusted with the cost of the asset and balance amount Rs. 3,50,159/- has been adjusted with remaining book value. This resulted in non disclosure of Rs. 93,430/- profit on sale of vehicle. Depreciation on additions made to fixed assets (vehicle) has been understated by Rs. 1,13,872/-. As a result the fixed assets has been overstated by Rs. 20,442/- and net loss understated by 20,442/-.
- 3) Professional fees for advocate Rs. 75,000/- paid to Sunil Ranjan but no tax was deducted. Entire amount stands disallowed under Section 40 a (i)(a) of the I Tax Act, 1961.
- 4) Professional charges of Rs. 33,708/- has been accounted and debited to profit and loss account but no tax was deducted. This amount stands disallowed under section 40a(i)(a) of the I Tax Act, 1961.
- 5) Provident Fund: Employees PF for November and December amounting to Rs. 66,532/- has been deducted but actual amount deposited for Rs. 60,290/-. Accordingly adjustment for the shortfall of Rs. 6,242/- needs to be done.
- 6) According to the information and explanations give to us Sales tax payable amounting Rs. 1,151.97 stands no longer payable, hence the amount may be written back.
- 7) Tax deducted by Meghalaya Co-op. Apex Bank for Rs. 9,005/- is not reflected in the credit of the corporation in Form 26AS. The matter needs to be pursued with the Bank to claim credit for the same.
- 8) The corporation has advance taxes amounting to Rs. 2,89,747.57 related to earlier years. Since detailed information regarding the same could not be produced to us for verification, we are unable to categorize the same. The corporation is advised to prepare a detailed schedule for expedite refund/assessment of the same.
- 9) On verification of ledgers it is observed that the corporation does not maintain individual ledger account for warehouse debtors. As such it becomes practically difficult to trace a particular account. The corporation is advised to maintain individual ledger accounts for warehouse debtors so that all the related transactions including service tax, TDS etc are clearly defined for the respective accounts.

For and on behalf of  
ASHOKE KUMAR JALAN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Regn. No. 315185E

(RITESH AJITSARIA)  
PARTNER  
M No. 061724

Place: Guwahati

Date:



## Management's Reply to the Statutory Auditor's Report for the year 2013-2014

Auditor's Report to the Shareholders of  
Meghalaya State Warehousing Corporation.

### Managements Reply

We have audited the attached Balance Sheet of Meghalaya State Warehousing Corporation, Shillong as at 31.3.2014 and also the Profit and Loss Account for year ended on that date annexed thereto. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examination on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Subject to our comments given below, we report that

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the propose of our audit.
- ii) In our opinion, proper Books of account have been kept by the Corporation so far as appears from our examination of the books.



- iii) The Balance Sheet and the profit and Loss Account referred to in this report are in agreement with the Books of Accounts.
- iv) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view.
- 1) In the case of the Balance Sheet of the State of the Corporation's affairs as at 31st March 2014 and
- 2) In the case of the Profit and Loss Account of the loss of the Corporation for the period ended on that date.

Comments:

- |  |   |
|--|---|
| a) Depreciation on additions to Building at Khanapara Rs. 60,000/- was charged at full rate @ 5% instead of 2.50% being the allowable rate for additions of assets put to use for than 180 days. Depreciation has been overcharged by Rs. 1,500/- and net loss is overstated by this amount.   | a) The amount will be considered as prior period adjustment in the subsequent year. |
| b) The Corporation has disposed off its old vehicle for a consideration of Rs. 1,25,000/-. The amount has been adjusted with the cost of the asset and balance amount Rs. 3,50,159/- has been adjusted with remaining book value. This resulted in non disclosure of Rs. 93,430/- profit on sale of vehicle. Depreciation on additions made to fixed assets (vehicle) has been understated by Rs. 1,13,872/-. As a result the fixed assets has been overstated by Rs. 20,442/- and net loss understated by Rs. 20,442/-. | b) The amount will be considered as prior period adjustment in the subsequent year. |
| c) Professional fees for advocate Rs. 75,000/- paid to Sunil Ranjan but no tax   | c) Noted.   |





was deducted. Entire amount stands disallowed under section 40 a (i) (a) of the I Tax Act, 1961.

- |  |  |
|--|--|
| d) Professional charges of Rs. 33,708/- has been accounted and debited to profit and loss account but no tax was deducted. This amount stands disallowed under section 40a(i)(a) of the I Tax Act, 1961.   | d) Noted.  |
| e) Provident Fund: Employees PF for November and December amounting to Rs. 66,552/- has been deducted but actual amount deposited for Rs. 60,290/- .Accordingly adjustment for the shortfall of Rs. 6,242/- needs to be done.  | e) Necessary payment for the shortfall will be made in the current year.                         |
| f) According to the information and explanations given to us Sales tax payable amounting Rs. 1,151.97 stands no longer payable, hence the amount may be written back.  | f) Shall be written back as per rules.   |
| g) Tax deducted by Meghalaya Co-op Apex Bank for Rs. 9,005/- is not reflected in the credit of the corporation in Form 26AS. The matter needs to be pursued with the Bank to claim credit for the same.  | g) Noted, the matter will be pursued with Meghalaya Co-op Apex Bank for necessary rectification. |
| h) The Corporation has advance taxes amounting to Rs. 2,89,747.57 related to earlier years. Since detailed information regarding the same could not be produced to us for verification, we are unable to categorize the same. The corporation is advised to prepare a detailed schedule for expedite refund/ assessment of the same. | h) Noted for compliance.   |



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|--|--|
| <p>i) On verification of ledgers it is observed that the Corporation does not maintained individual ledger account for warehouse debtors. As such it becomes practically difficult to trace a particular account. The corporation is advised to maintain individual ledger accounts for warehouse debtors so that all the related transactions including service tax, TDS etc are clearly defined for the respective accounts.</p> | <p>i) The Corporation maintaining manual individual sundry debtors ledger register. However, as advised by the auditor computerized individual debtors account will be maintained from the current year.</p> |
|--|--|

Sd/-

Ashoke Kumar Jalan & Associates  
Chartered Accountant

Sd/-

Managing Director



SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 31(8) OF THE WAREHOUSING CORPORATION ACT, 1962 ON THE ACCOUNTS OF MEGHALAYA STATE WAREHOUSING CORPORATION FOR THE YEAR ENDED 31ST MARCH 2013.

The preparation of financial statements of Meghalaya State Warehousing Corporation for the year ended 31st March 2013 in accordance with financial reporting framework prescribed under the Warehousing Corporation Act, 1962 and the generally accepted accounting principles is the responsibility of the management of the Corporation. The Statutory Auditors appointed by State Government on the advice of the Comptroller and Auditor General of India under Section 31(3) of the Warehousing Corporation Act, 1962 are responsible to express an opinion on these financial statements based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 09 July 2013.

This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regards to classification, conformity with the best accounting practices, accounting standards and disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects etc., if any are reported through Inspection Report's/CAG's Audit Reports separately.

We, on behalf of the Comptroller and Auditor General of India, have conducted the audit of the financial statements of Meghalaya State Warehousing Corporation for the year ended 31st March 2013 under Section 31(8) of the Warehousing Corporation Act, 1962. This 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 the Corporation personnel and a selective examination of some of the accounting records. Based on the audit, we would like to highlight the following significant matters under Section 31(8), the Warehousing Corporations Act, 1962, which have come to our attention and which in our view are necessary for enabling a better understanding of the financial statements and the related Audit Report, issued by the Statutory Auditors.



Comments of Comptroller and Auditor  
General of India

**1. Profit and Loss Account**

Expenditure-Depreciation-Rs. 5,39,226/-

The Corporation had charged depreciation on Electrical Installations at the rate of 5 per cent instead of 13.91 per cent as required under Schedule-XIV of the Companies Act, 1956.

This had resulted in understatement of depreciation by Rs. 34,985/- and consequently overstatement of profit for the year by the same amount.

**2. General**

Regulation 9(1) of Meghalaya State Warehousing Corporation (Amendment) Regulation, 1982 read with Section 285 of the Companies Act, 1956 provides that the Board of Directors of the Corporation/Company shall meet at least once in a quarter in each year. Contrary to the above regulations, the Board of Directors had held only two meetings (in first and third quarter) during the year.

Replies of Management

Noted for future compliance.

Noted for future compliance.

Sd/-  
Accountant General (Audit)

Sd/-  
Chairman  
Meghalaya State Warehousing Corporation,  
Shillong



SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 31 (8) OF THE WAREHOUSING CORPORATION ACT, 1962 ON THE ACCOUNTS OF MEGHALAYA STATE WAREHOUSING CORPORATION FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of Meghalaya State Warehousing Corporation for the year ended 31st March 2014 in accordance with financial reporting framework prescribed under the warehousing Corporations Act, 1962 and the generally accepted accounting principles is the responsibility of the management of the Corporation. The Statutory Auditors appointed by State Government on the advice of the Comptroller and Auditor General of India under Section 31 (3) of the Warehousing Corporations Act, 1962 are responsible to express an opinion on these financial statements based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 16 September 2014.

This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regards to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and regularity) and efficiency - cum - performance aspects, etc., if any, are reported through Inspection Reported/CAG's Audit reports separately.

We, on behalf of the Comptroller and Auditor General of India, have conducted the audit of the financial statements of Meghalaya State Warehousing Corporation for the year ended 31 March 2014 under section 31 (8) the warehousing Corporation Act, 1962. This audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to enquiries of the Statutory Auditors and the corporation personnel and selective examination of some of the accounting records. Based on the audit, we would like to highlight the following significant matters under section 31 (8) of the warehousing Corporations Act, 1962, which have come to our attention and which in our view are necessary for enabling a better understanding of the financial statements and the related Audit Report issued by the statutory Auditors.

<b>Comments of Comptroller and Auditor General of India</b>	<b><u>Replies of Management</u></b>
<b>A. General</b>  According to the Meghalaya State Warehousing Corporation Regulation, 1976 as amended by the Meghalaya State Warehousing Corporation (Amendment) Regulation, 1982, Chapter III Regulation 9 (1), a meeting of the Board of Directors shall be held at least once in a quarter in each year and that of the Executive Committee at least once a month.  However, it is observed that the Meghalaya State Warehousing Corporation had not complied with the above regulations. Meeting of the Board of Directors was not held during the second and last quarters of the year 2012-13 and the Executive Committee had not held any meeting during the entire year.	Noted for future compliance.



B. Notes to Accounts

As required under Accounting Standard (AS) 12, the Corporation has not made suitable disclosures relating to:

Accounting policy adopted for accounting of government grants, including the methods of presentation in the financial statements.

Nature and extent of government grants recognized in the financial statements, including grants of non-monetary assets given at a concessional rate of free of cost.

Government of Meghalaya sanctioned (29.03.2014) an amount of Rs. 45 lakh as Financial Assistance during 2013-14 for payment of Committed Liabilities (staff Salary, etc) which was yet to be received as on 31 March 2014. The grants sanctioned by the Government were stated to be recognized on cash basis which should have been suitably disclosed in the Notes to Accounts as required by Accounting Standard (AS) 12.

Noted for future compliance

Sd/- Accountant General (Audit)

Sd/- Managing Director  
Meghalaya State Warehousing Corporation,  
Shillong