



**ANNUAL REPORT & ACCOUNT**  
**2015-2016**



**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**SHILLONG**



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

40<sup>th</sup> ANNUAL REPORT : 2015-2016

# MEGHALAYA STATE WAREHOUSING CORPORATION

## SHILLONG

### CONTENTS

1.	<i>Chairman's Speech</i>	1
2.	<i>Directors' Report</i>	2-4
3.	<i>Balance Sheet and Profit &amp; Loss Accounts and Auditors' Report for the year 2015-2016</i>	5-20
4.	<i>Fixed Assets &amp; Depreciation</i>	21-22
5.	<i>Management's Reply to the Statutory Auditors' Report for the year 2015-2016</i>	23-26
6.	<i>Report of the Comptroller and Auditor General of India on the Accounts of the Meghalaya State Warehousing Corporation for the year ended 31.03.2015.</i>	27-29
7.	<i>Report of the Comptroller and Auditor General of India on the Accounts of the Meghalaya State Warehousing Corporation for the year ended 31.03.2016.</i>	30-31



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

40<sup>th</sup> ANNUAL REPORT : 2015-2016

## NAME OF THE WAREHOUSES & CAPACITY

1.	Shillong, East Khasi Hills District	-	2500 M.T
2.	Khanapara, Ri Bhoi District	-	4400 M.T
3.	Jowai, Jaintia Hills District	-	1600 M.T
4.	Williamnagar, East Garo Hills District	-	2200 M.T
5.	Araimile, West Garo Hills District	-	4500 M.T
6.	Nongstoin, West Khasi Hills District	-	<u>2500 M.T</u>
	Total		<u>17,700 M.T</u>



## **MEMBERS OF THE BOARD OF DIRECTORS**

### **A. NOMINEES OF THE GOVERNMENT OF MEGHALAYA**

- |  |   |                          |
|--|---|--------------------------|
| 1. <b>Shri H. Marwein, I.A.S</b><br>Additional Chief Secretary, Commissioner and Secretary,<br>Secretary to the Government of Meghalaya,<br>Co-operation Department, etc | – | <b>Chairman</b>          |
| 2. <b>Additional Chief Secretary, Principal Secretary,</b><br>Commissioner & Secretary,<br>Secretary Agriculture Department, Shillong                                    | - | <b>Member</b>            |
| 3. <b>Director of Food &amp; Civil Supplies,</b><br>Meghalaya, Shillong.   | – | <b>Member</b>            |
| 4. <b>Director of Institutional Finance &amp; Ex-Officio,</b><br>Secretary to the Government of Meghalaya,<br>Finance (E.A.) Department, Shillong.                       | – | <b>Member</b>            |
| 5. <b>Registrar of Co-operative Societies,</b><br>Government of Meghalaya, Shillong  | – | <b>Managing Director</b> |

### **B. NOMINEES OF THE CENTRAL WAREHOUSING CORPORATION**

- |  |   |               |
|--|---|---------------|
| 1. <b>Shri Deepak Kumar Lalla,</b><br>Deputy General Manager, (B&O) Zonal Office.<br>State Bank of India, Shillong | – | <b>Member</b> |
| 2. <b>Shri Abbey Singh</b><br>Regional Manager,<br>Central Warehousing Corporation<br>Regional Office, Guwahati    | - | <b>Member</b> |
| 3. <b>Shri A. K. Sharma,</b><br>General Manager (Pur & Qs)<br>Central Warehousing Corporation                      | – | <b>Member</b> |



Corporate Office, New Delhi.

**MEGHALAYA STATE  
WAREHOUSING  
CORPORATION**

**40<sup>th</sup> ANNUAL REPORT : 2015-2016**

- |  |   |               |
|--|---|---------------|
| <b>4. Shri B Bandopadhyay</b><br>Deputy Secretary (BP), Ministry of Consumer Affairs,<br>Food and Public Distribution,<br>Deptt. of Food & Public Distribution<br>Govt. of India | - | <b>Member</b> |
| <br>   |   |               |
| <b>5. Shri B.Dhar, IAS (Retd),</b><br>Ex-Commissioner and Secretary,<br>Cooperation Department,<br>Meghalaya, Shillong   | - | <b>Member</b> |

**Banker : Meghalaya Co-operative Apex Bank Ltd. Head Office, Shillong.**  
**Statutory Auditors : Ashoke Kumar Jalan & Associates, Chartered Accountants, Guwahati.**





**OFFICE OF THE MEGHALAYA STATE WAREHOUSING CORPORATION**  
**SHILLONG**

**Chairman's speech for the Fortieth Annual General Meeting of the Meghalaya State Warehousing Corporation, Shillong.**

**Ladies & Gentlemen,**

I have great pleasure to welcome you to the Fortieth Annual General Meeting of the Corporation. The Annual Report and audited Statement of Accounts of the Corporation for the year 2015-16 are already with you, and with your permission I would like to consider them as having been read.

During the year under report, the earning of the Corporation by way of warehouse charges has increased to ₹. 58.41 lakhs as against of ₹. 47.36 lakhs of the preceding year. The increase in earning of the Corporation during the year is mainly due to maximum utilization of storage space in all the godowns of the Corporation. Complete utilization of godowns by FCI and other private parties has enabled the Corporation to earn nominal Profit of ₹ 2.57 lakhs during the year under report.

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

The construction of 2000 M.T additional godown at the existing Tura Warehouse Complex was completed and is fully utilized by private parties. With the completion of 2000 M.T. additional godown, the total storage capacity during the financial year stood at 17,700 MT. Increase in the storage capacity has helped the revenue of the Corporation to improve.

Before I conclude, I would like to place on record my thanks to our valued customers, for their continued patronage and confidence in the services of the Corporation. I also express my gratitude to the State Government and the Central Warehousing Corporation, Managing Director and other Directors of the Board of Directors for their continued support and guidance. I also take the opportunity to ensure the Shareholders that your Corporation will endeavour to achieve satisfactory result in the years to come.

Finally, I would like to thank the officers and all employees of the Corporation for their sincere and devoted services.

Sd/-  
Chairman



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

40<sup>th</sup> ANNUAL REPORT : 2015-2016

**OFFICE OF THE MEGHALAYA STATE WAREHOUSING CORPORATION**  
**SHILLONG**

**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 Fortieth Annual Report of the Corporation together with the 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 2016. The financial performance and the progress made by the Corporation is highlighted below:-

**FINANCIAL REPORT**

**INCOME**

Sl.No.	Particulars	Years	
		2015-2016	2014-2015
1.	Warehouse charges	₹.58,41,367.00	₹.47,36,563.00
2.	Interest	₹.13,01,382.00	₹.12,90,632.00
3.	Other Income	₹. 11,002.00	₹. 36,613.00
	<b>Total</b>	<b>₹.71,53,751.00</b>	<b>₹.60,63,808.00</b>

**EXPENDITURE**

1.	Establishment	₹.62,29,027.20	₹. 59,01,000.70
2.	Taxes	-	-
3.	Depreciation on fixed Assets	₹. 6,67,853.75	₹. 7,69,325.68
	<b>Total</b>	<b>₹.68,96,880.95</b>	<b>₹. 66,70,326.38</b>
	<b>Profit/Loss</b>	<b>(+) ₹. 2,56,870.05</b>	<b>(-) ₹. 6,06,518.38</b>



### **CAPITAL STRUCTURE:**

The Authorized Share Capital of the Corporation is ₹.5.00 crores. The paid-up Share Capital of the Corporation as on 31st March 2016 was ₹.3,36,12,400/-. Out of which the State Government held 2,13,562 shares of ₹.100/- each and the Central Warehousing Corporation held 1,22,562 shares of ₹.100/- each. No matching Share Capital Contribution is released by the Central Warehousing Corporation to Meghalaya State Warehousing Corporation for the period 2005-2006 onwards.

### **WORKING RESULT:**

The average utilized capacity during the year under report was 98.928%. The revenue earned during the year stood at ₹. 58.41 lakhs as against of ₹.47.36 lakhs of the preceding year.

### **CONSTRUCTION PROGRAMME**

The construction of 2000 M.T additional godown at the existing Tura Warehouse Complex was completed and is fully utilized by private parties.

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

1. Shillong, East Khasi Hills District	–	2500 M.T
2. Khanapara, Ri-Bhoi District	–	4400 M.T
3. Williamnagar, East Garo Hills District	–	2200 M.T
4. Araimile, West Garo Hills District	–	4500 M.T
5. Jowai, Jaintia Hills District	–	1600 M.T
6. Nongstoin, West Khasi Hills District	–	2500 M.T
<b>Total</b>		<b>17,700 MT</b>

### **SUNDRY DEBTORS:-**

The outstanding and realizable storage charges against the storage space utilized by Food Corporation of India, and Railtel stands at ₹. 2.25 lakhs and ₹. 0.22 lakhs respectively. The Corporation is making earnest efforts to get outstanding Warehouse charges realized from the defaulting parties.





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

During the year under report, two meetings of the Board of Directors were convened to transact the business of the Corporation. No Executive Committee Meeting was held during the year 2015-2016 as all matters pertaining to the working of the Corporation was taken up by the Board of Directors.

**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 2015-2016.

**ACKNOWLEDGEMENT:**

Directors wish to express their thanks to the State Government and the Central Warehousing Corporation for their valuable and continued support and guidance. Directors also wish to place on record their deep appreciation to the officers and employees of the Corporation for their sincere and dedicated work done during the year under report.

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

Sd/-  
Managing Director

**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG-793001**

**Balance Sheet as at 31st March, 2016**



**MEGHALAYA STATE  
WAREHOUSING  
CORPORATION**

**40<sup>th</sup> ANNUAL REPORT : 2015-2016**

Previous Year	CAPITAL AND LIABILITIES		Current Year	Previous Year	PROPERTY & ASSETS		Current Year
	<b>SHARE CAPITAL</b>				<b>CASH IN HAND</b>		
	<b>AUTHORISED CAPITAL</b>			91.00	At Head Office (On Imprest Account)		10.00
<u>50000000.00</u>	<b>500000 Shares of Rs. 100/- each</b>		<u>50000000.00</u>	9.00	At Warehouse		9.00
	<b>ISSUED AND PAID UP CAPITAL</b>				<b>CASH AT BANK</b>		
	<b>336124 Shares of Rs. 100/- each</b>						
21356200.00	State Government	21356200.00			With Meghalaya Co-operative Apex Bank Limited in:		
12256200.00	Central Warehousing Corporation	<u>12256200.00</u>	33612400.00	145456.00	Current Account	25962.00	
	<b>FINANCIAL AID FROM GOVERNMENT</b>			(114269.79)	Savings Bank Account (General)	2919956.21	
12598773.00	Financial Assistance (State Govt.)		8728357.00	22121.00	Provident Fund	23071.00	
	<b>RESERVES AND SURPLUS</b>			19097.00	Staff Security	19097.00	
	Depreciation Fund:				With State Bank of India in:		
11815054.45	Balance of Fund	12057963.77		<u>108804.00</u>	Current Account	<u>51872.25</u>	3039958.46
6900360.22	Add: Accumulated Interest	<u>5783475.50</u>	17841439.27		<b>INVESTMENTS:</b>		
489636.00	Medical to Staff		1358797.00	10553873.00	General Fund Investment	6889283.00	
9273240.69	Retd Benefit Endowment, Employee Welfare Fund		11708056.00	<u>5000.00</u>	Staff Security Deposit	<u>5000.00</u>	6894283.00
0.00	Provision for Pay Revision for Staffs etc		1500000.00	299308.00	Security Deposit from Tenants as per Schedule B		573308.00
0.00	Current liabilities & Provisions		77061.00		<b>OTHER INVESTMENTS</b>		
	<b>CURRENT LIABILITIES</b>			18715413.72	Depreciation Fund Investment as per Schedule 'C' annexed		17841439.00
	<b>DEFERRED TAX LIABILITY:</b>			9273240.69	Retd Benefit Endowment, Employee Welfare Fund Investment as per Schedule 'D' annexed		11708056.00
	Earlier Years	444757.74			<b>FIXED ASSETS:</b>		
444757.74	Current Year	<u>111986.47</u>	556744.21	26057704.61	as per Schedule 'A' annexed		25154308.61
<u>75134222.10</u>	<b>TOTAL CARRIED FORWARD</b>		<u>75382854.49</u>	<u>65085848.23</u>	<b>TOTAL CARRIED FORWARD</b>		<u>65211372.07</u>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Ashoke Kumar Jalan & Associates,  
Chartered Accountants, Auditor

**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG - 793001**



**40<sup>th</sup> ANNUAL REPORT : 2015-2016**

Previous Year			Current Year	Previous Year			Current Year
75134222.10	<b>TOTAL BROUGHT FORWARD</b>		75382854.49	<b>65085848.23</b>			65211372.07
	<b>OTHER LIABILITIES</b>				<b>OTHER ASSETS</b>		
2339105.62	Liabilities for expenses (as per Schedule 'I' annexed)		228310.62	11444000.00	Financial Assistance Receivable		10933000.00
264747.00	Sales Tax Payable		95791.00	447708.00	Stationery in Hand		8624.60
116508.00	Forest Royalty Payable		15152.00		Sundry Debtors		247136.00
	Security Deposit from construction			825477.00	as per Schedule 'E' annexed		
4502033.00	Contractors		5034659.00		Accrued interest on Fixed Deposit		537231.00
299308.00	Security Deposit from Tenants		573308.00	50200.00	as per Schedule 'F' annexed		
					Advances as per Schedule 'G' annexed		30450.00
748.00	Sundry creditors as per Schedule 'H'		0.00	800.00	Security deposit with DOT		800.00
	Security Deposit form Staff			816491.00	Earnest Money payable held as Security Deposit		856491.00
5640.30	As per Schedule 'J' Annexed		5640.30	47408.00	Service Tax Receivable		39827.00
1553827.00	Contractor Bill for Khanapara W/h		624258.00	26710.00	Excess Service Tax Paid		80287.00
0.00	Contractor Bill for Mawlai W/h		469240.00		Advance Tax:		
0.00	Contractor Bill for Williamnagar W/h		839196.00		Income Tax	158797.57	
				515227.57	Income Tax (TDS)	<u>351443.00</u>	510240.57
				4945701.17	Accumulated Losses		4812950.17
<b>84216139.02</b>			<b>83268409.41</b>	<b>84216139.02</b>			<b>83268409.41</b>

**Accounting Policies- Schedule N**  
**Notes on Accounts- Schedule O**

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Ashoke Kumar Jalan & Associates,  
Chartered Accountants, Auditor

**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG - 793001**

Profit and Loss Account for the year ended on 31st March, 2016



40<sup>th</sup> ANNUAL REPORT : 2015-2016

Previous Year	EXPENSES		Current Year	Previous Year	INCOME		Current Year
5901000.70	Establishment Expenses (as per Schedule K)		6229027.20	4736563.00	Warehousing Charges		5841367.00
769325.68	Depreciation on Fixed Assets		667853.75		Interest on:		
0.00	Net Profit Carried Down		256870.05	1120310.00	Fixed Deposits	1126934.00	
				133677.00	Savings Bank Account	121427.00	
				18855.00	Current Deposit Account	39709.00	1288070.00
				17790.00	Interest from IT return		13312.00
				36613.00	Miscellaneous Receipts		11002.00
				606518.38	Net Loss Carried Down		0.00
<b>6670326.38</b>			<b>7153751.00</b>	<b>6670326.38</b>			<b>7153751.00</b>
606518.38	Net Loss Brought Down		0.00	0.00	Net Profit Brought Down		256870.05
55974.34	Prior Period Adjustments		0.00	93430.00	Profit on Sale of Vehicle(of Earlier Years)		0.00
0.00	Provision for Deferred Tax		111986.47	569062.72	Loss Transferred to Accumulated Losses		0.00
0.00	Provision for Income Tax		77061.00	0.00	Prior Period Adjustments		64928.43
0.00	Profit Transferred to Accumulated Losses		132751.00				
<b>662492.72</b>			<b>321798.48</b>	<b>662492.72</b>			<b>321798.48</b>

Accounting Policies- Schedule N  
Notes on Accounts- Schedule O

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Ashoke Kumar Jalan & Associates,  
Chartered Accountants,  
Auditor

# MEGHALAYA STATE WAREHOUSING CORPORATION

## Scheule 'A' : Schedule of Fixed Assets

													All figures in Indian ₹	
		GROSS BLOCK					DEPRECIATION						NET BLOCK	
FIXED ASSETS	As at 1 <sup>st</sup> April 2015	Additions during the Year		Adjustments	Sales/ Deductions	As at 31 <sup>st</sup> March 2016	Rate of Deprn.	As at 1 <sup>st</sup> April 2016	For the Year	Adjustments	Deductions	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015	As at 31 <sup>st</sup> March 2016
		Upto 30.09.2015	Upto 31.03.2016											
LAND AT COST:														
Shillong	28203.00	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	2611790.75	0.00	0.00	0.00	0.00	2611790.75							2611790.75	2611790.75
Araimile (Tura)	374179.70	0.00	0.00	0.00	0.00	374179.70							374179.70	374179.70
Nongstoin	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	5.00%	964833.92	30647.72	0.00	0.00	995481.64	612954.40	582306.68
Jowai	1730179.79	564356.00	0.00	0.00	566500.00	1728035.79	5.00%	1031772.53	34813.16	0.00	0.00	1066585.69	698407.26	661450.10
Williamnagar	2967548.44	1998424.00	0.00	0.00	1998424.00	2967548.44	5.00%	1685712.00	64091.82	0.00	0.00	1749803.83	1281836.44	1217744.61
Khanapara	5221515.25	1864958.00	0.00	0.00	1864958.00	5221515.25	5.00%	3046831.40	108734.19	0.00	0.00	3155565.59	2174683.85	2065949.66
Additional 2000M.T. Khanapara W/h	0.00	0.00	3325156.00	0.00	3325156.00	0.00	Work in Progress							
Additional 500M.T. Mawlai W/h	1284296.00	620.00	1031298.00	0.00	2316214.00	0.00	Work in Progress							
Araimile (Tura)	3111481.13	0.00	0.00	0.00	0.00	3111481.13	5.00%	1873770.25	61885.54	0.00	0.00	1935655.79	1237710.88	1175825.34
Nongstoin	3043535.00	0.00	0.00	0.00	204.00	3043331.00	5.00%	735039.35	115414.58	0.00	0.00	850453.93	2308495.65	2192877.07
OFFICE COMPUTER	87162.00	0.00	0.00	0.00	0.00	87162.00	40.00%	69881.67	6912.13	0.00	0.00	76793.80	17280.33	10368.20
FURNITURE AND FIXTURE	93236.68	40039.00	0.00	0.00	0.00	133275.68	18.10%	77273.94	10136.31	0.00	0.00	87410.26	15962.74	45865.42
DUNNAGE AND EQUIPMENTS	292765.91	0.00	0.00	0.00	0.00	292765.91	13.91%	279894.64	1790.39	0.00	0.00	281685.03	12871.27	11080.88
ELECTRICAL INSTALLATION	1002466.30	0.00	463163.00	0.00	0.00	1465629.30	13.91%	708448.63	73110.84	0.00	0.00	781559.48	294017.67	684069.82
PLANT & MACHINERIES:														
Nongstoin	0.00	61875.00	119250.00	0.00	0.00	181125.00	18.10%	0.00	21991.50	0.00	0.00	21991.50	0.00	159133.50
WATER INSTALLATION:														
Tura	43778.00	0.00	0.00	0.00	0.00	43778.00	5.00%	31241.01	626.85	0.00	0.00	31867.86	12536.99	11910.14
Khanapara	64838.00	0.00	0.00	0.00	0.00	64834.00	5.00%	44204.24	1031.49	0.00	0.00	45235.73	20629.76	19598.27
VEHICLE	1139470.00	0.00	0.00	0.00	350159.00	789311.00	25.89%	780742.77	112236.43	0.00	424944.43	468034.77	358727.23	321276.23
RING WELL:														
Khanapara	8145.00	0.00	0.00	0.00	0.00	8145.00	5.00%	5723.68	121.07	0.00	0.00	5844.75	2421.32	2300.25
OFFICE MACHINERY	230701.00	49080.00	0.00	0.00	0.00	279781.00	13.91%	172249.35	14957.65	0.00	0.00	187207.00	58451.65	92574.00
ROADS AND BRIDGES	494476.32	0.00	0.00	0.00	0.00	494476.32	5.00%	307435.07	9352.06	0.00	0.00	316787.13	187041.25	177689.19
TOTAL	26057704.61	4579352.00	4938867.00	0.00	10421615.00	25154308.61		11815054.45	667853.75	0.00	424944.43	12057963.77	12958354.16	13096344.83
Total As on 31.03.2015	24326316.61	11565819.00	9137323.00	350159.00	19321913.00	26057704.61		10697069.77	769325.68	350159.00	1500.00	11815054.45	13629246.84	12958354.15
Sd/- Chairman	Sd/- Managing Director	Sd/- Director					Sd/- Director					Sd/- Ashoke Kumar Jalan & Associates, Chartered accountants, Auditor		





MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

40<sup>th</sup> ANNUAL REPORT : 2015-2016

**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG-793001**

**SCHEDULES FOR BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016**

(all figures in ₹)

SCHEDULES FORMING PART OF ACCOUNTS			Current Year	Previous Year
<b>B</b>	<b><u>FIXED DEPOSITS:</u></b>			
	Security from Tenants		<u>573308.00</u>	<u>299308.00</u>
			<u>573308.00</u>	<u>299308.00</u>
<b>C</b>	<b><u>DEPRECIATION FUND INVESTMENT ACCOUNT:</u></b>			
	Fixed Deposits		15232971.00	13773530.00
	Accrued interest on Fixed Deposits		666998.00	3482442.72
	FD transferred from General Fund Investment		<u>1941470.00</u>	<u>1459441.00</u>
			<u>17841439.00</u>	<u>18715413.72</u>
<b>D</b>	<b><u>RETD BENEFIT ENDOWMENT, EMPLOYEE WELFARE FUND INVESTMENT</u></b>			
	Savings Bank Account		15363.00	7216.00
	Accrued Interest on Fixed Deposits		656910.00	121760.00
	Fixed Deposits		9144264.00	5048436.00
	FD transferred from General Fund Investment		<u>1891519.00</u>	<u>4095828.69</u>
			<u>11708056.00</u>	<u>9273240.69</u>
<b>E</b>	<b><u>SUNDRY DEBTORS:</u></b>	<b>MORE THAN SIX MONTHS</b>	<b>LESS THAN SIX MONTHS</b>	
	Food Corporation of India	0.00	225618.00	225618.00
	T.M.C	0.00	0.00	0.00
	M. Nongkynrih	0.00	0.00	170652.00
	Railtel (Jowai)	0.00	21518.00	<u>21518.00</u>
			<u>247136.00</u>	<u>447708.00</u>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Ashoke Kumar Jalan  
& Associates,  
Chartered Accountants,  
Auditor



**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG-793001**

**SCHEDULES FOR BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016**

<b>F.</b>	<b><u>ACCRUED INTREST ON FIXED DEPOSITS:</u></b>		
	General Fund Investment	496134.00	812897.00
	Staff Security Deposit	226.00	501.00
	Tenants	40871.00	12079.00
		<b><u>537231.00</u></b>	<b><u>825477.00</u></b>
<b>G</b>	<b><u>ADVANCES:</u></b>		
	Advances to Staff:		
	Festival Advance	9000.00	15000.00
	Children Education Advance	21450.00	35200.00
		<b><u>30450.00</u></b>	<b><u>50200.00</u></b>
<b>H</b>	<b><u>SUNDRY CREDITORS:</u></b>		
	H. Prasad	0.00	148.00
	K.C. Momin	0.00	198.00
	O.T. Sangma	0.00	148.00
	R.G. Paul	0.00	247.00
	Smrity M. Sangma (Tura)	0.00	7.00
		<b><u>0.00</u></b>	<b><u>748.00</u></b>
<b>I</b>	<b><u>LIABILITIES FOR EXPENSES:</u></b>		
	Earnest Money	21000.00	0.00
	Professional Charges Payable & Service Tax payable	34500.00	33708.00
	Office Rent Payable	23040.62	21742.62
	Telephone Charges Payable	3485.00	1072.00
	Electric Charges Payable	1372.00	1487.00
	Audit Fees	28750.00	28090.00
	Cess Tax	10441.00	32648.00
	Bills Payable for Addl. 500MT W/h Mawlai	0.00	1284296.00
	Bills Payable for Jowai W/h	0.00	566500.00
	Bills Payable for Nongstoin W/h	0.00	274500.00
	Conveyance Allowance Chairman Payable	4795.00	5091.00
	Conveyance Allowance EE Payable	2278.00	2433.00
	Conveyance Allowance GM Payable	3298.00	3453.00
	Conveyance Allowance MD Payable	4095.00	4351.00
	ECPF to PF Org Payable	89056.00	78234.00
	Office Contingency Payable	2200.00	1500.00
		<b><u>228310.62</u></b>	<b><u>2339105.62</u></b>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Ashoke Kumar Jalan,  
& Associates,  
Chartered Accountants



**MEGHALAYA STATE WAREHOUSING CORPORATION**

**LOWER LACHUMIERE : OLD TAXATION BUILDING**

**SHILLONG-793001**

**SCHEDULES FOR BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016**

**J SECURITY DEPOSITS : STAFF**

Shri Mek Bahadur	250.90	250.90
Shri Morning Star Pathaw	389.40	389.40
Shri Aleric Tiarang	5000.00	5000.00
	<b>5640.30</b>	<b>5640.30</b>

**K ESTABLISHMENT EXPENSES**

Advertisement	47474.00	6000.00
Annual Maintenance (Xerox)	19358.00	17968.00
Annual Subscription Fees	30000.00	31473.00
Arrear ACP of the Staff of MSWC	214490.00	0.00
Arrear Pay Revision	11073.00	225240.00
Arrear DA	106595.00	65864.00
Audit Fees	28750.00	28090.00
Bank Charges	3563.75	1358.00
Books & Periodicals	3391.00	3357.00
Casual Peon (MD)	7586.00	0.00
Conveyances	3040.00	3362.00
Conveyance Allowance (Chairman)	61607.00	66366.00
Conveyance Allowance (EE)	29075.00	31804.00
Conveyance Allowance (GM)	39459.00	45101.00
Conveyance Allowance (MD)	52109.00	46778.00
DA to Director	0.00	5664.00
Departmental Work at Nongstoin W/h	51673.00	0.00
Digital Signature	3000.00	0.00
ECPF (Deposit)	548479.00	515241.00
Electric Charges	17771.00	60095.00
Insurance (Vehicle)	20585.00	22559.00
Interest on Service Tax	500.00	0.00
Medical TA	0.00	21560.00
Meeting Expenses	7464.00	3501.00
Miscellaneous Expenditure	10500.00	42312.00

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Ashoke Kumar Jalan,  
& Associates,  
Chartered Accountants  
Auditor



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

40<sup>th</sup> ANNUAL REPORT : 2015-2016

**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG-793001**

**SCHEDULES FOR BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016**

<b>K</b>	Office Contingency	26917.00	23400.00
	Office Rent	1298.00	1298.00
	Pay & Allowances	4541327.00	4197407.00
	Postage and Stamps	6560.00	6057.00
	Printing and Stationery	45715.45	17630.70
	Professional Charges	40555.00	38943.00
	Repairs and Maintenance (Nongstoin)	0.00	274500.00
	Repairs and Maintenance (Vehicle)	40297.00	3825.00
	Repairs and Maintenance of Warehouses	75069.00	0.00
	Repairs and Maintenance (Xerox)	0.00	6293.00
	Repairs to Computer	10869.00	24040.00
	Sitting Fees	500.00	0.00
	TA to Auditors	5472.00	12100.00
	TA to Director	23674.00	15259.00
	Telephone Charges	29603.00	25695.00
	Telephone Set (H/o)	1500.00	0.00
	Travelling Expenses	62128.00	10860.00
		<b><u>6229027.20</u></b>	<b><u>5901000.70</u></b>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
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& Associates,  
Chartered Accountants  
Auditor



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

40<sup>th</sup> ANNUAL REPORT : 2015-2016

**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG-793001**

**SCHEDULES FOR BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016**

**SCHEDULE - N:: SIGNIFICANT ACCOUNTING POLICIES**

It is the Corporation's Policy:

**Convention**

To prepare financial statements in accordance with the applicable Accounting Standards in India. A summary of the important accounting policies, which have been applied consistently, is set out below. The financial statement have also been prepared in accordance with the relevant presentational requirements of Form 'A' and Form 'B' laid out in pursuance of Rule 18 (a), (b) of the Meghalaya State Warehousing Corporation Rules, 1980.

**Basis of Accounting**

To prepare financial statements in accordance with the historical cost convention modified by revaluation of Fixed Asset as and when undertaken as detailed below.

**Fixed Asset**

To state Fixed Asset at the historical cost of acquisition/construction, inclusive of taxes, royalty, stamp duty and all incidental expenses related to acquisition/construction. To state Land at actual cost or notional cost of acquisition.

**Depreciation**

To calculate depreciation on Fixed Asset in a manner that amortizes the cost of assets over their useful, estimated lives at the rates specified in Schedule XIV to the Companies' Act, 1956. Since the State Warehousing Corporation does not fall within the ambit of Companies Act except for the purpose of Income Tax only the rates as provided in the Companies Act 2013 so adopted voluntarily by the Corporation continues. To exclude land from being amortized. To transfer the depreciation for a given financial year to a Depreciation Fund, the balance of which is represented by investment in long term financial asset.

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Ashoke Kumar Jalan,  
& Associates,  
Chartered Accountants  
Auditor





MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

40<sup>th</sup> ANNUAL REPORT : 2015-2016

**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG-793001**

**SCHEDULES FOR BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2016**

**Investments**

To state current investments at cost including the accrued income on such investments.

**Retirement Benefits**

To make monthly contribution to Employees' Provident Fund which are charged against revenue. To make annual provisions for Gratuity, which are transferred to a Gratuity Fund the balance of which is represented by investments in long term financial assets.

**Deferred Tax Liability**

In view of losses, no Deferred tax provision have been made as per AS-22, Accounting for Tax

**SCHEDULE - O :: NOTES ON ACCOUNTS**

1. Details of Prior period Adjustments are as follows: Amount in ₹

<u>Sl.No.</u>	<u>Particulars</u>	<u>Debit Items</u>	<u>Credit Items</u>
1.	Accrued Interest Security Deposit	262.00.	
2.	Accrued Interest Security Deposit Tenants	344.00	
3.	Savings Bank A/c (General)		246.00
4.	Interest of FDR	4435.00	
5.	Depreciation Fund		74785.43
6.	Professional Charges and Service Tax Payable	642.00	
7.	Audit Fees Payable	535.00	
8.	Accrued Int. Retd. Benefit Endowment, Emp Wel. Fund	3885.00	

**Net Prior Period Adjustments**

**64928.43**

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Ashoke Kumar Jalan,  
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Chartered Accountants  
Auditor



**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG-793001**

**SCHEDULE - O :: NOTES ON ACCOUNTS**

2. Interest accrued on Fixed Deposits of depreciation Fund amounting to **₹14,70,906.00** has been credited to the Depreciation Fund Account and **₹25,87,790.72** has been adjusted from opening balance as the interest was booked excess on earlier years.
3. Provision for Income tax amounting to ₹77,061.00 has been made during the year.
4. Deferred tax Provision has been made in the accounts as per AS-22 amounting to **₹1,11,986.47**
5. No provision made for professional tax, as professional tax for the year 2015-2016 was deducted from the employees' salary and subsequently deposited.
6. Gratuity Fund has been renamed as Retired Benefit Endowment, Employee Welfare Fund, which includes employees' Gratuity / Leave encashment / Others employees' welfare fund.
7. The Fixed Deposits have been earmarked as follows:

SL	Particulars	Amount
A.	General Fund Investment	₹68,89,283.00
B.	Depreciation Fund Investment	₹ 1,78,41,439.00
C.	Security from Tenants	₹ 5,73,308.00
D.	Staff Security Deposit	₹ 5,000.00

**₹ 2,53,09,030.00**

8. Previous year's figures have been re-grouped wherever necessary.
9. Additional 2000MT Khanapara Warehouse and Payment for Tura Project amounting to **₹95,04,752.00** and **₹1,18,664.00** respectively has been adjusted with Financial Assistance (State Govt.)

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Ashoke Kumar Jalan,  
& Associates,  
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Auditor



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

40<sup>th</sup> ANNUAL REPORT : 2015-2016

**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG-793001**

**SCHEDULE - O :: NOTES ON ACCOUNTS**

10. Financial Assistance (i.e. Staff Salary etc.) Receivable of 2015-2016 amounting to **₹9,47,000.00** not reflected in financial Statement.
- 11.. Financial Assistance (i.e. Staff Salary etc.) received during the year amounting to **₹37,36,000.00** has been adjusted with Retirement Benefit Endowment, Employees Welfare Fund **₹12,36,000.00**, Medical to Staff **₹10,00,000.00** and Provision for Pay revision for Staffs etc **₹15,00,000.00**.
12. **₹3,50,159.00** and **₹4,24,944.43** has been adjusted with vehicle and accumulated depreciation respectively and the difference of **₹74,785.43** has been adjusted with prior period as the said figure was understated during earlier years
13. Fixed Assets purchased for Nongstoin amounting to **₹1,81,125.00** was utilized from general fund.

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Director

Sd/-  
Ashoke Kumar Jalan,  
& Associates,  
Chartered Accountants  
Auditor

**MEGHALAYA STATE WAREHOUSING CORPORATION**  
**LOWER LACHUMIERE : OLD TAXATION BUILDING**  
**SHILLONG-793001**

**Computation of Deferred Tax for the year 2015-2016**



**40<sup>th</sup> ANNUAL REPORT : 2015-2016**

Auditor

Sl. No	Asset Category	Rate	Opening Balance	Additions	Deductions	Closing Balance	Depreciation as per Income Tax	Depreciation as per Books
		(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
A.	Furniture & Fixtures	10.00%	28176.58	40039.00	0.00	68215.58	6821.56	10136.31
B.	Dunnage & Equipments	15.00%	18927.55	0.00	0.00	18927.55	2839.13	1790.39
C.	Electrical Equipments	15.00%	286405.50	463163.00	0.00	749568.50	112435.28	73110.84
D.	Water installation	15.00%	22182.40	0.00	0.00	22182.40	3327.36	1658.34
E.	Vehicle	15.00%	400371.00	0.00	0.00	400371.00	60055.65	112236.43
F.	Office Machinery	15.00%	85286.63	230205.00	0.00	315491.63	47323.74	36949.15
G.	Office Computer	60.00%	45786.05	0.00	0.00	45786.05	27471.63	6912.13
H.	Land	0.00%	3664325.47	0.00	0.00	3664325.47	0.00	0.00
I.	Building	10.00%	7700737.65	4427738.00	4430086.00	7698389.65	769838.97	415587.02
J..	Roads & Bridges	5.00%	217749.58	0.00	0.00	217749.58	10887.48	9352.06
K.	Ring Well	5.00%	2824.10	0.00	0.00	2824.10	141.21	121.07
	<b>TOTAL</b>		<b>12472772.51</b>	<b>5161145.00</b>	<b>4430086.00</b>	<b>13203831.51</b>	<b>1041142.00</b>	<b>667853.75</b>

Depreciation as per Income Tax Act, 1961 Column (vi) : 1041142.00

Depreciation as per Books : 667853.75

Timing Difference : 373288.25

**Deferred tax Liability : 111986.47**

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
DirectorDirector

Sd/-  
Ashoke Kumar Jalan  
& Associates, Chartered Accountants,



MEGHALAYA STATE  
WAREHOUSING  
CORPORATION

40<sup>th</sup> ANNUAL REPORT : 2015-2016

**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 : [akjasso1985@gmail.com](mailto:akjasso1985@gmail.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 2016 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 2016, and
  - (2) In the case of the Profit and Loss Account of the Profit of the Corporation for the period ended on that date.





## COMMENTS:

- 1) During the year under review, the Corporation has purchased computer for an amount of Rs.49,080/- and added the same to gross block under the head "Office Machinery" and has claimed depreciation @ 13.91%. The addition should have been made under the head "Office Computer" A/c and depreciation should have been claimed @ 40%. The actual figure for such block has been appended separately by way of Annexure "A". The Corporation has undercharged depreciation by Rs.12, 804.97 and overstated its block of assets by Rs.12, 804.97. The net profit of the Corporation has been overstated by Rs.12, 804.97.
- 2) The Corporation has advance taxes amounting to Rs.1, 58,797.57 related to earlier years. During the previous year 2014-15, Income tax refund amounting to Rs.1, 30,950.00 for A/Y 2012-13 has been adjusted against the above figure. Interest on Income tax refund Rs.9, 120.00 has not been accounted resulting in overstatement of net loss of the Corporation by Rs..9,120.00 in the year 2014-15. We had given our comments in our last year audit report dt.10.12.2015 but the same has not been rectified till yet.
- 3) During the year under consideration, the Corporation has paid a sum of Rs.500/- as penalty under Service tax on 29.10.2015 and has debited the same as Interest on Service Tax under the Establishment Expenses. Any expenditure which are penal in nature is not an allowable expenditure and hence the sum of Rs.500/- will be added back to the computation of Income.
- 4) The Corporation has deducted a sum of Rs.95,791/- and Rs.15,152/- under the head Sales Tax and Forest Royalty respectively during the month of March in respect of Contract payments. The amount payable is outstanding for more than 6 months and the same should have been paid earlier.
- 5) Financial Assistance related matters:
  - a) During the year under review, the Corporation has received financial assistance sanction from the Government amounting to Rs.28.00 lacs as financial assistance for construction of additional 2000 MT Warehouse at Tura and 500 MT Warehouse at Mawlai vide sanction letter COD.26/2004/Pt.II/315,dated 29.03.2016 and Rs.57.53 lacs for repair and renovation of existing warehouses complex vide sanction letter COD.26/2004/Pt. II/319, dated 31.03.2016. Grants sanctioned are reduced from such assets concerned during the year.
  - b) Revenue grants of Rs.37.36 lacs sanctioned vide order No.COD.26/2004/Pt. II/146 dt.05.03.2015 during the financial year 2014-15 and received during the year has been transferred to Retired Benefit Endowment Employees Welfare Fund Rs.12.36 lacs, Staff Medical Fund Rs.10.00 lacs, and provision for revision of Employees pay Rs.15.00 lacs.
  - c) Revenue grants sanctioned vide order No.COD.26/2004/Pt.II/317 dated 29.03.2016 for committed liabilities and receivable during the year Rs.9.47 lacs not accounted in the books of accounts



- d) In our opinion such grants related to revenue should be recognized on a systematic basis in the Profit & Loss statement. Such recognition should be spread over the periods necessary to match them with the related costs, which the grant is being intended to compensate.
- 6) The Corporation's warehousing charges receipt along with service tax calculation for the year 2015-16 and the schedule of service tax paid are appended as per Annexure "B". There is a delay of 4 days in filing of Service tax return for the period April 2015 to September 2015 for which a sum of Rs.500/- has been paid as penalty.
- 7) It has also been noted that rent for office has been accrued since long but no payment has been made.
- 8) Fixed assets are stated at historical cost of acquisition, which is inclusive of freight, duties and other incidental charges. No fixed assets were revalued during the year. Depreciation of fixed assets has been provided on the WDV method as per the Companies Act. The asset acquired during the year and is put to use for a period of less than 180 days, the depreciation in respect of such assets has been restricted to 50% of the amount calculated at the percentage prescribed for the respective assets.
- 9) In accordance with the Accounting Standards AS-22, Accounting for taxes on income issued by the Institute of Chartered Accountants of India, deferred tax liability arising from timing difference on account of depreciation is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years.
- 10) As explained by the management, the Corporation is in practice of reinvesting the Interest income generated by the Fixed deposits under the Depreciation Fund and the Employees Retirement Benefit Fund and has not taken as interest income in Profit & Loss Account.
- 11) Two BOD meetings were held during the year on 28.09.2015 and 22.03.2016. Further Executive Committee meeting was held on 05.08.2015 and 16.02.2016 during the year.

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

Sd/-  
(RITESH AJITSARIA)  
PARTNER  
M No. 061724

Place: Guwahati  
Date : 21/11/2016

# OFFICE OF THE MEGHALAYA STATE WAREHOUSING CORPORATION, SHILLONG

YEAR ENDED 31.3. 2016

## Fixed Assets And Depreciation



Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As AT			As AT	Up To			Up To	As At	As At
		01.04.2015	Additions	Deletions	31.03.2016	31.03.2015	For the Year	Adjustments	31.03.2016	31.03.2016	31.03.2015
A.	Tangible Assets										
1	Office Computer	87,162	49,080	-	136,242	69,881.67	26,544.13	-	96,425.80	39,816.20	17,280.33
2	Office Machinery	230,701	-	-	230,701	172,249.35	8,130.62	-	180,379.97	50,321.03	58,451.65
		317,863	49,080	-	366,943	242,131.02	34,674.75	-	276,805.77	90,137.23	75,731.98

**Note:**

Depreciation Charged in PL A/c. as per book

Office Computer

6912.13

Office Machinery

14,957.65

21,869.78

Actual Depreciation as per Statement

34,674.75

Undercharge of Depreciation: (12,804.97)

40<sup>th</sup> ANNUAL REPORT : 2015-2016



**MEGHALAYA STATE WAREHOUSING CORPORATION:SHILLONG**

**CALCULATION OF SERVICE TAX ON WAREHOUSING CHARGES**

**Annexure "B"**

	Warehousing charges (i)	Service Tax Collected	Service Tax paid	Date of Payment
APR	433239.00	53548.00	53550.00	04.05.2015
MAY	432039.00	53400.00	53392.00	03.06.2015
JUN	432076.00	60491.00	60479.00	03.07.2015
JUL	432145.00	60500.00	33996.00	05.08.2015
AUG	432145.00	60500.00	87008.00	04.09.2015
SEPT	431545.00	60416.00	60418.00	05.10.2015
OCT	432369.00	60532.00	60532.00	02.11.2015
NOV	432369.00	60532.00	60532.00	03.12.2015
DEC	432039.00	62646.00	62646.00	04.01.2016
JAN	802067.00	116300.00	116299.00	03.02.2016
FEB	574667.00	83327.00	83329.00	04.03.2016
MARCH	574667.00	83327.00	83329.00	31.03.2016
<b>TOTAL</b>	<b>5841367.00</b>	<b>815519.00</b>	<b>815510.00</b>	



**OFFICE OF THE MEGHALAYA STATE WAREHOUSING CORPORATION**  
**SHILLONG**

**Management's Reply to the Statutory Auditor's Report for the year 2015-2016**

**Auditors' 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 March 31, 2016** and also the Profit and Loss Account for the year ended on that date annexed there to. 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 2016, and
  - (2) In the case of the Profit and Loss Account of the Profit of the Corporation for the period ended on that date.





**Comments:**

1. During the year under review, the Corporation has purchased computer for an amount of Rs. 49,080/-, and added the same to gross block under the head "Office Machinery" and has claimed depreciation @13.91%. The addition should have been made under the head "Office Computer" A/c and depreciation should have been claimed @40%. The actual figure for such block has been appended separately by way of Annexure "A". The Corporation has undercharged depreciation by Rs. 12,804.97 and overstated its block of assets by Rs. 12,804.97. The net profit of the Corporation has been overstated by Rs. 12,804.97.
2. The Corporation has advance taxes amounting to Rs. 1,58,797.57 related to earlier years. During the previous year 2014-15, Income tax refund amounting to Rs. 1,30,950.00 for AY 2012-13 has been adjusted against the above figure. Interest on Income Tax refund Rs. 9,120.00 has not been accounted resulting in overstatement of net loss of the Corporation by Rs. 9,120.00 in the year 2014-15. We had given our comments in our last audit report dt.10.12.2015 but the same has not been rectified till yet.
3. During the year under consideration, the Corporation has paid a sum of Rs. 500/- as penalty under Service Tax on 29.10.2015 and has debited the same as Interest on Service Tax under the Establishment Expenses. Any expenditure which are penal in nature is not allowable expenditure and hence the sum of Rs. 500/- will be added back to the computation of income.
4. The Corporation has deducted a sum of Rs. 95,791/- and Rs. 15,152/- under the Head Sales Tax and Forest Royalty respectively during the month of March in respect of Contract payments. The amount payable is outstanding for more than 6 months and the same should have been paid earlier.

**Managements Reply**

1. The amount will be considered as prior period adjustment in the subsequent year.
2. The amount has not been taken into account erroneously. However the same will be rectified as prior period income in the subsequent year.
3. Noted for necessary rectification in the accounts of subsequent year.
4. Necessary payment has been made.



**Comments**

**Managements Reply**

5. Financial Assistance related matter:

5. Noted.

- (a) During the year under review the corporation has received financial assistance sanction from the Government to Rs. 28.00 lacs as financial assistance for construction of additional 2000 MT warehouse at Tura and 500 MT warehouse at Mawlai vide sanction letter COD.26/2004/Pt.II/315, dated 29.03.2016 and Rs 57.53 lacs for repair and renovation of existing warehouses complex vide sanction letter COD.26/2004/Pt.II/319, dated 31.03.2016. Grants sanctioned are reduced from such assets concerned during the year.
- (b) Revenue grants of Rs. 37.36 lacs sanctioned vide order No. COD.26/2004/Pt.II/146 dt 05.03.2015 during financial year 2014-15 and received during the year has been transferred to Retired Benefit Endowment Employees Welfare Funds Rs. 12.36 lacs, Staff Medical Fund Rs. 10.00 Lacs and provision for revision of Employees pay Rs. 15.00 lacs.
- (c) Revenue grants sanctioned vide order no. COD.26/2004/Pt.II/317 dated 29.03.2016 for committed liabilities and receivable during the year Rs. 9.47 lacs not accounted in the books of accounts.
- (d) In our opinion such grants related to revenue should be recognized on a systematic basis in the Profit & Loss Statement. Such recognition should be spread over the periods necessary to match them with the related costs, which the grant is being intended to compensate.

6. The Corporation's warehousing charges receipt along with service tax calculation for the year 2015-16 and the schedule of service tax paid are appended as per Annexure 'B'. There is a delay of 4 days in filing of Service Tax return for the period April 2015 to September 2015 for which a sum of Rs.500/- has been paid as penalty.

6. Noted



**Comments**

7. It has also been noted that rent for office has been accrued since long but no payment has been made.
8. Fixed assets are stated at historical cost of acquisition, which is inclusive of freight, duties and other incidental charges. No fixed assets were revalued during the year. Depreciation of fixed assets has been provided on the WDV method as per the Companies Act. The asset acquired during the year and is put to use for a period of less than 180 days, the depreciation in respect of such assets has been restricted to 50% of the amount calculated at the percentage prescribed for the respective assets.
9. In accordance with the Accounting Standard AS-22. Accounting for taxes on income issued by the Institute of Chartered Accountants of India, deferred tax liability arising from timing difference on account of depreciation is accounted for at the current rate of tax to the extent differences are expected to crystallize in later years.
10. As explained by the management, the Corporation is in practice of reinvesting the interest income generated by the Fixed deposits under the Depreciation Fund and the Employees Retirement Benefit Fund and has not taken as interest income in Profit & Loss Account.
11. Two BOD meetings were held during the year on 28.09.2015 and 22.03.2016. Further Executive Committee meeting was held on 05.08.2015 and 16.02.2016 during the year.

**Managements Reply**

7. Non receipt of office rent bill resulting in non-payment of office rent for a long time but after a letter received from General Administration Deptt., Govt. of Meghalaya, all the outstanding office rent has been paid by the Corporation on Dt.1/5/2016 respectively.
8. Noted
9. Noted
10. Noted
11. Noted

Sd/- ASHOKE KUMAR JALAN & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/- MANAGING DIRECTOR  
MEGHALAYA STATE WAREHOUSING CORPORATION  
SHILLONG



**SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 31(8) OF THE WAREHOUSING CORPORATION COMPANIES ACT, 1962 ON THE ACCOUNTS OF MEGHALAYA STATE WAREHOUSING CORPORATION FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015.**

The preparation of financial statements of Meghalaya State Warehousing Corporation for the year ended 31<sup>st</sup> March 2015 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 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 10 December 2015.**

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 Regulation (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/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) 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 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) the Warehousing Corporation 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**

**Replies of Management**

**Balance Sheet**

**Assets**

**Schedule C - Depreciation Fund**

**Investment - Rs.187.15 lakh**

A1: The Corporation had shown an amount of Rs.34.82 lakh as accrued interest on fixed deposits under the above fund. However, the actual interest accrued as on 31st March 2015 was only Rs.9.78 lakh. Thus, Depreciation Fund Investment has been overstated by Rs.25.04 lakh, with corresponding overstatement of Depreciation Fund under Reserves & Surplus by the same amount.

The error in computation shall be taken into account in 2015-2016 and rectified.

**Schedule-D - Retirement Benefit**

**Endowment. Employee Welfare Fund**

**Investment - Rs.92.73 lakh.**

A2: The Corporation has shown an amount of Rs.1.22 lakh as accrued interest on fixed deposits under the above fund. However, the actual interest accrued on fixed deposits earmarked for the above fund as on 31 March 2015 was Rs. 4.70 lakh. Thus, the above account has been understated by Rs. 3.48 lakh, with corresponding understatement of Retirement Benefit Endowment and Employee welfare Fund under Reserves & Surplus by the same amount.

The error in computation shall be taken into account in 2015-2016 and rectified.

**Plants & Machineries**

A3: The Corporation had spent an amount of Rs.10.68 lakh for installation of a weighbridge at its Nongstoin Warehouse. This amount was adjusted with Government Grants for the same amount. However, it was observed that an amount of Rs.0.62 lakh was actually paid for Annual Maintenance Contract of the same weighbridge, which should have been charged to Profit and Loss Account. Thus, Expenses for the year was understated by Rs.0.62 lakh with corresponding understatement of Income for the year on account of Government Grants by the same amount.

Rectification shall be done in 2015-2016





- A4: As per the optional treatment of grants for specific assets given in Accounting Standard 12 and adopted by the Corporation states, "where the grant related to a specific fixed asset equals the whole, or virtually the whole, of the cost of the asset, the asset should be shown in the balance sheet at a nominal value." However, the Corporation had not shown any nominal value for the said asset. Noted for compliance

### Audits' Report

- B 1: reference is invited to Para 1 of the Statutory Auditors' comments wherein it was stated that the Corporation ought to have changed the method of providing depreciation as per Companies Act, 2013. However, as the Corporation was set up under the Warehousing Corporations Act, 1962 and there being no provision under this Act or in the Warehousing Corporations (Amendment) Act, 2015 for calculating depreciation as per Companies Act 2013, the qualification of the auditors is not on valid grounds.. We agree.

- B2: Reference is invited to Para 3 of the Statutory Auditor's comments wherein it was mentioned that provision for professional charges amounting to Rs.33,708/- stands disallowed u/s 40a (i)a of the Income Tax Act, 1961. However, the amount of professional charges was actually Rs. 30,000/- which is exempt from TDS u/s 191J of the Income Tax Act and Rs. 3,708/- is actually the service Tax Component provided. Thus, based on CBDT Circular 01/2014 dated 13 January 2014, the amount does not stand disallowed for deduction u/s 40a(i)a of the Income Tax Act, 1961, as stated by the Statutory Auditor. Noted

Sd/-  
Pr. Accountant General (Audit)

Sd/-  
Managing Director  
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 31ST MARCH 2016.**

The preparation of financial statements of Meghalaya State Warehousing Corporation for the year ended 31st March 2016 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 21<sup>st</sup> November 2016.**

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 Reports/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 2016 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 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.



Comments of Comptroller and Auditor General of India

**Balance Sheet**

**Assets Plant**

**Machineries**

A1 : A reference is invited to comment no. A3 of the separate Audit Report on the accounts of the Corporation for the year ended 31 March 2015. The Comment pointed out incorrect adjustment of the amount paid (₹ 0.62 lakh) during last year (2014-15) towards Annual Maintenance Contract of the weighbridge at Nongstoin Warehouse against the Government Grants received for installation of the said weighbridge. The Corporation, however, has not rectified the mistake during the current year also.

This has resulted in understatement of 'Financial Aid from Government – unspent Government Grants' by ₹ 0.62 lakh with corresponding understatement of 'accumulated losses' as on 31 March 2016 to the same extent.

**General**

B1 : Actuarial valuation of Gratuity and retirements benefits of the employees was not done by the Corporation as required under Accounting Standard – 15

Replies of Management

Noted, necessary rectification will be made in the subsequent year.

Noted

Sd/-  
Pr. Accountant General (Audit)

Sd/-  
Managing Director  
Meghalaya State Warehousing  
Corporation, Shillong