



ANNUAL

REPORT & ACCOUNT

2017-2018

MEGHALAYA STATE WAREHOUSING CORPORATION
SHILLONG



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SHILLONG



MEGHALAYA STATE WAREHOUSING CORPORATION

SHILLONG

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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	-	2500 M.T
			<hr/> 17,700 M.T



MEMBERS OF THE BOARD OF DIRECTORS

A. NOMINEES OF THE GOVERNMENT OF MEGHALAYA

- | | |
|--|------------------------------|
| 1. Shri K.N. Kumar, I.A.S
Additional Chief Secretary, Principal Secretary,
Commissioner & Secretary, Secretary to the
Government of Meghalaya,
Cooperation Department | ... Chairman |
| 2. Additional Chief Secretary, Principal Secretary,
Commissioner & Secretary, Secretary
Agriculture Department, Shillong | ... Member |
| 3. Director Food & Civil Supplies,
Meghalaya, Shillong. | ... Member |
| 4. Director Institutional Finance & Ex-Officio,
Secretary to the Government of Meghalaya,
Finance (E.A) Department, Shillong. | ... Member |
| 5. Registrar of Cooperative Societies
Government of Meghalaya, Shillong. | ... Managing Director |

B. NOMINEES OF THE CENTRAL WAREHOUSING CORPORATION

- | | |
|---|-------------------|
| 1. Shri B.V.S.K.T Bhaskar,
Deputy General Manager (B & O),
State Bank of India, Local Head Office,
Shillong | ... Member |
| 2. Smt. E.S Brisohbar,
Regional Manager,
Central Warehousing Corporation,
Regional Office, Guwahati | ... Member |



3. **Shri Anangpal,** ... **Member**
Secretary,
Central Warehousing Corporation,
Corporate Office, New Delhi
- Shri Pawan Kant,** ... **Member**
Group General Manager (Purchase, Inspection
& Quality System),
Central Warehousing Corporation,
Corporate Office, New Delhi.
4. **Shri K.K Guite,** ... **Member**
Deputy Secretary (SRA), Ministry of Consumer Affairs,
Food & Public Distribution, Deptt. of Food & Public
Distribution, Govt. of India.
5. **Sh. B. Dhar, I.A.S (Retd.),** ... **Member**
Ex-Commissioner and Secretary,
Cooperation Department,
Meghalaya, Shillong.

Banker: 1. Meghalaya Co-operative Apex Bank Ltd., Head Office, Shillong
2. State Bank of India, Meghalaya Secretariat Branch, Shillong

Statutory Auditors: M/s A. Paul & Co., Chartered Accountant, Meghalaya, Shillong.

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

Chairman's speech for the Forty-Second Annual General Meeting of the Meghalaya State Warehousing Corporation , Shillong.

Ladies & Gentlemen,

I have great pleasure to welcome you to the Forty-Second Annual General Meeting of the Corporation. The Annual Report and audited Statement of Accounts of the Corporation for the year 2017-18 along with Management's Reply and Directors' Report 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 has increased to Rs.78.09 lakhs as against of Rs.58.41 lakhs of the preceding year. The increase in earning of the Corporation during the year is mainly due to the maximum utilization of storage space in all the godowns of the Corporation. Complete utilization of godowns by Food Corporation of India and other private parties has enabled the Corporation to earn a nominal profit of Rs.16.56 lakhs during the year under report.

The Corporation has not received Share Capital from Central Warehousing Corporation from 2005-2006 onwards till the year under report. It should be acknowledged that the scope for enhanced warehousing activities in the state of Meghalaya which is a hilly region depends largely on the support of the shareholders by way of Share Capital contribution. Since, the limit of Authorized Share Capital of Meghalaya State Warehousing Corporation is 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 to enable the Corporation to develop further.

Before I conclude, I would like to place on record my thanks to our valuable depositors of warehouses for their continued patronage and confidence in the service of the Corporation. I would also express my gratitude to the State Government, Central Warehousing Corporation, Managing Director and other Directors for their valuable guidance and support in every field of warehousing activities.

I also take this opportunity to assure the shareholders that your Corporation will endeavour to achieve better results in the years to come.

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

Sd/-
Chairman



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 Forty Second 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 2018. The financial performance and the progress made by the Corporation is highlighted below:-

FINANCIAL REPORT

INCOME

Sl.No.	Particulars	Years	
		2017-2018	2016-2017
1.	Warehouse charges	Rs.91,93,784.00	Rs.78,09,780.00
2.	Interest	Rs.12,45,332.00	Rs.12,60,231.00
3.	Other Income	Rs.58,026.00	Rs.43,118.00
4.	Managerial Subsidy	Rs.12,00,000.00	Rs.9,47,000.00
	Total	Rs.1,16,97,142.00	Rs.1,00,60,129.00

EXPENDITURE

1.	Establishment	Rs.87,86,782.60	Rs.77,01,061.50
2.	Depreciation on fixed Assets	Rs.7,06,907.56	Rs.7,02,637.20
	Total	Rs.94,93,690.16	Rs.84,03,698.70
	Profit/Loss	(+)Rs.22,03,451.84	(+) Rs.16,56,430.30



CAPITAL STRUCTURE:

The Authorized Share Capital of the Corporation is Rs.5.00 crores. The paid-up Share Capital of the Corporation as on 31st March 2018 was Rs.3,36,12,400/-. Out of which the State Government held 2,13,562.00 shares of Rs.100/- each and the Central Warehousing Corporation held 1,22,562.00 shares of Rs.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 100%. The revenue earned during the year stood at Rs.91.93 lakhs as against of Rs.78.09 lakhs of the preceding year.

CONSTRUCTION PROGRAMME

No construction programme was undertaken during the year, as all the godowns were fully utilized.

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
			<hr/>
			Total 17,700 MT

SUNDRY DEBTORS:-

The outstanding and realizable storage charges against the storage space utilized is Rs.5.861 lakhs. 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 and two Executive Committee Meeting were convened to transact the business of the Corporation during the year 2017-2018. 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 M/s A.Paul & Associates, Chartered Accountant as Auditors of Meghalaya State Warehousing Corporation for the year 2017-2018.

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, 2018

Previous Year	Capital and Liabilities	Current Year	Previous Year	Property and Assets	Current Year
SHARE CAPITAL					
AUTHORISED CAPITAL					
50000000.00	500000 Shares of Rs. 100/- each	50000000.00			
ISSUED AND PAID UP CAPITAL					
336124	Shares of Rs. 100/- each				
21356200.00	State Government	21356200.00			
12256200.00	Central Warehousing Corporation	12256200.00			
FINANCIAL AID FROM GOVERNMENT					
11228357.00	Financial Assistance(State Govt.)	6895887.00			
0.00	Financial Assistance(for Office Building)	4920000.00			
RESERVES AND SURPLUS					
Depreciation Fund:					
12773405.94	Balance of Fund	13480313.50			
6978433.50	Add: Accumulated Interest	8307416.50			
1289647.00	Medical to Staff	1289647.00			
	Retd Benefit Endowment, Employee				
13012214.00	Welfare Fund	14602699.00			
CURRENT LIABILITIES					
1500000.00	Provision for Pay Revision for Staffs etc.	819593.00			
191754.00	Current liabilities & Provisions	1569863.79			
DEFERRED TAX LIABILITY:					
736099.06	Earlier Years	736099.06			
	Less: Adjustment upto 2016-2017	242268.56			
		493830.50			
	Add: Current Year deferred tax (17-18)	28871.59			
CASH IN HAND					
3000.00	At Head Office (On Imprest Account)	3000.00			
9.00	At Warehouse	9.00			
CASH AT BANK					
With Meghalaya Co-operative Apex Bank Limited in:					
331.00	Current Account	331.00			
160795.21	Savings Bank Account (General)	160795.21			
24062.00	Provident Fund	24062.00			
20773.00	Staff Security	20773.00			
With State Bank of India in:					
188390.75	Savings Bank Account	188390.75			
11377991.00	General Fund Investment	11377991.00			
5000.00	Staff Security Deposit	5000.00			
573308.00	Security Deposit from Tenants as per Schedule B	573308.00			
19751839.00	Depreciation Fund Investment	19751839.00			
	as per Schedule 'C' annexed				
13012214.00	Retd Benefit Endowment, Employee	13012214.00			
	Welfare Fund Investment as per Schedule 'D' annexed				
FIXED ASSETS					
28076887.61	as per Schedule 'A' annexed	28076887.61			
TOTAL CARRIED FORWARD					
81322310.50		86020521.88	73194600.57		79996336.57

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Auditor



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

81322310.50	TOTAL BROUGHT FORWARD		86020521.88	73194600.57	TOTAL BROUGHT FORWARD		79996336.57
<u>OTHER LIABILITIES</u>				<u>OTHER ASSETS</u>			
213943.00	Liabilities for expenses (as per Schedule 'H' annexed)		816776.00	4880000.00	Financial Assistance Receivable		5000000.00
110577.00	Sales Tax Payable		187860.00	8624.60	Stationery in Hand		8182.00
48213.00	Forest Royalty Payable		98335.00	0.00			
				392631.00	Sundry Debtors		586746.00
					as per Schedule 'E' annexed		
2228809.00	Security Deposit from Construction Contractors		2734966.00	520235.00	Accrued interest on Fixed Deposit		848103.00
573308.00	Security Deposit from Tenants		1012569.00		as per Schedule 'F' annexed		
				191000.00	Advances as per Schedule 'G' annexed		120300.00
				800.00	Security deposit with DOT		800.00
				906091.00	Earnest money payable held as Security Deposit		961591.00
				62735.00	Service Tax Receivable		0.00
				80287.00	Service Tax Receivable (Department)		80287.00
	Security Deposit from Staff		5640.30	0.00	GST Receivable		76200.00
5640.30	as per Schedule "I" annexed		94064.00	0.00	GST Receivable (Department)		60791.00
939902.00	Contractor Bill for Mawlai W/h		2104950.00		Advance Tax:		
0.00	Contractor Bill for Tura W/h			252679.00	TDS on FDR	630124.00	
				600856.57	Income Tax	1310000.00	
				686711.00	Income Tax(TDS)	902502.00	
				0.00	TDS receivable	9,471.00	
							2852097.00
				3665452.06	Accumulated Losses		2484248.61
85442702.80		93075682.18	85442702.80				93075682.18

Accounting Policies- Schedule K
Notes on Accounts- Schedule L

Sd/- Chairman
Sd/- Managing Director
Sd/- Director
Sd/- Auditor



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

Profit and Loss Account for the year ended on 31st March, 2018

Previous Year	Expenses	Current Year	Previous Year	Income	Current Year
7701061.50	Establishment Expenses (as per Schedule J)	8786782.60	7809780.00	Warehousing Charges	9193784.00
702637.20	Depreciation on Fixed Assets	706907.56		Interest on:	
			1140274.00	Fixed Deposits	1120160.00
1656430.30	Net Profit Carried Down	2203451.84	119957.00	Saving Bank Account	120572.00
			0.00	Current Deposit Account	1240732.00
			0.00	Interest from IT Return	4600.00
			43118.00	Miscellaneous Receipts	58026.00
			947000.00	Managerial Subsidy	1200000.00
			0.00	Net Loss Carried Down	0.00
10060129.00		11697142.00	10060129.00		11697142.00
0.00	Net Loss Brought Down	0.00	1656430.30	Net Profit Brought Down	2203451.84
137823.34	Prior Period Adjustments	0.00			
179354.85	Provision for Deferred Tax (adjustment for 17-18)	28871.59	0.00	Provision for Deferred Tax (adjustment upto 16-17)	242268.56
191754.00	Provision for Income Tax	1378109.79	0.00	Prior Period adjustment	233321.00
1147498.11	Profit transferred to Accumulated Losses	1272060.02			
1656430.31		2679041.40	1656430.30		2679041.40

Accounting Policies- Schedule K
Notes on Accounts- Schedule L

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Auditor



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

Schedule 'A'														
Schedule of Fixed Assets														
FIXED ASSETS	GROSS BLOCK						DEPRECIATION							
	As at 1st April 2017	Additions during the year			Sales/ Deductions	As at 31st March 2018	Rate of Depm.	As at 1st April 2017	For the year	Adjustments	Deductions	As at 31st March 2018	As at 1st April 2017	As at 31st March 2018
		upto 30.09.2017	upto 31.03.2018											
LAND AT COST:														
Shilong	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	2611790.75	0.00	0.00	0.00	0.00	2611790.75							2611790.75	2611790.75
Aramile (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:														
Shilong	2785142.32	0.00	0.00	0.00	0.00	2785142.32	5.00%	1054780.82	86518.08	0.00	0.00	1141298.90	1730361.50	1643943.43
Jowai	1847904.79	0.00	0.00	0.00	0.00	1847904.79	5.00%	1102654.92	37262.49	0.00	0.00	1139917.41	745249.87	707987.38
Williamnagar	2967548.44	0.00	0.00	0.00	0.00	2967548.44	5.00%	1810691.06	57842.87	0.00	0.00	1868533.93	1156857.38	1099014.51
Khanapara	5221515.25	0.00	0.00	0.00	0.00	5221515.25	5.00%	3258863.07	98132.61	0.00	0.00	3356995.68	1962652.18	1864519.57
Aramile (Tura)	3881836.13	0.00	0.00	0.00	0.00	3881836.13	5.00%	2013705.93	93406.51	0.00	0.00	2107112.44	1868130.20	1774723.69
Nongstoin	3411037.00	0.00	0.00	0.00	0.00	3411037.00	5.00%	969290.43	122087.33	0.00	0.00	1091377.76	2441746.57	2319659.24
Office Building	519093.00	0.00	0.00	0.00	0.00	519093.00								
OFFICE COMPUTER	136242.00	0.00	38999.00	0.00	0.00	175241.00	40.00%	120205.08	14214.57	0.00	0.00	134419.65	16036.92	40821.35
FURNITURE AND FIXTURE	133275.68	0.00	0.00	0.00	0.00	133275.68	18.10%	95711.90	6798.04	0.00	0.00	102510.94	37563.78	30764.74
DUNNAGE AND EQUIPMENTS	292765.91	0.00	0.00	0.00	0.00	292765.91	13.91%	283226.38	1326.95	0.00	0.00	284553.33	9539.53	8212.58
ELECTRICAL INSTALLATION	1465629.30	108715.00	0.00	0.00	0.00	1574344.30	13.91%	876713.59	97040.43	0.00	0.00	973754.02	588915.71	600590.28
Plant & Machineries														
Nongstoin	119327.00	0.00	0.00	0.00	0.00	119327.00	18.10%	39609.23	14428.92	0.00	0.00	54038.15	79717.77	65288.85
WATER INSTALLATION:														
Tura	43778.00	0.00	0.00	0.00	0.00	43778.00	5.00%	32463.37	566.73	0.00	0.00	33029.10	11314.63	10748.90
Khanapara	64834.00	0.00	0.00	0.00	0.00	64834.00	5.00%	46215.64	930.92	0.00	0.00	47146.56	18618.36	17687.44
VEHICLE	789311.00	0.00	0.00	0.00	0.00	789311.00	25.89%	551213.19	61643.52	0.00	0.00	612856.71	238097.81	176454.29
RING WELL:														
Khanapara	8145.00	0.00	0.00	0.00	0.00	8145.00	5.00%	5959.76	109.26	0.00	0.00	6069.02	2185.24	2075.98
OFFICE MACHINERY	230701.00	0.00	0.00	0.00	0.00	230701.00	13.91%	186429.99	6158.10	0.00	0.00	192588.09	44271.01	38112.91
ROADS AND BRIDGES	494476.32	0.00	0.00	0.00	0.00	494476.32	5.00%	325671.59	8440.24	0.00	0.00	334111.83	168904.73	160364.49
TOTAL	28076887.61	108715.00	38999.00	0.00	0.00	28224801.61		12773405.95	706907.56	0.00	0.00	13480313.51	14784388.66	14225195.10
TOTAL as on 31.03.2017	25154308.61	0.00	2984377.00	49080.00	110878.00	28076887.61		12057963.77	702637.20	19632.00	6827.03	12773405.94	13096344.83	14784388.65

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Auditor



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

Schedules for Balance Sheet as at 31st March, 2018

(all figures in ₹)

SCHEDULES FORMING PART OF ACCOUNTS

		CURRENT YEAR	PREVIOUS YEAR
B	<u>FIXED DEPOSITS:</u>		
	Security from Tenants	1012569.00	573308.00
		1012569.00	573308.00
C	<u>DEPRECIATION FUND INVESTMENT ACCOUNT:</u>		
	Fixed Deposits	19188185.00	17174441.00
	Accrued Interest on Fixed Deposits	898575.00	563654.00
	FD transferred from General Fund Investment	1700970.00	2013744.00
		21787730.00	19751839.00
D	<u>RETD BENEFIT ENDOWMENT, EMPLOYEE WELFARE FUND INVESTMENT:</u>		
	Savings Bank Account	32913.00	26092.00
	Accrued Interest on Fixed Deposits	418296.00	462791.00
	Fixed Deposits	11833331.00	11925783.00
	FD transferred from General Fund Investment	0.00	597548.00
		12284540.00	13012214.00
E	<u>SUNDRY DEBTORS:</u>		
		<u>More than six months</u>	<u>Less than six months</u>
	Chandan Choudhury	0.00	19261.00
	Food Corporation of India	0.00	467459.00
	K. D. Prasad	0.00	0.00
	MeCOFED	0.00	14388.00
	M. Ningkynrih	0.00	0.00
	Railtel (Jowai)	0.00	0.00
	Prem Ranjan Gupta	0.00	85638.00
	Raja Ram Choudhury	0.00	0.00
		586746.00	392631.00
F	<u>ACCRUED INTEREST ON FIXED DEPOSITS:</u>		
	General Fund Investment	822582.00	492834.00
	Staff Security Deposit	69.00	98.00
	Tenants	25452.00	27303.00
		848103.00	520235.00
G	<u>ADVANCES:</u>		
	Advances to Staff:		
	Advance to Staff	120300.00	190000.00
	Festival Advance	0.00	1000.00
	Children Education Advance	0.00	0.00
		120300.00	191000.00

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Auditor



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

Schedules for Balance Sheet as at 31st March, 2018

(all figures in ₹)

H LIABILITIES FOR EXPENSES:

Audit Fees Payable	37800.00	28750.00
Cess Tax	63325.00	12074.00
Earnest Money	33100.00	33100.00
ECPF to PF Org Payable	245533.00	95555.00
Electric Charges Payable	0.00	3545.00
GST Payable	322660.00	0.00
Income tax for Contractor	53735.00	0.00
Professional Charges Payable and Service tax payable	45630.00	34500.00
TDS Payable	7725.00	3300.00
Trade in	5028.00	0.00
Telephone Charges Payable	2240.00	3119.00
	816776.00	213943.00

I SECURITY DEPOSITS: STAFF

Shri Mek Bahadur	250.90	250.90
Shri Mornig Star Pathaw	389.40	389.40
Shri Aleric Tiarang	5000.00	5000.00
	5640.30	5640.30

J ESTABLISHMENT EXPENSES

Advertisement	33210.00	19550.00
Accommodation to BOD Director	1027.00	0.00
Annual Subscription Fees	30000.00	30000.00
Arrear-DA	36895.00	113936.00
Audit Fees	41300.00	28750.00
Auditors TA/DA	0.00	10390.00
Bank Charges	506.00	505.50
Books & Periodicals	2068.00	3442.00
Casual Peon (MD)	0.00	22258.00
Conveyance	2590.00	3120.00
Conveyance Allowance (Chairman)	67748.00	64532.00
Conveyance Allowance (EE)	32874.00	31007.00
Conveyance Allowance (GM)	47648.00	44452.00
Conveyance Allowance (MD)	58020.00	56460.00
Departmental Work (Khanapara W/H)	32100.00	395883.00
Departmental Work (Williamnagar W/H)	0.00	99774.00
Departmental Work (Tura W/H)	81020.00	0.00
Departmental Work (Mawlai W/H)	27600.00	0.00
Deptt Work at Jowai	60190.00	9086.00
Deptt Work at Nongstoin W/h	0.00	78024.00

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Auditor



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

Schedules for Balance Sheet as at 31st March, 2018

(all figures in ₹)

Deptt Work at Sohra	0.00	33098.00
Deptt Work at Tura	0.00	35035.00
Digital Signature	0.00	3000.00
ECPF (Deposit)	647084.00	660845.00
Electric Charges	17194.00	18300.00
GST Late fees	200.00	0.00
Insurance (Vehicle)	19658.00	24315.00
Meeting Expenses	6802.00	9774.00
Miscellaneous Expenditure	16529.00	9509.00
Modem for telephone	2536.00	4000.00
Office Contingency	29820.00	31125.00
Office Rent	0.00	1514.00
Pay & Allowances	5030998.00	4877746.00
Payment for Tura Project	0.00	117076.00
Postage & Stamps	11858.00	9185.00
Printing & Stationery	40853.60	37809.00
Professional Charges	57343.00	43375.00
Project expenses for Warehouse	0.00	245.00
Provision for Retirement Benefit Endowment Fund	2165133.00	602449.00
Repairs and Maintainance (Office Machinery)	0.00	4770.00
Repairs and Maintainance (Vehicle)	26489.00	32335.00
Repairs and Maintainance of Warehouses	900.00	0.00
Repairs and Maintainance(Xerox)	13224.00	8370.00
Repairs to Computer	15358.00	18262.00
Repairs to furniture	1000.00	0.00
TA to Director	42818.00	19035.00
Telephone Charges	29968.00	32193.00
Travelling Expenses	56221.00	56527.00
	8786782.60	7701061.50

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Auditor



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

SCHEDULE - K:: SIGNIFICANT ACCOUNTING POLICIES

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 statements 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 Assets as and when undertaken as detailed below:

Fixed Assets

To state Fixed Assets 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 Assets 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 the Companies Act except for the purpose of Income Tax on ly 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 assets.

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

Deferred tax provision has been made as per AS – 22, Accounting for Tax. Deferred tax in tune of Rs. 2,42,268.56 was adjusted upto the financial year 2016-2017 in the accounts. A provision for the financial year 2017-2018 in tune of Rs. 28,871.59 was made in the accounts.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Auditor



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

SCHEDULE – L :: NOTES ON ACCOUNTS

1. Details of prior period adjustments are as follows :

Amount in ₹			
Sl.No.	Particulars	Debit Items	Credit Item
1	Festival Advance		1,000.00
2	Advance to Staff		10,000.00
3	Accrued Int. General Fund Invt.		461.00
4	Audit fees		750.00
5	Professional charges & GST payable	34,500.00	0.00
6	Interest on FDR	189371.00	
7	Accumulated Int. on Depreciation Fund	20257.00	
8	Accrued Depreciation Fund		1916.00
9	Retd. Benefit Endowment fund	3320.00	
		247448.00	14127.00
	Net Prior Period Adjustment		233321.00

1. Provision for Income Tax amounting to ₹. 13,78,109.79 has been made during the year.
2. No provision made for professional tax, as professional tax for the year 2017-2018 was deducted from the employees' salary and subsequently deposited
3. The Fixed Deposits have been earmarked as follows:

SL	Particulars	Amount
A.	Depreciation Fund Investment	₹ 2,08,89,155.00
B.	General Fund investment	₹ 1,21,97,021.00
C.	Security from Tenants	₹ 10,12,569.00
D.	Staff Security Deposit	₹ 5,000.00
		₹ 3,41,03,745.00

4. Previous year's figure has been re-grouped wherever necessary.
5. Provident fund saving account amounting to ₹. 22,562.00 has been transferred to Saving Bank General Fund Account.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Auditor



AUDITOR'S REPORT

To,
The Members of
Meghalaya State Warehousing Corporation
Shillong

We report that we have audited the attached Balance Sheet of **MEGHALAYA STATE WAREHOUSING CORPORATION LIMITED: SHILLONG** as at March 31, 2018 signed by us under reference to this report and the relative Profit and Loss Account for the year ended on that date.

Management's Responsibility

The Corporation's Board of Directors is responsible for the matters with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. An audit includes examining, on a 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India.

i) In the case of the Balance Sheet, of the state of affairs of the corporation as at 31.03.2018

And

ii) In the case of the Profit & Loss account, of the **Profit** for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion we draw your attention to the following observations:

1. Steps should be taken to recover the excess amount of Service Tax and GST paid to the tune of ₹. 80287/- and ₹. 60791/- respectively, appearing under the head Other Assets in the Balance Sheet.
2. There were instances of balances in Meghalaya Cooperative Apex Bank Limited exceeding ₹.1.0 lac in contravention to the provisions of Rule 16(ii) of Chapter V of the Meghalaya State Warehousing Corporation Rules, 1976.
3. Actuarial valuation of Gratuity and Retirement Benefits has not been done by the Corporation as required under AS 15.
4. Deferred Tax Liabilities has been calculated as per provisions of AS-22 or not needs to be verified.
5. Retirement Benefit Endowment and Employees Welfare Fund Account having a balance of ₹.14,602,699/- is represented by a sum of ₹. 12,284,540/- in the form of Fixed Deposits thereby leaving a difference of ₹. 23,18,159/-.
6. An amount of ₹. 49,20,000/- sanctioned by the State Government for building fund has not been utilized although a sum of ₹. 19,20,000/- out the same was received on 03.07.2017.



7. An amount of ₹. 9471/- deducted at source by a warehouse tenant has not yet been deposited to the credit of Government as appearing from relevant records.
8. Only two Board meetings were held on 18.08.2017 and 14.03.2018. Similarly only two Executive Committee meetings were held on 16.08.2017 and 14.03.2018

Subject to our comments above we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of accounts as required by law have been kept by the Corporation, so far as it appears from our examination of those books.
- c. The Balance Sheet and the statement of Profit & Loss Account dealt with by this report are in agreement with the books of accounts.

For and on behalf
A. PAUL & CO
CHARTERED ACCOUNTANTS
Firm Regn. No.312060E

Sd/-
(AJIT PAUL)
Proprietor
(M.No.050527)

Dated Shillong
the 28th September, 2018



OFFICE OF THE MEGHALAYA STATE WAREHOUSING CORPORATION SHILLONG

Management's Reply to the Statutory Auditor's Report for the year 2017-2018

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

We report that we have audited the attached Balance Sheet of **MEGHALAYA STATE WAREHOUSING CORPORATION LIMITED: SHILLONG** as at March 31, 2018 signed by us under reference to this report and the relative Profit and Loss Account for the year ended on that date.

Management's Responsibility

The Corporation's Board of Directors is responsible for the matters with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Corporation in accordance with the accounting principles generally accepted in India, including the Accounting Standards. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. An audit includes examining, on a 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) In the case of the Balance Sheet, of the state of affairs of the corporation as at 31.03.2018

and

- ii) In the case of the Profit & Loss account, of the **Profit** for the year ended on that date.



Emphasis of Matter

Without qualifying our opinion we draw your attention to the following observations:

- | | |
|---|--|
| 1. Steps should be taken to recover the excess amount of Service Tax and GST paid to the tune of Rs.80287/- and Rs.60791/- respectively, appearing under the head Other Assets in the Balance Sheet. | 1. The matter has already been taken up with the concerned Department. |
| 2. There were instances of balances in Meghalaya Cooperative Apex Bank Limited exceeding Rs.1.0 lac in contravention to the provisions of Rule 16(ii) of Chapter V of the Meghalaya State Warehousing Corporation Rules, 1976. | 2. Necessary action has been taking to maintain balance within Rs.1.00Lac in CD account of the Corporation as per provision of the rule. |
| 3. Actuarial valuation of Gratuity and Retirement Benefits has not been done by the Corporation as required under AS 15. | 3. Noted |
| 4. Deferred Tax Liabilities has been calculated as per provisions of AS-22 or not needs to be verified. | 4. Since Deferred Tax had been computed on gross block, we feel the computation is correct. |
| 5. Retirement Benefit Endowment and Employees, Welfare Fund Account having a balance of Rs.14,602,699/- is represented by a sum of Rs. 12,284,540/- in the form of Fixed Deposits thereby leaving a difference of Rs. 23,18,159/- . | 5. Due to paucity of fund corresponding investment of this fund could not be made during the year.

Efforts are being made to bridge this gap. |
| 6. An amount of Rs. 49,20,000/- sanctioned by the State Government for building fund has not been utilized although a sum of Rs. 19,20,000/- out the same was received on 03.07.2017. | 6. The work has already been entrusted to CPWD and the amount sanctioned is being utilized for the work. |
| 7. An amount of Rs. 9471/- deducted at source by a warehouse tenant has not yet been deposited to the credit of Government as appearing from relevant records. | 7. The matter has already been taken up with the concerned Department. |



- | | |
|---|-----------|
| 8. Only two Board meetings were held on 18.08.2017 and 14.03.2018. Similarly only two Executive Committee meetings were held on 16.08.2017 and 14.03.2018 | 8. Noted. |
|---|-----------|

Subject to our comments above we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of accounts as required by law have been kept by the Corporation, so far as it appears from our examination of those books.
- c. The Balance Sheet and the statement of Profit & Loss Account dealt with by this report are in agreement with the books of accounts.

Sd/-

A. Paul & Co.
Chartered Accountants

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 CORPORATON FOR THE YEAR ENDED 31ST MARCH 2017.

The preparation of financial statements of Meghalaya State Warehousing Corporation for the year ended 31st March 2017 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 28th February 2018.**

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 2017 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**

Replies of Management

Balance Sheet

Capital and Liabilities

Reserve and Surplus

A1: This includes Provision for Pay Revision for staff (₹.0.15 crore) and Current Liabilities & Provisions (₹.0.02 crore), which should have been classified under Current Liabilities. As such, it resulted in overstatement of Reserves and Surplus and understatement of Current Liabilities by ₹.0.17 crore. Noted

Property and Assets Investment.

A2: This included General Fund Investment & Staff Security Deposit (₹.1.14 crore) and Security Deposit from Tenants (₹.0.06 crore) which are in the nature of Fixed Deposits with banks. As such, the same should have been classified under Cash at Bank as required under Rule 18 (a) of Meghalaya State Warehousing Corporation Rules, 1976. This resulted in understatement of Cash at Bank and overstatement of Investment by ₹.1.20 crore each. The format Form 'A' according to us is not specific with regard to disclosure in Investment with banks to be reflected under the Cash at Bank head instead of Investment head.

Other Investments

Depreciation Fund Investment - ₹.1.98 crore

A3: This includes ₹.1.92 crore being Fixed Deposit with banks which should have been classified under Cash at Bank as required under Rule 18 (a) of Meghalaya State Warehousing Corporation Rules, 1976. This resulted in understatement of Cash at Bank and overstatement of Other Investments by ₹.1.92 crore each. The format Form 'A' according to us is not specific with regard to disclosure in Investment with banks to be reflected under the Cash at Bank head instead of Investment head.



Retirement Benefits Endowment Employee Welfare Fund Investment ₹.1.30 crore.

A4: This includes ₹.1.25 crore being balance in saving accounts and in Fixed Deposit with banks which should have been classified under Cash at Bank as required under Rule 18(a) of Meghalaya State Warehousing Corporation Rules, 1976. This resulted in understatement of Cash at Bank and overstatement of Other Investments by ₹.1.25 crore.

Profit and Loss Account

Establishment Expenses - ₹.77.01 lakh

B1: This does not include ₹.0.09 crore being the cost of repairs and maintenance of the godowns. This expenditure is not in the nature of increasing the capacity of the neither godown nor does it increases the future benefits, hence it should have been charged to revenue as required under Accounting Standard -10. This has resulted in overstatement of Profit and overstatement of Fixed Assets by ₹.0.08 crore (excluding depreciation).

The format Form 'A' according to us is not specific with regard to disclosure in Investment with banks to be reflected under the Cash at Bank head instead of Investment head.

The expenditure against repair and maintenance of Tura and Jowai warehouse complexes amounting to ₹.8.90 lakhs were incurred to strengthen the existing warehouse building and ancillary structures, which added value to the existing assets. Hence the expenditure incurred has been treated as capital expenditure.

Income

Managerial Subsidy ₹.0.09 crore

B2: This represents grant-in-aid received from Government of Meghalaya for the year 2015-16 for payment of salary and allowances to Staff which should have been classified under prior period income.

Govt. Revenue Grant have always been treated as income on receipt basis by the Corporation.

Sd/-
Pr. 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 CORPORATON FOR THE YEAR ENDED 31ST MARCH 2018.

The preparation of financial statements of Meghalaya State Warehousing Corporation for the year ended 31st March 2018 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 28 September 2018.**

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 2018 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**

Replies of Management

A Balance Sheet

Property and Assets

Cash at Bank

i): This includes accrued interest receivable amounting to ₹. 0.13 crore on Fixed Deposits maintained against Depreciation Fund and Employee benefit/welfare Fund which should have been classified under 'Other Current Assets'. This resulted in overstatement of Cash at Bank and understatement of Other Current Assets by 0.13 crore each.

Noted.

ii): The Fixed Deposits Kept with Meghalaya Co-operative Apex Bank Limited against General Fund Investment Staff Security Deposit (₹.1.22 crore), Security Deposit from Tenants (₹.0.10 crore), Depreciation Fund Investment (₹.1.92 crore) and Retirement Benefit Endowment, Employee Welfare Fund Investment (₹.1.18 crore) should have been shown as 'Fixed/Term Deposits' with Meghalaya Co-operative Apex Bank Limited under Cash at Bank in line with Rule 18(a) of the Meghalaya State Warehousing Corporation Rules 1976.

Noted.

B Profit and Loss Account

B1: Income

Managerial Subsidy ₹.0.12 crore

This represents grant-in-aid received (April 2017) from Government of Meghalaya (sanctioned in March 2017) for the year 2016-

Govt. Revenue Grant have always been treated as income on receipt basis by the Corporation.



17 for payment of salary and allowances to Staff. As the grant relates to previous year, it should have been classified under prior period income. This has resulted in overstatement of current year Income by 0.012 crore with corresponding understatement of prior income with the same amount.

C: General

Noted.

C1: The Corporation did not disclose the accounting policy relating to treatment of government grants for creation of Fixed Assets.

C2: The Corporation did not disclose the present basic and diluted earnings per share on face of the statement of profit and loss for each class of equity shares as per the requirement of Accounting Standard-20.

Noted.

Sd/-
Pr. Accountant General (Audit)

Sd/-
Managing Director
Meghalaya State Warehousing
Corporation, Shillong

