



MEGHALAYA STATE WAREHOUSING CORPORATION
SHILLONG

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NAME OF THE WAREHOUSES AND CAPACITY

1.	Shillong, East Khasi Hills District	-	2500 M.T
2.	Khanapara, Ri Bhoi District	-	4900 M.T
3.	Jowai, West Jaintia Hills District	-	1600 M.T
4.	Williamnagar, East Garo Hills District	-	2200 M.T
5.	Arimile, West Garo Hills District	-	4500 M.T
6.	Nongstoin, West Khasi Hills District	-	2500 M.T
	Total	-	<u>18,200 M.T</u>



MEMBERS OF THE BOARD OF DIRECTORS

A. Nominees of the Government of Meghalaya

- | | | | |
|----|--|-----|-------------------|
| 1. | Dr D. Vijay Kumar, I.A.S
Commissioner & Secretary
to the Government of Meghalaya,
Cooperation Department, Shillong. | ... | Chairman |
| 2. | Commissioner & Secretary, Secretary
to the Govt. of Meghalaya,
Agriculture Department, Shillong. | ... | Member |
| 3. | Director Food & Civil Supplies,
Govt. of 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. | (a) Smt Margaret Gangte
Director,
Ministry of Consumer Affairs
Deptt. of Food & Public Distribution
Government of India. | ... | Member |
| | (b) Shri Jai Prakash
DS (PoL –I)
Director,
Ministry of Consumer Affairs
Deptt. of Food & Public Distribution
Government of India.
(w.e.f 03-11-2022) | ... | Member |



2. Shri E. S. Brisohbar ... Member
Regional Manager,
Central Warehousing Corporation
Regional Office, Guwahati.
3. (a) Shri Amit Kumar Singh ... Member
(M & CP)
Central Warehousing Corporation,
Corporate Office, New Delhi.
- (b) Ms Jessy Jacob ... Member
Secretary
Corporate office, CWC
(w.e.f. 11-11-2022)
4. (a) Shri Subhas Das, ... Member
Deputy General Manager (B & O)
State Bank of India, Local Head Office,
Shillong
- (b) Shri Amit Kumar ... Member
Deputy General Manager (B & O)
State Bank of India, Local Head Office,
Shillong
(w.e.f 07-12-2022)
5. (a) Shri Anil Kumar ... Member
House No. 5,
Part II, Sector – 4,
Urban State, Karnal, Haryana,
- (b) Shri. Rickman G. Momin ... Member
Upper Rongjeng,
East Garo Hills
Meghalaya – 794410
(w.e.f 27-12-2022)

Banker : Meghalaya Co-operative Apex Bank Ltd., Head Office, Shillong.
Statutory Auditors : M/s S.S.D & Co., Chartered Accountant, Meghalaya, Shillong.



OFFICE OF THE MEGHALAYA STATE WAREHOUSING CORPORATION
SHILLONG

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

Ladies & Gentlemen,

I have great pleasure to welcome you to the Forty-Seventh Annual General Meeting of the Corporation. The Annual Report, Statement of Accounts and Auditors' Report are already in your hands providing a comprehensive picture on the continuous and satisfactory performance of your Corporation during the year 2022-2023 and I, with your permission shall take them as read.

During the year under report, the earning of the Corporation by way of storage charges etc is ₹. 1,58,53,582.00 and the profit for the year is ₹. 53,72,704.47 lakhs.

During the year under report the Corporation has received a sum of ₹. 180.00 lakhs from State Government for the year 2022-2023. As the paid up share capital has exceeded the existing limit of ₹. 5.00 crores, hence excess amount of ₹. 1,07,12,400.00 has been kept as Share Application Money till the time the enhancement is notified. It may be mentioned here that proposal for the enhancement in the limit of Authorised Share Capital of the Corporation from ₹. 5.00 crores to ₹. 10.00 crores has been submitted to the Government of India, Ministry of Food & Civil Supplies (Dept. of Food), New Delhi through the Government of Meghalaya under Section 19 (1) of the Warehousing Corporation Act, 1962. Notification for the same is awaited.

The storage capacity of the Corporation during the year under report has increased to 18200 metric tonne during the current year with the commissioning of additional 500 metric tonne at Khanapara. The Corporation has proposal for construction of additional warehouses of 500 metric tonne capacity each at Mawlai and Williamnagar warehouse complex and are expected to be completed in the next financial year. I would like to inform you that Corporation has expansion programme and in the years to come it may be possible to increase the capacity substantially

I would like to place on record my thank to our valuable customer for their continued patronage and confident in the service of the Corporation. I also express my gratitude to the State Government, Central Warehousing Corporation, Managing Director and other Directors for their continued support. I also take the privilege to assure the Shareholders that your Corporation will endeavour to achieve better progress in the years to come.

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

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 Seventh 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 2023. The financial performance and the progress made by the Corporation is highlighted below:-

FINANCIAL REPORT

INCOME

Sl.No.	Particulars	Years	
		2021-2022	2022-2023
1.	Warehouse charges	₹. 1,03,15,952.00	₹. 1,18,23,987.00
2.	Interest	₹. 31,95,486.00	₹. 39,35,631.00
3.	Other Income	₹. 24,787.00	₹. 93,964.00
	Total	₹. 1,35,36,225.00	₹. 1,58,53,582.00

EXPENDITURE

1.	Establishment	₹. 80,40,310.56	₹. 92,52,984.00
2.	Depreciation on fixed Assets	₹. 6,14,796.82	₹. 12,27,893.53
	Total	₹. 86,55,107.38	₹. 1,04,80,877.53
	Profit/Loss	(+) ₹. 48,81,117.62	(+) ₹.53,72,704.47



CAPITAL STRUCTURE:

The Authorised Share Capital of the Corporation is Rs.5.00 crores. Share Capital for the year 2022-23 amounting to Rs.180.00 lakhs was released by the State Government to the Corporation. As the paid up capital has exceeded the Authorised Share Capital by Rs.16,12,400.00, the excess amount has been kept as Share Application Money, pending enhancement in the limit of Authorised Share Capital.

Request has been made to the Govt. of India through State Govt. and Central Warehousing Corporation for enhancement in the limit of Authorised Share Capital from Rs.5.00 crores to Rs.10.00 crores. The Notification for the same is still awaited.

WORKING RESULT:

The average utilized capacity during the year under report was 92.467%. The revenue earned during the year stood at Rs.118.24 lakhs as against of Rs.103.15 lakhs of the preceding year indicating an increase of earning of Rs.15.09 lakhs during the year 2022-2023.

CONSTRUCTION PROGRAMME

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	–	4900 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
Total		18,200 MT



SUNDRY DEBTORS:-

The outstanding and realizable storage charges against the storage space utilized is Rs.4.57 lakhs which includes storage rent from FCI for the month of March 2023 amounting to Rs.4.38 lakhs generally paid by FCI on completion of the month and Rs.0.19 lakh the outstanding from Chandan Choudhury. The Corporation is making earnest efforts to recover the outstanding warehouse charges 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 during the year 2022-2023. 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 and Auditor General of India has appointed S.S.D & Co., Chartered Accountant as Auditors of Meghalaya State Warehousing Corporation for the year 2022-2023.

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, 2023

Previous Year	Capital and Liabilities	Current Year	Previous Year	Property and Assets	Current Year
	SHARE CAPITAL:				
	AUTHORISED CAPITAL:				
500000000.00	5,00,000 Shares of Rs. 100/- each	500000000.00			157.00
	ISSUED AND PAID UP CAPITAL:				
	5,00,000 Shares of Rs. 100/- each				
37743800.00	Slate Govt	37743800.00			2797.20
12256200.00	Central We	12256200.00			330726.31
					128665.00
1612400.00	Share Application (1,07,124 shares of Rs. 100/- each)	10712400.00			25940.00
					488128.51
	FINANCIAL AID FROM GOVERNMENT:				
2108887.00	Financial Assistance (State Government)	1560863.00			100216.25
23231033.40	Depreciation Fund	24458926.93			36577525.07
9299460.00	Retirement Benefit Endowment, Employee Welfare Fund	9299460.00			1764364.00
13073255.24	General Reserve	13710837.88			24458926.93
	CURRENT LIABILITIES & PROVISIONS:				
9999835.00	Provision -Construction & Repairs at W/H.	2448661.00			5345242.00
2670336.00	Provision for Income Tax	1369471.00			
725956.80	Earlier Years.	790458.50			34693514.05
81766.57	Current Year				7033805.00
112802940.01	TOTAL CARRIED FORWARD	114351078.31			110461878.81
	CASH IN HAND:				
	At Head Office (On Imprest Account)				140.00
	At Warehouse				9.00
	CASH AT BANK:				
	With Meghalaya Co-operative Apex Bank Limited in:				
	Current Account				2797.20
	Savings Bank Account (General) I				330726.31
	Savings Bank Account (General) II				128665.00
	Savings Bank Account (General) III				25940.00
	488128.51				
	FIXED/ TERM DEPOSITS:				
	General Fund Investment				
	With State Bank of India in:				
	Savings Bank Account				
	237312.75				100216.25
	FIXED/ TERM DEPOSITS:				
	General Fund Investment				
	36620061.60				36577525.07
	RESERVES AND SURPLUS:				
	Depreciation Fund				
	24458926.93				1764364.00
	Retirement Benefit Endowment, Employee Welfare Fund				
	9299460.00				24458926.93
	General Reserve				
	13073255.24				5345242.00
	CURRENT LIABILITIES & PROVISIONS:				
	Provision -Construction & Repairs at W/H.				
	2448661.00				34693514.05
	Provision for Income Tax				
	1369471.00				7033805.00
	Earlier Years.				
	790458.50				110461878.81
	Current Year				
	81766.57				
	TOTAL CARRIED FORWARD				
	114351078.31				

Auditor

Director

Director

Managing Director

Chairman



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

112802940.01	TOTAL BROUGHT FORWARD	114351078.31	108063651.31	TOTAL BROUGHT FORWARD	110461878.81
	<u>OTHER LIABILITIES:</u>			<u>OTHER ASSETS:</u>	
422752.00	Liabilities for expenses, as per Schedule 'H' annexed	408969.00	500000.00	Financial Assistance Receivable	500000.00
63477.00	Arrear DA Payable	0.00	4243.00	Stationery in Hand	8768.50
200366.00	Security Deposit from Construction Contractors	347471.00	635445.00	Sundry Debtors as per Schedule 'E' annexed	457290.00
1429851.00	Security Deposit from Tenants	1764364.00	2326354.00	Accrued interest on Fixed Deposit, as per Schedule 'F' annexed	3524141.00
5000.00	Security Deposit (Tender for Outsourced Man Power)	5000.00	135000.00	Advances, as per Schedule 'G' annexed	95000.00
5640.30	Security Deposit from Staff as per Schedule 'I' annexed	0.00	800.00	Security Deposit with DOT	800.00
62500.00	Security Deposit (Manpower)	62500.00	38470.00	Earnest Money(s) held as Security Deposit	68090.00
94064.00	Contractor Bill for Material W/h	94064.00	16020.00	GST Receivable	135913.00
				<u>Advance Income Tax and TDS:</u>	
			1968749.00	F.Y. 2020-21	0.00
			1263858.00	F.Y. 2021-22	0.00
			0.00	F.Y. 2022-23	1781565.00
		<u>117033446.31</u>	<u>115086590.31</u>		<u>117033446.31</u>

Chairman

Managing Director

Director

Auditor





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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2023

Previous Year	Expenses	Current Year	Previous Year	Income	Current Year
8040310.56	Establishment Expenses, as per Schedule J	9252984.00	10315952.00	Warehousing Charges	11823987.00
614796.82	Depreciation on Fixed Assets	1227893.53	3120127.00	Interest on: Fixed Deposits	3946967.00
4881117.62	Profit Before Tax (PBT) Carried Down	5372704.47	75359.00	Saving Bank Account	88664.00
13536225.00		1583582.00	24787.00	Miscellaneous Receipts	41344.00
1146711.00	Provision for Income Tax	1369471.00	0.00	Income from IT Refund	52620.00
3734406.62	Profit After Tax (PAT) Carried Down	4003233.47	4881117.62	Profit Before Tax (PBT) Brought Down	5372704.47
4881117.62		5372704.47	0.00		5372704.47
81766.57	Provision for Deferred Tax Liability	0.00	3734406.62	Profit After Tax (PAT) Brought down	4003233.47
3652640.05	Balance transferred to General Reserve	4020498.34	0.00	Provision for Deferred Tax asset	17264.87
3734406.62		4020498.34	3734406.62		4020498.34
Earnings per equity Share:					
7.31	Basic	8.04			

SCHEDULE K - SIGNIFICANT ACCOUNTING POLICIES
SCHEDULE L- NOTES ON ACCOUNTS


Chairman


Managing Director


Director


Director


Auditor



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

Schedule A ii Fixed Assets (Capital Work in Progress)						
CAPITAL WORK IN PROGRESS	As at 1st April 2022	Additions during the year		Adjustments	Conversions to Fixed Assets (Tangible)	As at 31st March 2023
		up to 30.09.2022	after 30.09.2022			
Addl 500 MT Khanapara W/h	6025644.00	0.00	0.00	0.00	0.00	6025644.00
Approach Road at Khanapara	522130.00	0.00	0.00	0.00	522130.00	0.00
Electricfication at Williamnagar	290005.00	0.00	0.00	0.00	290005.00	0.00
Office Building (MSWC)	3818160.00	0.00	0.00	0.00	2809999.00	1008161.00
Repair Works at Jowai W/H	90855.00	0.00	0.00	0.00	90855.00	0.00
Toilet Block & Weigbridge	366610.00	0.00	0.00	0.00	366610.00	0.00
Weighbridge at Williamnagar (FCI)	971575.00	0.00	0.00	0.00	971575.00	0.00
TOTAL	12084979.00	0.00	0.00	0.00	5051174.00	7033805.00


Auditor


Director


Director


Managing Director


Chairman



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

(all figures in Rs.)

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

			CURRENT YEAR	PREVIOUS YEAR
B	<u>FIXED DEPOSITS:</u>			
	Security from Tenants		1764364.00	1419721.00
			1764364.00	1419721.00
C	<u>DEPRECIATION FUND INVESTMENT ACCOUNT:</u>			
	Fixed Deposits		23231033.40	20108337.58
	FD transferred from General Fund Investment		1227893.53	3122695.82
			24458926.93	23231033.40
D	<u>RETIREMENT BENEFIT ENDOWMENT, EMPLOYEE WELFARE FUND INVESTMENT:</u>			
	Savings Bank Account		34744.00	33658.00
	Fixed Deposits		5310498.00	4710498.00
			5345242.00	4744156.00
E	<u>SUNDRY DEBTORS:</u>			
		More than six months	Less than six months	
	Food Corporation of Ind	0.00	438287.00	358943.00
	MeCOFED	0.00	0.00	86328.00
	Chandan Choudhury	0.00	19003.00	424.00
	Durga Prasad	0.00	0.00	318.00
	Gautam Prasad	0.00	0.00	190284.00
	Kaliashram Kedernath	0.00	0.00	29653.00
	Sajal Gupta	0.00	0.00	29495.00
			457290.00	695445.00
F	<u>ACCRUED INTEREST ON FIXED DEPOSITS:</u>			
	Accrued Interest on General Fund Investment		2023941.00	916659.00
	Accrued Interest on Depreciation Fund investment		1132469.00	1020307.00
	Accrued Interest on Retirement Benefit Fund		295921.00	279859.00
	Accrued Interest on Security Deposit of Tenants		71810.00	109529.00
			3524141.00	2326354.00
G	<u>ADVANCES:</u>			
	Advance to Staff		95000.00	115000.00
			95000.00	115000.00
H	<u>LIABILITIES FOR EXPENSES:</u>			
	Audit Fees Payable		31500.00	31500.00
	ECPF to PF Organisation Payable		118106.00	107820.00
	GST Payable		185282.00	149738.00
	Professional Charges Payable		55800.00	111600.00
	TDS Payable		9700.00	15900.00
	Electric and Electrical Charges Payable		2551.00	2034.00
	Conveyance Allowance (EE) Payable		3853.00	1336.00
	Stationery, Printing, etc Payable		0.00	648.00
	Telephone Charges Payable		2177.00	2176.00
			408969.00	422752.00

Chairman

Managing Director

Director

Director

Auditor



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

I SECURITY DEPOSITS: STAFF

Shri Mek Bahadur	0.00	250.90
Shri Morning Star Pathaw	0.00	389.40
Shri Aleric Tariang	0.00	5000.00
	<u>0.00</u>	<u>5640.30</u>

J ESTABLISHMENT EXPENSES

Advertisement	18774.00	35238.00
Arrear- DA	123378.00	88587.00
Audit Fees	35000.00	35000.00
Bank Charges	1454.50	1670.00
Books & Periodicals	2244.00	460.00
Conveyance Expenses and Allowances	291019.00	278830.00
Digital Signature Charges	0.00	3500.00
ECPF (Deposit) Expenses	726099.00	607662.00
Electric and Electrical Charges	28393.00	41519.00
Insurance (Vehicle) Charges	0.00	11916.00
Miscellaneous Expenditure	3298.00	11920.00
Rent, Rates and Taxes	0.00	121038.00
Office Contingency	2700.00	1200.00
Office Shifting Expenses	0.00	5000.00
Pay & Allowances	6205522.00	5795927.00
Postage & Stamps	12873.00	11518.00
Printing & Stationery	79130.50	51391.00
Professional Charges	9540.00	8968.00
Professional Charges (Compiler)	62000.00	62000.00
Prior period adjustments	25629.00	83293.56
Repairs	616248.00	131927.00
Telephone Charges	26545.00	56907.00
Travelling Expenses	66709.00	26636.00
TA/DA to staff	1110.00	0.00
Wages	915318.00	568203.00
	<u>9252984.00</u>	<u>8040310.56</u>


Chairman


Managing Director


Director


Director


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 under taken 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 safe land at actual cost or notional cost of acquisition, AS 12 treatment is absorbed in the accounting policy.

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 II
- to the Companies Act. 2013
- Since the State Warehousing Corporation does not fall within the ambit of the Companies Act except for the purpose of Income Tax only, the rates as provided in the Companies Act, 2013 are adopted voluntarily by the corporation over the years.
- 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.


Chairman


Managing Director


Director


Director


Auditor



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

Retirements 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 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 Taxes.



Chairman



Managing Director



Director



Director



Auditor



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

SCHEDULE – L- NOTES ON ACCOUNTS

1. Provision for Income Tax amounting to Rs. 11,46,771/- has been made during the year, after adjusting all opening provisions, opening advance taxes and opening TDS against Income tax with regards to previous years for which assessments have been completed.
2. Fixed Deposits have been earmarked as follows:

Sl.	Particulars	Amount (Rs.)
A.	Depreciation Fund Investment	2,44,58,926.93
B.	General Fund Investment	3,65,77,525.07
C.	Security Deposits from Tenants	17,64,364.00
D.	Retd. Benefit Endowment, Employees Welfare Fund Investment	53,10,498.00

3. Share Application Money comprises of 1,07,124 shares of Rs.100/- each amounting to a total of Rs. 1,07,12,400. In FY 2021-22, Paid –Up-Capital to the tune of Rs. 1,63,87,600/- has been received from the State Government for FY 2021-22 vide Govt Letter No.COD.26/2004/Pt-II/772 Dated 25-03-2022, taking the total Capital of the Corporation to rs. 5.00 crores, i.e., equaling the authorized capital. A further Rs. 16,12,400 received from the State Government on the same date, had been parked under “Share Application A/c” until increase in authorized Share Capital is duly approved. In FY 2022-23 as well, further Rs. 91,00,000/- has been received from the State Government on 05-05-2022, and has been parked under “Share Application A/c” until increase in Authorized Share Capital is duly approved.
4. An amount of Rs. 21,72,536.53 was transferred from General Fund Investment to Depreciation Fund Investment, Security Deposit from Tenants Investment, and Retd, Benefit Endowment, Employees Welfare Fund Investment account to match the fund account and fund investment account balances.
5. There is a shortfall between the balance in the Retirement Benefit Endowment and Employees Welfare Fund Account and the corresponding balance in the Investments with regards to the same, due to paucity of funds.
6. Financial Assistance against Managerial Subsidy sanctioned by the State Government to the tune of Rs. 5 Lacs is yet to be released. Necessary correspondence against the same has been made with the State Government for release of the said fund at the earliest. The amount has been booked as “Financial Assistance Receivable”.
7. Current years’ profit balance of Rs. 40,20,498.34 has been transferred to General Reserve.



8. Capital Work-in-Progress has been booked to the tune of Rs. 70,33,805.00 against Capital and Construction Works commissioned and commenced, but not yet completed, as at 31st of March, 2023. Accordingly, no depreciation has been charged on the same.
9. Prior period adjustments have been made wherever necessary.
10. A remission in provision due to current year's deferred tax asset creation for the financial year 2022-23 to the tune of Rs. 17,264.87 has been made in the accounts against opening balance of Deferred tax Liability.
11. Previous year's figures have been regrouped, rectified and/or reclassified, wherever necessary.
12. On 29-03-2023 Rs. 1,80,00,000/- has been sanctioned by the Government to the Corporation towards Share Capital contribution vide Sanctioned letter No.COID/0158/29032023/4435/01, but the amount has not been received as on 31-03-2023 and correspondingly not booked in accounts.



Chairman



Managing Director



Director



Director



Auditor



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

Computation of Deferred Tax for the Financial Year 2022-2023

Fixed Asset Category	Rate	Opening Balance	Additions (up to 31/03/2022)	Reductions	Depreciation as per Income-tax (vi)	Closing Balance	Depreciation as per Books (vii)
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
a. Furniture & Fixtures	10.00%	363037.08	0.00	0.00	36303.08	326733.37	91239.56
b. Dunninge & Equipments	15.00%	12658.82	0.00	0.00	12658.82	10760.00	15250.43
c. Electrical Equipments	15.00%	226623.87	289912.00	0.00	597705.87	514137.74	382272.59
d. Water Installation	15.00%	251179.86	0.00	0.00	251179.86	213502.88	70470.88
e. Vehicle	15.00%	42226.20	0.00	0.00	42226.20	35892.27	13762.37
f. Machinery	15.00%	33325.42	0.00	0.00	620151.42	571140.66	27236.07
g. Office Computer	40.00%	31508.39	0.00	0.00	31508.39	18905.04	17813.40
h. Land	0.00%	3664325.47	0.00	0.00	3664325.47	3664325.47	0.00
i. Building	10.00%	7230136.38	0.00	0.00	11007999.38	10096092.59	475688.56
j. Roads & Bridges	5.00%	137512.67	0.00	0.00	658670.67	638766.09	132876.03
k. Ring Well	5.00%	1759.23	0.00	0.00	1759.23	1671.27	1283.65
TOTAL		11994293.40	289912.00	0.00	17251222.40	1159295.02	1227893.53

Depreciation as per Income-tax Act, 1961

Depreciation as per Books

Timing Difference

Deferred Tax Asset

1159295.02

1227893.53

68598.51

17264.87

d Tax Liability balances of previous years, to arrive at Net Deferred Tax Liability balance.

Note- Effective Rate taken as per Sec 115BAA :-

25.17%

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Auditor

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

Auditor's Report

To

The Members
The Meghalaya State Warehousing Corporation limited
Shillong, Meghalaya

We have audited the accompanying standalone financial statements of **MEGHALAYA STATE WAREHOUSING CORPORATION LIMITED** which comprise the Balance Sheet as at **31st March 2023**, and the statement of Profit and Loss for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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. The responsibility also includes maintenance of adequate accounting records in accordance with 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 judgment 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 of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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



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

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report**, the aforesaid financial statements give the information required by the Warehousing Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of affairs of the Company as at March 31st, 2023 and profit/loss.

Basis for Qualified Opinion:

We draw attention to the following qualifications:

1. As per explanations and calculations produced before us during audit, it was found that depreciation has been charged as per Schedule II of the Companies Act 2013. However, the Notes to Accounts has no mention of adoption of new method of depreciation and its effect on profit which is mandatory in cases of change in accounting policies.
2. The significant Accounting Policies or the Notes on Accounts has no mention of method adopted for treatment of Government Grants.
3. There were instances of balance in Meghalaya Co-operative Apex Bank limited exceeding **Rs. 1.0 lakh** in contravention to the provision of Rule 16(ii) of Chapter V of the Meghalaya State Warehousing Corporation Rules, 1976.
4. There were instances of Cash expenses exceeding **Rs. 500.00** in contravention to the provision of Rule 16 (iii) of Chapter V of the Meghalaya State Warehousing Corporation Rules, 1976. (in the final audit report we will give some instances that can be found from tally).
5. Actuarial valuation of Gratuity and Retirement Benefits has not been done by the Corporation as required under AS 15.
6. Third party confirmation and/ or Acknowledge of debt by Sundry Debtors was not made available to us.



7. Fund to the extent of **Rs. 500000/-** sanctioned by the State Government during the F.Y 2018-19 for Managerial Subsidy is yet to be received by the Corporation.
8. Provision for "Construction and Repair at Warehousing" amounting to Rs. 2448661/- is based on estimated cost of such work and not on actual billed amount.
9. The Corporation did not hold requisite number of Board Meetings as well as Executive meetings.

Meetings	No. of meetings to be held	No. of meetings actually held
Board of Directors	4(four) in a Financial Year	2(two) in Financial Year
Executive Meetings	12(twelve) in a Financial Year	No meetings held during FY 2022-23

1. An amount of Rs. 1612400/- remained under Share Application Money as on 31.03.2022 pertaining to previous periods. Also, another amount of Rs. 9100000/- was received on 05.05.2022 from Central Warehousing Corporation, the same could not be converted to Paid-up Capital as Authorised Capital was not enhanced before receipt of such amount. Thus, money lying under Share Application due for conversion to paid up share capital as on 31.03.2023 is Rs. 10712400/- which required immediate attention.

UDIN as issued by ICAI: 23307881BGWBK9849

For M/s SSD &Co.
Chartered Accountants
FRN: 0326761E

Date: 8th of July 2023

Place: Shillong

Sd/-
(CA.Diksha Purkayastha)
Partner
Mem No. 307881



OFFICE OF THE MEGHALAYA STATE WAREHOUSING CORPORATION

SHILLONG

Management's Reply to the Statutory Auditor's Report for the year 2022-2023

**Independent Auditors' Report to the Members
Meghalaya State Warehousing Limited
Shillong, Meghalaya**

We have audited the accompanying standalone financial statements of **MEGHALAYA STATE WAREHOUSING CORPORATION LIMITED** which comprise the Balance Sheet as at **31st March 2023**, and the statement of Profit and Loss for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

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. The responsibility also includes maintenance of adequate accounting records in accordance with 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 judgment 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 of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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



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

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report**, the aforesaid financial statements give the information required by the Warehousing Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of affairs of the Company as at March 31st, 2023 and profit/loss.

Basis for Qualified Opinion:

We draw attention to the following qualifications:

1. As per explanations and calculations produced before us during audit, it was found that depreciation has been charged as per Schedule II of the Companies Act 2013. However, the Notes to Accounts has no mention of adoption of new method of depreciation and its effect on profit which is
1. We understand there is no change in accounting policies. What was charged is only the methodology of charging depreciation.



mandatory in cases of change in accounting policies.

- | | |
|--|---|
| 2. The significant Accounting Policies or the Notes on Accounts has no mention of method adopted for treatment of Government Grants. | 2. During the current Financial Year no Govt. grant/Financial Assistance except Share Capital was received by the corporation. However matter is noted for future reference |
| 3. There were instances of balance in Meghalaya Co-operative Apex bank limited exceeding Rs. 1.0 lakh in contravention to the provision of Rule 16(ii) of Chapter V of the Meghalaya State Warehousing Corporation Rules, 1976. | 3. Noted |
| 4. There were instances of Cash expenses exceeding Rs. 500.00 in contravention to the provision of Rule 16 (iii) of Chapter V of the Meghalaya State Warehousing Corporation Rules, 1976. (in the final audit report we will give some instances that can be found from tally). | 4. Noted for compliance |
| 5. Actuarial valuation of Gratuity and Retirement Benefits has not been done by the Corporation as required under AS 15. | 5. Noted for action. |
| 6. Third party confirmation and/ or Acknowledge of debt by Sundry Debtors was not made available to us. | 6. Since the monthly rates of storage charges of the Debtors are same as per agreement during the year. Hence Sundry Debtors have been created on the basis of our calculation. |
| 7. Fund to the extent of Rs. 500000/- sanctioned by the State Government during the F.Y 2018-19 for Managerial Subsidy is yet to be received by the Corporation. | 7. The matter has been taken up with State Government Response is still awaited. |



8. Provision for "Construction and Repair at Warehousing" amounting to Rs. 2448661/- is based on estimated cost of such work and not on actual billed amount.
8. Noted, however, a provision was made on that basis.
9. The Corporation did not hold requisite number of Board Meetings as well as Executive meetings.
9. Noted

<u>Meetings</u>	<u>No. of Meetings to be held</u>	<u>No. of Meetings actually held</u>
Board of Directors	4(four) in a Financial Year	2(two) in Financial Year
Executive Meetings	12(twelve) in a Financial Year	No meetings held during FY 2022-23

Other Key Matters

1. An amount of Rs. 1612400/- remained under Share Application Money as on 31.03.2022 pertaining to previous periods. Also, another amount of Rs. 9100000/- was received on 05.05.2022 from Central Warehousing Corporation, the same could not be converted to Paid-up Capital as Authorised Capital was not enhanced before receipt of such amount. Thus, money lying under Share Application due for conversion to paid up share capital as on 31.03.2023 is Rs. 10712400/- which required immediate attention.
1. Pending approval from Government of India the amount remains as Share Application Money.

UDIN as issued by ICAI: 23307881BGWBEK9849

Date: 8th of July 2023

Place: Shillong

Sd/-

M/s SSD & Co Chartered Accountants
FRN. 0326761E

Sd/-

Managing Director

**SEPARATE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 31 (8) OF THE WAREHOUSING CORPORATION ACT, 1962 ON THE
ACCOUNTS OF MEGHALAYA STATE WAREHOUSING CORPORATION FOR THE YEAR
ENDED 31 MARCH 2022.**

The preparation of financial statements of **Meghalaya State Warehousing Corporation** for the year ended **31 March 2022** in accordance with financial reporting framework prescribed under the Warehousing Corporations Act, 1962 and the generally accepted accounting principles is the responsibility of the management of the Corporation. The Statutory Auditors appointed by State Government on the advice of the Comptroller and Auditor General of India under Section 31 (3) of the Warehousing Corporations Act, 1962 are responsible to express an opinion on these financial statements based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their **Audit Report dated 12 September 2022**.

This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regards to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection 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 2022** under Section 31 (8) the Warehousing Corporations 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 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 the Comptroller and Auditor General of India	Replies of the Management
<p>A. Balance Sheet Capital and Liabilities Current Liabilities 1. Current Liabilities and Provisions: Rs. 126.70 lakh</p> <p>Refer CAG's Comment No. A on the Accounts for 2020-21 regarding non-compliance by the Corporation to the instructions of the Central Warehousing Corporation given in exercise of powers conferred under section 20(4) of the Warehousing Corporation Act 1962 for payment of minimum annual dividend (30 percent of Profit After Tax (PAT) or 5 percent of net Worth, whichever is higher) to the shareholders. The minimum liability on this account for 2020-21 and 2021-22 worked out to Rs. 9.59 lakh and Rs. 11.20 lakh respectively. The Corporation, however, has not provided for this liability (Rs. 20.79 lakh) for the said two years even though the Corporation has already declared (March 2022) and paid (October 2022) the dividend for 2020-21 (Rs. 11.98 lakh).</p> <p>This resulted in understatement of 'Current Liabilities and Provisions – Dividend Payable by Rs. 20.79 lakh with corresponding overstatement of 'General Reserves' to the same extent.</p> <p>Property and Assets 2. Capital work in Progress: Rs. 294.37 lakh</p> <p>This is overstated by Rs. 38.18 lakhs due to non-inclusion of the cost of the Office</p>	<p>Considering the financial position of the Corporation and quantum of profit earned by the Corporation, it is evident that the Corporation is not in a position to declare dividend at a prescribed rate of 5% of Net worth. Accordingly Corporation declared dividend @ 30% of PAT for the year 2019-20 and @ 25% of PAT for the year 2020-21 respectively as approved by the AGM.</p> <p>Further, since dividend is a payout from profit appropriation account and is subject to approval of AGM, hence, provision under Current Liabilities could not possibly be created. Hence, there is no understatement of Current Liabilities of provision as overstatement of General Reserve.</p> <p>Noted, shall be consider in the subsequent year.</p>



Comments of the Comptroller and Auditor General of India	Replies of the Management
<p>Building of the Corporation (net after adjusting Rs. 49.20 lakh being the portion of building cost financed through Financial aid from State Government) which should have been transferred to 'Fixed Assets' as the construction of the Building has already been completed (November 2021) during 2021-22. This has correspondingly resulted in understatement of 'Fixed Assets' to the same extent.</p> <p>B. General</p> <p>Disclosure regarding government grant: As per para 23 of the AS-12, the accounting policy adopted for government grants, including the methods of presentation in the financial statements should be disclosed in the Financial Statements. The same was not disclosed.</p>	<p>Noted</p>

Sd/-
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 31 MARCH 2023.**

The preparation of financial statements of **Meghalaya State Warehousing Corporation (Corporation)** for the year ended **31 March 2023** in accordance with financial reporting framework prescribed under the Warehousing Corporations Act, 1962 and the generally accepted accounting principles is the responsibility of the management of the Corporation. The Statutory Auditors appointed by State Government on the advice of the Comptroller and Auditor General of India under Section 31 (3) of the Warehousing Corporations Act, 1962 are responsible to express an opinion on these financial statements based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their **Audit Report dated 8 July 2023**.

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 best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection 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 2023** under Section 31 (8) the Warehousing Corporations 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 the Comptroller and Auditor General of India	Replies of the Management
<p>A. Balance Sheet</p> <p>Fixed Asset : Rs. 346.94 lakh (Gross Block)</p> <p>1. The above includes the cost of Office Building (Rs. 28.10 lakh) completed in October 2021 but capitalised in 2022-23. As the building was already completed and occupied during the year 2021-22, it should have been capitalised during 2021-22. This resulted in understatement of depreciation by Rs. 1.31 lakh (prior period: Rs. 0.65 lakh; current year: Rs. 0.66 lakh) and overstatement of Fixed Assets (Net Block) to the same extent. Consequently, 'Profit of the year' is overstated by the same amount.</p> <p>Current Liabilities and Provisions</p> <p>2. This does not include liability of Rs. 0.60 lakh (current year : Rs. 0.30 lakh; prior period : Rs.0.30 lakh) payable towards Annual Subscription of National Association of Warehousing Corporations, which should have been provided for. This has resulted in understatement of 'Current Liabilities and Provisions' and overstatement of 'Profit for the year' by Rs. 0.60 lakh each.</p> <p>Capital Work-in Progress : Rs. 70.34 lakh</p> <p>3. This is overstated by Rs. 0.91 lakh due to wrong inclusion of repair expenses relating to Jowai Warehouse Complex, which should have been charged to revenue. This has corresponding resulted in overstatement of 'Profit for the year' to the same extent.</p>	<p>As the final cost of the building get established only when the Corporation received the final bill from CPWD the executing body. The capitalisation could not be effected. Final bill was received during the financial year 2022-2023.</p> <p>Payment intimation letter has been received during the period hence, no provision could be provided. However, the matter is noted for future reference.</p> <p>Corrective adjustment entries shall be effected during the financial year 2023-2024.</p>



<p>B. General</p> <p>1. The Central Warehousing Corporation (CWC) in exercise of powers conferred under section 20(4) of the Warehousing Corporation Act, 1962 had instructed (December 2018/ February 2019) the Corporation to pay minimum annual dividend of 30 per cent of 'Profit After Tax' (PAT) or 5 per cent of 'Net worth', whichever is higher, from the financial year 2014-15 onwards. However, the Corporation is yet to comply with the above directions of the CWC. This fact merits for suitable disclosure under 'Note to Accounts'.</p> <p>2. As per Accounting Standard - 10 (refer para 81), the financial statements of the Corporation, for each class of Property, Plant and Equipment inter-alia should disclose the useful lives, the method of depreciation and the depreciation rates used. However, no such disclosures were made under 'Notes on Accounts'.</p>	<p>Noted</p> <p>Noted</p>
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Sd/-
Accountant General (Audit)

Sd/-
Managing Director
Meghalaya State Warehousing Corporation
Shillong