



DEVELOPMENT CORPORATION OF KONKAN LIMITED

(A GOVERNMENT OF MAHARASHTRA UNDERTAKING)

**Unit No. 16, Aarey Milk Colony,
Goregaon (East), Mumbai - 400 065.**

**52th Annual Report
2022-23**

DEVELOPMENT CORPORATION OF KONKAN LIMITED
(A Government of Maharashtra Undertaking)

Unit No.16, Aarey Milk Colony,
Goregaon(E), Mumbai – 400 065.

52th Annual Report

2022-23

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DEVELOPMENT CORPORATION OF KONKAN LIMITED

(A Government of Maharashtra Undertaking)

2022-23

Board of Directors

Shri P. D. Rendalkar	.....	Managing Director	From 13 th October, 2023 onward
Shri Satish A. Bhamare	.....	Managing Director	From 31 st March, 2021 to 31 st July, 2023
Shri Ravindra V. Gurav	....	Director	From 23 rd Feb., 2022 to 13 th October, 2023.
Shri Laxmikant G. Dhoke	.....	Director	From 13 th October, 2023 onward
Shrimati Vrushali B. Sone	....	Director	From 4 th April, 2017 onward.
Shrimati Sanjana Rasam	.....	Director	From 27 th May, 2021 onward.

AUDITORS

M Parashar & Co.
Chartered Accountants, Mumbai.

SOLICITORS

M/s. Divekar & Company, Mumbai.
M/s. Lata Desai and Solicitors

BANKERS

Bank of Maharashtra, Canara Bank,
Bank of Baroda.

REGISTERED OFFICE

Unit No.16, Aarey Milk Colony, Goregaon (E), Mumbai-400 65.

DEVELOPMENT CORPORATION OF KONKAN LIMITED
(A Government of Maharashtra Undertaking)

NOTICE

Subject : Notice of 52st adjourned Annual General Meeting.

Notice is hereby given that the 52st adjourned Annual General Meeting of the Shareholders of Development Corporation of Konkan Ltd., for the year 2022-23 which was held on 10th November, 2023. at 3.30 p.m. in the Registered Office of the Company to transact the following business:-

- (1) To receive, consider and adopt the Balance Sheet as at 31st March 2023 and Profit and Loss Account for the year ended as on that date together with Director's and Auditor's Report thereon.
- (2) Any other items with the permission of the Chairman.

For Development Corporation of Konkan Limited

(P.D. Rendalkar)
Managing Director

Registered Office:

No.DCK/AGM/52/22-23/620

Date : 02.11.2023.

Note : Shareholder can appoint one or more proxies to attend the meeting and to vote in the meeting place of himself and the said proxy need not be a Shareholder of the Company.

DEVELOPMENT CORPORATION OF KONKAN LIMITED

(A Government of Maharashtra Undertaking)

DIRECTOR'S REPORT

2022-23

To,

The Members

Development Corporation Of Konkan Limited,

The directors have pleasure in presenting the 52th Annual Report together with the Audited Statement of Accounts of your Corporation for the financial year ended 31st March, 2023, along with the report of the Auditors thereon.

Financial Results:- During the year under report your Corporation did not receive any funds from the Government of Maharashtra. Hence expenditure were fulfilled from the interest received on Fixed Deposit during current year.

The statement of account for the year under report shows that the Corporation has incurred loss of Rs.960372/-. The loss occurred mainly due to dues paid to employees retired earlier. The total loss carried forward to the next year after adjustments is Rs.160165516/-.

The Government of Maharashtra in the year 1992 decided to close down loss making Corporations including Development Corporation of Konkan Ltd. Accordingly Corporation Management since 1995 started liquidation process and so far upto August, 2021 taken following steps to complete liquidation as early as possible.

1. As per Government orders the following scheme which were implemented by this Corporation were transferred to respective District Industrial Centre of the Konkan Region during 2007.

- i. **Employment Promotion Scheme**
- ii. **Capital Participation Scheme**
- iii. **Various Package Schemes of Incentives.**

2. The following Subsidiaries Companies and Projects were closed since 1990 to 2021.

- a) **Subsidiary Companies** : **Konkan Sea Foods Ltd.**
Kankan Dairy Development Corporation Ltd.
Konkan Crystal Salt and Marine Chemicals Ltd.

These companies were close down and their names were struck out from the office of Companies Registrar.

Sahyadri Glass Works Ltd.

The liquidation of this subsidiary Company is implemented by Special Liquidator appointed by Hon. High Court. The final report is awaited from Special Liquidator. The Corporation Management is constantly pursuing matter with Special Liquidator office.

Following projects were closed or hand over to Joint Venture form with Private Companies.

- b) i) **Ship Breaking Project** : This project was closed during 1993 and land returned to The Collector- Raigad as land were taken on temporary basis.
- ii) **Coir Project** : - This Project handed over to Women's Co-op. Society – Vengurla, Dist. Sindhudurg during 1989.
- iii) **Salt Project** : - Handed over to M/s. Kings Prawns Company during 1994-95 as per Govt. Order.
- iv) **Ferro Cement Project** : - This project was close down during 1990-91.

- v) **Rubber Project** : - This Project was transferred in Joint Venture with the participation of Private Company. But Private company unilaterally withdraw from the Project and as per Government order, the lease hold land from the local farmers were returned to them along with rubber trees.
- vi) **Oil Palm Demonstration Project** :- This Project was Jointly sponsored by Govt. of India and Maharashtra Government and implemented by Development Corporation of Konkan Ltd. Project were handed over to Joint Venture Company – M/s. Saidhara - DCK Agro Products and Plantation Ltd. in 1997. But company could not run Project successfully and due to which State Government terminated Joint venture contract with M/s Saidhara –DCK Agro Products and Plantation Ltd. company and as per order from State Government lease hold land in Sindhudurg District were returned to Farmers along with Palm trees.
- vii) **Biotic Centre** : This Project was started during 1976 to enhance milk production and to produce higher milk yield producing cows in Konkan Region. The main activity was to produce Frozen Semen from elite breeding bulls of exotic milk producing breeding bulls and made available to farmers on 'No Loss No Profit' basis. But due to COVID-19 outbreak project were running in loss due to which as per decision taken by Board of Directors of DCKL, project was closed down in August, 2021. As per Govt. order all movable and immovable property including breeding bulls were sold for Rs.662000/- during the year.
- viii) **M/s. Pancham Aquaculture Farms Ltd.** : - This Joint Venture Project were started during 1990-91 with the Participation of M/s. Pancham Aquaculture Farms Ltd. having equity Shares 26% of DCKL, 25% of M/s. Pancham Aquaculture Farms Ltd. and 49% Shares from Individual share holder. For this Project, Govt. allotted 600 hectors Khar Land in Palghar District area to DCKL for 30 years Lease and same were made available to Joint Venture Company (DCKL and Pancham Aqua.) for a period of 30 years on lease rent basis for the production of Prawns. The joint Venture Company started production from 1992. This company is in loss since inception due to various reasons. The lease period of 30 years were expired on 31st December, 2021. The Joint Venture Company has submitted application for extension of land lease for further 20 years. The application were placed before Board of Directors in the Board Meeting, according to suggestion from the Board of Directors, proposal were submitted to Government requesting that, decision is to be taken by Government of Maharashtra at their level that, whether to give lease extension to Joint Venture Project or deny it, as Corporation is not interested to participate in Project henceforth as per closure decision of the Corporation is taken by Government. Also Corporation has requested Government to instruct M/s. Pancham Aquaculture Farms Ltd. to give Rs.37.00 lakh to Development Corporation of Konkan Ltd., which were invested by Corporation in the Joint Venture Company. The Corporation has not yet received their investment back. As informed by parent Deptt. Of the Corporation, the implementation of this project has been transferred to Revenue Department.

Mini Industrial Estate :- Development Corporation of Konkan Ltd. has established two Mini Industrial Estate during 1981-83. Out of this one is located at Vaphe, Tal. Shahapur, Dist. Thane and another one at Kankavali, Dist. Sindhudurg. The Mini Industrial Estate at Shahapur is having 34 Industrial Galas of various sizes. These Galas have been allotted to small entrepreneurs initially on 21 years lease. The lease agreements have been renewed for further 21 years and all lease agreement will be expired in between 2023 to 2030. Out of 34 Galas 31 Galas have been allotted on lease basis and two Galas are present vacant. One Industrial Gala has been given on 11 months lease basis as per sanctioned by Directors Board.

Mini Industrial Estate at Kankavali : - At Kankavali total 17 Galas were constructed and allotted to small entrepreneurs on 21 years lease rent. But entrepreneurs could not run their projects successfully and resulted into close down of all galas before expiry of lease agreement. Later on nobody renewed lease agreement due to which at present all Industrial Galas are in bad condition. The Directors Board has sanctioned proposal for sale of 74.71 arr land of this MIE. On the recommendation from the Board of Directors Corporation submitted proposal to State Government of Maharashtra for grant of permission to sale the Mini Industries Land. After getting sanction from Govt. o Maharashtra, so far three times tenders are invited but could not get any response due to land is reserved for Industry.

Now Corporation Management has submitted proposal to Government of Maharashtra, that this land should be transferred to Collector – Sindhudurg Dist. to utilization Govt. Project in future.

Also proposal will be submitted to State Government for transfer of the Shahapur MIE to Government Department or Industrial Corporation of the Maharashtra Government.

3. The Corporation Management is completing pending Income Tax Returns as early as possible. Simultaneously trying to finalize Court Cases against Corporation.

Corporation is also trying to get Final Liquidation report from Office of the Special Liquidator, appointed by Hon. High Court Mumbai in the case of M/s. Sahyadri Glass Works Ltd. So that Liquidation of this Corporation will be completed upto December, 2024.

Directors - As per Govt. order, one director were retired and one has been appointed by rotation.

4. Particulars of employees drawing remuneration of more than Rs. 12,000 per month or Rs. 1,44,000 per annum as required under section 217 (2-A) of the Companies Act, 1956 throughout the year or for part of the year in terms of this section is Nil.

5. **Auditors** - The Company Law Board, New Delhi has appointed M/s M Parashar & Co., Chartered Accountants, Mumbai as Statutory Auditors of your company for the year 2022-23.

6. **Acknowledgements** - The Board of Directors wishes to place on record its gratitude to the Government of India and the Government of Maharashtra for the keen interest shown by them in the working of the Corporation. The directors also wish to place on record their gratitude of the MP and MLAs.

The Directors also grateful to the Secretary (Industries), his officers, the Industries Commissioner and his Officers and the other Departments of the State Government for their co-operation, assistance and valuable guidance.

We would also like to place on record, our appreciation and thanks to M/s. Divekar & Co. for their valuable assistance and guidance in the legal matters. We would also like to place on record our appreciation for the efforts put in by the employees in completing various task of the Corporation.

For and on behalf of the Board Directors.

Place: Mumbai

MANAGING DIRECTOR.

Independent Auditors' Report

To

The Members of

Development Corporation of Konkan Limited

1. We have audited the accompanying standalone financial statements of Development Corporation Of Konkan Limited ("the company") which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.
2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
7. Basis of our inability to express an opinion on the truth and the fairness of the financial statements
We state as below –
 - a. The Company has prepared the financial statements for the year ended 31 March, 2023 on the basis of going concern assumption. However, there is total erosion of the net worth of the Company, continuous operating losses since past many years, present uncertainty regarding generation of sufficient financial resources in future, no financial support is forthcoming and closure of major business operations of the Company. Considering these factors along with other matters as set forth in Notes to accounts, there is significant uncertainty as to whether the Company will be able to continue as a going concern and therefore, may be unable to realize its assets and discharge its liabilities in the normal course of business. Consequently, adjustments may be required to be made to the recorded amounts and classification of assets and liabilities. The financial statements and notes thereon do not disclose this fact. Moreover we were informed by the management that the Government of Maharashtra through a government resolution passed in 1992 has decided to close the operations of the company and hence in our opinion the Company does not qualify to be a going concern.
 - b. The balances of sundry debtors, sundry creditors, other current liabilities, loans, advances, deposit, balance of Dena Bank (Rs.1,265/-) and advance to staff and are not reconciled or confirmed by the parties and accordingly, in the absence of any further evidence or information, the adjustments required thereof, if any, in the books of account are unascertainable (Refer Note No. 35. forming part of the financial statements);
 - c. The Financial statements of the Company has many items on asset as well as liability side (specifically listed below) which have been standing in the books of the Company since very long (at least more than ten years). These items include loans taken, loans given, current liabilities, current assets etc. Many of these items have been dealt in the notes to accounts forming

part of the financial statements, by the management of the Company. Since the said items in the balance sheet have been standing for very long period, no documentation is available with the Company for the auditors to verify. As a result, the same have not been verified by us and hence the details provided by the management in the notes to accounts have been accepted by us. It is specifically stated that we have not verified the documentation related to these items and we have relied on the explanations provided by the management. Thus, we were unable to comment on the same (except certain observations as stated in the below paragraphs based on the information provided by the management) and the same stand in the financials as they did in the previous financial statements. The list of the said items is state below –

- (i) Unsecured Long term borrowings (Refer Note 4 (b) and note 35 forming part of the financial statements).
 - (ii) Sundry creditors (Refer Note 5(ii), (iii) and (iv), 34 and note 36 forming part of the financial statements).
 - (iii) Other Current Liabilities (Refer Note 6, 28 and 37 forming part of the financial statements).
 - (iv) Investments (Refer Note 8, 24, 25,26 and 41 forming part of the financial statement)
 - (v) Loan & Advances to Related Parties and Deposits (Assets) (Refer Note 12 (a) and (d) and 25, 28, and 35 forming part of the financial statements.
 - (vi) Loan & Advances to others (Refer Note 12 (b)28, 29, 33 and 36 forming part of the financial statements).
 - (vii) Trade Receivables considered Doubtful (Refer Note 10(b), 29, 34 and 36 forming part of the financial statements).
- d. No physical verification could be carried out of the inventories and the fixed assets standing as on March 31, 2023.
- e. The Company has not made provision for the following items in its books of account:
- (i) Estimated liability on account of gratuity payable to employees under the payment of Gratuity Act, 1972 is determined by the management at Rs.8,41,846/- (Previous year – Rs. 5,89,478/-) (Refer Note . 22 forming part of the financial statements);
 - (ii) Estimated liability on account of leave Encashment payable to employees, amount unascertainable (Refer Note 22. forming part of the financial statements);
 - (iii) Losses arising on account of doubtful recoverability of investment in equity shares of and advance given to the Chiplun Power Loom Weavers Co-op. Society Ltd amounting to Rs.2,00,025/- and Rs.5,34,522/- respectively (Refer Note 24 forming part of the financial statements);
 - (iv) The Company has not carried out Impairment testing for Other Fixed Assets (Refer Note 8, 24,25,26 and 41) in terms of accounting Standard 28 "Impairment of Assets". Accordingly, depletion in the value of the said assets cannot be ascertained.
 - (v) Losses arising on account of doubtful recoverability of investment in equity and preference shares of four subsidiary companies of Rs. 49,35,600 and Rs. 250,000 respectively aggregating to Rs. 51,85,600 and loans and advances to these subsidiary companies aggregating to Rs. 5,35,64,712/- (Refer Note No. 26. forming part of the financial statements). These amounts include Rs. 24,35,000, Rs. 2,50,000 and Rs. 4,27,23,465/- towards investment in equity shares, preference shares and loans and advances made to / given to a subsidiary, Sahyadri Glass Works Limited ("SGWL"), which was under liquidation. The liquidator of the SGWL has disposed off the movable and immovable assets of SGWL and the Company has not received any amount thereof from the liquidator. The names of the other three subsidiary companies have already been struck off from the records of Registrar of Companies;
 - (vi) Losses arising on account of other doubtful debts of Rs. 38,20,776 and doubtful loans and advances (excluding the balances of subsidiaries) of Rs. 47,92,660 aggregating to Rs. 86,13,436 (Refer Note No. 29. forming part of the financial statements). The doubtful debts mentioned above include Rs. 14,46,525/- recoverable from Maharashtra State Co-Op.Consumers Federation Ltd. and Rs.13,36,151/- recoverable from Maharashtra State Electricity Board;
 - (vii) Loss arising on account of work in progress of Ship Breaking project abandoned in earlier years but not written off of Rs.19,23,082 (Refer Note No. 31. forming part of the financial statements).
 - (viii) Loss arising on account of deposits with Bank of Karad Ltd., which is in liquidation of Rs. 10,000,000/- (Refer Note No. 27. forming part of the financial statements);
- As stated above and excluding other non-quantified losses, the Company has not provided for losses** aggregating to Rs. 8,37,04,742/- in the books of account on depletion in value of investments, advance to subsidiaries, depletion of work in progress and loans and advances and debts.
- f. Further, based on the search conducted by the management on the website of Registrar of Companies and as informed to us, the status of the below companies which form part of the investment as referred in Note No. 8 are listed below :-

Name of the Company	Amount of Investment	Status as per M.C.A.
Konkan Sea Foods Ltd.	1,999,200	Strike off
Konkan Dairy Development Corporation Ltd	250,700	Strike off
Konkan Crystal Salt & Marine Chemicals Ltd	250,700	Strike off
Sahyadri Glass Works Ltd.	2,435,000	Dormant
Saidhara Agro Products & Plantation	1,268,300	Dormant
Precision Jewels Ltd.	160,000	Under Liquidation
Rewra Drugs Chemicals Ltd	300,000	Dormant
West End Bobbins Pvt. Ltd.	100,000	Strike off
Anant Marine Services Ltd.	97,000	Non - Available for e-filling
Mayfair Leather Inds. Ltd.	300,000	Non - Available for e-filling
Agasti Yeast & Chemicals Pvt. Ltd.	48,000	Dormant
Rajsuit Packaging Pvt. Ltd.	170,000	Dormant
Konkan Bricks Pvt. Ltd.	135,000	Dormant
Pioneer Ship Breakers Pvt. Ltd.	98,780	Dormant
Suketu Konkan Ship Breakers Pvt. Ltd.	98,800	Dormant
Sai Dhara DCK Agro Products & Plantation Ltd.	5,496,500	Dormant
Sahyadri Glass Works Ltd.	250,000	Dormant
Deccan Plasti-Chem Pvt. Ltd.	225,000	Dormant
Precision Jewels Ltd.	240,000	Under Liquidation
M/s. Javs Engg. India Pvt Ltd (Desai & Co. Metal Ind Pvt. Ltd.)	99,000	Strike off
Saraogi Plastic Inds. Pvt. Ltd.	149,000	Dormant
Nooroo Laminators & Chemicals Packaging Pvt. Ltd.	87,000	Dormant
Western India Jute Laminators Pvt.Ltd.	86,000	Dormant
Nikhil Packaging Pvt.Ltd.	100,000	Dormant
Shesh Engineering Pvt.Ltd.	96,000	Under Liquidation
Aditya Drug House Pvt.Ltd.	98,000	Strike off
Alason Pulp and Papers Ltd	500,000	Strike off
Total	1,51,37,980	

In the view of the above, the diminution in the value of Investment is not provided in the books of Accounts.

- g. The company has not complied with / nor has paid any taxes under various fiscal laws such as Income Tax and GST. as and when applicable. The obligations thereof cannot be determined.
- h. The financial statements of do not include the additional disclosures as prescribed by the MCA notification dated March,24, 2021. It has resulted in a limitation in the scope of our audit.

In view of the above fact it is our inability to express an opinion on the truth and the fairness of the financial statements.

8. In order to express an audit opinion about truth and the fairness of the standalone financial statements viz
 - i. Balance Sheet as on 31 March, 2023.
 - ii. Statement of Profit and Loss for the year ended 31st March, 2023.
 - iii. Cash Flow Statement for year ended 31st March, 2023.
 It is necessary to have adequate audit evidence which was not made available to our satisfaction.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditors' Report) order 2016, ("the order") issued by the Central Government in terms of sub-section 11 of section 143 of the Companies Act, 2013 we given in the annexure 1 statement on the matters specified in the paragraphs 3 and 4 of the order, to the extent applicable.
10. As required by Section 143(3) of the Act, we report that:
 - a. Except for the matter described in the Basis for our inability to express an opinion on the truth and the fairness of the financial statements paragraph, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. Except for the matter described in the Basis for our inability to express an opinion on the truth and the fairness of the financial statements paragraph, in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, except for non-compliance with the specified accounting standards relating to:
 - (I) Disclosure of capital subsidies and grants from the Governments of India & Maharashtra aggregating to Rs. 43,40,415/- towards various projects / capital assets under the head "Reserves & Surplus" (Note No. 3.

forming part of the financial statements) instead of deducting from the cost of respective projects / capital assets as required by the Accounting Standard – 12 “Accounting for Government Grants”;

- (II) Recognition of income from Dividend, Interest (Excluding Interest on Fixed deposits other than Fixed deposit in Bank of Karad), Rent and Service Charges on cash basis instead of accrual basis as required by the Accounting Standard – 1 “Disclosure of Accounting Policies”;
- (iii) Valuation of investments in shares at cost without recognizing the diminution in its value other than temporary, which has not been estimated and adjusted against the value of investments in the books of account as required by Accounting Standard – 13 “Accounting of Investments”;
- (iv) Accounting Standard – 22 “Accounting for Taxes on Income”;

The aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014

The matter described in sub-paragraph 7 to 12 under the Basis for our inability to express an opinion on the truth and the fairness of the financial statements, in our opinion, may have an adverse effect on the functioning of the Company.

- 11. As written representations from the Directors as on 31 March 2023 are not available, we are unable to comment whether any of the Directors were disqualified as on 31 March 2023 from being appointed as Director in terms of sub-section (2) section 164 of the Act;
- 12. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2”.
- 13. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
 - i. The Company has disclosed the impact of pending litigations on its financial position in its stand alone financial statements – Refer Note 21 on Contingent Liabilities to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M Parashar and Co.
(Chartered Accountants)

Place: Mumbai

Date: 18.07.2023.

Amit Parashar
(Partner)
Membership No.430317
UDIN No.23430317BGVSWN8363

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 9 OF OUR REPORT OF EVEN DATE OF DEVELOPMENT CORPORATION OF KONKAN
LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2023.)**

- (i) In respect of fixed Assets
- (a) A . The Company has not maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- B. As per the management, the Company did not have any intangible assets during the financial year.
- (b) As per management, these fixed assets were physically verified by them during the year at reasonable intervals. As per the information provided by the management, there is no material discrepancy between physical count and the fixed assets records, except as stated in the audit report. However, in the absence of proper records, we are unable to comment on the same.
- (c) In the absence of proper records and documentation, we were unable to verify the title deeds of immovable Properties held in the name of the company.
- (d) As per the management, the Company has not revalued its Property, Plant and Equipment (including Right Of use assets) during the year.
- (e) As per the management no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibited) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a) As informed to us, the management has not conducted physical verification of inventory during the year.
- b) As informed to us, no working capital limits were sanctioned during the year.
- (iii) In respect of the loans, secured or unsecured granted or taken by the Company to / from Companies, firms, LLPs or other parties:
- (a) The Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.
- (b) According to the information and explanation given to us and in view of the facts as disclosed in Note No.26 forming part of the financial statement, in our opinion, the rate of interest is prima facie prejudicial to the interest of the Company.
- (c) According to the information and explanation given to us and in view of the facts as disclosed in Note No.26 forming part of the financial statement, in our opinion, the repayment on above loans and interest thereof have not been received at all.
- (d) According to the information and explanation given to us and in view of the facts as disclosed in Note No.26 forming part of the financial statement, in our opinion, the above loans are overdue. Further, the steps taken by Company for recovery/ payment of principal and interest are not reasonable.
- (e) In absence of information, we cannot give opinion on the loan or advance in the nature of loan granted which has fallen due during the year, or which has been renewed or extended or where fresh loans granted to settle the over dues or existing loans given to the same parties.
- (f) As per the management, the Company has not granted any loans or advances during the year.
- (iv) The company has not granted any loans, investments, guarantees, and security in the current year under audit and hence the provisions of section 185 and 186 of the Companies Act, 2013 are not applicable. In respect of loans, investments, guarantees, and security already existing, the same exist for at least for more than ten years with no movements in the accounts, and no compliance u/s 185 and 186 are in place for the same.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 in the year 2022-23.

(vi) In our opinion and according to information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Act.

(vii) In respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues except GST with the appropriate authorities' w.r.t provident fund, employees' state insurance, profession tax, other labour laws etc. There were no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable. Also the Corporation does not comply with any fiscal laws (e.g. income-tax and GST etc.)

(b) Further, according to the information and explanation given to us, outstanding statutory dues payables on account of any dispute before any authorities are stated below as reflected even in the 26AS of AY-2022-23.

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	15,400	Details not available	Details not available
Income Tax Act, 1961	TDS payment	16,114	2019-20 and 2021-22	TDS short payment as per 26AS for FY 2021-22 and 2019-20

(viii) As informed to us by the management, the Company has disclosed all income during all the previously filed Income Tax returns.

(ix) The company has not taken any loans or borrowing from any financial institution, bank, or raised any money through issue of debenture in the current year.

However, according to the information and explanation given to us the company has taken unsecured interest free loans from Government of Maharashtra (INR 5,92,43,620) for which no repayments are done by the Company. Such unsecured loan is outstanding for a period of more than ten years and there has been no movement in the account.

(x) (a) in our opinion, and according to the information and explanations' given to us, the company has not raised any money by way of initial public offer or further public offer (Including debt instrument) and term loans during the year.

(b) In our opinion, and according to the information and explanations given to us, the company has not has made any Preferential allotment or private placement of shares or fully or partly convertible debenture (fully, partially or or optionally convertible) during the year.

(xi) (a) During the course of our examination of the books and records of the Company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

(b) As informed to us by the management, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of companies (Audit and Auditors) Rule 2014 with Central Government;

(c) As informed to us by the management, no whistle blower complaints is received by the Company during the year.

(xii) The company is not a Nidhi company hence the point is not applicable.

(xiii) In our opinion, and according to the information and explanations given to us, the Company is in compliance with section 188 of the Act where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards section 177 of the Act is not applicable to the Company for the year under review.

(xiv) As information to us by the management, the Company does not have internal audit system in place, as section 138 of the Act is not applicable to the Company hence this clause is not applicable.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him

- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934
- (xvii) The Company has incurred cash losses amount to Rs. 9,60,372/- in the FY 2022-23, and Rs. 135227/- in the FY 2021-22.
- (xviii) The auditor has resigned during the year and has not raised any issue, objection or concerns except the observations and opinion raised in the statutory audit report of FY 2021-22, which are considered by the incoming auditor.
- (xix) In absence of information, we cannot give opinion on the material uncertainty of the Company being capable of meeting its liabilities.
- (xx) As informed by the management, there is no liability of the Company under the provisions of section 135 of the Companies Act, hence this clause is not applicable.
- (xxi) In absence of financial statements of the subsidiary, we are unable to give opinion with regards to the clause.

For M Parashar and Co.
(Chartered Accountants)

Place: Mumbai
Date: 18..07.2023.

Amit Parashar
(Partner)
Membership No.430317
UDIN No.23430317BGVSWN8363

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT
(REFERRED TO IN PARAGRAPH 10 OF OUR REPORT OF EVEN DATE DEVELOPMENT CORPORATION OF KONKAN LIMITED,
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2023.)**

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Development Corporation of Konkan Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Opinion

The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2023.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have been unable to express an opinion on the truth and the fairness of the financial statements.

For M Parashar and Co.
(Chartered Accountants)

Place: Mumbai

Date: 18.07.2023.

Amit Parashar
(Partner)
Membership No.430317
Firm Regn. No.110954C
UDIN No.23430317BGVSWN8363 .

DEVELOPMENT CORPORATION OF KONKAN LIMITED

Balance Sheet as at 31st March 2023

Amount in Rs.

Particulars	Note	As at 31 March 2023	As at 31 March 2022
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUND			
Share Capital	2	8,80,99,600	8,80,99,600
Reserves and Surplus	3	(15,58,25,101)	(15,48,64,729)
		(6,77,25,501)	(6,67,65,129)
Non-Current Liabilities			
Long-Term Borrowings (Fully Overdue)	4	5,93,13,620	5,92,43,620
		5,93,13,620	5,92,43,620
Current Liabilities			
Trade Payable	5	25,99,372	27,41,955
Other Current Liabilities	6	15,67,72,039	15,67,72,039
		15,93,71,411	15,95,13,994
		15,09,59,530	15,19,92,485
ASSETS			
Non-Current Assets			
Fixed Assets			
Property, Plant and Equipments	7	96,249	96,249
Non Current Investment	8	2,01,23,030	2,01,23,030
		2,02,19,279	2,02,19,279
Current Assets			
Inventories	9	19,23,082	19,23,082
Trade receivables	10	51,97,709	51,97,709
Cash and Bank balances	11	2,72,27,835	2,82,87,857
Short term loans and advances	12	9,58,80,486	9,58,42,556
Other Current Assets	13	5,11,140	5,22,002
		13,07,40,251	13,17,73,205
		15,09,59,530	15,19,92,484
Significant accounting policies	1		
Notes to the financial statements	1- 45		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For M Parashar and Co.
(CHARTERED ACCOUNTANTS)
Firm Regn. No.110954C

Amit Parashar
(Partner)
Membership No.: 430317
UDIN No.23430317BGVSWN8363.
PLACE : MUMBAI
Date: 18.07.2023.

For and on behalf of Directors of
Development Corporation of Konkan Limited

MANAGING DIRECTOR

DIRECTOR

GENERAL MANAGER

DEVELOPMENT CORPORATION OF KONKAN LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2023

PARTICULARS	Schedule	As at 31 March 2023	As at 31 March 2022
Income from Operations	14	-	3,26,339
Other Income	15	9,93,433	16,10,304
Total Income		9,93,433	19,36,643
Expenses			
Cost of Materials Consumed	16	8,870	2,86,728
Change in Inventories	17	-	54,218
Employee Benefit Expenses	18	15,35,734	9,19,619
Financial Costs	-	-	-
Other Expenses	19	4,09,201	8,11,305
Depreciation and Amortization Expenses	7	-	-
Total Expenses		19,53,805	20,71,870
Profit Before Exceptional Items, Extra-Ordinary Items and Tax		(9,60,372)	(1,35,227)
Exceptional Items		--	--
Extra-Ordinary Items		--	--
Profit Before Tax		(9,60,372)	(1,35,227)
Less : Tax Expenses		-	-
Current Year		-	-
Short/(Excess) Provision of earlier year		-	-
Profit after Tax for the year		(9,60,372)	(1,35,227)
Earning per equity share (Face Value Rs.100 per share)			
(1) Basic earnings per share		(1.09)	(0.15)
(2) Diluted earnings per share		(1.09)	(0.15)
Significant accounting policies	1		
Notes to the financial statements	1-45		

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached

For M Parashar and Co.
CHARTERED ACCOUNTANTS
Firm Registration No. 110954C

Amit Parashar
(Partner)
Membership No.: 430317
UDIN No.23430317BGVSWN8363.

PLACE : MUMBAI
Date: 18.07.2023 .

**For and on behalf of Directors of
Development Corporation of Konkan Limited**

MANAGING DIRECTOR

DIRECTOR

GENERAL MANAGER

Development Corporation Of Konkan Ltd
Cash Flow Statement For The Year Ended 31 March, 2023

Particulars	As at 31 March 2023	As at 31 March 2022
<u>A. Cash Flow from Operating Activities:</u>		
Profit/(Loss) Before Taxation	(9,60,372)	(1,35,227)
Adjustments for:		
Depreciation	--	--
Profit on Sale of Transformer	--	--
Previous Year Adjustment	--	1,58,801
Profit on Sale of Livestock	--	(2,73,500)
Operating Profit /(Loss) Before Working Capital Changes	(9,60,372)	(2,49,926)
Changes in working capital		
Adjustments for (Increase)/Decrease in operating assets:		
Long Term Loans and advances		-
Inventory	--	(19,23,083)
Trade and Other Receivable	--	2,02,887
Other Current Assets	(27,068)	(9,63,64,558)
Adjustments for Increase/(Decrease) in operating liabilities:		
Trade Payable	(1,42,583)	27,41,955
Other Current Liabilities	-	15,67,72,038
Short term provisions	-	-
Cash Generated from Operations	(11,30,023)	6,11,79,313
Direct taxes paid during the year	--	--
Refund of Income tax		
Net cash From / (utilized in) Operating Activities	(11,30,023)	6,11,79,313
<u>B. Cash Flow from Investing Activities:</u>		
Capital Receipt on Fixed assets	--	--
Capital Receipt on sale of Livestock	--	4,71,000
Proceeds of Sale Capital Gain Bonds	--	--
Net cash From / (utilized in) Investing Activities	--	4,71,000
<u>C. Cash Flow from Financing Activities:</u>		
Proceeds from Long Term Borrowings		
Increase/(Decrease) in Short Term Borrowings		
Interest Paid	70,000	
Net cash From / (utilised in) Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents	70,000	-
	-	-
	(10,60,023)	6,16,50,313
Cash and Cash Equivalents as at 1 April (Opening Balances)	2,82,87,857	2,57,95,687
Cash and Cash Equivalents as at 31 March (Closing Balances)	2,72,27,835	2,82,87,857
As per our Report of even date attached		
<div style="display: flex; justify-content: space-between;"> <div> For M Parashar and Co. Chartered Accountants Firm Registration No. 110954C Amit Parashar Partner Membership No. 430317 UDIN No.23430317BGVSWN8363. Date : 18.07.2023 </div> <div> For and on behalf of the Board of Directors of Development Corporation Of Konkan Limited <div style="display: flex; justify-content: space-between;"> <div> General Manager Place: Mumbai Date : 18.07.2023. </div> <div> Managing Director </div> <div> Director </div> </div> </div> </div>		

Development Corporation of Konkan Limited

Notes forming part of the financial statements for the year ended 31st March, 2023.

(Currency: Indian Rupees)

1 SIGNIFICANT ACCOUNTING POLICIES:

I ACCOUNTING CONCEPTS

- (i) Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.
- (ii) Sales and purchases are inclusive of GST for LN2 sales.
- (iii) Expenses and Income considered payable and receivable respectively are accounted for on accrual basis except the following:-
 - a) Dividend, Service Charges, Interest on Investments, Interest on Loans and Advances, Agency charges for EPP Scheme and Rent in respect of Coir Units are accounted on cash basis.
 - b) The Lease Premium in respect of Mini Industrial Estates is treated as income on cash basis as and when the same is received.
 - c) In terms of the related agreements, the Corporation is entitled to interest on investments in equity shares if no dividend is declared by the concerned units and the same is accounted for on cash basis.
 - d) Interest on Fixed Deposits of Rs.1 crore with Bank of Karad (now in liquidation) is accounted on cash basis.
 - e) Taxes and statutory duties such as vat, municipal taxes, water tax etc.
- (iv) Financial statements are based on historical costs. These costs are not adjusted to reflect the impact of changes, if any, in the purchasing power of money.

II FIXED ASSETS

- (i) Fixed assets are capitalized at cost inclusive of freight, duties, taxes and all incidental expenses related thereto.
- (ii) The live stock purchased is stated at cost and live stock born is valued every year on the basis of milk yield and health condition in terms of Circular No. Cos/1081/10563/81/157/444, dated 29th December 1984 issued by Animal Husbandry Department of Government of Maharashtra.
- (iii) The Oil Palm Demonstration Project – Maharashtra (ODPM) had been transferred to JVC Company in the past. The deficit Incurred on such transfer is debited to capital reserve i.e. to specific grants received for the project from Government of Maharashtra and Govt. of India.

III DEPRECIATION

- i) Depreciable amount for assets is the cost of an asset or other amounts substituted for cost less its estimated residual value.
Depreciation on tangible fixed assets has been provided on the straight line method as per the useful life prescribed in Schedule II of Companies Act 2013. The Schedule II lists down the useful life of the assets, over which the cost of the assets less its residual value needs to be depreciated.

IV INVESTMENTS

Long Term Investments are stated at cost, ignoring diminution in its value, if any

V INVENTORIES

- i) Finished goods are valued at lower of cost or net realizable value.
- ii) Raw materials and other inventories are valued at cost, on FIFO basis.

VI. Retirement Benefits :

Contribution to Provident Fund are recognized as expenses as and when accrued. Gratuity and Leave Encashment is accounted on payment basis.

VII. Contingent Liability:

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not result in outflow of resources.

When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Development Corporation of Konkan Ltd.

Notes forming part of the financial statements as at 31 March, 2023

	2023	2022
2 : SHARE CAPITAL		
Authorised Capital		
10,00,000 Equity Shares of Rs.100 each	10,00,00,000	10,00,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued, Subscribed & Paid Up Capital		
8,80,996 (2022: 8,80,996) Equity Shares of Rs.100 each fully paid-up (out of the above, 826 shares have been allotted for consideration other than cash).	8,80,99,600	8,80,99,600
Total Share Capital	<u>8,80,99,600</u>	<u>8,80,99,600</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	2023		2022	
	Nos.	Amount	Nos.	Amount
(i) Shares outstanding at the beginning of the year	8,80,996	8,80,99,600	8,80,996	8,80,99,600
(ii) Shares issued during the year	--	--	--	--
Shares outstanding at the end of the year	8,80,996	8,80,99,600	8,80,996	8,80,99,600

b. Terms/Rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs.100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March, 2023, the amount per share of dividend recognized as distributions to equity shareholders was Rs.0 (2022 : Rs.0)

In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportional to the No. of equity shares held by the shareholders

c. The Company does not have any holding company or ultimate holding company.**d. Details of Shareholders holding more than 5% equity shares in the company.**

Equity Shares	2023		2022	
	Nos.	%Holding	Nos.	% Holding
(i) Government of Maharashtra	<u>8,80,996</u>	<u>100%</u>	<u>8,80,996</u>	<u>100%</u>

Particulars	As at 31 March 2023	As at 31 March 2022
3 : Reserves & Surplus		
(i) Capital Reserves – Grant and Subsidy		
a. Reserve for Dairy Development		
Biogas Plant	74,139	74,139
Liquid Nitrogen Plant	3,47,231	3,47,231
Milking Machine	786	786
Wind Mill	295	295
	<u>4,22,451</u>	<u>4,22,451</u>

Development Corporation of Konkan Ltd.

	As at 31 March 2023	As at 31 March 2022
b. Reserve for Oil Palm Demonstration Project Maharashtra (ODPM)		
Grant in Aid Recd from GOI/GOM (Refer notes No.1 II (iii) and 31(a)(b))	33,29,055	33,29,055
	33,29,055	33,29,055
c. Saphala Salt Works 1		
Approach Road	51,262	51,262
Iodized Salt Plant	1,02,027	1,02,027
PSI Subsidy	4,32,600	4,32,600
Wind Mill	3,020	3,020
	5,88,909	5,88,909
(ii) Surplus / Deficit in the Statements of Profit & Loss		
Balance brought from previous years	(15,92,05,144)	(15,92,28,718)
Add Profit / (Loss) for the year	(9,60,372)	(1,35,227)
Less Previous year adjustment	--	1,58,801
	(16,01,65,516)	(15,92,05,144)
Total Reserves & Surplus	(15,58,28,101)	(15,48,64,729)
4 : Long-Term Borrowings		
a. Secured	-	-
b. Unsecured		
Interest Free Loan repayable after 15 years from the date of disbursement (Refer Note No.35)	1,77,99,000	1,77,99,000
Interest free Loan from meeting statutory dues, bank and institutional finance	1,64,00,000	1,64,00,000
Liabilities of Subsidiaries of the Corporation, repayable as per terms and Conditions to be fixed by the Government		
Interest free loan for expenditure on ODPM Project	1,41,81,000	1,41,81,000
Interest free loan for Voluntary Retirement Scheme	1,08,63,620	1,08,63,620
Interest free loan from Development Corpn. of Konkan Provident Fund Trust	70,000	--
Total Long-Term Borrowings (Fully overdue)	5,93,13,620	5,92,43,620
5 Trade Payable		
(i) Outstanding Payment - HO	3,82,392	5,24,975
(ii) Outstanding Payment - Biotic	4,44,547	4,44,547
(iii) Outstanding Payment - Ratnagiri	1,92,448	1,92,448
(iv) Saphala Salt Works 6	15,79,986	15,79,986
Trade payable for goods and services (Refer No. No.34 and 36)	25,99,372	27,41,955
Total Trade Payables	25,99,372	27,41,955
6 Other Current Liabilities		
Advance from Customers	8,139	8,139
Payable to Government Authorities (Refer Note No.36)	14,43,17,572	14,43,17,572
Advance Payment Adjustment (Refer Note No.27)	59,14,706	59,14,706
Deposits (Liabilities)	70,29,162	70,29,162
GIS Payable	--	--
GST Payable	(4,97,540)	(4,97,540)
Total Other Current Liabilities	15,67,72,039	15,67,72,039

Please see
Chart of Fixed Assets on
landscape in English

Development Corporation of Konkan Ltd.					
Notes farming part of the financial statements as at 31 March, 2023.					
No.	Particulars			2023	2022
8	<u>Non Current Investments</u> <u>OTHER THAN TRADE UNQUOTED</u> (Refer Note 23,24,25 and 40)				
Sr. No	Name of Company	No. of Shares	Face Value Rs.	As at 31 March 2023	As at 31 March 2022
A)	<u>Fully paid-up Equity Shares of Joint Stock Companies</u>				
I	<u>SUBSIDIARIES</u>				
	Konkan Sea Foods Ltd. ****	19,992	100	19,99,200	19,99,200
	Konkan Dairy Development Corporation Ltd.*	2,507	100	2,50,700	2,50,700
	Konkan Crystal Salt & Marine Chemical Ltd.*	2,507	100	2,50,700	2,50,700
	Sahyadri Glass Works Ltd. *	24,350	100	24,35,000	24,35,000
	Total (I)			49,35,600	49,35,600
II	<u>OTHERS</u>				
	Saidhara Agro Products and Plantation	12,683	100	12,68,300	12,68,300
	Precision Jewels Ltd. *	16,000	10	1,60,000	1,60,000
	Rewara Drugs Chemicals Ltd. *	30,000	10	3,00,000	3,00,000
	West End Bobbins Pvt. Ltd.	1,000	100	1,00,000	1,00,000
	Chiplun Straw Products Mgg. Co. Ltd. **	1,500	100	1,50,000	1,50,000
	Anant Marine Services Ltd.	9,700	10	97,000	97,000
	Mayfair Leatehr Inds. Ltd.	30,000	10	3,00,000	3,00,000
	Agasti Yeast & Chemicals Pvt. Ltd.*	480	100	48,000	48,000
	Durga Laminators Pvt. Ltd. ****	6,800	10	68,000	68,000
	Rajsut Packaging Pvt. Ltd. ****	1,700	100	1,70,000	1,70,000
	Konkan Bricks Pvt. Ltd. *	1,350	100	1,35,000	1,35,000
	Maharashtra Industrial & Technical Consultancy Organisation Ltd.	200	100	20,000	20,000
	Maharashtra Industrial & Technical Consultancy Organisation Ltd. (Bonus)	300	100	--	--
	Pioneer Ship Breakers Pvt. Ltd.	9,878	10	98,780	98,780
	Suketu Konkan Ship-Breaker Pvt. Ltd.	9,880	10	98,800	98,800
	Saidhara DCK Agro Products & Plantation Ltd	54,965	100	54,96,500	54,96,500
	Pancham Aquaculture Farms Pvt. Ltd.	37,000	100	37,00,000	37,00,000
	(Refer Note No.33)				
	(II)			1,22,10,380	1,22,10,380
	Total (A):-(I = II)			1,71,45,980	1,71,45,980
No.	Particulars			2023	2022
B	<u>Fully paid-up Redeemable cumulative preference shares of Joint stock companies</u>				
Sr.	Name of the Company	No. of Shares	Face Value	2023	2022
I	<u>SUBSIDIARIES</u>				
	Sahyadri Glass Works Ltd. – 11%	2500	100	2,50,000	2,50,000
				2,50,000	2,50,000

Development Corporation of Konkan Ltd.					
Notes forming part of the financial statements as at 31 March, 2022					
No.	Name of the Company	No. of Shares	Face Value	As at 31 March 2023	As at 31 March 2022
(I)					
II	OTHERS				
	Chiplun Aluminium Pvt. Ltd. 9% *	2000	100	2,00,000.00	2,00,000.00
	Deccan Plasti -Chem Pvt. Ltd. 11% *	2250	100	2,25,000.00	2,25,000.00
	Arunodaya Metal Inds. Pvt. Ltd. 11%	2050	100	2,05,000.00	2,05,000.00
	Precision Jewels Ltd. 11% *	2400	100	2,40,000.00	2,40,000.00
	Javs Engg. India Pvt. Ltd.	9900	10	99,000.00	99,000.00
	Saraogi Plastic Inds. Pvt. Ltd. 13.5%****	1490	100	1,49,000.00	1,49,000.00
	Durga Laminators Pvt. Ltd. 13.5% ****	3200	10	32,000.00	32,000.00
	Nooroo Laminators & Chemicals Packaging Pvt. Ltd. 13.5% ****	870	100	87,000.00	87,000.00
	Ajitkumar Plasto-Fabric & Packaging Pvt. Ltd. 13.5% ****	1500	100	1,50,000.00	1,50,000.00
	Suvarna Plastic Pvt. Ltd. 13.5% ****	1520	100	1,52,000.00	1,52,000.00
	Western India Jute Laminators Pvt. Ltd. 13.5% ****	860	100	86,000.00	86,000.00
	Ivkon Pharmaceuticals Pvt. Ltd. 13.5% ****	980	100	98,000.00	98,000.00
	Nikhil Packaging Pvt. Ltd. 15% ****	1000	100	1,00,000.00	1,00,000.00
	Shesh Engineering Pvt. Ltd. 13.5%	960	100	96,000.00	96,000.00
	Aditya Drug House Pvt. Ltd. 13.5%	980	100	98,000.00	98,000.00
	Total (II)			20,17,000.00	20,17,000.00
	Sub-Total (B) (I+II)			22,67,000.00	22,67,000.00
(C)	<u>Partly paid Redeemable Cumulative Preference Shares of a Joint Stock Company.</u>				
	Alason Pulp and Papers Ltd. 11% *	10,000	100	5,00,000.00	5,00,000.00
	Sub-Total (C)		(paid Rs.50/-)	5,00,000.00	5,00,000.00
(D)	<u>Fully paid-up Equity Shares of Co.op. Societies</u>				
	Kherdi Power Loom Weavers Co.op. Society Ltd.	1	25	25.00	25.00
	Chiplun Power Loom Weavers Co. Op. Socioety Ltd. *** ****	8001	25	200025.00	200025.00
	Maharashtra Mahamandal Bhavan Sahakari Society Ltd. *	5	1000	5000.00	5000.00
	Hatkgad Sahakari Audyogik Utpadak Sanstha Ltd.	50	100	5000.00	5000.00
	Total (D)			2,10,050.00	2,10,050.00
(E)	<u>Capital Gain Bonds</u>				
	Investment in Capital Gain Bond			--	--
	Total (A to E)			2,01,23,030.00	2,01,23,030.00
	SHORT TERM			-	-
	Total Non Current Investment			2,01,23,030.00	2,01,23,030.00

Notes- *The company is in Liquidation.

**Amount received against these investments are shown Under "Current Liabilities" as Advances Pending Adjustments on final settlement thereof.

*** Refer Note No.23

****MSFC has taken over the Assets of these companies.

***** The Companies have been struck off the Register of Companies

Development Corporation of Konkan Ltd.

Notes forming part of the financial statements as at 31 March, 2023

	As at 31 March 2023	As at 31 March 2022
9 INVENTORIES		
Stores and Raw Material	--	--
Work in Progress (Refer No. No.31)	19,23,082	19,23,082
Finished Goods	--	--
Total Inventories	<u>19,23,082</u>	<u>19,23,082</u>
INVENTORIES		
Less : Abnormal loss	--	--
Net Closing Stock	<u>19,23,082</u>	<u>19,23,082</u>

10 Trade Receivable

Trade Receivable as on at 31.03.2023

	Particulars	Outstanding for following period from the date of payment					
		Less the 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
	As at March 31, 2023						
(i)	Undisputed Trade receivables – consider good	-	1,50,563			12,26,370	13,76,933
(ii)	Undisputed Trade receivables – consider doubtful.					38,20,776	38,20,776
(iii)	Disputed Trade receivables – consider good.	-	-	-	-	-	-
(iv)	Disputed Trade receivables – consider doubtful.	-	-	-	-	-	-
		-	1,50,563	-	-	50,47,146	51,97,709

Trade Receivable as on at 31.03.2022

	Particulars	Outstanding for following period from the date of payment					
		Less the 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 years	Total
	As at March 31, 2022						
(i)	Undisputed Trade receivables – consider good	1,50,563				12,26,370	13,76,933
(ii)	Undisputed Trade receivables – consider doubtful.					38,20,776	38,20,776
(iii)	Disputed Trade receivables – consider good.		-	-	-	-	-
(iv)	Disputed Trade receivables – consider doubtful.		-	-	-	-	-
		1,50,563	-	-	-	50,47,146	51,97,709

.Development Corporation of Konkan Ltd.

Notes forming part of the financial statements as at 31 March, 2023

	As at 31 March 2023	As at 31 March 2022
11 Cash and Bank balance		
Cash-in-Hand	4,107	366
Balance with Bank Current Accounts	99,475	6,63,238
Fixed Deposit (Refer Note No.27)	2,71,24,253	2,76,24,253
Total Cash and bank balance	<u>2,72,27,835</u>	<u>2,82,87,857</u>
12 Short-term loans and advances		
a Loans & Advances to Related Parties		
Advance to Subsidiaries (Refer Note No.26,29 & 36)	5,35,81,712	5,35,81,712
b. Loans and Advances to Others		
Considered Good	2,76,78,296	2,76,78,296
Considered Doubtful (Refer Note No.29 and 36)	47,92,660	47,92,660
Advances recoverable in Cash or in kind of for value to be received	63,59,170	63,59,170
Considered Good (Refer Note No.29 and 34)		
c Advance Statutory payment	24,03,594	23,60,322
d Deposits (Assets)	10,64,554	10,69,896
Total Short-term loans and advances	<u>9,58,80,486</u>	<u>9,58,42,556</u>
13. Other Current Assets		
Interest Accrued but not due	5,11,140	5,22,022
Total other Current Assets	5,11,140	5,22,022
14 Revenue from Operations		
Sale of Doses	--	3,15,077
Sale of LN2	--	11,262
Total Revenue from Operations	--	<u>3,26,339</u>
15 Other Income		
Interest on		
Fixed Deposit	9,23,260	9,26,525
Capital Gain Bond	--	--
Dividend Income from Non Current Investments	--	16000
Profit / Loss on Sale of Assets	--	--
Lease rent of MIE Shahapur	47,520	17,280
Rent from office quarter	10,653	1,84,199
TDS refund from Income tax	--	2,73,500
Misc. Income	12,000	1,92,800
Total Other Incomes	<u>9,93,433</u>	<u>16,10,304</u>
16 Cost of Materials Consumed		
Opening Stock of materials	19,23,082	19,78,995
Add : Purchase of Materials during the year	8,870	2,30,815
Less : Closing Stock of Materials	19,23,082	19,23,082
Total Cost of Materials Consumed	<u>8,870</u>	<u>2,86,728</u>

Development Corporation of Konkan Ltd.
Notes forming part of the financial statements as at 31 March, 2022

No.	Particulars	As at 31 March 2023	As at 31 March 2022
17	<u>Change in Inventories</u>		
	<u>Stock at the beginning of the year of :</u>		
	Finished Goods	--	5,45,890
	Less: Abnormal loss	--	(4,91,672)
	Net Finished Goods	=	<u>54,218</u>
	<u>Stock at the end of the year of:</u>		
	Finished Goods	--	--
	Total Change in Inventories	--	<u>54,218</u>
18	Employees Benefit Expenses		
	Salaries, Wages and Retirement Benefits	15,01,729	8,63,149
	Sitting Fees to Directors	22,000	20,000
	Staff Welfare	12,005	36,470
	Total Employees Benefit Expenses	<u>15,35,734</u>	<u>9,19,619</u>
19	<u>Other Expenses</u>		
	<u>Auditors Remuneration</u>		
	Audit Fees	57,220	61,360
	Other Matters	--	--
	<u>Repairs and Maintenance</u>	9,965	81,345
	Buildings	--	--
	Others	--	--
	Electricity Charges	16,444	51,526
	License Fees	--	2,88,109
	Conveyance Charges	13,083	16,790
	Office Expenses	25,171	2,098
	Water Charges	--	20,992
	Advertisement charges	16,813	11,813
	Bank Charges	1,236	1,593
	Telephone Charges	1,700	1,100
	Transport Charges	10,750	1,625
	Printing and Stationery	33,132	16,513
	Rates & Taxes	--	22,540
	Legal and profession fees	1,54,300	1,25,130
	Straw Painting charges	--	36,854
	Sundry Expenses	--	190
	Travelling expenses	--	8,600
	Postage and Telegramme	700	1,580
	Entertainment to Guest	8,687	4,047
	Allowance to MD	60,000	57,500
	Total other Expenses	<u>4,09,201</u>	<u>8,11,305</u>
20	Earning per Share		
	The disclosure requirements respect of Accounting Standard (AS) 20 on "Earnings Per Share" are as follows:		
	Net loss attributable to equity shareholder	(9,60,372)	(1,35,227)
	Number of equity shares outstanding at the beginning of the year	8,80,996	8,80,996
	Number of equity shares outstanding at the end of the year	8,80,996	8,80,996
	Weighted average number of equity shares outstanding during the year (based on date of issue of shares)	8,80,996	8,80,996
	Face value per share (Rs.)	100	100
	Basic and diluted earning per share (Rs.)	(1.09)	(0.15)

Development Corporation of Konkan Limited
Notes forming part of the financial statements for the year ended 31st March, 2023.

21 Contingent Liabilities not provided for in respect of-

	As at 31 March 2023	As at 31 March 2022
a) Claims against the Corporation not acknowledged as debts in respect of compensation payable to M/s. Saidhara Agro Products and Plantation Ltd. (as per Arbitration award)	---	-----
b) Uncalled Liability on partly paid up Preference Shares	5,00,000	5,00,000
c) Guarantees issued by the Corporation on behalf of others and amount outstanding at the year end	1,66,86,200	1,66,86,200
d) Income Tax demand disputed in appeal	15,400	15,400
e) Claims against the Corporation not acknowledged as debts in respect of compensation payable to M/s. C. Patel & Co. (as per Arbitration award)	Not Ascertainable	
f) Liability in respect of penalty for non-compliance with Section 44 AB of the Income Tax Act, 1961.	Not Ascertainable	
g) Liability in respect of penalty for non-compliance with Chapter XVII B of the Income Tax Act, 1961.	Not Ascertainable	
h) Liability in respect of interest and/or penalty for delayed payment of statutory dues like, Provident Funds, Income Tax etc. are not ascertainable only. TDS Default Ascertainable only, Late Filing Fee Rs.4,800/- as per 26AS of AY 2022-23 downloaded on 25.08.2022.	Not Ascertainable	

22 The Corporation has not made any provision in respect of present liability for future payment of gratuity in terms of Payment of Gratuity Act,

1972. The computation is as follows:

Particulars	Amount
Deficit Provision required as on 31 March, 2023	Rs.8,41,846/- Previous year (Rs. 5,89,478/-)
The Corporation has not made any provision in respect of present liability for future payment of Leave Encashment, amount unascertained.	

23. The Corporation had, in earlier years, given its Coir Unites to a Co-operative Society on yearly rent of machinery and equipments of Rs.6,000/- for three years with an option to them to purchase machinery and equipments at depreciated value on the expiry of the agreement period. The said agreement period was extended upto 31st March 1996. The agreement has not been renewed thereafter, though the machinery and equipments remain in the possession of the said Society. No provision has been made for the rent receivable from the said society till date and the same will be accounted for on receipt basis.

24 . The Corporation has invested a sum of Rs. 2,00,025/- in 8001 fully paid-up equity shares of Rs. 25/- each of Chiplun Power Loom Weavers Co-op. Society Ltd. and advanced a sum of Rs. 5,34,522/- to the said society. The said society had obtained a Term Loan of Rs. 9,00,000/- from Maharashtra State Financial Corporation which was guaranteed by the Corporation. On 2nd August 1993 Maharashtra State Financial Corporation has taken over the possession of all the assets mortgaged to it for recovery of a sum of Rs. 25,27,587/- in terms of its letter dated 20th July 1993. No provision has been made by the Corporation for losses that may arise on account of diminution in value of investments in and advances given to the said society or for liability that may arise on account of guarantee given by the Corporation.

25. No provision has been made for the fall in value of investments in unquoted shares of the co-operative societies and companies other than subsidiary companies aggregating to Rs.81,72,630/- (previous year- Rs. 81,72,630/-) since the amount in respect thereof is not ascertainable. The Corporation holds separate buy-back guarantees from the directors of respective companies in each case. The

Corporation has filed suits to recover the amount of investments in various companies aggregating to Rs. 43,23,000/- (previous year Rs.43,23,000/-) against the buyback guarantees from the directors of respective companies. In view of Note No. 31(a) and (b), the investments in Sai-Dhara are considered good and no diminution in its value is considered necessary by the management.

26. Particulars of interest free loans and advances given by the Corporation to its subsidiaries and investment made in the said in which some of directors of the Corporation are interested as Nominees Directors -

(A) Loans and Advances

Name of the Company	As at 31 March 2023	As at 31 March 2022
Konkan Crystal Salt & Marine Chemicals Ltd.	13,09,268	13,09,268
Konkan Dairy Development Corporation Ltd.	24,25,976	24,25,976
Konkan Sea Foods Ltd.	70,30,503	70,30,503
Sahyadri Glass Works Ltd.	4,28,15,965	4,28,15,965
Total	5,35,81,712	5,35,81,712

(B) Investments

Equity Shares

Name of the Company	2023	2022
Konkan Sea Foods Ltd.	19,99,200	19,99,200
Konkan Dairy Development Corporation Ltd.	2,50,700	2,50,700
Konkan Crystal Salt and Marine Chemicals Ltd	2,50,700	2,50,700
Sahyadri Glass Works Ltd.	<u>24,35,000</u>	<u>24,35,000</u>
Total	49,35,600	49,35,600

i) **Preference Shares**

	<u>2023</u>	<u>2022</u>
Sahyadri Glass Works Ltd. – 11%	(II) <u>2,50,000</u>	<u>2,50,000</u>
Total (i)+(II)	<u>51,85,600</u>	<u>51,85,600</u>

(C) Other Information

- On the basis of latest financial statements available with the Corporation, it has been noticed that the losses of Konkan Crystal Salt & Marine Chemicals Ltd., Sahyadri Glass Works Ltd. and Konkan Dairy Development Corporation Ltd. exceeded their paid-up capital and reserves.
 - The Registrar of Companies struck off the names of Konkan Crystal Salt & Marine Chemicals Ltd., Konkan Dairy Development Corporation Ltd. and Konkan Sea Foods Ltd. under the Simplified Exist Scheme. Sahyadri Glass Works Ltd. is a dormant company as per the ROC records.
 - The Maharashtra State Finance Corporation has taken over the possession of all properties of Konkan Sea Food Ltd. on 5th January, 1993 for recovery of sum of Rs.1,47,04,563/-. The latest Balance Sheet of Konkan Sea Foods Ltd. is not available with the company.
 - The Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 24th November 1993 had decided that Sahyadri Glass works Ltd. should be wound up and had appointed State Industrial and Investment Corporation of Maharashtra Ltd. (SICOM) to dispose off its property. Thereafter another Liquidator was appointed by the High Court who disposed off the movable and immovable assets of SGWL but the company has not received any amount thereof from the Liquidator. The names of the other three subsidiaries has already been struck off from the register of Companies.
 - No provision has been made by the Corporation for losses that may arise on account of diminution in value of investments in and loans and advances given to its subsidiary companies.
27. In the year 1992–93, a sum of Rs.1,00,00,000/- which was kept with Bank of Karad Ltd. (now in liquidation) under Bill Re-discounting Scheme (BRDS) has been shown under the head “Balance with Scheduled Banks in Fixed Deposit” (Schedule 10). The said bank has gone into liquidation, the Corporation has filed its claim with the provisional liquidator and the proceedings are pending therewith. The loss, if any, on account of principal and/or interest is not ascertainable at this stage and hence not accounted for.
28. In the F.Y.2019-20 Development Corporation of Konkan Ltd. (DCKL) has borrowed Rs..5,00,000/- from the Development Corporation of Konkan Provident Fund (Trust) previous year (FY 2018-19) borrowed was Rs.1,75,000/- which was wrongly credited to Saphala Salt 6, which has been rectified this year by rectified F.Y. 2019-20 by crediting “Advance Pending Adjustment A/c.” In total Rs.6,75,000/- borrowed from Trust, is now reflected in the head “Advance Pending Adjustment” and the said amount is interest free borrowing.

29. No provisions has been made in the accounts in respect of Doubtful Debts and Doubtful Loans and Advances aggregating to Rs. 6,21,95,148/- (Previous year: Rs.6,21,95,148/-). This comprises of doubtful loans and advances to subsidiaries amounting to Rs.5,35,81,712/- (Previous Rs. 5,35,81,712/-), doubtful loans advances to others amounting to Rs.47,92,660/- (Previous Year Rs.47,92,660/-) and doubtful debts to others amounting Rs.38,20,776/- (Previous Year Rs.38,20,776/-).
- 30 No provisions has been made in the accounts for agency charges for the year @1/8th interest recovered from the parties under Employment Promotion Programme Scheme as per the guidelines of Government of Maharashtra in view of pending claims by the Corporation for higher agency charges @7.5% of disbursed amounts.
31. Other Expenses in respect of Ship Breaking Project included under the head "Work-in-Progress" (Schedule 9) comprises :

Account Head	Old entries Continuing since 2011
Expenses on Personnel	7,17,990
Staff & Labour Welfare	1,89,722
Advertisement	12,030
Entertainment Expenses	1,26,485
Printing & Stationery	7,889
Rent	9,09,883
Repairs & Maintenance	1,375
Telephone Charges	902
Travelling Expenses	1,70,539
Maintenance Expenses	12,857
Transport	23,400
Consumable Stores	1,95,666
Miscellaneous Expenses	1,72,584
Profession Fees	2,20,947
Conveyance	9,426
Interest to Bank	3,23,372
Discounting Charges	6,12,176
Site Development Expenses	2,16,851
Sales Tax paid	13,218
Advances	1,000
	39,38,312
Less: Trf to loan & Adv (Pen baranch	45,664
Less: Amount received on account of Tender Fees, Service Charges & Sale of Scrap etc.	1,62,408
Total	37,30,240

The Corporation has awarded a contract to M/s. C. Patel & Co. for lifting scrap materials of the ship for a lump sum price of Rs. 86,07,860/- The Corporation has realized Rs.77,03,382/- till the date of Balance Sheet and the same is shown by way of deduction from Work-in-Progress (Schedule 9).

The party had defaulted in lifting scrap materials as agreed and the matter was referred to the Arbitration. The party had made an arbitration claim of Rs.2,86,10,437/- from the Corporation. The arbitration award has since been received and the same is pending with the Corporation's solicitors for further clarification and finalization. Liability, if any of the Corporation will be finalized only after receiving the clarification from the solicitors. Pending opinion of solicitors. Pending opinion of solicitors the award amount of Rs.19,90,940.55 plus interest @15% w.e.f. 29.4.97. after considering cost of ship for Rs.58,96,224/- the depletion in the value of WIP of Rs.19,23,082/- is not provided for, resulting into understatement of accumulated loss to that extent.

32. a) The company has been appointed implementing agency for implementation of the project envisaging demonstration of feasibility of cultivation of Oil Palm in the Konkan Region of Maharashtra known as Oil Palm Demonstration Project Maharashtra (ODPM) by Govt. of Indian (GOI) through Govt. of Maharashtra (GOM).

The accounting of the said Project was done as under:-

Grant received specifically for ODPM	Rs.7,54,81,500/-
Expenses incurred on ODPM Project till 1.3.1997	Rs.12,53,03,272/-
Less: Various provisions of ODPM written back	<u>Rs. 1,31,50,827/-</u>

Capital work in Progress ODPM Rs.11,21,52,445/-

Less: Advance received from JVC Co. Rs. 4,00,00,000/-

Deficit in ODPM project on its transfer to JVC company
viz. M/s. Saidhara DCK Agro Products and Plantation Ltd.
during F.Y. 96-97

Rs. 7,21,52,445/-

**Balance grants carried forward in the Balance Sheet
(As referred in Schedule-2)**

Rs. 33,29,055/-

Though one of the conditions of grant is that the assets acquired from the grant will be the property of GOI, which without its permission, cannot, inter alia, be disposed off or encumber, since the assets are acquired from grant in aid funds and GOI has discretion to gift the assets to the grantee if it considers it appropriate. The aforesaid transfer of ODPM assets by the company to the JVC Co. is subject to the approval of GOI.

- b) Since then, the management of the said ODPM project with all expenditure / investments therein upto 31.12.1996 approximately at Rs.1253 lakhs excluding leasehold rights in the land has been transferred to a proposed Joint Venture Company (JVC) with one Mr. A. K. Sinha, Partner of Saidhara, Mumbai being a joint venture promoter with 74% equity and DCKL with 26% equity at a total value of Rs.400 lakhs vide an agreement dated 26.12.1996 w.e.f. 1.3.1997 which was confirmed and ratified by a JVC agreement dated 17.12.1997. The other terms & conditions of the said JVC agreement inter alia include that the total consideration of Rs.400 lakhs less DCKL's share of equity, will be treated as loan to JVC bearing interest @10% p.a. and repayable over a period of 13 years. Pursuant to the said agreement, the management of the ODPM project has already been handed over to the new promoter of the said proposed JVC w.e.f. 1.3.1997. Pursuant to this agreement the joint sector company (JVC) in the name of Saidhara DCK Agro Products and Plantation Ltd. was formed and the management is being run by the said joint sector company. The employees of DCKL who have been transferred to the said JVC have initiated legal proceedings against such transfer which is pending with appropriate labour court. The said two agreements dt.26.12.96 and 17.12.97 have been terminated in March 2003. Prior to termination of the aforesaid agreement, the company has received a sum of Rs.65,14,900/- and has also received shares of Rs.67,64,800/- of Joint Venture Company. Thus the company has recovered a total sum of Rs.1,32,79,700/- out of advance of Rs.400 lacs by way of refund and leaving balance of Rs.2,67,20,300/-. The company has claimed a sum of Rs.2,67,20,300/- from JVC partner M/s. Saidhara DCK Agro Products & Plantation Limited. The JVC partner has filed petition on 27.4.04 challenging the termination of JVC agreement etc. The Hon. Court has not accepted their pray and appeal against the said order was also dismissed. The Corporation and the directors are of the opinion that the said sum of Rs.2,67,20,300/- is good of recovery from JVC partner & hence no provision is made in the accounts.

The Saidhara Agro Products and Plantation Ltd. have again approached to High Court – Bombay for Arbitration suit. The High Court – Bombay accepted the application for Arbitration and appointed Hon. Retd. Judge Mr. R.J. Kochar as a Sole Arbitrator in this case. The Saidhara Agro Products and Plantation Ltd. has filed suit for compensation of Rs.25.00 Crore against termination of Joint Venture Agreement, whereas DCKL has filed counter claim of Rs. 21.00 Crore. The Arbitration proceeding started in 2004 and completed in Jan., 2010. The Arbitrator awarded the compensation of Rs.18,66,88,481.53 and 10% interest per annum to Saidhara Agro Products and Plantation Ltd. vide its award dated 2.3.2010. The Corporation has challenged the award before the High Court Bombay by filing a suit. The case has been decided in favour of DCKL on 25th February, 2015 and consequently the same has not disclosed in the list of contingent liability in point No.20 although The Saidhara Agro Products and Plantation Ltd. has filed a appeal against the said order.

33. In terms of the Agreement dated 9th August, 1990 the Corporation has agreed to made available to Pancham Aquaculture Farms Pvt. Ltd. 1500 acres of land (provided by Govt. of Maharashtra) for development of prawn culture farm in the joint sector on payment of land development cost @Rs.5,000 per acre or the sum valued by the concerned Department of Government of Maharashtra, whichever is higher. The Corporation has given 1500 acres of such land to the said collaborators and has received a sum of Rs. 75,00,000/- towards the cost of development of land in earlier years which has been shown as income in the year of receipt thereof. The Corporation also paid them a sum of Rs. 75,00,000/- towards purchase of shares in earlier years against which 37,000 shares of Rs.100/- each were allotted by Pancham Aquaculture Farms Pvt. Ltd and the balance Rs.38,00,000/- was considered as the share application money. The Corporation has received back share application money to the extent of Rs. 36,12,500/- till 31.3.2017 and the balance of Rs. 1,87,500/- is shown under "Loans and advances".
34. The Government of Maharashtra (GOM) vide its resolution No. Land/2793/119/ No.30/93/J-4 dated 9th March 1995 has taken back the possession of leasehold land from the Corporation at Saphale in Palghar Taluka of Maharashtra, commonly known as Corporation's "Saphale Salt Project" admeasuring about 476.23 ha. and given the same to a private sector party. In accordance with the said resolution, the compensation payable to the Corporation by GOM is yet to be decided and paid. The said project together with attached plant and machinery and other assets has been handed over by the Corporation to the said private sector party through GOM on 6th April, 1995. In view of this, gross block of the said Saphale Salt Project of Rs. 81,35,460/- and the net block of Rs. 14,46,003/- (i.e. net of depreciation relating thereto at Rs. 66,89,457/-) has been adjusted and /or written off in the accounts for the year ending 31.3.1996 and the corresponding amount of net block at Rs. 14,46,525/- has been shown as amount receivable from GOM and/or the said private sector party. The Corporation's claim of Rs. 77,90,000/- from GOM has not been confirmed and/or accepted/admitted. Since the amount receivable on account of the transfer of the said assets relating to salt project is indeterminate/unconfirmed, the reserves relating thereto on different accounts amounting to Rs.5,88,909/- including special capital subsidy of Rs. 4,32,600/- as shown in Schedule 3 "Reserves & Surplus" have not been adjusted and/or written off. And the same along with any profit or loss relating to the said transfer of the Salt Project will be accounted for in the books of the company as and when such amount is determined and/or received. The expenses of Rs.23,73,050/- incurred by the Corporation on Saphale Salt Project after the date of handing

over of the project to the said private sector party have been shown as recoverable from the said party and grouped in note No.12 of "Loans & Advances (considered doubtful)". The debtors/creditors etc. prior to such transfer will continue to remain in the books of company. No provision is made on the accounts for doubtful advances and as such, loss is understated to that extent..

35. In respect of unsecured loans taken from Govt. of Maharashtra totaling to Rs.5,92,43,620/- these are outstanding for several years and would have become fully over dues by now, as there has been no movement or repayment since several years, due to lack of any data and information on these accounts and their terms and conditions of repayment, hence it is thought prudent to classify the same as current liabilities in the current year.
36. Sundry Creditors, other current liabilities, Sundry Debtors, deposits. Loans, Advances and advance to staff are subject to confirmation from the parties and reconciliation, if any. The company is in the process of taking appropriate steps to recover and/or write off some of the old loans and advances and debtors many of which are considered doubtful and have been disclosed under the relevant sub-head and in the absence to any further evidence or information, the adjustments required thereof, if any, in the books of account are unascertainable.
37. The Corporation was acting as implementing Agency for implementation of EPP and incentive schemes of Government of Maharashtra. The installments against repayment of loans were collected on behalf of the Government of Maharashtra and shown as "Amount Payable to Government of Maharashtra" in the Note No. 6 of Rs.14,43,17,572/- (Previous year: Rs. 14,43,17,572/-). No accounting entries are recorded in the books of the Corporation for amount due from each party under the EPP Scheme. The balance amount payable to the Government of Maharashtra is subject to reconciliation with subsidiary records. All the records pertaining to EPP and incentive schemes of the Government of Maharashtra have been transferred to the District Industrial Centers as per the resolution of the Government of Maharashtra dated 19-05-2006.
38. During earlier years, the company has initiated steps to hand over possession of its six flats at Ratnagiri (book value – Rs.87,756/-) to MIDC - Ratnagiri Division. During the year under audit we have checked the previous years record for this particular Flats and it was observed that as informed by the accountant there was no clear possession of these flats with the Corporation pending transfer formalities and hence on 31.03.2015 the Values of Flat were written off to the reserves as decided by management.
39. The company acquired certain fixed assets for its Dairy Development Project by way of gifts and/or capital grants/subsidy in the earlier years. During the F.Y.2006-07, the company disposed off major part of these fixed assets consisting of liquid nitrogen plant, wind mill, milking machine and bio-gas plant as same were redundant and irreparable since past many years. In absence of information regarding terms and condition of such gifts/grants/subsidy for acquisition of assets and its utilization, no adjustment entries have been passed in the books of accounts in respect of credit balance lying in the capital /subsidy accounts. The loss arising on disposal of these fixed assets had been debited to the statement of Profit and loss in earlier year.
40. Seed money disbursed under Employment Promotion Programme includes following investments in the form of equity shares standing in the name of the Corporation which is acting as an agent on behalf of Government of Maharashtra and not included in the investment schedule.

Name of the Company	No. of Shares	Amount (Rs.)
(a) Machete Knives & Allied Products Pvt. Ltd.	1,060	1,06,000
(b) Trity Chemicals Pvt. Ltd.	247	24,700
(c) S. V. Steel & Alloys Pvt. Ltd.	750	75,000
Total		2,05,700

41. Some of the companies included in investments schedule have been struck off the Registrar of Companies as per MCA records. However, investment in shares of such companies have not been written off in the books of account.
42. Deferred Tax Asset (net of Deferred Tax Liability) on account of Business Loss is not recognized in view of prudent accounting policy.
43. The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid/payable as required under the said act have not been given.
44. Quantitative details in respect of capacities, production, purchase, sales and consumption of material (as certify by Managing Director)
 - i) Licensed Capacity : Not specified for any activity.
 - ii) Installed Capacity : Liquid Nitrogen – 72000 Liters
 - iii) Installed Capacity for other activities : Not ascertainable.

(iv) **Actual Production :-**

		2022-23		2021-22	
		Process	Net	Process	Net
Frozen Semen Doses	Nos	--	--	--	26,595
Total		--	--	--	26,595

(v) **Opening Stock:**

		2022-23		2021-22	
		Qty.	Value Rs.	Qty.	Value Rs.
Frozen Semen Doses	Nos	--	--	3,350	54,218
Discarded due to breakdown Of storage tank		--	--	--	--
Total		--	--	3,350	54,218

(vi) **Closing Stock :-**

		2022-23		2021-22	
		Qty.	Value Rs.	Qty.	Value Rs.
Frozen Semen Doses	Nos	--	--	3,350	54,218
Total			--		54,218

* Closing Stock verified & valued by the head of the respective departments.

(vii) **Sales :-**

		2022-23		2021-22	
		Qty.	Value Rs.	Qty.	Value Rs.
Frozen Semen Doses	Ltrs	--	--	29,945	3,15,077
Liquid Nitrogen	Nos		--		--
Total:-			--		3,15,077

viii) **Consumption of Materials/Cost of goods traded :-**

		2022-23		2021-22	
		Qty.	Value Rs.	Qty.	Value Rs.
Liquid Nitrogen [including operational loss of 89 Ltrs (P.Y.-1643.5 Ltrs. And sale of raw Material purchased of 177 litres (PY.-807 litres)]				1078	20,604
Empty Straws / Balls /Sheaths etc.	Nos.	--	--	18,000	18,054
Feed & Fodder	(MT)	--	--	47.67	1,56,976
Others		--	8,870		35,181
Total :			8,870		2,30,815

ix) Consumption of raw materials and stores is 100% indigenous.

	<u>2022-23</u>	<u>2021-22</u>
x) Value of Imports of C.I.F. Basis Goods	NIL	NIL
xi) Earnings in Foreign Currency	NIL	NIL
xii) Expenditure in Foreign Currency	NIL	NIL

xvi) **Details of Livestock :-**

		2022-23	2021-22
		Nos.	Nos.
Opening Balance	--	18
Add : Purchases	--	--
Gifted	--	--
	--	18
Less: Death	--	0
Sales	--	18
Closing Stock	--	--

Particulars	2022-23	2021-22
Sale value of Bulls	--	4,71,000
Less: Cost of Bulls	**	1,97,500
Profit for the Year	--	2,73,500

45. Previous year figures have been regrouped and/or re-arranged and adjusted including additions and/or deletions wherever Necessary, to confirm and make them comparable.

**Signature to Note 1 to 45 forming part of the financial statements
As per our report of even date attached.**

As per our report of even date

For and on behalf of Directors of

**For M Parashar and Co.
CHARTERED ACCOUNTANTS
Firm Registration No. 110954C**

**For and on behalf of Directors of
Development Corporation of Konkan Limited**

MANAGING DIRECTOR

**Amit Parashar
(Partner)
Membership No.: 430317
UDIN No.23430317BGVSWN8363 .
PLACE : MUMBAI
Date: 18.07.2023.**

DIRECTOR

GENERAL MANAGER

Statement pursuant to section 212 of the Companies Act, 1956

Please see
Chart of Fixed Assets on page 2
landscape in English

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DEVELOPMENT CORPORATION OF KONKAN LIMITED, FOR THE YEAR ENDED 31 MARCH, 2023.

The preparation of financial statements of '**Development Corporation of Konkan Limited, Mumbai**' for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 18th July, 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary Audit of the Financial Statements of **DEVELOPMENT CORPORATION OF KONKAN LIMITED** for the year ended 31 March, 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

Based on my supplementary Audit I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention any which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. COMMENTS ON INDEPENDENT AUDITOR'S REPORT

1. The Statutory Auditor's, in his Report, has included the matters specified in Companies (Auditor's Report) Order (CARO), 2016 as against the statutory requirement of inclusion of CARO, 2020 applicable for period beginning on or after 1 April 2021.
2. The Statutory Auditor's of the Company has not prepared his Independent Auditor's Report as per the Standard on Auditing (SA) 700 which was effective for audits of Financial statements for period beginning on or after April 1, 2018 and deals with the auditor's responsibility to form an opinion on the financial statements, form and content of the Auditor's Report.

For and on behalf of
The Comptroller and Auditor General of India

(R.Thiruppathi Venkatasamy)
ACCOUNTANT GENERAL
(AUDIT)-II
Maharashtra

Date : 20.10.2023.
Place: Nagpur.

