



FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC UNDERTAKINGS
(2016-2019)**

EIGHTEENTH REPORT

(Presented on 9th March, 2017)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2017

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
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PUBLIC UNDERTAKINGS
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On

**Kerala State Warehousing Corporation
(Based on the Report of the Comptroller
and Auditor General of India for
the year ended 31 March, 2012)**

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COMMITTEE ON PUBLIC UNDERTAKINGS
(2016-2019)

COMPOSITION OF THE COMMITTEE

Chairman:

Shri C. Divakaran.

Members:

Shri T. A. Ahammed Kabeer

Shri K. B. Ganesh Kumar

Shri C. Krishnan

Shri S. Rajendran

Shri Thiruvanchoor Radhakrishnan

Shri P. T. A. Rahim

Shri Raju Abraham

Shri Sunny Joseph

Shri C. F. Thomas

Shri P. Unni.

Legislature Secretariat:

Shri V. K. Babu Prakash, Secretary

Smt. P. K. Girija, Additional Secretary

Shri P. B. Suresh Kumar, Deputy Secretary

Smt. Deepa V. Under Secretary.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings (2016-2019), having been authorised by the Committee to present the report on its behalf, present this Eighteenth Report on Kerala State Warehousing Corporation, based on the report of the Comptroller and Auditor General of India for the year ended 31 March, 2012 relating to the Public Sector Undertakings of the State of Kerala.

The report of the Comptroller and Auditor General of India for the year ended on 31st March 2012 was laid on the Table of the House on 18-2-2013. The consideration of the audit paragraphs included in this report and the examination of the departmental witness in connection thereto were made by the Committee on Public Undertakings constituted for the years 2014-2016.

This Report was considered and approved by the Committee (2016-2019) at its meeting held on 2-3-2017.

The Committee places on record its appreciation for the assistance rendered by the Accountant General (Audit) Kerala, in the examination of the Audit Paragraphs included in this report.

The Committee wishes to express thanks to the officials of the Agriculture Department of the Government Secretariat and the Kerala State Warehousing Corporation for placing the materials and information solicited in connection with the examination of the subject. The Committee also wishes to thank in particular the Secretaries to Government- Agriculture and Finance Departments-and the officials of the Kerala State Warehousing Corporation who appeared for evidence and assisted the Committee by placing their views before it.

Thiruvananthapuram,
9th March, 2017.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

REPORT
ON
KERALA STATE WAREHOUSING CORPORATION

AUDIT PARAGRAPH

Kerala State Warehousing Corporation (KSWC) is engaged in acquisition, construction and running of warehouses in the State for the storage of agricultural and notified commodities. The Corporation, with its Head Office at Ernakulam has nine Regional offices, three Zonal offices and operates 59 warehouses with 1.98 lakh MT warehousing capacity as on 31 March 2012. The Corporation had been continuously incurring operating losses during the last five years (Annexure 20). The Corporation incurred a loss of 36 paise for every rupee of operating income earned. We observed that this was due to the absence of an effective Board of Directors, high operating cost and poor revenue generation as discussed below:

Functioning of Board of Directors

As per Section 20 (1) of the Warehousing Corporations Act, 1962 (Act), the general superintendence and management of the affairs of a state warehousing corporation shall vest in a Board of Directors comprising 10 directors and Managing Director appointed by the State Government under intimation to Central Warehousing Corporation (CWC). We, however, found that there were several deficiencies in the functioning of the Board of Directors as detailed below:

Lack of interest by the Directors

As per the Section 20 (4) of the Act, the Board of Directors shall act on business principles having regard to public interest and shall be guided by such instructions on questions of policy as may be given to them by the State Government or the Central Warehousing Corporation. We, however, noticed that during the five-year period ending on 31 March 2012, directors' absenteeism was as high as 44 per cent. Three Directors did not attend even a single meeting during their tenure. This indicated lack of interest of the directors in the affairs of the Corporation and the Board of Directors did not take cognizance of the major problems of operational inefficiencies and continued losses.

The Corporation stated (August 2012) that the absenteeism of directors was not intentional. Further, on the advice of the Board, the Corporation was trying to close down the continuous loss making hired warehouses. The high absenteeism, however, defeated the very purpose of appointment of the directors and adversely affected the performance of the Corporation as well as decision making process and corporate governance.

Ineffective Audit Committee

Audit Committee was formed in July 2008, but no meetings were conducted during the year 2011-2012. As a result, several important issues such as ineffective internal audit system, delay in finalisation of accounts etc. were not discussed. The Corporation accepted that due to certain changes occurred in the constitution of the Board, the sub committees had to be reconstituted and hence the Audit Committee could not be convened. This, however, shows lack of effective corporate governance.

Frequent change of Chief Executive Officer

During the period from November 2009 to March 2012, the Managing Director of the Corporation was changed five times, with tenure varying from one month to 12 months. Such frequent changes of the Chief Executive Officer also hampered the smooth functioning of the Corporation. The Management apprised (August 2012) that the appointment of a full time Managing Director was under active consideration of the Government.

Operational Inefficiencies

The Corporation rents out storage space in two ways; normal warehousing basis (based on quantity) and reservation basis (area/quantity based), including bulk reservation scheme for two PSUs. We found the following weak areas in its operational activities:

High cost of operations

Since the expenses remained higher than the operational income, we analysed the expenses and found that employee cost was the single largest item constituting about 78 per cent of the total expenditure. We also found that the revenue earned was insufficient to meet even the employee cost. For example, for every rupee of revenue earned, the Corporation incurred (2010-11) ₹ 1.03 towards manpower. Considering all other costs, the Corporation spent ₹ 1.36 to generate an income of one rupee (*Annexure 21*). The reasons for high employee cost were as discussed below:

Administrative set up

Administrative staff

The Corporation has a three tier administrative set up consisting of Head office, three Zonal offices and nine Regional offices, with a total manpower of 110, to manage the affairs of 59 warehouses. The warehouses have an additional manpower of 286 raising the total staff strength to 396. Out of the total establishment expenditure, about 1/3rd was on the administrative staff in the Head office, Zonal offices and Regional offices.

The Corporation replied that the three tier administrative set up was with a view to manage the business effectively. The fact remained that the Corporation did not analyse the high administrative cost and present administrative set up did not improve the performance of the Corporation.

Staff in warehouses

The Corporation employees its own staff in the warehouses for carrying out various related activities like receipt and issue of commodities, maintenance of books/records, fumigation and other go down keeping activities and overall supervision. Out of 59 warehouses, only 14 warehouses were able to generate sufficient revenue to meet even the employee cost (*Annexure 22*). The Corporation replied that the staff pattern and strength were fixed after taking into account the

works related to its activities. The Corporation should reassess the staff requirement scientifically and rationalise deployment of the existing staff.

Small and unviable size of the warehouses

We found that the size of the warehouses of the Corporation ranged from 770 MTs to 11000 MTs. Considering the potential revenue and staff cost as per norms, the warehouses with a capacity of 10000 MTs (at 90 per cent capacity utilisation) alone could achieve breakeven. Considering this, 55 out of 59 warehouses of the Corporation were uneconomic in size (*Annexure 23*). The Corporation acknowledged that a number of warehouses were small in size as they were functioning in rural areas to cater to the needs of the rural population.

Comparison with Central Warehousing Corporation

To understand the high cost of operations, we compared the Corporation with CWC operations in Kerala. We found that the average size of the warehouse of the Corporation was much smaller i.e. only 1/3rd of the size of the CWC warehouse; but the employee strength was four times higher with a heavy administration structure as shown below:

Sl. No.	Item	CWC	Corporation	Audit Comment
1	Warehouses	13	59	Uneconomic Size
2	Storage Capacity	1.54 lakh MT	1.98 lakh MT	
3	Average Size	11.846 MT	3.355MT	
4	Administration Offices	1 No.	12 Nos. (3 tier)	Excess manpower
5	Office Staff	15	110	
6	Warehouse Staff	59	286	
7	Total Staff	74	396	
8	Capacity-Employee ratio	2081:1	500:1	
9	Employee Cost for 2010-2011	₹ 4.20 crore	₹ 11.82 crore	High employee cost
10	Employee Cost/MT	₹ 273	₹ 597	

It was replied that the high variance in operating cost was because of the concentration of CWC in highly potential areas while the Corporation caters to the needs of rural beneficiaries. But the fact remains that for improving the performance of the Corporation, the capacity-employee ratio needs to be improved.

Low income generation

We also observed that along with the high cost of operations, low income generation aggravated the loss as explained below:

- During the year 2011-2012, only 14 out of 59 warehouses had occupancy of 80 per cent or above. Average capacity utilisation of the warehouses was only 59 per cent and 68 per cent in 2008-2009 and 2009-2010 respectively and 62 per cent in 2010-2011 and 2011-2012. The Corporation, however, had not even worked out the breakeven level and taken any effective action to maximise the capacity utilisation of its warehouses. While accepting that the capacity of the warehouses was not being fully utilised, the Corporation clarified that the occupancy of warehouses was dependent on various factors like climatic conditions, market price of agricultural produce and procurement programmes of governments. However, continuous poor occupancy indicated lack of initiative of the Corporation to maximise its capacity utilisation and formulation of business plan.
- Though the occupancy of the warehouses was very low, the Corporation did not formulate any business plan, marketing strategy etc. to attract more business. We noticed that Kerala State Beverages (M&M) Corporation Ltd., and Kerala State Civil Supplies Corporation Ltd., occupied about 29 per cent of the total area under the Bulk Reservation Scheme and generated 45 per cent of the total income of the Corporation. But for the revenue from bulk reservation, the operations of 47 out of 59 warehouses would have ended up in loss for the year 2011-2012 (*Annexure 24*). Further, the two PSUs used their own staff to manage stock in the Corporation's warehouses under the scheme. The staff of the Corporation deployed in these warehouses was idling.

The Corporation responded that storage space provided to two PSUs was to ensure guaranteed occupancy. Reduced rates extended to them were adversely affecting income of the Corporation. The fact however, remained that given the low return from such warehouses, the Corporation should have taken efforts to reduce the employee cost by suitable re-deployment of idle staff.

- Warehousing charges being the main source of revenue should have been fixed keeping in view the prevailing market rates and cost of operation. The Corporation, however, revised (January 2008) its rates only after a lapse of seven and half years. Thereafter, the rates were being revised on biennial basis. The Corporation apprised that the tariff was revised with effect from 1 April 2012. The rate revision, however, was not made scientifically, but arbitrarily enhanced by 20 per cent.
- The Corporation allotted 19459 sq.ft. of warehouse space to various customers for functioning as office. We noticed that CWC levies 5 per cent higher rent for its warehouse area rented out as office space. The Corporation, however, did not have the practice of applying differential tariff for office space and warehouse space though an area of 19459 sq.ft. was utilised for office purpose by the customers. Accepting our suggestion, the Corporation agreed to enhance the rates for office space.

Government Assistance

The Government of Kerala and CWC, together had invested (March 2011) ₹ 10.75 crore as equity in the Corporation. The Corporation, instead of providing a return on equity, incurred a loss of ₹ 1.56 for every rupee invested. During the last five years ending 31 March 2012, the assistance by Government and CWC amounted to ₹ 5 crore (equity ₹ 2.25 crore and grants ₹ 2.75 crore).

[Audit paragraph 4.1.1 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2012]

Notes furnished by Government on the Audit Paragraph are given in the Appendix II.

1. The Committee expressed its displeasure towards the exorbitant operating cost and the sluggish audit committees and internal audit wing of the corporation and enquired about the action taken against the directors who maintained an absolute absenteeism during their-tenure. The witness replied that even though

there is provision in the bye-law to remove those members who do not attend three consecutive meetings, the members continued to abstain from the meetings and the Directors of CWC due to their other additional duties largely made such absenteeism.

2. When enquired about the functioning of the Audit Committee, the witness replied that due to changes in the constitution of the Board, the sub committee had to be reconstituted and hence the Audit Committee could not be convened but currently, the Audit Committees meet regularly.

3. The Committee pointed out that even though the Company implemented a three tier administrative setup to manage the business effectively rather improving the performance of the Corporation the administrative cost escalated. The witness replied that the present staff strength is less than the approved strength. The witness added that minimum staff is required even if the Corporation is having smaller capacity warehouses with 700-5000 MT compared to Central Warehousing Corporation with above 10000 MT capacities.

4. To a query of the Committee regarding the reason for the increasing loss of the Corporation despite having its own land and building, the witness explained that, though the main purpose of warehouses were to store agricultural products, agri products are less when compared to other states and hence the Corporation entered into new business like Cement trading. As part of diversifying activities, products from private parties are also stored. He further added that the Corporation could not change the basic cost since subsidised rates only could be levied from government institutions and minimum staff is needed to run even a small warehouse and out of the 56 warehouses, only those at Kayamkulam, Karunagapally, Thakazhy, Tiruvalla, Ponkunnam and Thodupuzha are under loss as construction work is going on. All other warehouses are running in profit ranging from ₹ 25 lakh to ₹ 75 lakh and if all the warehouses are rented out, profit will be increased.

5. When the Committee enquired about the steps taken by the Corporation to reduce the administrative expenses, the witness replied that re-deployment of staff, capacity addition etc. are being implemented to reduce administrative expenses. Disinfestations work undertaken by Corporation on behalf of Government organisations is also earning profit.

Conclusions / Recommendations

6. The Committee observes that the frequent change of Managing Directors was one of the reasons that adversely affected the smooth functioning of the Corporation. Moreover the Corporation is burdened with an excess staff strength comprising of a three tier administrative set up that results in a higher Operating Cost. The size of the warehouses, compared to the CWHs is rather small and the number of staff deployed there in is unreasonably large. The Committee therefore suggests that a reassessment of staff requirements and a judicious deployment of existing staff would go a long way towards reducing the losses of the Corporation.

7. The Committee expressed its concern over the escalating loss even when the Corporation is having its own land and buildings. The Committee, while appreciating the Corporation for having taken some diversifying activities, demands further that the Corporation should show some prudence in making innovative marketing strategies. Unoccupied warehouses may be rented out to other establishments including private business houses so that rental income can be earned on par with the prevailing market rates. The Committee further recommends that the Corporation should explore the possibility of rating of warehouses based on various parameters such as infrastructure facilities, storage capacity and proximity etc. that in turn will bring better prospects to the Corporation. The Committee also finds an opportunity for the Corporation having trained manpower, equipment etc. to shore up its revenue by extending their service to small institutions like agricultural co-operatives who are in need of such hand holding support.

Thiruvananthapuram,
9th March, 2017.

C. DIVAKARAN,
Chairman,
Committee on Public Undertakings.

APPENDIX I
SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS

<i>Sl. No.</i>	<i>Para. No.</i>	<i>Department Concerned</i>	<i>Conclusions/ Recommendations</i>
1	2	3	4
1	6	Agriculture Department	The Committee observes that the frequent change of Managing Directors was one of the reasons that adversely affected the smooth functioning of the Corporation. Moreover the Corporation is burdened with an excess staff strength comprising of a three tier administrative set-up that results in a higher Operating Cost. The size of the warehouses, compared to the CWHs is rather small and the number of staff deployed there in is unreasonably large. The Committee therefore suggests that a reassessment of staff requirements and a judicious deployment of existing staff would go a long way towards reducing the losses of the Corporation.
2	7	Agriculture Department	The Committee expressed its concern over the escalating loss even when the Corporation is having its own land and buildings. The Committee, while appreciating the Corporation for having taken some diversifying activities, demands further that the Corporation should show some prudence in making innovative marketing strategies. Unoccupied warehouses may be rented out to other establishments including private business houses so that rental income can be earned on par with the prevailing market rates. The Committee further recommends that the Corporation should explore the possibility of rating of warehouses based on various parameters such as infrastructure facilities, storage capacity and proximity etc.

1	2	3	4
			that in turn will bring better prospects to the Corporation. The Committee also finds an opportunity for the Corporation having trained manpower, equipment etc. to shore up its revenue by extending their service to small institutions like agricultural cooperatives who are in need of such hand holding support.

APPENDIX - II

NOTES FURNISHED BY GOVERNMENT ON THE AUDIT PARAGRAPH

Sl. No.	Audit Paragraph	Reply Furnished by Government
1	4.1.1 (2011-12)	<p>Lack of Interest by the Directors</p> <p>The Corporation had delivered 15 days advance notice along with agenda, to all of the directors and made sure whether the intimations got by the Directors. But most of the Directors are occupied with their official duties and by this reason they couldn't attend the meetings. There is no intentional absenteeism from the side of any of the Directors. The Directors presented in the meeting were discussed about the progress of the business and financial position of the corporation and advised the Corporation to discontinue the operations of such warehouses, which are continuously making loss and deployment staff to other needy centers.</p> <p>Ineffective Audit Committee:- Due to retirement/superannuation of the Officials in the Audit Committee, the Corporation haven't convened its meeting. The Corporation placed this matter before the Board of Directors in its 261st meeting held on 27-2-2012 and the Board deferred this item. The Corporation will place this matter before the next meeting and according to the decision taken by the Corporation will reconstitute the Audit Committee.</p> <p>Frequent change of Chief Executive Officer:- A Full time Managing Director has been appointed w.e.f. 12/12 and hereafter the corporation is functioning smoothly.</p> <p>High Cost of Operation:-</p> <p>a) Administrative Staff:- The Corporation has taken steps to minimize the administrative cost and improve the performance of all staff. The Corporation has also deployed its staff to the needy</p>

centers according to the volume of work.

b) *Staff in Warehouses:-* Presently most of the warehouses are running with minimum number of staff. Number of Warehouse Managers is assigned additional charges of other Warehouses. In the higher level officers are also assigned additional charges. The Corporation has rearranged the staff and deployed them according to actual requirement.

c) *Small and unviable size of warehouses:-* The concept of warehousing is to help or assist the small agriculturists and most of the warehouses are lying in rural areas and are constructed many years back with small capacity. Now the Corporation has started to construct additional godowns, with the help of NABARD. Since some small units of warehouses which were functioning in the private godown/buildings was found unviable and three of them had been closed as per the decision of the Board.

d) *Comparison with Central Warehousing Corporation:-* Central Warehousing Corporation warehouses are situated in highly potential areas having extensive storage capacity. But Kerala State Warehousing Corporation's warehouses having small and medium storage capacity and most of them are operating in rural areas to cater to the requirements of rural beneficiaries. The Corporation has posted minimum staff to run these warehouses. So, per ton expenditure of the Corporation is high when compared with Central Warehousing Corporation and other State Warehouses. Now Corporation had made arrangements to run two warehouses under the control of one warehouse, whenever it is possible.

Low Income Generation:- Most of the Kerala State Warehousing Corporation's godowns are stored with agriculture goods and the storage charges levied for agriculture commodities are comparably low. Moreover storage of these commodities are seasonal. Now

the Corporation has taken necessary steps to overcome this situation by storing commodities other than agriculture products and allow some private parties to utilise godown for the purpose of storage on reservation basis. In some warehouses the stock and accounts of Civil Supplies Corporation are managed by the State Warehousing Corporation. But the stock of the Beverages Corporation is managed by their staff. In such warehouses now the corporation have provided only skeletal staff as directed by the AG. These staff are also utilised to canvas business like pest control work, Private deposit of goods etc.

As per the direction of AG, the Corporation has taken necessary steps to enhance the godown rent/rate in scientific manner. The Corporation has executed an agreement with Kerala State Beverage (M&M) Corporation Limited and Kerala State Civil Supplies Corporation Ltd for utilising the godowns of Kerala State Warehousing Corporation. In the agreement, it is stipulated that the rent for godown and office will be in the same rate. But it is decided that from the next time onwards, when the agreement renewed, the rent will be fixed for godown and office in two separate rates. It was decided in the 261st Board meeting to enhance 25% of the existing rate to Kerala State Beverage (M&M) Corporation Limited and Kerala State Civil Supplies Corporation Ltd. Accordingly the corporation sent letters to Kerala State Beverage (M&M) Corporation Limited and Kerala State Civil Supplies Corporation Ltd. In reply Kerala State Beverage (M&M) Corporation informed the enhancement will be considered only after completion of only after the present agreement. Kerala State Civil Supplies Corporation has not replied. However, vigorous action is being taken to improve the business of the Corporation and arrive that the Corporation will achieve the goal.

Annexure 20

Statement showing operating losses of Kerala State Warehousing Corporation
for the five years upto 2010-11
(Referred to in paragraph 4.1.1)

Particulars							(₹ in crore)
	2006-07	2007-08	2008-09	2009-10	2010-11	Average	Average percentage of expenses
Operating income	6.49	8.91	10.72	11.46	11.47	9.81	
Establishment charges	6.85	11.41	10.22	10.57	11.82	10.18	78
Administration expenses	1.69	1.47	1.78	1.70	1.86	1.70	13
Other expenses/ adjustments	1.01	2.26	0.99	0.87	0.68	1.16	9
Total expenditure	9.55	15.14	12.99	13.14	14.36	13.04	
Loss	3.06	6.23	2.27	1.68	2.89	3.23	

Annexure 21

Statement showing expenditure incurred for every rupee of revenue earned in respect of Kerala State Warehousing Corporation for the five years up to 2010-11
(Referred to in paragraph 4.1.1)

(Figures in ₹)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	Average
Establishment charges (Employee cost)	1.06	1.28	0.95	0.92	1.03	1.05
Administration expenses	0.26	0.16	0.17	0.15	0.16	0.18
Other expenses/ adjustments	0.15	0.26	0.09	0.08	0.06	0.13
Total expenditure	1.47	1.70	1.21	1.15	1.25	1.36

Annexure 22

Statement showing actual revenue earned and staff cost in the warehouses of
Kerala State Warehousing Corporation
(Referred to in paragraph 4.1.1)

										(₹ in lakhs)	
Sl. No.	Name of Centre	Category	Capacity	No of Staff required as per norm	Staff cost per norm	No of Staff actually deployed	Avg. staff cost for actual no. of staff	Actual revenue collected	Performance	Status	
1	Alangad	SR	770	4	16.53	1	4.13	0.00	-4.13	Loss	
2	Alappuzha	SR	5394	11	45.46	4	16.53	17.25	0.72	Profit	
3	Aluthur	SR	2600	7	28.93	5	20.67	10.83	-9.84	Loss	
4	Aluva	HR	6470	11	45.46	7	28.93	30.85	1.90	Profit	
5	Attingal	SR	2400	6	24.80	5	20.67	8.47	-12.19	Loss	
6	Chalakyudy	SR	3950	7	28.93	5	20.67	20.33	-0.33	Loss	
7	Changanacherry	SR	2371	6	24.80	3	12.40	5.98	-6.42	Loss	
8	Cherthala	SR	2300	6	24.80	7	28.93	10.23	-18.70	Loss	
9	Cheruvannur	SR	Un- utilised	4	16.53	5	20.67	0.00	-20.67	Loss	
10	Froor	SR	4400	7	28.93	5	20.67	19.79	-0.88	Loss	
11	Isthamanoor	SR	2730	7	28.93	4	16.53	7.59	-8.94	Loss	
12	Haripad	SR	5180	11	45.46	5	20.67	5.58	-15.09	Loss	
13	Irtty	SR	3300	7	28.93	4	16.53	4.40	-12.14	Loss	
14	Kalpetta	SR	6000	11	45.46	4	16.53	5.88	-10.65	Loss	
15	Kauhangad	SR	3750	7	28.93	4	16.53	9.39	-7.14	Loss	
16	Kannur	HR	4794	7	28.93	3	12.40	20.74	8.34	Profit	
17	Karikode	SR	10718	11	45.46	8	33.06	53.15	20.09	Profit	
18	Karunagapally	SR	3130	7	28.93	4	16.53	6.91	-9.62	Loss	
19	Kasaragode	SR	2150	6	24.80	3	12.40	6.33	-6.07	Loss	
20	Kattappana	SR	2860	7	28.93	4	16.53	8.81	-7.72	Loss	
21	Kayamkulam	SR	1000	4	16.53	3	12.40	2.57	-9.83	Loss	
22	Kollam	HR	3533	7	28.93	7	28.93	3.29	-23.64	Loss	
23	Kottarakkara	SR	4125	7	28.93	4	16.53	19.85	3.31	Profit	
24	Kottayam	HR	10379	11	45.46	10	41.33	55.03	13.70	Profit	
25	Kozhijampara	SR	1000	4	16.53	3	12.40	3.31	-9.09	Loss	
26	Kunnankulam	SR	2000	6	24.80	5	20.67	7.48	-13.19	Loss	
27	Mananthavady	SR	1500	6	24.80	4	16.53	1.21	-15.32	Loss	
28	Manjeri	SR	6100	11	45.46	5	20.67	35.50	4.84	Profit	
29	Mavelikkara	SR	2000	6	24.80	3	12.40	2.36	-10.04	Loss	
30	Muthalamada	SR	2500	6	24.80	4	16.53	7.61	-8.92	Loss	

31	Nattika	SR	3000	7	28.93	4	16.53	13.10	3.43	Loss
32	Nedunnogal	SR	3416	7	28.93	5	20.67	26.19	5.52	Profit
33	Neyyattinkara	SR	2700	7	28.93	3	12.40	5.70	-6.70	Loss
34	Nilambur	SR	6500	11	45.46	7	28.93	32.74	1.81	Profit
35	Nileshwar	SR	1500	6	24.80	4	16.53	7.63	-8.85	Loss
36	North Paravur	SR	5350	11	45.46	7	12.40	16.30	3.90	Profit
37	Padannakkad	SR	2000	6	24.80	4	16.53	11.01	-5.53	Loss
38	Pala	SR	1700	6	24.80	2	8.27	4.92	-3.55	Loss
39	Palakkad	HR	9650	11	45.46	8	31.06	50.30	12.34	Profit
40	Pallichal	SR	2000	6	24.80	5	20.67	9.03	-11.63	Loss
41	Pallickathode	SR	198	4	16.53	1	4.13	0.79	3.34	Loss
42	Parakudi	SR	1200	6	24.80	3	12.40	4.86	-7.54	Loss
43	Pathanamthitta	SR	4270	7	28.93	4	16.53	24.97	8.44	Profit
44	Payyanna	SR	2750	7	28.93	5	20.67	0.58	-20.08	Loss
45	Perinthalmanna	SR	4000	7	28.93	4	16.53	19.16	2.63	Profit
46	Ponkunnam	SR	1906	6	24.80	3	12.40	8.80	-3.60	Loss
47	Punalur	SR	3000	7	28.93	5	20.67	10.68	-9.99	Loss
48	Sulthan Bathery	SR	1566	6	24.80	4	16.53	5.85	-10.68	Loss
49	Thakazhy	SR	1000	4	16.53	4	16.53	5.64	-10.89	Loss
50	Thalassery	SR	3270	7	28.93	6	24.80	4.02	-20.77	Loss
51	Thaliparamba	SR	3400	7	28.93	5	20.67	9.79	-10.88	Loss
52	Thiruvalla	SR	850	4	16.53	4	16.53	2.21	-14.32	Loss
53	Trivandrum	HR	7000	6	24.80	9	37.20	21.27	-15.92	Loss
54	Thodupuzha	SR	1016	6	24.80	3	12.40	0.85	-11.52	Loss
55	Thripunthura	HR	12966	11	45.46	24	99.19	10.66	-68.53	Loss
56	Tirur	SR	Un- utilised	4	16.53	3	12.40	0.00	-12.40	Loss
57	Vadakara	SR	1495	6	24.80	5	20.67	5.40	-15.26	Loss
58	Vandanmedu	SR	1820	7	28.93	5	20.67	16.12	5.46	Profit
59	Wadakkanchery	SR	2500	6	24.80	6	24.80	8.41	-16.39	Loss
Total				414		286	1182.05			
No. of profit making warehouses										
14										

SR - Standard Rate
HR - Higher Rate

Annexure 23

Statement showing viability of warehouses in respect of Kerala State Warehousing Corporation
(Referred to in paragraph 4.1.1)

Sl. No.	Name of Centre	Category	Capacity	No. of Staff required as per norm	Staff cost per norm	Potential revenue at 90 per cent Capacity as per the existing tariff	Loss compared to Potential revenue as per existing tariff and Staff cost as per norm	Status
1	Alangad	SR	770	4	16.53	3.94	-12.59	
2	Alappuzha	SR	5394	11	45.46	27.61	-17.85	
3	Alathur	SR	2600	7	28.93	13.71	-15.22	
4	Aluva	HR	6470	11	45.46	40.67	-5.80	
5	Attungal	SR	2400	6	24.80	12.29	-12.51	
6	Chalakyad	SR	3950	7	28.93	20.22	-8.71	
7	Changanachery	SR	2371	6	24.80	12.14	-12.66	
8	Cherthala	SR	2300	6	24.80	11.77	-13.03	
9	Cheruvannur	SR	Unutilised	1	16.53	0.00	-16.53	
10	Ernad	SR	4400	7	28.93	22.52	-6.41	
11	Ettimanoor	SR	2730	7	28.93	13.98	-14.96	
12	Flayyad	SR	5180	11	45.46	26.52	-18.95	
13	Iratt	SR	3300	7	28.93	16.89	-12.04	
14	Kalpetta	SR	6000	11	45.46	30.77	-14.75	
15	Kanhangad	SR	3750	7	28.93	19.20	-9.73	
16	Kannur	HR	4794	7	28.93	24.54	-4.39	
17	Karikode	SR	10718	11	45.46	54.87	9.40	Margin
18	Karunagapally	SR	3130	7	28.93	16.02	-12.91	
19	Kasaragode	SR	2150	6	24.80	11.01	-13.79	
20	Kattappana	SR	2800	7	28.93	14.33	-14.60	
21	Kayamkulam	SR	1000	4	16.53	5.12	-11.41	
22	Kollam	HR	3533	7	28.93	22.21	-6.72	
23	Kottarakkara	SR	4125	7	28.93	21.12	-7.81	
24	Kottayam	HR	10379	11	45.46	65.24	19.77	Margin
25	Kozhinyampara	SR	1000	4	16.53	5.12	-11.41	
26	Kunnankulam	SR	2000	6	24.80	10.24	-14.56	
27	Mananthavady	SR	1500	6	24.80	7.68	-17.12	
28	Manjeri	SR	6100	11	45.46	31.23	-14.24	
29	Mavelikkara	SR	2000	6	24.80	10.24	-14.56	
30	Muthalamada	SR	2500	6	24.80	12.80	-12.00	
31	Nattika	SR	3000	7	28.93	15.36	-13.57	
32	Nedumangal	SR	3416	7	28.93	17.49	-11.44	
33	Neyyattinkara	SR	2700	7	28.93	13.82	-15.11	

(₹ in lak)

34	Nilambur	SR	6500	11	45.46	32.27	12.19	
35	Niloshwaram	SR	1500	6	24.80	7.68	17.12	
36	North Paravur	SR	5350	11	45.46	27.39	18.06	
37	Padanakkad	SR	2000	6	24.80	10.24	14.56	
38	Pakar	SR	1700	8	24.80	8.70	16.10	
39	Palakkad	HR	9659	21	45.46	60.71	15.25	Margin
40	Pallichal	SR	2000	6	24.80	10.24	14.56	
41	Pallickathode	SR	198	4	16.53	1.01	15.52	
42	Parakode	SR	1200	6	24.80	6.14	18.66	
43	Pathanamthitta	SR	1270	7	28.93	21.86	7.07	
44	Payyannur	SR	1750	7	28.93	14.08	14.85	
45	Perinthalmanna	SR	4000	7	28.93	20.48	8.45	
46	Ponkunnam	SR	1906	6	24.80	9.76	15.04	
47	Punalur	SR	3000	7	28.93	15.56	13.37	
48	Sulthan Bathery	SR	1566	6	24.80	8.02	16.78	
49	Thakazhy	SR	1000	4	16.53	5.12	11.41	
50	Thalassery	SR	3270	7	28.93	16.74	12.19	
51	Thaliparamba	SR	1400	7	28.93	17.41	11.53	
52	Thiruvalla	SR	850	4	16.53	4.35	12.18	
53	Trivandrum	HR	2000	6	24.80	12.57	12.23	
54	Thodupuzha	SR	1016	6	24.80	5.20	19.60	
55	Thripunithura	HR	12966	11	45.46	81.50	36.04	Margin
56	Tirun	SR	Unutilised	4	16.53	0.00	16.53	
57	Vadakara	SR	1495	6	24.80	7.65	17.15	
58	Vandanmedu	SR	1820	7	28.93	19.26	9.38	
59	Wadakkanchery	SR	2500	6	24.80	12.80	12.00	
No. of unviable warehouses								55

Annexure 24

Statement showing performance of warehouses excluding income from bulk reservation in respect of Kerala State Warehousing Corporation
(Referred to in paragraph 4.1.1)

(₹ in lak)

Sl. No.	Name of Centre	Capacity (MT)	Area under Bulk Reservation		Capacity under Bulk Reservation (MT)	Revenue from Bulk Reservation	Hire charge Collected	Hire Charge collected from area excluding bulk Reservation	Total Outflow Expenditure Excluding provision	Performance of godowns excluding bulk Reservation	Loss making units
			KSBC (Sq.ft)	KSCC (Sq.ft)							
1	Alangal	570				0.00	0.00	0.00	2.47	2.47	Loss
2	Alappuzha	5394	15117		2820	15.83	1.25	1.43	41.66	-10.23	Loss
3	Alathur	2600			0	0.00	0.83	0.83	10.43	0.00	
4	Aluva	6470	22937		3823	24.03	30.83	6.80	17.9	-11.06	Loss
5	Attungal	2000		7950		13.25	8.47	2.75	6.79	-6.04	Loss
6	Cholakkudy	3950	19568		5361	20.39	20.33	0.43	11.25	-11.60	Loss
7	Changanacherry	2371			0	0.00	5.98	5.98	8.12	-2.14	Loss
8	Chuthala	2300			0	0.00	10.23	10.23	15.03	-4.80	Loss
9	Cheramanur	Un- utilised			0	0.00	0.00	0.00	9.12	-9.12	Loss
10	Erup	4100			0	0.00	19.79	19.79	9.36	-10.41	Loss
11	Etumbalam	2730			0	0.00	7.59	7.59	6.34	0.75	Loss
12	Harappad	5180			0	0.00	5.58	5.58	10.43	-4.85	Loss
13	Irithy	3300			0	0.00	4.40	4.40	7.64	-2.64	Loss
14	Kalpetta	6000		2574	429	1.85	5.88	4.03	9.35	-3.52	Loss
15	Kannur	3750		1570	2028	13.35	9.39	-7.97	12.44	-11.38	Loss
16	Kannur	4704	19171	5646	4136	24.14	20.73	-1.40	3.76	-11.16	Loss
17	Karakkole	10738	32183		5366	33.70	53.15	19.46	18.94	1.22	
18	Karunagappally	3130			0	0.00	6.91	6.91	8.66	-1.75	Loss
19	Kasringal	2150		8351	4392	6.01	6.33	0.33	8	-7.66	Loss
20	Kattappana	2800			0	0.00	8.81	8.81	8.24	0.47	
21	Kayamkulam	1000			0	0.00	2.57	2.57	6.16	-3.59	Loss
22	Kollam	3553			0	0.00	5.29	5.29	13.95	-8.66	Loss
23	Kottarakkara	4175	14380		2207	15.06	19.85	4.79	8.92	-3.33	Loss
24	Kottayam	10379	31791		5299	33.29	55.03	21.74	19.33	2.41	
25	Kozhikode	1000			0	0.00	3.41	3.41	6.08	-2.77	Loss
26	Kuttanambalam	2000			0	0.00	7.48	7.48	10.2	-2.72	Loss
27	Manantholady	1500			0	0.00	1.21	1.21	6.95	-5.74	Loss
28	Manjeri	8100			0	0.00	25.50	25.50	9.85	15.65	
29	Mavelikkara	2000			0	0.00	2.36	2.36	6.81	-4.45	Loss
30	Mutholandy	2800			0	0.00	7.61	7.61	9.98	-11.57	Loss
31	Naraina	5000		9700	1622	7.65	12.10	6.05	9.00	-3.04	Loss
32	Nedumangad	3016	32153		1692	23.19	26.19		11.65	-11.65	Loss
33	Neyyattinkara	2700			0	0.00	5.70	5.70	8.19	-10.79	Loss

34	Bilashan	6500		0	0.00	32.34	3.74	10.43	18.31	
35	Bilaspur	1500		0	0.00	0.83	7.65	10.88	2.92	Loss
36	Birahpur	3750		0	0.00	16.30	16.30	8.56	7.74	
37	Budhakhari	2000		0	0.00	11.01	11.01	10.13	0.88	
38	Budhakhari	1700	8500	1981	4.73	2.92	0.19	1.25	3.05	Loss
39	Buru	9050	29175	3854	40.30	30.30	19.81	19.24	0.4	
40	Burugoe	2000		0	0.00	0.03	3.03	7.69	0.66	Loss
41	Burugoe	2000		0	0.00	0.79	0.79	1.31	0.61	Loss
42	Buru Kharde	195		0	0.00	1.86	1.86	2.3	3.34	Loss
43	Burukole	1200		0	0.00	22.97	0.21	10.9	4.59	Loss
44	Burumathu	4279	17874	7074	18.88	0.55	0.38	17.42	14.53	Loss
45	Burumathu	2750		0	0.00	0.25	0.25	7.31	6.20	Loss
46	Burumathu	4000	12240	3673	18.05	19.16	1.31	8.00	5.74	
47	Burumathu	1900		0	0.00	8.69	8.69	8.00	4.35	Loss
48	Burumathu	2000	8870	1172	0.20	0.68	4.32	8.67	3.33	Loss
49	Burumathu	1566	2256	379	1.60	8.60	1.24	3.41	1.27	Loss
50	Burumathu	1680		0	0.00	3.64	3.64	6.22	2.99	Loss
51	Burumathu	3270		0	0.00	2.02	1.02	11.05	10.13	Loss
52	Burumathu	3400	8060	1493	0.20	6.19	4.33	12.63	8.20	Loss
53	Burumathu	850		0	0.00	7.71	2.21	8.0	0.39	Loss
54	Burumathu	2000		0	0.00	23.20	21.20	23.71	2.44	Loss
55	Burumathu	1016		0	0.00	0.48	0.88	3.47	2.48	Loss
56	Burumathu	12860	21231	3620	32.74	30.86	7.92	19.7	11.79	Loss
57	Burumathu	400		0	0.00	0.00	0.00	3.01	2.61	Loss
58	Burumathu	1493		0	0.00	2.40	2.40	4.76	4.38	Loss
59	Burumathu	3870		0	0.00	26.17	26.17	3.15	10.97	
60	Burumathu	2500		0	0.00	8.41	1.65	11.90	10.14	Loss
	Total	198376	263212	86134	88241	437.67	140.24	409.07	691.36	
							17			
										Total number of loss making units

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