



| 27th ANNUAL
REPORT
2016 - 2017 |

The Kerala Cardamom Processing and
Marketing Company Limited



BOARD OF DIRECTORS

Mr. Johny Mathew (Chairman)
Mr. Raghavan Guhan (Vice Chairman)
Mr. Jojo George Pottemkulam (Managing Director)
Mr. K. Zia Ud Din Ahamed (Joint Managing Director)

Mr. K. I. Varkey
Mr. R. Sakthi Subramanian
Mr. T. K. S. K. Saravanan
Mr. Mohan Varughese
Mr. K. Sakthivel
Mr. Bobby Tom
Mrs. Susan Punnoose
Mrs. S. Jayakumary

AUDITORS

Mr. K. T. Thomas FCA, Ponkunnam
M/s. Rangamani & Co., Alleppy

BANKERS

ICICI Bank
Union Bank of India

REGISTERED OFFICE

K.P1/741 B, Spice House, Thekkady P.O, PIN-685536
CIN: U15495KL1990PLC005656
e mail:info@kcpmc.com,
www.kcpmc.com

REGIONAL/DIVISIONAL OFFICES

Trade House, 1/138, Subbaraj Nagar,
Bodinayakanur, PIN-625513

N.H Bye-pass Road, Kalpetta,
Wayanadu, PIN-673121

Heavea House, Mannarkkayam,
Kanjirapally, PIN-686507

It is my privilege and honour to welcome you all to 27th Annual General Meeting of your Company.

The stage is set:

As we speak, India as a nation has taken one of the boldest and most drastic measures since liberalisation in implementing the game changing Goods and Services Tax (GST) in our country. While truly a remarkable step in the right direction, there remains great many issues with its implementation that requires to be ironed out. Let us hope that the government takes a forward-looking stance in promptly addressing these much required, micro level issues on which the success of implementation depends on.

Your organization represents an industry that may not be overtly in the excitement of new age business as in IT, telecom, Artificial Intelligence (AI) or Robotics, but clearly addresses the brass tacks of the economy and truly in its core areas. We believe that we create value where it matters most, to the farming community, which still is the largest segment of the economy. Our activities as you know are focused on enabling systems and processes that help the industry to add value to its operations and constituents, which incidentally includes most of us.

Value realization:

Let me take this opportunity to reiterate the suite of services that we provide, and issues that we address. It is a truly fully integrated suite of services right from the farm to the markets that we focus on.

We bring to our customers the finest and the best of inputs in Agro Chemicals, Fertilizers and other Inputs, from the best sources around the world and arguably at the most competitive prices. We can assure you that our farmers have access to the most genuine and cost effective inputs from KCPMC, at a time where the industry is rampant with spurious and ineffective supplies, often exploiting the gullible farmer.

While most of us may not realize it, organizations including governments today owe farmers thousands of crores for the produce procured from them in many commodities. It is also noteworthy that there are limited agro-commodities where a structured and organized system exists for the effective sale and realization of proceeds for the farmer. Our Auction systems evolved over many decades truly ensures the best possible value for the produce and a fool-proof system of realization for the farmer. We only need to look across our shoulders to see disasters that farmers face often in other crops where there are no organized marketing systems.

We further extend our operations into trade with end markets within the country and overseas. We believe there are opportunities to be capitalized further and will be investing further in process and brand capabilities for Cardamom. Pure Spice™ and UTSAV™ brands will address various segment opportunities for the commodity in varying markets. We shall also slowly be addressing opportunities in other Agro-commodities as well.

Future Opportunities:

The greatest opportunities lie in addressing the largest inefficiencies and where the loss of value is most manifest. Agriculture in India probably has the greatest inefficiencies in productivity and post-harvest losses. The Prime Ministers vision for the nation to 'double farmer incomes' is to be achieved by investment in areas, increasing productivity, efficient storage and processing at source of agro commodities so as to minimize losses and maximize value for the farmers.

It is but natural, given the history and operations of your organization and the nature of its ownership and customer base, that we focus on these grave issues and invest in opportunities that will enhance farmer and produce value. We will study and focus on projects that will address the above concerns and at the same time add value to farmers and to the organization.

While we acknowledge that we are unhurried in addressing diversification activities, it is only so since we study and address issues painstakingly, taking along various interests that ably direct the organization and ensuring that risks are mitigated to whatever extend possible. Diversification, we realize is truly the need of the hour and we will endeavor in a studied, careful and sustainable manner. We need to make this move surely, but studied and steadily.

Wishing all of you a bright and prosperous year....THANK YOU.



Johny Mathew
Chairman

The Kerala Cardamom Processing and Marketing Company Limited

Registered Office –KP1/741 B-Spice House, Thekkady PO, Idukki - 685536

CIN: U15495KL1990PLC005656 www.kcpmc.com E-mail ID : info@kcpmc.com PH: 04869 222965

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 27th Annual General Meeting of The Kerala Cardamom Processing and Marketing Company Limited will be held at the registered office of the Company at KP1/741 B-Spice House, Thekkady PO, Idukki – 685536, on Tuesday the 26th September 2017 at 2.30 PM. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31st March, 2017 along with the Directors' Report, the Secretarial Audit Report and the Statutory Auditor's Report.
"RESOLVED THAT the audited financial statement of the Company for the financial year ended 31st March, 2017 along with the Directors' Report, the Secretarial Audit Report and the Statutory Auditor's Report, thereon laid before this meeting, be and are hereby considered and adopted."
2. To declare dividend for the financial year ended 31st March, 2017.
"RESOLVED THAT dividend at the rate of Rs.3.50/- (Three rupees fifty paise only) per equity share of Rs.10/- (Ten rupees) be and is hereby declared and paid as dividend for the financial year ended 31st March, 2017."
3. To appoint a director in the place of Mr. Raghavan Guhan (DIN: 06981128), who retire by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for reappointment.
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Raghavan Guhan (DIN: 06981128), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
4. To appoint a director in the place of Mr. Thamanan Karunakaran Krishnasamy Suruliyandi Sharavanan (DIN: 02980614), who retire by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for reappointment.
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Thamanan Karunakaran Krishnasamy Suruliyandi Sharavanan (DIN: 02980614), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
5. To appoint a director in the place of Mr. Karimpanal Ittiavira Varkey (DIN: 01899065), who retire by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for reappointment.
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Karimpanal Ittiavira Varkey (DIN: 01899065), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."
6. To ratify the appointment of statutory auditor of the Company, and to fix the remuneration and to pass the following resolution as an Ordinary Resolution.
"RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 30th September, 2015, the members hereby ratifies the appointment of Mr. K T Thomas FCA, (Membership No. 022112) as Auditor of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting to be held in the calendar year 2018 and that the Board of Directors be and is hereby authorised to fix the remuneration payable to him for the financial year ending 31st March, 2018 as may be determined by the audit committee in consultation with the auditors".
7. To reappoint M/s Rangamani & Co, Chartered Accountants (Firm Registration No.003050S) as Tax Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting, and to fix their remuneration.

“RESOLVED THAT pursuant to the applicable provisions of the Income Tax Act, 1961, pursuant to the recommendations of the Audit Committee of the Board of Directors, the members hereby approves the reappointment of M/s Rangamani & Co, Chartered Accountants (Firm Registration No.003050S) as Tax Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending 31st March, 2018 as may be determined by the audit committee in consultation with the Tax Auditors”.

On behalf of The Board of Directors,
Sd/-

Johny Mathew
(DIN: 02503346)

Chairman

Pottamkulam House, Yendayar P.O.
Kottayam, Kerala- 686514

Thekkady
29-08-2017

NOTE:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

- (2) In terms of Section 124 (5) read with Section 125 of the Companies Act, 2013, the dividends declared by the Company, for earlier years , which remains unclaimed for a period of seven years will be transferred on due date to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not encashed their dividend cheques in respect of earlier years are requested to make their claim(s) by surrendering the unencashed cheques immediately to the Company.
- (3) The dividend as recommended by the board, if approved at this meeting, will be paid within 30 days from the date of declaration, to those members whose names appear in the Register of Members as on 26th September 2017.
- (4) Members are requested to notify immediately any change in their address, if any, to the Company at the Registered Office.
- (5) Members holding shares in multiple folios in identical names or joint holding in the same order of names, if any, are requested to send their request along with the share certificates to the Company for consolidation into a single folio.
- (6) Members are requested to lodge their email ID's along with their Name and Folio No. to Company. This will enable the Company to send all future communications including Annual Reports through electronic mode.
- (7) Electronic voting facility for members:-

In compliance with provisions of Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rule, 2014, the Company is pleased to provide members facility to exercise their right to vote at 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Service provided by Central Depository Services (India) Limited (CDSL).

The facility for voting either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

- (8) Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company *inter alia*

indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company for communication process, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.

- (9) The Route map for easy location of the venue of the Annual General Meeting is attached.
- (10) Members may also note that the notice of the Annual General Meeting and the Annual report will also be available at the Company's website www.kcpmc.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Thekkady for inspection during normal business hours on working days up to the date of the AGM.
- (11) Ms. Anjana Binu, Practicing Company Secretary, (CP No. 12866), Thripunithura, Ernakulam has been appointed by the board as scrutinizer for conducting the remote e-Voting process in a fair and transparent manner.
- (12) The Scrutinizer shall, with in a period not exceeding three working days from the conclusion of the e-voting unlock the votes through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, Scrutinizer's report of the total votes cast in favour or against, if any, to the chairman of the Company.
- (13) The results declared along with the Scrutinizer's report will be placed on the Company's notice board and at the website www.kcpmc.com and on the website of Evoting Agency <https://www.cdslindia.com/evoting/EvotingInstanceAndResults.aspx> or on www.evotingindia.com → eVoting Notices – Results and click on Live Instances Voting and Results.

All the resolutions, subject to receipt of requisite no. of votes, shall be deemed to be passed at the AGM scheduled to be held on 26th September 2017.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23rd September, 2017 at 9.00 AM and ends on 25th September, 2017 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

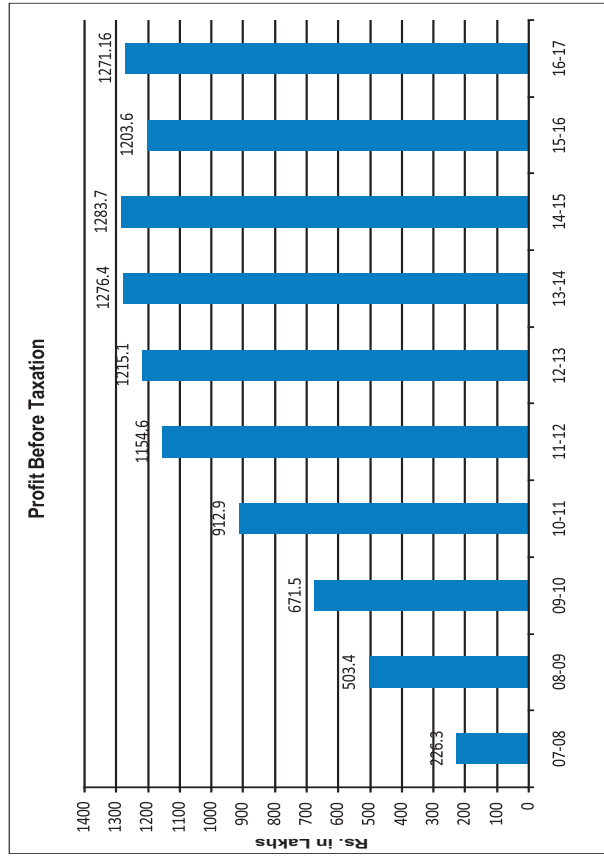
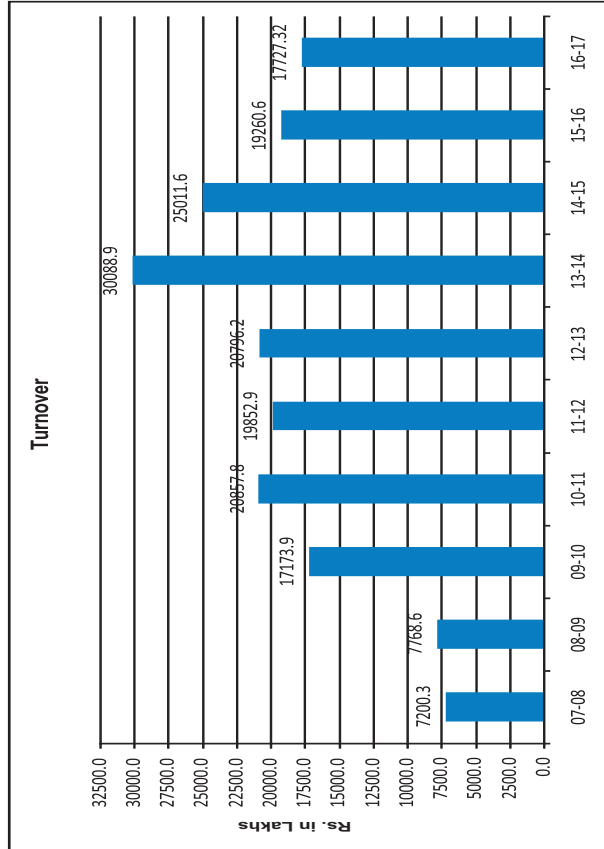
	For Members holding shares in Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in the Company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant The Kerala Cardamom Processing and Marketing Company Limited on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

On behalf of The Board of Directors,
Sd/-
Johny Mathew
(DIN: 02503346)
Chairman
Pottamkulam House, Yendayar P.O.
Kottayam, Kerala- 686514

Thekkady
29-08-2017

FINANCIAL YEAR SUMMARY												
												(Rs.In Lakhs)
Particulars	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19
Sales	7200.3	7768.6	17173.9	20857.8	19852.9	20796.2	30088.9	25011.6	19260.6	17727.32		
Profit before Taxation	226.3	503.4	671.5	912.9	1154.6	1215.1	1276.4	1283.7	1203.6	1271.16		
Profit after Taxation	145.0	319.0	426.9	589.2	758.6	797.9	825.7	838.0	779.7	838.63		
Share Capital	199.99	199.99	199.99	399.98	399.98	399.98	399.98	399.98	399.98	399.98		
Reserves	586.6	845.9	1201.6	1474.0	2093.1	2750.6	3410.5	4097.7	4732.9	5403.07		
Gross Fixed Assets	595.0	597.7	715.2	782.9	914.0	1820.1	1853.7	1863.5	1908.1	2026.23		
Dividend %	20.0	25.0	30.0	25.0	30.0	30.0	30.0	30.0	30.0	35.0		



DIRECTORS' REPORT

It is my privilege to share the performance of your organization this past year. Most of us are probably aware and realize the circumstances and the challenges the previous year threw in for us. At a time where commodity markets were depressed and cardamom production saw the worst year in decades, we were as well stressed to make our numbers count, let alone speak of growth. Cardamom prices came up to reasonable levels and the market expected highs to offset the shortfall in production. However, events arising out of 'demonetization' would not have it so.

Much has changed since, particularly in commodity markets, where cardamom along with others were 'cash' based and the further reaches of which were totally unstructured. Competing with unstructured markets was always a challenge and we believe the changes till date – including the implementation of GST – will set us on a better playing field.

Though with limited growth in the previous year, we were able to achieve respectable bottom lines in our consolidated operations. This is in spite of natural rubber, which contributed to our top lines in earlier periods continues to be a challenge. This has been the case ever since India became a net importer, with much cheaper rubber from international origins pouring into support major industries like tyre making.

However, we continue to realign and refocus our energies towards expanding operations in trade, with focus again on cardamom. Your board has been focused on establishing an automated process line for cardamom after realizing the bottle-necks in processing that has been a constraint in helping the division grow further. A level playing field in the terminal markets have enabled the introduction of two brand variants, 'PureSpice™' catering to the premium segment and export markets and 'UTSAV™' targeting domestic and mass markets. The impact of

these changes is already palpable and will reflect dominantly in the coming years.

Our focus on Agribusiness and related sectors continues unimpeded. Managing productivity, reducing wastage, increasing intermediate processing facilities and investment in farmer focused areas is where we believe our focus should be. It is only natural that we focus our activities in line with one of the major stated objectives for growth for the nation in doubling farmer incomes and creating value to this core sector. Efforts are on to constantly study and identify suitable areas for investment in this core area, which we believe will propel the organization to greater heights.

HIGHLIGHTS OF THE YEAR'S PERFORMANCE: FINANCIAL PERFORMANCE

Gross Turnover for the year fell by 7.96% to Rs. 17727 lakhs, mainly due to decrease in trade volume of natural rubber. Agro-inputs division improved last year's figures by 3% and continued as the main contributor of Company's bottom line. Auction division performed moderately well and posted an income of Rs.223 lakhs. The Rubber division showed a segment result of Rs. 39.68 lakhs for the year.

As is customary preview of your Company's financial performance since 2003 is given below.

Rs.in Lakhs

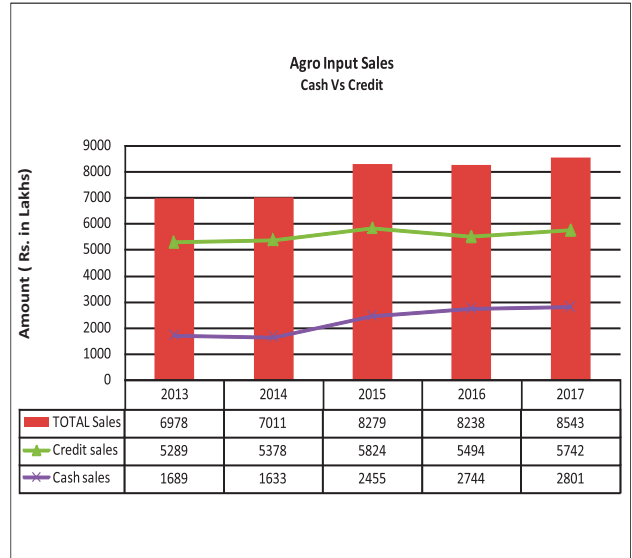
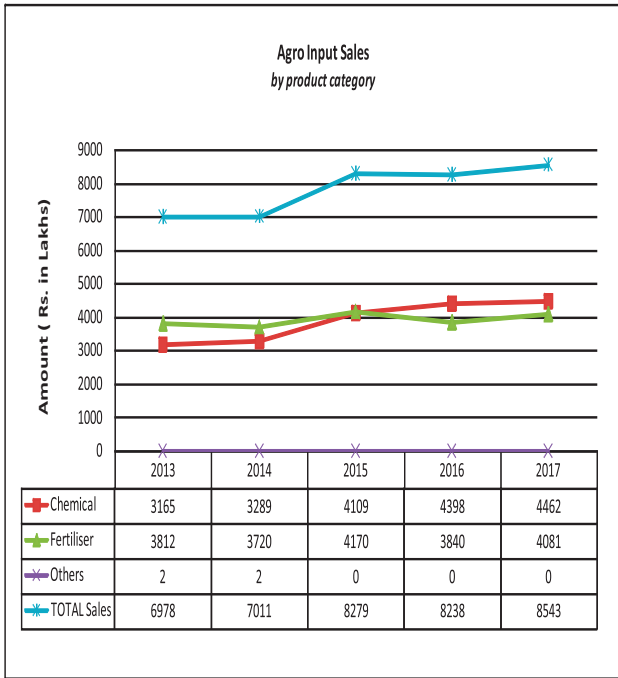
KCPMC : Financial Highlights 2003-2017 & prv.yr				
Particulars	2003	2017	% growth	Prv Yr (2016)
Sales	2624.87	17727.32	575.36	19260.65
Gross Income	2651.80	18829.01	610.05	20107.37
Net Profit	87.29	1271.16	1356.25	1203.62

As at 31st March, 2017

A brief of each of the four divisions' performance is given below for your perusal.

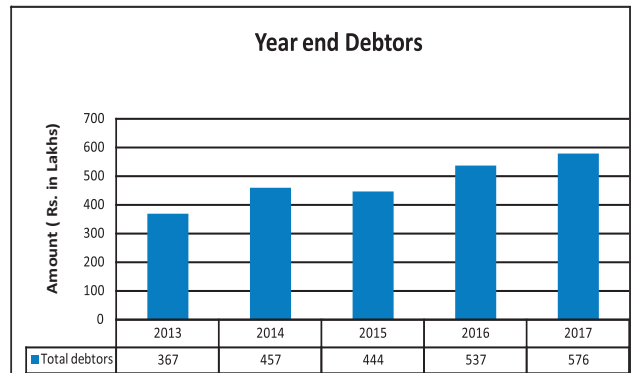
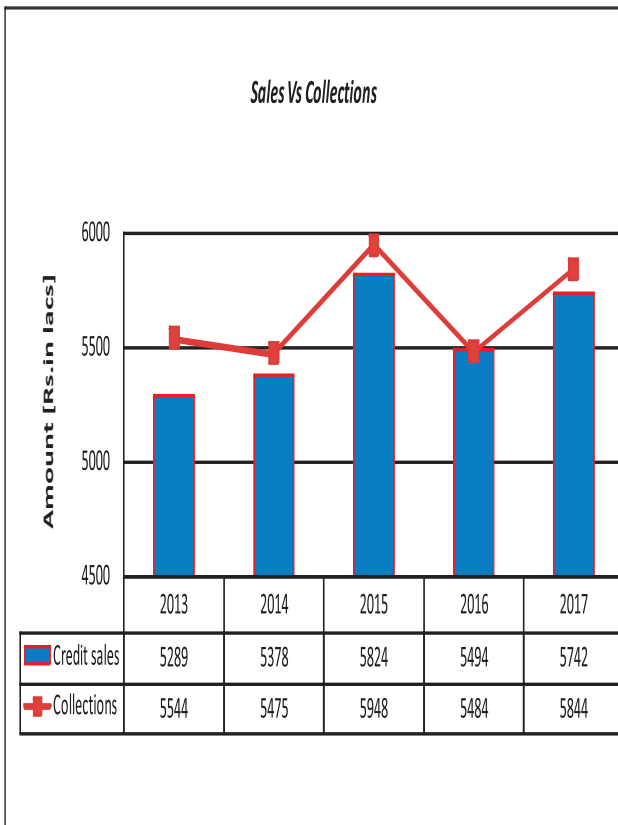
THE AGRO INPUTS DIVISION

Sales: The Agro Inputs division showed a total divisional turnover of Rs. 85.43 Cr (82.38 Cr Previous Yr).

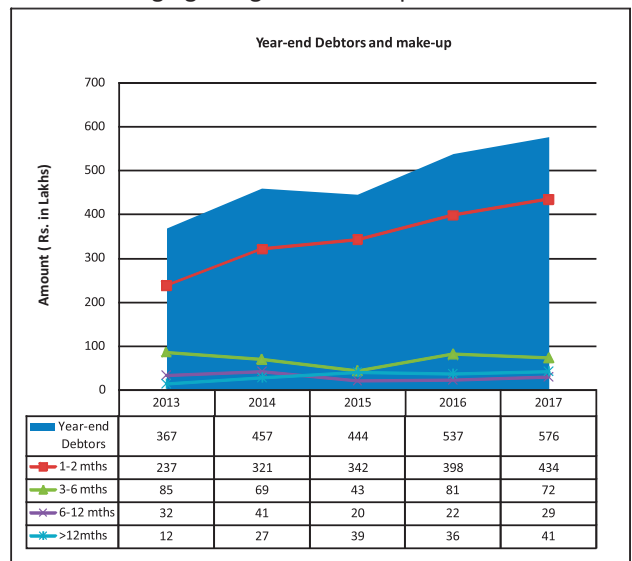


Credit and Collections:

Credit Sales and resultant Collections have also showed a commendable performance in spite of the prevailing circumstances.

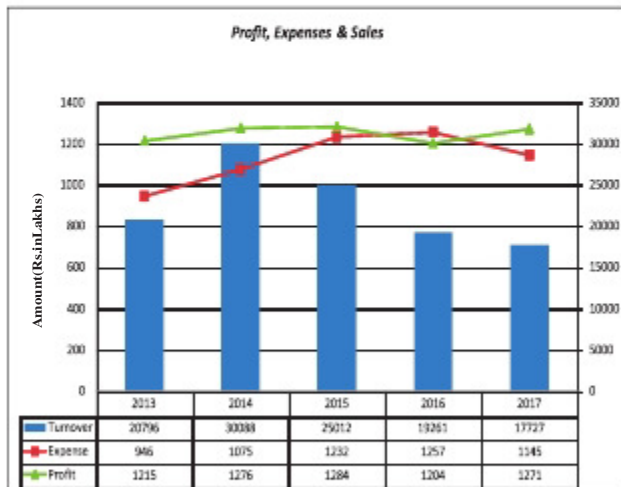


The following figures give a break up of the book.



Financial performance:

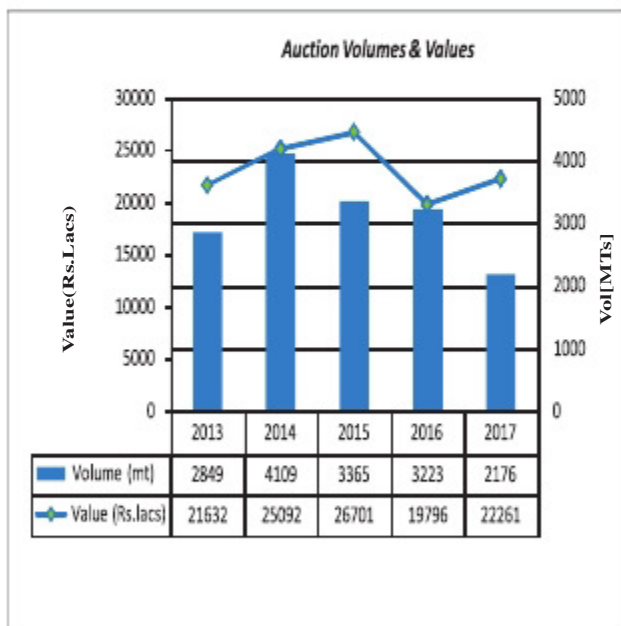
The following figures present a brief view on how we performed the previous years.



THE AUCTION DIVISION

Auction Volumes:

Auctions constitute a turnover of Rs. 222.61 Cr and 2176 MTs (see chart below). From a rather modest figure of 17.43 Cr in 2001, we have been able to effectively manage the above levels as of now. We continue to face increasing competition in this field, but nevertheless maintain our position as a major Cardamom Auctioneer in the country today. Our service levels, professionalism and relationship with planters, continue to be our focus to improve our performance.

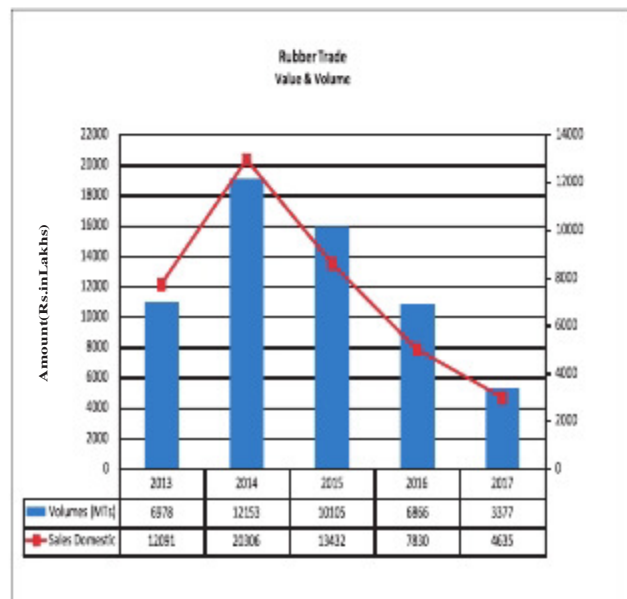


CARDAMOM TRADE DIVISION

The Cardamom Trade Division continues to do modest volumes and also cater to the occasional export – [195 (mt) / 242(mt) Previous Year]-opportunity from time to time.

RUBBER TRADE DIVISION

Domestic sales have been affected by the price of the product. The segment result from operations in rubber has been commendable at Rs. 39.68 lakhs. We expect to do better in the coming financial year.



In line with our performance, the Board is pleased to propose a dividend of 35% on the share capital, which will be representative of the year's performance and its commitment to our shareholders.

We once again place on record our gratitude and appreciation to,

The Management and the Board,

The executives and staff, Bankers and regulators and in particular

Our Share holders, for their continued commitment, trust and support

RESERVES

Your Directors propose transfer of Rs.67500000/- to General Reserve Account.

DIVIDEND

Considering the balance amount available to the credit of the Profit & Loss account after transfer of Rs. 67500000/- to the General Reserve and after reserving the amount that might be required for future operations, your Directors recommend a dividend of 35% on the Equity shares of Rs.10/- each, for declaration by the share holders at the Annual General Meeting to be held on 26 September, 2017.

CREDIT RATING

The Company continued to maintain credit rating from CRISIL at A-. Higher category ratings from CRISIL enables better borrowing and terms from financial institutions and will hold us in good stead in a larger industrial, regulatory or financial audience.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DETAILS OF SUBSIDIARY/JOINT VENTURES / ASSOCIATE COMPANIES

The Company has no subsidiary, joint ventures or associate companies for this financial year.

DEPOSITS

The Company has not accepted any deposits.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS.

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor or Secretarial Auditor in their reports.

BOARD

Board of Directors

As on 31st March, 2017, the total strength of Board of Directors was 12 with a Chairman, Vice Chairman, Managing Director, Joint Managing Director, 2 Independent Directors and 2 Women Directors. In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Directors Mr. Raghavan Guhan (DIN: 06981128), Mr. Thamanan Karunakaran Krishnasamy Suruliyandi Sharavanan (DIN: 02980614) and Mr. Karimpanal Ittiavira Varkey (DIN: 01899065) retires by rotation at the 27th Annual General Meeting and being eligible, offers themselves for re-appointment.

Meetings of the board

The Board met 5 times during the year and on the following dates 28/06/2016, 10/08/2016, 27/09/2016, 19/12/2016 & 21/03/2017.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received the necessary declaration from each Independent Directors in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013

Committees of the Board

In accordance with the provisions of the Companies Act, 2013 the Board has constituted (1) an Audit Committee (2) a Corporate Social Responsibility Committee (3) a Stakeholders Relationship Committee (4) a Nomination and Remuneration Committee and (5) an Internal Complaints Committee.

The composition of the above committees are detailed below;

Audit Committee

Audit Committee consists of 1) Jojo George Pottemkulam (Chairman)(2) Sakthi Subramanian (3) Boby Tom

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee consists of (1) Johny Mathew (Chairman) (2) Jojo

George Pottemkulam (3) K. Zia Ud Din Ahamed (4) Bobby Tom.

Stakeholders Relationship Committee

Stakeholders Relationship Committee consists of (1) Johny Mathew (Chairman) (2) K. Zia Ud Din Ahamed (3) Jojo George Pottemkulam.

Nomination and Remuneration Committee consists of (1) Bobby Tom (Chairman) (2) Sakthi Subramanian (3) Karimpanal Ittiavira Varkey.

Internal Complaints Committee consists of (1) Susan Punnoose (Chair Person) (2) Sivakumar Jayakumari (3) Jojo George Pottemkulam .

Corporate Social Responsibility initiatives

In accordance with the provisions of the Companies Act, 2013 and rules made there under, the Company has formulated the CSR Policy and is identifying the suitable projects for implementing the policy under the supervision of the CSR Committee of the Board. The average net profit of the Company for the preceding three financial years is Rs. 1254.56 lakhs. During the year the Company has set apart Rs. 25.25 lakhs, which is 2% of the average net profit of the last three financial years. . The Company's CSR Activities are carried out through the trust KCPMC CSR FOUNDATION specifically formed for this purpose. The Company is identifying and implementing the right projects for the betterment of the society in the local area and areas around it where it operates as a part of its Corporate Social Responsibility. The CSR Committee and Details of the policy are given in Annexure I.

Disclosure Of Providing Vigil Mechanism.

The provisions of Section 177 (9) of the Companies Act, 2013 read with 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 is not applicable to the Company.

Share Capital

The Authorised Share Capital of the Company is Rs. 50000000 (Rupees Five crore only).

The issued, subscribed and paid up capital of the Company is Rs 39998000/-

(Rupees Three crore ninety nine lakh ninety eight thousand only).

Auditors

a) Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013, the appointment of the auditor shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of Mr. K T Thomas FCA, as statutory auditor of the Company, is placed for ratification by the shareholders.

M/s. Rangamani & Co., the Tax Auditors, retire at this Annual General Meeting. They are eligible for re-appointment.

b) Secretarial Audit

The board has appointed Ms. Anjana Binu, Company Secretary in Practice to conduct Secretarial Audit for the financial year 2016-2017. The Secretarial Audit Report for the financial year ended 31- March, 2017 is annexed here with as Annexure II to this Report

Extract of Annual Return

The details forming part of the extract of Annual Return in Form MGT-9 is annexed here with as Annexure III

The disclosure requirements in Accordance with the provision of Section 134(3)(q) read with Rule 8 of Companies (Accounts) Rules, 2014

(1) Conservation of Energy, Technology Absorption

It has not much relevance to your Company as your Company is carrying on purely trading operations. However your Company is making all efforts to conserve energy in all possible ways and absorb technology. Your Company implemented a project to generate and use solar energy also during the year.

(2) Foreign Exchange Earnings And Outgo Export Activities

During the year your Company has exported 195 tonnes of Cardamom mainly to middle east countries. Constant efforts are made by the Company to explore new export markets for the items dealt with by us. Your Company arranged for import of Rubber from foreign countries by major consumers in India. Total Foreign Exchange earned is Rs. 2287.58 Lakhs and used is Rs. 15.55 Lakhs

Company's Policy Relating to Directors Appointment, Payment of Remuneration and Discharge of Their Duties

On consulting with the Board, Nomination & Remuneration Committee framed a policy for selection and appointment of Directors including determining qualifications independence of a Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013.

Statement Concerning Development and Implementation of Risk Management Policy of the Company.

Risk management policy aims to identify the diverse risks faced by the Company and come up appropriate mitigation strategies, managing risks in credit, interest rates, and liquidity, form critical components of our risk management system.

● **Operational Risk :**

Risk of direct or indirect loss due to the failure of systems, people or processes, or due to external events. It includes employee negligence, fraud, petty theft, burglary and embezzlement are in the nature of operational risks.

Company has instituted a series of checks and balances, including an operating manual, and both internal and external audit reviews to mitigate such risks.

● **Interest Rate Risk :**

Any increase in interest rate can affect the finance cost of the Company. To reduce such risks, dependence on debt is reduced to very minimum.

● **Competition Risk :**

Company is always exposed to competition risk. The increase in competition can create pressure on margins, market share etc. By introducing new product range commensurate with demands, your Company plans to mitigate the risks so involved. Continuous efforts have been taken to enhance the brand image of the Company.

Furthermore, the following activities are also carried out to identify, monitor and mitigate the impact of risks.

- Conducting risk surveys across the function to get inputs on key risks
- Periodic assessment of risks, their impact on the key business objectives relating to the growth,

profitability, reputation etc.

- Monitoring key developments in regulatory environments
- Studying direct and indirect economic impacts in the areas of our operations.

Internal Systems and their Accuracy

The Company has an adequate internal control system in place to safeguard assets and protect against losses from any unauthorised use or disposition. The system authorises, records and reports transactions and ensures that recorded data are reliable to prepare financial information and to maintain accountability of assets. The Company's internal controls are supplemented by an extensive programme of internal review by the management, and documented policies, guidelines and procedures.

Particulars of Loans, Guarantees or Investments Under Section 186

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

Particulars of Contracts of Arrangements with Related Parties Under Section 188:

The transactions with regard to availing of services of Key Managerial Persons and payment of their remuneration are on the basis of their terms of appointment which are already approved by the shareholders of the Company. The remuneration split up is detailed in notes to accounts and MGT 9 attached to this Directors' Report.

Details regarding Unclaimed Dividends and Transfer of Unclaimed Dividend to Investor Education and Protection Fund.

Chart 1. Status of unclaimed and unpaid dividend for different years:

Unclaimed Dividend for 2009-10 and thereafter	
Transfer of unpaid dividend	Will be transferred to IEPF on due date
Claims for unpaid dividend	Can be claimed from the Company within the time limits provided in Chart 2 given below

Chart 2 Information in respect of unclaimed and unpaid dividends declared for 2009-10 and thereafter

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend
March 31, 2010	Sept. 30, 2010	Sept. 30, 2017
March 31, 2011	Sept. 27, 2011	Sept. 27, 2018
March 31, 2012	Sept. 27, 2012	Sept. 27, 2019
March 31, 2013	Aug. 29, 2013	Aug. 29, 2020
March 31, 2014	Sept. 25, 2014	Sept. 25, 2021
March 31, 2015	Sept. 30, 2015	Sept. 30, 2022
March 31, 2016	Sept. 27, 2016	Sept. 27, 2023

Particulars of Employees

During the year under review, no employee of the Company was in receipt of remuneration requiring disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for the year ending March 31, 2017.

Directors Responsibility Statement

The Directors confirm that

- 1) In the preparation of annual accounts for the financial year 2016-2017, the applicable accounting standards have been followed and there are no material departures.
- 2) The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of 31st MARCH, 2017 and of the profit of the Company for the year ended as on that date.
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company for preventing and detecting fraud and other irregularities.

Thekkady
29.08.2017

- 4) The Directors have prepared the annual financial statement on a going concern basis.
- 5) The Directors have laid down internal financial control to be followed by the Company. The financial controls are adequate and are operating effectively with reference to the financial statements.
- 6) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Shares

During the year under review, the Company has undertaken following transactions:

Increase in Share Capital	Buy Back of Securities	Sweat Equity
Nil	Nil	Nil
Bonus Shares	Employees Stock Option Plan	
Nil	Nil	

Disclosure on Sexual Harassment

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Conclusion

We are constant in our efforts to elevate the efficiency and effectiveness to higher levels in order to make our Customers more delighted.

We understand the tough conditions the Company is going through and hope that the dedicated performance of our team will lead the Company to overcome the difficulties and come up with flying colours.

Thank you

On behalf of The Board of Directors,
Sd/-

Johny Mathew
(DIN: 02503346)

Chairman
Pottamkulam House, Yendayar P.O.
Kottayam, Kerala- 686514

Corporate Social Responsibility Policy

Annexure I

1. A brief outline of the Company's CSR policy, including overview of the project or programs undertaken/ proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR policy approved by the Board of Directors has been uploaded on the Company's website.

Web link <http://www.kcpmc.com>

CSR Philosophy

KCPMC understands that the business enterprise is also an economic organ of society and draws on societal resources and the organization's performance should be measured not just by its economic parameters, but also should build on social and environmental capital and enhance its societal sustainability. We function in an environment that is delicate and sensitive in the core nature of the business and at the same time critical and elemental in the service that is deemed to provide.

We seek to undertake projects and initiatives that will continuously contribute to the community (special emphasis to the farming community) social initiatives and to the environment in a sustainable manner. Such Corporate Social Responsibility ("CSR") projects, we believe should be scalable and sustainable, independent (at later stages) and will help sustainable livelihood, improvement of social capital and environmental rejuvenation. Programmes, projects and activities (collectively "CSR Initiatives") to be carried out in this regard are the subject matter of this Policy.

CSR Policy

It is KCPMC's policy:

- 1) To direct KCPMC's CSR Initiatives, inter alia, towards achieving one or more of the following
 - providing farm support services and information on novel and sustainable farming methods;
 - services enhancing value of farm produce by establishing information and testing centres for produce and inputs;
 - enhancing environmental and natural capital – cleanliness missions and environmental sustainability projects;
 - activities involving the protection of flora and fauna;
 - supporting critical support for health care for economically backward sections;
 - rural development & education support;
 - providing preventive healthcare, providing sanitation and drinking water;
- 2) To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are prerequisites for social and economic development;
- 3) To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
- 4) To pursue CSR Initiatives primarily in areas that falls within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- 5) To carry out CSR Initiatives in relevant local areas and also to fulfil commitments arising from requests by government/regulatory authorities and social organisations when needed and to earmark amounts of monies towards related activities and to spend such monies through CSR Cells of such administrative bodies of the government and/or others by way of developmental works in the local areas around which the Company operates;

Implementation

To implement the Company's CSR Initiatives directly or through Company founded trusts or other relevant bodies, or through external implementing agencies and Section 8 companies that may be established by the Company from time to time.

Activities / Initiatives earmarked for KCPMC – CSR Initiatives

KCPMC Farmers Centre: Fully recognizing the importance of the community that we work with, it has become imperative that the farming community is fully conversant with sustainable farming and environmental positive practices to be undertaken. To achieve this, the community needs information and tools that are economically unviable for individual farmers to obtain on a continuous basis. Some of the initiatives earmarked are as follows:

'Farm Information Centre'; a public information centre that imparts information and knowledge on latest farm practices and sustainable farming methods and Package of Practices of crops based on localized environment and characteristics.

'Farm Services Centre': provides various support services for Soil & leaf testing, Inputs testing for efficacy and product genuineness and Product testing for content and residues.

KCPMC Social and Environment Centre: Understanding the relevance of the society and the environment that we exist and function in, we believe that continuous sustainable contributions are required both for environmentally sustainable activities and socially deserving causes both at individual and organizational levels;

- Medical endowment fund for critically and terminally ill patients
- Education fund for economically backward and deserving cases
- Environmental fund for environmentally sustainable activities.

KCPMC CSR FOUNDATION

1. As a part of our CSR initiative, during the year 2016 the Company formed a trust by the name KCPMC CSR FOUNDATION to implement the projects and contributed the entire amount set apart for CSR project during current year aggregating to Rs.25.25 lakhs to the corpus of the Trust. During the year the Trust has spent Rs.1012245 for promoting Education, Rs.270000 for providing Health Care and Rs.22500 for Rural Development.

2. Composition of the CSR Committee

Name of the Member	Designation
Johny Mathew	Chairman
Mr. Jojo George Pottemkulam	Member
Mr. K. Zia Ud Din Ahamed	Member
Mr. Bobby Tom	Member

3. Average net profit of the Company for last three financial years: Rs.1254.56 lakhs

4. Prescribed CSR expenditure (2 % of the amount as in item 3 above): Rs.25.09 lakhs

5. Details of CSR spent for the financial year

(a) Total amount spent for financial year: Rs. 25.25 lakhs

(b) Amount unspent if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SL. No	CSR Project or Activity identified	Sector in which the project is covered	Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program (2) Overheads:	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	Contribution to the corpus of the Trust - KCPMC CSR FOUNDATION -created exclusively for undertaking the CSR activities of the Company	- - -	- -	Rs.25.25 Lakhs	Rs.25.25 Lakhs	Rs.72.35 Lakhs	Contributed to the implementing Agency

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reason for not spending the amount in its Board report.

The Company has spent /utilized the prescribed percentage of the average net profits of the Company for CSR activities by contributing to the corpus of the Trust as detailed above.

7. The CSR Committee hereby confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company and the applicable amount was contributed to the corpus of the CSR trust created exclusively for undertaking the CSR activities of the Company.

For The Kerala Cardamom Processing and Marketing Company Limited.

Thekkady
29.08.2017

Sd/-
Johny Mathew
Chairman (CSR Committee)

Sd/-
Jojo George Pottemkulam
Managing Director

Sd/-
K. Zia Ud Din Ahamed
Joint Managing Director

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March 2017

Annexure II

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
The Kerala Cardamom Processing and Marketing Company Limited
K.P1/741 B, Spice House, Thekkady P.O., PIN-685536

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Kerala Cardamom Processing and Marketing Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of The Kerala Cardamom Processing and Marketing Company Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder to the extent applicable to the Company and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; to the extent the same was applicable to the Company;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the Audit period);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not applicable to the Company during the Audit period);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India notified with effect from July 1, 2015; and

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- Spices Board Act 1986 and Spices Board Rules 1987
- Spices Board (Regulation of Exporters) Regulations, 1989
- Spices Board (Quality Marketing) Regulation, 1992
- Spices Board (Registration of Exporters) Amendment Regulations 2011
- The Cardamom Licensing and Marketing Rules, 1987
- The Cardamom Licensing and Marketing Amendment Rules, 2014
- Insecticides Act, 1968
- Insecticides Rules, 1971
- The Rubber Act, 1947
- The Rubber Rules, 1955

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be. I further report that there are adequate systems and processes in the Company commensurate with the size and its operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

ANJANA BINU

PRACTICING Company SECRETARY

Certificate Of Practice No: 12866

Membership No : 32286

Thripunithura

29-08-2017

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U15495KL1990PLC005656
- ii) Registration Date :22-03-1990
- iii) Name of the Company : The Kerala Cardamom Processing and Marketing Company Limited
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office and contact details : The Kerala Cardamom Processing and Marketing Company Limited, KP1/741 B, Spice House, Thekkady P.O., Idukki District, Pin 685536.
- vi) Whether listed Company : No

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl.No.	Name and Description of main products / services	NIC Code of The Product/ Service	% to total Turnover of the Company
1	Cardamom	46101	25.08 %
2	Fertilisers & Chemicals	46692	48.19 %
3	Sheet Rubber (ISNR 20)	46694	26.14 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise ShareHolding

Category of Share holders	No of shares held at the beginning of the year				No of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1)Indian									
a) Individual/HUF	-	190666	190666	4.77	-	191166	191166	4.78	.01
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	190666	190666	4.77	-	191166	191166	4.78	.01

Category of Share holders	No of shares held at the beginning of the year				No of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :-	-	-	-	-	-	-	-	-	-
Total									
shareholding of Promoter									
(A) = (A) (1) + (A) (2)	-	190666	190666	4.77	-	191166	191166	4.78	.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2.Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	-	2132010	2132010	53.30	-	2101410	2101410	52.54	(.76)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	1677124	1677124	41.93	-	1707224	1707224	42.68	.75
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-	-	3809134	3809134	95.23	-	3808634	3808634	95.22	(.01)
Total Public Share holding									
(B) = (B) (1) + (B) (2)	-	3809134	3809134	95.23	-	3808634	3808634	95.22	(.01)
C. Shares held by Custodian for GDRs. & ADRs-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	3999800	3999800	100	-	3999800	3999800	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	K S SKARIA (Jr)	12500	0.31	0	12500	0.31	0	0
2	KADAMAPUZHA MATHEW EAPEN	12600	0.32	0	12600	0.32	0	0
3	ZIAUDDIN AHAMED KADERMOHIDEEN	13400	0.34	0	13900	0.35	0	.01
4	MALLIAH ARUNAN	10400	0.26	0	10400	0.26	0	0
5	GEORGE JOSEPH MATHEW	30566	0.76	0	30566	0.76	0	0
6	KARIMPANAL ITTIAVIRA VARKEY	26900	0.67	0	26900	0.67	0	0
7	K.I. ABRAHAM	32900	0.82	0	32900	0.82	0	0
8	SIVAKUMAR JAYAKUMARI	10200	0.26	0	10200	0.26	0	0
9	SAKTHIVEL KUMERSAN	8000	0.20	0	8000	0.20	0	0
10	R. KANNAMMAL	25400	0.63	0	25400	0.63	0	0
11	M.P. PUNNOOSE	7800	0.20	0	7800	0.20	0	0
	Total	190666	4.77	0	191166	4.78	0	.01

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of the Share Holder	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
1	K S SKARIA (Jr)				
	At the beginning of the year 1st April, 2016	12500	0.31	12500	0.31
	Increase/decrease	No Change			
	At the end of the year 31 st MARCH, 2017	12500	0.31	12500	0.31
2	KADAMAPUZHA MATHEW EAPEN				
	At the beginning of the year 1st April, 2016	12600	0.32	12600	0.32
	Increase/decrease	No Change			
	At the end of the year 31 st MARCH, 2017	12600	0.32	12600	0.32
3	ZIAUDDIN AHAMED KADERMOHIDEEN				
	At the beginning of the year 1st April, 2016	13400	.34	13400	.34
	Increase/decrease	500	.01	500	.01
	At the end of the year 31 st MARCH, 2017	13900	0.35	13900	0.35

Sl. No.	Name of the Share Holder	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
4	MALLIAH ARUNAN				
	At the beginning of the year 1st April, 2016	10400	0.26	10400	0.26
	Increase/decrease	No Change			
5	GEORGE JOSEPH MATHEW				
	At the beginning of the year 1st April, 2016	30566	0.76	30566	0.76
	Increase/decrease	No Change			
6	KARIMPANAL ITTIAVIRA VARKEY				
	At the beginning of the year 1st April, 2016	26900	0.67	26900	0.67
	Increase/decrease	No Change			
7	K.I. ABRAHAM				
	At the beginning of the year 1st April, 2016	32900	0.82	32900	0.82
	Increase/decrease	No Change			
8	SIVAKUMAR JAYAKUMARI				
	At the beginning of the year 1st April, 2016	10200	0.26	10200	0.26
	Increase/decrease	No Change			
9	SAKTHIVEL KUMERSAN				
	At the beginning of the year 1st April, 2016	8000	0.20	8000	0.20
	Increase/decrease	No Change			
10	R. KANNAMMAL				
	At the beginning of the year 1st April, 2016	25400	0.63	25400	0.63
	Increase/decrease	No Change			
11	M.P. PUNNOOSE				
	At the beginning of the year 1st April, 2016	7800	0.20	7800	0.20
	Increase/decrease	No Change			
	At the end of the year 31 st MARCH, 2017	7800	0.20	7800	0.20

**(iv) Shareholding Pattern of top ten Shareholders
(other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the Share Holder	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
1	GRACE ABRAHAM				
	At the beginning of the year 1st April, 2016	32900	0.82	32900	0.82
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2017	32900	0.82	32900	0.82
2	RAJESH GEORGE				
	At the beginning of the year 1st April, 2016	32300	0.81	32300	0.81
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2017	32300	0.81	32300	0.81
3	JACOB PUNNOOSE				
	At the beginning of the year 1st April, 2016	30000	0.75	30000	0.75
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2017	30000	0.75	30000	0.75
4	VARKEY GEORGE				
	At the beginning of the year 1st April, 2016	31660	0.79	31660	0.79
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2017	31660	0.79	31660	0.79
5	Dr.PRASAD PUNNOOSE				
	At the beginning of the year 1st April, 2016	26600	0.67	26600	0.67
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2017	26600	0.67	26600	0.67
6	MEERA GEORGE				
	At the beginning of the year 1st April, 2016	25400	0.63	25400	0.63
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2017	25400	0.63	25400	0.63
7	LALITHA VARKEY				
	At the beginning of the year 1st April, 2016	25000	0.63	25000	0.63
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2017	25000	0.63	25000	0.63
8	T. SIVAKUMAR				
	At the beginning of the year 1st April, 2016	24060	0.60	24060	0.60
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2017	24060	0.60	24060	0.60
9	PONNAMMA JOSEPH				
	At the beginning of the year 1st April, 2016	23400	0.59	23400	0.59
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2017	23400	0.59	23400	0.59
10	D. SAMBATH KUMAR				
	At the beginning of the year 1st April, 2016	23400	0.59	23400	0.59
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2017	23400	0.59	23400	0.59

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
1	JOJO GEORGE POTTEMKULAM At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	32300 No Change 32300	0.81 0.81	32300 32300	0.81 0.81
2	ZIAUDDIN AHAMED KADERMOHIDEEN At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	13400 500 13900	0.34 0.01 0.35	13400 500 13900	0.34 0.01 0.35
3	KARIMPANAL ITTIAVIRA VARKEY At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	26900 No Change 26900	0.67 0.67	26900 26900	0.67 0.67
4	JOHNY MATHEW At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	14668 No Change 14668	0.37 0.37	14668 14668	0.37 0.37
5	SAKTHIVEL KUMERSAN At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st March,2016	8000 No Change 8000	0.20 0.20	8000 8000	0.20 0.20
6	SIVAKUMAR JAYAKUMARI At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	10200 No Change 10200	0.26 0.26	10200 10200	0.26 0.26
7	SUSAN PUNNOOSE At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	7800 No Change 7800	0.20 0.20	7800 7800	0.20 0.20
8	MOHAN VARGHESE At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	20400 No Change 20400	0.51 0.51	20400 20400	0.51 0.51
9	RAGHAVAN GUHAN At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	20750 No Change 20750	0.52 0.52	20750 20750	0.52 0.52
10	THAMANAN KARUNAKARAN KRISHNASAMY SURULIYANDI SHARAVANAN At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	18700 No Change 18700	0.47 0.47	18700 18700	0.47 0.47
11	BOBY TOM At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	0 0	0 0	0 0	0 0
12	RAJAMANICKAM SAKTHISUBRAMANIAN At the beginning of the year 1st April, 2016 Increase/decrease At the end of the year 31st MARCH, 2017	0 0	0 0	0 0	0 0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18660497	-	-	18660497
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	18660497	-	-	18660497
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	18660497	-	-	18660497
Net Change	18660497	-	-	18660497
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		JOJO GEORGE POTTEMKULAM	ZIAUDDIN AHAMED KADERMOHIDEEN	
1.	Gross salary			
	(a) Salary as per provisions Contained in section 17(1) of the Income-tax Act, 1961	600000	180000	780000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary Under section 17(3) Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-as % of profit			
	-others, specify			
5.	Others-Sitting Fee	25000	20000	45000
	Total(A)	625000	200000	825000
	Ceiling as per the Act	-	-	12711585

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		BOBY TOM	RAJAMANICKAM SAKTHI SUBRAMANIAN		
1.	Independent Directors				
	Fee for attending Board, Committee Meetings, Commission, Others, please specify	25000	25000		50000
	Total (1)	25000	25000		50000
2.	Other Non Executive Directors	KARIMPANAL ITTIAVIRA VARKEY	RAGHAVAN GUHAN	JOHNY MATHEW	
	Fee for attending Board, Committee Meetings, Commission, Others, please specify	15000	25000	25000	65000
		SUSAN PUNNOOSE	THAMANAN KARUNAKARAN KRISHNASAMY SURULIYANDI SHARAVANAN	MOHAN VARUGHESE	
	Fee for attending Board, Committee Meetings, Commission, Others, please specify	25000	20000	25000	70000
		SAKTHIVEL KUMERSAN	SIVAKUMAR JAYAKUMARI		
	Fee for attending Board, Committee Meetings, Commission, Others, please specify	25000	20000		45000
	Total (2)	65000	65000	50000	180000
	Total (B) = (1) + (2)	90000	90000	50000	230000
	Total Managerial Remuneration	715000	290000	50000	1055000
	Overall Ceiling as per the Act	-	-	-	13982743

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD–Not Applicable

Vii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2017 TO THE MEMBERS OF THE KERALA CARDAMOM PROCESSING AND MARKETING COMPANY LIMITED

Report on the Financial Statements

1. I have audited the accompanying financial statements of The Kerala Cardamom Processing and Marketing Company Limited, Thekkady (the Company) which comprises the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

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 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.

3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. My responsibility is to express an opinion on these financial statements based on my audit. I have taken in to 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. I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Opinion

7. In my opinion and to the best of my information and according to the explanations given to me, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- b) In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditors report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, I give in Annexure A statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

9. As required by section 143(3) of the Act, I report that:

- (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
- (b) In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on 31st March, 2017 and taken on record by the board of directors, none of the directors are disqualified as on 31st March, 2017 from being appointed as a director in terms of section 164(2) of the Act; and
- (f) With respect to the adequacy of internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in Annexure - B
- (g) With respect to other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, in my opinion and to the best of my information and according to explanation given to me:
 - i) As per information and explanation given to me the Company does not have any pending litigation which will have material impact on its financial position as given in the financial statements.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
 - iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to me by the management- Refer Note 35 to the financial statements.

Ponkunnam
29-08-2017

Sd/-
K. T. THOMAS
Chartered Accountant
(Membership No. 22112)

ANNEXURE TO AUDITOR'S REPORT

Annexure-A referred to in Paragraph 8 of my report of even date on the accounts of The Kerala Cardamom Processing and Marketing Company Limited for the year ended 31st March, 2017.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physically verifying all the fixed asset at its Depots/Offices in a phased manner over a period of 3 years, which in my opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company subject to Note No. 27 to the financial statement.
- (ii) (a) The inventories have been physically verified by the management during the year. According to the information given to me no material discrepancies were noticed on such verification.
- (iii) According to the explanations given to me and based on my information the Company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Hence Clause a, b and c of paragraph (iii) of the Order are not applicable to the Company.
- (iv) In my opinion and according to the information and explanation given to me the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees, and securities made/given.
- (v) According to the information and explanation given to me the Company has not accepted any deposits from the public. Therefore, the provisions of clause (v) of the Para 3 of the order are not applicable to the Company.
- (vi) In my opinion and according to the information and explanations given to me the central government has not prescribed maintenance of cost records under section 148(1) of the Companies' Act, 2013 read with the companies (Cost Records and Audit) Rules 2014, for any of the products dealt with/services rendered by the Company.
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues payable including Provident fund, Income Tax, Sales Tax, Service Tax, Customs duty, Excise Duty, Value Added Tax and cess and other statutory dues with the appropriate authorities. According to the information and explanations given to me, no undisputed amounts payable in respect of the above were in arrears for a period more than six months as at 31st March, 2017.
- (b) According to the information and explanation given to me, there are no dues of income tax/ sales tax/ service tax/ duty of customs/ duty of excise/ Value Added Tax/ Cess outstanding on account of any dispute.
- (viii) On the basis verification of records and according to the information and explanation given to me, the Company has not defaulted in repayment of dues to the financial institution/ banks/ government. The Company has not raised any monies against issue of debentures.
- (ix) The company has not raised moneys by way of any Public Offer or Term Loans during the year. Hence para (ix) of order is not applicable to the Company.
- (x) According to the information and explanation given to me by the Company, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to me by the Company and based on my review, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act:

- (xii) The Company is not a Nidhi Company. Therefore, the paragraph (xii) of the order is not applicable to the Company.
- (xiii) In my opinion and according to the information and explanation given to me, the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to me, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence the provisions of paragraph (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanation given to me, during the year Company has not entered into any non-cash transactions with directors or persons connected with him. Hence the provisions of paragraph (xv) of the Order are not applicable to the Company.
- (xvi) In my opinion and according to the information and explanation given to me, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Ponkunnam
29-08-2017

Sd/-
K. T. THOMAS
Chartered Accountant
(Membership No. 22112)

Annexure-B referred to in Paragraph 9 of my report of even date on the accounts of The Kerala Cardamom Processing and Marketing Company Limited for the year ended 31st March, 2017.

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

I have audited the internal financial controls over financial reporting of The Kerala Cardamom Processing and Marketing Company Limited, Thekkady (‘the Company’) as of 31st March, 2017 in conjunction with my audit of the standalone financial statement 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 internal control over financial reporting criteria established by the Company considering 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 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

My responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

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 authorisations of management and directors of the Company;
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at 31st March, 2017 based on the internal financial controls system over financial reporting criteria established by the Company considering 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.

Ponkunnam
29-08-2017

Sd/-
K. T. THOMAS
Chartered Accountant
(Membership No. 22112)

BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	NOTE No.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
I EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
a) Share Capital	1	39998000	39998000
b) Reserves and Surplus	2	540306943	473293215
(2) NON - CURRENT LIABILITIES			
a) Deferred Tax Liabilities (Net)	3	(146488)	(41380)
b) Long Term Provisions	4	2458407	2379380
(3) CURRENT LIABILITIES			
a) Short - Term borrowings	5	—	18660497
b) Trade Payables	6	119741037	65212379
c) Other Current Liabilities	7	13136353	5969428
d) Short Term Provisions	8	63308671	58033287
TOTAL		778802923	663504807
II ASSETS			
(1) NON-CURRENT ASSETS			
a) Fixed Assets			
i) Tangible Assets	9	167673967	158447643
b) Long-Term Loans and Advances	10	275000	275000
(2) CURRENT ASSETS			
a) Current Investments	11	—	20062615
b) Inventories	12	236320891	169384112
c) Trade Receivables	13	225325911	174259269
d) Cash and Cash Equivalents	14	87209143	75057929
e) Short-Term Loans and Advances	15	61998011	66018239
TOTAL		778802923	663504807

Accompanying notes 1 to 36 form part of the financial statements

As per my separate audit report of even date attached

Sd/-
JOHNY MATHEW
(DIN: 02503346)
Chairman

Sd/-
JOJO GEORGE POTTEMKULAM
(DIN: 00050344)
Managing Director

Sd/-
K. ZIA-UD-DIN AHAMED
(DIN: 00350688)
Joint Managing Director

Sd/-
K. T. THOMAS
Chartered Accountant
Ponkunnam

29-08-2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS		NOTE No.	2016-2017 Rs.	2015-2016 Rs.
I	Revenue from operations	17	1856613673	1989713678
II	Other income	18	26287001	21022980
III	Total Revenue		1882900674	2010736658
IV	Expenses			
	Purchases of Stock-in-Trade	19	1703983322	1770254562
	Changes in Inventories of Stock-in-Trade	20	(66936779)	(9524277)
	Employee Benefits Expense	21	29355392	26632223
	Finance Costs	22	683898	1284318
	Depreciation and Amortization Expense	9	4233427	3898041
	Other Expenses	23	84465565	97830539
	Total Expenses		1755784827	1890375406
V	Profit Before Tax		127115847	120361252
VI	Tax expense			
	1) Current tax		43400000	41000000
	2) Prior year's tax		(41991)	199774
	3) Deferred tax		(105108)	1194226
VII	Profit for the year		83862946	77967252
VIII	Earnings per equity share			
	1) Basic		21	19
	2) Diluted		21	19

Accompanying notes 1 to 36 form part of the financial statements

Sd/-
JOHNY MATHEW
(DIN: 02503346)
Chairman

29-08-2017

Sd/-
JOJO GEORGE POTTEMKULAM
(DIN: 00050344)
Managing Director

Sd/-
K. ZIA-UD-DIN AHAMED
(DIN: 00350688)
Joint Managing Director

Sd/-
K. T. THOMAS
Chartered Accountant
Ponkunnam

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	2016-2017 Rs.	2015-2016 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	127115847	120361252
Adjustments:		
Depreciation/Amortization	4233427	3898041
Finance Cost	683898	1284318
(Profit)/Loss on sale of assets (net)	(894973)	(571598)
Net (gain)/loss of foreign currency translation	(673572)	(154922)
Dividend received from short term liquid funds	(4636797)	(2834615)
Operating Profit before working capital changes A	<u>125827830</u>	<u>121982478</u>
Movements in working capital:		
Increase/(decrease) in trade payable	54528659	14725334
Increase/(decrease) in Short term borrowings	(18660497)	(36565384)
Increase/(decrease) in Long term borrowings	-	(1422928)
Increase/(decrease) in Long term provisions	79028	(3701411)
Increase/(decrease) in Short term provisions	468352	117480
Increase/(decrease) in other current liabilities	6858324	(1303623)
Decrease/(increase) in trade receivables	(51066643)	(2988224)
Decrease/(increase) in inventories	(66936779)	(9524277)
Decrease/(increase) in long term loans and advances	0	175000
Decrease/(increase) in short term loans and advances	4020228	(13943288)
Net Decrease/(increase) in working capital B	<u>(70709328)</u>	<u>(54431321)</u>
Cash generated from/(used in) operations A+B	<u>55118502</u>	<u>67551156</u>
Direct Taxes paid (net of refunds)	(40958009)	(45099774)
Net cash flow from/(used in) operating activities	14160493	22451382
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(13685278)	(8339849)
Proceeds from sale of fixed assets / Subsidies	1120500	3584000
Purchase of short term liquid funds	(1085000000)	(767062615)
Redemption of short term liquid funds	1109699412	749834615
Net cash flow from/(used in) investing activities	12134634	(21983849)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(683898)	(1284318)
Dividend paid	(11690800)	(11684650)
Dividend Distribution Tax paid	(2442787)	(2442787)
Net cash flow from/(used in) financing activities	(14817485)	(15411755)
Net increase/(decrease) in cash and cash equivalents	11477642	(14944222)
Cash and cash equivalents as at the beginning of the Year	75057929	89847229
Net gain/(loss) of foreign currency translation	673572	154922
Cash and cash equivalents as at the end of the Year	87209143	75057929

Sd/-
JOHNY MATHEW
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K. ZIA-UD-DIN AHAMED
(DIN: 00350688)
Joint Managing Director

Sd/-
K. T. THOMAS
Chartered Accountant
Ponkunnam

29-08-2017

Notes forming part of the financial statements for the year ended 31.03.2017	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
I NOTES TO BALANCE SHEET		
(1) Share Capital		
(a) Authorized		
5000000 (5000000) Equity Shares of Rs.10/-Each	50000000	50000000
(b) Issued, Subscribed & Fully paid up	39998000	39998000
3999800 (3999800) Equity Shares of Rs.10/- Each		
(c) Reconciliation of Number of Shares	31.03.2017	31.03.2016
	No.of Shares	Amount
Opening Balance	3999800	39998000
Closing Balance	3999800	39998000
	No.of Shares	Amount
	3999800	39998000
	3999800	39998000
(d) Rights and preferences attached to each class of shares:-		
The paid up share capital of the Company consists of only equity shares with no differential rights, preferences and restrictions.		
(2) Reserves and Surplus		
(a) Revaluation Reserve	13979396	13979396
(b) General Reserve		
As per last balance sheet	455774158	390774158
Add: Transfer from Profit & Loss A/c	67500000	65000000
	523274158	455774158
(c) Surplus in Statement of Profit and Loss		
Opening Balance	3539661	5014596
Add: Net profit for the current year	83862946	77967252
Less: Proposed Dividend	13999300	11999400
Less: Dividend Distribution Tax	2849919	2442787
Less: Transfer to General Reserve	67500000	65000000
	3053389	3539661
TOTAL	540306943	473293215

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Chartered Accountant
Ponkunnam

Notes forming part of the financial statements for the year ended 31.03.2017	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
(3) Deferred tax Liabilities/(Asset) (Net)		
The Deferred Tax Liabilities on taking into account the impact of timing differences between financial statements and estimated taxable income are as under.		
On account of Depreciation	666738	744496
On account of Gratuity Provision	(813226)	(785876)
TOTAL	(146488)	(41380)
(4) Long Term Provisions		
For Employees Gratuity(Refer Note No.36(f)(ii)	2458407	2379380
(5) Short Term Borrowings		
Secured:-		
(a) Loans Repayable on demand		
From Banks	-	18660497
Refer Note No.24 for details of Security.		
(6) Trade Payables		
(a) Due to Micro and Small Enterprises (Refer Note No.25)	-	-
(b) Due to Others	119340028	64590147
(c) Creditors for Expenses	401009	622231
TOTAL	119741037	65212379
(7) Other Current Liabilities		
(a) Unpaid Dividend	1700900	1392300
(b) Statutory Dues	5475365	3895969
(c) Advance Received from Customers	5950088	671159
(d) Security Deposit	10000	10000
TOTAL	13136353	5969428
(8) Short Term Provision		
(a) for Employee Benefits-Bonus & Ex Gratia	3059452	2591100
(b) for Taxation	43400000	41000000
(c) for Proposed Dividend	13999300	11999400
(d) for Dividend Distribution Tax	2849919	2442787
TOTAL	63308671	58033287
(10) Long Term Loans & Advances		
Unsecured considered good		
(a) Security Deposits	275000	275000

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29-08-2017

(Amount in Rupees)

PARTICULARS	ORIGINAL COST			DEPRECIATION / AMORTISATION			WRITTEN DOWN VALUE		
	As at 01.04.2016	Additions	(Sale/ Adjust ments)	As at 31.03.2017	As at 01.04.2016	For the Year	On (Sale/Adjust ments)	As at 31.03.2017	As at 01.04.2016
Freehold land	122985083	9727200	-	132712283	-	-	-	132712283	122985083
Buildings	38849566	-	-	38849566	14720619	1175080	-	22953867	24128947
Plant & Machinery	10227883	981800	-	11209683	3470105	1352233	-	6387345	6757778
Furniture & Fittings	3643397	-	-	3643397	3202238	114216	-	326943	441159
Motor Vehicles	9332591	2882304	1849300	10365595	5698403	1336931	1626406	4956667	3634188
Motor Cycles	465249	-	21725	443524	287747	45593	19092	129277	177502
Computers and Data Processing Units	5307789	93974	-	5401763	4984802	209375	-	207585	322987
TOTAL	190811558	13685278	1871025	202625811	32363915	4233427	1645498	167673967	158447643
PREVIOUS YEAR	186344509	8339849	3872800	190811558	29326271	3898041	860398	158447643	157018238

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K. T. THOMAS
Chartered Accountant

29-08-2017

Notes forming part of the financial statements for the year ended 31.03.2017	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
11) Current investments		
(a) ICICI MF Investment A/c	-	1,00,06,211
(b) HDFC Investment A/c	-	1,00,56,404
TOTAL	-	2,00,62,615
(12) Inventories		
(a) Stock in Trade	236320891	169384112
Refer Note No.36(b) for method of valuation		
(13) Trade Receivables		
Unsecured considered good		
a) Debts outstanding for a period exceeding six months.	8850321	7419400
b) Other Debts	216475590	166839869
TOTAL	225325911	174259269
(14) Cash and Cash Equivalents		
(a) Balances with Banks*	58175115	40846328
(b) Unpaid Dividend Account Balance	1723798	1408229
(c) Cheques, Drafts on hand	21531992	25759869
(d) Cash on Hand	5778237	7043503
TOTAL	87209143	75057929
* Includes Rs. 6794623.00 given as security for bank guarantee obtained, out of this fixed deposits worth Rs. 5994100.00 are of maturity period of more than 12 months.		
(15) Short-Term Loans & Advances		
Unsecured considered good		
(a) Prepaid Insurance	1538244	1465516
(b) Income Tax Advance and TDS	39199604	40298590
(c) Security Deposit	5954705	5665072
(d) Advance Paid to Suppliers	9883593	14536644
(e) Other Advances	5421866	4052417
TOTAL	61998011	66018239
(16) Contingent Liabilities and Commitments:- To the extent not provided for		
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt:		
Service tax Demand	8242256	Nil
(b) Guarantees : The Company has given guarantee to ICICI Bank Ltd. for funded and non funded limits aggregates to Rs.5.75 Crores availed by The Cardamom Planters' and Marketing Co-Operative Society Limited. The Balance outstanding in the CC limit as on 31.03.2017 is Nil (Previous Year Nil). Bank Guarantee Rs.4.81 Crores (Previous Year Rs.3.90 Crores)		

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Joint Managing Director

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K. T. THOMAS
Chartered Accountant
Ponkunnam

29-08-2017

Notes forming part of the financial statements for the year ended 31.03.2017	2016-2017 Rs.	2015-2016 Rs.
II NOTES TO STATEMENT OF PROFIT AND LOSS		
(17) Revenue from Operations		
(a) Sale of Products	1772732107	1926064982
(b) Other Operating Revenues		
Discount Received	59614121	41818700
Commission - Auction	22260955	19796197
Export Incentive	2006490	2033799
TOTAL	1856613673	1989713678
(18) Other Income		
(a) Dividend Income from short term liquid funds	4636797	2834615
(b) Net Gain/(Loss) on sale of Fixed Assets	894973	571598
(c) Transport & handling charges collected	7379918	5755242
(d) Rent Received	587761	831912
(e) Net gain/loss of foreign currency translation and transaction	673572	154922
(f) Interest Received on Security deposit	614085	696392
(g) Others (Refer Note No. 31)	11499895	10178300
TOTAL	26287001	21022980
(19) Purchases of Stock-in-Trade		
(a) Fertilisers & Neemcake	342251168	344544022
(b) Coppersulphate & Chemicals	374320005	370199809
(c) Rubber Sheet	461932694	780542079
(d) Gunnies	9314830	13068915
(e) Cardamom	514900872	261899737
(f) Spices	1263755	-
TOTAL	1703983322	1770254562
(20) Changes in Inventories of Stock in Trade		
Opening Stock	169384112	159859835
Closing Stock	236320891	169384112
	(66936779)	(9524277)
(21) Employee Benefit Expense		
(a) Salaries & Wages	22869941	20942639
(b) Provident Fund Contribution	1819008	1710771
(c) Gratuity	2150229	1825500
(d) Medical Insurance Premium	1736214	1373313
(e) Salary to Directors	780000	780000
TOTAL	29355392	26632223

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Ponkunnam

29-08-2017

Notes forming part of the financial statements for the year ended 31.03.2017	2016-2017 Rs.	2015-2016 Rs.
(22) Finance Cost		
(a) Interest Expense	134092	501891
(b) Other borrowing costs	57500	165616
(c) Bank charges	492306	616811
TOTAL	683898	1284318
(23) Other Expenses		
(a) Freight and Handling	14387982	15391881
(b) Power & Fuel	776381	803355
(c) Rent	4325694	4173077
(d) Repairs to Building	569928	625490
(e) Repairs to Others	759642	651811
(f) Insurance	483221	429936
(g) Rates & Taxes	266508	582412
(h) Vehicle Running & Maintenance	3559120	3282103
(i) Grading and Packing Expense	3904921	4374624
(j) Travelling Expense	2874550	2579770
(k) Sitting fee to Directors	275000	213000
(l) Selling and Marketing Expense	20296453	17981927
(m) Books & Periodicals	84117	65879
(n) Postage and Telephone	1134423	1075232
(o) Printing & Stationery	850365	743586
(p) Taxes Paid	323710	360213
(q) Service Tax paid	133728	209199
(r) Brokerage and Commission	1765472	2432658
(s) Discount Paid	14268947	19956230
(t) Auction Expense	6469859	7623545
(u) Office Expense	1812584	1505529
(v) Other Expenses	917709	1151528
(w) Professional Charges	1435252	1215105
(x) Bad debts written off	-	5215450
(y) CSR Expenses	2525000	4952000
(z) Payment to Auditors		
As Auditor	215000	200000
For Taxation Matters	50000	35000
TOTAL	84465565	97830539

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29-08-2017

III OTHER NOTES

- 24) The secured short term loans of the Company are secured by hypothecation of inventories and book debts and movable fixed assets.
- 25) The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium Enterprises. Consequently the amount paid or payable to such parties during the year is NIL (Previous Year- Nil)
- 26) Some of the Sundry Debtors and Sundry Creditors are subject to confirmation of balance.
- 27) Freehold Land and Building under Fixed Assets include land without pattayam valued Rs.11,860 (Previous year Rs.11860) and building for Rs.9,00,000 (Previous year Rs.900000) on land without pattayam in respect of which transfer deed has not been registered in favour of this Company.
- 28) F.O.B. value of Exports during the year Rs.222966051.1 (Previous year Rs.191575861/-)-Freight and Incidental Charges Rubber Rs.5791824 (Previous Year Rs.10915579)
- 29) Expenditure in foreign currency - Freight and Incidental Charges - Rs.1342474 (Previous Year - Rs.6668168) Foreign Travel -Rs.212560 (Previous Year – Nil) Purchase of Machinery - Nil (Previous Year - Rs.4622133) Total - Rs.1555034 (Previous year Rs. 11290301)
- 30) The information required to be disclosed as per Schedule III to the Companies Act, 2013 are disclosed only to the extent particulars are applicable to the Company which is a Trading Company.
- 31) The amount of 'Others' under Other Income in Note 18 consists of:-

	31.03.2017	31.03.2016
Service Tax Refund	312081	228388
Profit /(Loss) on Future Trading	(226819)	(366118)
Freight and Incidental Charge	4449350	4247411
Service Charge Collected	3302905	2647551
Miscellaneous Income Auction	(183)	841
Bill Discounting	3662560	3093992
Price Difference	0	326236
	11499895	10178300

- 33) Previous year's figures have been regrouped or reclassified wherever necessary to compare with current year's figures.

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29-08-2017

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(32) SEGMENT INFORMATION

Particulars		2016-2017 Rs.	2015-2016 Rs.
1.	Segment Revenue		
	a) Agro Inputs	854253967	865666041
	b) Cardamom Domestic	264709214	126094464
	c) Cardamom Export	190308148	195189769
	d) Rubber Domestic	463460778	782967207
	e) Cardamom Auction	22260955	19796197
	Net Sale/Income from Operations	1794993061	1989713678
2.	Segment Results (Profit /(Loss) before Tax and Finance Cost)		
	a) Agro Input	131959897	132882029
	b) Cardamom	24127368	20338483
	c) Rubber	3967959	4720236
	d) Cardamom Auction	24459179	19499228
	Total	184514402	177439976
	Less:		
	(i) Finance Cost	683898	1284318
	(ii) Other un-allocable expenditure net of un-allocable income	56714657	55794406
	Profit before Tax	127115847	120361252
	Less:		
	(1) Current tax	43400000	41000000
	(2) Prior year's tax	(41991)	199774
	(3) Deferred tax liability	(105108)	1194226
	Profit after Tax	83862946	77967252
3.	Segment Assets		
	a) Agro Input	191248380	227187608
	b) Cardamom	194659995	51432382
	c) Rubber	169450	2354085
	d) Cardamom Auction	101161178	92556502
	Total	487239003	373530576
	Un allocated corporate assets	291563919	289974231
	Total assets as per Balance Sheet	778802923	663504807
4.	Segment Liabilities		
	a) Agro Input	73750294	44399092
	b) Cardamom	381078	434805
	c) Rubber	0	2036270
	d) Cardamom Auction	55966790	22105570
	Total	130098162	68975737
	Un allocated Corporate Liabilities	68399818	81237855
	Share holders Funds	580304943	513291215
	Total Liabilities as per Balance Sheet	778802923	663504807
5.	Capital Employed		
	a) Cardamom	3811070	4674182
	b) Un allocated Segment Capital Employed	576493873	508617033
	Total	580304943	513291215
6.	Capital Expenditure incurred		
	a) Cardamom	0	4674182
	b) Un allocated Segment Capital Expenditure incurred (Net)	11814253	(207133)
	Total	11814253	4467049
7.	Depreciation		
	a) Cardamom	689804	20861
	b) Un allocated Segment Depreciation	3543624	3877180
	Total	4233427	3898041
8.	Segment Non Cash Expenditure	-	-

(34) RELATED PARTY DISCLOSURES

List of Related Parties where control exists and other related parties with whom the Company had transactions and their relationships.

Sl.No	Name of the related party	Nature of Relationship
1	Mr. Jojo George Pottemkulam	Key Management Personnel
2	Mr. K. Zia Ud Din Ahamed	Key Management Personnel

Sl.No.	Name of the related party	Nature of Transactions	2016-17	2015-16
1	Mr. Jojo George Pottemkulam	Remuneration	600000	600000
		Sitting Fee	25000	21000
		Dividend Paid	96900	96900
2	Mr. K. Zia Ud Din Ahamed	Remuneration	180000	180000
		Sitting Fee	20000	16000
		Dividend Paid	40200	40200

(35) Disclosures regarding Specified Bank Notes (SBN)

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 8th November, 2016	10663000	7059089	17722089
(+) Permitted Receipts	0	100670370	100670370
(-) Permitted Payments	0	66882360	66882360
(-) Amount deposited in Banks	10663000	22903461	33566461
Closing cash in hand as on 30th December, 2016	0	17943638	17943638

(36) SIGNIFICANT ACCOUNTING POLICIES:

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial Statements are prepared on historical convention except in the case of Fixed Assets being Free Hold Land acquired prior to 31.03.1996 which was revalued during the year 1996-1997. These Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and in compliance with the provisions of the Companies Act 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006.

(b) INVENTORY

Inventories are valued at cost or net realisable value whichever is lower. The Cost is arrived on Weighted Average cost Basis.

(c) CASH FLOW STATEMENT

The Cash Flow Statement is prepared in accordance with the indirect method stated in Accounting Standard 3 on Cash Flow Statement and presents the cash flows by operating, investing and financing activities

(d) DEPRECIATION

Depreciation is charged at the rates based on the useful life of the assets as prescribed under Schedule II to the Companies Act, 2013 on written down value basis. In respect of the additions to/sale of Fixed Assets during the year, depreciation is charged on pro-rata basis.

(e) REVENUE AND EXPENDITURE RECOGNITION

Revenue is recognised and expenditure is accounted for on their accrual, except in the case of credit notes received for special discounts, price difference, reimbursement of sales promotional expenses etc and export incentives which are accounted in the year of receipt / realisation. The Company is also an auctioneer of cardamom licensed by the Spices Board. The turnover of the Company excludes the auction turnover. Only the commission earned as auctioneer is recognised in the revenue.

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Ponkunnam

29-08-2017

Disclosure as required by ACCOUNTING STANDARD 15

	31.03.2017	31.03.2016
1. Assumption		
Discount Rate	8.00%	8.00%
Salary Escalation	8.00%	7.00%
2. Changes in present value of Obligation:-		
Present value of obligations as at beginning of year	8409547	7272913
Interest cost	672764	581833
Current Service Cost	544036	551912
Benefits Paid	(478557)	(765808)
Actuarial (gain)/ loss on obligations	1411911	768697
Present value of obligations as at end of year	10559701	8409547
3. Changes in fair value of plan assets :-		
Fair value of plan assets at beginning of year	6030167	1192123
Expected return on plan assets	478482	76942
Contributions	2071201	5526911
Benefits Paid	(478557)	(765808)
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	8101294	6030167
4. Fair value of plan assets:-		
Fair value of plan assets at beginning of year	6030167	1192123
Actual return on plan assets	478482	76942
Contributions	2071201	5526911
Benefits Paid	(478557)	(765808)
Fair value of plan assets at the end of year	8101294	6030167
Funded status	(2458407)	(2379380)
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
5. Actuarial Gain/Loss recognized:-		
Actuarial (gain)/ loss on obligations	(1411911)	(768697)
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
Actuarial (gain)/ loss on obligations	1411911	768697
Actuarial (gain)/ loss recognized in the year	1411911	768697
6. Amounts to be recognized in the balance sheet :-		
Present value of obligations as at the end of year	10559701	8409547
Fair value of plan assets as at the end of the year	8101294	6030167
Funded status	(2458407)	(2379380)
Net asset/(liability) recognized in balance sheet	(2458407)	(2379380)
7. Expenses Recognised in statement of Profit and loss:-		
Current Service cost	544036	551912
Interest Cost	672764	581833
Expected return on plan assets	(478482)	(76942)
Net Actuarial (gain)/ loss recognized in the year	1411911	768697
Expenses recognised in statement of Profit and loss	2150229	1825500

(f) EMPLOYEE BENEFITS - POST EMPLOYMENT

i) PROVIDENT FUND

The Company is registered with the Regional Provident Fund Commissioner, for Provident Fund benefits and is contributing to the fund as per prescribed Law at a specified percentage of salary. The Contribution to the Fund is accounted on accrual basis.

ii) GRATUITY

Gratuity Payment is administered under a Group Gratuity Policy scheme with Life Insurance Corporation of India (LIC) managed by a separate trust created for the purpose and is administered as a Defined Benefit Plan. The annual Premium as intimated by the Administrator is paid by the Company. The accrued Gratuity is ascertained as per actuarial valuation based on projected unit credit method. Contribution to the Gratuity Fund Rs.2071201 (Previous year Rs.526911) and balance of accrued amount Rs.18515 (Previous year Rs.1268915) aggregating to Rs.2150229 (Previous year Rs.1825500) is charged to the Statement of Profit and Loss.

iii) Leave salary included in the Salary structure is paid every year

(g) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted at exchange rate prevailing on the date of transaction. Monetary assets relating to foreign currency transaction outstanding at the end of the year are translated at the exchange rate prevailing as on the date of the Balance Sheet. Exchange differences are accounted in the year of actual realisation/payment.

(h) SEGMENT REPORTING

Segment Reporting is made based on the number of segments identified by the Management, as per the requirements of Accounting Standard 17. The Company has 4 business segments. The Export turnover is not very significant in the contest of the total turnover. As such there are no reportable geographical segments.

(i) RELATED PARTY DISCLOSURES

Related Party Disclosure are made as per the requirements of Accounting Standard-18.

(j) TAXATION

Provision for tax is made for both current and deferred taxes as prescribed under Accounting Standard 22, issued by the Institute of Chartered Accountants of India.

(k) EARNINGS PER SHARE

Disclosure is made in the Profit and Loss Account as per the requirements of Accounting Standard 20.

(l) IMPAIRMENT OF ASSETS

The Company assess at each Balance Sheet date, whether there is any indication of impairment of assets and impairment loss is recognised whenever the carrying amount of the assets exceeds the recoverable amount.

Sd/-
JOHNY MATHEW
(DIN: 02503346)
Chairman

Sd/-
JOJO GEORGE POTTEMKULAM
(DIN: 00050344)
Managing Director

Sd/-
K. ZIA-UD-DIN AHAMED
(DIN: 00350688)
Joint Managing Director

Sd/-
K. T. THOMAS
Chartered Accountant
Ponkunnam

29-08-2017

The Kerala Cardamom Processing and Marketing Company Limited

Registered Office: K P 1/741 B, Spice House, Thekkady PO, Idukki District - 685 536

CIN: U15495KL1990PLC005656

Telephone: 04869-222865, 222097 E-mail: info@kcpmc.com Website: www.kcpmc.com

ATTENDANCE SLIP

I hereby record my presence at the 27th Annual General Meeting of the Company at 02.30 PM on Tuesday, the 26th September 2017 at the Registered office of the Company, KP1/741 B, Spice House, Thekkady PO, Idukki District-685 536

Folio No.				
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.....
Full Name of the *Shareholder/prox
(In block letters)

.....
signature of *shareholder/proxy

*strike out whichever is not applicable

E-mail ID

NOTE: shareholders attending the meeting in Person / Proxy are requested to complete the Attendance Slip and handover at the entrance of the Meeting Hall.

**Form No. MGT-11
PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rule 2014)

CIN : U15495KL1990PLC005656
 Name of the Company : THE KERALA CARDAMOM PROCESSING AND MARKETING COMPANY LIMITED
 Registered Office : KP1/741 B, Spice House, Thekkady PO, Idukki District - 685 536
 Name of the member(s) :
 Registered Address :
 E- mail ID : Folio No :

I / We, being the member(s) holding..... of the above named Company, hereby appoint

1. Name :.....
 Address :.....
 E-mail Id :..... Signature: or failing him
2. Name :.....
 Address :.....
 E-mail Id :..... Signature: or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 27th Annual General Meeting of the Company, to be held on Tuesday, the 26th September 2017 at 02.30 PM at Registered office –KP1/741 B, Spice House, Thekkady PO, Idukki District- 685 536 and at any adjournment thereof in respect of such resolution as are indicated below.

Resolution item Nos.

1. Adoption of financial statements together with the reports for the year ended 31.03.2017.
2. Declaration of dividend.
3. Re appointment of Mr. Raghavan Guhan (DIN: 06981128) as a director liable to retire by rotation.
4. Re appointment of Mr. Thamanan Karunakaran Krishnasamy Suruliyandi Sharavanan (DIN: 02980614) as a director liable to retire by rotation.
5. Re appointment of Mr. Karimpanal Ittiavira Varkey (DIN: 01899065) as a director liable to retire by rotation
6. Appointment of Statutory Auditors.
7. Appointment of Tax Auditors.

Signed this day of2017

Signature of shareholder

Signature of Proxy holder(s)

Revenue Stamp of Re.1/-

1. Revenue stamp should be affixed to this and it should then be signed by the member.
- 2 This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company, note less than 48 hours before the commencement of Meeting.

The Kerala Cardamom Processing and Marketing Company Limited

"Spice House" Thekkady P.O., Idukki Dist., Kerala-685 536,

Telefax : 04869-222865, 222097

E-mail : info@kcpmc.com • www.kcpmc.com • www.indiancardamom.com

Regional / Divisional Offices

Kalpetta : 04936-203691

Bodinayakanur : 04546-280765/63

Kanijirappally : 04828 205338, 203469, 203041

Branches

Vandanmedu -277014 • Kumily – 223482 • Kattappana – 273468 • Nedumkandam - 232438

Bisonvalley – 285711 • Poopara – 247249 • Rajakumary - 243284 • Udumbanchola - 237427

Anakkara – 282846 • Puliyanmala – 270872 • Rajakadu – 241469 • Anavilasom - 263585