



**26<sup>th</sup> ANNUAL  
REPORT  
2015 - 2016**

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 gives us great pleasure to welcome you to the 26th Annual General Meeting of your Company.

**New beginning:**

It was probably in the most trying circumstances that the new management of your company took over its reins. The economy was struggling, sentiment was weak, competition was fierce and stemming from unexpected corners, literally striking us 'below the belt'; commodity prices were the lowest of the decade and wages were at its highest.

As was expected, the 'honeymoon' was short and the challenge was huge, particularly in the wake of huge expectations weighted down by the legacy of an able and extremely successful management that had handed over the reins of this remarkable company. Clearly they had build the foundations strong and set the path clear, to enable the process and the organization into the future. We have today completed the first full financial year under the new management of your company at its helm.

While the nation and its vibrant economy readies itself for the most revolutionary change for its commercial process in **GST**(Goods and Services tax), the sentiment has changed around in most businesses that we are in. We are hopeful that the mood will sustain and help us ride the wave in whatever pursuit we embark on.

'**Diversification**' and growth is an imperative requirement for any organization to sustain and evolve into the future. This is also a challenge as it is always fraught with risks and uncertainties. However, efforts towards this are more than required as any organization that fall behind in this exercise may cease to be relevant and ultimately exist in the future. Businesses have to continuously evolve and/or find newer and more relevant avenues to function, grow and prosper. Efforts have been on and debates have been unending to identify the right avenues for growth and diversification.

The choice is even more arduous, since the right avenues and methods that are adopted to achieve this, have to be in line with our values, culture and aspirations. The general advise, strategy and direction has been to foray into related businesses and also to address your existing customer base in whatever better methods possible.

Identifying and providing solutions for needs and aspirations that is relevant and enabling for the customer is what needs to be addressed. A mere product or a service and forays into 'fads' and unrelated avenues may not only lead to failure but will also result in precious time energy and wasted resources painstakingly build over the years. However, no growth and diversification comes with 'fail/fool-proof' formulas, which is why they are difficult and arduous.

'**Disruptive**' change is the catchword today. Established businesses are more at the receiving end of this new phenomenon, since 'New players' have nothing to lose. Aggregators and consolidator businesses are changing the way the world looks at business opportunities today. The result being that markets hardly expand but consolidate extremely efficiently to squeeze out the last bit of efficiency from existing business models. Businesses have to be extremely nimble and adaptable and be constantly aware of what is relevant to the customer.

We are trying our best to be aware and adapt to what is happening and the sheer pace of disruptive changes around us. We are constantly reviewing the environment in which we operate and elsewhere, and will adopt practices and systems that are relevant and those that will help us grow and diversify.

We will certainly not foray into a business that are mere 'flavours' of the season, but will make a studied and calculated approach to identify what is relevant and will make a substantial difference to the customer who receives this product or service. It is an era of winners all the way... and we cannot afford not to part take in this new game of the new era.....!



**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 222865

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 26th Annual General Meeting of The Kerala Cardamom Processing and Marketing Company Ltd will be held at the registered office of the Company at KP1/741 B-Spice House, Thekkady PO, Idukki – 685536, on Tuesday the 27th September 2016 at 3.00 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, 2016 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, 2016 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, 2016.  
"RESOLVED THAT dividend at the rate of Rs.3/- (Rupees Three ) per equity share of Rs.10/- (Rupees Ten ) be and is hereby declared and paid as dividend for the financial year ended 31st March, 2016."
3. To appoint a director in the place of Mr. Sakthivel Kumerasan (DIN: 06982078), who retire by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.  
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sakthivel Kumersan (DIN: 06982078), 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 Ms. Susan Punnoose (DIN: 06981148), who retire by rotation at the conclusion of this Annual General Meeting and being eligible, offers herself for re-appointment.  
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Susan Punnoose (DIN: 06981148), who retires by rotation at this meeting and being eligible has offered herself 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. Mohan Varughese (DIN: 06981109), who retire by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.  
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Mohan Varughese (DIN: 06981109), 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 30<sup>th</sup> 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 AGM till the conclusion of the next Annual General Meeting to be held in the calendar year 2017 and that the Board of Directors be and is hereby authorised to fix the remuneration payable to him for the financial year ending 31<sup>st</sup> March, 2017 as may be determined by the audit committee in consultation with the auditors".
7. To re-appoint 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 re-appointment 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 31<sup>st</sup> March, 2017 as may be determined by the audit committee in consultation with the Tax Auditors".

### Special Business

8. To consider and if think fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 164, 196, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, consent of the members of the company be and is hereby accorded to appoint

Mr.Ziauddin Ahamed Kadermohideen (DIN: 00350688), as Whole Time Director cum Joint Managing Director of the company for a period of five years starting from 28/02/2017 to 27/02/2022, on such terms and conditions as determined by the board of directors, and to remunerate him with a salary of Rs. 15000 per month.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** any one of the Directors be and is hereby authorised to give a copy of this resolution to such authorities as may be required in this regard.

9. **To consider and if think fit, to pass, with or without modification, the following resolution as a Special Resolution:**

**RESOLVED THAT**, pursuant to provision of section 14 and other applicable provisions, if any, of Companies Act, 2013 (including any modification or re-enactment thereof) and applicable provisions of various Companies Rules 2014, the consent of the members of the company be and is hereby accorded for adopting a new set of Articles of Association of the company in place of existing Articles of Association, copy of which is placed before the members and duly initialed by the Chairman for identification purpose.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorized to prepare, sign and submit necessary forms with the Registrar of Companies, Kerala and do all such acts, deeds and things as are necessary and expedient thereto.

**RESOLVED FURTHER THAT** any one of the Directors be and is hereby authorised to give a copy of this resolution to such authorities as may be required in this regard.

10. **To consider and if think fit, to pass, with or without modification, the following resolution as a Special Resolution for alteration of clauses III (B) 15,17, 21 & 39 of Memorandum of Association**

**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013 if any and subject to the confirmation of the Registrar of the Companies, the clauses 15, 17, 21 and 39 stated in III (B) of the Memorandum of Association as incidental or ancillary to the attainment of main objects be are hereby altered to read as under:

15) Subject to the provisions of the Companies Act, 2013 to distribute as dividend, bonus or otherwise among members in kind any property or assets of the company and any shares, debentures or securities of this Company or of other companies, belonging to this company, which this company may be competent to distribute.

17) Subject to the provisions of the Companies Act, 2013 or any other enactment in force, to indemnify and keep indemnified members, officers, directors, agents and servants of the Company against proceedings, costs damages, claims and demands in respect of anything done or ordered to be done by them for and in the interests of the Company and of any loss, damage or misfortune whatever and which shall happen in execution of the duties of their office or in relation thereto.

21) Subject to the provisions of the Companies Act, 2013, to subscribe or contribute or other-wise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, or other institutions or for any public, general or useful objects.

39) Subject to the provisions of the Companies Act, 2013, to make donations for any charitable, scientific, educational, medical, religious or benevolent, National or public object or purpose, and to undertake, carry out, promote, sponsor or assist any activity for discharging what the Directors may consider to be social and moral responsibilities of the company to the public or any section of the public as also any activity which the Directors consider likely to promote welfare or social, economic, moral or religious uplift of the people or any section of the people in such manner and by such means as the Directors may think fit.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorized to prepare, sign and submit necessary forms with the Registrar of Companies, Kerala and do all such acts, deeds and things as are necessary and expedient thereto.

**RESOLVED FURTHER THAT** any one of the Directors be and is hereby authorised to give a copy of this resolution to such authorities as may be required in this regard.

11. **To consider and if think fit, to pass, with or without modification, the following resolution as a Special Resolution for alteration of clauses III (B) of Memorandum of Association**

**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013 if any and subject to the confirmation of the Registrar of the Companies, the objects incidental or ancillary to the attainment of the main objects stated in III (B) of the Memorandum of Association be inserted by the following new clause 42.

42. To do all other incidental activities as thought conducive to the attainment of the above main objects, which are within the ambit of existing rules and regulations as applicable.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorized to prepare, sign and submit necessary forms with the Registrar of Companies, Kerala and do all such acts, deeds and things as are necessary and expedient thereto.

**RESOLVED FURTHER THAT** any one of the Directors be and is hereby authorised to give a copy of this resolution to such authorities as may be required in this regard.

12. **To consider and if think fit, to pass, with or without modification, the following resolution as a Special Resolution for alteration of clauses III (C) of Memorandum of Association**

**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013 if any, the other objects stated in III (C) of the Memorandum of Association and sub clauses 1 to 22 thereof be deleted.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorized to prepare, sign and submit necessary forms with the Registrar of Companies, Kerala and do all such acts, deeds and things as are necessary and expedient thereto.

**RESOLVED FURTHER THAT** any one of the Directors be and is hereby authorised to give a copy of this resolution to such authorities as may be required in this regard.

On behalf of The Board of Directors,

Sd/-

**Johny Mathew**

(DIN: 02503346)

Chairman

Thekkady  
10-08-2016

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.
- (2) 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.
- (3) In terms of Section 124 (5) read with Section 125 of the Companies Act, 2013, the dividend 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 claims by surrendering the unencashed cheques immediately to the company.
- (4) 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 27<sup>th</sup> September, 2016.
- (5) Members are requested to notify immediately any change in their address, if any, to the company at the Registered Office.
- (6) Members are requested to lodge their email ID's along with their Name and Folio No. to the 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) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at 26<sup>th</sup> 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) 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](http://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.
- (10) 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.
- (11) The Scrutinizer shall, within 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.
- (12) The results declared along with the Scrutinizer's report will be placed on the Company's website [www.kcpmc.com](http://www.kcpmc.com) and on the website of E voting Agency <https://www.cdslindia.com/evoting/EvotingInstanceAndResults.aspx> or on [www.evotingindia.com](http://www.evotingindia.com) - e Voting 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 27<sup>th</sup> September, 2016.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 24<sup>th</sup> September, 2016 at 9.00 AM and ends on 26<sup>th</sup> September, 2016 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 20<sup>th</sup> September, 2016 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](http://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](http://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:

|  | <b>For Members holding shares in Physical Form</b>  |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in the company records in order to login. <ul style="list-style-type: none"> <li>• 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).</li> </ul>   |

- (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 on or after 30<sup>th</sup> June 2016. 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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

On behalf of The Board of Directors,  
Sd/-  
**Johny Mathew**  
(DIN: 02503346)  
Chairman

Thekkady  
10-08-2016

#### **EXPLANATORY STATEMENT OF MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

##### **Item No.8**

Mr. Ziauddin Ahamed Kadermohideen (DIN: 00350688), is presently holding the position as the Whole Time Director cum Joint Managing Director of the Company and his term expires on 27/02/2017. The Board, by considering the efficiency and dedication is recommending to appoint Mr. Ziauddin Ahamed Kadermohideen (DIN: 00350688), as Whole Time Director cum Joint Managing Director of the Company for a period of five years starting from 28/02/2017 to 27/02/2022, on such terms and conditions as determined by the board of directors, and to remunerate him with a salary of Rs. 15000 per month.

Hence your Directors recommend item no.8 as ordinary resolution for consideration and approval by the shareholders of the Company. Mr. Ziauddin Ahamed Kadermohideen is interested in this resolution.

Interest of Other Directors and KMP:

- (i) Every director and KMP: No financial interest; the interest is only to the extent of shareholding because the directors are also the shareholders of the Company.
- (ii) Relatives of the Directors: No financial interest; the interest is only to the extent of shareholding because the directors are also the shareholders of the Company.

##### **Item No.9**

The Directors of the Company have decided to adopt a new set of Articles of Association to incorporate changes as per Companies Act, 2013 in the Articles of Association of the company. In terms of Section 14 of the Companies Act, 2013, the



consent of the members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

A copy of the proposed set of new Articles of Association would be available for inspection at the registered office of the Company during the office hours on all working days up to the date of the General Meeting and during the General Meeting.

Hence your Directors recommend item no.9 as Special Resolution for consideration and approval by the shareholders of the Company.

Interest of Directors and KMP

- i) Every director and KMP: No financial interest; the interest is only to the extent of shareholding because the directors are also the shareholders of the Company.
- ii) Relatives of the Directors: No financial interest; the interest is only to the extent of shareholding because the directors are also the shareholders of the Company.

#### **Item No.10**

The Company's present Memorandum of Association is having some clauses referring to the old Companies Act, 1956. To make the Memorandum of Association of the Company under the new act some clauses are to be altered to read it as to be aligned with the Companies Act, 2013. The Board of Directors of the Company feels that the clauses may be altered to replace as to align with Companies Act, 2013. Hence the proposed resolution no. 10 is recommended for consideration of and approval by the shareholders of the Company as Special Resolution. A copy of the altered Memorandum of Association would be available for inspection at the registered office of the Company during the office hours on all working days up to the date of the General Meeting and during the General Meeting

Interest of Directors and KMP

- i) Every director and KMP: No financial interest; the interest is only to the extent of shareholding because the directors are also the shareholders of the Company.
- ii) Relatives of the Directors: No financial interest; the interest is only to the extent of shareholding because the directors are also the shareholders of the Company.

#### **Item No.11**

The alteration in the Objects incidental or ancillary to the attainment of the main object Clause of the Memorandum of Association as set out in the resolution no.11 is to facilitate to enlarge authority of the Company for efficient carry out of the main objects. Hence the proposed resolution is recommended for consideration of and approval by the shareholders of the Company as Special Resolution. A copy of the altered Memorandum of Association would be available for inspection at the registered office of the Company during the office hours on all working days up to the date of the General Meeting and during the General Meeting.

Interest of Directors and KMP

- i) Every director and KMP: No financial interest; the interest is only to the extent of shareholding because the directors are also the shareholders of the Company.
- ii) Relatives of the Directors: No financial interest; the interest is only to the extent of shareholding because the directors are also the shareholders of the Company.

#### **Item No.12**

The Company's present Memorandum of Association is having some other objects stated in III (C) of the Memorandum of Association. As per the Companies Act, 2013, no Company shall conduct any other business except those stated in the main object. The Board of Directors of the Company, feels that the said other objects stated therein to be deleted.

Hence the proposed resolution no.12 is recommended for consideration of and approval by the shareholders of the Company as special resolution. A copy of the altered Memorandum of Association would be available for inspection at the registered office of the Company during the office hours on all working days up to the date of the General Meeting and during the General Meeting.

Interest of Directors and KMP

- (i) Every director and KMP: No financial interest; the interest is only to the extent of shareholding because the directors are also the shareholders of the Company.
- (ii) Relatives of the Directors: No financial interest; the interest is only to the extent of shareholding because the directors are also the shareholders of the Company.

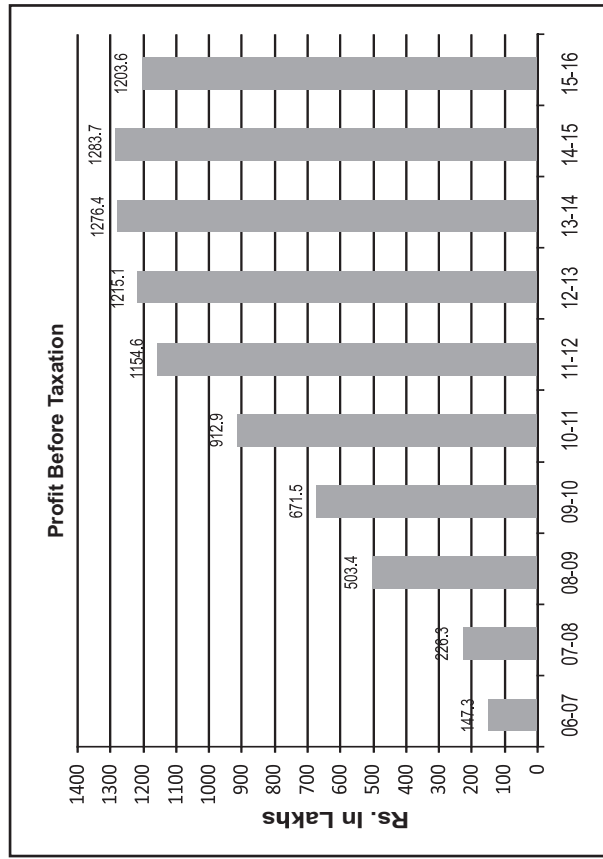
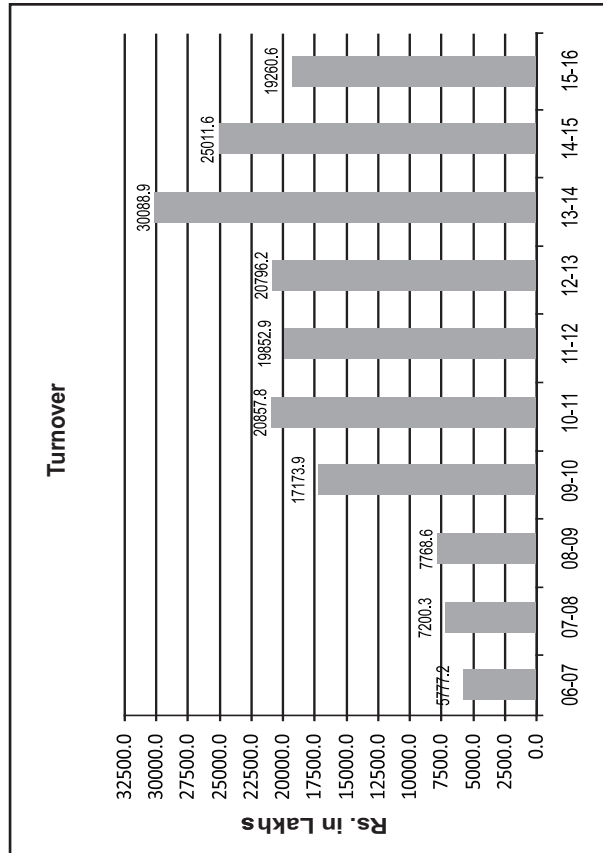
On behalf of The Board of Directors,

Sd/-

**Johny Mathew**  
(DIN: 02503346)  
Chairman

Thekkady  
10-08-2016

| FINANCIAL YEAR SUMMARY |                |        |        |         |         |         |         |         |         |         |  |
|------------------------|----------------|--------|--------|---------|---------|---------|---------|---------|---------|---------|--|
|                        | (Rs. In Lakhs) |        |        |         |         |         |         |         |         |         |  |
| Particulars            | 06-07          | 07-08  | 08-09  | 09-10   | 10-11   | 11-12   | 12-13   | 13-14   | 14-15   | 15-16   |  |
| Sales                  | 5777.2         | 7200.3 | 7768.6 | 17173.9 | 20857.8 | 19852.9 | 20796.2 | 30088.9 | 25011.6 | 19260.6 |  |
| Profit before Taxation | 147.3          | 226.3  | 503.4  | 671.5   | 912.9   | 1154.6  | 1215.1  | 1276.4  | 1283.7  | 1203.6  |  |
| Profit after Taxation  | 95.7           | 145.0  | 319.0  | 426.9   | 589.2   | 758.6   | 797.9   | 825.7   | 838.0   | 779.7   |  |
| Share Capital          | 199.99         | 199.99 | 199.99 | 199.99  | 399.98  | 399.98  | 399.98  | 399.98  | 399.98  | 399.98  |  |
| Reserves               | 491.7          | 586.6  | 845.9  | 1201.6  | 1474.0  | 2093.1  | 2750.6  | 3410.5  | 4097.7  | 4732.9  |  |
| Gross Fixed Assets     | 581.3          | 595.0  | 597.7  | 715.2   | 782.9   | 914.0   | 1820.1  | 1853.7  | 1863.5  | 1908.1  |  |
| Dividend %             | 15.0           | 20.0   | 25.0   | 30.0    | 25.0    | 30.0    | 30.0    | 30.0    | 30.0    | 30.0    |  |



## DIRECTORS' REPORT

Dear Shareholders,

Once again a warm welcome to the 26th Annual General Meeting of your Company.

While we speak, we have already seen light at the end of the tunnel, markets have turned around and the general sentiment has changed positively with healthy price levels that prevail in the market today. While inclement weather and the resulting substantive crop losses and hence a drastic reduction in supplies, is what resulted in these market levels today, the positive sentiment with the expectation on sustaining these levels is driving activity.

Revenue growth, which started off on a sluggish note, has picked up today and we are hopeful of at least a par performance for the coming year. One cannot generalize on all aspects, but we are hopeful that other business divisions will also be able to ride the positive wave and reap the benefits for the year.

The nation is on the brink of introducing arguably one of the most relevant changes to its tax structure in GST, and not just the nation but the entire world waits anxiously for the turn of the financial year to see the process in action. All expect teething troubles and issues but unilaterally feel that this revolutionary change will take the economy multiple paces ahead.

**Consolidation** was the catchword for the year (2015-16), a period during which market conditions were largely uncertain. In the wake of extremely tough market conditions largely driven by low prices and high expenses, meeting of targets set for the year proved to be extremely difficult, particularly on the top lines of all our business divisions. Depressed commodity prices, particularly for natural rubber and an extremely dull demand and market conditions resulted in a substantial reduction in turnover particularly for rubber and also in Cardamom Auction incomes. Agro-input market situation at best remained stable – if not contracted – owing to uncertain prospects and extremely low prices, resulting in absolutely little returns to the farmer.

**Regulatory** changes are always a threat that any organization should be wary of. The circumstances and the motives driving these changes are not always logical and sometimes driven by objectives that are far removed from equitable justifications and commercial reasons. We were at the wrong end of this challenge when new competition was introduced with absolutely no logic in allotment of operational slots to licensees of Cardamom Auctions. This had a serious bearing on arrival volumes for your company and a resultant loss of market share. Coupled with practices that are at best unscrupulous – re-pooling et al – made the impact appear more pronounced.

A bearish market is always a tough situation and while volumes were encouraging, margins for most of our trade divisions remained under pressure. Natural Rubber had the toughest year with substantially large contraction in volumes as well and resultant net margins. As we speak the tide has turned, but the relevance of India as a major producer is changing its role and as a 'large' consumer today as a net importer of various origins of Natural Rubber. We continue to explore avenues to make the best of the prevailing market situations.

Expedited trade cycles and an increasing presence in the consumer minds is what will give your Company an edge in the ever-evolving business of Cardamom. We are working towards introducing the best practices prevailing for accelerated processing and also to introduce our own brand for our customers.

### HIGHLIGHTS OF THE YEAR'S PERFORMANCE: FINANCIAL PERFORMANCE

Gross Turnover for the year fell by 23% to Rs. 19260 lakhs, mainly due to decrease in both quantity (32.06%) and price of Sheet Rubber (41.71%). Agro-inputs division maintained last year's figures and continued as the main contributor of company's bottom line. Auction division performed moderately well and posted an income of Rs.197 lakhs. The Rubber division showed a segment result of Rs. 47.20 lakhs for the year.

The Company could maintain its net margins at its previous year levels before considering the amounts debited towards the CSR expenditure and bad debt written off in spite of decrease in gross turnover. A snap shot is presented here;

|                      |                  |
|----------------------|------------------|
| Profit before Tax    | Rs.1203.62 lakhs |
| Add:                 |                  |
| CSR Expenditure      | Rs.49.52 lakhs   |
| Bad Debt written off | Rs.52.15 lakhs   |
| Total                | Rs.1305.29 lakhs |

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

Rs.in Lakhs

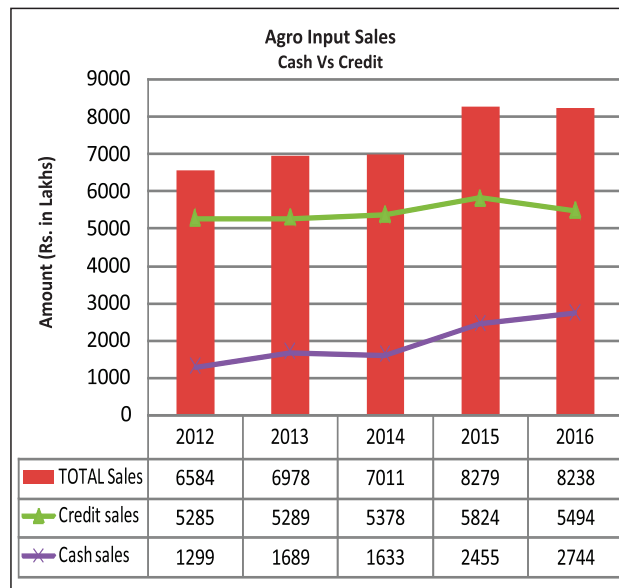
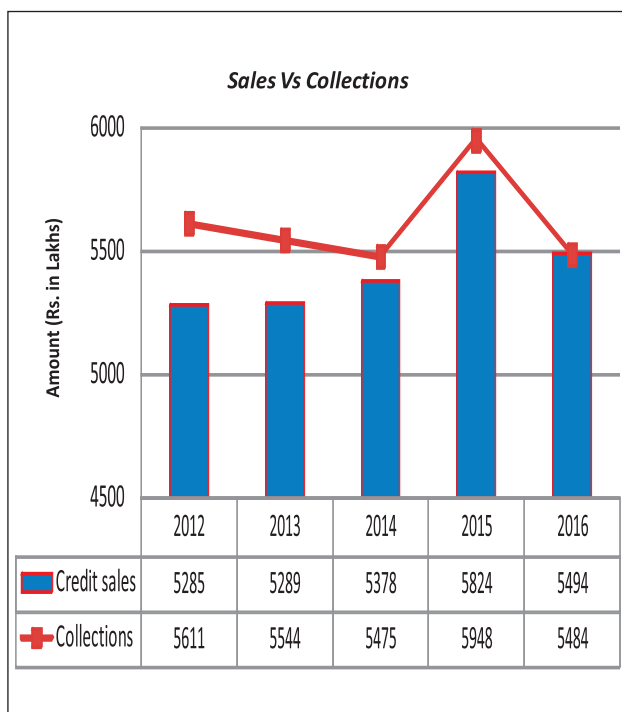
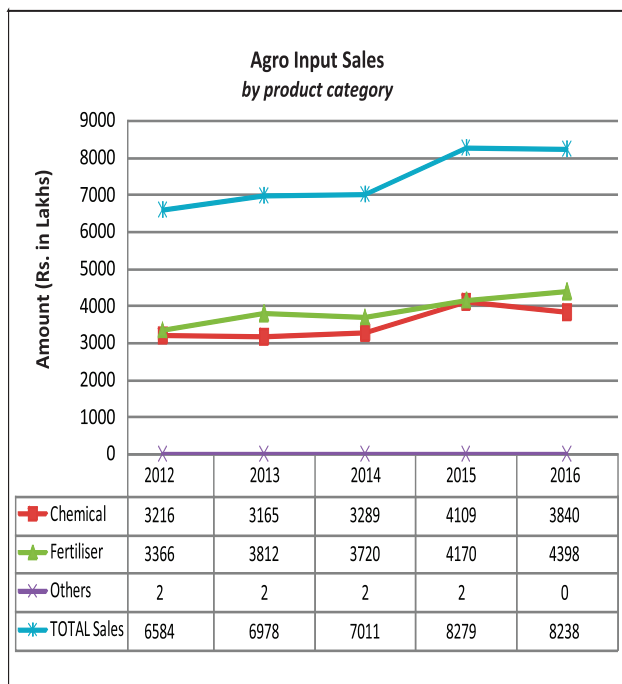
| KCPMC : Financial Highlights 2003-2016 & prv.yr |         |          |          |               |
|---|---------|----------|----------|---------------|
| Particulars                                     | 2003    | 2016     | % growth | Prv Yr (2015) |
| Sales   | 2624.87 | 19260.65 | 633.78   | 25011.59      |
| Gross Income                                    | 2651.80 | 20107.37 | 658.25   | 25830.87      |
| Net Profit                                      | 87.29   | 1203.62  | 1278.88  | 1283.67       |

### As at 31st March, 2016

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

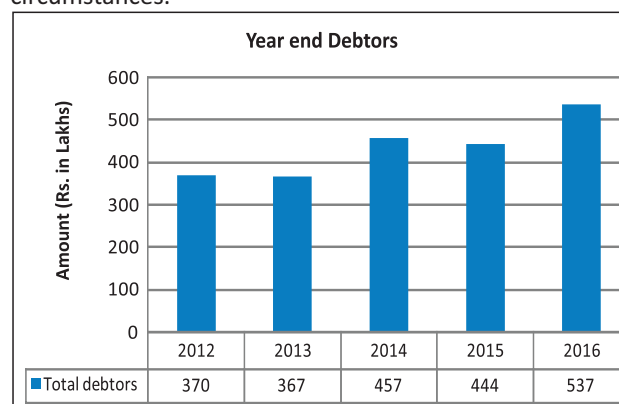
### THE AGRO INPUTS DIVISION

Sales: The Agro Inputs division showed a total divisional turnover of Rs. 82.38 Cr. (82.79 Cr. Previous Year).

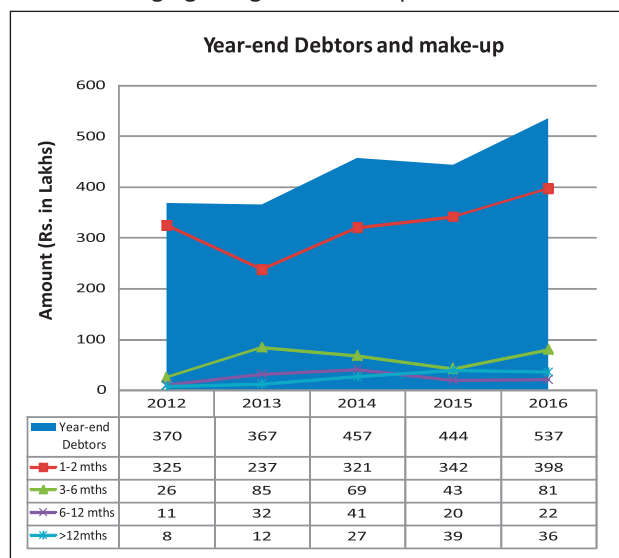


### Credit and Collections:

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

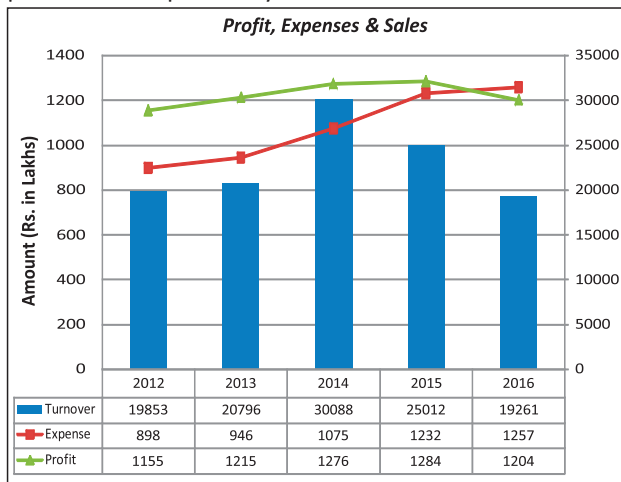


The following figures give a break up of the book.



### Financial performance:

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

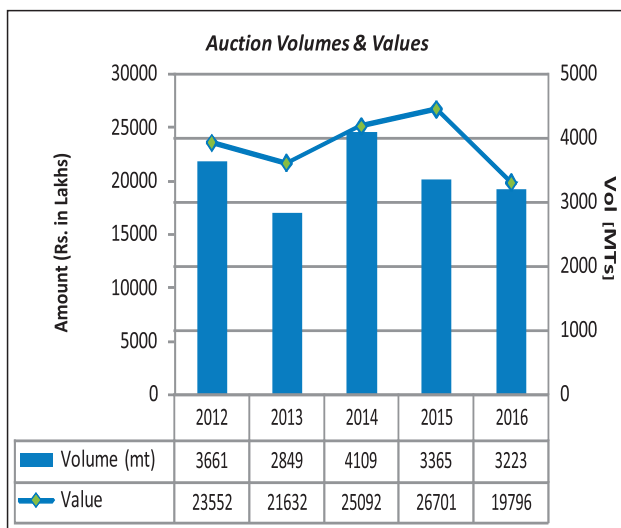


Our profits were at par with last year's figures when we remove the items like CSR Expenditure of Rs.49.52 lakhs and a Bad Debt written off Rs.52.15 lakhs from other expenses and which is in spite of decrease in gross turnover. A decrease of Rs.76 lakhs in expense (after excluding unusual items) and an increase of Rs.27 lakhs in income made the figure unchanged.

### THE AUCTION DIVISION

#### Auction Volumes:

Auctions constitute a turnover of Rs. 197.96 Cr. and 3223 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.

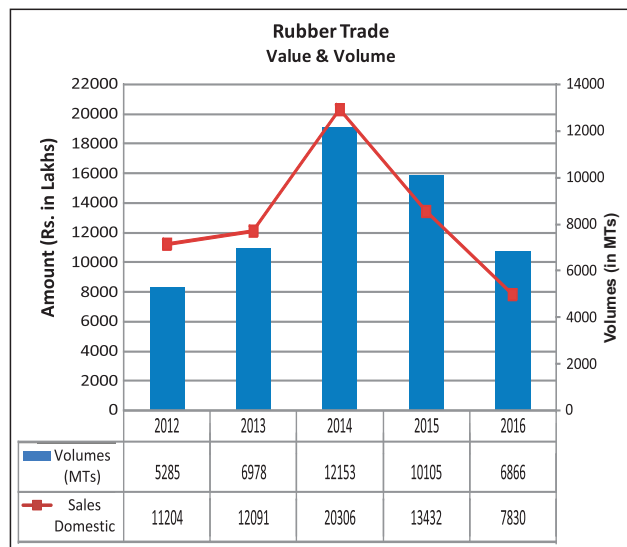


### CARDAMOM TRADE DIVISION

The Cardamom Trade Division continues to do modest volumes and also cater to the occasional export – [242 (mt) / 304(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. 47.20 lakhs. We expect to do better in the coming financial year.



#### The Current Scenario:

As we spend time with the industry, we realize how difficult it is for a matured company to sustain its bottom lines. We realize that this could be more a 'rule' than an exception. We are working towards continually evolving a system that will help us tide over any 'disruptive' changes.

In line with our performance, the Board is pleased to propose a dividend of 30% to be retained 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.65000000/- to General Reserve Account.

## DIVIDEND

Considering the balance amount available to the credit of the Profit & Loss account after transfer of Rs. 65000000/- to the General Reserve and after reserving the amount that might be required for future operations, your Directors recommend a dividend of 30% on the Equity shares of Rs.10/- each, for declaration by the share holders at the Annual General Meeting to be held on 27<sup>th</sup> September, 2016.

## 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 31<sup>st</sup> March, 2016, 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. Sakthivel Kumerasan (DIN: 06982078), Ms. Susan Punnoose (DIN: 06981148), Mr. Mohan Varughese (DIN: 06981109) retires by rotation at the 26<sup>th</sup> 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 26/05/2015, 25/08/2015, 30/09/2015, 15/12/2015 & 29/03/2016.

### 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) Bobby Tom



### **Corporate Social Responsibility Committee**

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

### **Nomination and Remuneration Committee**

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

### **Internal Complaints Committee**

Internal Complaints Committee consists of 1) Susan Punnoose (Chair Person) 2) S 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. 1258.39 lakhs. During the year the Company has set apart Rs. 25.17 lakhs, which is 2% of the average net profit of the last three financial years. To effectively carry out our CSR projects, your Company registered a trust under the name KCPMC CSR FOUNDATION during the year. The amount set apart for two years for CSR activities aggregating to Rs. 47.10 lakhs was contributed to the corpus of the above trust during the year. The Company is in the process of identifying 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 2015-2016. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2016 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 is implementing a project to generate and use solar energy also.

#### **(2) Foreign Exchange Earnings and Outgo Export Activities**

During the year your Company has exported 242 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. 2024.91 Lakhs and used is Rs. 112.90 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 or Arrangements with Related Parties Under Section 188**

The transaction 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 share holders of the Company. The remuneration split up is detailed in notes to accounts and MGT9 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 2008-09 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 2008-09 and thereafter

| Financial year ended | Date of declaration of dividend | Last date for claiming unpaid dividend |
|----------------------|---------------------------------|--|
| 31-03-2009           | 29-9-2009                       | 29-9-2016                              |
| 31-03-2010           | 30-9-2010                       | 30-9-2017                              |
| 31-03-2011           | 27-9-2011                       | 27-9-2018                              |
| 31-03-2012           | 27-9-2012                       | 27-9-2019                              |
| 31-03-2013           | 29-8-2013                       | 29-8-2020                              |
| 31-03-2014           | 25-9-2014                       | 25-9-2021                              |
| 31-03-2015           | 30-9-2015                       | 30-9-2022                              |

#### 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, 2016.

#### Directors Responsibility Statement

The Directors confirm that

- 1) In the preparation of annual accounts for the financial year 2015-2016, 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, 2016 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.

- 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 ensure that we remain on top of any adverse circumstances

We certainly hope and The Management understands the tough conditions the Company is going through and hopes that with the dynamic performance of the Company will lead to meet the Challenges. The dedication of our team will lead to a steady movement towards the targeted goal of the Company.

Thank you

On behalf of the Board of Directors

Sd/-

**Johny Mathew**

(DIN: 02503346)

Chairman

Thekkady  
10.08.2016

## 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 it deems 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**

As a part of our CSR initiative, during the year 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 the previous year and current year aggregating to Rs. 47.10 lakhs to the corpus of the Trust. The available amount will be spent on identified projects in the coming years.

### 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.1258.39 lakhs

4. Prescribed CSR expenditure (2% of the amount as in item 3 above): Rs.25.17 lakhs

5. Details of CSR spend for the financial year

(a) Total amount spent for financial year: Rs. 49.52 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<br>(1) Local area or other<br>(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<br><b>Sub-heads:</b> (1) Direct expenditure on projects or program<br>(2) Overheads: | Cumulative expenditure up to the reporting period | Amount Spent: Direct or through implementing agency |
| 1      | Development of Rural Agriculture Market   | Rural Development                      | Kanjirappally Kottayam   | Rs.2.42 Lakhs                                   | Rs.2.42 Lakhs   | Rs.2.42 Lakhs                                     | Direct  |
| 2      | Contribution to the corpus of the Trust - KCPMC CSR FOUNDATION -created exclusively for undertaking the CSR activities of the company | - -                                    | - -  | Rs.22.75 Lakhs                                  | Rs.47.10 Lakhs  | Rs.47.10 Lakhs                                    | Contributed to the implementing Agency              |
|        | Total   |  |  | Rs.25.17 Lakhs                                  | Rs.49.52 Lakhs  | Rs.49.52 Lakhs                                    |   |

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  
10.08.2016

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 2016**

**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 2016 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 2016 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.

Thripunithura  
10-08-2016

Sd/-  
ANJANA BINU  
PRACTICING COMPANY SECRETARY  
Certificate Of Practice No: 12866  
Membership No : 32286

Form No. MGT-9  
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2016

[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                            | 15.89 %                            |
| 2      | Fertilisers & Chemicals                          | 46692                            | 42.77 %                            |
| 3      | Sheet Rubber (ISNR 20)                           | 46694                            | 40.65 %                            |

**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 |                          |
| <b>A.Promoters</b>         |  |          |        |                   |  |          |        |                   |                          |
| <b>(1)Indian</b>           |  |          |        |                   |  |          |        |                   |                          |
| a) Individual/HUF          | -  | 190666   | 190666 | 4.77              | -  | 190666   | 190666 | 4.77              | -                        |
| b) Central Govt.           | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| c) State Govt. (s)         | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| d) Bodies Corp.            | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| e) Banks / FI              | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| f) Any Other....           | -  | -        | -      | -                 | -  | -        | -      | -                 | -                        |
| <b>Sub-total (A) (1):-</b> | -  | 190666   | 190666 | 4.77              | -  | 190666   | 190666 | 4.77              | -                        |

| 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 |                          |
| <b>(2) Foreign</b>   |  |                |                |                   |  |                |                |                   |                          |
| a) NRIs-Individuals  | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| b) Other-Individuals   | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| c) Bodies Corp.  | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| d) Banks / FI  | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| e) Any Other....   | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| <b>Sub-total (A) (2) :-</b>  | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| <b>Total</b>   |  |                |                |                   |  |                |                |                   |                          |
| shareholding of Promoter   |  |                |                |                   |  |                |                |                   |                          |
| <b>(A) = (A) (1) + (A) (2)</b>   | -  | <b>190666</b>  | <b>190666</b>  | <b>4.77</b>       | -  | <b>190666</b>  | <b>190666</b>  | <b>4.77</b>       | -                        |
| <b>B. Public Shareholding</b>  |  |                |                |                   |  |                |                |                   |                          |
| <b>1. Institutions</b>   |  |                |                |                   |  |                |                |                   |                          |
| 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)  | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| <b>Sub-total (B) (1):-</b>   | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| <b>2.Non-Institutions</b>  |  |                |                |                   |  |                |                |                   |                          |
| a) Bodies Corp.  | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| i) Indian  | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| ii) Overseas   | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| b) Individuals   | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| i) Individual shareholders holding nominal share capital up to Rs.1 lakh         | -  | 2096710        | 2096710        | 52.42             | -  | 2132010        | 2132010        | 53.30             | .88                      |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh | -  | 1712424        | 1712424        | 42.81             | -  | 1677124        | 1677124        | 41.93             | (.88)                    |
| c) Others (specify)  | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| <b>Sub-total(B)(2):-</b>   | -  | <b>3809134</b> | <b>3809134</b> | <b>95.23</b>      | -  | <b>3809134</b> | <b>3809134</b> | <b>95.23</b>      | -                        |
| <b>Total Public Share holding</b>  |  |                |                |                   |  |                |                |                   |                          |
| <b>(B) = (B) (1) + (B) (2)</b>   | -  | <b>3809134</b> | <b>3809134</b> | <b>95.23</b>      | -  | <b>3809134</b> | <b>3809134</b> | <b>95.23</b>      | -                        |
| C. Shares held by Custodian for GDRs. & ADRs-                                    | -  | -              | -              | -                 | -  | -              | -              | -                 | -                        |
| <b>Grand Total (A+B+C)</b>   | -  | <b>3999800</b> | <b>3999800</b> | <b>100</b>        | -  | <b>3999800</b> | <b>3999800</b> | <b>100</b>        | -                        |

**(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  | 13400                               | 0.34                             | 0   | 0   |
| 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   |
|         | <b>Total</b>                  | <b>190666</b>                             | <b>4.77</b>                      | <b>0</b>   | <b>190666</b>                       | <b>4.77</b>                      | <b>0</b>  | <b>0</b>                                  |

**(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, 2015        | 12500                                     | 0.31                             | 12500                                   | 0.31                             |
|         | Increase/decrease                                   | No Change                                 |                                  |   |                                  |
|         | At the end of the year 31 <sup>st</sup> March, 2016 | 12500                                     | 0.31                             | 12500                                   | 0.31                             |
| 2       | KADAMAPUZHA MATHEW EAPEN                            |   |                                  |   |                                  |
|         | At the beginning of the year 1st April, 2015        | 12600                                     | 0.32                             | 12600                                   | 0.32                             |
|         | Increase/decrease                                   | No Change                                 |                                  |   |                                  |
|         | At the end of the year 31 <sup>st</sup> March, 2016 | 12600                                     | 0.32                             | 12600                                   | 0.32                             |
| 3       | ZIAUDDIN AHAMED KADERMOHIDEEN                       |   |                                  |   |                                  |
|         | At the beginning of the year 1st April, 2015        | 13400                                     | 0.34                             | 13400                                   | 0.34                             |
|         | Increase/decrease                                   | No Change                                 |                                  |   |                                  |
|         | At the end of the year 31 <sup>st</sup> March, 2016 | 13400                                     | 0.34                             | 13400                                   | 0.34                             |

| 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, 2015 | 10400                                     | 0.26                             | 10400                                   | 0.26                             |
|         | Increase/decrease                            | No Change                                 |                                  |   |                                  |
| 5       | GEORGE JOSEPH MATHEW                         |   |                                  |   |                                  |
|         | At the beginning of the year 1st April, 2015 | 30566                                     | 0.76                             | 30566                                   | 0.76                             |
|         | Increase/decrease                            | No Change                                 |                                  |   |                                  |
| 6       | KARIMPANAL ITTIAVIRA VARKEY                  |   |                                  |   |                                  |
|         | At the beginning of the year 1st April, 2015 | 26900                                     | 0.67                             | 26900                                   | 0.67                             |
|         | Increase/decrease                            | No Change                                 |                                  |   |                                  |
| 7       | K.I. ABRAHAM                                 |   |                                  |   |                                  |
|         | At the beginning of the year 1st April, 2015 | 32900                                     | 0.82                             | 32900                                   | 0.82                             |
|         | Increase/decrease                            | No Change                                 |                                  |   |                                  |
| 8       | SIVAKUMAR JAYAKUMARI                         |   |                                  |   |                                  |
|         | At the beginning of the year 1st April, 2015 | 10200                                     | 0.26                             | 10200                                   | 0.26                             |
|         | Increase/decrease                            | No Change                                 |                                  |   |                                  |
| 9       | SAKTHIVEL KUMERSAN                           |   |                                  |   |                                  |
|         | At the beginning of the year 1st April, 2015 | 8000                                      | 0.20                             | 8000                                    | 0.20                             |
|         | Increase/decrease                            | No Change                                 |                                  |   |                                  |
| 10      | R. KANNAMMAL                                 |   |                                  |   |                                  |
|         | At the beginning of the year 1st April, 2015 | 25400                                     | 0.63                             | 25400                                   | 0.63                             |
|         | Increase/decrease                            | No Change                                 |                                  |   |                                  |
| 11      | M.P. PUNNOOSE                                |   |                                  |   |                                  |
|         | At the beginning of the year 1st April, 2015 | 7800                                      | 0.20                             | 7800                                    | 0.20                             |
|         | Increase/decrease                            | No Change                                 |                                  |   |                                  |
|         |  |   |                                  |   |                                  |
|         |  |   |                                  |   |                                  |





**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<br>At the beginning of the year 1st April, 2015<br>Increase/decrease                                    | 32300<br>No Change                        | 0.81                             | 32300                                   | 0.81                             |
|         | At the end of the year 31st March, 2016   | 32300                                     | 0.81                             | 32300                                   | 0.81                             |
| 2       | ZIAUDDIN AHAMED KADERMOHIDEEN<br>At the beginning of the year 1st April, 2015<br>Increase/decrease                              | 13400<br>No Change                        | 0.34                             | 13400                                   | 0.34                             |
|         | At the end of the year 31st March, 2016   | 13400                                     | 0.34                             | 13400                                   | 0.34                             |
| 3       | KARIMPANAL ITTIAVIRA VARKEY<br>At the beginning of the year 1st April, 2015<br>Increase/decrease                                | 26900<br>No Change                        | 0.67                             | 26900                                   | 0.67                             |
|         | At the end of the year 31st March, 2016   | 26900                                     | 0.67                             | 26900                                   | 0.67                             |
| 4       | JOHNY MATHEW<br>At the beginning of the year 1st April, 2015<br>Increase/decrease   | 14668<br>No Change                        | 0.37                             | 14668                                   | 0.37                             |
|         | At the end of the year 31st March, 2016   | 14668                                     | 0.37                             | 14668                                   | 0.37                             |
| 5       | SAKTHIVEL KUMERSAN<br>At the beginning of the year 1st April, 2015<br>Increase/decrease   | 8000<br>No Change                         | 0.20                             | 8000                                    | 0.20                             |
|         | At the end of the year 31st March, 2016   | 8000                                      | 0.20                             | 8000                                    | 0.20                             |
| 6       | SIVAKUMAR JAYAKUMARI<br>At the beginning of the year 1st April, 2015<br>Increase/decrease                                       | 10200<br>No Change                        | 0.26                             | 10200                                   | 0.26                             |
|         | At the end of the year 31st March, 2016   | 10200                                     | 0.26                             | 10200                                   | 0.26                             |
| 7       | SUSAN PUNNOOSE<br>At the beginning of the year 1st April, 2015<br>Increase/decrease   | 7800<br>No Change                         | 0.20                             | 7800                                    | 0.20                             |
|         | At the end of the year 31st March, 2016   | 7800                                      | 0.20                             | 7800                                    | 0.20                             |
| 8       | MOHAN VARGHESE<br>At the beginning of the year 1st April, 2015<br>Increase/decrease   | 20400<br>No Change                        | 0.51                             | 20400                                   | 0.51                             |
|         | At the end of the year 31st March, 2016   | 20400                                     | 0.51                             | 20400                                   | 0.51                             |
| 9       | RAGHAVAN GUHAN<br>At the beginning of the year 1st April, 2015<br>Increase/decrease   | 20750<br>No Change                        | 0.52                             | 20750                                   | 0.52                             |
|         | At the end of the year 31st March, 2016   | 20750                                     | 0.52                             | 20750                                   | 0.52                             |
| 10      | THAMANAN KARUNAKARAN KRISHNASAMY<br>SURULIYANDI SHARAVANAN<br>At the beginning of the year 1st April, 2015<br>Increase/decrease | 18700<br>No Change                        | 0.47                             | 18700                                   | 0.47                             |
|         | At the end of the year 31st March, 2016   | 18700                                     | 0.47                             | 18700                                   | 0.47                             |
| 11      | BOBY TOM<br>At the beginning of the year 1st April, 2015<br>Increase/decrease   | 0<br>No Change                            | 0                                | 0                                       | 0                                |
|         | At the end of the year 31st March, 2016   | 0   | 0                                | 0                                       | 0                                |
| 12      | RAJAMANICKAM SAKTHISUBRAMANIAN<br>At the beginning of the year 1st April, 2015<br>Increase/decrease                             | 0<br>No Change                            | 0                                | 0                                       | 0                                |
|         | At the end of the year 31st March, 2016   | 0   | 0                                | 0                                       | 0                                |

## V. INDEBTEDNESS

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

|  | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                       |
| i) Principal Amount  | 56648809                            | -                  | -        | 56648809              |
| ii) Interest due but not paid                              | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due                          | -                                   | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>                                    | 56648809                            | -                  | -        | 56648809              |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |          |                       |
| Addition   | -                                   | -                  | -        | -                     |
| Reduction  | 37988312                            | -                  | -        | 37988312              |
| <b>Net Change</b>  | 37988312                            | -                  | -        | 37988312              |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |          |                       |
| i) Principal Amount  | 18660497                            | -                  | -        | 18660497              |
| ii) Interest due but not paid                              | -                                   | -                  | -        | -                     |
| iii) Interest accrued but not due                          | -                                   | -                  | -        | -                     |
| <b>Total (i+ii+iii)</b>                                    | 18660497                            | -                  | -        | 18660497              |

## 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<br>POTTEMKULAM | ZIAUDDIN AHAMED<br>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  | 21000                      | 16000                            | 37000        |
|         | Total(A)  | 621000                     | 196000                           | 817000       |
|         | Ceiling as per the Act  | -                          | -                                | 12036125     |

**B. Remuneration to other directors:**

| Sl. No. | Particulars of Remuneration   | Name of Directors           |   |                 | Total Amount |
|---------|---|-----------------------------|---|-----------------|--------------|
|         |   | BOBY TOM                    | RAJAMANICKAM SAKTHI SUBRAMANIAN                         |                 |              |
| 1.      | <b>Independent Directors</b>  |                             |   |                 |              |
|         | Fee for attending Board, Committee Meetings, Commission, Others, please specify | 13000                       | 16000   |                 | 29000        |
|         | Total (1)   | 13000                       | 16000   |                 | 29000        |
| 2.      | <b>Other Non Executive Directors</b>  | KARIMPANAL ITTIAVIRA VARKEY | RAGHAVAN GUHAN  | JOHNY MATHEW    |              |
|         | Fee for attending Board, Committee Meetings, Commission, Others, please specify | 21000                       | 13000   | 21000           | 55000        |
|         |   | SUSAN PUNNOOSE              | THAMANAN KARUNAKARAN KRISHNASAMY SURULIYANDI SHARAVANAN | MOHAN VARUGHESE |              |
|         | Fee for attending Board, Committee Meetings, Commission, Others, please specify | 21000                       | 13000   | 21000           | 55000        |
|         |   | SAKTHIVEL KUMERSAN          | SIVAKUMAR JAYAKUMARI                                    |                 |              |
|         | Fee for attending Board, Committee Meetings, Commission, Others, please specify | 21000                       | 16000   |                 | 37000        |
|         | Total (2)   | 63000                       | 42000   | 42000           | 147000       |
|         | Total (B) = (1) + (2)   | 76000                       | 58000   | 42000           | 176000       |
|         | Total Managerial Remuneration   | 697000                      | 254000  | 42000           | 993000       |
|         | Overall Ceiling as per the Act  | -                           | -   | -               | 13239738     |

**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 2016 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 2016, 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 31<sup>st</sup> March, 2016;
- 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 propose 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 31<sup>st</sup> March, 2016 and taken on record by the board of directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2016 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.

Ponkunnam  
10-08-2016

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 31<sup>st</sup> March, 2016.**

- (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. 28 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, 2016.
- (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 Public Offer. The term loans raised were applied for the purposes for which they were raised.
- (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  
10-08-2016

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 31<sup>st</sup> March, 2016.**

**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, 2016 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 31<sup>st</sup> March, 2016 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  
10-08-2016

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

## BALANCE SHEET AS AT 31ST MARCH, 2016

| PARTICULARS                          | NOTE No. | As at<br>31.03.2016<br>Rs. | As at<br>31.03.2015<br>Rs. |
|--------------------------------------|----------|----------------------------|----------------------------|
| <b>I EQUITY AND LIABILITIES</b>      |          |                            |                            |
| <b>(1) SHAREHOLDERS' FUNDS</b>       |          |                            |                            |
| a) Share Capital                     | 1        | 39998000                   | 39998000                   |
| b) Reserves and Surplus              | 2        | 473293215                  | 409768150                  |
| <b>(2) NON - CURRENT LIABILITIES</b> |          |                            |                            |
| a) Long-Term Borrowings              | 3        | —                          | 1422928                    |
| b) Deferred Tax Liabilities (Net)    | 4        | (41380)                    | (1235606)                  |
| c) Long Term Provisions              | 5        | 2379380                    | 6080790                    |
| <b>(3) CURRENT LIABILITIES</b>       |          |                            |                            |
| a) Short - Term borrowings           | 6        | 18660497                   | 55225881                   |
| b) Trade Payables                    | 7        | 65212379                   | 50487045                   |
| c) Other Current Liabilities         | 8        | 5969428                    | 6958302                    |
| d) Short Term Provisions             | 9        | 58033287                   | 61815807                   |
| <b>TOTAL</b>                         |          | <b>663504807</b>           | <b>630521297</b>           |
| <b>II ASSETS</b>                     |          |                            |                            |
| <b>(1) NON-CURRENT ASSETS</b>        |          |                            |                            |
| a) Fixed Assets                      |          |                            |                            |
| i) Tangible Assets                   | 10       | 158447643                  | 157018237                  |
| b) Long-Term Loans and Advances      | 11       | 275000                     | 450000                     |
| <b>(2) CURRENT ASSETS</b>            |          |                            |                            |
| a) Current Investments               | 12       | 20062615                   | —                          |
| b) Inventories                       | 13       | 169384112                  | 159859835                  |
| c) Trade Receivables                 | 14       | 174259269                  | 171271045                  |
| d) Cash and Cash Equivalents         | 15       | 75057929                   | 89847229                   |
| e) Short-Term Loans and Advances     | 16       | 66018239                   | 52074951                   |
| <b>TOTAL</b>                         |          | <b>663504807</b>           | <b>630521297</b>           |

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

10-08-2016

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

| PARTICULARS |  | NOTE No. | 2015-2016<br>Rs.  | 2014-2015<br>Rs. |
|-------------|--|----------|-------------------|------------------|
| <b>I</b>    | Revenue from operations                  | 18       | <b>1989713678</b> | 2558190288       |
| <b>II</b>   | Other income                             | 19       | <b>21022980</b>   | 24897534         |
| <b>III</b>  | Total Revenue                            |          | <b>2010736658</b> | 2583087822       |
| <b>IV</b>   | Expenses                                 |          |                   |                  |
|             | Purchases of Stock-in-Trade              | 20       | <b>1770254562</b> | 2369594121       |
|             | Changes in Inventories of Stock-in-Trade | 21       | <b>(9524277)</b>  | (41990555)       |
|             | Employee Benefits Expense                | 22       | <b>26632223</b>   | 24195257         |
|             | Finance Costs                            | 23       | <b>1284318</b>    | 5620494          |
|             | Depreciation and Amortization Expense    | 10       | <b>3898041</b>    | 3953370          |
|             | Other Expenses                           | 24       | <b>97830539</b>   | 93348501         |
|             | Total Expenses                           |          | <b>1890375406</b> | 2454721188       |
| <b>V</b>    | Profit Before Tax                        |          | <b>120361252</b>  | 128366633        |
| <b>VI</b>   | Tax expense                              |          |                   |                  |
|             | 1) Current tax                           |          | <b>41000000</b>   | 44900000         |
|             | 2) Prior year's tax                      |          | <b>199774</b>     | (10995)          |
|             | 3) Deferred tax                          |          | <b>1194226</b>    | (324481)         |
| <b>VII</b>  | Profit for the year                      |          | <b>77967252</b>   | 83802109         |
| <b>VIII</b> | Earnings per equity share                |          |                   |                  |
|             | 1) Basic                                 |          | <b>19</b>         | <b>21</b>        |
|             | 2) Diluted                               |          | <b>19</b>         | <b>21</b>        |

Accompanying notes 1 to 36 form part of the financial statements

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

10-08-2016

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

| PARTICULARS  | 2015-2016<br>Rs.         | 2014-2015<br>Rs.  |
|--|--------------------------|-------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>              |                          |                   |
| Net Profit Before Tax                                      | <b>120361252</b>         | 128366633         |
| Adjustments:   |                          |                   |
| Depreciation/Amortization                                  | <b>3898041</b>           | 3953370           |
| Finance Cost   | <b>1284318</b>           | 5620494           |
| (Profit)/Loss on sale of assets (net)                      | <b>(571598)</b>          | (714675)          |
| Net (gain)/loss of foreign currency translation            | <b>(154922)</b>          | (1185883)         |
| Dividend received from short term liquid funds             | <b>(2834615)</b>         | (1841897)         |
| Operating Profit before working capital changes   A        | <b><u>121982478</u></b>  | <u>134198043</u>  |
| Movements in working capital:                              |                          |                   |
| Increase/(decrease) in trade payable                       | <b>14725334</b>          | (33581781)        |
| Increase/(decrease) in Short term borrowings               | <b>(36565384)</b>        | (21123123)        |
| Increase/(decrease) in Long term borrowings                | <b>(1422928)</b>         | —                 |
| Increase/(decrease) in Long term provisions                | <b>(3701411)</b>         | 736400            |
| Increase/(decrease) in Short term provisions               | <b>117480</b>            | (26770)           |
| Increase/(decrease) in other current liabilities           | <b>(1303623)</b>         | (8001261)         |
| Decrease/(increase) in trade receivables                   | <b>(2988224)</b>         | 82410504          |
| Decrease/(increase) in inventories                         | <b>(9524277)</b>         | (41990555)        |
| Decrease/(increase) in long term loans and advances        | <b>175000</b>            | (299000)          |
| Decrease/(increase) in short term loans and advances       | <b>(13943288)</b>        | (11590378)        |
| Net Decrease/(increase) in working capital   B             | <b><u>(54431321)</u></b> | <u>(33465963)</u> |
| Cash generated from/(used in) operations   A+B             | <b><u>67551156</u></b>   | <u>100732080</u>  |
| Direct Taxes paid ( net of refunds)                        | <b>(45099774)</b>        | (45689005)        |
| <b>Net cash flow from/(used in) operating activities</b>   | <b>22451382</b>          | 55043075          |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>              |                          |                   |
| Purchase of fixed assets                                   | <b>(8339849)</b>         | (2865005)         |
| Proceeds from sale of fixed assets / Subsidies             | <b>3584000</b>           | 1350000           |
| Purchase of short term liquid funds                        | <b>(767062615)</b>       | (250000000)       |
| Redemption of short term liquid funds                      | <b>749834615</b>         | 251841897         |
| <b>Net cash flow from/(used in ) investing activities</b>  | <b>(21983849)</b>        | 326892            |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>              |                          |                   |
| Finance cost paid  | <b>(1284318)</b>         | (5620494)         |
| Dividend paid  | <b>(11684650)</b>        | (11780326)        |
| Dividend Distribution Tax paid                             | <b>(2442787)</b>         | (2039298)         |
| <b>Net cash flow from/(used in ) financing activities</b>  | <b>(15411755)</b>        | (19440118)        |
| Net increase/(decrease) in cash and cash equivalents       | <b>(14944222)</b>        | 35929848          |
| Cash and cash equivalents as at the beginning of the Year  | <b>89847229</b>          | 52731498          |
| Net gain/(loss) of foreign currency translation            | <b>154922</b>            | 1185883           |
| <b>Cash and cash equivalents as at the end of the Year</b> | <b>75057929</b>          | 89847229          |

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

10-08-2016

| Notes forming part of the financial<br>statements for the year ended 31.03.2016  | As at<br>31.03.2016<br>Rs. | As at<br>31.03.2015<br>Rs. |
|--|----------------------------|----------------------------|
| <b>I NOTES TO BALANCE SHEET</b>  |                            |                            |
| <b>(1) Share Capital</b>   |                            |                            |
| (a) Authorized   |                            |                            |
| 5000000 (5000000) Equity Shares of Rs.10/-Each   | <b>50000000</b>            | 50000000                   |
| (b) Issued, Subscribed & Fully paid up   | <b>39998000</b>            | 39998000                   |
| 3999800 (3999800) Equity Shares of Rs.10/- Each  |                            |                            |
| (c) Reconciliation of Number of Shares   | <b>31.03.2016</b>          | 31.03.2015                 |
|  | No.of Shares               | Amount                     |
| Opening Balance  | <b>3999800</b>             | <b>39998000</b>            |
| Closing Balance  | <b>3999800</b>             | <b>39998000</b>            |
| (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. |                            |                            |
| <b>(2) Reserves and Surplus</b>  |                            |                            |
| (a) Revaluation Reserve  | <b>13979396</b>            | 13979396                   |
| (b) General Reserve  |                            |                            |
| As per last balance sheet  | <b>390774158</b>           | 320774158                  |
| Add: Transfer from Profit & Loss A/c   | <b>65000000</b>            | <u>70000000</u>            |
|  | <b>455774158</b>           | 390774158                  |
| (c) Surplus in Statement of Profit and Loss  |                            |                            |
| Opening Balance  | <b>5014596</b>             | 6300000                    |
| Less: Differential depreciation as per Revised schedule II   | -                          | 977618                     |
| Less: Transfer to Deferred Tax   | -                          | (332292)                   |
| Add: Net profit for the current year   | <b>77967252</b>            | 83802109                   |
| Less: Proposed Dividend  | <b>11999400</b>            | 11999400                   |
| Less: Dividend Distribution Tax  | <b>2442787</b>             | 2442787                    |
| Less: Transfer to General Reserve  | <b>65000000</b>            | <u>70000000</u>            |
|  | <b>3539661</b>             | 5014596                    |
| <b>TOTAL</b>   | <b>473293215</b>           | 409768150                  |

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(DIN: 00350688)  
Joint Managing Director

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam

| Notes forming part of the financial<br>statements for the year ended 31.03.2016  | As at<br>31.03.2016<br>Rs. | As at<br>31.03.2015<br>Rs. |
|--|----------------------------|----------------------------|
| <b>(3) Long Term Borrowings</b>  |                            |                            |
| Secured  |                            |                            |
| (a) Term Loans   |                            |                            |
| From Banks   | -                          | 1422928                    |
| Refer Note No.25 for details of Security.  |                            |                            |
| <b>(4) Deferred tax liabilities/(Asset) (Net)</b>  |                            |                            |
| 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   | 744496                     | 831255                     |
| On account of Gratuity Provision   | (785876)                   | (2066860)                  |
| <b>TOTAL</b>   | <b>(41380)</b>             | <b>(1235606)</b>           |
| <b>(5) Long Term Provisions</b>  |                            |                            |
| For Employees Gratuity (Refer Note No.36(f)(ii))   | 2379380                    | 6080790                    |
| <b>(6) Short Term Borrowings</b>   |                            |                            |
| Secured:-  |                            |                            |
| (a) Loans Repayable on demand  |                            |                            |
| From Banks   | 18660497                   | 55225881                   |
| Refer Note No.25 for details of Security.  |                            |                            |
| <b>(7) Trade Payables</b>  |                            |                            |
| (a) Due to Micro and Small Enterprises   | -                          | -                          |
| Refer Note No.26   |                            |                            |
| (b) Due to Others  | 64590147                   | 49857097                   |
| (c) Creditors for Expenses   | 622231                     | 629947                     |
| <b>TOTAL</b>   | <b>65212379</b>            | <b>50487045</b>            |
| <b>(8) Other Current Liabilities</b>   |                            |                            |
| (a) Unpaid Dividend  | 1392300                    | 1077550                    |
| (b) Statutory Dues   | 3895969                    | 3267411                    |
| (c) Advance Received from Customers  | 671159                     | 2603341                    |
| (d) Security Deposit   | 10000                      | 10000                      |
| <b>TOTAL</b>   | <b>5969428</b>             | <b>6958302</b>             |
| <b>(9) Short Term Provision</b>  |                            |                            |
| (a) for Employee Benefits-Bonus & Ex Gratia  | 2591100                    | 2473620                    |
| (b) for Taxation   | 41000000                   | 44900000                   |
| (c) for Proposed Dividend  | 11999400                   | 11999400                   |
| (d) for Dividend Distribution Tax  | 2442787                    | 2442787                    |
| <b>TOTAL</b>   | <b>58033287</b>            | <b>61815807</b>            |
| <b>(11) Long Term Loans &amp; Advances</b>   |                            |                            |
| Unsecured considered good  |                            |                            |
| (a) Security Deposits  | 275000                     | 450000                     |

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K. ZIA-UD-DIN AHAMED  
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Joint Managing Director

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K. T. THOMAS  
Chartered Accountant  
Ponkunnam

10-08-2016



**(10) Fixed Assets**

| PARTICULARS                            | ORIGINAL COST       |                                      |                     | DEPRECIATION / AMORTISATION |                 |                              | (Amount in Rupees)  |                     |
|--|---------------------|--------------------------------------|---------------------|-----------------------------|-----------------|------------------------------|---------------------|---------------------|
|  | As at<br>01.04.2015 | Additions/<br>(Sale/Adj<br>ustments) | As at<br>31.03.2016 | As at<br>01.04.2015         | For the<br>Year | On<br>(Sale/Adj<br>ustments) | As at<br>31.03.2016 | As at<br>31.03.2015 |
| Freehold land                          | 121472870           | 1512213                              | 122985083           | -                           | -               | -                            | 122985083           | 121472870           |
| Buildings                              | 41158894            | 649672<br>*(2959000)                 | 38849566            | 13340173                    | 1380446         | -                            | 24128947            | 27818721            |
| Plant & Machinery                      | 5553701             | 4674182                              | 10227883            | 2984156                     | 485948          | -                            | 6757778             | 2569544             |
| Furniture & Fittings                   | 3643397             | -                                    | 3643397             | 3048121                     | 154117          | -                            | 441159              | 595276              |
| Motor Vehicles                         | 9605708             | 1105932<br>(913800)                  | 9797840             | 5242847                     | 1603701         | 860398                       | 3811690             | 4362861             |
| Computers and Data<br>Processing Units | 4909939             | 397850                               | 5307789             | 4710973                     | 273829          | -                            | 322987              | 198966              |
| <b>TOTAL</b>                           | <b>186344509</b>    | <b>4467049</b>                       | <b>190811558</b>    | <b>29326271</b>             | <b>3898041</b>  | <b>860398</b>                | <b>158447643</b>    | <b>157018238</b>    |
| <b>PREVIOUS YEAR</b>                   | <b>185368933</b>    | <b>981934</b>                        | <b>186350867</b>    | <b>25649387</b>             | <b>3953370</b>  | <b>(270128)</b>              | <b>157018238</b>    | <b>159719546</b>    |

\*Subsidy received

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(DIN: 00350688)  
Joint Managing Director

Sd/-  
K. T. THOMAS  
Chartered Accountant

| Notes forming part of the financial<br>statements for the year ended 31.03.2016  | As at 31.03.2016<br>Rs. | As at 31.03.2015<br>Rs. |
|--|-------------------------|-------------------------|
| <b>(12) Current investments</b>  |                         |                         |
| (a) ICICI PRUDENTIAL MF Investments  | 10006211                | -                       |
| (b) HDFC MF Investments  | 10056404                | -                       |
| <b>TOTAL</b>   | <b>20062615</b>         | <b>-</b>                |
| <b>(13) Inventories</b>  |                         |                         |
| (a) Stock in Trade   | 169384112               | 159859835               |
| Refer Note No.36(b) for method of valuation  |                         |                         |
| <b>(14) Trade Receivables</b>  |                         |                         |
| Unsecured considered good  |                         |                         |
| a) Debts outstanding for a period exceeding six months.  | 7419400                 | 13900919                |
| b) Other Debts   | 166839869               | 157370126               |
| <b>TOTAL</b>   | <b>174259269</b>        | <b>171271045</b>        |
| <b>(15) Cash and Cash Equivalents</b>  |                         |                         |
| (a) Balances with Banks  | 40846328                | 47816006                |
| (b) Unpaid Dividend Account Balance  | 1408229                 | 1088932                 |
| (c) Cheques, Drafts on hand  | 25759869                | 20708554                |
| (d) Cash on Hand   | 7043503                 | 20233737                |
| <b>TOTAL</b>   | <b>75057929</b>         | <b>89847229</b>         |
| <b>(16) Short-Term Loans &amp; Advances</b>  |                         |                         |
| Unsecured considered good  |                         |                         |
| (a) Prepaid Insurance  | 1465516                 | 1083012                 |
| (b) Income Tax Advance and TDS   | 40298590                | 34714284                |
| (c) Security Deposit   | 5665072                 | 5051136                 |
| (d) Advance Paid to Suppliers  | 14536644                | 6870665                 |
| (e) Other Advances   | 4052417                 | 4355854                 |
| <b>TOTAL</b>   | <b>66018239</b>         | <b>52074951</b>         |
| <b>(17) Contingent Liabilities and Commitments:-</b> To the extent not provided for  |                         |                         |
| (i) Contingent Liabilities   |                         |                         |
| (a) Claims against the company not acknowledged as debt: Income tax Demand   | Nil                     | 652154                  |
| (b) Guarantees :   |                         |                         |
| 1) The Company has given guarantee and extended the mortgage of some of its landed properties and buildings thereon in favour of Central Bank of India, Kumily Branch, for a cash credit limit of Rs.450 lakhs (Previous year Rs.450 lakhs) availed by The Cardamom Planters' and Marketing Co-Operative Society Limited. The balance outstanding in their cash credit account as on 31.03.2016 is Rs.447508.30(Cr) (Previous Year Rs.18243426.82/-) |                         |                         |
| 2) The Company has given guarantee to ICICI Bank for funded and non funded limits aggregates to Rs.5 Crores availed by The Cardamom Planters' and Marketing Co-Operative Society Limited. The Balance outstanding in the CC limit as on 31.03.2016 is Nil (Previous Year Nil). Bank Guarantee Rs.3.90 Crore (Previous Year Rs.3.90 Crore)  |                         |                         |
| (ii) Commitments :   |                         |                         |
| (a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for.  | Nil                     |                         |

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Joint Managing Director

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam

10-08-2016

| Notes forming part of the financial<br>statements for the year ended 31.03.2016 | 2015-2016<br>Rs.  | 2014-2015<br>Rs. |
|---|-------------------|------------------|
| <b>II NOTES TO STATEMENT OF PROFIT AND LOSS</b>                                 |                   |                  |
| <b>(18) Revenue from Operations</b>   |                   |                  |
| (a) Sale of Products  | <b>1926064982</b> | 2501158597       |
| (b) Other Operating Revenues  |                   |                  |
| Discount Received   | <b>41818700</b>   | 27825892         |
| Commission - Auction  | <b>19796197</b>   | 26701705         |
| Commission - Consignment  | –                 | 10000            |
| Export Incentive  | <b>2033799</b>    | 2494095          |
| <b>TOTAL</b>  | <b>1989713678</b> | 2558190288       |
| <b>(19) Other Income</b>  |                   |                  |
| (a) Dividend Income from short term liquid funds                                | <b>2834615</b>    | 1841897          |
| (b) Net Gain/(Loss) on sale of Fixed Assets                                     | <b>571598</b>     | 714675           |
| (c) Transport & handling charges collected                                      | <b>5755242</b>    | 8542704          |
| (d) Rent Received   | <b>831912</b>     | 402731           |
| (e) Net gain/loss of foreign currency translation and transaction               | <b>154922</b>     | 1185883          |
| (f) Interest Received on Security deposit                                       | <b>696392</b>     | 314770           |
| (g) Others(Refer Note No. 32)   | <b>10178300</b>   | 11894874         |
| <b>TOTAL</b>  | <b>21022980</b>   | 24897534         |
| <b>(20) Purchases of Stock-in-Trade</b>   |                   |                  |
| (a) Fertilisers & Neemcake  | <b>344544022</b>  | 364717056        |
| (b) Coppersulphate & Chemicals  | <b>370199809</b>  | 360950628        |
| (c) Sprayers, Hose & Irrigation Systems   | –                 | 44957            |
| (d) Rubber Sheet  | <b>780542079</b>  | 1334216631       |
| (e) Gunnies   | <b>13068915</b>   | 9504000          |
| (f) Cardamom  | <b>261899737</b>  | 296743955        |
| (g) Spices  | –                 | 23592            |
| (h) Banana  | –                 | 3393303          |
| <b>TOTAL</b>  | <b>1770254562</b> | 2369594121       |
| <b>(21) Changes in Inventories of Stock in Trade</b>                            |                   |                  |
| Opening Stock   | <b>159859835</b>  | 117869280        |
| Closing Stock   | <b>169384112</b>  | 159859835        |
|   | <b>(9524277)</b>  | (41990555)       |

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Joint Managing Director

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Chartered Accountant  
Ponkunnam

10-08-2016

| Notes forming part of the financial<br>statements for the year ended 31.03.2016 | 2015-2016<br>Rs. | 2014-2015<br>Rs. |
|---|------------------|------------------|
| <b>(22) Employee Benefit Expense</b>  |                  |                  |
| (a) Salaries & Wages  | 20942639         | 19612539         |
| (b) Provident Fund Contribution   | 1710771          | 1423513          |
| (c) Gratuity  | 1825500          | 1203527          |
| (d) Medical Insurance Premium   | 1373313          | 1175678          |
| (e) Salary to Directors   | 780000           | 780000           |
| <b>TOTAL</b>  | <b>26632223</b>  | <b>24195257</b>  |
| <b>(23) Finance Cost</b>  |                  |                  |
| (a) Interest Expense  | 501891           | 2618391          |
| (b) Other borrowing costs   | 165616           | 2285817          |
| (c) Bank charges  | 616811           | 716286           |
| <b>TOTAL</b>  | <b>1284318</b>   | <b>5620494</b>   |
| <b>(24) Other Expenses</b>  |                  |                  |
| (a) Freight and Handling  | 15391881         | 19539272         |
| (b) Power & Fuel  | 803355           | 772144           |
| (c) Rent  | 4173077          | 3757691          |
| (d) Repairs to Building   | 625490           | 2509579          |
| (e) Repairs to Others   | 651811           | 249736           |
| (f) Insurance   | 429936           | 424031           |
| (g) Rates & Taxes   | 582412           | 347861           |
| (h) Vehicle Running & Maintenance   | 3282103          | 3851871          |
| (i) Grading and Packing Expense   | 4374624          | 8396852          |
| (j) Travelling Expense  | 2579770          | 2958396          |
| (k) Sitting fee to Directors  | 213000           | 225000           |
| (l) Selling and Marketing Expense   | 17981927         | 16550171         |
| (m) Books & Periodicals   | 65879            | 58355            |
| (n) Postage and Telephone   | 1075232          | 1039267          |
| (o) Printing & Stationery   | 743586           | 723896           |
| (p) Taxes Paid  | 360213           | 1071477          |
| (q) Service Tax paid  | 209199           | 144302           |
| (r) Brokerage and Commission  | 2432658          | 1675468          |
| (s) Discount Paid   | 19956230         | 13537522         |
| (t) Auction Expense   | 7623545          | 8461843          |
| (u) Office Expense  | 1505529          | 2488294          |
| (v) Other Expenses  | 1151528          | 3281224          |
| (w) Professional Charges  | 1215105          | 1059250          |
| (x) Bad debts written off   | 5215450          | -                |
| (y) Corporate Social Responsibility Expenses                                    | 4952000          | -                |
| (z) Payment to Auditors   |                  |                  |
| As Auditor  | 200000           | 190000           |
| For Taxation Matters  | 35000            | 35000            |
| <b>TOTAL</b>  | <b>97830539</b>  | <b>93348501</b>  |

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Ponkunnam

10-08-2016

### III OTHER NOTES

- 25) The secured long term & short term loans of the company are secured by hypothecation of inventories and book debts and collaterally secured by equitable mortgage of the landed properties of the company and buildings thereon in Kumily, Santhanpara and Bodinayakannur Villages. Long term loan was fully repaid during the year.
- 26) 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)
- 27) Some of the Sundry Debtors and Sundry Creditors are subject to confirmation balance.
- 28) 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.
- 29) F.O.B. value of Exports during the year Rs.191575861 (Previous year Rs.257709919/-) Freight and Incidental Charges Rubber Rs.10915579 (Previous Year Rs.19246042)
- 30) Expenditure in foreign currency - Freight and Incidental Charges - Rs.6668168 (Previous Year - Rs.11321964) Foreign Travel -Rs.Nil (Previous Year – Rs.156939) Purchase of Machinery - Rs.4622133 (Previous Year-Rs.Nil) Total - Rs.11290301 (Previous year Rs. 11478903)
- 31) The information required to be disclosed as per of Schedule III to the Companies Act, 2013 are disclosed only to the extent particulars are applicable to the Company which is a Trading Company.
- 32) The amount of 'Others' under Other Income in Note 19 consists of :-

|                                  | 31.03.2016      | 31.03.2015      |
|----------------------------------|-----------------|-----------------|
| Service Tax Refund               | 228388          | 309662          |
| Profit /(Loss) on Future Trading | (366118)        | (843518)        |
| Freight and Incidental Charge    | 4247411         | 7924078         |
| Service Charge Collected         | 2647551         | 3204056         |
| Miscellaneous Income Auction     | 841             | 722             |
| Early Payment Discount           | 3093992         | 728388          |
| Price Difference                 | 326236          | 571486          |
| <b>TOTAL</b>                     | <b>10178300</b> | <b>11894874</b> |

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

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Ponkunnam

10-08-2016

**(33) SEGMENT INFORMATION**

| Particulars  | 2015-2016<br>Rs. | 2014-2015<br>Rs. |
|--|------------------|------------------|
| 1. Segment Revenue   |                  |                  |
| a) Agro Inputs   | 865666041        | 855732164        |
| b) Cardamom Domestic   | 126094464        | 57897650         |
| c) Cardamom Export   | 195189769        | 274629737        |
| d) Rubber Domestic   | 782967207        | 1343229033       |
| e) Cardamom Auction  | 19796197         | 26701705         |
| Net Sale/Income from Operations                                | 1989713678       | 2558190288       |
| 2. Segment Results   |                  |                  |
| (Profit / (Loss) Before Tax and Finance Cost)                  |                  |                  |
| a) Agro Input  | 132882029        | 130302371        |
| b) Cardamom  | 20338483         | 15066346         |
| c) Rubber  | 4720236          | 14158304         |
| d) Cardamom Auction  | 19499228         | 24450207         |
| Total  | 177439976        | 183977228        |
| Less:  |                  |                  |
| (i) Finance Cost   | 1284318          | 5620494          |
| (ii) Other un-allocable expenditure net of un-allocable income | 55794406         | 49990101         |
| Profit Before Tax  | 120361252        | 128366634        |
| Less:  |                  |                  |
| (1) Current tax  | 41000000         | 44900000         |
| (2) Prior year's tax   | 199774           | (10995)          |
| (3) Deferred tax liability                                     | 1194226          | (324481)         |
| Profit After Tax   | 77967252         | 83802109         |
| 3. Segment Assets  |                  |                  |
| a) Agro Input  | 227187607        | 196512618        |
| b) Cardamom  | 51432382         | 76682950         |
| c) Rubber  | 2354085          | 874597           |
| d) Cardamom Auction  | 92556502         | 78339792         |
| Total  | 373530576        | 352409957        |
| Un allocated corporate assets                                  | 289974231        | 278111340        |
| Total assets as per Balance Sheet                              | 663504807        | 630521297        |
| 4. Segment Liabilities   |                  |                  |
| a) Agro Input  | 44399092         | 28791420         |
| b) Cardamom  | 434805           | 630065           |
| c) Rubber  | 2036270          | -                |
| d) Cardamom Auction  | 22105570         | 26261493         |
| Total  | 68975737         | 55682978         |
| Un allocated Corporate Liabilities                             | 81237855         | 125072169        |
| Share holders Funds  | 513291215        | 449766150        |
| Total Liabilities as per Balance Sheet                         | 663504807        | 630521297        |
| 5. Capital Employed  |                  |                  |
| a) Cardamom  | 4674182          | -                |
| b) Un allocated Segment Capital Employed                       | 508617033        | 449766150        |
| Total  | 513291215        | 449766150        |
| 6. Capital Expenditure incurred                                |                  |                  |
| a) Cardamom  | 4674182          | -                |
| b) Un allocated Segment Capital Expenditure incurred (Net)     | (207133)         | 981934           |
| Total  | 4467049          | 981934           |
| 7. Depreciation  |                  |                  |
| a) Cardamom  | 20861            | -                |
| b) Un allocated Segment Depreciation                           | 3877180          | 3953370          |
| Total  | 3898041          | 3953370          |
| 8. Segment Non Cash Expenditure                                | -                | -                |

**(35) 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 | 2015-16       | 2014-15 |
|--------|-----------------------------|------------------------|---------------|---------|
| 1      | Mr. Jojo George Pottemkulam | Remuneration           | <b>600000</b> | 600000  |
|        |                             | Sitting Fee            | <b>21000</b>  | 27000   |
|        |                             | Dividend Paid          | <b>96900</b>  | 96900   |
| 2      | Mr. K. Zia Ud Din Ahamed    | Remuneration           | <b>180000</b> | 180000  |
|        |                             | Sitting Fee            | <b>16000</b>  | 27000   |
|        |                             | Dividend Paid          | <b>40200</b>  | 40200   |

**36) SIGNIFICANT ACCOUNTING POLICIES:**

**(a) GENERAL AND FIXED ASSETS**

The Accounts have been prepared on historical cost convention, except in the case of Fixed Assets being Free Hold Land acquired prior to 31.03.96, which was revalued during the year 1996-1997.

**(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.

**(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.526911 (Previous year Rs.467127) and balance of accrued amount Rs.1268915 (Previous year Rs.706809) aggregating to Rs.1825500 (Previous year Rs.1203527) is charged to the Statement of Profit and Loss.

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

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

10-08-2016



Disclosure as required by ACCOUNTING STANDARD 15

|   | 31.03.2016       | 31.03.2015 |
|---|------------------|------------|
| <b>1. Assumption</b>  |                  |            |
| Discount Rate   | 8.00%            | 8.00%      |
| Salary Escalation   | 7.00%            | 7.00%      |
| <b>2. Changes in present value of Obligation:-</b>                            |                  |            |
| Present value of obligations as at beginning of year                          | 7272913          | 6695658    |
| Interest cost   | 581833           | 535653     |
| Current Service Cost  | 551912           | 510494     |
| Benefits Paid   | (765808)         | (729519)   |
| Actuarial (gain)/ loss on obligations   | 768697           | 260627     |
| Present value of obligations as at end of year                                | <b>8409547</b>   | 7272913    |
| <b>3. Changes in fair value of plan assets :-</b>                             |                  |            |
| Fair value of plan assets at beginning of year                                | 1192123          | 1351268    |
| Expected return on plan assets  | 76942            | 103247     |
| Contributions   | 5526911          | 467127     |
| Benefits Paid   | (765808)         | (729519)   |
| Actuarial gain/(loss) on Plan assets  | NIL              | NIL        |
| Fair value of plan assets at the end of year                                  | <b>6030167</b>   | 1192123    |
| <b>4. Fair value of plan assets:-</b>   |                  |            |
| Fair value of plan assets at beginning of year                                | 1192123          | 1351268    |
| Actual return on plan assets  | 76942            | 103247     |
| Contributions   | 5526911          | 167127     |
| Benefits Paid   | (765808)         | (729519)   |
| Fair value of plan assets at the end of year                                  | 6030167          | 1192123    |
| Funded status   | (2379380)        | (6080790)  |
| 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) |                  |            |
| <b>5. Actuarial Gain/Loss recognized:-</b>                                    |                  |            |
| (gain)/ loss on obligations   | (768697)         | (260627)   |
| Actuarial (gain)/ loss for the year - plan assets                             | NIL              | NIL        |
| Actuarial (gain)/ loss on obligations   | 768697           | 260627     |
| Actuarial (gain)/ loss recognized in the year                                 | <b>768697</b>    | 260627     |
| <b>6. Amounts to be recognized in the balance sheet :-</b>                    |                  |            |
| Present value of obligations as at the end of year                            | 8409547          | 7272913    |
| Fair value of plan assets as at the end of the year                           | 6030167          | 1192123    |
| Funded status   | (2379380)        | (6080790)  |
| Net asset/(liability) recognized in balance sheet                             | <b>(2379380)</b> | (6080790)  |
| <b>7. Expenses Recognised in statement of Profit and loss:-</b>               |                  |            |
| Current Service cost  | 551912           | 510494     |
| Interest Cost   | 581833           | 535653     |
| Expected return on plan assets  | (76942)          | (103247)   |
| Net Actuarial (gain)/ loss recognized in the year                             | 768697           | 260627     |
| Expenses recognised in statement of Profit and loss                           | <b>1825500</b>   | 1203527    |

(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

10-08-2016

## 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 26th Annual General Meeting of the Company at 03.00 PM on Tuesday, the 27th September 2016 at the Registered office of the company, KP1/741 B, Spice House, Thekkady PO, Idukki District-685 536

|           |  |  |  |  |
|-----------|--|--|--|--|
| Folio No. |  |  |  |  |
|-----------|--|--|--|--|

.....  
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.*

(Tear here)



## 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 LTD.  
 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

(Tear here)

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 26<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the 27th September 2016 at 03.00 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.

- |   |   |
|---|---|
| <p>Resolution item Nos.</p> <ol style="list-style-type: none"> <li>1. Adoption of financial statements together with the reports for the year ended 31.03.2016.</li> <li>2. Declaration of dividend.</li> <li>3. Re appointment of Mr. Sakthivel Kumerasan (DIN: 06982078) as a director liable to retire by rotation.</li> <li>4. Re appointment of Ms. Susan Punnoose (DIN: 06981148) as a director liable to retire by rotation.</li> <li>5. Re appointment of Mr. Mr. Mohan Varughese (DIN: 06981109) as a director liable to retire by rotation.</li> <li>6. Appointment of Statutory Auditors.</li> </ol> | <ol style="list-style-type: none"> <li>7. Appointment of Tax Auditors.</li> <li>8. Re-appointment of Mr. Ziauddin Ahamed Kadermohideen (DIN: 00350688) as Whole Time Director cum Joint Managing Director of the company</li> <li>9. Adopting a new set of Articles of Association of the company in place of existing Articles of Association</li> <li>10. Alteration of clauses III (B) 15, 17, 21 &amp; 39 of Memorandum of Association</li> <li>11. Alteration of clauses III (B) of Memorandum of Association</li> <li>12. Alteration of clauses III (C) of Memorandum of Association</li> </ol> |
|---|---|

Signed this ..... day of .....2016

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](mailto:info@kcpmc.com) • [www.kcpmc.com](http://www.kcpmc.com) • [www.indiancardamom.com](http://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