



**28<sup>th</sup> ANNUAL  
REPORT**  
2017 - 2018

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  
(Up to 20.12.2017)  
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 Ltd.  
HDFC Bank Ltd.

## REGISTERED OFFICE

K.P1/741 B, Spice House, Thekkady PO, 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

## CREATING GROWING VALUE FOR FARMERS, CONSUMERS AND SOCIETY

Good Morning Ladies & Gentlemen and welcome to the 28th Annual General Meeting of your Company....

The recent past is abound with reports of the economy progressing ahead at a dizzying pace on the back of reforms like the GST and others, firmly taking the front stage. India is sure to continue its position as the fastest growing major economy in 2018. While we are here, it is important to note that government and the nation in general, has rightly identified the gaps and required stress towards the causative agents for the next wave of growth to propel the nation ahead.

It is surely by design, that it has been identified that farmer incomes have to double, at the least. One cannot afford to have over 65% of the households' dependent on agriculture and allied activities, while the contribution to GDP from agriculture at less than 15% of the economy. This highly skewed situation is a huge imbalance and is to be corrected at all costs for sustained and uniform growth of the economy.

Our Company today has firmed its position in this society with an array of integrated and sustainable activities, which has been majorly addressing the farming sector. This in turn has created businesses in the form of advisory services, small retailers, traders, processors and other services that are allied with or dependent on our activities. This is how a productive chain is created and thus deriving and delivering values at various points of interaction with the society that we exist in.

Around three decades ago, your Company embarked on a mission to transform itself into an engine of growth for the agricultural community. We also understand that a larger societal value has to be the basis of its corporate strategy. We have long realised that the ultimate purpose of business is to serve society. By pursuing economic objectives in a manner that serves a larger societal purpose, corporates make growth more enduring. It is only then that shareholders can be rewarded with sustained wealth creation over the longer term.

Business cannot endure in societies that fail. It is all the more relevant in our society where our customers and business partners are our immediate community that we exist in. Any change, positive or otherwise is immediately reflected in the growth, strength and emotions of the society and therefore the organisation as well.

While we speak, we are tiding over the setbacks of an unprecedented deluge and resulting impact on plantations, and hoping for better prospects for the year ahead. While we are thankful for a reasonable year gone by, the promising prospects of a season ahead has been somewhat dimmed by happenings of the near past. While these vagaries of nature are the givens around which we have little say, on the other side the industry is once again in a confused state with new regulations and actions which make economic operations difficult. While we hope, this settles for the better, we are also certain that we will come out unscathed and like the proverbial 'butterfly' at the end of it all.

As has been oft discussed and deliberated, your company has made its first foray into mechanised processing and will commission the cardamom processing facility early next year.

This we are sure, will provide us with reasonable momentum to cement our position as a formidable name in the processing and distribution of cardamom. Our brands 'PureSpice' and 'Utsav' will also provide the necessary impetus to power this position ahead.

Traditional businesses have been supportive and continue to drive our bottom-line. However, we cannot rest and our quest to keep growing and identifying opportunities and capitalising on them will continue unabated, for we understand that there is only one direction for growth and progress.



**Johny Mathew**  
Chairman

# The Kerala Cardamom Processing and Marketing Company Limited

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

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

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of The Kerala Cardamom Processing and Marketing Company Limited will be held at the registered office of the Company at KP1/741 B-Spice House, Thekkady PO, Idukki – 685536, on Thursday the 27<sup>th</sup> September 2018 at 2.30 PM to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2018 along with the Directors' Report and the Statutory Auditor's Report.  
"RESOLVED THAT the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2018 along with the Directors' 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 31<sup>st</sup> March, 2018.  
"RESOLVED THAT dividend at the rate of Rs.3.50/- (Three rupees fifty paise only) per equity share of Rs.10/- (Ten rupees) be and is hereby declared for the financial year ended March 31, 2018 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2018."
3. To appoint a director in the place of Mr. JOHNY MATHEW (DIN: 02503346), who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for reappointment.  
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. JOHNY MATHEW (DIN: 02503346), 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 Mrs. SIVAKUMAR JAYAKUMARI (DIN: 06981167), who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers herself for reappointment.  
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. SIVAKUMAR JAYAKUMARI (DIN: 06981167), 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. SAKTHIVEL KUMERSAN (DIN: 06982078), who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for reappointment.  
"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. 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."
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 Annual General Meeting till the conclusion of the next Annual General Meeting to be held in the calendar year 2019 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, 2019 as may be determined by the audit committee in consultation with the auditors".
7. To reappoint M/s Rangamani & Co, Chartered Accountants (Firm Registration No.003050S) as Tax Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting, and to fix their remuneration.  
"RESOLVED THAT pursuant to the applicable provisions of the Income Tax Act, 1961, pursuant to the recommendations of the Audit Committee of the Board of Directors, the members hereby approve the reappointment of M/s Rangamani & Co, Chartered Accountants (Firm Registration No.003050S) as Tax Auditors of the Company from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending 31<sup>st</sup> March, 2019 as may be determined by the audit committee in consultation with the Tax Auditors".

### Special Business

8. To re-appoint Mr. Jojo George Pottetkulam (DIN: 00050344), as Managing Director and in this regard, to pass, the following resolution as an **Ordinary Resolution**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Jojo George Pottetkulam (DIN: 00050344) as Managing Director of the Company, for a period of 5 (five) years, on expiry of his present term of office, i.e. with effect from October 30, 2018, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting.

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

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 Companies Rules 2014, the consent of the members of the company be and is hereby accorded to adopt 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.

On behalf of The Board of Directors,  
Sd/-

**Johny Mathew**  
(DIN: 02503346)

Chairman

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

Thekkady  
22-08-2018

### NOTE:

- (1) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto

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

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

- (3) In terms of Section 124 (5) read with Section 125 of the Companies Act, 2013, the dividends declared by the company, for earlier years, which remains unclaimed for a period of seven years will be transferred on due date to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not encashed their dividend cheques in respect of earlier years are requested to make their claim(s) by surrendering the unencashed cheques immediately to the company.
- (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 2018.
- (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 company. This will enable the company to send all future communications including Annual Reports through electronic mode.
  - (7) Electronic voting facility for members:-

In compliance with provisions of Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rule, 2014, the Company is pleased to provide members facility to exercise their right to vote at 28<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 send in the permitted mode.
  - (9) The Route map for easy location of the venue of the Annual General Meeting is attached.
  - (10) Members may also note that the notice of the Annual General Meeting and the Annual report will also be available at the company's website [www.kcpmc.com](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.
  - (11) Ms. Anjana Binu, Practicing Company Secretary, (CP No. 12866), Thripunithura, Ernakulam has been appointed by the board as scrutinizer for conducting the remote e-Voting process in a fair and transparent manner.
  - (12) The Scrutinizer shall, with in a period not exceeding three working days from the conclusion of the e-voting unlock the votes through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, Scrutinizer's report of the total votes cast in favour or against, if any, to the chairman of the Company.
  - (13) The results declared along with the Scrutinizer's report will be placed on the Company's notice board and at the website [www.kcpmc.com](http://www.kcpmc.com) and on the website of Evoting Agency <https://www.cdslindia.com/evoting/EvotingInstanceAndResults.aspx> or on [www.evotingindia.com](http://www.evotingindia.com) à eVoting Notices – Results and click on Live Instances Voting and Results.
- All the resolutions, subject to receipt of requisite no. of votes, shall be deemed to be passed at the AGM scheduled to be held on 27<sup>th</sup> September 2018.

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

- (i) The voting period begins on 24<sup>th</sup> September, 2018 at 9.00 AM and ends on 26<sup>th</sup> September, 2018 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, 2018 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	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <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 <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or 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. 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  
Pottamkulam House, Yendayar P.O.  
Kottayam, Kerala- 686514

Thekkady  
22-08-2018



## Annexure to the Notice

### Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of the special business

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

The Board of Directors of the Company, at its meeting held on 22.08.2018 has, subject to the approval of members, re-appointed Shri Jojo George Pottemkulam (DIN: 00050344) as Managing Director, for a period of 5 (five) years from the expiry of his present term, i.e. with effect from October 30, 2018, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Shri Jojo George Pottemkulam as Managing Director of the Company, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of, and remuneration payable to, Shri Jojo George Pottemkulam are as under:

#### **(a) Salary, Perquisites and Allowances per annum:**

Particulars	(Rs.in Lakhs)
Salary	9,00,000 pa

The perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income-tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Expenses incurred for travelling, boarding and lodging during business trips shall be reimbursed at actuals and not considered as perquisites.

The overall remuneration payable every year to the Managing Director (and the Whole-time Directors of the Company) by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc., as the case may be, shall not exceed in aggregate 10% (Ten percent) of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment(s) thereof.

#### **General:**

(i) The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board.

(ii) The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

(iii) The Managing Director shall adhere to the Company's Code of Conduct.

(iv) The office of Managing Director may be terminated by the Company or by him by giving the other 3 (three) months' prior notice in writing.

Shri Jojo George Pottemkulam satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Jojo George Pottemkulam under Section 190 of the Act.



Details of Shri Jojo George Pottemkulam are provided below:

Name of the director	Mr. Jojo George Pottemkulam
Date of Birth	20/01/1973
Age	45
Date of first appointment on the Board	25/09/2003
Date of Appointment as Independent Director under the Companies Act 2013	NA
Relationship with Directors	Nil
Expertise in specific functional area	Wide managerial experience
Qualification(s)	MBA
Directorships of other Boards as on March 31, 2018	Orangerie Lifespace Properties Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	Nil
Number of shares held in the Company as on March 31, 2018	32300

Shri Jojo George Pottemkulam is interested in the resolution set out at Item No. 8 of the Notice.

The relatives of Shri Jojo George Pottemkulam may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

#### **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 (Amendment) Act, 2017 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.

On behalf of The Board of Directors,

Sd/-

**Johny Mathew**

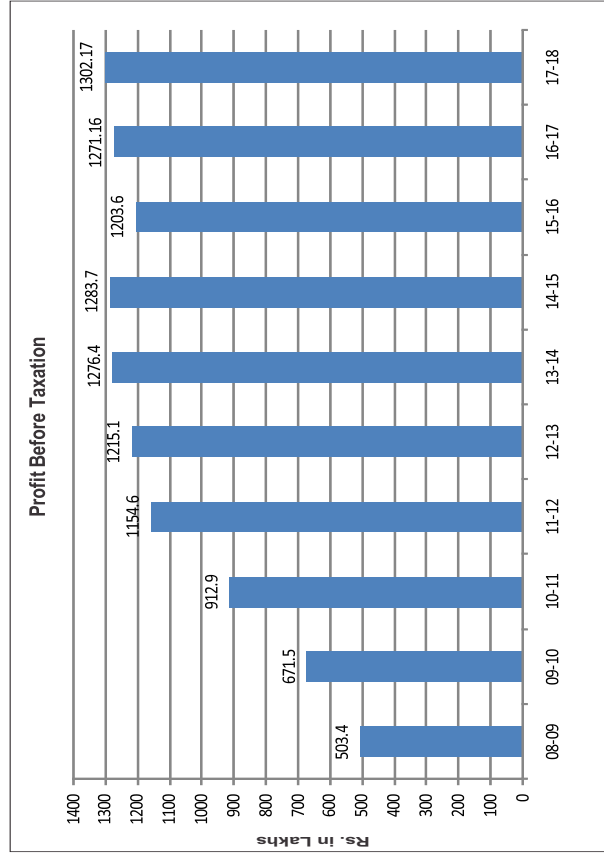
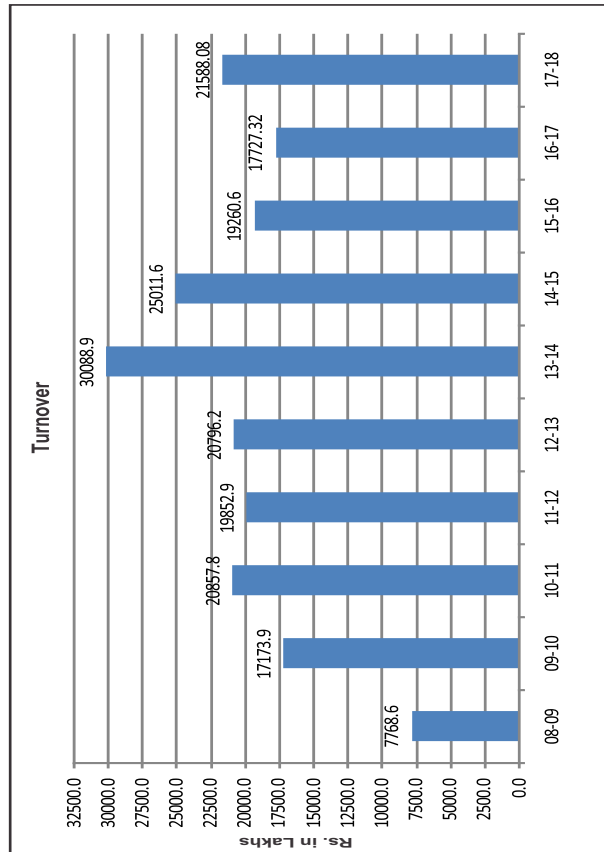
(DIN: 02503346)

Chairman

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

Thekkady  
22-08-2018

FINANCIAL YEAR SUMMARY										
										(Rs.In Lakhs)
Particulars	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18
Sales	7768.6	17173.9	20857.8	19852.9	20796.2	30088.9	25011.6	19260.6	17727.32	21588.1
Profit before Taxation	503.4	671.5	912.9	1154.6	1215.1	1276.4	1283.7	1203.6	1271.16	1302.17
Profit after Taxation	319.0	426.9	589.2	758.6	797.9	825.7	838.0	779.7	838.63	878.99
Share Capital	199.99	199.99	399.98	399.98	399.98	399.98	399.98	399.98	399.98	399.98
Reserves	845.9	1201.6	1474.0	2093.1	2750.6	3410.5	4097.7	4732.9	5403.07	6113.57
Gross Fixed Assets	597.7	715.2	782.9	914.0	1820.1	1853.7	1863.5	1908.1	2026.23	2045.52
Dividend %	25.0	30.0	25.0	30.0	30.0	30.0	30.0	30.0	35.0	35.0



## DIRECTORS' REPORT

Good morning and once again I welcome you all to this 28<sup>th</sup> Annual General Meeting of your company.

It is my privilege to present before you the directors' report and the performance financials of KCPMC Ltd. Once again, the previous year has been one that focused on the fundamentals and the core competencies of your company.

All established business divisions showed reasonable growth and has been a year of consolidation. In a year that once again was strife with regulatory intervention and changes, your company came out with flying colours, thanks again to the tremendous trust and solidarity expressed by our partner farmers in our operations and credibility.

Agri-inputs continue to remain the mainstay of our business and there was reasonable growth presented in top and bottom lines. We continue to revamp our product and service offerings in this business and open new outlets in areas where it is most required. The **sales depot** has emerged as the most relevant contact point for our customers, where we will continue to explore the market for opportunities and gaps and continue to open new outlets. It is with much satisfaction that we realise that the KCPMC agri-input outlets have become the most trusted and reliable service point for products and services for our customers today.

Your company's turnover and market share in the Auction business has grown in the wake of extremely challenging circumstances. The many '*experiments*' that has been tried and which continues unabated are today questioning the very existence of a vital and irreplaceable system that has been the mainstay for cardamom farmers and for trade for decades. Your company feels that some of the more recent changes that are happening as we speak on the conduct of auctions may not be in the benefit for the longer term. Our growers that depend on auctions to effectively sell their produce need a consistent and reliable partner in auctions.

This is time and again reiterated in the performance of our auctions, in spite of the impediments. We continue to fight for our right to

effectively conduct auctions, primarily for the benefit of growers and also as an efficient and practical business operation.

However, there are limits to what your company as an auctioneer can do to highlight these dangers. While you will appreciate, that Auctions are an essential activity in the linkage of cardamom and growers to the end markets, it is unfortunate that auctioneers as a community are today branded not so positively in various circumstances. Insinuations, explicit and otherwise are intended with malice and we believe will not serve the common interest of the industry. Monopolies and cartelisation are to be addressed, wherever and put paid by authorities as and when required. Rather than address the problem, there arises no apparent benefit in baseless allegations alone. At this juncture, we exhort all our farmer friends to understand and highlight the dangers of a collapse of the auction system to the authorities. Yours is the strongest word..!

Cardamom trade continued to show reasonable incomes and would have presented a much better showing, if not for a sudden and inexplicable fall in the commodity prices towards the close of the year. We managed to emerge unscathed with a reasonable showing. Recent issues concerning the blockage of Indian cardamom into Saudi Arabia in the guise of excessive chemical residues is again a challenge to the community. While, the 'ban' per se is not in keeping with accepted international conventions – *the allowable residue levels on various crops are not followed by SFDA* – our farmers need to be more aware of and follow good agricultural practices, that will help bring out safe and sustainable produce from the farms. We are duty bound to assist in any possible manner to help achieve this. Unscrupulous practices of 'artificial colouring' to cardamom continues to plague the industry and can be addressed only by the farmers and primary processors. This has to be curtailed at all costs and the entire community has to put in everything required to address this malice.

While at this, it is my proud privilege to inform you that we have started the ground work for an

automated processing plant for cardamom, as promised and one that we hope to be in operation by early next financial year. This will certainly increase our processing capacity, which was till date dependent on manual processes. With the commissioning of this, we are certain that revenues from the division is bound to go up substantially. We look forward to some exciting times in this division

Natural Rubber continues to stutter along, which was again a reflection of the industry's situation and largely a reflection of the agricultural economy of Kerala. We are hopeful that the 'task force' set up by the government will bring out results that will be beneficial to the industry and trade.

It is again clear from these performances that a business cannot independently exist removed from the society it functions in. We will continue our search for economic activity that will have considerable impact and those that will address the problems of the community. Business activities have to be in line with and enabling the growth and well-being of the society that we exist in.

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

Gross Turnover for the year improved by 22% to Rs. 21588 lakhs, mainly due to increase in trade volume in Cardamom. Agro-inputs division enhanced last year's figures by 10% and continued as the main contributor of company's bottom line. Auction division performed moderately well and posted an income of Rs.288 lakhs. The Rubber division showed a segment result of Rs. 18.72 lakhs for the year.

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

Rs.in Lakhs

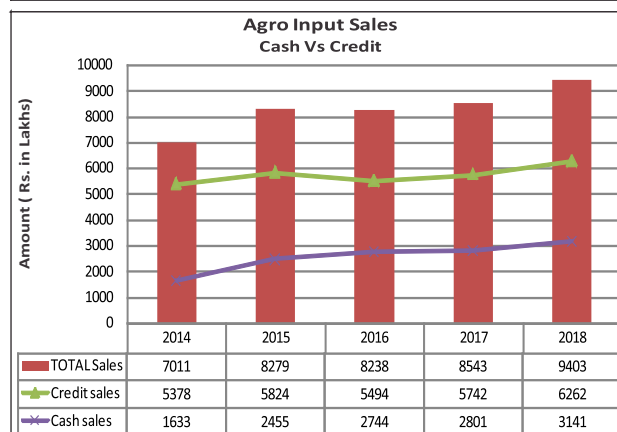
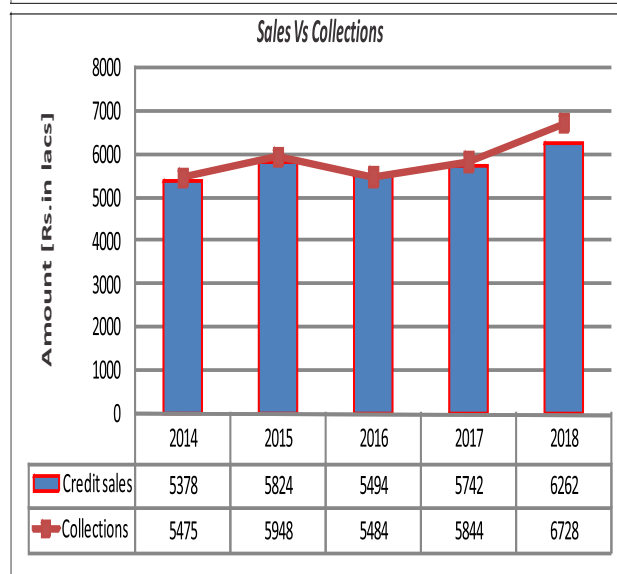
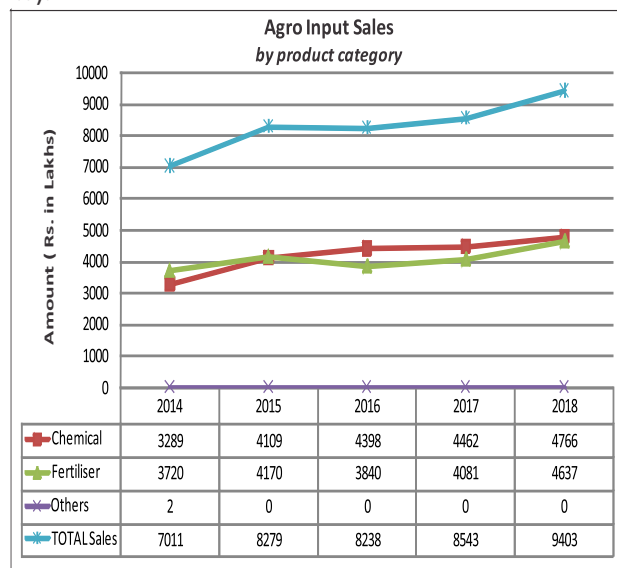
KCPMC : Financial Highlights 2003-2018 & prv.yr				
Particulars	2003	2018	% growth	Prv Yr (2017)
Sales	2624.87	21588.08	722	17727.32
Gross Income	2651.80	22958.15	766	18829.01
Net Profit	87.29	1302.02	1392	1271.16

As at 31<sup>st</sup> March, 2018

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

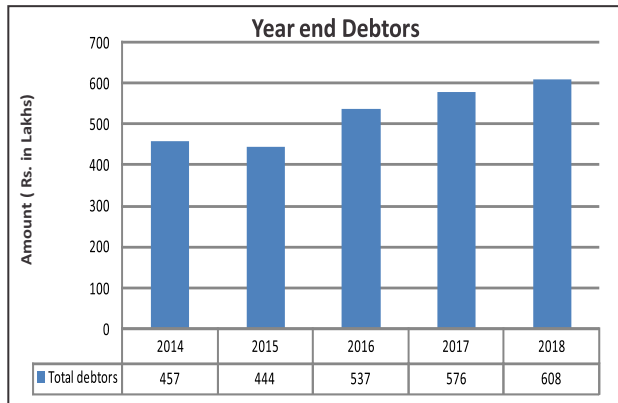
#### THE AGRO INPUTS DIVISION

Sales: The Agro Inputs division showed a total divisional turnover of Rs.94.03 Cr (85.43 Cr Previous. Yr).

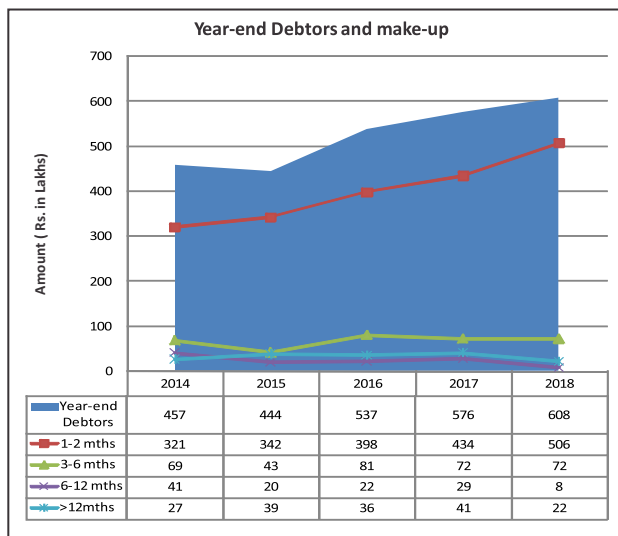


### Credit and Collections:

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

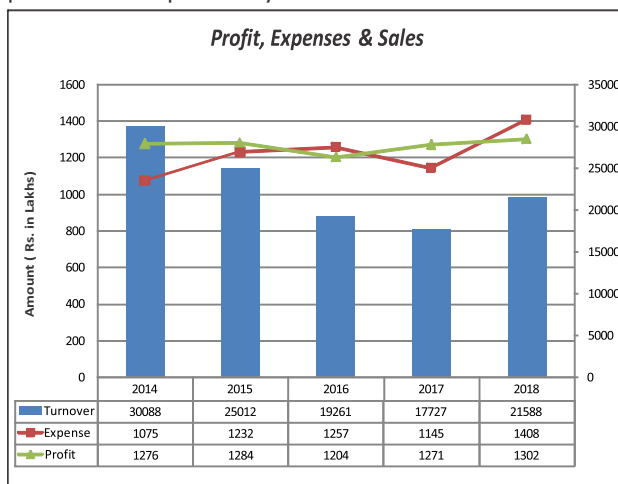


The Following figures give a break up of the book.



### Financial performance:

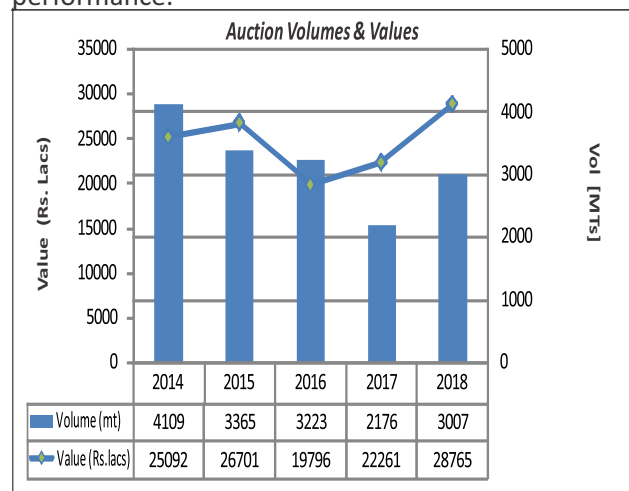
The following figures present a brief view on how we performed the previous years.



### THE AUCTION DIVISION

#### Auction Volumes:

Auctions constitute a turnover of Rs.287.65 Cr and 3007 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.

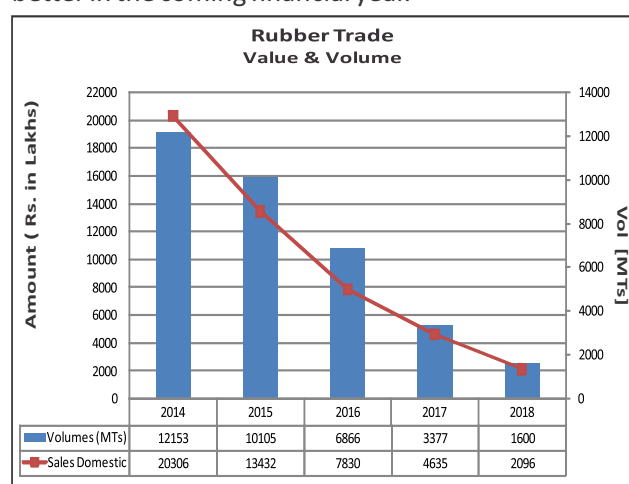


### CARDAMOM TRADE DIVISION

The Cardamom Trade Division continues to do modest volumes and also cater to the occasional export - [271.06 (mt) / 242(mt) Previous Year]- opportunity from time to time.

### RUBBER TRADE DIVISION

Domestic sales have been affected by the price of the product. The segment result from operations in rubber has been Rs.18.72 lakhs. We expect to do better in the coming financial year.



## RESERVES

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

## DIVIDEND

Considering the balance amount available to the credit of the Profit & Loss account after transfer of Rs. 67500000/- to the General Reserve and after reserving the amount that might be required for future operations, your Directors recommend a dividend of 35% on the Equity shares of Rs.10/- each, for declaration by the share holders at the Annual General Meeting to be held on 27<sup>th</sup> September, 2018.

## 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. Secretarial Audit by practicing company secretary is not applicable to the company.

## BOARD

### Board of Directors

As on 31<sup>st</sup> March, 2018, the total strength of Board of

Directors was 11 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.Johny Mathew (DIN: 02503346), Mr. Sakthivel Kumersan (DIN: 06982078) and Ms. Sivakumar Jayakumari (DIN: 06981167) retire by rotation at the 28<sup>th</sup> Annual General Meeting and being eligible, offer themselves for re-appointment.

The term of office of Mr. Jojo George Pottemkulam as the Managing Director will expire on 29.10.2018. Your Board has approved his re appointment, subject to approval by the company in General Meeting, as Managing Director for another five years on remuneration of Rs.75000/- per month, in addition to the sitting fee payable as per Article 86 of the Articles of Association of the Company.

Mr. Thamanan Karunakaran Krishnasamy Suruliyandi Sharavanan gave his resignation on 15.11.2017, which was accepted by the Board on 20.12.2017.

### Meetings of the board

The Board met 5 times during the year and on the following dates 28/06/2017, 29/08/2017, 26/09/2017, 20/12/2017 & 27/03/2018.

### 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** consists of 1) Bobby Tom (Chairman) (2) Sakthi Subramanian (3) K. I. Varkey

**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. 1252.81 lakhs. During the year the Company has set apart Rs. 25.25 lakhs, which is 2% of the average net profit of the last three financial years. The Company's CSR Activities are carried out through the trust KCPMC CSR FOUNDATION specifically formed for this purpose. The Company is identifying and implementing the right projects for the betterment of the society in the local area and areas around it where it operates as a part of its Corporate Social Responsibility. The CSR Committee and Details of the policy are given in Annexure I.

#### **Disclosure Of Providing Vigil Mechanism.**

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

#### **Share Capital**

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

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

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

#### **Auditors**

##### **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.

#### **Extract of Annual Return**

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

**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 generating and using solar energy through Solar Power Plant.

#### **Foreign Exchange Earnings and Outgo**

##### **Export Activities**

During the year your Company has exported 271.06 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. 3055.71 Lakhs

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

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

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

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

##### **• Operational Risk :**

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

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

##### **• Interest Rate Risk :**

Any increase in interest rate can affect the finance cost



of the Company. To reduce such risks, dependence on debt is reduced to very minimum

**• Competition Risk :**

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

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

- Conducting risk surveys across the function to get inputs on key risks
- Periodic assessment of risks, their impact on the key business objectives relating to the growth, profitability, reputation etc.
- Monitoring key developments in regulatory environments
- Studying direct and indirect economic impacts in the areas of our operations.

**Internal Systems and Their Accuracy**

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

**Particulars of Loans, Guarantees or Investments Under Section 186**

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

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

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

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

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

Unclaimed Dividend for 2010-11 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 2010-11 and thereafter

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid dividend
March 31, 2011	September 27, 2011	September 27, 2018
March 31, 2012	September 27, 2012	September 27, 2019
March 31, 2013	August 29, 2013	August 29, 2020
March 31, 2014	September 25, 2014	September 25, 2021
March 31, 2015	September 30, 2015	September 30, 2022
March 31, 2016	September 27, 2016	September 27, 2023
March 31, 2017	September 26, 2017	September 26, 2024

**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.

**Maintenance of cost record**

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.

**PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties / punishment / compounding of offences for the year ending March 31, 2018.

### Directors Responsibility Statement

The Directors confirm that

- 1) In the preparation of annual accounts for the financial year 2017-2018, 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, 2018 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 controls 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	

Thekkady  
22.08.2018

### 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.

### In Conclusion

Today, it gives us immense pride that your Company has truly emerged as an exemplary institution in its field. It is fulfilling to witness the value that your Company has created across many dimensions. However, we cannot rest, as we believe that the best is yet to come. The foundations are reasonably in place. A dedicated young team, is today at the helm of the organisation. Let us be confident that they will take this enterprise to even greater heights.

We continue the journey ahead with faith in our conviction, remain resilient in the face of adversity and strive towards innovation and new opportunities with passion, to take this Company ahead in its quest for excellence - to serve our society, and you, our shareholders.

Allow me to convey my deepest appreciation of the relentless efforts put in by Team KCPMC.

Milestones achieved so far are a tribute to their dedication.

On behalf of the KCPMC Board, may I also thank you, our valued shareholders, for your continued support and encouragement.

Thank you, Ladies & Gentlemen.  
On behalf of the Board of Directors

Sd/-  
**Johny Mathew**  
(DIN: 02503346)  
Chairman  
Pottamkulam House, Yendayar P.O.  
Kottayam, Kerala- 686514

## Corporate Social Responsibility Policy

### Annexure I

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

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

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

#### CSR Philosophy

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

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

#### CSR Policy

It is KCPMC's policy:

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

#### Implementation

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

#### Activities / Initiatives earmarked for KCPMC – CSR Initiatives

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

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

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

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

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

### **KCPMC CSR FOUNDATION**

As a part of our CSR initiative, during the year 2016 the Company formed a trust by the name KCPMC CSR FOUNDATION to implement the projects and contributed the entire amount set apart for CSR project during current year aggregating to Rs. 25.25 lakhs to the corpus of the Trust. During the year the Trust has spent Rs. 3777059 for promoting Education, Rs. 516000 for providing Health Care and Rs. 1245000 for Rural Development.

#### 2. Composition of the CSR Committee

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

3. Average net profit of the Company for last three financial years: Rs.1252.81 lakhs

4. Prescribed CSR expenditure (2% of the amount as in item 3 above): Rs.25.05 lakhs

#### 5. Details of CSR spent for the financial year

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

(b) Amount unspent if any: Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SL. No	CSR Project or Activity identified	Sector in which the project is covered	Project or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs <b>Sub-heads:</b> (1) Direct expenditure on projects or program (2) Overheads:	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	Contribution to the corpus of the Trust - KCPMC CSR FOUNDATION -created exclusively for undertaking the CSR activities of the Company	--	--	Rs.25.25 Lakhs	Rs.25.25 Lakhs	Rs.97.60 Lakhs	Contributed to the implementing Agency

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

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

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

For The Kerala Cardamom Processing and Marketing Company Limited.

Sd/-  
Johny Mathew  
Chairman (CSR Committee)  
DIN: 02503346  
Pottamkulam House  
Yendayar P.O. Kottayam  
Kerala- 686514

Sd/-  
Jojo George Pottemkulam  
Managing Director  
DIN: 00050344  
Pottemkulam House  
Kootickal P.O.  
Kottayam-686514

Sd/-  
K. Zia Ud Din Ahamed  
Joint Managing Director  
DIN: 00350688  
26 Kulakkaran Street Theni  
District, Tamilnadu  
Cumbum-625516

Thekkady  
22.08.2018

Form No. MGT-9  
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2018

[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	46.74 %
2	Fertilisers & Chemicals	46692	43.56 %

**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 Share Holding*

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	—	191166	191166	4.78	—	191166	191166	4.78	0
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt. (s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	—	—	—	—	—	—	—	—	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Other....	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1):-</b>	—	191166	191166	4.78	—	191166	191166	4.78	0

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>191166</b>	<b>191166</b>	<b>4.78</b>	—	<b>191166</b>	<b>191166</b>	<b>4.78</b>	<b>0</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	—	2101410	2101410	52.54	—	2101410	2101410	52.54	0
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	—	1707224	1707224	42.68	—	1707224	1707224	42.68	0
c) Others (specify)	—	—	—	—	—	—	—	—	—
<b>Sub-total(B)(2):-</b>	—	<b>3808634</b>	<b>3808634</b>	<b>95.22</b>	—	<b>3808634</b>	<b>3808634</b>	<b>95.22</b>	<b>0</b>
<b>Total Public Share holding</b>									
<b>(B) = (B) (1) + (B) (2)</b>	—	<b>3808634</b>	<b>3808634</b>	<b>95.22</b>	—	<b>3808634</b>	<b>3808634</b>	<b>95.22</b>	<b>0</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>	<b>0</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	13900	0.35	0	13900	0.35	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
	Total	191166	4.78	0	191166	4.78	0	0

### (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, 2017	12500	0.31	12500	0.31
	Increase/decrease	No Change			
	At the end of the year 31 <sup>st</sup> MARCH, 2018	12500	0.31	12500	0.31
2	KADAMAPUZHA MATHEW EAPEN				
	At the beginning of the year 1st April, 2017	12600	0.32	12600	0.32
	Increase/decrease	No Change			
	At the end of the year 31 <sup>st</sup> MARCH, 2018	12600	0.32	12600	0.32
3	ZIAUDDIN AHAMED KADERMOHIDEEN				
	At the beginning of the year 1st April, 2017	13900	0.35	13900	0.35
	Increase/decrease	No Change			
	At the end of the year 31 <sup>st</sup> MARCH, 2018	13900	0.35	13900	0.35



Sl. No.	Name of the Share Holder	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
4	MALLIAH ARUNAN				
	At the beginning of the year 1st April, 2017	10400	0.26	10400	0.26
	Increase/decrease	No Change			
5	GEORGE JOSEPH MATHEW				
	At the beginning of the year 1st April, 2017	30566	0.76	30566	0.76
	Increase/decrease	No Change			
6	KARIMPANAL ITTIAVIRA VARKEY				
	At the beginning of the year 1st April, 2017	26900	0.67	26900	0.67
	Increase/decrease	No Change			
7	K.I. ABRAHAM				
	At the beginning of the year 1st April, 2017	32900	0.82	32900	0.82
	Increase/decrease	No Change			
8	SIVAKUMAR JAYAKUMARI				
	At the beginning of the year 1st April, 2017	10200	0.26	10200	0.26
	Increase/decrease	No Change			
9	SAKTHIVEL KUMERSAN				
	At the beginning of the year 1st April, 2017	8000	0.20	8000	0.20
	Increase/decrease	No Change			
10	R. KANNAMMAL				
	At the beginning of the year 1st April, 2017	25400	0.63	25400	0.63
	Increase/decrease	No Change			
11	M.P. PUNNOOSE				
	At the beginning of the year 1st April, 2017	7800	0.20	7800	0.20
	Increase/decrease	No Change			
	At the end of the year 31 <sup>st</sup> MARCH, 2018	7800	0.20	7800	0.20

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

Sl. No.	Name of the Share Holder	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
1	GRACE ABRAHAM				
	At the beginning of the year 1st April, 2017	32900	0.82	32900	0.82
	Increase/decrease	No Change			
2	RAJESH GEORGE				
	At the beginning of the year 1st April, 2017	32300	0.81	32300	0.81
	Increase/decrease	No Change			
3	JACOB PUNNOOSE				
	At the beginning of the year 1st April, 2017	30000	0.75	30000	0.75
	Increase/decrease	No Change			
4	VARKEY GEORGE				
	At the beginning of the year 1st April, 2017	31660	0.79	31660	0.79
	Increase/decrease	No Change			
5	Dr.PRASAD PUNNOOSE				
	At the beginning of the year 1st April, 2017	26600	0.67	26600	0.67
	Increase/decrease	No Change			
6	MEERA GEORGE				
	At the beginning of the year 1st April, 2017	25400	0.63	25400	0.63
	Increase/decrease	No Change			
7	LALITHA VARKEY				
	At the beginning of the year 1st April, 2017	25000	0.63	25000	0.63
	Increase/decrease	No Change			
8	T. SIVAKUMAR				
	At the beginning of the year 1st April, 2017	24060	0.60	24060	0.60
	Increase/decrease	No Change			
9	PONNAMMA JOSEPH				
	At the beginning of the year 1st April, 2017	23400	0.59	23400	0.59
	Increase/decrease	No Change			
10	D. SAMBATH KUMAR				
	At the beginning of the year 1st April, 2017	23400	0.59	23400	0.59
	Increase/decrease	No Change			
	At the end of the year 31st MARCH, 2018	23400	0.59	23400	0.59

**v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of Total Shares of the Company	No. of shares	% of Total Shares of the Company
1	JOJO GEORGE POTTEMKULAM At the beginning of the year 1st April, 2017 Increase/decrease	32300 No Change	0.81	32300	0.81
	At the end of the year 31st MARCH, 2018	32300	0.81	32300	0.81
2	ZIAUDDIN AHAMED KADERMOHIDEEN At the beginning of the year 1st April, 2017 Increase/decrease	13900 No change	0.35	13900	0.35
	At the end of the year 31st MARCH, 2018	13900	0.35	13900	0.35
3	KARIMPANAL ITTIAVIRA VARKEY At the beginning of the year 1st April, 2017 Increase/decrease	26900 No Change	0.67	26900	0.67
	At the end of the year 31st MARCH, 2018	26900	0.67	26900	0.67
4	JOHNY MATHEW At the beginning of the year 1st April, 2017 Increase/decrease	14668 No Change	0.37	14668	0.37
	At the end of the year 31st MARCH, 2018	14668	0.37	14668	0.37
5	SAKTHIVEL KUMERSAN At the beginning of the year 1st April, 2017 Increase/decrease	8000 No Change	0.20	8000	0.20
	At the end of the year 31st March,2018	8000	0.20	8000	0.20
6	SIVAKUMAR JAYAKUMARI At the beginning of the year 1st April, 2017 Increase/decrease	10200 No Change	0.26	10200	0.26
	At the end of the year 31st MARCH, 2018	10200	0.26	10200	0.26
7	SUSAN PUNNOOSE At the beginning of the year 1st April, 2017 Increase/decrease	7800 No Change	0.20	7800	0.20
	At the end of the year 31st MARCH, 2018	7800	0.20	7800	0.20
8	MOHAN VARGHESE At the beginning of the year 1st April, 2017 Increase/decrease	20400 No Change	0.51	20400	0.51
	At the end of the year 31st MARCH, 2018	20400	0.51	20400	0.51
9	RAGHAVAN GUHAN At the beginning of the year 1st April, 2017 Increase/decrease	20750 No Change	0.52	20750	0.52
	At the end of the year 31st MARCH, 2018	20750	0.52	20750	0.52
10	THAMANAN KARUNAKARAN KRISHNASAMY SURULIYANDI SHARAVANAN (Ceased to be a director during the period) At the beginning of the year 1st April, 2017 Increase/decrease	18700 No Change	0.47	18700	0.47
	At the end of the year 31st MARCH, 2018	18700	0.47	18700	0.47
11	BOBY TOM At the beginning of the year 1st April, 2017 Increase/decrease	0 12600	0 0.32	0 12600	0 0.32
	At the end of the year 31st MARCH, 2018	12600	0.32	12600	0.32
12	RAJAMANICKAM SAKTHISUBRAMANIAN At the beginning of the year 1st April, 2017 Increase/decrease	0 2000	0 0.05	0 2000	0 0.05
	At the end of the year 31st MARCH, 2018	2000	0.05	2000	0.05

## V. INDEBTEDNESS

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

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

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		JOJO GEORGE POTTEMKULAM	ZIAUDDIN AHAMED KADERMOHIDEEN	
1.	Gross salary			
	(a) Salary as per provisions Contained in section 17(1) of the Income-tax Act, 1961	600000	180000	780000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary Under section 17(3) Income-Tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
	-as % of profit			
	-others, specify			
5.	Others-Sitting Fee	25000	20000	45000
	Total(A)	625000	200000	825000
	Ceiling as per the Act	—	—	13021742

**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	20000	25000		45000
	Total (1)	20000	25000		45000
2.	<b>Other Non Executive Directors</b>	KARIMPANAL ITTIAVIRA VARKEY	RAGHAVAN GUHAN	JOHNY MATHEW	
	Fee for attending Board, Committee Meetings, Commission, Others, please specify	25000	10000	25000	60000
		SUSAN PUNNOOSE	THAMANAN KARUNAKARAN KRISHNASAMY SURULIYANDI SHARAVANAN	MOHAN VARUGHESE	
	Fee for attending Board, Committee Meetings, Commission, Others, please specify	25000	15000	20000	60000
		SAKTHIVEL KUMERSAN	SIVAKUMAR JAYAKUMARI		
	Fee for attending Board, Committee Meetings, Commission, Others, please specify	20000	20000		40000
	Total (2)	70000	45000	45000	160000
	Total (B) = (1) + (2)	90000	70000	45000	205000
	Total Managerial Remuneration	715000	270000	45000	1030000
	Overall Ceiling as per the Act	–	–	–	14323917

**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 31<sup>ST</sup> MARCH 2018 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 31<sup>st</sup> March 2018, 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 circumstance. 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, 2018;
- 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, 2018 and taken on record by the board of directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2018 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 & 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  
22-08-2018

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, 2018.**

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a regular program of physically verifying all the fixed asset at its Depots/Offices in a phased manner over a period of 3 years, which in my opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company subject to Note No. 27 to the financial statements.
- (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, Goods and Services 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 31<sup>st</sup> March, 2018.
- b) According to the information and explanations given to me and the records of the company, the dues of sales tax /income tax/customs duty/wealth tax/ service tax/goods and services tax/ excise duty/ Value Added Tax/ cess which have not been deposited on account of any dispute are as follows:

Name of the statutes	Nature of the dues	Amount Rs.	Period to which the Amount relates	Forum where dispute is pending
Finance Act 199	Service Tax	824225 6	2010-11 to 2013-14	Commissioner Appeals, Central Tax & Central Excise, Coch in
Finance Act 199	Service Tax	5170980	2013-14 & 2014-15	Commissioner Appeals, Central Tax & Central Excise, Coch in
Finance Act 199	Service Tax	1880879	2014-15	Commissioner Appeals, Central Tax & Central Excise,

- viii) On the basis verification of records and according to the information and explanation given to me, the company has not defaulted in repayment of dues to the financial institution/ banks/ government. The company has not raised any monies against issue of debentures.
- (ix) The company has not raised moneys by way of any Public Offer or Term Loans during the year. Hence para (ix) of order is not applicable to the Company.
- (x) According to the information and explanation given to me by the company, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to me by the company and based on my review, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;.
- xii) The Company is not a Nidhi Company. Therefore, the paragraph (xii) of the order is not applicable to the Company.
- (xiii) In my opinion and according to the information and explanation given to me, the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to me, during the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence the provisions of paragraph (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanation given to me, during the year company has not entered into any non-cash transactions with directors or persons connected with him. Hence the provisions of paragraph (xv) of the Order are not applicable to the Company.
- (xvi) In my opinion and according to the information and explanation given to me, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Ponkunnam  
22-08-2018

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

**Annexure-B referred to in Paragraph 9(f) 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, 2018.**

**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 31<sup>st</sup> March, 2018 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, 2018 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  
22-08-2018

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

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

PARTICULARS	NOTE No.	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
a) Share Capital	1	39998000	39998000
b) Reserves and Surplus	2	611357145	540306942
<b>(2) NON - CURRENT LIABILITIES</b>			
a) Deferred Tax Liabilities (Net)	3	(277419)	(146488)
b) Long Term Provisions	4	1671701	2458408
<b>(3) CURRENT LIABILITIES</b>			
a) Short - Term borrowings	5	-	-
b) Trade Payables	6	236223319	119741037
c) Other Current Liabilities	7	17411184	13136353
d) Short Term Provisions	8	63322128	63308671
<b>TOTAL</b>		<b>969706058</b>	<b>778802923</b>
<b>II ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
a) Fixed Assets			
i) Tangible Assets	9	165719932	167673967
ii) Capital work-in-progress	9	220000	-
b) Long-Term Loans and Advances	10	1500000	275000
<b>(2) CURRENT ASSETS</b>			
a) Current Investments	11	89449900	-
b) Inventories	12	318898335	236320891
c) Trade Receivables	13	251142491	225325911
d) Cash and Cash Equivalents	14	58141190	87209143
e) Short-Term Loans and Advances	15	84634210	61998011
<b>TOTAL</b>		<b>969706058</b>	<b>778802923</b>

Accompanying notes 1 to 35 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

22-08-2018

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

PARTICULARS		NOTE No.	2017-2018 Rs.	2016-2017 Rs.
<b>I</b>	Revenue from operations	17	<b>2255184890</b>	1856613673
<b>II</b>	Other income	18	<b>36775607</b>	25230114
<b>III</b>	Total Revenue		<b>2291960497</b>	1881843787
<b>IV</b>	Expenses			
	Purchases of Stock-in-Trade	19	<b>2099189032</b>	1703983322
	Changes in Inventories of Stock-in-Trade	20	<b>(82577444)</b>	(66936779)
	Employee Benefits Expense	21	<b>31393351</b>	29355393
	Finance Costs	22	<b>1091980</b>	683899
	Depreciation and Amortization Expense	9	<b>4317173</b>	4233427
	Other Expenses	23	<b>108328982</b>	83408678
	Total Expenses		<b>2161743074</b>	1754727940
<b>V</b>	Profit Before Tax		<b>130217423</b>	127115847
<b>VI</b>	Tax expense			
	1) Current tax		<b>43300000</b>	43400000
	2) Prior year's tax		<b>(851077)</b>	(41991)
	3) Deferred tax		<b>(130931)</b>	(105108)
<b>VII</b>	Profit for the year		<b>87899431</b>	83862946
<b>VIII</b>	Earnings per equity share			
	1)Basic		<b>22</b>	<b>21</b>
	2)Diluted		<b>22</b>	<b>21</b>

Accompanying notes 1 to 35 form part of the financial statements

Sd/-  
JOHNY MATHEW  
(DIN: 02503346)  
Chairman

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JOJO GEORGE POTTEMKULAM  
(DIN: 00050344)  
Managing Director

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K. ZIA-UD-DIN AHAMED  
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Joint Managing Director

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam

22-08-2018

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

PARTICULARS	2017-2018 Rs.	2016-2017 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	<b>130217423</b>	127115847
Adjustments:		
Depreciation/Amortization	<b>4317173</b>	4233427
Finance Cost	<b>1091980</b>	683898
(Profit)/Loss on sale of assets (net)	<b>(436872)</b>	(894973)
Net (gain)/loss of foreign currency translation	<b>(3518853)</b>	(673572)
Dividend received from short term liquid funds	<b>(7604490)</b>	(4636797)
Operating Profit before working capital changes      A	<u><b>124066361</b></u>	<u>125827830</u>
Movements in working capital:		
Increase/(decrease) in trade payable	<b>116482281</b>	54528659
Increase/(decrease) in Short term borrowings	-	(18660497)
Increase/(decrease) in Long term borrowings	-	-
Increase/(decrease) in Long term provisions	<b>(786707)</b>	79028
Increase/(decrease) in Short term provisions	<b>113448</b>	468352
Increase/(decrease) in other current liabilities	<b>3854432</b>	6858324
Decrease/(increase) in trade receivables	<b>(25816580)</b>	(51066643)
Decrease/(increase) in inventories	<b>(82577444)</b>	(66936779)
Decrease/(increase) in long term loans and advances	<b>(1225000)</b>	-
Decrease/(increase) in short term loans and advances	<b>(22636199)</b>	4020228
Net Decrease/(increase) in working capital              B	<u><b>(12591769)</b></u>	<u>(70709328)</u>
Cash generated from/(used in) operations              A+B	<b>111474592</b>	55118502
Direct Taxes paid ( net of refunds)	<b>(42548924)</b>	(40958009)
<b>Net cash flow from/(used in) operating activities</b>	<b>68925668</b>	14160493
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<b>(3046266)</b>	(13685278)
Proceeds from sale of fixed assets / Subsidies	<b>900000</b>	1120500
Purchase of short term liquid funds	<b>(1064449900)</b>	(1085000000)
Redemption of short term liquid funds	<b>982604490</b>	1109699412
<b>Net cash flow from/(used in ) investing activities</b>	<b>(83991675)</b>	12134634
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost paid	<b>(1091980)</b>	(683899)
Dividend paid	<b>(13578900)</b>	(11690800)
Dividend Distribution Tax paid	<b>(2849919)</b>	(2442787)
<b>Net cash flow from/(used in ) financing activities</b>	<b>(17520799)</b>	(14817486)
Net increase/(decrease) in cash and cash equivalents	<b>(32586806)</b>	11477642
Cash and cash equivalents as at the beginning of the Year	<b>87209143</b>	75057929
Net gain/(loss) of foreign currency translation	<b>3518853</b>	673572
<b>Cash and cash equivalents as at the end of the Year</b>	<b>58141190</b>	87209143

Sd/-  
JOHNY MATHEW  
(DIN: 02503346)  
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JOJO GEORGE POTTEMKULAM  
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Managing Director

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

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam

22-08-2018

Notes forming part of the financial statements for the year ended 31.03.2018	As at <b>31.03.2018</b> Rs.	As at 31.03.2017 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>31.03.2018</b>	31.03.2017
	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>523274158</b>	455774158
Add: Transfer from Profit & Loss A/c	<b>67500000</b>	67500000
	<b>590774158</b>	523274158
(c) Surplus in Statement of Profit and Loss		
Opening Balance	<b>3053388</b>	3539661
Add: Net profit for the current year	<b>87899431</b>	83862946
Less: Proposed Dividend	<b>13999300</b>	13999300
Less: Dividend Distribution Tax	<b>2849928</b>	2849919
Less: Transfer to General Reserve	<b>67500000</b>	67500000
	<b>6603591</b>	<b>3053388</b>
<b>TOTAL</b>	<b>611357145</b>	540306942

Sd/-  
JOHNY MATHEW  
(DIN: 02503346)  
Chairman

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Managing Director

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

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam

22-08-2018



Notes forming part of the financial statements for the year ended 31.03.2018	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
<b>(3) 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	263543	666738
On account of Grauity Provision	(540962)	(813226)
<b>TOTAL</b>	<b>(277419)</b>	<b>(146488)</b>
<b>(4) Long Term Provisions</b>		
For Employees Gratuity(Refer Note No.35(f)(ii)	1671701	2458408
<b>(5) Short Term Borrowings</b>		
Secured:-		
(a) Loans Repayable on demand		
From Banks	-	-
Refer Note No.24 for details of Security.		
<b>(6) Trade Payables</b>		
(a) Due to Micro and Small Enterprises	-	-
Refer Note No.25		
(b) Due to Others	235248629	119340028
(c) Creditors for Expenses	974690	401009
<b>TOTAL</b>	<b>236223319</b>	<b>119741037</b>
<b>(7) Other Current Liabilities</b>		
(a) Unpaid Dividend	2121300	1700900
(b) Statutory Dues	11479565	5475365
(c) Advance Received from Customers	3800319	5950088
(d) Security Deposit	10000	10000
<b>TOTAL</b>	<b>17411184</b>	<b>13136353</b>
<b>(8) Short Term Provision</b>		
(a) for Employee Benefits-Bonus & Ex Gratia	3172900	3059452
(b) for Taxation	43300000	43400000
(c) for Proposed Dividend	13999300	13999300
(d) for Dividend Distribution Tax	2849928	2849919
<b>TOTAL</b>	<b>63322128</b>	<b>63308671</b>
<b>(10) Long Term Loans &amp; Advances</b>		
Unsecured considered good		
(a) Security Deposits	1500000	275000

Sd/-  
JOHNY MATHEW  
(DIN: 02503346)  
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Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam

22-08-2018

**(9) Fixed Assets**  
**i) Tangible Assets**

PARTICULARS	ORIGINAL COST				DEPRECIATION / AMORTISATION			WRITTEN DOWN VALUE	
	As at 01.04.2017	Additions	(Sale/ Adjust ments)	As at 31.03.2018	As at 01.04.2017	For the Year	On (Sale/Adjust ments)	As at 31.03.2018	As at 01.04.2017
Freehold land	132712283	-	-	132712283	-	-	-	132712283	132712283
Buildings	38849566	-	900000	37949566	15895699	1116234	436872	21374505	22953867
Plant & Machinery	11209683	1066594	-	12276277	4822338	1285473	-	6107811	6387345
Furniture & Fittings	3643397	-	-	3643397	3316454	64702	-	3381156	326943
Motor Vehicles	10365595	1362660	-	11728255	5408928	1557293	-	4762034	4956667
Motor Cycles	443524	-	-	443524	314247	32404	-	96873	129277
Computers and Data Processing Units	5401763	397012	-	5798775	5194178	261067	-	5455245	207585
<b>TOTAL</b>	<b>202625811</b>	<b>2826266</b>	<b>900000</b>	<b>20452077</b>	<b>34951844</b>	<b>4317173</b>	<b>436872</b>	<b>165719932</b>	<b>167673967</b>
<b>PREVIOUS YEAR</b>	<b>190811558</b>	<b>13685278</b>	<b>1871025</b>	<b>202625811</b>	<b>32363915</b>	<b>4233427</b>	<b>1645498</b>	<b>34951844</b>	<b>158447643</b>

**ii) Capital work-in-progress**

Cardamom Processing Unit at Bodinayakanur in Tamilnadu	-	220000	-	220000	-	-	-	220000	
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Sd/-  
JOHNY MATHEW  
(DIN: 02503346)  
Chairman

22-08-2018

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

Notes forming part of the financial statements for the year ended 31.03.2018	As at 31.03.2018 Rs.	As at 31.03.2017 Rs.
<b>(11) Current investments</b>		
(a) ICICI MF Investment A/c	15631053	-
(b) HDFC Investment A/c	20221726	-
(c) RELIANCE MF	31864950	-
(d) SBI MF Investment A/C	21732171	-
<b>TOTAL</b>	<b>89449900</b>	<b>-</b>
<b>(12) Inventories</b>		
(a) Stock in Trade	318898335	236320891
Refer Note No.35(b) for method of valuation		
<b>(13) Trade Receivables</b>		
Unsecured considered good		
a) Debts outstanding for a period exceeding six months.	6268090	8850321
b) Other Debts	244874401	216475590
<b>TOTAL</b>	<b>251142491</b>	<b>225325911</b>
<b>(14) Cash and Cash Equivalents</b>		
(a) Balances with Banks *	28775708	58175115
(b) Unpaid Dividend Account Balance	2151164	1723798
(c) Cheques, Drafts on hand	19917436	21531993
(d) Cash on Hand	7296882	5778237
<b>TOTAL</b>	<b>58141190</b>	<b>87209143</b>
* Includes Rs.7278452.00 given as security for bank guarantee obtained, out of this fixed deposits worth Rs.6418532.00 are of maturity period of more than 12 months.		
<b>(15) Short-Term Loans &amp; Advances</b>		
Unsecured considered good		
(a) Prepaid Insurance	1439220	1538244
(b) Income Tax Advance and TDS	39245227	39199603
(c) Security Deposit	6726968	5954705
(d) Advance Paid to Suppliers	14260935	9883593
(e) Other Advances	22961860	5421866
<b>TOTAL</b>	<b>84634210</b>	<b>61998011</b>
<b>(16) Contingent Liabilities and Commitments:-</b> To the extent not provided for		
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt:		
Service tax Demand	15294115	8242256
(b) Guarantees : The Company has given guarantee to ICICI Bank Ltd. for funded and non funded limits aggregates to Rs.5.75 Crores availed by The Cardamom Planters' and Marketing Co-Operative Society Limited. The Balance outstanding in the CC limit as on 31.03.2018 is Nil (Previous Year Nil). Bank Guarantee Rs.4.81 Crores (Previous Year Rs.4.81 Crores)		
(ii) Commitments		
(a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for.	117312000	Nil

Sd/-  
JOHNY MATHEW  
(DIN: 02503346)  
Chairman

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K. ZIA-UD-DIN AHAMED  
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Joint Managing Director

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam

22-08-2018

Notes forming part of the financial statements for the year ended 31.03.2018	2017-2018 Rs.	2016-2017 Rs.
<b>II NOTES TO STATEMENT OF PROFIT AND LOSS</b>		
<b>(17) Revenue from Operations</b>		
(a) Sale of Products	2158808004	1772732107
(b) Other Operating Revenues		
Discount Received	66445538	59614121
Commission - Auction	28765163	22260955
Export Incentive	1166185	2006490
<b>TOTAL</b>	<b>2255184890</b>	<b>1856613673</b>
<b>(18) Other Income</b>		
(a) Dividend Income from short term liquid funds	7604490	4636797
(b) Net Gain/(Loss) on sale of Fixed Assets	436872	894973
(c) Transport & handling charges collected	14598892	7549805
(d) Rent Received	2964012	587761
(e) Net gain/loss of foreign currency translation and transaction	3518853	673572
(f) Interest Received on Security deposit	970922	614085
(g) Others (Refer Note No. 31)	6681566	10273120
<b>TOTAL</b>	<b>36775607</b>	<b>25230114</b>
<b>(19) Purchases of Stock-in-Trade</b>		
(a) Fertilisers & Neemcake	412006295	342251168
(b) Pesticides & Chemicals	397853768	374320005
(c) Rubber Sheet	249786240	461932694
(d) Gunnies	10771512	9314830
(e) Cardamom	1028771217	514900872
(f) Spices	-	1263755
<b>TOTAL</b>	<b>2099189032</b>	<b>1703983322</b>
<b>(20) Changes in Inventories of Stock in Trade</b>		
Opening Stock	236320891	169384112
Closing Stock	318898335	236320891
	<b>(82577444)</b>	<b>(66936779)</b>
<b>(21) Employee Benefit Expense</b>		
(a) Salaries & Wages	25203374	22869941
(b) Provident Fund Contribution	1881788	1819008
(c) Gratuity	1846972	2150229
(d) Medical Insurance Premium	1681217	1736215
(e) Salary to Directors	780000	780000
<b>TOTAL</b>	<b>31393351</b>	<b>29355393</b>

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

22-08-2018

Notes forming part of the financial statements for the year ended 31.03.2018	2017-2018 Rs.	2016-2017 Rs.
<b>(22) Finance Cost</b>		
(a) Interest Expense	145921	134092
(b) Other borrowing costs	232500	57500
(c) Bank charges	713559	492307
<b>TOTAL</b>	<b>1091980</b>	<b>683899</b>
<b>(23) Other Expenses</b>		
(a) Freight and Handling	22429768	13106682
(b) Power & Fuel	783907	776381
(c) Rent	3319021	4325694
(d) Repairs to Building	1288626	569928
(e) Repairs to Others	897002	759642
(f) Insurance	605861	483221
(g) Rates & Taxes	546820	266508
(h) Vehicle Running & Maintenance	3380255	3559120
(i) Grading and Packing Expense	12621355	3904921
(j) Travelling Expense	3549826	2874550
(k) Sitting fee to Directors	250000	275000
(l) Selling and Marketing Expense	20866157	20296453
(m) Books & Periodicals	88056	84117
(n) Postage and Telephone	1065149	1134423
(o) Printing & Stationery	936651	850365
(p) Taxes Paid	157175	323710
(q) Service Tax paid	50130	133728
(r) Brokerage and Commission	1226868	1765472
(s) Discount Paid	16841621	13194338
(t) Auction Expense	7786976	7768881
(u) Office Expense	2833406	1812584
(v) Other Expenses	2274421	917709
(w) Professional Charges	1714931	1435252
(x) CSR Expenses	2525000	2525000
(y) Payment to Auditors		
As Auditor	230000	215000
For Taxation Matters	60000	50000
<b>TOTAL</b>	<b>108328982</b>	<b>83408678</b>

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

22-08-2018

### III OTHER NOTES

- 24) The secured short term loans of the company are secured by hypothecation of inventories, book debts and movable fixed assets.
- 25) The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium Enterprises. Consequently the amount paid or payable to such parties during the year is NIL (Previous Year- Nil)
- 26) Some of the Sundry Debtors and Sundry Creditors are subject to confirmation balance.
- 27) Freehold Land and Building under Fixed Assets include land without pattayam valued Rs.11,860 (Previous year land without pattayam valued Rs.11,860 and building for Rs.9,00,000/-) in respect of which transfer deed has not been registered in favour of this company.
- 28) F.O.B. value of Exports during the year Rs.284001540 (Previous year Rs.222966051)-Freight and Incidental Charges Rubber Rs.2439193 (Previous Year Rs.5791824)
- 29) Expenditure in foreign currency - Freight and Incidental Charges - Rs. Nil (Previous Year - Rs.1342474) Foreign Travel - Rs.Nil (Previous Year – Rs.212560) Total - Rs. Nil (Previous year Rs.1555034)
- 30) 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.
- 31) The amount of 'Others' under Other Income in Note 18 consist of :-

	31.03.2018	31.03.2017
Service Tax Refund	337712	312081
Profit /(Loss) on Future Trading	(273381)	(226819)
Freight and Incidental Charge	2439193	4449350
Service Charge Collected	653296	3302906
Miscellaneous Income	11011	18256
Bill Discounting	332067	2417347
Leak And Damage Claim	24028	–
GST Transitional Credit	3157641	–
	6681566	10273120

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

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(DIN: 02503346)  
Chairman

Sd/-  
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Sd/-  
K. ZIA-UD-DIN AHAMED  
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Joint Managing Director

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam

22-08-2018

**(32) SEGMENT INFORMATION**

Particulars		2017-2018 Rs.	2016-2017 Rs.
1.	Segment Revenue		
	a) Agro Inputs	1006739048	913868088
	b) Cardamom Domestic	710915211	264709214
	c) Cardamom Export	299174217	192314638
	d) Rubber Domestic	209591250	463460778
	e) Cardamom Auction	28765164	22260955
	Net Sale/Income from Operations	2255184890	1856613673
2.	Segment Results (Profit /(Loss) before Tax and Finance Cost)		
	a) Agro Input	144023449	131959896
	b) Cardamom	8565546	24127368
	c) Rubber	1872084	3967959
	d) Cardamom Auction	28595854	24459179
	Total	183056933	184514402
	Less:		
	(i) Finance Cost	1091980	683898
	(ii) Other un-allocable expenditure net of un-allocable income	51747530	56714657
	Profit before Tax	130217423	127115847
	Less:		
	(1) Current tax	43300000	43400000
	(2) Prior year's tax	(851077)	(41991)
	(3) Defferred tax liability	(130931)	(105108)
	Profit after Tax	87899431	83862946
3.	Segment Assets		
	a) Agro Input	194919715	191248380
	b) Cardamom	277480288	194659995
	c) Rubber	41878248	169450
	d) Cardamom Auction	97830016	101161178
	Total	612108267	487239003
	Un allocated corporate assets	357597791	291563920
	Total assets as per Balance Sheet	969706058	778802923
4.	Segment Liabilities		
	a) Agro Input	98841097	73750294
	b) Cardamom	78623335	381078
	c) Rubber	—	—
	d) Cardamom Auction	72014007	55966790
	Total	249478439	130098162
	Un allocated Corporate Liabilities	68872474	68399818
	Share holders Funds	651355145	580304942
	Total Liabilities as per Balance Sheet	969706058	778802923
5.	Capital Employed		
	a) Cardamom	2776317	3811070
	b) Un allocated Segment Capital Employed	648578828	576493872
	Total	651355145	580304942
6.	Capital Expenditure incurred		
	a) Cardamom (Capital Work in progress)	220000	—
	b) Un allocated Segment Capital Expenditure incurred (Net)	1926266	11814253
	Total	2146266	11814253
7.	Depreciation		
	a) Cardamom	462693	689804
	b) Un allocated Segment Depreciation	3854480	3543623
	Total	4317173	4233427
8.	Segment Non Cash Expenditure	—	—



**(34) RELATED PARTY DISCLOSURES**

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

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

Sl.No.	Name of the related party	Nature of Transactions	2017-18	2016-17
1	Mr. Jojo George Pottemkulam	Remuneration	<b>600000</b>	600000
		Sitting Fee	<b>25000</b>	25000
		Dividend Paid	<b>113050</b>	96900
2	Mr. K. Zia Ud Din Ahamed	Remuneration	<b>180000</b>	180000
		Sitting Fee	<b>20000</b>	20000
		Dividend Paid	<b>46900</b>	40200

**35) SIGNIFICANT ACCOUNTING POLICIES:**

**(a) BASIS OF PREPERATION OF FINANCIAL STATEMENTS**

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

**(b) INVENTORY**

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

**(c) CASH FLOW STATEMENT**

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

**(d) DEPRECIATION**

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

**(e) REVENUE AND EXPENDITURE RECOGNITION**

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

**(f) EMPLOYEE BENEFITS - POST EMPLOYMENT**

**i) PROVIDENT FUND**

The Company is registered with the Regional Provident Fund Commissioner, for Provident Fund benefits

Sd/-  
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(DIN: 02503346)  
Chairman

Sd/-  
JOJO GEORGE POTTEMKULAM  
(DIN: 00050344)  
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Sd/-  
K. ZIA-UD-DIN AHAMED  
(DIN: 00350688)  
Joint Managing Director

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam

22-08-2018

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.2633678.80 (Previous year Rs.2071201) and balance of accrued amount Rs.707881.2 (Previous year Rs.18515) aggregating to Rs.1846972. (Previous year Rs.2150229) is charged to the Statement of Profit and Loss.

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

Disclosure as required by ACCOUNTING STANDARD 15

	31.03.2018	31.03.2017
<b>1. Assumption</b>		
Discount Rate	7.50%	8.00%
Salary Escalation	8.00%	8.00%
<b>2. Changes in present value of Obligation:-</b>		
Present value of obligations as at beginning of year	10559701	8409547
Interest cost	844776	672764
Current Service Cost	649725	544036
Benefits Paid	(84404)	(478557)
Actuarial (gain)/ loss on obligations	1001706	1411911
Present value of obligations as at end of year	<b>12971504</b>	<b>10559701</b>
<b>3. Changes in fair value of plan assets :-</b>		
Fair value of plan assets at beginning of year	8101294	6030167
Expected return on plan assets	649235	478482
Contributions	2633679	2071201
Benefits Paid	(84404)	(478557)
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	<b>11299803</b>	<b>8101294</b>
<b>4. Fair value of plan assets:-</b>		
Fair value of plan assets at beginning of year	8101294	6030167
Actual return on plan assets	649235	478482
Contributions	2633679	2071201
Benefits Paid	(84404)	(478557)
Fair value of plan assets at the end of year	11299803	8101294
Funded status	(1671701)	(2458407)
Excess of Actual over estimated return on plan assets falls on 31st March	NIL	NIL
<b>5. Actuarial Gain/Loss recognized:-</b>		
Actuarial (gain)/ loss on obligations	(1001706)	(1411911)
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
Actuarial (gain)/ loss on obligations	1001706	1411911
Actuarial (gain)/ loss recognized in the year	<b>1001706</b>	<b>1411911</b>
<b>6. Amounts to be recognized in the balance sheet :-</b>		
Present value of obligations as at the end of year	12971504	10559701
Fair value of plan assets as at the end of the year	11299803	8101294

Funded status	(1671701)	(2458407)
Net asset/(liability) recognized in balance sheet	<b>(1671701)</b>	<b>(2458407)</b>
<b>7. Expenses Recognised in statement of Profit and loss:-</b>		
Current Service cost	649725	544036
Interest Cost	844776	672764
Expected return on plan assets	(649235)	(478482)
Net Actuarial (gain)/ loss recognized in the year	1001706	1411911
Expenses recognised in statement of Profit and loss	<b>1846972</b>	<b>2150229</b>

(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

22-08-2018

# 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 28th Annual General Meeting of the Company at 02.30 PM on Thursday, the 27<sup>th</sup> September 2018 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 LIMITED  
 Registered Office : KP1/741 B, Spice House, Thekkady PO, Idukki District - 685 536  
 Name of the member(s) :  
 Registered Address :  
 E- mail ID : Folio No :

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 27<sup>th</sup> September 2018 at 02.30 PM at Registered office –KP1/741 B, Spice House, Thekkady PO, Idukki District- 685 536 and at any adjournment thereof in respect of such resolution as are indicated below.

- |  |  |
|--|--|
| Resolution item Nos.   | 4. Re-appointment of Mr.SIVAKUMAR JAYAKUMARI (DIN: 06981167) as a director liable to retire by rotation. |
| 1. Adoption of financial statements together with the reports for the year ended 31.03.2018.     | 5. Re-appointment of Mr.SAKTHIVEL KUMERSAN (DIN: 06982078) as a director liable to retire by rotation    |
| 2. Declaration of dividend.  | 6. Appointment of Statutory Auditors.  |
| 3. Re-appointment of Mr. JOHNY MATHEW(DIN: 02503346) as a director liable to retire by rotation. | 7. Appointment of Tax Auditors.  |
|  | 8. Re-appointment of Mr. Jojo George Pottemkulam(DIN: 00050344) as Managing Director                     |

Signed this ..... day of.....2018

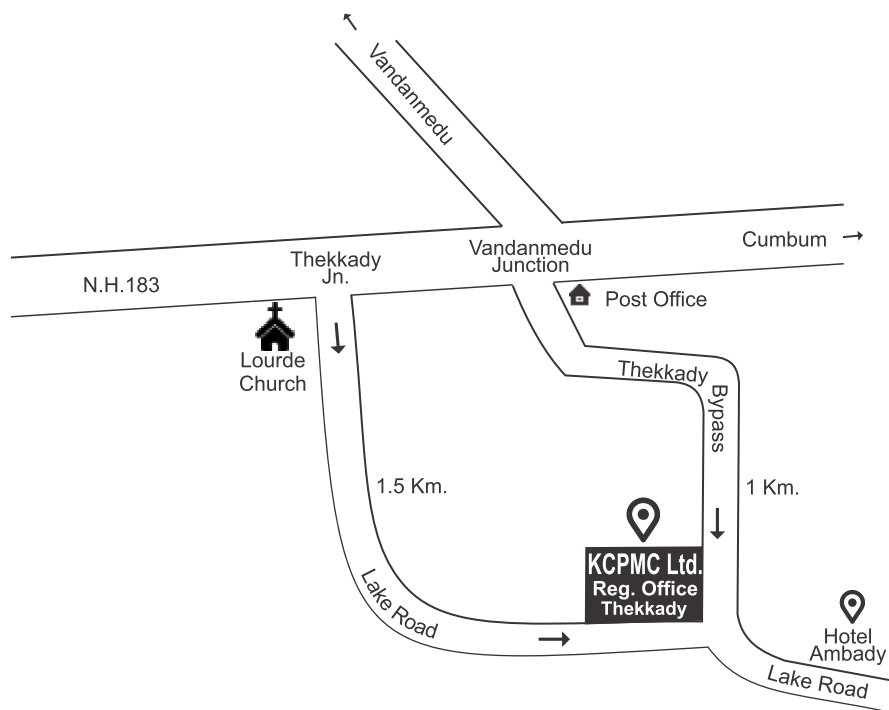
Signature of shareholder

Signature of Proxy holder(s)

Revenue Stamp of Re.1/-
-------------------------------

1. Revenue stamp should be affixed to this and it should then be signed by the member.

2 This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company, note less than 48 hours before the commencement of Meeting.



## The Kerala Cardamom Processing and Marketing Company Limited

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

Telefax : 04869-222865, 222097

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

### Regional / Divisional Offices

Kalpetta : 04936-203691

Bodinayakanur : 04546-280765/63

Kanijirappally : 04828 205338, 203469, 203041

### Branches:

- Vandanmedu – 277014 • Kumily – 223482 • Kattappana – 273468 • Nedumkandam – 232438
- Bisonvalley – 285711 • Poopara – 247249 • Rajakumary – 243284 • Udumbanchola – 237427
- Anakkara – 282846 • Puliyanmala – 270872 • Rajakadu – 241469 • Anavilasom – 263585 • Elappara – 242565