



30<sup>th</sup> ANNUAL  
REPORT  
2019 - 2020

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. Mohan Varughese  
Mr. Bobby Tom  
Mrs. Susan Punnoose  
Mrs. S. Jayakumary  
Mr. Kamaraj Ramba (Addl. Director) w.e.f. 04/08/2020  
Mr. Sakthivel Kumersan (upto 17/12/2019)

## AUDITORS

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

## BANKERS

ICICI Bank Ltd.  
HDFC Bank Ltd.  
AXIS Bank Ltd.  
FEDERAL 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

## PLANTATION

Purespice Plantations  
Peechadu, Kallar, Vattiyar P.O, Idukki,  
Kerala, 685565.



**Dear Shareholders,**

I have great pleasure in welcoming you to the 30<sup>th</sup> Annual General Meeting of your Company. We meet virtually today given the extraordinary circumstances.

The COVID-19 pandemic, as we speak, has created unimaginable despair, an uncertain future for many and an unimaginable crisis around the world, never before experienced by any of us in living memory. These events, we can all be sure, have had such a profound impact on people and enterprises around the world.

The unfolding crisis over the past few months have shown us how unprepared we are in many aspects and also how agile and versatile the world is, to arrive at solutions that will nevertheless drive the world ahead. We can all be certain that lessons from this momentous year will drive our thoughts, creativity and actions in the years to come. The pandemic has created unprecedented crises that has resulted in the loss of jobs and livelihoods and also the cessation or impending closure of businesses of various shapes and sizes. These disruptive circumstances, will also most definitely open up opportunities like never before and force many of us to reimagine our thought process and to arrive at strategies that are agile & innovative and also rewire and change organisations for a more sustainable and inclusive future.

The task ahead is extremely challenging and requires people and organisations to rework and redraw how we think, plan and act. It is also a certainty that if we do not act swiftly and decisively, it will not only question our growth, but also our existence. The basic strength of fundamentals of our economy and changes in policies of the government will also drive growth in the future. While 'Make in India' supply chains will help drive growth in the longer term, the recent introduction of the farm bills in its spirit, will drive growth and secure livelihoods and prosperity for farmers and bring about revolutionary changes not just to farmers but also to enabling businesses like ours. You can be rest assured that we are exploring all options to be on top of the digital revolution that is unfolding in front of us.

Your company has once again emerged ahead of the situation in the previous year, inspite of these trying times. While our portfolio of investments continues to grow, also integrating our activities in line with our overall strategy, we also have done well in tune with the higher standards that we have set for ourselves.

As we speak, the fully automated processing facility for cardamom at Bodinayakanur has become operational in full capacity and will be a path breaker in ensuring safe, clean and faster processes that will enable us to manage larger and more efficient trade volumes to cater to the consuming markets and industry. These changes will ensure shorter delivery lead times that are imperative for high value and extremely volatile commodities like cardamom.

Our investments in plantations will ensure that we have integrated our activities to encompass the entire value chain. Our objectives are to bring out the best in class package of practices that are safe and sustainable, use of technology and cultivation techniques that can be shared with our customers. This will ultimately bring out the finest produce from our farms creating a name for itself in markets around the world. Green shoots of this venture are already visible in the quality of 'PureSpice' single origin cardamom from our plantations.

As always, we believe that business and industry are larger organs of societal growth and value creation. Our actions and performance will shape the immediate community that we work in and co-exist. We need to ensure that our actions will finally benefit our customers, stakeholders, and the larger society that we exist in; else we have no reason to exist.

We thank you all for your unstinted support and co-operation that you have always given us. You, the entire stakeholder community and particularly the shareholders continue to be our guidance and source of inspiration.

*Thank you,*



**Johny Mathew**  
Chairman

## The Kerala Cardamom Processing and Marketing Company Limited

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

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

### NOTICE TO THE SHAREHOLDERS

The Notice is hereby given that the 30<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 Friday the 06<sup>th</sup> November 2020 at 2.30 PM to transact the following business:

#### Ordinary Business

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2020 along with the Directors' Report, the Secretarial Audit Report and the Statutory Auditor's Report thereon and in this regard pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2020 along with the Directors' Report, the Secretarial Audit Report and the Statutory Auditor's Report laid before this meeting, be and are hereby considered and adopted."

2. To declare dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2020 and in this regard, pass the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** dividend at the rate of Rs.5/- (Five rupees only) per equity share of Rs.10/- (Ten rupees) each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2020 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, 2020."

3. To appoint Mr. JOHNY MATHEW (DIN: 02503346), who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for reappointment and in this regard, pass the following resolution as **Ordinary Resolution**:

**"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 be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. To appoint Mr. KARIMPANAL ITTIAVIRA VARKEY (DIN: 01899065), who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for reappointment and in this regard, pass the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. KARIMPANAL ITTIAVIRA VARKEY (DIN: 01899065), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if think fit, to pass, with or without modification, the following resolution for reappointment of Statutory Auditors as Ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, the consent of the members be and is hereby accorded to reappoint Mr. K. T. Thomas F.C.A., (Membership No.022112), as Statutory auditor of the Company, for a term of five years to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 35<sup>th</sup> Annual General Meeting and that the Board of Directors be and is hereby authorised to fix the remuneration payable to him in consultation with the auditors.

6. 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.

#### Special Business

7. To consider and if think fit, to pass, with or without modification, the following resolution as special resolution:

**RESOLVED THAT** in supersession to the resolutions passed earlier by the members in this regard if any and pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals as may be required in that behalf, consent of the Members be and is hereby accorded to the Board of Directors of the Company to exercise its powers to

- a) make loans from time to time on such terms and conditions as it may deem expedient in one or more tranches to any person including a co-operative society or other bodies corporate in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of Rs. 200 Crores;
- b) give on behalf of any person including a cooperative society or body corporate, any guarantee, or provide security in connection with a loan made by any other person or body corporate, in one or more tranches to them in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of Rs. 200 Crores; and
- c) acquire by way of subscription, purchase or otherwise the securities in one or more tranches of any other body corporate in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of Rs. 200 Crores, notwithstanding that the aggregate of loans and investments so far made, the amounts for which guarantee or security so far provided to, along with the investments, loans, guarantee or security proposed to be made or given by the Board may exceed sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

**RESOLVED FURTHER THAT** the consent of the Members be and is hereby accorded to invest in other companies and to make loans to them; provide guarantees/security on their behalf, to person(s) on such terms and conditions as may be deemed fit and expedient by the Board of Directors of the Company as per the provisions prescribed under the Companies Act, 2013 read with Rules made there under as amended from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise thereof."

- 8 To consider and if think fit, to pass, with or without modification, the following resolution as special resolution:

**RESOLVED THAT** in supersession to the resolutions passed earlier by the members and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the members be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, provided that the total amount of Loans together with interest thereon, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed Rs. 200 crores.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

- 9 To consider and if think fit, to pass, with or without modification, the following resolution as special resolution:

**RESOLVED THAT** in supersession to the resolutions passed earlier by the members and pursuant to the provisions of Section 180(1)(C) and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the Board of Directors of the Company the power to borrow from time to time any sum or sums of money on such terms and conditions and with or without security as the Board of Directors may think fit, which together with the moneys already borrowed by the company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs.200 Crores (Rupees Two Hundred Crores only) over and above the aggregate of the paid up capital of the company and its free reserves.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

10. To consider and if think fit, to pass, with or without modification, the following resolution as ordinary resolution:

**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, consent of the members be and is hereby accorded to

appoint Mr. KAMARAJ RAMBA (DIN: 05345730) who was appointed as an Additional Director with effect from 04/08/2020 under Section 161 of the Companies Act, 2013, on the Board of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation with effect from 06/11/2020 on such terms and conditions as decided by the board of directors.

**RESOLVED FURTHER THAT** any one of the directors be and is hereby authorized to file necessary E forms to do all such acts, deeds, things and matters as may be required or necessary in this matter on behalf of the Company.

Thekkady  
01/10/2020

On behalf of The Board of Directors,  
Sd/-

**Johny Mathew**  
(DIN: 02503346)

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

**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 31<sup>st</sup> October 2020.
- 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 a facility to exercise their right to vote at 30<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Service provided by Central Depository Services (India) Limited (CDSL).

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

- 8) Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the company for communication process, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.
- 9) 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, (FCS 10313 and 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 E-voting 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 06<sup>th</sup> November 2020.

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

- (i) The voting period begins on 3<sup>rd</sup> November, 2020 at 9.00 AM and ends on 5<sup>th</sup> November, 2020 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 31<sup>st</sup> October, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in the Company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the 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  
01/10/2020

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

### **ITEM NO 7**

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate/Securities or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186 of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the

amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the General Meeting for an amount not exceeding Rs 200 Crores, outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

Interest of directors and KMP-

- i) Every director and KMP: No financial interest, 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 relatives of the director may be deemed to be interested in the said resolution to the extent of their shareholding interest, if any, in the company.

Accordingly, the Board of Directors recommends the Special Resolution at Item no.7 of the Notice for the approval of members.

#### **ITEM NO 8**

The members of the Company had vide earlier resolution authorized the Board of Directors for mortgaging, hypothecating and or charging of all the immovable and movable properties of the company where so ever situate present and future in favour any lenders, banks and financial institutions to secure financial assistance provided or to be provided by them.

Accordingly, the Board of Directors at its meeting held on 01/10/2020, proposed to obtain fresh approval of the shareholders by way of a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, to enhance the amount to Rs. 200 crores for creating charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, provided that the total amount of Loans together with interest thereon, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed Rs. 200 crores.

Under the provisions of Section 180(1)(a) of the Companies Act, 2013 the above powers can be exercised by the Board only with the consent of the shareholders obtained by way of a Special Resolution.

Interest of directors and KMP-

- i) Every director and KMP: No financial interest, 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 relatives of the director may be deemed to be interested in the said resolution to the extent of their shareholding interest, if any, in the company.

Accordingly, the Board of Directors recommends the Special Resolution at Item no.8 of the Notice for the approval of members.

#### **ITEM NO 9**

The members of the Company had vide earlier resolution authorized the Board of Directors for

borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the moneys already borrowed by the company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs.50Crore.

The Board is of the view that, in order to further expand the business activities of the Company the power to borrow money to be increased. Accordingly, the Board of Directors at its meeting held on 01/10/2020, proposed to obtain fresh approval of the shareholders by way of a Special Resolution under Section 180(1)(c) of the Companies Act, 2013, to enhance the amount to Rs. 200 crores, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs.200 Crores (Rupees Two Hundred Crores only) over and above the aggregate of the paid up capital of the company and its free reserves.

Under the provisions of Section 180(1)(c) of the Companies Act, 2013 the above powers can be exercised by the Board only with the consent of the shareholders obtained by way of a Special Resolution.

Interest of directors and KMP-

- i) Every director and KMP: No financial interest, 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 relatives of the director may be deemed to be interested in the said resolution to the extent of their shareholding interest, if any, in the company.

Accordingly, the Board of Directors recommends the Special Resolution at Item no.9 of the Notice for the approval of members.

#### **ITEM NO 10**

The Board of Directors of the Company had appointed Mr. KAMARAJ RAMBA as an Additional Director of the Company with effect from 04/08/2020. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. KAMARAJ RAMBA shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as Director of the company. The Company has received notice under Section 160 of the Companies Act, 2013 from Mr. KAMARAJ RAMBA signifying his candidature as a Director of the Company.

Mr. KAMARAJ RAMBA is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director.

A brief profile of Mr. KAMARAJ RAMBA, including nature of his expertise, is provided in Annexure to the Notice.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. KAMARAJ RAMBA, are concerned or interested (financially or otherwise) in this Resolution. The Board commends the Ordinary Resolution set out at Item no. 10 for approval of the Members.

### **ANNEXURE TO THE NOTICE DETAILS OF DIRECTORS RETIRING BY ROTATION/ SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

<b>Mr. JOHNY MATHEW</b>	
Age	67
Qualification	XII/SSLC/High/ Equivalent
Experience	Vast administrative experience
Terms and condition of appointment	In terms of Section 152(6) of the Act, <b>Mr. JOHNY MATHEW</b> was appointed as Director at the Annual General Meeting held on 27/09/2018, liable to retire by rotation at the meeting.
Remuneration last drawn	Rs. 36000 as sitting fees
Remuneration proposed to be paid	As per existing terms and conditions
Date of first appointment on Board	25/09/2014
Shareholding in company as on March 31, 2020	14668 shares of Rs. 10 each
Relationship with other Director/ Key Managerial Personnel	Not related to any director/ key managerial personnel
Number of meetings of the Board attended during the year	8
Directorships, Memberships / Chairmanships of Committees of other Boards as on March 31, 2020	Nil

<b>Mr. KARIMPANAL ITTIAVIRA VARKEY</b>	
Age	65
Qualification	Graduate/Bachelor/Equivalent
Experience	Vast administrative experience
Terms and condition of appointment	In terms of Section 152(6) of the Act, <b>Mr. KARIMPANAL ITTIAVIRA VARKEY</b> was appointed as Director at the Annual General Meeting held on 26/09/2017, liable to retire by rotation at the meeting.
Remuneration last drawn	Rs. 30000
Remuneration proposed to be paid	As per existing terms and conditions
Date of first appointment on Board	30/09/2006
Shareholding in company as on March 31, 2020	26900 shares of Rs. 10 each
Relationship with other Director/ Key Managerial Personnel	Not related to any director/ key managerial personnel.
Number of meetings of the Board attended during the year	6
Directorships, Memberships / Chairmanships of Committees of other Boards as on March 31, 2020	Nil

<b>Mr. KAMARAJ RAMBA</b>	
Age	65
Qualification	Graduate/Bachelor/Equivalent
Experience	Vast administrative experience
Terms and condition of appointment	In terms of Section 161 of the Act, <b>Mr. KAMARAJ RAMBA</b> was appointed as Additional Director in the Board Meeting held on 04/08/2020, and his term expires at the ensuing Annual General Meeting
Remuneration last drawn	Nil
Remuneration proposed to be paid	As per existing terms and conditions
Date of first appointment on Board	Prior to this, he has held the position of the director on the board from 05/07/2012 to 25/09/2014
Shareholding in company as on March 31, 2020	13700 shares of Rs. 10 each
Relationship with other Director/ Key Managerial Personnel	Not related to any director / key managerial personnel.
Number of meetings of the Board attended during the year	Nil
Directorships, Memberships / Chairmanships of Committees of other Boards as on March 31, 2020	Nil

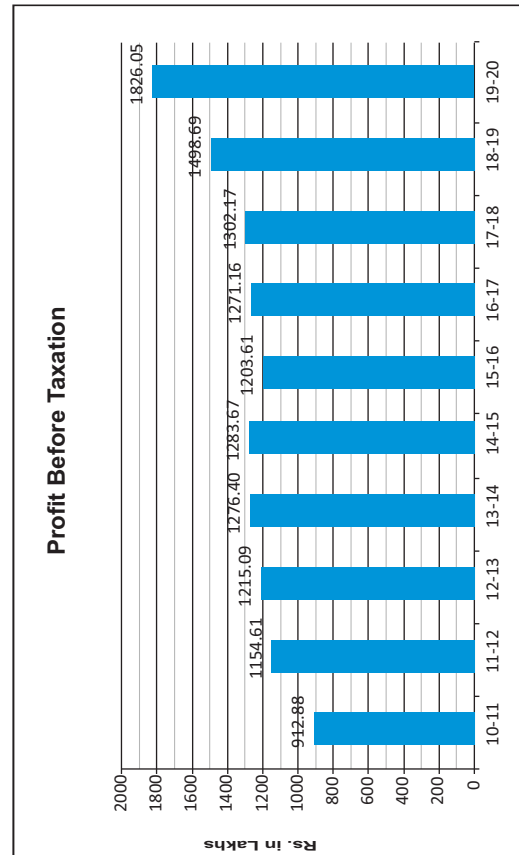
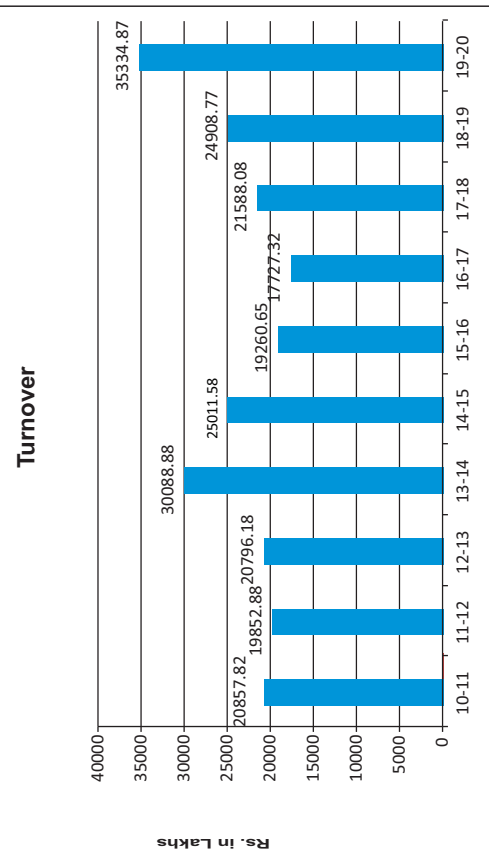
On behalf of The Board of Directors,  
Sd/-

**Johny Mathew**  
(DIN: 02503346)

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

Thekkady  
01/10/2020

FINANCIAL YEAR SUMMARY											
	(Rs. In Lakhs)										
Particulars	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	
Sales	20857.82	19852.88	20796.18	30088.88	25011.58	19260.65	17727.32	21588.08	24908.77	35334.87	
Revenue from Operations	21368.98	20426.09	21472.02	30770.02	25581.90	19897.14	18566.14	22551.85	25922.51	36820.19	
Profit before Taxation	912.88	1154.61	1215.09	1276.40	1283.67	1203.61	1271.16	1302.17	1498.69	1826.05	
Profit after Taxation	589.22	758.57	797.86	825.72	838.02	779.67	838.63	878.99	1090.72	1409.74	
Share Capital	399.98	399.98	399.98	399.98	399.98	399.98	399.98	399.98	399.98	399.98	
Reserves	1473.97	2093.08	2750.55	3410.53	4097.68	4732.93	5403.07	6113.57	7011.42	8221.16	
Gross Fixed Assets	782.92	913.96	1820.12	1853.68	1863.51	1908.12	2026.23	2045.52	2054.51	5659.45	
Dividend %	25.0	30.0	30.0	30.0	30.0	30.0	35.0	35.0	40.0	50.0	



## DIRECTORS' REPORT

### Performance Highlights

Your Company has been in a continuous quest to grow its businesses, while at the same time ensuring that our overriding philosophy of creating incremental values in the agribusiness value chain. We had multiple investments in the past year which will also drive our direction and growth in the years to come. These investments in business have lent us strength in these uncertain times and will help us tide over the crisis and emerge even stronger.

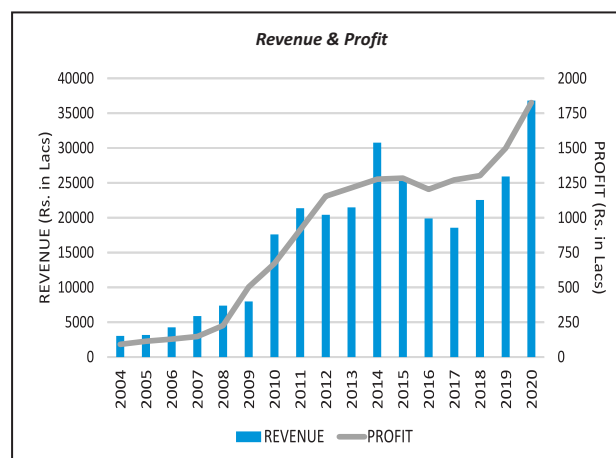
Firstly, let me present an overview of the company's performance in the previous year.

Gross Revenue and Profit (before taxes) for FY20 stood at around Rs.368.20 crores and Rs18.26 crores respectively. Revenue from operations grew by 41.48% and Profit grew by 21.84 % in the previous year. Our efforts at diversifying our portfolio and ensuring growth from all related business divisions are slowly showing signs of growth.

We have had a phenomenal year of growth the previous year, except for the last quarter when the pandemic struck and had a major impact on stock movement and therefore revenues and related commodity valuations. Though the crisis almost shook us off balance, right when it looked like it was looming out of control, our focussed and persistent actions and invaluable relationships that we had created over the years, lent us support and slowly helped us limp back to sanity. As we are today, the impact of the pandemic may have some impact on our performance in the current year, but we are fortunate to be one of the few businesses and industry that will continue to support and sustain the economy and the industry this year as well

(Rs. in Crores)

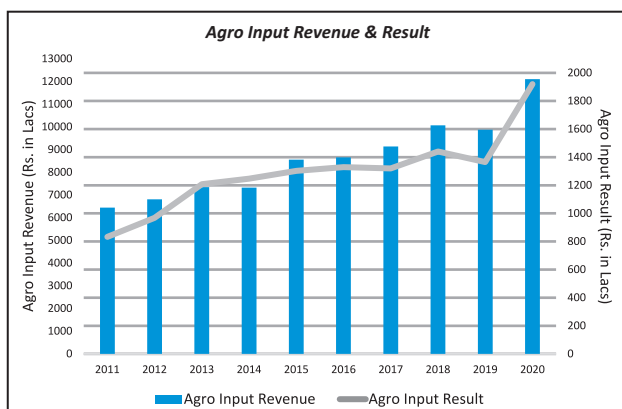
Particulars	2019-2020	2018-2019
Revenue from Operations	368.20	260.24
Other Income	2.74	3.07
Profit/Loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	19.74	15.58
Less: Depreciation/ Amortization/ Impairment	0.56	0.43
Profit /Loss before Finance Costs, Exceptional items and Tax Expense	19.18	15.15
Less: Finance Costs	0.92	0.17
Profit /Loss before Exceptional items and Tax Expense	18.26	14.98
Add/(Less): Exceptional items	-	-
Profit /Loss before Tax Expense	18.26	14.98
Less: Tax Expense (Current & Deferred)	4.16	4.08
Profit /Loss for the year	14.09	10.90



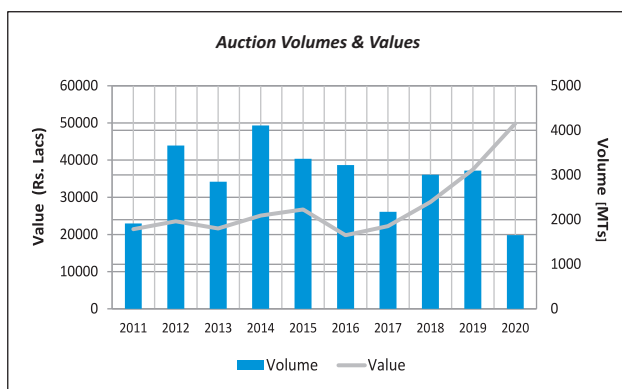
We are proud to announce that your company has made multiple big ticket investments in various related operations this previous year. As we did mention earlier, these investments will guide and direct our actions for the future and ensure a more diversified portfolio of investments and growth for your company.

The fully automated processing facility in Bodinayakanur, as we speak has become fully operational and will ensure a substantially shorter lead time in processing and adding value to the trade by considerably reducing costs. This should ensure that KCPMC cardamom and its brands like 'PureSpice' and 'Utsav' will be best in category and high on value for our customers. We are hopeful that this line of business will considerably add value to our portfolio in the years to come. This level of automation is a first in the industry and will lead the way in setting standards in speed, efficiency and ensuring safe to eat produce to the consumer. We are in for interesting times ahead in this space.

In our quest to serve our Agro-input customer base we have been consciously increasing our customer touch points all across our markets. These easy to access and well stocked depots will ensure that our customers have easy access to the finest produce for their farms right at their vicinity. We hope to take this one-step ahead by enabling virtual market places in the future, which will deliver farm inputs to the customer right at their doorstep and at value-driven prices. This will in turn ensure growth and better quality for our business, also ensuring fair and improved value to our customers.



Cardamom auctions have been our mainstay and the public face of the organization. We realise the need to ensure a platform that is efficient, transparent and ensuring value to its customers - farmers and traders. This balancing act is a delicate one and something that our years of experience and integrity in operations will hold us in good stead. It is with pride that we can say that the group (along with its sister concern) today handles more than a fifth of all cardamom that is auctioned in the country today.



We realise that the world is changing and the environment around us along with it. We are aware that new skills and strengths will rule the future digital world and its impact on all businesses including ours will pan out in the short future. The recent farm bills are a clarion call to the industry and necessary enabling provisions that will be in force in the short future. We have been in its 'workshop' to ensure that we are future ready and will shortly be approaching you with our 'digital offering' in line with these changes. We solicit your whole-hearted support in this, as we firmly believe that the future and success of what we do here will drive the future.

As we have seen during the wake of the pandemic,

fundamental businesses will continue to have a diving impact in the world around us. Agriculture and related businesses will continue to be relevant and drive growth play an important part for the economy. We are proud to inform you that we have made investments in cardamom plantations in Kallar,(near Munnar, Idukki) in over 300 acres of cardamom plantations. As we speak we continue to focus on necessary infrastructure to ensure seamless and efficient functioning of the plantation, involving technology and systems that are state of the art and practices adopted that will help produce the finest single origin cardamom comparable anywhere in the world. The venture will be known as PureSpice Plantations, expanding our cardamom brand and integrating backward to the plantation as well. Replanting of the area is underway and we hope to be fully operational from the year 2022.

All our business divisions performed reasonably well during the previous financial year as well. Rubber division contributed on par with earlier year. However, we had to bear the brunt of the pandemic in the last quarter where we took a hit on stock valuations for cardamom stocks in the trade division. We are confident that we will be able to make this up with more focussed and efficient operations in this current year.

### The Response to the Pandemic

As the pandemic unfolded, your Company responded with speed, resolve and compassion to adapt to the new normal. We remained operational in most parts, even though we had to suffer forced closures for safety reasons in various locations. While during the earlier part of the pandemic the auction operations took a hit, we were able to ramp up our available resources from either side of the state border and coordinate operations to a large extent. Let me place on record the unstinting efforts of our staff who rose up to the occasion to ensure that our operations were seamless to the most part, particularly at the head office and support functions. We would also like to place on record that we were fortunate that no jobs were lost nor incomes curtailed at any point for the entire work force.

### The 'uncertain' Future

The pandemic has caused unprecedented disruption to the already slowing global economy. The Indian economy is will most certainly suffer a substantial contraction and together with it will bring about behavioural changes to consumption patterns and behaviours. It will also shrink income opportunities and have an impact on consumer spends, particularly on those which are high value and/or discretionary in nature. It will also bring about major changes to how corporates are run in line with these changes.

All organisations including ours, will have to introspect and manage multiple phases to rethink and realign with the new normal. Actions to primarily survive with the least damage and ensuring all stakeholders are well protected is what will take priority initially. Post this we will have to 'rethink' and streamline our activities and make hard choices to ensure that strategies adopted for the 'post-covid' future are in line with what the environment demands. And as the crisis eases, we will have to be clearly on top new opportunities, trends and industry dynamics that will drive the new world, regional and local economies for the enterprise and all its functionaries. These are surely challenging times, and we are together putting our best feet forward to arrive on top of this.

### Conclusion

Your Company continues its efforts in expanding into diverse yet integrated in agriculture and related businesses. These investments, we are certain will create sustained value for our stakeholders. We are in a continuous quest to provide enhanced value and industry leadership in our activities, which should also enhance value for the larger farm community. Undoubtedly, the short-term will be immensely challenging as the crisis plays out its course. However, we remain optimistic that your Company's focus on our strategic priorities will continue to create larger value for the region and its stakeholders.

As I conclude, I would like to place on record my gratitude to all our partners and associates, who have bravely stood with us in these difficult times. On behalf of the Board, may I thank you, our valuable shareholders, for your encouragement through the years. As always, I will depend on your support as we steer the Company through this challenging journey to build an even brighter future.

My best wishes to you and your families. Stay safe, stay healthy.

### DIVIDEND

Considering the balance amount available to the credit of the Profit & Loss account after transfer of Rs. 120000000/- to the General Reserve and after reserving the amount that might be required for future operations, the Board of Directors of your company is pleased to recommend a dividend of Rs. 5 per equity share of the face

value of Rs. 10 each (@50%), for the financial year ending March 31, 2020, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record Date., subject to the approval of shareholders in the ensuing Annual General Meeting.

### CHANGE IN THE STATE OF THE COMPANY'S AFFAIRS AND THE NATURE OF BUSINESS

There were no changes during the year that took place in the state of affairs or in the nature of business carried on by the company.

### 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

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report

### CAPITAL STRUCTURE

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).

There were no changes in the capital structure of the company during the year under review.

### 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.

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

No amount of dividend was transferred by the company to the IEPF during the year.

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

Unclaimed Dividend for 2012-13 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 2012-13 and thereafter

Financial year ended	Date of declaration of dividend	Amount lying in the unpaid dividend account	Last date for claiming unpaid dividend
March 31, 2013	August 29, 2013	Rs. 46302	August 29, 2020
March 31, 2014	September 25, 2014	Rs. 45702	September 25, 2021
March 31, 2015	September 30, 2015	Rs. 94602	September 30, 2022
March 31, 2016	September 27, 2016	Rs.146202	September 27, 2023
March 31, 2017	September 26, 2017	Rs.179319	September 26, 2024
March 31, 2018	September 27, 2018	Rs.353619	September 27, 2025
March 31, 2019	September 27, 2019	Rs.539200	September 27, 2026

## MANAGEMENT

### Directors and Key Managerial Personnel

As on 31<sup>st</sup> March, 2020, the total strength of Board of Directors was 10 with a Chairman, Vice Chairman, Managing Director, Joint Managing Director, 2 Independent Directors and 2 Women Directors. During the year one of the directors, Mr. K. Sakthivel resigned.

### Directors retiring by rotation

In terms of the provisions of sub-section (6) of Section 152 of the Companies Act 2013, two third (2/3<sup>rd</sup>) of the total number of Directors are liable to retire by rotation and out of which one third (1/3<sup>rd</sup>) retire by rotation at every Annual General Meeting.

At the ensuing Annual General Meeting, Mr. Johny Mathew (DIN: 02503346), and Mr. Karimpanal Ittiavira Varkey (DIN: 01899065), retire by rotation and being eligible, offer themselves for re-appointment.

### Meetings of the board

The Board met 8 times during the year and on the following dates 03/06/2019, 25/07/2019, 27/08/2019, 31/08/2019, 27/09/2019, 17/12/2019, 14/01/2020 and 24/03/2020. In respect of each meeting proper notices were given, the proceedings were properly recorded and signed in minute's book maintained for the purpose. The maximum time gap between the two board meetings was not exceeding 120 days.

The composition and category of the Directors along with their attendance at Board Meetings for the financial year 2019-2020 are given below:

Sl no.	Name of the Director	Category of director	No of board meetings	
			Held during the tenure	Attended
1.	Mr. Johny Mathew	Chairman	8	8
2.	Mr. Raghavan Guhan	Vice Chairman	8	8
3.	Mr. Jojo George Pottemkulam	Managing director	8	8
4.	Mr. K. Zia Ud Din Ahamed	Joint Managing Director	8	7
5.	Mr. Bobby Tom	Independent director	8	7
6.	Mr. R. Sakthi Subramanian	Independent director	8	7
7.	Mr. Mohan Varghese	Director	8	7
8.	Mr. K.I. Varkey	Director	8	6
9.	Mr. K. Sakthivel	Director	5	5
10.	Mrs. Susan Punnoose	Women Director	8	5
11	Mrs. S. Jayakumari	Women Director	8	5

### 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 compositions of the above committees are detailed below;

#### **Audit Committee**

Audit Committee consists of Jojo George Pottemkulam (Chairman), Sakthi Subramanian (Member) and Bobby Tom (Member).

The Audit Committee met 5 times during the year on the following dates 03/06/2019, 31/08/2019, 27/09/2019, 17/12/2019 and 24/03/2020.

#### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee consists of Johny Mathew (Chairman), Jojo George (Member), K. Zia Ud Din Ahamed (Member) and Bobby Tom (Member).

The Corporate Social Responsibility Committee met 4 times during the year on 03/06/2019, 31/08/2019, 27/09/2019, 17/12/2019.

#### **Stakeholders Relationship Committee**

Stakeholders Relationship Committee consists of Johny Mathew (Chairman), K. Zia Ud Din Ahamed (Member) and Jojo George (Member).

The Stakeholders Relationship Committee met 1 time during the year on 27/08/2019.

#### **Nomination and Remuneration Committee**

Nomination and Remuneration committee consists of Bobby Tom (Chairman), Sakthi Subramanian (Member) and K. I. Varkey (Member).

The Nomination and Remuneration Committee met 1 time during the year on 25/07/2019.

#### **Internal Complaints Committee**

Internal Complaints Committee consists of Susan Punnoose (Chair Person), S. Jayakumari (Member) and Jojo George Pottemkulam (Member).

The Internal Complaints Committee met 1 time during the year on 25/07/19.

#### **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.

#### **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 for 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. The policy is attached herewith as Annexure I.

#### **Performance Evaluation**

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual directors (including independent directors) which include criteria for performance evaluation of Non-Executive directors and Executive Directors. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, compliance with code of conduct, vision and strategy.

The board carried out an annual performance evaluation of the Board, Committees, Individual Directors and the Chairperson.

#### **Directors Responsibility Statement**

The Directors confirm that

- 1) In the preparation of annual accounts for the financial year 2019-2020, 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 31<sup>st</sup> March, 2020 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.

#### **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.

#### **DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE**

The Company has no subsidiary, joint ventures or associate companies during the year under review.

#### **DEPOSITS**

The Company has not accepted any deposits.

#### **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.

#### **DETAILS 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 MGT9 attached to this Directors' Report.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company recognizes the responsibility assigned to it under Section 135 of the Companies Act 2013 to set apart 2% of its profit for conducting specified activities as a responsible Corporate Citizen, in the locality it operates.

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. 1357.34 lakhs. During the year the Company has set apart Rs. 25.75 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 II.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

##### **a) Conservation of Energy, Technology Absorption**

It has not much relevance to the Company as the Company is carrying on purely trading operations. However the Company is making all efforts to conserve energy in all possible ways and absorb technology. The Company is generating and using solar energy through Solar Power Plant.

##### **b) Foreign Exchange Earnings and Outgo**

Export Activities: During the year, the Company has exported 1.8 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. The Company arranged for import of Rubber from foreign countries by major consumers in India. Total Foreign Exchange earned is Rs. 162 Lakhs

#### **RISK MANAGEMENT**

Risk management policy aims to identify the diverse risks faced by the Company and come up with 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.

#### **VIGIL MECHANISM**

In compliance with the requirements of section 177(9) of the Companies Act, 2013 the audit committee shall oversee the vigil mechanism through the committee.

It provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct or policy and also provide for adequate safeguards against victimisation of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. The Company has also provided adequate safeguards against victimisation of employees and directors who express their concerns.

#### **MATERIAL ORDERS OF JUDICIAL BODIES/ REGULATORS**

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

#### **AUDIT AND AUDITORS**

##### **a) Statutory Auditor**

The shareholders of the company at their Annual General Meeting held on 30<sup>th</sup> September 2015 have appointed Mr. K.T. Thomas, Chartered Accountant (Membership number : 022112) as Statutory auditor of the company for a period of five years. His term expires at the ensuing General Meeting of the company. Board recommends his re-appointment for five years at the ensuing Annual General Meeting.

The Auditors report does not contain any qualification, reservation, adverse remark or disclaimer.

##### **b) Tax Auditor**

The Board has appointed M/s. Rangamani & Co., as the Tax Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General meeting to be held in the year 2021.

##### **c) Secretarial Auditor**

The provision of Secretarial Audit is applicable to the company during the year under review. The Secretarial Audit report for the financial year ended 31<sup>st</sup> March 2020 is annexed herewith as Annexure III to this report. The reply to the qualifications made by the Secretarial Auditor is as follows:

- The Company has been allotted ISIN for its equity shares (ISIN- INE0A1601018) on 9<sup>th</sup> August, 2019 and the company has also sent intimation to the shareholders to dematerialise their securities.

- ii) No amount from the unpaid dividend account is due to be transferred to the IEPF as on 31/03/2020. And the company has taken steps to intimate shareholders for claiming unpaid dividend due to them.
- iii) The Company is taking steps to pay ESI dues with the appropriate authorities even though all the employees are covered under Medical Insurance Scheme/Group Personal Accident Policy arranged with M/s United India Insurance Company Limited from the year 2006 onwards and its benefits are comparable with ESI benefits, at certain circumstances better than ESI also. No amount was recovered from the employees during the period. So their contributions are not remaining unpaid.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meeting of Board of Directors' and 'General Meeting' respectively, have been duly followed by the company.

#### **ANNUAL RETURN**

As required under Section 134(3)(a) of the Act, extract of Annual Return in Form MGT-9 is put up on the Company's website [www.kcpmc.com](http://www.kcpmc.com) and also annexed herewith as Annexure V to this report

#### **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.

#### **DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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. The following is a summary of sexual harassment complaints received and disposed of during the year:

- (a) Number of complaints pending at the beginning of the year- Nil
- (b) Number of complaints received during the year- Nil
- (c) Number of complaints disposed off during the year- Nil
- (d) Number of cases pending at the end of the year- Nil

#### **DEMATERIALISATION OF SHARES**

The company has been allotted ISIN (International Securities Identification Number) on August 9, 2019 by the Central Depository Services (India) Limited. The ISIN allotted for our company is INEOA1601018 which has been made live. The investors can now avail the depository services with the Depository Participant registered with CDSL and NSDL. The company has sent intimations to the shareholders to open a Demat account. The details of dematerialised security as on 31/03/2020 as under;

Description	No of share holders	Shares	% of Equity
CDSL	8	17589	0.44%
NSDL	29	88300	2.21%
Physical	1093	3893911	97.35%
<b>Total</b>	<b>1130</b>	<b>3999800</b>	<b>100%</b>

#### **Investor grievance and share transfer system**

We have a Board-level stakeholders relationship committee to examine and redress complaints by shareholders and investors. The status of complaints and share transfers is reported to the entire Board. The stakeholder's relationship committee meets as often as required to resolve shareholder grievances. For matters regarding shares transfer, share certificates, dividends, and change of address, shareholders should communicate with S.K.D.C. Consultants Limited, our registrar and share transfer agent. Their address is as follows -S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor,1391/A-1, Sathy Road,Ganapathy Post Coimbatore – 641006, Ph: 0422 4958995 /2539835/ 836, Website: <http://www.skdc-consultants.com>, Email: [info@skdc\\_consultants.com](mailto:info@skdc_consultants.com)

## **PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

There were no penalties / punishment / compounding of offences for the year ending March 31, 2020.

## **ACKNOWLEDGEMENT**

Your directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Your Directors are grateful to the Company's valued shareholders for their support and patronage and look forward to receive the same in equal measures in the years to come.

Thekkady  
01/10/2020

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

## **Annexure I**

### **Remuneration policy for Directors, Key Managerial Personnel and other employees**

This policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

#### **Remuneration to Executive Directors and Key Managerial Personnel**

1. The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
2. The Board, on the recommendation of the Nomination and Remuneration Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
3. The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
  - (i) Basic Pay
  - (ii) Perquisites and Allowances
  - (iii) Annual Performance bonus

#### **Remuneration to Non-Executive Directors**

1. The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.
2. Non- Executive directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

#### **Remuneration to other employees**

1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill set, seniority, experience and prevailing remuneration levels for equivalent jobs.

Thekkady  
01/10/2020

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**

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

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

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

**CSR Philosophy**

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

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

**CSR Policy**

It is KCPMC's policy:

- 1) To direct KCPMC's CSR Initiatives, inter alia, towards achieving one or more of the following
  - providing farm support services and information on novel and sustainable farming methods;
  - services enhancing value of farm produce by establishing information and testing centres for produce and inputs;
  - enhancing environmental and natural capital – cleanliness missions and environmental sustainability projects;
  - activities involving the protection of flora and fauna;
  - supporting critical support for health care for economically backward sections;
  - rural development & education support;
  - providing preventive healthcare, providing sanitation and drinking water;
- 2) To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are prerequisites for social and economic development;
- 3) To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
- 4) To pursue CSR Initiatives primarily in areas that falls within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- 5) To carry out CSR Initiatives in relevant local areas and also to fulfill 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. 25.75 lakhs to the corpus of the Trust. During the year the Trust has spent Rs. 1924778 for promoting Education, Rs. 187976 for providing Health Care, Rs. 149060 for Rural Development

#### 2. Composition of the CSR Committee

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

1. Average net profit of the Company for last three financial years: Rs. 1357.34 lakhs.
2. Prescribed CSR expenditure (2 % of the amount as in item 3 above): Rs. 27.15 lakhs.
3. Details of CSR spent for the financial year
  - (a) Total amount spent for financial year: Rs.27.25 lakhs
  - (b) Amount unspent if any: Nil
  - (c) Manner in which the amount spent during the financial year is detailed below:

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: (1) Direct expenditure on projects or program (2) Overheads:</b>	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.27.25 Lakhs	Rs.27.25 Lakhs	Rs.152.52 Lakhs	Contributed to the implementing Agency

1. 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.

2. 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  
01/10/2020



**SECRETARIAL AUDIT REPORT  
OF  
THE KERALA CARDAMOM PROCESSING AND MARKETING COMPANY LIMITED  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2020**

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

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

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

Based on my verification of The Kerala Cardamom Processing and Marketing Company Limited’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2020 complied with the statutory provisions listed hereunder to the extent applicable to the Company and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31/03/2020 according to the provisions of:

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

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit period);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);

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

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

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

- i) There are amounts pending in the unpaid dividend account which are not yet claimed by the shareholders till the end of Financial Year 2019-20

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company except for Employees' State Insurance Act, 1948 and its rules in which Company has defaulted in the payment of ESI dues with the appropriate authorities for the Financial Year ended 2019-20:

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

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

Thripunithura  
01/10/2020

Sd/-  
ANJANA BINU  
COMPANY SECRETARY IN PRACTICE  
Certificate of Practice No: 12866  
Membership No: FCS 10313  
UDIN: F010313B000831474

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March 2020**

[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:**

1	CIN	U15495KL1990PLC005656
2	Registration Date	22/03/1990
3	Name of the Company	The Kerala Cardamom Processing and Marketing Company Limited
4	Category / Sub-Category of the Company	Company Limited by Shares
5	Address of the Registered office and contact details	KP1/741 B, Spice House, Thekkady P.O., Idukki District, Pin 685536. Ph: 04869-222865, 222097. E-mail: info@kcpmc.com
6	Whether listed Company	No
7	ISIN of Equity Shares	INE0A1601018
8	Name, Address & contact details of registrar & Transfer agent, if any	S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1 Sathy Road, Ganapathy Post Coimbatore - 641006 Ph: 0422 4958995 / 2539835 / 836 Website: http://www.skdc-consultants.com Email: info@skdc-consultants.com

**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	64 %
2	Fertilisers & Chemicals	46692	32 %

**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	–	168666	168666	4.22	–	168666	168666	4.22	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt. (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	–	–	–	–	–	–	–	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
<b>Sub-total (A) (1):-</b>	–	<b>168666</b>	<b>168666</b>	<b>4.22</b>	–	<b>168666</b>	<b>168666</b>	<b>4.22</b>	–

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>168666</b>	<b>168666</b>	<b>4.22</b>	–	<b>168666</b>	<b>168666</b>	<b>4.22</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)	–	–	–	–	–	–	–	–	–
Sub-total (B) (1):-	–	–	–	–	–	–	–	–	–
<b>2.Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs.1 lakh	–	2077110	2077110	51.93	84389	1969921	2054310	51.36	(0.57)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	–	1754024	1754024	43.85	21500	1755324	1776824	44.42	0.57
<b>c) Others (specify)</b>									
	–	–	–	–	–	–	–	–	–
<b>Sub-total(B)(2):-</b>	–	<b>3831134</b>	<b>3831134</b>	<b>95.78</b>	<b>105889</b>	<b>3725245</b>	<b>3831134</b>	<b>95.78</b>	–
Total Public Share holding <b>(B) = (B) (1) + (B) (2)</b>	–	<b>3831134</b>	<b>3831134</b>	<b>95.78</b>	<b>105889</b>	<b>3725245</b>	<b>3831134</b>	<b>95.78</b>	–
C. Shares held by Custodian for GDRs. & ADRs-	–	–	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>	–	<b>3999800</b>	<b>3999800</b>	<b>100</b>	–	<b>3999800</b>	<b>3999800</b>	<b>100</b>	–



**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	KADAMAPUZHA MATHEW EAPEN	12600	0.32	—	12600	0.32	—	—
2	ZIAUDDIN AHAMED KADERMOHIDEEN	13900	0.35	—	13900	0.35	—	—
3	MALLIAH ARUNAN	10400	0.26	—	10400	0.26	—	—
4	GEORGE JOSEPH MATHEW	30566	0.76	—	30566	0.76	—	—
5	KARIMPANAL ITTIAVIRA VARKEY	26900	0.67	—	26900	0.67	—	—
6	K.I. ABRAHAM	22900	0.82	—	22900	0.82	—	—
7	SIVAKUMAR JAYAKUMARI	10200	0.26	—	10200	0.26	—	—
8	SAKTHIVEL KUMERSAN	8000	0.20	—	8000	0.20	—	—
9	R. KANNAMMAL	25400	0.63	—	25400	0.63	—	—
10	M.P.PUNNOOSE	7800	0.20	—	7800	0.20	—	—
	<b>Total</b>	<b>168666</b>	<b>4.22</b>	<b>—</b>	<b>168666</b>	<b>4.22</b>	<b>—</b>	<b>—</b>

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

Particulars	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
At the beginning of the year	168666	4.22	168666	4.22
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil			
At the end of the year	168666	4.22	168666	4.22

**(iv) Shareholding pattern of Top Ten share holders (other than directors, promoters & holders of GDR's & ADR's)**

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	32900	0.82	32900	0.82
2	RAJESH GEORGE	32300	0.81	32300	0.81
3	JACOB PUNNOOSE	30000	0.75	30000	0.75
4	VARKEY GEORGE	31660	0.79	31660	0.79
5	Dr. PRASAD PUNNOOSE	26600	0.67	26600	0.67
6	MEERA GEORGE	25400	0.63	25400	0.63
7	LALITHA VARKEY	25000	0.63	25000	0.63
8	T. SIVAKUMAR	24060	0.60	24060	0.60
9	PONNAMMA JOSEPH	23400	0.59	23400	0.59
10	D. SAMBATH KUMAR	23400	0.59	23400	0.59

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

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	JOJO GEORGE POTTEMKULAM	32300	0.81	32300	0.81
2	ZIAUDDIN AHAMED KADERMOHIDEEN	13900	0.35	13900	0.35
3	KARIMPANAL ITTIAVIRA VARKEY	26900	0.67	26900	0.67
4	JOHNY MATHEW	14668	0.37	14668	0.37
5	SIVAKUMAR JAYAKUMARI	10200	0.26	10200	0.26
6	SUSAN PUNNOOSE	7800	0.20	7800	0.20
7	MOHAN VARGHESE	20400	0.51	20400	0.51
8	RAGHAVAN GUHAN	20750	0.52	20750	0.52
9	BOBBY TOM	12600	0.32	12600	0.32
10	RAJAMANICKAM SAKTHISUBRAMANIAN	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	3641668	–	–	3641668
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	10728.84	–	–	10728.84
<b>Total (i+ii+iii)</b>	<b>3652396.84</b>	<b>–</b>	<b>–</b>	<b>3652396.84</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	202486209.16	–	–	202486209.16
Reduction	–	–	–	–
<b>Net Change</b>	<b>202486209.16</b>	<b>–</b>	<b>–</b>	<b>202486209.16</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	205320097	–	–	205320097
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	818509	–	–	818509
<b>Total (i+ii+iii)</b>	<b>206138606</b>	<b>–</b>	<b>–</b>	<b>206138606</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	900000	180000	1080000
	(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	36000	30000	66000
	Total(A)	936000	210000	1146000
	Ceiling as per the Act	–	–	18260503

### 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	18000	30000		48000
	Total (1)	18000	30000		48000
2.	<b>Other Non Executive Directors</b>	KARIMPANAL ITTIAVIRA VARKEY	RAGHAVAN GUHAN	JOHNY MATHEW	
	Fee for attending Board, Committee Meetings, Commission, Others, please specify	30000	36000	36000	102000
		SUSAN PUNNOOSE	SIVAKUMAR JAYAKUMARI	MOHAN VARUGHESE	
	Fee for attending Board, Committee Meetings, Commission, Others, please specify	24000	24000	30000	78000
	Total (2)	54000	60000	66000	180000
	Total (B) = (1) + (2)	72000	90000	66000	228072
	Total Managerial Remuneration	1008000	300000	66000	1374000
	Overall Ceiling as per the Act	–	–	–	20086554

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

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL



## INDEPENDENT AUDITOR'S REPORT

To,

The Members of  
The Kerala Cardamom Processing and Marketing Company Limited  
Thekkady

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

I have audited the financial statements of The Kerala Cardamom Processing and Marketing Company Limited, which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profits, and its cash flows for the year ended on that date.

#### Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection

and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and meeting the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of matters taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that are of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in

extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, I give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, I report that:
  - a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
  - b. In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books and proper returns adequate for the purposes of my audit have been received from the branches not visited by me.
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d. In my opinion the aforesaid financial statements comply with 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to my separate report in Annexure B.
  - g. In my opinion and according to the information and explanations given to me, the remuneration paid by the company to its Directors during in the current year is in accordance with the provisions of section 197 read with Schedule V of the Companies Act 2013.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
    - i) the Company does not have any pending litigations which would impact its financial position
    - ii) the Company does not have any long-term contracts requiring a provision for material foreseeable losses.
    - iii) The Company does not have any amounts required to be transferred to the Investor Education and Protection Fund.

Ponkunnam  
01/10/2020

Sd/-  
K. T. THOMAS  
Chartered Accountant  
(Membership No. 22112)  
UDIN: 20022112AAAABQ1424

**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, 2020.**

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a regular program of physically verifying all the fixed asset at its Depots/Offices in a phased manner over a period of 3 years, which in my opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company subject to Note No. 28 to the financial 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, 2020. The company was Registered under the ESI Act, 1948 from 01/02/2018. The amount of contribution to be remitted to the Corporation up to 31/03/2020 is Rs. 1198119. The company has not recovered any contributions from the employees from the date of Registration towards the above amount.
- 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 1994	Service Tax	5170980	2013-14 & 2014-15	Commissioner Appeals, Central Tax & Central Excise, Cochin
Finance Act 1994	Service Tax	1880879	2014-15	Commissioner Appeals, Central Tax & Central Excise, Cochin
Finance Act 1994	Service Tax	3048835	2015-16	Commissioner Appeals, Central Tax & Central Excise, Cochin

Note - The Commissioner (Appeals) Central Tax & Central Tax vide his orders COC-EXCUS-000-APP-271&272-2020 and COC-EXCUS-000-APP-282 & 283-2020 dated 17/09/20 allowed all the above Appeals against demands for amounts aggregating to Rs.10100694 in favour of the company and hence as per the information and explanations given to me, there are no tax amounts not deposited on account of any disputes, as on the date of this report.

- 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  
01/10/2020

Sd/-  
K. T. THOMAS  
Chartered Accountant  
(Membership No. 22112)  
UDIN: 20022112AAAABQ1424

**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, 2020.**

**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, 2020 in conjunction with my audit of the 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, 2020 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  
01/10/2020

Sd/-  
K. T. THOMAS  
Chartered Accountant  
(Membership No. 22112)  
UDIN: 20022112AAAABQ1424

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

PARTICULARS	NOTE No.	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
a) Share Capital	1	39998000	39998000
b) Reserves and Surplus	2	822116203	701141600
<b>(2) NON - CURRENT LIABILITIES</b>			
a) Long - Term borrowings	3	6167234	3641668
b) Deferred Tax Liabilities (Net)	4	(629843)	(747517)
c) Long Term Provisions	5	1830477	2108702
<b>(3) CURRENT LIABILITIES</b>			
a) Short - Term borrowings	6	199152863	-
b) Trade Payables	7	361581648	360266660
c) Other Current Liabilities	8	13127986	21548174
d) Short Term Provisions	9	64898712	64919147
<b>TOTAL</b>		<b>1508243280</b>	<b>1192876434</b>
<b>II ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
a) Fixed Assets			
i) Tangible Assets	10	521568113	163181131
ii) Capital work-in-progress	10	75801519	12617472
b) Long-Term Loans and Advances	11	689000	1815000
<b>(2) CURRENT ASSETS</b>			
a) Current Investments	12	10000000	213344450
b) Inventories	13	266267177	272199056
c) Trade Receivables	14	428703634	354640602
d) Cash and Cash Equivalentents	15	113545104	97404749
e) Short-Term Loans and Advances	16	91668733	77673974
<b>TOTAL</b>		<b>1508243280</b>	<b>1192876434</b>

Accompanying notes 1 to 36 form part of the financial statements

As per my separate audit report of even date attached

Sd/-  
JOHNY MATHEW  
(DIN: 02503346)  
Chairman

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

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

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam  
UDIN: 20022112AAAABQ1424

01/10/2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

PARTICULARS	NOTE No.	2019-2020 Rs.	2018-2019 Rs.
<b>I</b> Revenue from operations	18	<b>3682019477</b>	2602421381
<b>II</b> Other income	19	<b>27423062</b>	30659637
<b>III</b> Total Revenue		<b>3709442539</b>	2633081018
<b>IV</b> Expenses			
Purchases of Stock-in-Trade	20	<b>3321345441</b>	2289079289
Changes in Inventories of Stock-in-Trade	21	<b>5931879</b>	46699279
Employee Benefits Expense	22	<b>34821665</b>	32945093
Finance Costs	23	<b>9238804</b>	1709599
Depreciation and Amortization Expense	10	<b>5630126</b>	4311547
Other Expenses	24	<b>149869586</b>	108466807
Total Expenses		<b>3526837501</b>	2483211614
<b>V</b> Profit Before Tax		<b>182605038</b>	149869404
<b>VI</b> Tax expense			
1) Current tax		<b>41000000</b>	42100000
2) Prior year's tax		<b>513762</b>	(832837)
3) Deferred tax		<b>117673</b>	(470097)
<b>VII</b> Profit for the year		<b>140973603</b>	109072338
<b>VIII</b> Earnings per equity share			
1) Basic		<b>35</b>	<b>27</b>
2) Diluted		<b>35</b>	<b>27</b>

Accompanying notes 1 to 36 form part of the financial statements

Sd/-  
JOHNY MATHEW  
(DIN: 02503346)  
Chairman  
01/10/2020

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

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

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

PARTICULARS	2019-2020 Rs.	2018-2019 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	<b>182605038</b>	149869404
Adjustments:		
Depreciation/Amortization	<b>5630126</b>	4311547
Finance Cost	<b>9238804</b>	1709599
(Profit)/Loss on sale of assets (net)	<b>(1814080)</b>	(584130)
Net (gain)/loss of foreign currency translation	<b>(729879)</b>	346860
Dividend received from short term liquid funds	<b>(5445064)</b>	(8506462)
Operating Profit before working capital changes      A	<u><b>189484945</b></u>	<u>147146818</u>
Movements in working capital:		
Increase/(decrease) in trade payable	<b>1314988</b>	95878348
Increase/(decrease) in Short term borrowings	<b>199152863</b>	
Increase/(decrease) in Long term borrowings	<b>2525566</b>	3641668
Increase/(decrease) in Long term provisions	<b>(278225)</b>	437001
Increase/(decrease) in Short term provisions	<b>368448</b>	358364
Increase/(decrease) in other current liabilities	<b>(7329958)</b>	3763116
Decrease/(increase) in trade receivables	<b>(74142932)</b>	(103498110)
Decrease/(increase) in inventories	<b>5931879</b>	46699278
Decrease/(increase) in long term loans and advances	<b>1126000</b>	(315000)
Decrease/(increase) in short term loans and advances	<b>(13914859)</b>	6960235
Net Decrease/(increase) in working capital      B	<u><b>114753770</b></u>	<u>53924900</u>
Cash generated from/(used in) operations      A+B	<b>304238715</b>	201071718
Direct Taxes paid ( net of refunds)	<b>(42613762)</b>	(42467163)
<b>Net cash flow from/(used in) operating activities</b>	<b>261624953</b>	158604555
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<b>(427670647)</b>	(14351087)
Proceeds from sale of fixed assets / Subsidies	<b>2283571</b>	765000
Purchase of short term liquid funds	<b>(1350000000)</b>	(3095000000)
Redemption of short term liquid funds	<b>1558789515</b>	2979611912
<b>Net cash flow from/(used in ) investing activities</b>	<b>(216597561)</b>	(128974175)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance cost paid	<b>(9238805)</b>	(1709599)
Dividend paid	<b>(17089429)</b>	(13625425)
Dividend Distribution Tax paid	<b>(3288683)</b>	(2849928)
<b>Net cash flow from/(used in ) financing activities</b>	<b>(29616917)</b>	(18184952)
Net increase/(decrease) in cash and cash equivalents	<b>15410476</b>	11445426
Cash and cash equivalents as at the beginning of the Year	<b>97404749</b>	86306183
Net gain/(loss) of foreign currency translation	<b>729879</b>	(346860)
<b>Cash and cash equivalents as at the end of the Year</b>	<b>113545104</b>	97404749

Sd/-  
JOHNY MATHEW  
(DIN: 02503346)  
Chairman

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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

01/10/2020

Notes forming part of the financial statements for the year ended 31.03.2020	As at 31.03.2020 Rs.	As at 31.03.2019 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>31.03.2020</b>	31.03.2019
	No.of Shares	Amount
	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>680774158</b>	590774158
Add: Transfer from Profit & Loss A/c	<b>120000000</b>	90000000
	<b>800774158</b>	680774158
c) Surplus in Statement of Profit and Loss		
Opening Balance	<b>6388046</b>	6603591
Add: Net profit for the current year	<b>140973603</b>	109072338
Less: Proposed Dividend *	<b>19999000</b>	15999200
Less: Dividend Distribution Tax	-	3288683
Less: Transfer to General Reserve	<b>120000000</b>	90000000
	<b>7362649</b>	<b>6388046</b>
<b>TOTAL</b>	<b>822116203</b>	701141600

\* subject to deduction of tax at source

<b>(3) Long - Term borrowings</b>		
HDFC Bank Term Loan	<b>6167234</b>	3641668
<b>(4) Deferred tax liabilities/(Asset) (Net)</b>		
The Deferred Tax Liabilities on taking into account the impact of timing differences between financial statements and estimated taxable income are as under.		
On account of Depreciation	<b>(43090)</b>	(80523)
On account of Grauity Provision	<b>(586753)</b>	(666994)
<b>TOTAL</b>	<b>(629843)</b>	(747517)
<b>(5) Long Term Provisions</b>		
For Employees Gratuity(Refer Note No.36(f)(ii)	<b>1830477</b>	2108702

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Joint Managing Director

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K. T. THOMAS  
Chartered Accountant  
Ponkunnam

01/10/2020

Notes forming part of the financial statements for the year ended 31.03.2020	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
<b>(6) Short Term Borrowings</b>		
Secured:-		
(a) Loans Repayable on demand		
From Banks	<b>199152863</b>	–
Refer Note No.25 for details of Security.		
<b>(7) Trade Payables</b>		
(a) Due to Micro and Small Enterprises	–	–
Refer Note No.26		
(b) Due to Others	<b>357091489</b>	358100542
(c) Creditors for Expenses	<b>4490159</b>	2166118
<b>TOTAL</b>	<b>361581648</b>	360266660
<b>(8) Other Current Liabilities</b>		
(a) Unpaid Dividend	<b>1404946</b>	2495175
(b) Statutory Dues	<b>9685707</b>	14260806
(c) Advance Received from Customers	<b>1218824</b>	4792193
(d) Interest accrued but not due on borrowings	<b>818509</b>	–
<b>TOTAL</b>	<b>13127986</b>	21548174
<b>(9) Short Term Provision</b>		
(a) for Employee Benefits-Bonus & Ex Gratia	<b>3899712</b>	3531264
(b) for Taxation	<b>41000000</b>	42100000
(c) for Proposed Dividend	<b>19999000</b>	15999200
(d) for Dividend Distribution Tax	–	3288683
<b>TOTAL</b>	<b>64898712</b>	64919147
<b>(11) Long Term Loans &amp; Advances</b>		
Unsecured considered good		
(a) Security Deposits	<b>689000</b>	<b>1815000</b>
<b>(12) Current investments</b>		
(a) ICICI MF Investment A/c	–	57668201
(b) RELIANCE MF	–	35479147
(c) SBI MF INVESTMENT A/C	<b>10000000</b>	120197102
<b>TOTAL</b>	<b>10000000</b>	213344450
<b>(13) Inventories</b>		
(a) Stock in Trade	<b>266267177</b>	272199056
Refer Note No.36(b) for method of valuation		

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Joint Managing Director

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Ponkunnam

01/10/2020

**(10) Fixed Assets**

(Amount in Rupees)

PARTICULARS	ORIGINAL COST			DEPRECIATION / AMORTISATION				WRITTEN DOWN VALUE	
	As at 01.04.2019	Additions	(Sale/ Adjust ments)	As at 31.03.2020	As at 01.04.2019	For the Year	On (Sale/Adjust ments)	As at 31.03.2020	As at 01.04.2019
<b>Tangible Assets</b>									
Freehold land	132712283	308067133	—	440779416	—	—	—	440779416	132712283
Cardamom Leasehold Land	—	27465000	—	27465000	—	—	—	27465000	—
Buildings	37949566	16972978	—	54922544	17616000	1097256	—	36209288	20333566
Plant & Machinery	12487819	4092594	—	16580413	7224953	1090117	—	8265344	5262866
Furniture & Fittings	3643397	121815	—	3765212	3429106	58359	—	277747	214291
Motor Vehicles	11362697	6997678	3680945	14679430	7715066	2601007	3252656	7616012	3647631
Motor Cycles	443524	233205	311502	365227	370664	57862	270300	207000	72859
Computers and Data Processing Units	6851190	536196	—	7387387	5913556	725525	—	748306	937635
<b>TOTAL</b>	<b>205450476</b>	<b>364486599</b>	<b>3992447</b>	<b>565944629</b>	<b>42269345</b>	<b>5630126</b>	<b>3522956</b>	<b>521568113</b>	<b>163181131</b>
<b>Previous Year</b>	<b>204552077</b>	<b>1953615</b>	<b>1055216</b>	<b>205450476</b>	<b>38832145</b>	<b>4311547</b>	<b>874346</b>	<b>163181131</b>	<b>165719932</b>

**Capital work-in-progress**

Cardamom Processing Unit at Bodinayakanur in Tamilnadu	12617472	63184047	—	75801519	—	—	—	75801519	12617472
<b>Previous Year</b>	<b>220000</b>	<b>12397472</b>	<b>—</b>	<b>12617472</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>12617472</b>	<b>220000</b>

 Sd/-  
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 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

01/10/2020

Notes forming part of the financial statements for the year ended 31.03.2020	As at 31.03.2020 Rs.	As at 31.03.2019 Rs.
<b>(14) Trade Receivables</b>		
Unsecured considered good		
a) Debts outstanding for a period exceeding six months.	<b>9396603</b>	2574269
b) Other Debts	<b>419307031</b>	352066333
<b>TOTAL</b>	<b>428703634</b>	354640602
<b>(15) Cash and Cash Equivalents</b>		
(a) Balances with Banks *	<b>108333438</b>	66977500
(b) Unpaid Dividend Account Balance	<b>1436763</b>	2520545
(c) Cheques, Drafts on hand	<b>1880439</b>	19003043
(d) Cash on Hand	<b>1894464</b>	8903661
<b>TOTAL</b>	<b>113545104</b>	97404749
* Includes Rs.7089576.00 (previous year Rs.7600845) given as security for bank guarantee obtained. Out of this fixed deposits worth Rs.7089576.00 (previous year Rs.6688651) is of maturity period of more than 12 months.		
<b>(16) Short-Term Loans &amp; Advances</b>		
Unsecured considered good		
(a) Prepaid Insurance	<b>1698286</b>	1438795
(b) Income Tax Advance and TDS	<b>42889683</b>	39843849
(c) Security Deposit	<b>9759621</b>	6692389
(d) Advance Paid to Suppliers	<b>20711780</b>	5597919
(e) Other Advances	<b>16609363</b>	24101023
<b>TOTAL</b>	<b>91668733</b>	77673974

**(17) Contingent Liabilities and Commitments:-** To the extent not provided for

(I) Contingent Liabilities

(a) Claims against the Company not acknowledged as debt:

Service tax Demand **10100694** 18342950

The Commissioner Appeals gave orders COC-EXCUS-000-APP-271&272-2020 and COC-EXCUS-000-APP-282&283-2020 dated 17/09/20 which allowed Company's Appeal for Rs.10100694 and thereby Claims against the Company becomes Nil as on date.

(b) Guarantees:

The Company has given guarantee to ICICI Bank Limited & HDFC Bank Limited for funded and non funded limits availed by The Cardamom Planters' and Marketing Co-Operative Society Limited as detailed below.

Rs. in Corers

Bank	Guaranteed Limit		Loan Balance Outstanding	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
ICICI BANK LTD	8.00	5.75	4.81	4.81
HDFC BANK LTD	7.00	Nil	5.00	Nil

(ii) Commitments :

(i) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for.

**45000000** 220190000

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

Sd/-  
K. T. THOMAS  
Chartered Accountant  
Ponkunnam

01/10/2020

Notes forming part of the financial statements for the year ended 31.03.2020	2019-2020 Rs.	2018-2019 Rs.
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## II NOTES TO STATEMENT OF PROFIT AND LOSS

### (18) Revenue from Operations

(a) Sale of Products		
(i) Fertilisers & Neemcake	577302323	451944317
(ii) Coppersulphate & Chemicals	545251575	479179040
(iii) Rubber Sheet	36615066	143747958
(iv) Gunnies	6158535	15190544
(v) Cardamom - Trade	2276514146	1362056320
(vi) FPS Certificates	489877	3724333
(vii) Cardamom (Auction Sample)	21447501	35034025
(viii) Plantation Crops - Cardamom	69708946	
	<u>3533487969</u>	<u>2490876537</u>
(b) Other Operating Revenues		
(i) Discount Received	87758482	63920006
(ii) Commission - Auction	49860865	37454252
(iii) Commission On Rubber Trade	10912161	10170586

<b>TOTAL</b>	<b>3682019477</b>	<b>2602421381</b>
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### (19) Other Income

(a) Dividend Income from short term liquid funds	5445064	8506462
(b) Net Gain/(Loss) on sale of Fixed Assets	1814080	584130
(c) Transport & Handling charges collected	15719282	18353691
(d) Rent Received	2787780	2759412
(e) Net gain/(Loss) of foreign currency translation and transaction	729879	(346860)
(f) Interest Received on Security deposit	696745	657432
(g) Others	230232	145370

<b>TOTAL</b>	<b>27423062</b>	<b>30659637</b>
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### (20) Purchases of Stock-in-Trade

(a) Fertilisers & Neemcake	486573858	395021966
(b) Coppersulphate & Chemicals	469541684	440171826
(c) Rubber Sheet	21674613	119397935
(d) Gunnies	6382960	11542160
(e) Cardamom - Trade	2303106138	1302014394
(f) Cardamom (Auction Sample)	34066188	20931008

<b>TOTAL</b>	<b>3321345441</b>	<b>2289079289</b>
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### (21) Changes in Inventories of Stock in Trade

Opening Stock	272199056	318898335
Closing Stock	<u>266267177</u>	<u>272199056</u>
	5931879	46699279

### (22) Employee Benefit Expense

(a) Salaries & Wages	28314508	26457090
(b) Provident Fund Contribution	1881954	1908927
(c) Gratuity	1918739	2056551
(d) Medical Insurance Premium	1626464	1617525
(e) Salary to Directors	1080000	905000

<b>TOTAL</b>	<b>34821665</b>	<b>32945093</b>
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Sd/-  
JOHNY MATHEW  
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01/10/2020

Notes forming part of the financial statements for the year ended 31.03.2020	2019-2020 Rs.	2018-2019 Rs.
(23) Finance Cost		
(a) Interest Expense	6739996	316356
(b) Other borrowing costs	1675138	927313
(c) Bank charges	823670	465930
<b>TOTAL</b>	<b>9238804</b>	<b>1709599</b>
(24) Other Expenses		
(a) Freight and Handling	18245536	22683114
(b) Power & Fuel	1012219	871076
(c) Rent	4977490	3655290
(d) Repairs to Building	3793172	1093152
(e) Repairs to Others	311898	472616
(f) Insurance	707823	673970
(g) Rates & Taxes	560344	657333
(h) Vehicle Running & Maintenance	5454583	4015709
(i) Grading and Packing Expense	8488829	12409558
(j) Travelling Expense	3383291	4275386
(k) Sitting fee to Directors	306000	264000
(l) Selling and Marketing Expense	31740446	25990218
(m) Books & Periodicals	108813	95288
(n) Postage and Telephone	946452	949886
(o) Printing & Stationery	959638	912883
(p) Taxes Paid	72567	39100
(q) Service Tax & GST Paid	2193768	-
(r) Brokerage and Commission	691077	3645368
(s) Discount Paid and Price Difference	13769540	8444950
(t) Auction Expense	7631106	7103877
(u) Plantation expenses	33317485	352538
(v) Office Expense	2785847	2078413
(w) Other Expenses	1898735	1500824
(x) Professional Charges	2216907	2008034
(y) Software Expenses	1231020	1439224
(z) CSR Expenses	2725000	2525000
(aa) Payment to Auditors		
As Auditor	270000	250000
For Taxation Matters	70000	60000
<b>TOTAL</b>	<b>149869586</b>	<b>108466808</b>

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01/10/2020

### III OTHER NOTES

- (25) The secured short term loans of the company are secured by hypothecation of inventories, book debts and movable fixed assets.
- (26) The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as Micro, Small or Medium Enterprises. Consequently the amount paid or payable to such parties during the year is NIL (Previous Year- Nil)
- (27) Some of the Sundry Debtors and Sundry Creditors are subject to confirmation balance.
- (28) Freehold Land under Fixed Assets include land without pattayam valued Rs.11,860 (Previous year Rs.11860) in respect of which transfer deed has not been registered in favour of this company.
- (29) F.O.B. value of Exports during the year - Cardamom Rs. 5205306.85 (Previous year Rs.19791784.50)-Commission on Rubber Trade (Export Service) Rs.10912161 (Previous Year Rs.10170586)
- (30) Expenditure in foreign currency -Foreign Travel -Rs.472450 (Previous Year – 677417) Total - Rs.472450 (Previous year Rs.677417)
- (31) The information required to be disclosed as per of Schedule III to the Companies Act, 2013 are disclosed only to the extent particulars are applicable to the Company which is a Trading Company.

### (32) SEGMENT INFORMATION

Particulars	2019-2020 Rs.	2018-2019 Rs.
1. Segment Revenue		
a) Agro Inputs	1210312380	987791315
b i) Cardamom Domestic	2271697607	1353240917
ii) Cardamom Export	5306416	19791784
c i) Rubber Domestic	36615065	143747958
ii) Commission on Rubber Trade (Export Service)	10912161	10170586
d) Cardamom Auction	77466902	87678821
e) Plantation	69708946	-
Net Sale/Income from Operations	3682019477	2602421381
2. Segment Results (Profit /(Loss) before Tax and Finance Cost		
a) Agro Input	192004499	136823495
b) Cardamom Trade	(21260944)	15676377
c) Rubber	10216151	9617863
d) Cardamom Auction	43285727	40963014
e) Plantation	35838431	(352817)
Total	260083864	202727932
Less:		
(i) Finance Cost	9238804	1709599
(ii) Other un-allocable expenditure net of un-allocable income	68240022	51148929
Profit before Tax	182605038	149869404
Less:		
(1) Current tax	41000000	42100000
(2) Prior year's tax	513762	(832837)
(3) Defferred tax liability	117673	(470097)
Profit after Tax	140973603	109072338
3. Segment Assets		
a) Agro Input	241024284	205506613
b) Cardamom Trade	460965869	266343977
c) Rubber	4253019	18573562



#### SEGMENT INFORMATION

Particulars	2019-2020 Rs.	2018-2019 Rs.
d) Cardamom Auction	100555389	176394026
e) Plantation	362832958	91476
<b>Total</b>	<b>1169631519</b>	<b>666909654</b>
Un allocated corporate assets	338611761	525966780
<b>Total assets as per Balance Sheet</b>	<b>1508243280</b>	<b>1192876434</b>
<b>4. Segment Liabilities</b>		
a) Agro Input	179933269	145637468
b) Cardamom Trade	151935123	64867397
c) Rubber	167019	111847
d) Cardamom Auction	42621288	169297052
e) Plantation	596155	-
<b>Total</b>	<b>375252854</b>	<b>379913764</b>
Un allocated Corporate Liabilities	270876223	71823070
Share holders Funds	862114203	741139600
<b>Total Liabilities as per Balance Sheet</b>	<b>1508243280</b>	<b>1192876434</b>
<b>5. Capital Employed</b>		
a) Agro Input	61091015	59869145
b) Cardamom Trade	309030746	201476580
c) Rubber	4086000	18461715
d) Cardamom Auction	57934101	7096974
e) Plantation	362236803	91476
<b>Total</b>	<b>794378665</b>	<b>286995890</b>
f) Un allocated Segment Capital Employed	67735538	454143710
<b>Total</b>	<b>862114203</b>	<b>741139600</b>
<b>6. Capital Expenditure incurred</b>		
a) Cardamom Trade (Capital Work in progress)	63184047	12397472
b) Plantation	356597706	91755
b) Un allocated Segment Capital Expenditure incurred (Net)	3896447	806644
<b>Total</b>	<b>423678200</b>	<b>13295871</b>
<b>7. Depreciation</b>		
a) Cardamom Trade	924231	1064474
b) Cardamom Auction	93267	113879
c) Plantation	266412	279
d) Un allocated Segment Depreciation	4346216	3132915
<b>Total</b>	<b>5630126</b>	<b>4311547</b>
<b>8. Segment Non Cash Expenditure</b>	<b>-</b>	<b>-</b>

**(33)** The amount of 'Others' under Other Expenses in Note 24 includes an amount of Rs. 1350000 (previous year Nil) incurred towards contribution to political parties

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

**(35)** RELATED PARTY DISCLOSURES

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

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

Sl.No.	Name of the related party	Nature of Transactions	2019-20	2018-19
1	Mr. Jojo George Pottemkulam	Remuneration	<b>900000</b>	725000
		Sitting Fee	<b>36000</b>	27000
		Dividend Paid	<b>129200</b>	113050
2	Mr. K. Zia Ud Din Ahamed	Remuneration	<b>180000</b>	180000
		Sitting Fee	<b>30000</b>	16000
		Dividend Paid	<b>55600</b>	48650

**(36) 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 Comapnies (Accounting Statements) 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 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 administrated as a Defined Benefit Plan. The annual contribution 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. During the year Company has Contributed Rs. 2196963 (Previous Year Rs. 1619550) to the Fund. Based on the Present Value of Obligations/Plan Assets as on 31/03/2020 received form the LIC Rs.1918739 (Previous Year Rs.2056551) is charged off in the Profit and Loss Account and Rs. 1830477 (Previous Year Rs.2108702) is disclosed under Long Term Liabilities in the Balance Sheet.

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

Disclosure as required by ACCOUNTING STANDARD 15

	31.03.2020	31.03.2019
1. Assumption		
Discount Rate	7.50%	7.50%
Salary Escalation	8.00%	8.00%
2. Changes in present value of Obligation:-		
Present value of obligations as at beginning of year	14354394	12971504
Interest cost	1076580	972863
Current Service Cost	999402	780522
Benefits Paid	0	(1531442)
Actuarial (gain)/ loss on obligations	817097	1160947
Present value of obligations as at end of year	<b>17247473</b>	<b>14354394</b>
3. Changes in fair value of plan assets :-		
Fair value of plan assets at beginning of year	12245693	11299803
Expected return on plan assets	974340	857781
Contributions	2196963	1619550
Benefits Paid	0	(1531442)
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	<b>15416996</b>	<b>12245693</b>
4. Fair value of plan assets:-		
Fair value of plan assets at beginning of year	12245693	11299803
Actual return on plan assets	974340	857781
Contributions	2196963	1619550
Benefits Paid	0	(1531442)
Fair value of plan assets at the end of year	15416996	12245693
Funded status	(1830477)	(2108701)
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
5. Actuarial Gain/Loss recognized:-		
Actuarial (gain)/ loss on obligations	(817097)	(1160947)
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
Actuarial (gain)/ loss on obligations	817097	1160947
Actuarial (gain)/ loss recognized in the year	<b>817097</b>	<b>1160947</b>
6. Amounts to be recognized in the balance sheet :-		
Present value of obligations as at the end of year	17247473	14354394
Fair value of plan assets as at the end of the year	15416996	12245693
Funded status	(1830477)	(2108701)
Net asset/(liability) recognized in balance sheet	<b>(1830477)</b>	<b>(2108701)</b>
7. Expenses Recognised in statement of Profit and loss:-		
Current Service cost	999402	780522
Interest Cost	1076580	972863
Expected return on plan assets	(974340)	(857781)
Net Actuarial (gain)/ loss recognized in the year	817097	1160947
Expenses recognised in statement of Profit and loss	<b>1918739</b>	<b>2056551</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 5 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

01/10/2020



# 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 30<sup>th</sup> Annual General Meeting of the Company at 02.30 PM on Friday, the 6<sup>th</sup> November 2020 at the Registered office of the Company, KP1/741 B, Spice House, Thekkady PO, Idukki District-685 536

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

.....  
signature of \*shareholder/proxy

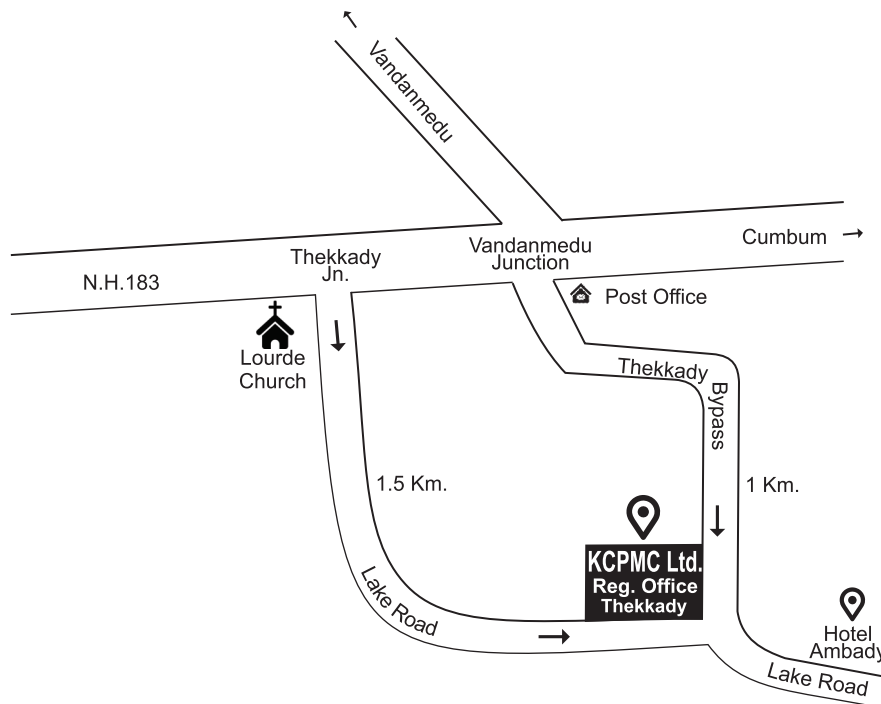
\*strike out whichever is not applicable

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) .....

(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/Clint ID : DP ID:

I / We, being the member of ..... holding..... shares, hereby appoint.

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

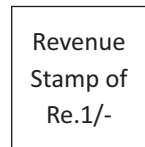
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 6<sup>th</sup> November 2020 at 02.30 PM at Registered office –KP1/741 B, Spice House, Thekkady PO, Idukki District- 685 536 and at any adjournment thereof in respect of such resolution as are indicated below.

- |  |   |
|--|---|
| Resolution Nos.  | 5. Re-appointment of Statutory Auditors                         |
| 1. Adoption of financial statements together with the reports for the year ended 31/03/2020                      | 6. Re-appointment of Tax Auditors                               |
| 2. Declaration of dividend   | 7. Consider changes in the powers of the board u/s 186          |
| 3. Re-appointment of Mr.JOHN Y MATHEW (DIN: 02503346) as a director liable to retire by rotation.                | 8. Consider changes in the powers of the board u/s 180 (1) (a)  |
| 4. Re-appointment of Mr. KARIMPANAL ITTIAVIRA VARKEY (DIN: 01899065) as a director liable to retire by rotation. | 9. Consider changes in the powers of the board u/s 180 (1) (c)  |
|  | 10.Appointment of Mr. KAMARAJ RAMBA (DIN: 05345730) as director |

Signed this ..... day of.....2020

Signature of shareholder

Signature of Proxy holder(s)



- This form of proxy in order to be effective should be duly completed and deposited at Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- Revenue stamp should be affixed to this and it should then be signed by the member.

(Tear here)





## The Kerala Cardamom Processing and Marketing Company Limited

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

Telefax : 04869-222865, 222097

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

### Regional / Divisional Offices

Kalpetta : 04936-203691

Bodinayakanur : 04546-280765/63

Kanijirappally : 04828 205338, 203469, 203041

### Plantation

Purespice Plantations

Peechadu, Kallar, Vattiyar P.O, Idukki,  
Kerala, 685565.

### 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 • Adimaly – 296964 • Chettukuzhy – 277565