



The Kerala Cardamom Processing and Marketing Company Limited

23rd Annual Report
2012 - 2013

BOARD OF DIRECTORS

Mr. George J. Mathew
(Chairman)

Mr. Jojo George
(Managing Director)

Mr. K. Zia-Ud-Din Ahamed
(Joint Managing Director)

DIRECTORS

Mr. K. M. Eapen
Mr. A. S. Ramachandran
Mr. M. Arunan
Mr. K. I. Varkey
Mr. Jimmy Scaria
Mr. Uthayakumar Manoharan
Mr. Ramba Kamaraj

AUDITORS

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

BANKERS

Central Bank of India

REGISTERED OFFICE

K.P.1 / 741 B, Thekkady P.O,
Pin - 685 509

REGIONAL / DIVISIONAL OFFICES

Trade House, 1 / 138, Subbaraj Nagar,
Bodinayakanur, Pin-625 513

N.H Bye-pass Road, Kalpeta,
Wyanadu, Pin-673 121

Heavea House, Mannarkkayam, Kanjirappally
Pin-686 507

Dear Shareholders,

Economies around the world continue to be in a state of turmoil, with most countries in the Eurozone going through another round of crisis, the US growth still very slow to pick up and Japan and the East Asian countries also moving at snail paces. The global economic recovery still appears to be a distant dream. The Indian economy, in which we had hopes that the great Indian domestic market would drive it ahead, also seems to be slowing down much more than expected. The current account deficit and the balance of payment crisis are a result of the prioritization of our valuable economic resources towards oil and other essential requirements. The weakening of the rupee is also rendering already expensive imports even costlier, thus submerging the economy in a vicious cycle.

As we have noted earlier as well, our industry and the micro economic environment that we are a part of, are also not impervious to what happens around us. Commodity prices remain depressed and the steady increases in costs continue to burden the industry and in turn affecting all allied operations as well. The fact remains that increase in costs is not commensurate to the prices of agricultural commodities in most cases, therefore driving the industry to difficult times.

Added to this, the previous year witnessed one of the worst droughts of the decade and now being followed up by incessant rains, which will break the backbone of the industry. The only solace that we seek divine intervention is for the increase in prices of the commodity (cardamom), which should lift the sagging spirits of all the players in this industry. Remunerative prices to the farmer, which should be first driver, without which our activities continue to be extremely trying and un-remunerative.

Your company has grown moderately the previous year as well, where we could have achieved much more, if the circumstances were better. We understand that we cannot be isolated in our existence and operations and that the growth of all the industry stakeholders is what will drive our growth as well.

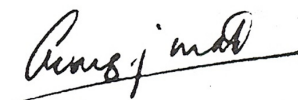
Input costs of most of our inputs continue to go up and a reversal of high prices of fertiliser noted is also short-lived now, as prices continue to go up again. All other inputs also continue to be more and more expensive and also the cost of new age chemicals that are replacing the earlier ones.

In the light of all that's happening around us, we continue to strive to explore avenues that could sustain the growth and development of your organization in related lines. This continues to be a daunting task, in the light of our backgrounds, cultures and sphere of operations. However, we are concentrated on the task, which should bear some fruit in the short future.

At this juncture let me place on record the services of Mr. K. V. Abraham, who left for his heavenly abode the previous year. His vision, guidance and continued persuasion always gave direction to the organization during its formative years as president of our sister concern CPMCS.

I would like to place on record on behalf of the board, our deepest gratitude to all our stakeholders, employees and customers, who have been extending their wholehearted support and co-operation to all our initiatives.

Thank you all and wish you all the best for a great season ahead..!



George J. Mathew
Chairman

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of The Kerala Cardamom Processing and Marketing Company Limited will be held at the registered office of the Company at Thekkady, on Thursday the 29th August 2013 at 3 pm. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31st March 2013 and the Profit and Loss Account for the year ended on that date along with the Directors' Report, the Compliance Certificate issued by the Company Secretary in Practice and the Auditor's Report.
2. To declare dividend.
3. To appoint Directors in place of those who retire by rotation. The retiring Directors Mr. George J. Mathew, Mr. M. Arunan and Mr. K. I. Varkey are eligible for re-appointment.
- 4 (1) To appoint auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting and fix their remuneration. Mr. K. T. Thomas F.C.A., (Membership No.022112) the retiring Auditor is eligible for reappointment.
- 4 (2) 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

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

"Resolved that subject to the provisions of Section 198, 269, 309 and other applicable provisions if any of the Companies Act 1956, and subject to schedule XIII to the said Act Mr. Jojo George be and is hereby reappointed as Managing Director of the Company to hold office for a period of 5 years with effect from 30th October 2013 and to pay him remuneration of Rs. 50000/- per month, in addition to the sitting fee payable as per Article 32 of the Articles of Association of the Company subject to the ceiling of 5% of profit as per section I of Part II of schedule XIII of the said Act."

Explanatory statement pursuant to section 173(2) of Companies Act, 1956

Resolution No.5-Term of office of Mr. Jojo George as the Managing Director of the Company will expire on 29.10.2013. The Board of Directors at their meeting held on 25.07.2013 resolved to reappoint Mr. Jojo George as the Managing Director on remuneration of Rs. 50000/- per month. Hence this resolution. This notice may be treated as a notice under section 302(2) of the companies Act also.

No directors other than Mr. George J. Mathew and Mr. Jojo George are interested in the above resolution

On Behalf of The Board of Directors,
Sd/-

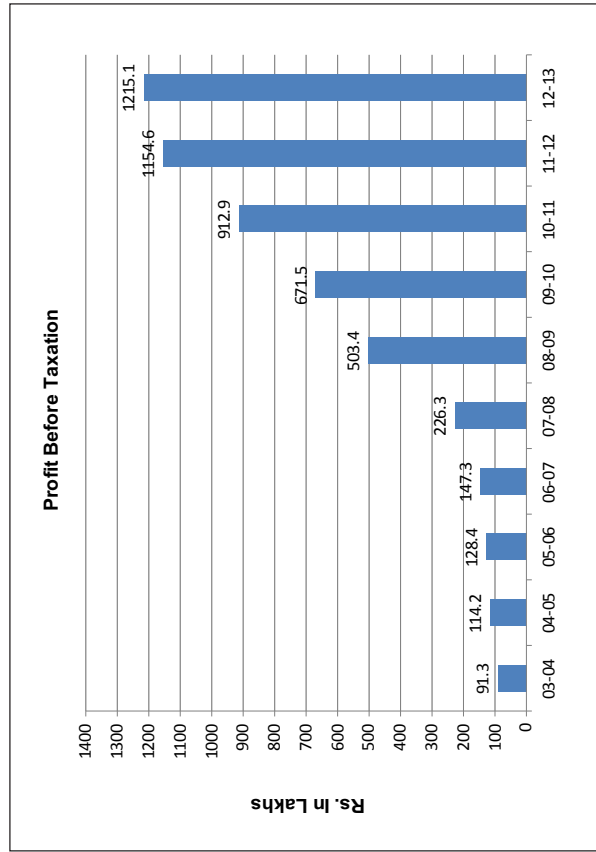
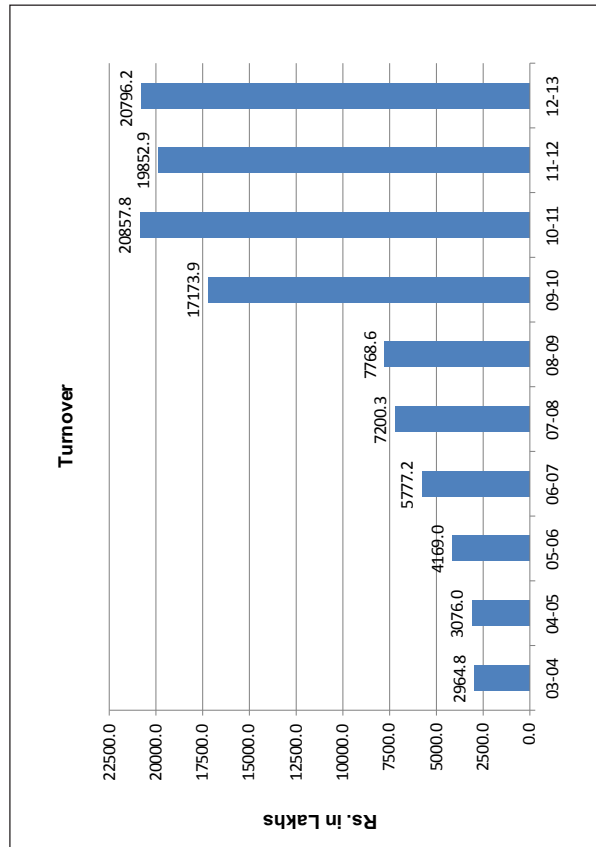
George J. Mathew
Chairman

Thekkady
26.07.13

NOTE: 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 OF PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

(Rs. in Lakhs)

| FINANCIAL YEAR SUMMARY | | | | | | | | | | |
|------------------------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|
| Particulars | 03-04 | 04-05 | 05-06 | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 |
| Sales | 2964.8 | 3076.0 | 4169.0 | 5777.2 | 7200.3 | 7768.6 | 17173.9 | 20857.8 | 19852.9 | 20796.2 |
| Profit before Taxation | 91.3 | 114.2 | 128.4 | 147.3 | 226.3 | 503.4 | 671.5 | 912.9 | 1154.6 | 1215.1 |
| Profit after Taxation | 57.7 | 73.8 | 84.0 | 95.7 | 145.0 | 319.0 | 426.9 | 589.2 | 758.6 | 797.9 |
| Share Capital | 146.7 | 194.2 | 196.6 | 199.99 | 199.99 | 199.99 | 199.99 | 399.98 | 399.98 | 399.98 |
| Reserves | 344.0 | 386.7 | 434.1 | 491.7 | 586.6 | 845.9 | 1201.6 | 1474.0 | 2093.1 | 2750.6 |
| Gross Fixed Assets | 467.7 | 479.1 | 561.5 | 581.3 | 595.0 | 597.7 | 715.2 | 782.9 | 914.0 | 1820.1 |
| Dividend % | 15.0 | 15.0 | 15.0 | 15.0 | 20.0 | 25.0 | 30.0 | 25.0 | 30.0 | 30.0 |



DIRECTORS' REPORT

A warm welcome to all, to this 23rd Annual General Meeting of your Company.

While the slow down in all sectors around us are palpable in our day-to-day activities, your company too continues to face an uphill task to present stellar performances, which we were used to previously. However economic and situational pressures all around have caught up with our activities as well, restricting high growth and spectacular results. Our related Commodities, particularly the cardamom industry, face a crisis situation today, with lower than cost prices and ever increasing costs of inputs and labour. Added to this was a severe drought the previous year followed by torrential rains, bringing in maladies of all types and sizes, which is debilitating the farmer from all directions.

We were able to show a growth – which of late has been a rather elusive occurrence of late - which was probably a little better than what the industry presented, given the circumstances. As with any downturn, operational elements during industry downturns are much more difficult, with slowing down of revenues for customers and the resultant delay in the 'trade operating cycle'. Any hindrance to the trade cycle will have a negative impact on sales volumes as well.

In spite of the general environment, we have managed to increase our revenue from operations to a small extent and also have shown a comparable growth in bottom-lines as well. As we speak today, things have hardly changed and we continue to tread the 'difficult' path, with barely meeting our Year on year revenue performances. Nevertheless we are resolved to exceed performances of the previous year and will spare no efforts to make this happen.

We continue to improve our CRISIL rating figures purely based on our performance from BBB+ to A- and

hopefully will improve on this further this year. (less than 10% of companies rated by CRISIL fall in this category). 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.

Let me get down to the duty of highlighting the year's performance. All divisions have performed relatively well, with some performing better than others.

FINANCIAL PERFORMANCE

Gross Turnover for the year grew by 4.75% to Rs. 20796.18 lacs driven by a small 5.73% growth in the traditional Agri-inputs division and a praiseworthy growth of 13.42% in Rubber division. Auction division performed creditably in spite of adverse conditions, contributing a turn over of Rs. 21632.19 lakhs. The rubber division showed a segment result of Rs.241.98 lakhs for the year.

Pre-tax profits increased by 5.24 % to Rs. 1215.09 lacs, while **Post-tax profit at Rs. 797.86 lacs registered a growth of 5.18%**. A preview of your Company's financial performance since 2003, is below.

(Figures in Rs. Lacs)

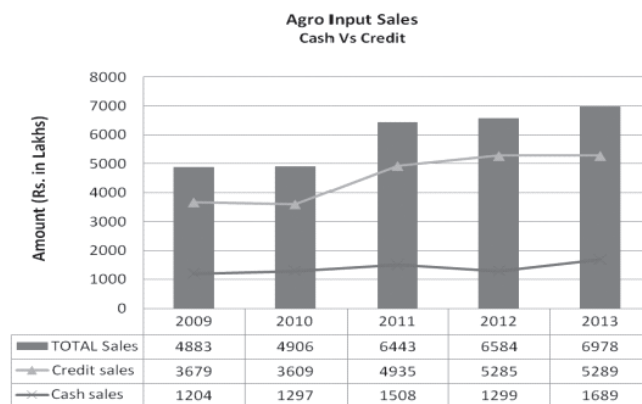
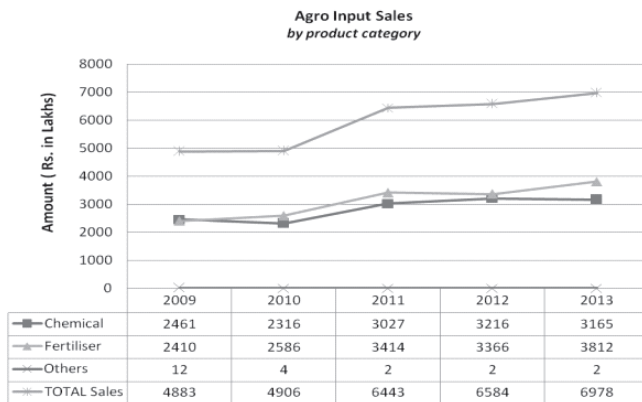
| KCPMC: Financial Highlights 2003-2013 & prv.yr | | | | |
|--|---------|----------|----------|---------------|
| Particulars | 2003 | 2013 | % growth | Prv Yr (2012) |
| Sales | 2624.87 | 20796.18 | 692.27 | 19852.88 |
| Gross Income | 2651.80 | 21891.14 | 725.52 | 20816.39 |
| Net Profit | 87.29 | 1215.09 | 1292.02 | 1154.61 |

As at 31st March 2013

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

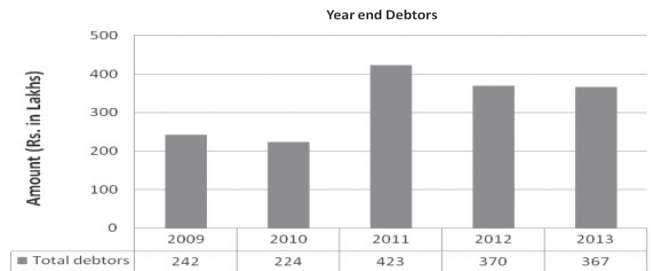
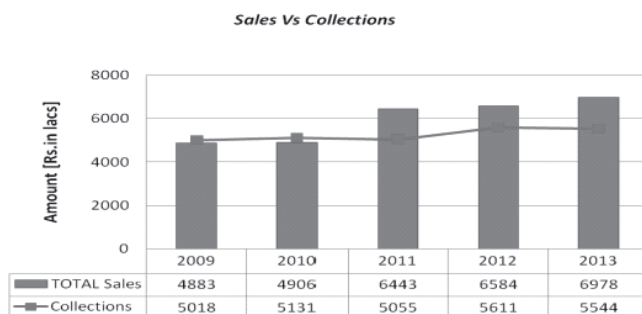
THE AGRO INPUTS DIVISION

Sales: The Agro Inputs division showed a total divisional turnover of Rs. 69.78 Cr (65.85 Cr prv. Yr).

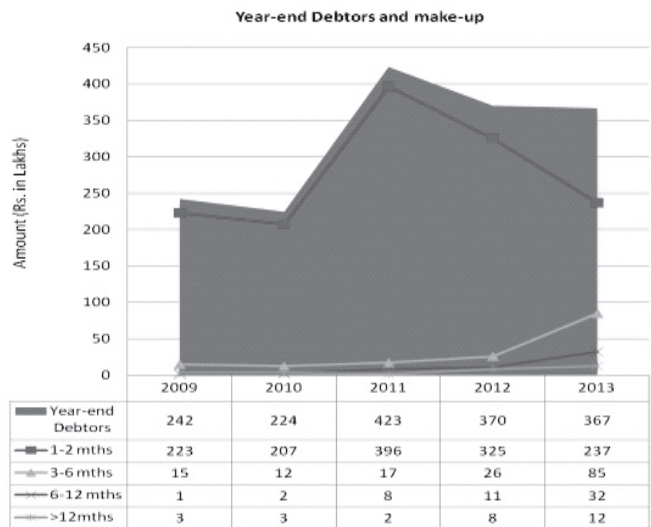


CREDIT AND COLLECTIONS:

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



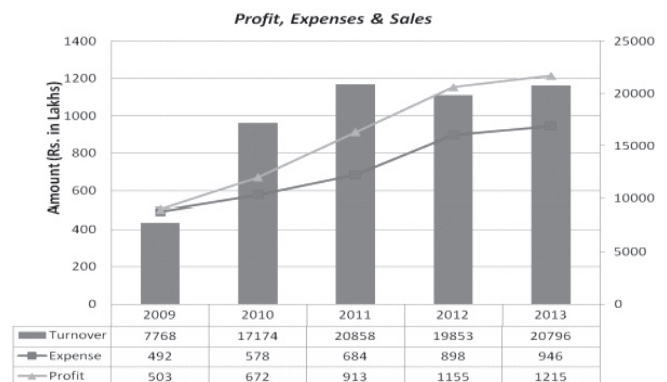
The following figures give a break up of the book.



An amount of Rs.10.80 lacs has been collected till date out of the debts of Rs.75.83 lacs outstanding for a period exceeding six months.

FINANCIAL PERFORMANCE:

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



Our profits have improved to Rs 1215.09lacs, which has been a result of efficient management of our product portfolio in such a manner as to aid our profitability. We have spruced up our product strategy to aid the prevailing atmosphere. A growth in bottom-lines is largely due to the better management of our product range.

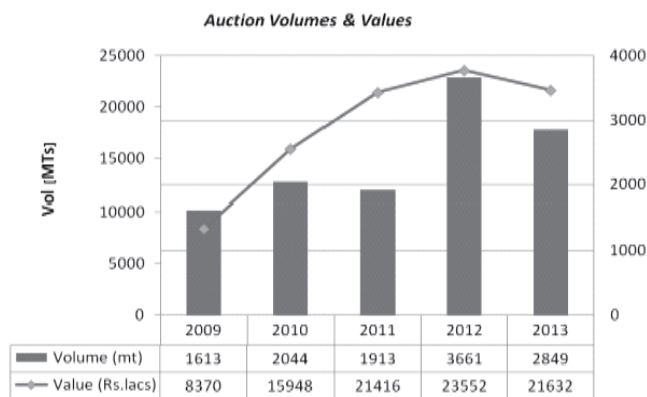
Expenses have been optimized at Rs. 946.05Lacs.

THE AUCTION DIVISION

Auction Volumes:

Auctions constitute a turnover of Rs. 216.32Cr and 2848.79MTs (see chart below). From a rather modest figure of 17.43 Cr in 2001, we have been able to effectively manage the above levels as of now.

We continue to face increasing competition in this field, but nevertheless maintain our position as the largest cardamom auctioneer in the country today. Our service levels, professionalism and relationship with planters, continue to be our focus to improve our performance.

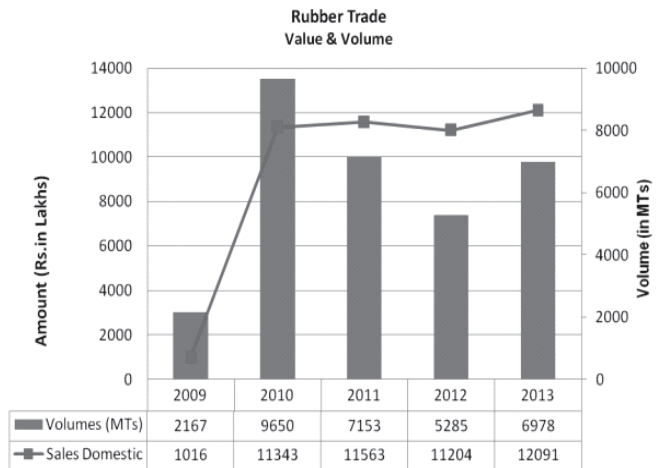


The Cardamom Trade Division continues to do modest volumes and also cater to the occasional export opportunity from time to time.

RUBBER TRADE DIVISION

The rubber division finally has come of age and showing encouraging results for the past 7 years continuously now. Domestic sales have been a record this year with major contributions from the international

business. The segment result from operations in rubber has been commendable at a modest Rs.241.98 lakhs.



The Current Scenario:

Another difficult year in the history of our company is how we can describe the previous year. Consolidation is what we have done with investment of company surpluses in valuable real estate. We also have opened brand new premises for the cardamom trade division at Bodinayakanur and another at Kanjirapally, to house the rubber division operations.

While we continue to consolidate our positions in all our business lines, 'skimming the final cream' appears to be more and more tougher. We seek to explore on new markets and opportunities and are confident that we will get there. Considering our history, culture, and perspective, decisions are not easy to come by, but once taken we will persevere to make it successful. This cautious approach has only helped us in the past and we hope that it will help us get to the right decision.

In line with our performance, the Board is pleased to propose a dividend of 30% on the share capital, which will be representative of the year's performance and its commitment to our shareholders.

We once again Thank, the Management and the Board,

The executives and staff, Bankers and regulators and in particular

Our Share holders, for their continued commitment,

And our Customers, for their continued trust and support.

RESERVES

Your Directors propose transfer of Rs.6,50,00,000/- to General Reserve Account.

DIVIDEND

Considering the balance amount available to the credit of the Profit & Loss account after transfer of Rs.6,50,00,000/- to the General Reserve and after reserving the amount that might be required for future operations, your Directors recommend a dividend of 30% on the Equity shares of Rs.10/- each, for declaration by the share holders at the Annual General Meeting to be held on 29th August 2013.

BOARD

As per the Articles of Association of the Company three Directors have to retire by rotation. Accordingly Mr. George J. Mathew, Mr. M. Arunan and Mr. K. I. Varkey retire at this meeting. They are eligible for re-appointment.

The term of office of Mr. Jojo George as the Managing Director will expire on 29.10.2013. Your Board has approved his re-appointment, subject to approval by the company in General Meeting, as Managing Director for another five years on remuneration of Rs.50000/- per month, in addition to the sitting fee payable as per Article 32 of the Articles of Association of the Company.

AUDITORS

Mr. K. T. Thomas F.C.A., the statutory Auditors of the Company, and M/s. Rangamani & Co., the Tax Auditors, retire at this Annual General Meeting. They are eligible for re-appointment.

PARTICULARS OF EMPLOYEES

None of the employees come under the category mentioned u/s 217(2A) of the Companies Act, 1956 and are not applicable for the year.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

The disclosure requirements in accordance with the provisions of section 217(l) (e) of the Companies Act, 1956, relating to "Conservation of energy, Technology Absorption" has not much relevance to your Company as your Company is carrying on purely trading operations. However your Company is making all efforts to conserve energy in all possible ways and absorb technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Export Activities

During the year your company arranged for import of Rubber from those Countries by major consumers in India. Your company has exported 103 tones of cardamom mainly to middle east countries and 380 tones of Rubber to Singapore and Malaysia during the year. Constant efforts are made by the company to explore new export markets for the items dealt with by us. Total Foreign Exchange earned is Rs.2198.34 lacs and used is Rs. 456.92 lacs.

DIRECTORS RESPONSIBILITY STATEMENT

The directors confirm that

1. In the preparation of annual accounts for the financial year 2012-13, 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 31-03-2013 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 for safeguarding the assets of the company for preventing and detecting fraud and other irregularities.

4. The Directors have prepared the annual accounts on a going concern basis.

CONCLUSION

Your company has been a leader and directional force in this small environment and has been successful in leading the challenge for regional economic and social

direction. However, it appears that it is time to think 'outside the box' and bring in a better perspective and larger vision to KCPMC. It may be time that we play a larger role in the social and economic fabric of at least the State, if not the larger economic space of the nation.

While we will continue to work ahead in providing the best of goods and services to our clients, we will explore newer opportunities in the region and also on a larger scale and area. We will continue to work towards providing our shareholders the best value and at the same time create more opportunities for jobs and therefore social empowerment.

Thank you,

On behalf of the Board of Directors

Sd/-

George J. Mathew
Chairman

Thekkady
25.07.2013

COMPLIANCE CERTIFICATE

Registration No. of the Company – U15495KL1990PLC005656
Nominal Capital: 5 Crores

To,
THE MEMBERS,
THE KERALA CARDAMOM PROCESSING AND
MARKETING COMPANY LTD
THEKKADY P O, KP.1/741B, SPICE HOUSE,
IDUKKI DIST.

I have examined the registers, records, books and papers of THE KERALA CARDAMOM PROCESSING AND MARKETING COMPANY LTD, IDUKKI as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the period ended on 31st March 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid period:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited company has more than the minimum prescribed paid – up Capital, and comments are not required.
4. The Board of Directors duly met Six times respectively on 14th June 2012, 5th July 2012, 23rd August 2012, 27th September 2012, 14th December 2012 and 21st March 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members.
6. The Annual General Meeting for the financial year ended on 31st March 2012 was held on 27th September 2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes book maintained for this purpose.
7. No extra Ordinary general meeting was held during the financial year.
8. The company has not advanced any loan to any of its directors or persons or firms or companies referred to section 295 of the Act during the year.
9. The company has duly complied with the provision of section 297 of the Act in respect of the contacts specified in that Section during the year.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act during the year.
12. The Board of Directors has approved the issue of duplicate / split share Certificate during the year.
13. In respect of the Company:
 - a) Delivered all the certificate on allotment of securities and lodgement thereof for transfer / transmission or any other purpose in accordance with the provision of the Act.
 - b) Deposited the amount of Dividend declared in a separate Bank Account on 28/09/2012, which is on the next day after the date of declaration of such dividend .
 - c) Paid / or posted cheque for dividends to all the members within a period of thirty days from the date of declaration and all unclaimed / unpaid dividends have been transferred to unpaid dividend Account of the Company with Union Bank of India, Kumily.

- d) Duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted and the appointment of Directors has been duly made.
 15. The reappointments and remuneration of Managing Director / Joint Managing Director are in compliance with the provision of section 269 read with the schedule XIII to the Act.
 16. The company has not appointed any sole selling agents during the financial year.
 17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar, and or such authorities prescribed under the various provisions of the Act during the financial year.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The company has not issued any shares during the financial year and complied with the provision of the Act.
 20. The company has not bought back any shares during the financial year.
 21. The company has not redeemed any preference shares / Debentures during the year. In fact, the company had never issued any redeemable shares or debentures.
 22. The Company did not keep in abeyance the rights to dividend, pending registration of transfer of shares during the year, since no application for transfer of shares was pending at the time of declaration of the dividend.
 23. The company has not invited/accepted any deposits or unsecured loan during the year or in any previous year, which is still outstanding.
 24. The Company has not borrowed any amount from Directors, Members, Public or Financial Institutions during the year and the amount borrowed by the Company from Banks during the year is within the borrowing limit of the Company. And also complied with the provisions of section 293(1) d of the companies Act 1956.
 25. During the Year, the Company has not made any loan or investment nor given guarantees or provided securities to other bodies corporate.
 26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
 27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
 28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
 29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has not altered its Articles of Association during the financial year.
 31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act as informed by the management.
 32. The company has not received any money as security from its employees during the financial year.
 33. The company has deposited both employee's & employer's contributions to Provident Fund with the prescribed authorities pursuant to section 418 of the Act during the year.

Place: Poovarany

Date: 25.07.2013

Signature:

Name of the Company Secretary: V. J. JOSEPH

C.P. No. : 3605

M. No : 13912

Annexure 'A'

Registers as maintained by M/S. THE KERALA CARDAMOM PROCESSING AND MARKETING COMPANY LIMITED, THEKKADY.

Statutory Registers:-

| | | |
|----|---|----------|
| a) | Registers of Charges | U/s 143 |
| b) | Registers of Members | U/s 150 |
| c) | Index of Members | U/s 151 |
| d) | Register of Returns | U/s 163 |
| e) | Minutes Books of Board meetings and General meetings | U/s 193 |
| f) | Register of the contract | U/s 301 |
| g) | Books of Accounts | U/s 209 |
| h) | Register of Directors, Managing Directors and Manager | U/s 303 |
| i) | Register of Director's share holdings | U/s 307 |
| j) | Register of Investments | U/s 49 |
| k) | Register of intercorporate loans and investments | U/s 372A |

Other Registers

- a) Register of Director's Attendance.
- b) Register of share holder's attendance.
- c) Register of Fixed Assets.
- d) Register Document sealed.
- e) Register of Proxies.
- f) Nomination Register.
- g) Registration of application and allotments.
- h) Register of Transfers.
- i) Register of renewed and duplicate share Certificates.

Note: The Company has not maintained the following registers as it was informed that there were no entries/ transaction to be recorded therein.

- a) Register of Securities bought back U/s 77A.
- b) Register of Destruction of Records/Documents.
- c) Register of inspection.
- d) Register and Index of Debentures holdings under section 152.
- e) Minutes Books of Class Meeting / Creditores Meeting.
- f) Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rule 1975.
- g) Foreign Registers of Members or Debenture holders U/s 157.
- h) Cost records U/s 209.

Annexure B

Forms and Returns as filed by M/s. The Kerala Cardamom Processing And Marketing Company Limited, Thekkady with the Registrar of Companies, Regional Director, Central Government or other authorities during the period ended 31st March 2013.

| S.L No | Forms & Returns | Filed under section | Filed with | For | Date of filing | Whether filed within prescribed time yes/no | If delay in filing whether requisite additional fee paid yes/no |
|--------|-----------------------|---|------------|---|----------------|---|---|
| 1 | Form No.66 | 383A | ROC | 31/03/2012 | 18/10/2012 | Yes | No |
| 2 | Form No.20B | 159(1) | ROC | Upto 27/09/2012 | 27/11/2012 | No | Yes |
| 3 | Form No.23AC & 23 ACA | 220 | ROC | 31/03/2012 | 15/01/2013 | Yes | No |
| 4 | Form No.32 | 303(2), 264(2) Or 266(1)(a)266(1)(b) | ROC | Appointment and change among Directors | 21/07/2012 | No | Yes |
| 5 | Form No.32 | 303(2), 264(2) Or 266(1)(a)266(1)(b) | ROC | Appointment and change among Directors | 23/08/2012 | No | Yes |
| 6 | Form No.32 | 303(2), 264(2) Or 266(1)(a)266(1)(b) | ROC | Appointment and change among Directors | 18/10/2012 | Yes | No |
| 7 | Form No.2 | 205(C) | ROC | Investor Education and Protection Fund | 09/04/2012 | NA | NA |
| 8 | Form No.2 | 205(C) | ROC | Investor Education and Protection Fund | 09/07/2012 | NA | NA |
| 9 | Form 5 INV | 205(C), IEPF Rule 2012 | ROC | Statement of unclaimed and unpaid amounts | 01/08/2012 | NA | NA |
| 10 | Form 5 INV | 205(C), IEPF Rule 2012 | ROC | Statement of unclaimed and unpaid amounts | 22/12/2012 | NA | NA |

Place : Poovary

Date : 25.07.2013

Signature :

Name of the Company Secretary : V. J. Joseph

C.P. No. : 3605

M. No. : 13912

AUDITOR'S REPORT

To The Members,

The Kerala Cardamom Processing and Marketing Company Limited.,

I have audited the attached Balance Sheet of The Kerala Cardamom Processing and Marketing Company Limited as on 31st March 2013, annexed Statement of Profit & Loss and also the Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with the auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

I report that

1. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
2. 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.
3. The Balance Sheet, statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the book of account.
4. In my opinion, the Balance Sheet, statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. Based on the relevant information received by the Company from Directors as on 31st March 2013, I report that none of the Directors are disqualified as on March 31, 2013 from being appointed as a Director in terms of Section 274(1) (g) of the Companies Act, 1956.
6. In my opinion and to the best of my information and according to the explanations given to me the said financial material together with the notes made thereon give information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - i In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013 and
 - ii In the case of the statement of Profit and Loss, of the Profit for the year ended on that date.
 - iii In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.
7. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (hereinafter referred to as the Order). I further report that:
 - I (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.

- (b) I have been informed that, the management at reasonable intervals has physically verified the Fixed Assets and no material discrepancies were noticed on such verification.
- (c) During the year the company has not disposed off a substantial part of fixed assets and therefore paragraph 4(i) (c) of the order is not applicable.
- II (a) In my opinion the inventory has been physically verified during the Year by the management at reasonable intervals.
- (b) In my opinion the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In my opinion, the company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of inventories as compared to book records.
- III (a) During the year the company has not granted or taken any loans to/from companies, firms or any other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence in my opinion clauses (b), (c) and (d) are not applicable to the company.
- IV According to the information and explanations given to me there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of my audit, I have not observed any continuing failure to correct major weaknesses, if any, in internal control.
- V. (a) According to the explanations given to me transaction that needs to be entered into the register maintained under section 301 of the Companies Act 1956 has been so entered. Based on the information and explanations given, in my opinion clause (b) is not applicable to the company.
- VI. In my opinion and according to the information and explanations given to me, the company has not accepted deposits from the public to which the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are applicable and therefore paragraph 4(vi) of the Order is not applicable.
- VII. The internal audit of the company is carried out by an external firm appointed by its management. Based on the information and explanation given to me and the records reviewed by me I am of the opinion that the internal audit is commensurate with the size of the company and the nature of its business.
- VIII. In my opinion and according to the information and explanations given to me, maintenance of cost records has not been prescribed in respect of the company by the Central Government under clause(d) of sub-section(1) of section 209 of the Companies Act, 1956.
- IX. (a) In my opinion and according to the information and explanations given to me, the company is generally regular in depositing undisputed statutory dues including, Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, if any applicable to it with appropriate authorities.
- (b) According to the information and explanations given to me, there are no outstanding dues of Sales Tax/ Income Tax/ Customs Tax/ Wealth Tax/ Excise Duty/ Cess disputed by the Company, except the following

| Name of the statutes | Nature of the dues | Amount Rs. | Period to which the Amount relates | Forum where dispute is pending |
|----------------------|--------------------|---------------|---------------------------------------|-----------------------------------|
| Income Tax Act 1961 | Income Tax | 6,52,154 | A.Y. 2006-07 | C.I.T. (Appeals) |

- X. The Company has neither accumulated losses at the end of the financial year nor it has incurred cash losses during the financial year as well as in immediately preceding financial year.
- XI. In my opinion and according to the information and explanations given to me, the Company has not defaulted in repayment of dues to financial institutions and banks.
- XII. The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and therefore paragraph 4(xii) of the Order is not applicable.
- XIII. The provisions of special statute applicable to Chit fund and nidhi / mutual benefit fund / society are not applicable to the Company and therefore, paragraph 4(xiii) of the Order is not applicable.
- XIV. The Company is not dealing in or trading in shares, securities, debentures and other investments and therefore paragraph 4(xiv) of the Order is not applicable.
- XV. According to the information and explanations given to me, the Company has given guarantee and has extended the equitable mortgage of its landed properties as collateral security for a loan taken by another concern from a bank as mentioned in Note No. 15.
- XVI. Based on the information and explanations given to me, the term loans were used for the purpose for which it was obtained.
- XVII. According to the information and explanations given to me, and on an overall examination of the Balance Sheet of the Company I report that no funds raised on short term basis have been used for long term investment and that no long term funds have been used for short term investment.
- XVIII. During the year company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- XIX. The Company has not issued any debentures during the year and therefore paragraph 4(xix) of the Order is not applicable.
- XX. The Company has not raised any money by way of public issue during the year.
- XXI. According to the explanations given to me, no fraud on the Company or by the company has been noticed or reported during the year.

PONKUNNAM
25.07.2013

Sd/
K. T. THOMAS
Chartered Accountant
(Membership No. 022112)

BALANCE SHEET AS AT 31ST MARCH 2013

| PARTICULARS | NOTE NO. | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|--------------------------------------|----------|----------------------------|----------------------------|
| I EQUITY AND LIABILITIES | | | |
| (1) SHAREHOLDERS' FUNDS | | | |
| a)Share Capital | 1 | 39998000 | 39998000 |
| b)Reserves and Surplus | 2 | 275055161 | 209307651 |
| (2) NON - CURRENT LIABILITIES | | | |
| a)Long-term Borrowings | 3 | 1422928 | 1458198 |
| b)Deferred Tax Liabilities (Net) | 4 | 1211439 | 1212010 |
| (3) CURRENT LIABILITIES | | | |
| a)Short - Term borrowings | 5 | 41123437 | 73407942 |
| b)Trade Payables | 6 | 55083204 | 36214807 |
| c)Other Current Liabilities | 7 | 12899321 | 8028007 |
| d)Short Term Provisions | 8 | 57794898 | 55896303 |
| TOTAL | | 484588388 | 425522918 |
| II ASSETS | | | |
| (1) NON-CURRENT ASSETS | | | |
| a)Fixed Assets | | | |
| i)Tangible Assets | 9 | 158921837 | 69714844 |
| b)Long-Term Loans and Advances | 10 | 425000 | 565500 |
| (2) CURRENT ASSETS | | | |
| a)Inventories | 11 | 74073321 | 54744656 |
| b)Trade Receivables | 12 | 133820397 | 175086007 |
| c)Cash and Cash Equivalents | 13 | 75650423 | 83286575 |
| d)Short-Term Loans and Advances | 14 | 41697410 | 42125336 |
| TOTAL | | 484588388 | 425522918 |

Accompanying notes 1 to 34 form part of the financial statements

As per my separate audit report of even date attached

Sd/-
GEORGE J. MATHEW
Chairman

Sd/-
JOJO GEORGE
Managing Director

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

Sd/-
K.T.THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

| PARTICULARS | | NOTE NO. | 2012-2013 Rs. | 2011-2012 Rs. |
|-------------|--|----------|-------------------|------------------|
| I | Revenue from operations | 16 | 2147201719 | 2042608615 |
| II | Other income | 17 | 41911977 | 39030828 |
| III | Total Revenue | | 2189113696 | 2081639443 |
| IV | Expenses | | | |
| | Purchases of Stock-in-Trade | 18 | 1989297891 | 1885258253 |
| | Changes in Inventories of Stock-in-Trade | 19 | (19328665) | (11423282) |
| | Employee Benefits Expense | 20 | 18910872 | 20095009 |
| | Finance Costs | 21 | 2725625 | 2442555 |
| | Depreciation and Amortization Expense | 9 | 3029474 | 2578947 |
| | Other Expenses | 22 | 72969115 | 67226984 |
| | Total Expenses | | 2067604312 | 1966178466 |
| V | Profit Before Tax | | 121509384 | 115460977 |
| VI | Tax expense | | | |
| | 1) Current tax | | 41500000 | 39700000 |
| | 2) Prior year's tax | | 223748 | 40337 |
| | 3) Deferred tax | | (571) | (136288) |
| VII | Profit for the year | | 79786207 | 75856928 |
| VIII | Earnings per equity share | | | |
| | 1) Basic | | 20 | 19 |
| | 2) Diluted | | 20 | 19 |

Accompanying notes 1 to 34 form part of the financial statements

Sd/-
GEORGE J. MATHEW
Chairman

Sd/-
JOJO GEORGE
Managing Director

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

Sd/-
K.T.THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

| PARTICULARS | 2012-2013 Rs. | 2011-2012 Rs. |
|--|-------------------------|-------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 121509384 | 115460977 |
| Adjustments: | | |
| Depreciation/Amortization | 3029474 | 2578947 |
| Finance Cost | 2725625 | 2442555 |
| (Profit)/Loss on sale of assets (net) | (474778) | (770101) |
| Bad debts written off | - | 652885 |
| Net (gain)/loss of foreign currency translation | (823732) | - |
| Dividend received from short term liquid funds | (613105) | (253569) |
| Operating Profit before working capital changes | <u>125352868</u> | <u>120111694</u> |
| Movements in working capital: | | |
| Increase/(decrease) in trade payable | 18868398 | (23207772) |
| Increase/(decrease) in Short term borrowings | (32284506) | 29665125 |
| Increase/(decrease) in Long term borrowings | (35270) | (2052593) |
| Increase/(decrease) in Short term provisions | 5900 | 400470 |
| Increase/(decrease) in other current liabilities | 4664415 | 4666966 |
| Decrease/(increase) in trade receivables | 41265610 | (47401486) |
| Decrease/(increase) in inventories | (19328665) | (11423282) |
| Decrease/(increase) in long term loans and advances | 140500 | 266000 |
| Decrease/(increase) in short term loans and advances | 427926 | (12820450) |
| Net Decrease/(increase) in working capital | <u>13724308</u> | <u>(61907022)</u> |
| Cash generated from/(used in) operations | <u>139077176</u> | <u>58204672</u> |
| Direct Taxes paid (net of refunds) | (39923748) | (32360337) |
| Net cash flow from/(used in) operating activities | 99153428 | 25844335 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (92733189) | (14411951) |
| Proceeds from sale of fixed assets | 971500 | 1367000 |
| Purchase of short term liquid funds | (50000000) | (35000000) |
| Redemption of short term liquid funds | 50613105 | 35253569 |
| Net cash flow from/(used in) investing activities | (91148584) | (12791382) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Finance cost paid | (2725625) | (2442555) |
| Dividend paid | (11792501) | (9735526) |
| Dividend Distribution Tax paid | (1946603) | (1660792) |
| Net cash flow from/(used in) financing activities | (16464729) | (13838873) |
| Net increase/(decrease) in cash and cash equivalents | (8459884) | (785921) |
| Cash and cash equivalents as at the beginning of the Year | 83286575 | 84072496 |
| Net gain/(loss) of foreign currency translation | 823732 | - |
| Cash and cash equivalents as at the end of the Year | 75650423 | 83286575 |

Sd/-
GEORGE J. MATHEW
Chairman

Sd/-
JOJO GEORGE
Managing Director

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

Sd/-
K.T. THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

| Notes forming part of the financial statements for the year ended 31.03.2013 | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|--|----------------------------|----------------------------|
|--|----------------------------|----------------------------|

I NOTES TO BALANCE SHEET

(1) Share Capital

| | | | | |
|---|-------------------|-----------------|-------------------|----------|
| (a) Authorized 5000000 (5000000) Equity Shares of Rs.10/-Each | | 5000000 | | 5000000 |
| (b) Issued, Subscribed & Fully paid up 3999800 (3999800) Equity Shares of Rs.10/- Each | | 39998000 | | 39998000 |
| (c) Reconciliation of Number of Shares | 31.03.2013 | | 31.03.2012 | |
| | No.of Shares | Amount | No.of Shares | Amount |
| Opening Balance | 3999800 | 39998000 | 3999800 | 39998000 |
| Closing Balance | 3999800 | 39998000 | 3999800 | 39998000 |

(d) Rights and preferences attaching 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.

(e) Shares issued as fully paid up by way of bonus shares during the 5 years preceding 31.03.2013: The Company allotted 1999900 equity shares of Rs.10/- each as fully paid up bonus shares by utilisation of securities premium account balance and general reserve in terms of the resolution passed at the Extra ordinary General Meeting held on 27.07.2010

(2) Reserves and Surplus

| | | | | |
|---|--|------------------|--|-----------|
| (a) Revaluation Reserve | | 13979396 | | 13979396 |
| (b) General Reserve | | | | |
| As per last balance sheet | | 190774158 | | 125774158 |
| Add: Transfer from Profit & Loss A/c | | 65000000 | | 65000000 |
| | | 255774158 | | 190774158 |
| (c) Surplus in Statement of Profit and Loss | | | | |
| Opening Balance | | 4554098 | | 7643172 |
| Add: Net profit for the current year | | 79786207 | | 75856928 |
| Less: Proposed Dividend | | 11999400 | | 11999400 |
| Less: Dividend Distribution Tax | | 2039298 | | 1946603 |
| Less: Transfer to General Reserve | | 65000000 | | 65000000 |
| | | 5301607 | | 4554097 |

TOTAL

275055161

209307651

Sd/-
GEORGE J. MATHEW
Chairman

Sd/-
JOJO GEORGE
Managing Director

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

Sd/-
K.T.THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

| Notes forming part of the financial statements for the year ended 31.03.2013 | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|--|----------------------------|----------------------------|
| (3) Long Term Borrowings | | |
| Secured | | |
| (a) Term Loans | | |
| From Banks - Refer Note No.23 for details of Security. | 1422928 | 1458198 |
| (4) Deferred tax liabilities (Net) | | |
| The Deferred Tax Liabilities on taking into account the impact of timing differences between financial statements and estimated taxable income are as under. | | |
| On account of Depreciation | 1211439 | 1212010 |
| (5) Short Term Borrowings | | |
| Secured | | |
| (a) Loans Repayable on demand | | |
| From Banks Refer Note No.23 for details of Security. | 41123437 | 73407942 |
| (6) Trade Payables | | |
| (a) Due to Micro and Small Enterprises | - | - |
| (b) Due to Others - Refer Note No.24 | 54580979 | 31924755 |
| (c) Creditors for Expenses | 502225 | 4290052 |
| TOTAL | 55083204 | 36214807 |
| (7) Other Current Liabilities | | |
| (a) Unpaid Dividend | 1149151 | 942251 |
| (b) Statutory Dues | 6863644 | 6205055 |
| (c) Advance Received from Customers | 4876526 | 870701 |
| (d) Security Deposit | 10000 | 10000 |
| TOTAL | 12899321 | 8028007 |
| (8) Short Term Provision | | |
| (a) for Employee Benefits-Bonus & Ex Gratia | 2256200 | 2250300 |
| (b) for Taxation | 41500000 | 39700000 |
| (c) for Proposed Dividend | 11999400 | 11999400 |
| (d) for Dividend Distribution Tax | 2039298 | 1946603 |
| TOTAL | 57794898 | 55896303 |

Sd/-
GEORGE J. MATHEW
Chairman

Sd/-
JOJO GEORGE
Managing Director

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

Sd/-
K.T.THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

(9) FIXED ASSETS:-Tangible Assets

| PARTICULARS | ORIGINAL COST | | DEPRECIATION | | | | WRITTEN DOWN VALUE | |
|----------------------|----------------------------|----------------------------------|------------------|----------------------------|------------------------|-----------------------------|--------------------|--------------------------|
| | AS ON 01.04.2012 Rs. | ADDITIONS/ (DELETIONS) Rs. | TOTAL Rs. | UP TO 01.04.2012 Rs. | FOR THE YEAR Rs. | Sale/ Adjustments Rs. | TOTAL Rs. | AS ON 31.03.12 Rs. |
| Freehold land | 51135133 | 70337737 | 121472870 | | | | 121472870 | 51135133 |
| Building | 22033142 | 13910109 | 35943251 | 9901916 | 820819 | 0 | 10722735 | 12131226 |
| Plant & Equipments | 2811429 | 2447920 | 5259349 | 1206117 | 309955 | | 1516072 | 1605312 |
| Furniture & Fixtures | 2814054 | 829343 | 3643397 | 2596684 | 45925 | | 2642609 | 217370 |
| Vehicles | 7732265 | 5149080 | 10763874 | 4331724 | 1343842 | 1620749 | 4054817 | 3400541 |
| Office Equipments | 4863939 | 59000 | 4922939 | 3638934 | 508882 | | 4147816 | 1225005 |
| Others (Bicycle) | 6358 | 0 | 6358 | 6101 | 51 | | 6152 | 257 |
| TOTAL | 91396320 | 90615718 | 182012038 | 21681476 | 3029474 | 1620749 | 23090201 | 69714844 |
| PREVIOUS YEAR | 78292181 | 13104139 | 91396320 | 19813442 | 2578947 | 710913 | 21681476 | 58478739 |

Sd/-
GEORGE J. MATHEW
Chairman

Sd/-
JOJO GEORGE
Managing Director

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

Sd/-
K.T. THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

| Notes forming part of the financial statements for the year ended 31.03.2013 | As at 31.03.2013 Rs. | As at 31.03.2012 Rs. |
|---|----------------------------|----------------------------|
| (10) Long Term Loans & Advances | | |
| Unsecured considered good | | |
| (a) Security Deposits | 425000 | 565500 |
| (11) Inventories | | |
| (a) Stock in Trade | 74073321 | 54744656 |
| Refer Note No.34(b) for method of valuation | | |
| (12) Trade Receivables | | |
| Unsecured considered good | | |
| (a) Debts outstanding for a period exceeding six months. | 7583174 | 2585589 |
| (b) Other Debts | 126237223 | 172500418 |
| TOTAL | 133820397 | 175086007 |
| (13) Cash and Cash Equivalents | | |
| (a) Balances with Banks | 32050779 | 43418851 |
| (b) Unpaid Dividend Account Balance | 1148427 | 935628 |
| (c) Cheques, Drafts on hand | 36187084 | 24486289 |
| (d) Cash on Hand | 6264133 | 14445807 |
| TOTAL | 75650423 | 83286575 |
| (14) Short-Term Loans & Advances | | |
| Unsecured considered good | | |
| (a) Prepaid Insurance | 878594 | 656203 |
| (b) Income Tax Advance and TDS | 19773936 | 16297472 |
| (c) Security Deposit | 4960372 | 4926002 |
| (d) Advance Paid to Suppliers | 12150715 | 18636736 |
| (e) Other Advances | 3933793 | 1608923 |
| TOTAL | 41697410 | 42125336 |
| (15) Contingent Liabilities and Commitments:- To the extent not provided for | | |
| (i) Contingent Liabilities : | | |
| (a) Claims against the company not acknowledged as debt | Nil | Nil |
| (b) Guarantees: The Company has given guarantee and extended the mortgage of some of its landed properties and buildings thereon in favour of Central Bank of India, Kumily Branch, for a cash credit limit of Rs.500 lakhs (Previous year Rs.500 lakhs) availed by The Cardamom Planters' and Marketing Co-Operative Society Limited. The balance outstanding in their cash credit account as on 31-03-2013 is Rs.14901790.61 (Previous Year Rs.30349725.34/-) | | |
| (ii) Commitments : | | |
| (a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for. | Nil | Nil |

Sd/-
GEORGE J. MATHEW
Chairman

Sd/-
JOJO GEORGE
Managing Director

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

Sd/-
K.T.THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

| Notes forming part of the financial statements for the year ended 31.03.2013 | 2012-2013 Rs. | 2011-2012 Rs. |
|--|-------------------|------------------|
| II NOTES TO STATEMENT OF PROFIT AND LOSS | | |
| (16) Revenue from Operations | | |
| (a) Sale of Products | 2079617670 | 1985287855 |
| (b) Other Operating Revenues | | |
| Discount Received | 36898869 | 22183689 |
| Commission - Auction | 29802656 | 32809415 |
| Commission - Consignment | 20000 | 190000 |
| Export Incentive | 862524 | 2137656 |
| TOTAL | 2147201719 | 2042608615 |
| (17) Other Income | | |
| (a) Dividend Income from short term liquid funds | 613105 | 253569 |
| (b) Net Gain/(Loss) on sale of Fixed Assets | 474778 | 770101 |
| (c) Transport & handling charges collected | 13968803 | 19145829 |
| (d) Rent Received | 253632 | 257632 |
| (e) Bad debt Recovered | 0 | 1000000 |
| (f) Net gain/loss of foreign currency translation and transaction | 1242296 | 1527196 |
| (g) Interest Received on Security deposit | 92759 | 89895 |
| (h) Others (Refer Note No. 30) | 25266604 | 15986606 |
| TOTAL | 41911977 | 39030828 |
| (18) Purchases of Stock-in-Trade | | |
| (a) Fertilisers & Neemcake | 342831751 | 310326986 |
| (b) Coppersulphate & Chemicals | 269439578 | 283337310 |
| (c) Sprayers, Hose & Irrigation Systems | 150450 | 117000 |
| (d) Rubber Sheet | 1269148343 | 1118280802 |
| (e) Gunnies | 8742940 | 9045836 |
| (f) Cardamom | 98975942 | 164123784 |
| (g) Spices | 8887 | 26535 |
| TOTAL | 1989297891 | 1885258253 |
| (19) Changes in Inventories of Stock in Trade | | |
| Opening Stock | 54744656 | 43321374 |
| Closing Stock | 74073321 | 54744656 |
| | (19328665) | (11423282) |
| (20) Employee Benefit Expense | | |
| (a) Salaries & Wages | 16287889 | 17675668 |
| (b) Provident Fund Contribution | 892366 | 840186 |
| (c) Gratuity & Medical Insurance Premium | 1130617 | 1034155 |
| (d) Salary to Directors. | 600000 | 545000 |
| TOTAL | 18910872 | 20095009 |

Sd/-
GEORGE J. MATHEW
Chairman

Sd/-
JOJO GEORGE
Managing Director

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

Sd/-
K.T.THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

| Notes forming part of the financial statements for the year ended 31.03.2013 | 2012-2013 Rs. | 2011-2012 Rs. |
|---|------------------|------------------|
| (21) Finance Cost | | |
| (a) Interest Expense | 1810933 | 1119601 |
| (b) Other borrowing costs | 528273 | 1016764 |
| (c) Bank charges | 386419 | 306190 |
| TOTAL | 2725625 | 2442555 |
| (22) Other Expenses | | |
| (a) Freight and Handling | 15593869 | 13257056 |
| (b) Power & Fuel | 697923 | 555605 |
| (c) Rent | 4356773 | 4045020 |
| (d) Repairs to Building | 6889809 | 5043973 |
| (e) Repairs to Others | 171415 | 171238 |
| (f) Insurance | 366344 | 376529 |
| (g) Rates & Taxes | 572073 | 273467 |
| (h) Vehicle Running & Maintenance | 3562661 | 2514486 |
| (i) Grading and Packing Expense | 1768461 | 2742731 |
| (j) Travelling Expense | 2760350 | 2174658 |
| (k) Sitting fee to Directors | 135000 | 135000 |
| (l) Selling and Marketing Expense | 14080920 | 8499235 |
| (m) Books & Periodicals | 54716 | 40351 |
| (n) Postage and Telephone | 808078 | 862078 |
| (o) Printing & Stationery | 624293 | 556344 |
| (p) Taxes Paid | 314568 | 51069 |
| (q) Service Tax paid | 265574 | 245925 |
| (r) Brokerage and Commission | 1687399 | 1226596 |
| (s) Discount Paid | 4372411 | 10720362 |
| (t) Auction Expense | 8917774 | 9110742 |
| (u) Office Expense | 2453576 | 2176196 |
| (v) Other Expenses | 266150 | 167435 |
| (w) Professional Charges | 2048978 | 1448004 |
| (x) Payment to Auditors | | |
| As Auditor | 150000 | 130000 |
| For Taxation Matters | 35000 | 35000 |
| For Reimbursement of Expenses | 15000 | 15000 |
| (y) Bad debt Written off | 0 | 652885 |
| TOTAL | 72969115 | 67226984 |

Sd/-
GEORGE J. MATHEW
Chairman

Sd/-
JOJO GEORGE
Managing Director

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

Sd/-
K.T.THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

III OTHER NOTES

- (23) The secured long term & short term loans of the company are secured by hypothecation of inventories and book debts and collaterally secured by equitable mortgage of the landed properties of the company and buildings thereon in Kumily, Santhanpara and Bodinayakannur Villages. The term loan is repayable in 12 progressive instalments. No arrears in the repayment of term loan.
- (24) 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)
- (25) Some of the Sundry Debtors and Sundry Creditors are subject to confirmation balance.
- (26) Freehold Land and Building under Fixed Assets include land without pattayam valued Rs.11,860 and building for Rs.9,00,000 on land without pattayam in respect of which transfer deed has not been registered in favour of this company.
- (27) F.O.B. value of Cardamom & Rubber Trade Export during the year Rs.152914883.21 (Previous year Rs.136264026/-) -Freight and Incidental Charges Rubber Rs.66919482 (previous Year Rs. 31165752)
- (28) Expenditure in foreign currency - Freight and Incidental Charges - Rs. 44837308 (Previous Year - Rs. 21158472) Foreign Travel - Rs. 685859.00 (Previous Year - Rs. 617250.00) Brokerage/Commission-Rs.168350.00 (Previous Year -Rs.0.00) Total-Rs.45691517.00 (Previous year Rs. 21775722.00)
- (29) The information required to be disclosed as per of Schedule VI to the Companies Act, 1956 are disclosed only to the extent particulars are applicable to the Company which is a Trading Company.
- (30) The amount of 'Others' under Other Income in Note 17 consist of :-
- | | | |
|--|------------------|----------|
| | 31.03.13 | 31.03.12 |
| a) Profit /(Loss)on Future Trading | (3360150) | 5547541 |
| b) Intermediary Trade | 1599817 | - |
| c) Freight and incidental charge Rubber- | 22082174 | 10007280 |
| d) Export Order Cancellation | 1987414 | - |
| e) Miscellaneous Income Auction | 730 | 864 |
| f) Early Payment Discount Received | 2948370 | - |
| g) Service Tax Refund | 7271 | 420597 |
| h) Round off A/c | 978 | 10324 |
| Total | 25266604 | 15986606 |
- (31) Previous year's figures have been regrouped or reclassified wherever necessary to compare with current year's figures.

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Sd/-
JOJO GEORGE
Managing Director

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

Sd/-
K.T.THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

(32) SEGMENT INFORMATION

| Particulars | 31-03-2013 Rs. | 31-03-2012 Rs. |
|---|-------------------|-------------------|
| 1. Segment Revenue | | |
| (a) Agro Inputs | 734750125 | 680796445 |
| (b.1) Cardamom Domestic | 15617244 | 55244893 |
| (b.2) Cardamom Export | 96022299 | 151634655 |
| (c.1) Rubber Domestic | 1209117000 | 1120399425 |
| (c.2) Rubber Export | 61892395 | 1723782 |
| (d) Cardamom Auction | 29802656 | 32809415 |
| Net Sale/Income from Operations | 2147201719 | 2042608615 |
| 2. Segment Results (Profit/(Loss) before Tax and Finance Cost) | | |
| a) Agro Input | 120801238 | 95016438 |
| b) Cardamom | 2059040 | 22297810 |
| c) Rubber | 24198363 | 15177375 |
| d) Cardamom Auction | 25764371 | 25542267 |
| Total | 172823013 | 158033890 |
| Less: | | |
| (i) Finance Cost | 2725625 | 2442555 |
| (ii) Other un-allocable expenditure net of un-allocable income | 48588004 | 40130357 |
| Profit before Tax | 121509384 | 115460977 |
| Less: | | |
| (1) Current tax | 41500000 | 39700000 |
| (2) Prior year's tax | 223748 | 40337 |
| (3) Defferred tax liability | (571) | (136288) |
| Profit after Tax | 79786207 | 75856928 |
| 3. Segment Assets | | |
| a) Agro Input | 117982412 | 116437088 |
| b) Cardamom | 15930281 | 11259138 |
| c) Rubber | 16224545 | 627924 |
| d) Cardamom Auction | 76273376 | 129535682 |
| Total | 226410614 | 257859832 |
| Un allocated corporate assets | 258177774 | 167663086 |
| Total assets as per Balance Sheet | 484588388 | 425522918 |
| 4. Segment Liabilities | | |
| a) Agro Input | 42534333 | 26837327 |
| b) Cardamom | 289507 | 347796 |
| c) Rubber | 2310735 | 3916990 |
| d) Cardamom Auction | 21120210 | 11577869 |
| Total | 66254785 | 42679982 |
| Un allocated Corporate Liabilities | 103280443 | 133537285 |
| Share holders Funds | 315053161 | 249305651 |
| Total Liabilities as per Balance Sheet | 484588388 | 425522918 |
| 5. Un allocated Segment Capital Employeed* | 315053161 | 249305651 |
| 6. Un allocated Segment Capital Expenditure incurred (Net)* | 90615718 | 13104139 |
| 7. Un allocated Segment Depreciation* | 3029474 | 2578947 |
| 8. Segment Non Cash Expenditure | 0 | 0 |

* Identification among different segments of Capital,Capital expenditure incurred and Depreciation is not possible since all the segments are inter related.

(33) RELATED PARTY DISCLOSURES

A. 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 | Key Management Personnel |
| 2 | Mr. K Zia Ud Din Ahamed | Key Management Personnel |

| Sl. No | Name of the related party | Nature of Transactions | 2012-13 | 2011-12 |
|--------|---------------------------|------------------------|---------|---------|
| 1 | Mr. Jojo George | Remuneration | 420000 | 420000 |
| | | Sitting Fee | 18000 | 21000 |
| | | Dividend Paid | 96900 | 80750 |
| 2 | Mr. K Zia Ud Din Ahamed | Remuneration | 180000 | 125000 |
| | | Sitting Fee | 18000 | 18000 |
| | | Dividend Paid | 39000 | 32500 |

(34) SIGNIFICANT ACCOUNTING POLICIES:

(a) GENERAL AND FIXED ASSETS

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

(b) INVENTORY

Inventories are valued at cost or net realisable value whichever is lower. The cost is arrived on FIFO basis for agro inputs and on weighted average basis for other products.

(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 prescribed under Schedule XIV to the Companies Act, 1956 on written down value basis. In respect of the additions to/sale of Fixed Assets during the year, depreciation is charged on pro-rata basis.

(e) REVENUE AND EXPENDITURE RECOGNITION

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

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Chairman

Sd/-
JOJO GEORGE
Managing Director

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Joint Managing Director

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K.T.THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

(f) EMPLOYEE RETIREMENT BENEFITS

a) 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 are accounted on accrual basis.

b) GRATUITY

Gratuity Payment is administered under a Group Gratuity Policy scheme with Life Insurance Corporation of India(LIC) managed by a seperate trust created for the purpose and is administrated as a Defined Contribution Plan.The annual Premium as intimated by the Administrator is paid by the company. The Companys obligation is limited to the amount of premium it pays to the Fund.The accrued Gratuity as per actuarial Valuation based on projected unit credit method as on 31.03.2013 and intimated by LIC is Rs.5860837/-(Previous Year Rs.5303678)

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

(g) FOREIGN CURRENCY TRANSACTIONS

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

(h) SEGMENT REPORTING

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

(i) RELATED PARTY DISCLOSURES

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

(j) TAXATION

Provision for tax is made for both current and deferred taxes as prescribed under Accounting Standard 22, issued by the Insitute 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.

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Managing Director

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Joint Managing Director

Sd/-
K.T.THOMAS
Chartered Accountant
Ponkunnam

25.07.2013

The Kerala Cardamom Processing and Marketing Company Limited

Regd. Office K P 1/741 B, Thekkady - 685 509

PROXY FORM

ANNUAL GENERAL MEETING

I/We.....
of in the district of being a member /
members of the above-named Company hereby appoint
of in the district of or failing him
and vote for me/us on my/our behalf at the Twenty Third Annual General Meeting of the Company at the Registered
Office to be held on Thursday the 29th August 2013 at 3.00 pm and at any adjournment thereof.

Signed this the day of 2013

Signature.....

Full name of the Shareholder (In Block Letters)

.....

Folio No.....

Address.....

.....

Note : The proxy form duly signed across the revenue stamp should reach the Company's Registered Office at least
48 hours before the time of the meeting.

..... (Tear here)

The Kerala Cardamom Processing and Marketing Company Limited

ATTENDANCE SLIP

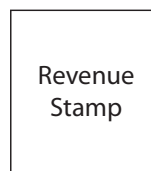
I hereby record my presence at the Twenty Third Annual General Meeting of the Company at the Registered Office,
Thekkady at 3.00 pm on **Thursday the 29th August 2013**

Full Name of the Shareholder Signature

Folio No

Full Name of Proxy (In Block letters) Signature

*Note : Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and
hand it over at the entrance of the Meeting Hall.*



(Tear here)

The Kerala Cardamom Processing and Marketing Company Limited
"Spice House", Thekkady P.O., Idukki Dist., Kerala - 685 509,
Telefax : 04869 - 222865, 222097
E-mail: info@kcpmc.com • www.kcpmc.com • www.indiancardamom.com

Regional / Divisional Offices

Kalpetta : 04936-203691

Bodinayakanur : 04546-280765 / 63

Kanjirappally : 04828 - 205338, 203469, 203041

Branches

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

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

Anakkara - 282846 • Puliyanmala - 270872 • Rajakadu - 241469 • Parathodu - 237962