



Kerala Agro Machinery Corporation Ltd.
47TH ANNUAL REPORT
2019-2020

CONTENTS

Board Of Directors	2
Managing Director's Speech	3
Notice To Shareholders	4
Directors' Report	6
Independent Auditors' Report	27
Comments of the C & AG	36
Balance Sheet, Statement Of Profit And Loss & Cash Flow Statement For The Year 2019- 20	37
Notes Forming Part of the Financial Statements For The Year 2019-20	40

BOARD OF DIRECTORS



Shri. P. Balachandran
Chairman



Shri. K.P. Sasikumar
Managing Director



Shri. Bobby Antony
Director,
Additional Secretary,
Agriculture Dept.



Shri. A. Ajithkumar
Director,
Joint Secretary,
Finance Dept.



Shri. A. Shajan
Director,
Joint Secretary,
Agriculture Dept.



Shri. C.K. Sasidharan
Director



Shri. K.T. Jose
Director



Shri. K.S. Mohanan
Director



Shri. S. Suresh Kumar
Director



**Shri. P. Kunjukrishnan
Bangalam**
Director

Statutory Auditors : M/s. S. Kumar & Kumar, Chartered Accountants, Ernakulam

Cost Auditors : M/s. Rajendran Mani and Varier, Cost Accountants, Ernakulam

Legal Advisors : M/s. Menon & Pai, Advocates, Ernakulam

KERALA AGRO MACHINERY CORPORATION LTD., ATHANI

MANAGING DIRECTOR'S SPEECH

Dear Members

On behalf of the Board of Directors of the Company, it is an honour and privilege for me to extend a very warm welcome to each one of you to the 47th Annual General Meeting (adjourned) of your Company. The Annual Report, including the Audited Financial Statements for the year ended 31st March 2020 are already with you and with your kind permission, I take them as read.

During the financial year 2019-20 your Company has turned around and has posted a profit after tax of INR 4.04 Cr. Revenue from operations for the year 2019-20 is INR 203.06 Cr. as against INR 181.48 Cr. in 2018-19, recording a growth of 12%.

In the backdrop, I share with you some of the achievements of your Company during the year 2019-20. Company has witnessed a record Turnover of Rs.203.06 Cr. in the financial year 2019-2020. As part of Corporate Social Responsibility (CSR) an amount of 5.69 Lakhs was spent by the Company. By the intense effort and co-operation with employees, KAMCO cultivated paddy and other various vegetables in almost 10 acres waste land at Company's premises.

In the same year Company launched a new product namely, 'Low Height Power Reaper' which is suitable for harvesting low height crops like soya bean, chana, etc. and commenced its production in Valiyavelicham Unit. So far the Company has produced and sold nearly 1000 machines under this category.

In cooperation with Indian Railway by providing BCCNR Wagons, KAMCO introduced transportation of machineries to North East States, which enables faster, safer and cheapest cost delivery. In order to attract youths and woman to the agriculture sector, KAMCO introduced 'Agricultural Tool Kit' suitable for vegetable cultivation. And to combat against vast spreading of Covid-19 virus, KAMCO designed 'Foot Operated Sanitizer Dispensing Unit' and distributes this among various Government Departments.

To conclude, on behalf of the Board of Directors, I would like to convey my sincere thanks and acknowledgment for the co-operation and support extended by all our stakeholders. I take this opportunity to specially thank Department of Agriculture for the support and valuable guidance. I would also like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company.

I thank all present here once again for having attended today's Annual General Meeting.

I now move the Agenda items as per notice for your consideration and approval.

K.P. SASIKUMAR
MANAGING DIRECTOR

Date : April 30, 2021

Place : Trivandrum

NOTICE

SEC/AGM/47

Dated 23/04/2021

The Shareholders, Board of Directors
& Statutory Auditors
Kerala Agro Machinery Corporation Ltd;
Athani-683 585

Sir,

Notice is, hereby, given that the adjourned 47th Annual General Meeting of the Shareholders of the Company will be held at the Guest House of State Farming Corporation, Kowdiar, Trivandrum on Friday 30th April, 2021 at 11.00 AM to transact with or without modification the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt Directors' Report, audited Balance Sheet as at 31.03.2020, Statement of Profit & Loss for the period 2019-20 and Cash Flow together with Report of Statutory Auditors and Report of the Comptroller & Auditor General of India thereon.
2. To declare dividend.

3. Approving of the Board decision to hike Statutory Auditors fees

The Statutory Auditors appointed by the Comptroller and Auditor General of India for audit of accounts for the Financial Year has vide their letter dated 05/01/2021 has requested an increase in their Fees for Statutory Audit at least by 50% . The meeting of Board of Directors in the 369th Board Meeting held on 13-02-2021 has considered their request for the increase in Fees. Board noted that the present fees of Rs.1,25,000/- has been fixed during the year 2016-17 . The turn over during the year 2016-17 was 153.35 and the same has increased to Rs.201.41, considering the increase in turnover and related increase in volume of work it has been decided to increase the fees to 1,75,000 (40% increase). The Board decision no 369-01 is submitted for approval.

4. Appointment of Statutory Auditors under section 139 of the Companies Act 2013 for the Financial Year 2020-2021.

By order of the Board of Directors

Sd/-

MANAGING DIRECTOR

Encl: Proxy Form

KERALA AGRO MACHINERY CORPORATION LTD

Regd. Office, Athani

Ernakulam District

Pin – 683 585

FORM OF PROXY

I/We,.....of..... in the District of.....being a member(s) of..... in the District of..... or failing him..... of..... in the District of.....as my/our proxy to vote for me/us on my/our behalf at the adjourned 47th Annual General Meeting of the Company to be held at the Guest House of State Farming Corporation, Kowdiar, Trivandrum on Friday, 30th April, 2021 and at any adjournment thereof.

Signed this/...../.....

STAMP

- NOTE: 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting.
3. A One Rupee revenue stamp should be affixed to this and it should then be signed by the member.

DIRECTORS' REPORT

The Members,
KAMCO Ltd.

Your Directors have pleasure in presenting the 47th Annual Report of the Company and the Audited Statement of accounts for the financial year ended March 31st, 2020.

1. Introduction

Agriculture continues to be the back bone of Indian Economy, employing 60% of total work force. Government has introduced several programs to assist agricultural sector. These include enhanced institutional credit to farmers, promotion of scientific warehousing infrastructure; including cold storages improved irrigation facilities, provision of price stabilization etc. All these Projects aim at making farming competitive & profitable and doubling the income of farmers by 2022. When agriculture sector develops, it in turn enhances our market potentials.

Even though slow down of the Indian economy; especially automobile sector continued during F.Y 2019-20, we could improve our performance by around 13% in terms of production and sales by the strenuous efforts taken by the management and staff. Even though COVID19 is having an impact in the economic scenario with the introduction of various revival packages which is giving much needed importance to agriculture sector, revival in rural demand is expected. With focus on diversification and also widening the dealership chain, Company is hopeful of achieving a sales target of Rs. 400 Crores and profit of Rs. 20 Crores by 2022.

2. Operational Performance

Performance of the Company during FY 2019-20, registered increase in terms of production, sales and also profit. Turnover increased from Rs.178.95 crores during F.Y 2018-19 to Rs.201.41 crores during current year registering an increase of 12.55%. Tiller production increased from 10000 Nos during 2018-19 to 12277 Nos. during 2019-20 which is 22.77% increase. Reaper production accounted a growth of 17.42%. Sale of spares and accessories which is the main revenue earner of the Company could be increased by 7% during reporting year

3. Working Results

Working results of the financial year 2019-20 are as follows:-

Production (Nos)	2019-20	2018-19
KAMCO Power Tiller	12277	10000
KAMCO Power Reaper	3836	3269
Weeder	182	130
Brush cutter	832	611
Sales (Nos)		
KAMCO Power Tiller	12263	10856
KAMCO Power Reaper	2851	3063
KAMCO Engine	8	18
POWER Weeder	243	337
Brush Cutter	632	597
FINANCIAL HIGHLIGHTS (Rs.in lakh)		
A. Sales Revenue		
KAMCO Power Tiller	15203.95	13100.62
KAMCO Power Reaper	2532.55	2508.51
PowerWeeder	112.44	159.13
Brush Cutter	130.05	123.34
Diesel Engine	4.77	9.7
Spares and Accessories & Others	2136.8	1993.81
Total Sales	20120.56	17895.11
B. Working Results (Rs. in lakh)		
Operating profit	563.67	405.27
Depreciation, impairment loss and amortization	183.83	192.61
Cash Profit	747.5	597.88
Profit before tax	563.67	405.27
Provision for tax and deferred tax (net of excess of previous year)	159.47	119.49
Profit available for appropriation	404.2	285.78
C. Appropriation (Rs. in lakh)		
Proposed dividend	16.15	16.15
Tax on dividend	0	3.29
Other reserves	50	50
Profit after tax ,dividend and transfer to reserve	338.02	216.34

4. Internal Financial Control

The Company has put in place adequate internal financial controls over financial reporting Systems commensurate to the nature of its business and complexity of its operations. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors. The Audit Committee reviews the adequacy and effectiveness of the Company's Internal Control Environment and monitors the implementation of the Audit recommendations.

5. Capital structure

The authorized capital of the Company remained unaltered at Rs.200 lakh. Issued and paid up capital also remained unchanged at Rs.161.46 lakh, divided into 161460 equity shares of Rs.100/- each fully paid up, entirely held by Government of Kerala.

6. Dividend and reserves

Your Board is pleased to recommend a dividend of 10% (same rate of 2018-19) on the paid up value of Equity Shares as on 31.03.2020, to the Shareholders subject to the approval of Annual General Meeting. An amount Rs.50,00,000/- is proposed to be transferred to other reserves.

7. Fixed Deposits

Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date as envisaged under Chapter V of the Companies Act, 2013 and Rules made there under.

8. Particulars of loans, guarantees or investments

The Company has not made any investment, given guarantee and securities during the year under review. There for no need to comply provisions of Section 186 of Companies Act, 2013.

9. Related Party Transactions Under Section 188

No transactions were entered with related parties during the year under review and hence, no disclosure under Section 188 is applicable to the Company.

10. Material Changes and Commitment if any under Section 134(3)(1)

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and the date of this report.

11. Subsidiaries, Joint Ventures and Associate Companies:

During the period under review there were no Companies which have become or ceased to be Subsidiaries, Joint Ventures or Associates

12. Significant or material orders passed by Regulators /Courts/ Tribunal impacting the going concern status and the Company's operations in future:

During the year under review, there are no significant or material orders passed by the regulators or courts or tribunals, impacting the going concern status or operations of the Company.

13. Contribution to exchequer

Your Company contributed an amount of Rs149.79 lakhs during the reporting year by way of duties, Sales tax on purchase and sales and corporate tax. Dividend to the extent of Rs.16.15 lakhs also have been proposed for payment during the year.

14. Expansion and Diversification

The existing power tiller assembling line of the Company is one set up during the inception of the Company in 1973. It is high time to renovate the setup to suite the current requirement. A proposal involving a total outlay of Rs 24 crores for modernising the plant, envisaging 50% assistance under R.K.V.Y scheme has been submitted to Government and got approval. As a first stage we had submitted proposal of Rs.3 crore in the above sanctioned amount, Rs.1.5 crore has been sanctioned for release in 20-21. We have already started the implementation.

15. Research & Development activities.

Company is well aware of the importance of the research and development activities in developing various new generation machines suitable for marginal farmers all over India. Research and Development Department has introduced small agricultural machineries, Paddy weeders, microweeder etc. These machineries are very useful for household applications and small farming which can be handled easily by ladies also. In order to promote agricultural farming, KAMCO had associated with Agriculture Research station of Agriculture University, Mannuthy for developing Palm basin digger, Coconut climbing machine, Coconut collector (Mesh type & Nylon type).

Recently, as a part of social commitment towards Covid pandemic, R&D has developed a Foot Operated Sanitizer Dispensing unit and Automatic Sanitizer Dispensing Unit. R&D and VDC Departments have developed a new generation power tiller in horticultural applications, which is more suitable for attaching various types of implements and accessories for performing various types of functions/activities.

A proposal of a total outlay of Rs.24 crores for modernization of manufacturing facilities of KAMCO had approved by Government under RKVY scheme. In the first stage, we have taken action for procuring machineries for improving the quality and the productivity of KAMCO. The procurement and implementation process is under progress for Rs.5.2 crores.

16. Investment

Company's investment in equity shares amounting to Rs.50 lakhs in Cochin International Airport Limited (CIAL), Rs.150 lakhs in Kerala feeds and Rs.5 lakh in Kerala Environ Infrastructure Limited remains unchanged.

17. Financial Assistance to other Institutions

The loans granted to Coconut Development Corporation amounting to Rs.25 lakh during 1998 and to Vazhakkulam Agro and Fruit Processing Company Ltd., during 2018 amounting to Rs.115 lakh they have till now repaid only Rs. 4/- lakh, balance loan of Rs.111 lakh and interest amounting to Rs.19.98 lakh is still pending for a final settlement.

18. Environment & Safety

The Company aims to be the benchmark for environmental stewardship in the tiller industry by focusing on operational excellence aimed at resource efficiency through a “Prevent, Minimise, Recover, Reuse and Recycle” hierarchical approach to reduce its ecological footprint. The Company is committed to responsible use and protection of the natural environment through conservation and sustainable practices.

19. Corporate Social Responsibility (CSR)

The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company. The CSR policy is available on the website of the Company www.kamcoindia.com. During the year, under review, the Company spent Rs.5.69 lakhs on CSR activities. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 and the Rules framed there under, is annexed to this report as **Annexure II**.

20. ISO Certification

Your Company is an ISO certified Company since October 1996. As on date Company holds ISO 9001:2015 certification. The management system of the Company including the implementation meets the requirements of the standard; ISO 9001:2015. This certificate is valid until September 2023 and its scope covers design, development and manufacture of Power Tillers, Implements, Accessories, Spare Parts, Diesel Engines and Reapers. All units of the Company except the new one at Valiyavelicham, is working with ISO 9001-2015 version certification. Internal audit and surveillance audit are being conducted as per schedule.

21. Particulars of Employees

There were no employees who were in receipt of remuneration within the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, the particulars as required to be disclosed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are ‘NIL’.

22. Human Resources & Industrial Relation

Your Company takes pride in the commitment, competence and dedication shown by its employees at all levels. Continuous efforts are taken to ascertain the training needs for improving performance of employees at all levels and a training calendar is prepared in advance in consultation with all concerned. Internal and external training in different technical and managerial areas are arranged frequently.

The existing long term agreement of workers was due for renewal with effect from 01-07-16 and in line with Government guidelines; an MOU has been arrived at with recognized trade unions envisaging an enhancement of emoluments by 18.5%. Same has been submitted to Government for approval. Pay revision of officers at par with salary revision of state government employees has been sanctioned by the Government and fixation as per new pay revision has been implemented from 1st April 2020. The first installment of arrears due to salary revision has been paid in August 2020.

23. Right to Information Act, 2005.

In order to promote transparency and accountability, an appropriate mechanism has been put in place in the Company to provide information to citizens under the provisions of Right to Information (RTI) Act, 2005. For this purpose, the Company has, in line with the RTI Act, nominated a Public Information Officer and Assistant Public Information Officers. An Appellate Authority has also been nominated for considering the appeals of information seekers, who may not be satisfied with the response of Public Information Officers. The details of the procedure for securing access to information and filing of first appeal under the Act are hosted in KAMCO website. Instructions have been given to units/administrative departments to ensure compliance to the mandatory requirements of the Act.

24. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has adopted Anti Sexual Harassment policy as per provisions of the Companies Act, 2013 and constituted an Internal Compliant Committee to redress complaints received regarding sexual harassment. The Committee meets at regular intervals and discusses welfare measures of women employees. The following is the summary of sexual harassment complaints received and disposed off during the period under review:

No. of complaints at the beginning of the year	: Nil
No. of complaints received during the year	: 1
No. of complaints disposed off during the year	: 1
No. of complaints at the end of the year	: Nil

25. Conservation of energy, technology absorption, foreign exchange earnings and outgo.

The information as prescribed under Section 134 of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, is appended as **Annexure I** to Board's report.

Directors responsibility Statement as required under Section 134(3) (c) of the Companies Act 2013. The Directors confirm that:

a) In preparation of the annual accounts for the Financial Year ended 31st March 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) The Directors have selected such accounting policies and 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 the Financial Year and of the profit of the Company for the period 2019-20;

c) The Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

e) The Directors have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively.

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

26. Corporate Governance.

Even though your Company is a non-listed, fully state owned PSU, Company lay great emphasis on the highest standards of corporate governance. The Company believes that good corporate governance is essential for achieving long term corporate goals and to enhance stakeholder's value. The Company's governance philosophy is founded upon a rich legacy of fair, ethical and transparent governance practices by adopting the highest standards of professionalism, honesty, integrity, and ethical behavior, in order to protect the interest of all its stakeholders.

27. Management

Chairman Sri. P. Balachandran and Managing director Sri K.P. Sasikumar continues to hold their respective offices. Directors Sri. C.K. Sasidharan, Sri. P. Kunjukrishnan Bangalam, Sri. K.T. Jose, Sri. S. Sureshkumar, Sri. K.S. Mohanan, Sri. Bobby Antony, Additional Secretary Agri. Department continue as Directors. As per GO(Rt) No:140/2019 /Agri Dtd 12/02/2019, Sri V.K. Rajan (Additional Secretary Finance Dept) was appointed as Director in place of late Sri V. Rajappan. Government, Vide GO (Rt) No:89/2019/Agri) Dtd 24/01/2019, appointed Sri. A. Shajan, Under Secretary; Agri Department as Director in the Board of Directors of KAMCO in place of Sri. R. Manikantan.

28. Declaration by Independent Directors:

The Company has not appointed any Independent Directors under Section 149 (4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

29. Board Meetings

During the financial year 2019-20, 11 board meetings were held on 30.04.2019, 24.06.2019, 08.08.2019, 06.09.2019, 04.10.2019, 11.11.2019, 19.11.2019, 20.12.2019, 06.01.2020, 13.02.2020 and 29.02.2020 respectively. The attendance particulars of Board Meeting are:-

The attendances of directors in the meetings are as follows:

Sl. No	Name of Director	Date of Board Meetings										
		30.04.19	24.06.19	08.08.19	06.09.19	04.10.19	11.11.19	19.11.19	20.12.19	06.01.20	13.02.20	29.02.20
1.	P. Balachandran (Chairman)	P	P	P	P	P	P	P	P	P	P	P
2.	C. K. Sasidharan	P	P	P	P	P	A	P	P	P	A	A
3.	P. Kunjukrishnan Bangalam	P	P	P	P	P	A	A	P	P	A	P
4.	Boby Antony	P	A	A	P	A	P	P	P	P	P	P
5.	K. T. Jose	P	P	P	P	P	P	P	P	P	P	A
6.	S. Suresh Kumar	P	P	P	P	P	P	P	P	P	P	P
7.	K. S. Mohanan	P	P	A	P	P	A	A	P	P	A	P
8.	V.K Rajan	P	P	P	P	P	P	P	P	P	A	P
9.	A.Shajan	P	A	P	P	P	P	P	A	P	A	P
10.	K.P Sasikumar, MD	P	P	P	P	P	P	P	P	P	P	P

*P – Present, A- Absent, blank indicates cessation from office.

30. Company's policy relating to directors appointment, payment of remuneration and discharge of their duties:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company. KAMCO is a Government Company in terms of Section 2 (45) of the Companies Act, 2013. The Board of Directors of the Company are nominated/appointed by the Government of Kerala. The Government of Kerala fixes the remuneration of the Directors. Remuneration of the below Board level executives are fixed on the basis of Government guidelines in this regard with the approval of the Board of Directors and Government of Kerala.

31. Committees of the Board

The compositions of the committees are as follows:

Audit Committee:

Sl. No.	Name of Director	Designation
1.	P.Balachandran	Chairman
2.	V.K Rajan	Member
3.	K.P Sasikumar	Member

During the financial year 2019-20 three meetings were held on 11.11.2019, 20.12.19 and on 29.02.2020. All the members were present in all meetings.

Two more sub committees of the Board were constituted; one for monitoring production and marketing functions and another for recruitment and promotion. The said sub committees met 25 times during F.Y 2019 -20.

32. Nomination & Remuneration Committee:

Being a fully State owned Company, directors are appointed by the government to whom no remuneration is payable. Honorarium of Chairman and salary of Managing Director are fixed by the government and hence no Nomination and Remuneration committee is required to be constituted.

33. Risk Management and Internal Adequacy

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all office functions and key business areas. Significant audit observations and follow up action thereon are reported to audit committee. The audit committee reviews adequacy and effectiveness of the Company's internal control, environment and monitors the implementation of audit recommendations including those relating to strengthening of Company's risk management policies and system. Presently; there are no risks which threaten the existence of the Company.

34. Auditor and Audit Report

Statutory auditors M/s. S.KUMAR & KUMAR (Firm Regn.No.01597S), 'Sree'XLII/1921 B, Old Railway Station Cross Road, Ernakulam, Cochin-682018 continues to hold the position. The reply to the comments of the auditor is annexed to this report. M/s. Rajendran Mani & Varrier, Cost Accountants also have been reappointed to carry out cost audit of the Company for the financial year 2019-20. We thank the auditors for their excellent co-operation and guidance.

No frauds were reported by the Auditors of the Company as per section 134 (3) (ca) of Companies Act, 2013.

35. Annual Return

Pursuant to the provisions of section 92(3) of the Companies Act, 2013 and rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT-9 is annexed with this report as **Annexure-III**.

36. Secretarial Audit Report

Pursuant to the Section 204 of the Companies Act, 2013 and the rules made there under relating to Secretarial Audit Report are not applicable to the Company.

37. Vigil Mechanism Policy

Being a non-listed fully State owned Company having no public borrowings or credit facilities from banks or financial institutions, provisions of Section 177 (9) of Companies Act regarding "Whistle Blower Policy" is not applicable to the Company.

38. Future Outlook

The main challenge of Indian Agricultural sector is low productivity and high cost. Mechanization is the only solution for increasing productivity and reducing cost. Rural farmers all over India expect small and user –friendly machines for crop specific application at affordable price. Company intend to produce an array of machines meeting, the expectation of farmers and thereby widen the market.

39. Acknowledgement

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support. We thank the Government of India, the State Governments where we have operations, and other government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board

Sd/-
K.T. JOSE
DIRECTOR

For and on behalf of the Board

Sd/-
K.P.SASIKUMAR
MANAGING DIRECTOR

Date : April 30, 2021
Place : Trivandrum

ANNEXURE I TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

The information as prescribed under section 134 of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is

A. CONSERVATION OF ENERGY		
a	Energy Conservation measures taken.	As Company is not a power intensive unit, no specific action taken.
b	Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	As the industry is not a power intensive unit, no major capital investment was made during the year 2019-20. However, utilization of solar power is planned for the upcoming years.
c	Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	Not applicable.
d	Total energy consumption per unit of production.	79 Unit
B. TECHNOLOGY ABSORPTION		
1.	Efforts made	Development of new generation power tiller intended for production at Valiyavelicham unit is progressing.
C. FOREIGN EXCHANGE EARNINGS & OUTGO		
i	Activities relating to exports	Export initiatives were not successful due to fluctuation in value of rupee value and increase in domestic cost.
ii	Initiatives to increase exports	For popularizing our products in overseas market, competent dealers are being appointed.
iii	Development of new export market for products and services	Board has given approval to participate in exhibitions of farming machineries in overseas countries.
iv	Export plans	
v	Total foreign exchange used	US \$291684.50 & Euro14095.5(US \$984900)
vi	Total foreign exchange earned	Nil

Appended as Annexure I to Board's Report.

ANNEXURE II TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY INITIATIVES OF THE Company

Corporate Social Responsibility (CSR) & Sustainability is an integral part of the Company's ethos and policy and the Company has been pursuing this on a sustained basis. The Company has framed and adopted a Policy on CSR & Sustainability to align its philosophy to initiate measures and pursue socially useful programmes with the objectives and activities of CSR envisaged and incorporated in the Companies Act, 2013 and the rules made thereunder and the policy directions issued by the Government from time to time. The Policy on CSR & Sustainability formulated in 2013 was subsequently revised to align with the newly introduced provisions for Corporate Social Responsibility under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013.

As per sub-section 5 of Section 135 every Company for which the provisions of CSR is applicable shall spend at least 2% of the average net profit of the Company made during the three immediately preceding financial years.

Annual Report on CSR Activities

- | | | |
|---|---|---|
| 1. A brief outline on Companies CSR policy | : | Aims at eradication of poverty, hunger, malnutrition and ensuring gender equality, rural development, preservation of nature etc. |
| 2. Composition of CSR Committee | : | M.D, Chairman, Directors
Sri.C.K.Sasidharan, Sri.S.SureshKumar
and Sri.V.K.Rajan |
| 3. Average net profit of the Company for the last three financial years | : | Rs.355.50 Lakh |
| 4. Prescribed CSR Expenditure | : | Rs.7.11 Lakh |
| 5. Details of CSR expenditure for the year | | |
| Total amount spent for the financial year 2019 -20 | : | 5.69 Lakhs |

(1)	(2)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Over-heads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Educating Children	Local Area	0.45 Lakhs	0.45 Lakhs	0.45 Lakhs	Direct
2.	Rural Education	Statewise	0.50 Lakhs	0.50 Lakhs	1.45 Lakhs	Direct
3.	Health Care & Medical Infrastructure	Local Area	1.24 Lakhs	1.24 Lakhs	2.69 Lakhs	Direct
4.	Covid-19 Relief & Health	Districtwise	3 Lakhs	3 Lakhs	5.69 Lakhs	Direct
5.	Noon Meals supply of Children	Local Area	0.50 Lakhs	0.50 Lakhs	0.50 Lakhs	Direct
Total			5.69 Lakhs	5.69 Lakhs	5.69 Lakhs	

Total amount spent for the financial year 2019-20 : 5.69 Lakhs

6. In case the Company failed to spend the prescribed : Expenditure is as per CSR policy amount reason for the same

Implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

ANNEXURE III TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST 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:

i)	CIN	U29211KL 1973 SGC002492
ii)	Registration Date	24.03.1973
iii)	Name of the Company	Kerala Agro Machinery Corporation Ltd.
iv)	Category/Sub Category of the Company	Company Limited by Shares/ Fully Kerala State owned Government Company
v)	Address of the Registered Office and contact details	Athani – 683585, Ernakulam District, Kerala, India. Phone: (0091) 0484-2474301/2474302 E-mail : mail@kamcoindia.com Web Site: www.kamcoindia.com
vi)	Whether Listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

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	Manufacture and sale of agricultural machineries like Power tillers and Reapers.	C-10	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- NIL

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

a)Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				%Change during the year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
A.Promoters									
1.Indian									
a)Individual/HUF									
b)Central Govt.									
c)State Govt.(s)		161460	161460	100		161460	161460	100	NIL
d)Bodies Corp.									
e)Banks/FI									
f)Any other (Government Companies)									
Total Shareholding Of Promoter (A)									
B.Public Shareholding									
1.Institutions									
a)Mutual Funds									
b)Banks/FI									
c)Central Govt.									
d)State Govt.(s)									
e)Venture Capital Funds									
f)Insurance Companies									
g)FIIs									
h)Foreign Venture Capital Funds									
i)Others(Cooperative Societies)									
Sub-total (B)(1):-									
2.Non-Institutions									
a)Bodies Corp									
i)Indian									
ii)Overseas									
b)Individuals									
i)Individual shareholders holding nominal share capital up to Rs.1 lakh									
ii)Individual shareholders holding nominal share capital in excess of Rs.1 lakh									

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	D e - mat	Physical	Total	% of Total Shares	D e - mat	Physical	Total	% of Total Shares	
c) Others (Specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies – D R									
Sub Total (B) (2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		161460	161460	100		161460	161460	100	

b) Shareholding of Promoters: Not Applicable

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								
2								
3								
4								
5								
6								
7								
8								
9								
Total								

C.Change in promoters shareholding
(Please specify if there is no change)- Nil

Sl. No.	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				
	Date wise increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease (eg: allotment/ transfer/ bonus/sweat equity etc.)				
	At the end of the year				

d) Shareholding Pattern of top ten Shareholders
[Other than Directors, Promoters and Holders of GDRs and ADRs]: Not Applicable

Sl. No.	For each of the Top 10 Shareholders	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				
	Date wise increase/ decrease in share holding during the year specifying the reasons for increase/ decrease (eg: allotment/ transfer/bonus/sweat equity etc.)				
	At the end of the year (or on the date of separation, if separated during the year)				
	At the end of the year (or on the date of separation, if separated during the year)				

e) Shareholding of Directors and Key Managerial Personnel - NIL

Sl. No.	Shares held by every Directors and Key Managerial Personnel	Shares held at the beginning of the year		Cumulative shares held 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				
	Date wise increase/ decrease in share holding during the year specifying the reasons for increase/ decrease (eg: allotment/ transfer/bonus/sweat equity etc.)				
	At the end of the year				

V. INDEBTEDNESS :Indebtedness of the Company including interest outstanding/ accrued but not due for payment - NIL

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Not Applicable

a) Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTM/Manager				Total Amount
1.	Gross salary					
	(a)Salary as per Provisions contained in Section 17(1) of the Income tax Act, 1961					
	(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, please specify					
	Total (A)					
	Ceiling as per the Act					

b) Remuneration to other Directors: Annexure 02

Sl. No.	Particulars	Name of MD/WTM/Manager				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total(1)					
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)= (1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

c) Remuneration to Key Managerial Personnel Other than MD/Manager/WTM

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross Salary				
	(a)Salary as per Provisions contained in Section 17(1) of the Income tax Act, 1961				
	(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				
	Stock Option				
	Sweat Equity				
	Commission- as % of profit				
	-Others specify				
	Others, please specify				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A.Company					
Penalty					
Punishment					
Compounding					
B.DIRECTORS					
Penalty					
Punishment					
Compounding					
C.OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Sd/-
K.T. JOSE
DIRECTOR

For and on behalf of the Board

Sd/-
K.P.SASIKUMAR
MANAGING DIRECTOR

Date : April 30, 2021
Place : Trivandrum

KERALA AGRO MACHINERY CORPORATION LTD, ATHANI.
Management Responses to the Comments of CAG on Standalone Statements

Sl. No.	Comments of CAG	Company's Reply
I	Non-conduct of Actuarial Valuation The Company has not conducted Actuarial Valuation on Employee Benefits Payable, in compliance with the provisions of AS 15 Employee Benefits. Hence we are unable to assure the adequacy of provisions made by the Company in this regard.	The funds created for payment of Gratuity and Terminal Earned Leave surrender is being managed by LIC of India and the actuarial valuation of this fund is being conducted by the fund Managers namely LIC of India.
II	Valuation of Long Term Investment The Company holds Investments at Rs1.50 Crores in the form of Unquoted Equity Share in M/s Kerala Feeds at cost. As per the provisions of AS 13 on Investments, such Investments must be valued at cost or fair market value, whichever is lower. Valuation in this regard has not been performed by the Company in light of indicators of deteriorating financial health of M/s Kerala Feeds (as per latest available Audited Financial Statements)	As per the direction of government; Company invested Rs.150Lakh during 1996 in equity shares of M/s. Kerala Feeds LTD, a state Public Sector Unit engaged in the manufacture of cattle feeds. Annual accounts of the said Company has been finalized only up to 31.03.2015. Though the Company is not recently running on profit, its net asset is still positive and investment shown 'at cost' need no review at this stage. The fact that long term investments are shown 'at cost' is disclosed in accounting policy of the Company under Note no.2 A.6 and this is in accordance with accounting standard on investment (AS13).
III	Uncertainty in Realisation of principal and interest Recoverability of Principle and interest amounts due to the Company from M/s. Kerala Coconut Development corporation (Rs50.12 lakhs) and M/s.Vazhakulam Agro and Fruits Processing Co. Ltd. (Rs1.11 Crores) is not certain and neither confirmed	M/s.KSCDC and M/s. Vazhakulam Agro and Fruits Processing Co. Ltd. is a State owned units and loan has been granted as per direction from Govt. Matter has been taken up with Govt. No provision is required to be created. The matter is fully disclosed under Note no. 2B8.
IV	Sundry Debtors to the tune of Rs 6.95 Crores is long outstanding. The Company has not made adequate bad debts provisioning in this regard.	Company has taken up measures to recover the amount from defaulting parties and is hopeful of recovering the amount in full and hence no provision is required at this stage

S KUMAR & KUMAR
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To The Members Of Kerala Agro Machinery Corporation Limited
CIN:U29211KL1973SGC002492

Report on the Standalone Financial Statements

We have audited the standalone financial statements of **Kerala Agro Machinery Corporation Limited** which comprise the Balance Sheet as at **31st 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.

1. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31st March, 2020**, and its profit and cash flows for the year ended on that date.

2. Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are 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 our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these Requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- i. The Company has not conducted Actuarial Valuation on Employee Benefits Payable, in compliance with the provisions of AS 15 Employee Benefits. Hence we are unable to assure the adequacy of provisions made by the Company in this regard.
- ii. The Company holds Investments at Rs 1.50 Crores in the form of Unquoted Equity Share in M/s Kerala Feeds at cost. As per the provisions of AS 13 on Investments, such investments must be valued at cost or fair market value, whichever is lower. Valuation in this regard has

not been performed by the Company in light of indicators of deteriorating financial health of M/s Kerala Feeds (as per latest available Audited Financial Statements)

- iii. Recoverability of Principle and Interest amounts due to the Company from M/s Kerala Coconut Development Corporation (Rs 50,12 lakhs) and M/s Vazhakulam Agro Farms (Rs 1.11 Crores) is not certain and neither confirmed
- iv. Sundry Debtors to the tune of Rs 6.95 Crores is long outstanding .The Company has not made adequate bad debts provisioning in this regard

3. Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- 1. Note 16 to the financial statements which pertains to Revenue from Operations of the Company, It has been observed that there is an undue delay in physical movement of Goods out of the factory gates of with respect to invoices raised in the last fortnight of March 2020. Goods of value approximating Rs 26.10 Crores have been physically moved only post June 2020, though Invoices have been raised in the last fortnight of March 2020.

4. Responsibility of Management and those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

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 were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters

which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the Circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - c. In our opinion, proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - d. The Balance Sheet, the Statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - e. Except for matters described in the Basis of Opinion Paragraph, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - f. Section 164(2) of the Act w.r.t Disqualification of Directors not applicable to the Company vide Notification No. GSR 463@ Dated 05/06/2015 of MCA
 - g. With respect to Other Matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has fully disclosed the impact of all pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, whenever applicable except for matters specified in 'Basis of Qualified Opinion' para.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

7. REPORT ON THE DIRECTIONS ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA U/S 143(5)

SL NO.	DIRECTIONS	AUDITORS COMMENTS
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has IT System to process all accounting transactions. There are no Situations where processing of Accounting transactions Outside IT System. No deviations observed in this regard.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated	There are no restructuring of Existing Loans/ Write off of Debts/ Loans/Interest etc... In the Financial Year subject to Audit.
3	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation	There are no such funds receivable, hence clause not applicable.

We have attached a separate Statement as "ANNEXURE B" with respect to Compliance on the sector specified sub directions u/s143 (5) of the Companies Act, applicable to the Company.

For **S. Kumar & Kumar**
Chartered Accountants

Sd/-
C.A. Satheesh Kumar.G (Partner)
M.No: 027965
FRN: 01597S
UDIN: 21027965AAAABF6917

Place : Ernakulam
Dated : January 15, 2021

ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements of **Kerala Agro Machinery Corporation Limited**

CIN: U29211KL1973SGC002492 (Reg. ATHANI POST OFFICE ERNAKULAM KERALA 683585)
for the year ended 31 March, 2020, we report that:

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c. The title deeds of immovable property are held in the name of the Company.
 - d. The Company has not revalued its Plant and Equipment (including Right of Use assets) or intangible assets or both during the year
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and any material discrepancies noticed have been properly dealt with in the books of account
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year
- iv. In respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The Company has not accepted any deposits from the public during the year and hence, the directives by the Reserve Bank of India, the provisions of sections 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- vi. maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, ESI, income-tax, Value Added Tax, Service Tax, Goods and Service Tax and other material statutory dues have been regular-

ly deposited during the year by the Company with the appropriate authorities during the year. There are no undisputed arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, particulars of disputed amounts payable in respect of provident fund, income tax, Service Tax, value added tax, Goods and Service Tax cess and other material statutory dues were in arrears as at 31st March 2020 are as follows

Name of the Statute/ Nature of Dues	Amount	Period	Forum where dispute pending
Income Tax Act 1961	23,44,275	1991-92	Dy. Commissioner of Income Tax
	36,48,375	1992-93	Dy. Commissioner of Income Tax
	1,80,457	2004-05	CIT (Appeals).
	13,31,183	2008-09	CIT (Appeals).
	1,23,719	2009-10	CIT (Appeals).
	68,550	2012-13	CIT
	66,112	2013-14	CIT (Appeals).
	91,679	2014-15	CIT (Appeals).
	63,856	2017-18	CIT (Appeals)
Central Sales Tax	13,48,286	2017-208	Dy. Commissioner
Service Tax	17,43,624	2012-2015	Commissioner of Central Excise & Service Tax

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised loans from financial Institutions or banks or governments by issue of debentures, hence clause VIII not applicable

ix. The Company has not raised any moneys by way of Public Offer or further Public Offer during the year. Neither has it made any preferential allotment or private placement during the year.

x. According to the information and explanations given to us and on the basis of our examination of the records of the Company, no evidence of fraud by the Company or any fraud on the Company has been noticed or reported during the year

xi. Sec 197 of Companies Act w.r.t to Managerial Remuneration not applicable to the Company.

- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3 of the Order is not applicable.
- xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- xiv. The Company has an internal audit system commensurate with the size and nature of its business
- xv. The Company has not entered into any non-cash transactions with directors or persons connected with them, accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.
- xvii. There has been no resignation of Statutory Auditors during the Financial Year
- xviii. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xix. Section 135 of the Companies Act, 2013 applicable on the Company and duly complied with.
- xx. The Financial Statements of the Company does not form part of Consolidated Financial Statements of any other Company. Accordingly, paragraph 3(xxi) of the Order is not applicable.

For **S. Kumar & Kumar**
Chartered Accountants

Sd/-
C.A. Satheesh Kumar.G (Partner)
M.No: 027965
FRN: 01597S
UDIN: 21027965AAAABF6917

Place : Ernakulam
Dated : January 15, 2021

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Kerala Agro Machinery Corporation Limited CIN: U29211KL1973SGC002492 (Reg. ATHANI POST OFFICE ERNAKULAM KERALA 683585)** as of **31st March 2020** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

1. 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 internal 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.

2. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our 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 we 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

3. 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; and (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.

4. 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.

5. Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, 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, except in the case of internal financial controls established in the area of inventories.

For **S. Kumar & Kumar**
Chartered Accountants

Sd/-
C.A. Satheesh Kumar.G (Partner)
M.No: 027965
FRN: 01597S
UDIN: 21027965AAAABF6917

Place : Ernakulam
Dated : January 15, 2021



सत्यमेव जयते

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I) KERALA,
THIRUVANANTHAPURAM****COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS
OF KERALA AGRO MACHINERY CORPORATION LIMITED, ERNAKULAM FOR THE
YEAR ENDED 31 MARCH 2020**

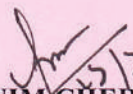
The preparation of financial statements of **Kerala Agro Machinery Corporation Limited, Ernakulam for the year ended 31 March 2020** in accordance with the financial reporting frame work prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **15 January 2021**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Kerala Agro Machinery Corporation Limited, Ernakulam for the year ended 31 March 2020** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries to the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

*For and on behalf of
the Comptroller and Auditor General of India*

Thiruvananthapuram
Dated: 23.03.2021


ANIMCHERIAN
PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I),
KERALA

KERALA AGRO MACHINERY CORPORATION LIMITED
REGISTERED OFFICE: ATHANI P.O., ERNAKULAM DISTRICT, KERALA - 683 585

BALANCE SHEET AS AT 31st MARCH, 2020

Sl. No:	PARTICULARS	Notes	AS AT 31.03.2020 (₹)	AS AT 31.03.2019 (₹)
I	EQUITY AND LIABILITIES			
1	Shareholder's Funds			
	a. Share Capital	3	16,146,000	16,146,000
	b. Reserves & Surplus	4	1,251,206,066	1,216,617,607
	Sub Total		1,267,352,066	1,232,763,607
2	Non-Current Liabilities			
	a. Deferred Tax Liabilities (Net)	5	1,717,189	1,434,119
	b. Long-term Provisions	8	138,775,035	108,518,000
	Sub Total		140,492,224	109,952,119
3	Current Liabilities			
	a. Trade Payables	6		
	i. Due to Micro and Small Enterprises (See Note 2B.9.b)		Nil	Nil
	ii. Others		467,470,293	274,527,654
	b. Other current Liabilities	7	122,162,741	111,844,525
	c. Short-term Provisions	8	37,197,361	36,828,938
	Sub Total		626,830,395	423,201,117
	TOTAL		2,034,674,685	1,765,916,843
II	ASSETS			
1	Non-Current Assets			
	a. Fixed Assets	9		
	i. Tangible assets		187,022,775	194,629,738
	ii. Intangible assets		842,880	842,880
	iii. Capital work in progress		-	929,761
	b. Non-current investments	10	20,500,000	20,500,000
	c. Long-term loans and advances	11	9,713,000	9,213,581
	Sub Total		218,078,655	226,115,960
2	Current Assets			
	a. Inventories	12	444,967,848	470,945,665
	b. Trade receivables	13	1,045,066,323	673,803,030
	c. Cash and Cash equivalents	14	176,767,870	257,053,355
	d. Short-term loans and advances	11	142,516,329	129,995,474
	e. Other current assets	15	7,277,660	8,003,358
	Sub Total		1,816,596,030	1,539,800,883
	Significant Accounting Policies	2.A.		
	Notes Forming Part of Accounts	2.B.		
	Contingent Liabilities	2.B1		
	TOTAL		2,034,674,685	1,765,916,843
	The accompanying Notes 1 - 23 form an integral part of these financial statements			

Sd/-

K.P. SASIKUMAR
MANAGING DIRECTOR

For and on behalf of the board

Sd/-
P. Balachandran
Chairman

As per our report of even dated attached

For **S. Kumar & Kumar**
Chartered Accountants

Sd/-
C.A. Satheesh Kumar.G (Partner)

M.No: 027965 FRN: 01597S

Ernakulam
January 15, 2021

Athani
January 15, 2021

KERALA AGRO MACHINERY CORPORATION LIMITED
REGISTERED OFFICE: ATHANI P.O., ERNAKULAM DISTRICT, KERALA - 683 585

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

Sl. No	PARTICULARS	Notes	For the year ended 31-03-2020	For the year ended 31-03-2019
			₹	₹
	Revenue			
I	Revenue from operations	16	2,014,146,640	1,791,185,419
II	Other Income	17	16,419,881	23,663,549
III	Total Revenue (I+II)		2,030,566,521	1,814,848,968
IV	Expenses			
	Cost of Raw Materials Consumed	18	1,478,258,530	1,210,170,670
	Change in inventories of finished goods,	19	(42,403,875)	63658498
	Work in progress and Stock in trade			
	Employee Benefits Expenses	20	430,969,243	396,616,891
	Depreciations and amortizations expense	9	18,382,967	19,261,249
	Other expenses	21	88,821,494	84,625,991
	Prior Period Expense/ (Income)	22	171,358	(11,251)
V	Total Expenses		1,974,199,717	1,774,322,048
VI	Profit before exceptional and extraordinary items and tax (III - V)		56,366,804	40,526,920
VII	Exceptional items		-	-
VIII	Profit before extraordinary items and tax (VI - VII)		56,366,804	40,526,920
IX	Extraordinary items		-	-
X	Profit before tax (VIII - IX)		56,366,804	40,526,920
XI	Tax expense:			
	1. Current tax		15,650,000	11,057,698
	2. Earlier years		13,596	243,477
	3. Deferred tax- Revesal(+)		283,070	648,103
XII	Profit for the period from continuing operations (X-XI)		40,420,138	28,577,642
XIII	Profit from discontinuing operations		-	-
XIV	Tax expense of discontinuing operations		-	-
XV	Profit from discontinuing operations (after tax) (XIII - XIV)		-	-
	Profit for the period (XII + XV)		40,420,138	28,577,642
XVI	Earnings per equity share:	23		
	1. Basic		250	177
XVII	2. Diluted		250	177
	Summary of Significant Accounting Policies	2.A.		
	Notes Forming Part of Accounts	2.B		

The accompanying Notes 1 - 23 form an integral part of these financial statements

As per our report of even dated attached

Sd/-
K.P. SASIKUMAR
MANAGING DIRECTOR

For and on behalf of the board
Sd/-
P. Balachandran
Chairman

For **S. Kumar & Kumar**
Chartered Accountants
Sd/-
C.A. Satheesh Kumar.G (Partner)
M.No: 027965 FRN: 01597S
Ernakulam
January 15, 2021

Athani
January 15, 2021

KERALA AGRO MACHINERY CORPORATION LIMITED
REGISTERED OFFICE: ATHANI P. O. , ERNAKULAM DISTRICT, KERALA 683 585

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

	Particulars	₹ 31.03.2020	₹ 31.03.2019
A	Cash Flow from Operating Activities:		
	Profit before taxation and exceptional items	56366804	40526920
	Adjustment For:-		
	Depreciation, Amortization & Impairment	18382967	19261249
	Interest Income	-9905368	-16442209
	Capital grant under RKVY Scheme written back	-4213887	-4752642
	Dividend Income	-1375000	-1375000
	Provision for bad and doubtful debts and advances	0	0
	Profit/Loss on sale of fixed assets	0	-320030
	Operating Profit before Working Capital Changes	59255516	36898288
	Adjustment for:-		
	Trade and Other Receivables	-371263293	18189320
	Inventories	25977818	-50395288
	Other Current Assets	725697	-1371454
	Loans and Advances	-13738761	-39512436
	Trade payables and Other Liabilities	234215009	114569686
	Cash generated from operations	-64828014	78378116
	Tax Paid (net of refunds)	-14945109	-12285022
	Net Cash From Operating Activities - A	-79773123	66093094
B	Cash Flow from Investing Activities:		
	Purchase of Fixed Assets	-9846243	-9603445
	Interest Received	9905368	16442209
	Dividend Received	1375000	1375000
	Sale of fixed assets	0	444600
	Net Cash form/used in Investing Activities - B	1434125	8658364
C	Cash Flow from Financing Activities:		
	Dividend Paid and tax thereon	-1946487	-3886590
	Net Cash Used in Financing Activities:- C	-1946487	-3886590
	Net Increase/ (Decrease) in Cash and Cash equivalent	-80285485	70864868
	Equivalents (A+B+C)		
	Cash and Cash Equivalents as at 1st April(Opening Balance)	257053355	186188488
	Cash and Cash equivalents as at 31st March(Closing Balance)	176767870	257053355
	Net Increase/ (Decrease) in Cash and Cash equivalent	-80285485	70864868

Notes

- 1 The Cash Flow Statement is prepared in accordance with AS 3 issued by the ICAI
- 2 Negative Figures represents deduction or outflow.
- 3 Figures of previous year have been regrouped wherever necessary, to suit current year's presentation
- 4 Cash and cash equivalent included in the cash flow comprises of the following balances as on 31.03.2020

	₹ 2020	₹ 2019
Cash on hand	143945	289653
Balance with Banks in current account	83483068	58743322
Savings bank Account with Treasury	2568043	66490
Fixed Deposit with Treasury	24000000	62511400
Fixed Deposit with bank original maturity more than three months	45808192	113290323
Fixed Deposit with bank original maturity more than twelve months	20764622	22152167
Total	176767870	257053355

As per our report of even dated attached

Sd/-
K.P. SASIKUMAR
MANAGING DIRECTOR

For and on behalf of the board
Sd/-
P. Balachandran
Chairman

For **S. Kumar & Kumar**
Chartered Accountants
Sd/-
C.A. Satheesh Kumar.G (Partner)
M.No: 027965 FRN: 01597S

Athani
January 15, 2021

Ernakulam
January 15, 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

I. CORPORATE INFORMATION

KERALA AGRO MACHINERY CORPORATION LTD is a fully state owned organization, registered under Company's Act 1956, engaged in the manufacture of Agricultural Machinery. The registered office of the Company is situated at Athani, in Ernakulam District.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS FOR PREPARATION OF FINANCIAL STATEMENT

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Policies in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Companies Act. The financial statements have been prepared on an accrual basis and under the historical cost convention. The Accounting Policies adopted in the preparation of financial statements are consistent with those of previous year.

1. Revenue Recognition:-

- i The Company follows the mercantile system of accounting and recognizes Income and Expenditure on accrual basis.
- ii Sales are exclusive of GST. Excise Duty in respect of sales of previous year is shown separately as deduction from gross turn over. Current year there is no excise duty. Export sales are accounted on the basis of Bill of Lading.
- iii Scrap sales is accounted for on delivery basis. No inventory is taken for scrap, as the amount involved is not material.
- iv Warranty liability for after sales services to the extent ascertained is accounted on accrual basis.

2. Fixed Assets:-

Fixed Assets are stated at the cost of acquisition less accumulated depreciation and impairment loss if any. Cost includes all identifiable expenditure incurred to bring the assets to its present condition and location. The Tax/Duty credits available are adjusted in the cost as per the rules of blocked credit under sec. 17(5) of CGST Act, 2017. Lease hold land is shown separately and amortized during the period of lease agreement.

3. Depreciation:-

- (i) Depreciation on tangible assets are provided on Written Down Value method over the useful life of assets prescribed in part C of schedule II of Companies Act 2013.
- (ii) Written down value of loose tools(assembling tools) are reviewed every year on the basis of further estimated life and loss if any are debited to current year expense under the head 'loss on revaluation of tools'..

4. Impairment of Assets:-

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine:

- (i) the provision for impairment loss; if any, required; or
- (ii) the reversal, if any, required of impairment loss recognized in previous periods.
- (iii) Impairment loss of Fixed Assets is provided based on "Value in Use" and estimated realizable value of each asset.

5. Government Grants

Grants received from the State Government towards capital expenditure are treated initially as Capital Reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of grants.

6. Investments:-

Long term investments are stated at cost or fair market value whichever is lower.

7. Valuation of Inventories:-

- (i) Inventories of Raw materials and Components, Stores and Spares, Work in Progress and Finished Goods are stated at lower of Cost or Net Realizable Value.
- (ii) Cost comprise all cost of purchase;excluding taxes eligible for refund, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is Weighted Average Cost and due allowance is made for defective and obsolete items.

8. Employee Benefits:-

- (i) Contributions to Provident Fund and Family Pension fund are provided for and payments thereof are made to relevant authorities on due basis.
- (ii) Annual contribution for gratuity is made to Group Gratuity Scheme of Life Insurance Corporation of India on actuarial basis.
- (iii) For encashment of leave payable at the time of retirement of employees, contribution is made to a group leave encashment policy with Life Insurance Corporation of India on the basis of their actuarial valuation. Payment in respect of leave surrender of employees in service is charged to revenue in the year of payment.

9. Provision for Taxes:-

- (i) Current tax is measured at the amount expected to be paid to the taxation authorities, using the applicable tax rates, tax laws and favourable judicial pronouncements/legal opinion.
- (ii) Deferred tax, comprising of tax effects of timing differences between taxable and accounting incomes for the period, is recognized keeping in view the consideration of prudence in respect of deferred tax assets.
- (iii) Amount, if any, paid under dispute are shown under Advance Tax.

10. Research and Development expense:-

- (i) Revenue expenditure is charged out as expense in the year in which they are incurred.
- (ii) Expenditure of a capital nature is debited to Fixed Assets and Depreciation is provided on such assets as are applicable.

11. Provisions, Contingent Liabilities and Contingent Assets:-

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- (i) The Company has a present obligation as result of a past event.
- (ii) A probable outflow of resources is expected to settle the obligation, and
- (iii) The amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received. Contingent liability disclosed in the case of:

- a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- b) A present obligation when no reliable estimate is possible, and
- c) A possible obligation arising from past events where the probability of outflow of resources is not remote,
- d) Amount shown under Contingent Liability is reasonably ascertained based on disputed claim. Contingent Assets are neither recognised, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

12. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statement'.

13. Taxes on Income

Current tax is determined on the basis of taxable income in accordance with the provisions of Income Tax Act, 1961. Deferred Tax Liability/Asset resulting from 'timing difference' between accounting income and taxable income is accounted for considering the tax rate & tax laws that have been enacted or substantively enacted as on reporting date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future. Deferred tax assets are reviewed at each reporting date for their realisability.

II B. NOTES FORMING PART OF ACCOUNTS.

1. CONTINGENT LIABILITIES NOT PROVIDED FOR

(Figure in Rs.)

Sl.No	Description	Current year	Previous year
(a)	Demand from Income Tax Dept. disputed (See note below)	2,20,46,787	2,18,91,252
(b)	Disputed Sales Tax (see note below)	13,48,286	13,48,286
(c)	Service tax & interest on technology fee, royalty TA directors disputed (see note below)	17,43,624	17,43,624
(d)	Disputed claims of employees at High court and Tribunals	3643424	2193000
(e)	Bank Guarantees	27,65,500	4700000

(g) Estimated value of works to be executed on capital contract Rs.19,80,909/-(Rs. 520,000/-) and on balance installment towards technology transfer fee to Barbieri Rs. 19,08,540(Rs.1793568) being equivalent value of 23000 Euro @ 82.98.

2. STATUS OF INCOME TAX, SALES TAX & SERVICE TAX ASSESSMENTS

Status of income tax assessments are as summarized below:-

A. INCOME TAX ASSESSMENTS AND APPEALS AS ON 31.03.2020

(Fig in Rs.)

Assess- ment year	Status and details	Disal- lowance amount involved	Tax paid under dispute	Contingent Liability
1991-92	Service charges paid to Govt.of Kerala Appellate tribunal allowed the appeal of the Company but CIT referred the case to High Court has directed the assessing authority to consider the matter afresh. Accordingly, Dy. Commissioner of 1.Tax has heard the case on 04.06.2005, but not finalized. Decision is pending as several PSUs have similar disallowances and uniform decision is required.	4530000 (4530000)	Nil (Nil)	2344275 (2344275)
1992-93	- do -	7050000 (7050000)	Nil (Nil)	3648375 (3648375)
2004-05	Company has filed an appeal before CIT (Appeals) against demand towards interest u/s 234 by Dy.CIT for late remittance of advance tax of Rs.91 lakhs towards second installment (Cheque was issued on 12.09.03 but bank transferred the amount on 16.09.03). Remitted Rs.1.80 lakhs and appeal is pending.	Nil (Nil)	180457 (180457)	180457 (180457)
2005-06	Original assessment u/s 143(3) was completed on 20.09.2007. Later as per notice u/s. 148 Company was asked to file return of income. As per assessment order based on above Asst. Commissioner of Income Tax vide order dated 28.12.2010 demanded tax amounting to Rs.121.53 lakhs by disallowing certain expenses under prior period, provision for leave encashment etc. Against this demand KAMCO have made a part remittance of Rs.30 lakhs under dispute and filed appeal petition before CIT against these disallowances. On 28.3.2013 IT department have adjusted their demand of Rs.121.53 lakhs against refund due to KAMCO for the A.Y 11-12. This has also been represented before IT authorities.	19474290 (19474290)	3000000 (3000000)	12153251 (12153251)

Assessment year	Status and details	Disallowance amount involved	Tax paid under dispute	Contingent Liability
2008-09	As per Assessment order dated 02.12.2010 Assessment officer has disallowed various expenses and demanded an amount of Rs.13.31 lakh towards tax. Remitted the tax Rs.13.31 under dispute. Appeal petition against the decision of Assessment Officer has been filed before CIT.	2807731 (2807731)	1331183 (1331183)	1331183 (1331183)
2009-10	As per Assessment order dated 24.03.15 returned income has been assessed disallowing expenses to the tune of Rs.363878 being rental income and additional depreciation and tax on the same @ 34% amounts to Rs.1.24 lakhs. Appeal filed is pending and disputed tax is shown as contingent liability.	363878 (2392464)	Nil	123719 (123719)
2010-11	Return filed on 29.9.2010 with Gross Total Income of Rs. 132785476/-. Intimation U/s 143(1) of the Income Tax Act received with demand of Rs. 77,85,149/-. There will not be any demand for this year since the figure of 77,85,149/- arose only due to non reflection of TDS credits to us as claimed in the return. Taxes paid as per return including TDS amounts to Rs. 45138793/-. Whereas in intimation U/s 143 (1) it is Rs. 39265209/-.Sub Treasury Aluva who deducted TDS on interest on our fixed deposits has not timely filed TDS return and hence the difference. They have subsequently filed return and same is reflected in AS 26. The matter has been represented before ACIT. Scrutiny Assessment pending. No further liability envisaged.			

Assessment year	Status and details	Disallowance amount involved	Tax paid under dispute	Contingent Liability
2011-12	Return filed assessment under section 143(3) completed disallowing certain expenses and claiming tax of Rs.19.75 lakhs department has adjusted the additional claim towards refund due. Company has filed appeal against the said disallowances on account of expenditure for earning income U/s 14A read with Rule 8D (Rs 102500), expenses involving later TDS remittances (Rs. 38,84,409), Loss on revaluation of tools (Rs. 4,48,719), rental income (Rs. 64,233), Notional Interest on loan given to KSCDC (Rs. 4,50,000), additional depreciation (Rs.35622), totalling the disallowances to Rs. 49.85 lakhs with demand to pay tax Rs. 19.75 lakhs. Appeal is pending.	4985483 (4985483)		1975330 (1975330)
2012-13	Revised return of Income filed on 30.5.2013,with Gross Total Income Rs. 68343412/- claiming refund of Rs.109.97 lakhs. Against refund claimed by us the Income Tax Department has adjusted Rs.50.8 lakhs against their demand of A.Y.2009-10. Assessment Order U/s 143 (3) dt 17-03.2015 received, disallowing items Viz, rental income (Rs. 68234), expenditure for earning income U/s 14 A read with Rule 8D (Rs. 108758), with demand to pay tax Rs. 68550/. Tax on disallowed amount will be 0.68 lakhs . We have filed appeal before the CIT against the disallowances. Stay Petition has also been filed. Case is pending.	176992 (Nil)	Nil	68550 (68550)
2013-14	Assessment order under Sec.143(3) of the IT Act completed and orders issued by ACIT. Expenditure for earning exempted income estimated under provision of sec14A read with rule 8D OF IT Act to the tune of Rs. 109900 and rental income of Rs.94776/- has been disallowed .Tax on disallowed amount will be Rs.0.66lakhs. Appeal has been filed against these disallowances.	203766 (Nil)	Nil	66112 (66112)

Assessment year	Status and details	Disallowance amount involved	Tax paid under dispute	Contingent Liability
2014-15	Assessment order under sec.143(3) of IT completed against our revised return of Income for Rs.69120912 without any disallowance of expense. Refund due Rs.1174560 has been received on 21.03.2017. Subsequently reassessment proceedings initiated and order u/s.143(3) r.w.s.147 issued on 09.12.2019. appeal filed before the Commissioner of Income Tax (Appeals). Case is pending.	282,564 (Normal provision) 10,96,265 (MAT provision)	Nil (Nil)	91,679 (Nil)
2015-16	Assessment order under Sec.143(3) of IT Act 1961 received, without any disallowance of expense. However there is a demand of Rs.50560. It is understood that this demand has arisen due to errors in interest calculation. Request for rectifying the error filed. Error in calculation of interest rectified and refund received amounting to Rs.79320 on 22.05.2018.			Nil (Nil)
2016-17	Revised return filed on 25/03/2018 with refund of Rs.22601. Assessment order under Sec.143(3) of IT Act, 1961 received without any disallowance of expense. Refund of Rs.266010 admitted. This refund has been adjusted against outstanding demand pertaining to AY 2010 and AY 2012.			
2017-18	Revised return filed on 10/08/2018 with gross total income of Rs 28577239 with refund of Rs.560270. Case is taken for assessment and order u/s.143(3) was issued on 27.12.2019 after making certain disallowances. Appeal filed before the CIT (Appeals) against disallowance of delayed contribution to ESI & PF (Rs.15,54,699) and prior period expenses (Rs.58176). Appeal is pending.	16,12,825 (Nil)	12,771 (Nil)	63,856 (Nil)

Assessment year	Status and details	Disallowance amount involved	Tax paid under dispute	Contingent Liability
2018-19	Revised return filed on 26/03/2019 with gross total income of Rs.40531205 with a refund of Rs.354230. The file is taken for scrutiny assessment vide notice dated 22.09.2019. Assessment proceedings were pending.			
2019-20	Revised return filed on 26/09/2020 with gross total income of Rs.38825954 with a refund of Rs.263720.			
	Total		45,24,411 (4511640)	2,20,46,787 (21891252)

Figures shown in bracket relate to previous year.

B. SALES TAX

CST and VAT has been replaced by GST, with effect from 01-07-2017. All pending assessments of the VAT period have been completed and only one appeal with respect to CST of first quarter of 2017-18 is pending with Deputy Commissioner. The Tax together with interest on C-forms that could not be submitted at the time of assessment amounts to Rs. 1348286. Majority of C-forms for the relevant period also could be collected subsequently and hence no additional liability is anticipated. The disputed amount has been shown under Contingent Liability and amount deposited at the time of filing appeal has been shown under 'advance sales tax paid'.

C. SERVICE TAX

During the audit conducted by Central Excise and Service tax Department during August 2015 for the period 01-04-2012 to August 2015, a demand has been raised for remitting service tax and interest on technology transfer and royalty payments made to M/s Barberi Italy as well as travel expense reimbursed to chairman and directors. Total demand amounts to Rs.1743624/- (Rs.1743624/-) including interest. According to legal opinion obtained permanent transfer of technology/intellectual property amounts to purchase and attract no service tax. Similarly reimbursement of actual expense incurred by chairman and directors are exempted and hence Company filed appeal which is pending. Since interest rates are extremely high and payments are to government, lawyers advised the Company to remit the amount demanded from 01-10-2010 onwards under protest and claim refund filing appeal. Accordingly Company remitted the tax and interest and the amount paid has been shown under 'advance tax remitted under dispute'. The amount has also been shown under Contingent Liability.

3. Reserve fund was created amounting to 60000000, during 1994-95 for equity participation in M/S Kerala Feeds worth Rs.150 lakh has been reversed during the year 2017-18 to Profit & Loss account as separate reserve is not required to be provided for equity participation as per Companies Act 2013. This has no impact on total reserves and surplus as per Note No 4. of balance sheet.
4. The Company had made Long Term Investments of Rs.20500000/- towards Equity Shares of other Companies and same is stated at Cost.
5. Dividend income is accounted on the basis of declaration of the same and accordingly an amount Rs.13,50,000/- declared by M/S CIAL and Rs.25,000 received from M/S Kerala Enviro Infrastructure Ltd during September/October 2019, for the Financial Year 2019-20 has been credited to the income of reporting year on accrual basis.
6. (a) The inventories include Rs.31281357 (Rs. 32463975/-) materials issued to fabricators/contractors for machining and other process work and held by them in trust.

(b) GST was introduced all over the country with effect from 01/07/2017. Eligible credit in respect of various stock during the transition period including unutilized VAT credit allowed to be carried forward has been brought to account under the head balance under 'Electronic credit ledger' crediting stock account and refund of the same is yet to be obtained.
7. Warranty Claim received and admitted by the Company till 31.03.2020 has been accounted for. As the products are under warranty only for 500hours and the average warranty claim for the past is only nominal, as compared to sale value of products, no provision has been made for warranties on products sold during the year, the claim for which may arise in future.
8. The loan amount of Rs.2500000/- granted to M/s.Kerala State Coconut Development Corporation together with interest is outstanding for recovery and the matter has been taken up with Government of Kerala. Till the year 2003-04, Company had charged simple interest @ 18% on the loan and thereafter interest is not accounted as the said Company is under liquidation process and the entire amount is pending for a final settlement. The non-provision of interest has an impact of Rs.450000/- decrease in current year profit. Similarly, had the interest been provided on accrual basis there would have been an increase in accumulated profit and loans and advances as on 31.03.2020 to the extent of Rs.7200000/- (Rs. 6750000/-) each. According to the Agreement executed with M/s.Kerala State Coconut Development Corpn. Ltd., loan amount of Rs.2500000/- together with interest was to be repaid by the borrowing Company immediately after disposal of its land at Edappally in Ernakulam Dist. or within a period of one year, whichever is earlier. This loan was granted to them based on the direction of the Government of Kerala vide their letter dt.25.08.98. The Govt. letter also states that the loan together with interest will be repaid by the borrower after disposal of its land at Edappally in Ernakulam Dist. Company had already written letters to the State Government with a request to transfer and register a portion of the land occupied by KSCDC at Edappally in favour of the Company in full and final settlement of the entire loan, interest and penal interest. The Management do not envisage any problem in getting the loan amount. The Company is following up the matter with Govt. and KSCDC Ltd. As

per the agreement the loan is to be fully paid on or before 31.08.1999. However the repayment is pending due to the matters specified above. Hence this loan is treated as Non Current Assets.

During the year 2017- 18 Company had granted a loan of Rs.11500000/- to M/s Vazhakulam Agro & fruit processing Company limited;a state owned venture, as directed by government vide their letter no 1755561/PU2/2017 agri (PU) dated 24/08/2017 and based on loan agreements executed. As per the agreement M/s VAFPC has to repay the loan with 9% interest within a period of 6 months. They repaid Rs.400000/- and interest upto 31/3/18 amounting to Rs.571339/- Balance loan of Rs.11100000/-and interest for the year amounting to 19,98,000 is outstanding for settlement. Loan amount is shown under the head current advance and interest under the head interest receivable

9. (a) Company has implemented Web based access to creditors and dealers having network connectivity, for viewing their accounts status and facility to point out difference in account immediately. Differences pointed are verified and wherever rectification required same have been made. Confirmation has been received from major dealers and with respect to creditors as payments are made bill wise and online viewing facilities given, no further confirmation have been received from them. Debtors and Creditors are stated at book balances.

(b) For orders placed through E-Tender system, few suppliers have submitted MSME, Registration details. Their payments have been released as per tender terms. With regard to others, none of the trade creditors have claimed any benefits under Chapter V of MSMED Act and filed any evidence claiming their status as MSME. Hence the Company considered amount payable to MSME as Nil and accordingly.

Particulars	As at 31.03.2020
a. Principal amount due remaining unpaid and interest due there on above	NIL
b. Payment made to suppliers beyond appointed date and interest paid under sec 16 of MSMED Act 2006	NIL
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under this Act.	NIL
d. The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL

10. During the year the Research and Development activities continued and expense incurred amounting to Rs.463377/- (Rs. 446373/-) has been charged to revenue as per existing policy of the Company.

11. As per Accounting Standard 22- "Accounting for Taxes on Income", an amount of Rs.283070/- has been charged during the current year, as against Rs.648103/- charged during its previous

year. Deferred tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax liability as on 31.03.2020 is Rs.1717189 against 1434119/- during its previous year. Tax rate adopted for the calculation of deferred tax is income tax rate of Assessment Year 2020-2021@ 25% plus 7% surcharge and 4 % cess.

- 12.As the Company's products, production process, administrative and sales activities and also risk, cost and revenue of all Units/Locations are identical; management is of the opinion that there is no reportable segments as envisaged under AS 17.
- 13.As per the requirement of AS 28, assets have been verified by an internal committee and no impairment provision is found required during the year.
- 14.Company's products are usually sold through dealers on ex-works dealerprice. During the year, in Karnataka state; for subsidy sales govt insisted direct billing by manufacturer (not by dealer) and hence Company billed end customers at customer price and sale is inclusive of same. Difference between customer price and dealer price; which is due to dealer towards pre delivery expense and inspection charges and also after sales service charges based on GST bill has been debited to after sales service charges in P&L Account of current year. This has no net impact on revenue.
- 15.In accordance with AS 22 "Accounting for Taxes on Income", provision for current year Income tax has been shown net of advance tax paid during the year.
- 16.In the case of amount recoverable from Govt. companies and for debts and other receivables including loans outstanding (other than on cases where provision for doubtful debts have been provided), the management do not envisage any threat of recovery as of now.
- 17.Liability in respect of gratuity and terminal leave encashment of employees are covered under policy of LIC and payments are made as per actuarial valuation on opening date of every financial year. To comply with accounting standards, provision is created for balance amount so as to make the fund value equal to the liability as on closing date as per actuarial valuation of 1st April of subsequent financial year (that is closing date of every accounting year).

Disclosure as per accounting standard -15 on 'Employee Benefits' are as under

Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.

Post-employment benefit (defined benefit Plans)

a) Gratuity

The Company has a defined gratuity benefit plan and same is covered under policy of M/s. Life Insurance Corporation of India. Every employee who has rendered continuous services of five years or more is entitled to get gratuity at 15 days salary for each completed year of service on superannuation, resignation, termination or on death. The employees gratuity plan is a defined benefit plan. Provision for gratuity to employees is estimated on the assumption that gratuity would be payable to all workers at the end of the year. The details of fund value and obligations are as follows.

Defined Benefit Obligation (Figures in Rupees)

Opening Balance	137692748
Interest cost ¹	0326957
Current Service Cost	6726320
Actuarial Loss	8063971
Less:-Benefits paid	-11534646
Closing Balance	151275350

Actuarial Assumptions

Discount rate	7.25%
Salary escalation rate	7%

b) Leave

The Company provide earned leave and half pay leave to the employees of the Company which accrue annually @ 30 days and 20 days respectively. Earned leave is encashable and half pay leave are non-encashable. However total amount of leave that can be encashed on superannuation shall be restricted to 300 days and liability for the same is recognized on the basis of actuarial valuation made by LIC and contribution is made to them. Earned leave surrender wages of employees in service is paid by the Company during the year of surrender and debited to 'Staff Cost' of concerned year. The details of obligation and fund value of Group Earned Leave Surrender Policy are as follows.

Defined Benefit Obligation (Figures in Rupees)

Opening Balance	51267457
Interest cost	3971678
Current Service Cos	10229586
Actuarial Gain	-10580068
Less:-Benefits paid	-4845108
Closing Balance	<u>50043545</u>

Actuarial Assumptions

Discount rate	7.25%
Salary escalation rate	7%

c) Provident Fund

Company pays fixed contribution to Provident Fund at pre-determined rates to a separate trust, which invests the fund in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The annual contribution to the funds for the year is recognized as expense and is debited to the statement of profit and loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by Government. Overall interest earning and cumulative surplus of the trust is more than the statutory interest payment requirement. Hence no further provision is considered necessary.

- d) An MOU has been arrived at for Pay revision of workers which was due with effect from 01.07.2016. Same is subject to GOVT approval and submitted for sanction. Revision as per MOU is 18.5%. Interim relief is also paid to eligible employees. Amount required for pay revision@18.5% considering interim relief has been provided in the accounts. So provided amount to Rs.29200000 (previous year amount Rs.26800000). Similarly, pay revision of officers is due for renewal in line with pay revision of State Government employees with effect from 01.07.2014 and an amount of Rs.1057035 (Rs.7600000 in previous year) has been provided towards revision arrears. No amount has been provided during the year towards DA arrears of officers (Rs.713672 in previous year). Mean time an adhoc advance and monthly interim relief have been paid to officers against pay revision arrears as per a decision taken at a meeting convened by Hon'ble Minister for Agriculture with Management and Officers Associations and such amount of Rs.15331510/-(Rs.12231288/- in previous year) is shown as

advance pending settlement against provisions made for salary revision.

e) Provision has been created for statutory bonus of the current year (at 20%). Regular employee's not eligible for bonus have been granted an amount of Rs.32600/- (Rs.32600/-) as per Government direction for the financial year 2019-20. Provision has been created for payment of such special allowance amounting to Rs.13117976 (Rs.11160900/-).

f) An embezzlement of cash by cashier of Mala Unit amounting to Rs.1420000/- by forging bank statements and confirmation certificates has been detected during September 2013. Criminal complaint filed with Jurisdictional Police authorities and on the basis of FIR, accused has been arrested. Internal disciplinary actions along with civil and criminal proceedings have been initiated against the accused and he has been terminated from service. Both civil and criminal cases/appeals are filed at respective courts. Further, internal control measures have been further streamlined and strengthened to avoid similar issues.

18. The amount shown under Packing, Forwarding and Insurance Expense (Selling and distribution Expense of Note No.21) is net of credit Rs.1235424/- (Rs.549989/-) being difference in transit insurance recovered and actual amount paid.

19. Tractor unit of the Company has been set up at the land transferred by the government in favour of the Company on lease. Though unit was ready in all respect for commercial production, due to litigations and recruitment hurdles, production could not be carried out on economic scale. Technology Transfer Fee of tractor amounting to Rs.9265130/- had been capitalized under the head "Intangible Assets" and amortised fully in FY 2018-19.

6th unit at Valiyavelichem, Kannur set up for the manufacture of New Generation Tillers and exclusive Research and Product Development has been commissioned during January, 2016. The unit has been set up at five acres of land allotted by M/s. Kerala State Industrial Development Corporation on 30 years lease. Assets acquired for the unit amounting to Rs.130867937 have been capitalized and depreciation is provided for. Since the design for New Generation Tiller is not ready, the unit is manufacturing garden tillers and brush cutters. Since the land is acquired on 30 years lease, in compliance with AS 17 it is shown separately under "Lease hold land" and cost is written off during lease period on prorated basis. Accordingly an amount of Rs.519123/- (Rs.519123/- in previous year) is debited to expense of current year.

20. Company received an amount of Rs.70000000/- from Government, towards capital grant under RKVY scheme for the new units at Valiyavelichem Kannur against an amount of Rs. 100000000/- sanctioned. The amount received has been credited to Capital Reserve under Note number 4 and pro-rata depreciation of the assets like building machinery and electrical works for which the grant has been utilized is reversed and taken as revenue of the year under the head 'other income' in Note number 17. This is in accordance with the accounting policy followed by the Company and is in line with accounting standards on capital grants.

21. A.PARTICULARS OF TURNOVER – 2019-20

DESCRIPTION OF PRODUCTS	CURRENT YEAR		PREVIOUS YEAR	
	QTY(.NOS)	VALUE IN RUPEES	QTY(NOS)	VALUE IN RUPEES
1. Manufactured Products				
Power Tillers	12263	1520395142	10782	1299065989
Power Reapers	2851	253255172	3063	250851566
Diesel Engines	8	477650	18	969650
Mini Tractor	3	849000	2	566000
Power Weeder	243	11244604	337	15912950
Brush Cutter	632	13005500	597	12334400
Other Products		761276		457520
Sub Total		1799988344		1580158075
2. Traded Goods				
Sales of Accessories & Rotavator		90592108		85128943
3. Export/Deemed Export				
Power Tillers		Nil	74	10996379
Others		Nil		92167
Sub Total		Nil		11088546
4. Sale of spares		121475509		113135741
TOTAL- PRODUCTS		2012055961		1789511305

DESCRIPTION OF PRODUCTS	CURRENT YEAR		PREVIOUS YEAR	
	QTY(.NOS)	VALUE IN RUPEES	QTY(NOS)	VALUE IN RUPEES
Sale of scrap		2090679		1674113
Revenue from operations		2014146640		1791185418

B. STOCK POSITION AND CONSUMPTION OF RAW MATERIALS, COMPONENTS AND TRADED GOODS

(Figures in. Rupees)

PARTICULARS	OPENING STOCK	PURCHASES	CONSUMPTION	CLOSING STOCK
Indigenous components	263918331	1231515661	1285061395	210372597
Implements & Accessories components	8738445	57417431	57370077	8785800
Paints & Chemicals	4000077	16811774	18713306	2098545
Reaper,Weeder and Others	54933389	90285359	100950608	44268140
Total	331590242	1396030225	1462095435	265525082
Previous year	219047812	1308243751	1195701321	331590242

There is no item of raw material having individual value of 10% or more of the total value of raw material consumed. Hence quantitative particulars of individual item as required under part II of schedule VI is not given.

C. VALUE OF IMPORTS (ON CIF BASIS)

	Current Year (Rs.)	Previous year(Rs.)
Capital Goods	Nil	Nil
Traded Goods	166150	24488486

D. VALUE OF IMPORTED RAW MATERIALS, SPARE PARTS & COMPONENTS CONSUMED DURING THE YEAR

	Current Year(Rs.)	Previous year(Rs.)
Indigenous Components	1461929285	1187093063
% of consumption on total	99.99	99.28
Imported	166150	8608258
% of consumption on total	0.01	0.72
Total	1462095435	1195701321

E. EARNINGS IN FOREIGN CURRENCY.

	Current Year (Rs.)	Previous year (Rs.)
Export/Deemed Export Sales (on F.O.B. basis)	Nil	11088546

F. PARTICULARS OF REMUNERATION TO DIRECTORS.

(Figures in Rupees)

Name	Designation	Remuneration	Honorarium	Others	Total
Shri.P.Balachandran	-Chairman		240000 (240000)	Nil	240000 (240000)
Shri.K.P.SASIKUMAR (from 20-12-2018)	Managing Director	17,18,889 (452666)	Nil	Nil	17,18,889 (452666)

Note :Honorarium showed is excluding RCM on GST

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31/03/2020

NOTE - 3 SHARE CAPITAL

Sl. No:	PARTICULARS			AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
a.	Authorised Capital			20,000,000	20,000,000
	2,00,000 Equity Shares of (₹)100/= each				
b.	Issued, Subscribed and fully Paid up shares			16,146,000	16,146,000
	1,61,460 Equity Shares of (₹).100/= each, fully paid up				
	(1,61460 Equity Shares of ₹ 100/= each, fully paid up)				
c.	Reconciliation of shares outstanding at the begining and at the end of the reporting period				
		AS ON 31.03.2020		AS ON 31.03.2019	
		No. of shares	Amount (₹)	No. of shares	Amount (₹)
	At the begining of the period	161460	16,146,000	161460	16,146,000
	Add: Shares issued during the year		-		-
	Less: Shares bought back during the year		-		-
	Add: Other movements during the year		-		-
	Outstanding at the end of the pe-riod	161460	16,146,000	161460	16,146,000
d.	Terms/rights attached to equity shares.				
	The corporation has only one class of equity shares having par value of ₹ 100 per share. Each holder of equity share is entiteled to one vote per share.				
	In the event of liquidation of the corporation, the holders of equity shares will be entiteled to receive the realised value of the assets of the Company ,remaining after payment of all preferential dues.				
	The Corporation declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of share holders in ensuing Annual General Meeting.				
	During the year ended 31. 03.2020 the amount of dividend per share ₹10 (31.03.2019 - ₹.10/-).				
	The total dividend appropriation for the year ended 31.03.2020 amounted to ₹.1614600/- (Previous Year ₹.1614600/-) and Corporate Dividend Tax amounted to ₹.Nil (Previous Year ₹.328695)				
				AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
e.	Shares held by holding/ultimate holding Com-pany/ or their subsidiaries/associates			NIL	NIL
f.	Details of shareholder's holding more than 5% shares in the Company	AS ON 31.03.2020		AS ON 31.03.2019	
		No. of shares	No. of shares	No. of shares	% of holdings
	Government of Kerala	161460		161460	100%
	As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.				
g.	Aggregate number of shares issued for consideration other than cash,	Aggregate No: of Shares			
	bonus shares issued and shares bought back	AS ON 31-03-2020 (₹)			AS ON 31-03-2019 (₹)
	during the period of five years immediately preceeding the reporting date	NIL			NIL

NOTE - 4 RESERVES AND SURPLUS

Sl. No:	PARTICULARS	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
a.	Capital Reserve		
	Capital Reserve	375,667	375,667
	Capital Grant received from Kerala RKVY 52149351		
	Less:- Grant received Written back during the year (4213887)	47,935,464	52,149,351
		48,311,131	52,525,018
b.	General Reserve		
	Opening Balance	143,620,000	138,620,000
	Add: Transferred from Statement of Profit and loss	5,000,000	5,000,000
		148,620,000	143,620,000
c.	Surplus in the statement of Profit and Loss		
	Opening Balance	1,020,472,589	998,838,242
	Add reserve fund created for equity participation shown above	-	-
	Surplus during the year	40,420,138	28,577,642
	Less: Appropriations:		
	Proposed final equity dividend *	1,614,600	1,614,600
	Dividend distribution tax (Short provision in FY 2018-19)	3,192	328,695
	Transfer to General Reserve	5,000,000	5,000,000
	Total Appropriations	6,617,792	6,943,295
	Net Surplus in the Statement of Profit and loss	1,054,274,935	1,020,472,589
	Total Reserves and Surplus	1,251,206,066	1,216,617,607

* The Board Of Directors has proposed final dividend for the year 2019 – 20 ₹.10/- per Equity Share of par value of ₹.100/- (Previous Year ₹.10/- equity share)

NOTE - 5 DEFERRED TAX LIABILITY (Net)

Sl No:	PARTICULARS	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
a.	Deferred Tax Liability		
	WDV as per Companies Act (See Note 5A)	116,148,915	119,022,868
	WDV as per IT act	109,976,412	113,867,874
	Excess depreciation claimed	6,172,503	5,154,994
	Tax on above *@25%+7% surcharge+4% edu cess(27.82%)	1,717,189	1,434,119
	Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	1,717,189	1,434,119
	Gross Deferred Tax Liability	1,717,189	1,434,119

NOTE - 5A

Sl. No:	PARTICULARS	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
	WDV as per Companies Act including intangible asset as per Note-9	187022775	194629738
	Less:- Land	22938396	23457519
	Less:- Capital grant received net written back	47935464	52149351
	WDV as per Companies Act	116148915	119022868

NOTE - 6 TRADE PAYABLES

Sl. No:	PARTICULARS	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
a.	Dues to Micro and Small Enterprises (See Note- 2B (9 b))	Nil	Nil
b.	Dues to Others	467,470,293	274,527,654
	Provision for bad and doubtful debts -advance		
	TOTAL	467,470,293	274,527,654

NOTE - 7 OTHER CURRENT LIABILITIES

Sl. No:	PARTICULARS	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
a.	Other Payables:		
i	Statutory Remittances	11,115,360	5,868,588
ii	Expenses Payable	24,504,777	17,400,261
iii	Advances from Customers	26,823,317	37,121,102
iv	Other Payables	52,787,480	46,617,815
v	Creditors for Capital & Other Contracts	6,931,807	4,836,758
	TOTAL	122,162,741	111,844,524

NOTE - 8 PROVISIONS

Sl. No:	PARTICULARS	LONG TERM		SHORT TERM	
		AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
a.	Provision for Employee Benefits	138775035	108,518,000	35,582,761	34,885,643
		138775035	108518000	35,582,761	34,885,643
b.	Other Provisions				
	For Proposed Equity Dividend			1,614,600	1,614,600
	For Tax on Proposed Equity Dividend			-	328,695
				1,614,600	1,943,295
	TOTAL	138775035	108518000	37,197,361	36,828,938

NOTE-9 FIXED ASSETS AS AT 31.03.2020(₹)

DESCRIPTION OF ASSETS	GROS BLOCK		DELE-TIONS	AS ON 31.03.2020	DEPRECIATION/AMORTI-SATION			AS ON 31.03.2020	IMPAIRMENT LOSS	WDV writ-ten off	NET BLOCK	
	AS ON 01.4.2019	ADDI-TIONS			AS ON 01.04.2019	FOR THE YEAR	pre yr		01.04. 2020		AS ON 31.03.19	AS ON 31.03.20
A.TANGIBLE ASSETS												
FREE HOLD LAND	9597212	0	0	9597212				0			9597212	9597212
LEASE HOLD LAND	15573676	0	0	15573676	1713369	519123	0	2232492			13860307	13341184
BUILDINGS	246014570	1414468	0	247429038	106698671	10310920	0	117009591	0	0	139315899	130419447
PLANT AND MACJHINERY	163112626	4330820	0	167443446	136924838	5344032	0	142268870	0	0	26187788	25174576
OFFICE EQUIPMENTS	6584722	164149	0	6748871	5986884	188068	0	6174952	0	0	597838	573919
FURNITURE AND FITTINGS	18431282	340979	0	18772261	15851364	672950	0	16524314	0	0	2579918	2247947
PATTERNS, JIGS & FIXTURES	6215821	2050000	0	8265821	6113802	54645	0	6168447	0	0	102019	2097374
MOTOR CAR & VEHICLES	8472524	2010654	0	10483178	7581446	417288	0	7998734	0	0	891078	2484444
COMPUTER MACHINERY	23640154	464934	0	24105088	22162732	875941	0	23038673	0	0	1477422	1066415
OTHERS	839315		0	839315	819058		0	819058	0	0	20257	20257
TOTAL	498481902	10776004	0	509257906	303852164	18382967	0	322235131	0	0	194629738	187022775
PREVIOUS YEAR	489993105	8673684	0	498542219	284651232	19161249	0	303912481	0	0	205341873	194629738
B.INTANGIBLE ASSETS												
KNOW HOW FEE	9265130			9265130	8102547	1162583		9265130			0	0
PREVIOUS YEAR	9265130			9265130	6249521	1853026		8102547			3015609	0
C.CAPITAL WORK IN PROGRESS	929761		929761	0							929761	0
PROJECT EXPENSE-KANNUR UNIT												
PREVIOUS YEAR	929761			929761							929761	
INTANGIBLE ASSET UNDER DEVELOPMENT											842880	842880
(Know how fee-new generation Tiller)												
TOTAL											842880	842880

NOTE - 10 NON CURRENT INVESTMENTS

Sl. No:	PARTICULARS	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
	Non Trade Investments (Valued at cost) Unquoted		
a.	M/s. Kerala Feeds (Govt. of Kerala Undertaking)		
	1500 (1500) Equity Shares of ₹ 10000 (10000) each fully paid up	15,000,000	15,000,000
b.	M/s. Cochin International Airport Limited		
	500000 (500000) Equity Shares of ₹. 10 (10) each fully paid up	5,000,000	5,000,000
c.	M/s. Kerala Enviro Infrastrucure Limited		
	50000 (50000) Equity Shares of ₹ 10 (10) each fully paid up	500,000	500,000
	TOTAL	20,500,000	20,500,000

NOTE - 11 LOANS AND ADVANCES

Sl. No:	PARTICULARS	NON CURRENT		CURRENT	
		AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
a.	Loans and advances to Employees			28,389,867	23,398,460
				28,389,867	23,398,460
b.	Deposits				
	Unsecured, considered good				
i.	Government and Other Public Bodies	4700398	4,200,979	74,339,773	67,023,012
		4700398	4,200,979	74,339,773	67,023,012
c.	Advance Recoverable in cash or in kind				
	Unsecured, considered good				
i.	Advance Tax and Tax Deducted at Source(net of provision)			19,346,828	20,065,315
				19,346,828	20,065,315
d.	Other Loans and advances				
	Unsecured, considered good				
i.	Government Companies	5012602	5,012,602	11,100,000	11,100,000
ii.	Contractors and Suppliers			9,339,861	8,408,687
		5012602	5,012,602	20,439,861	19,508,687
	TOTAL	9713000	9,213,581	142,516,329	129,995,474

NOTE - 12 INVENTORIES (Valued at lower of cost or net realizable value)

Sl. No:	PARTICULARS	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
a.	Stock of raw materials	265,525,082	331,590,242
b.	Work in progress	70,723,264	75,789,539
c.	Stock of Finished Goods	103,349,170	55,879,020
d.	Stock of Tools	884,647	510,792
f.	Consumables stores and spares	4,485,685	7,176,072
	TOTAL	444,967,848	470,945,665

NOTE - 13 TRADE RECEIVABLES

Sl. No:	PARTICULARS	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
a.	Outstanding for a period exceeding six months from the date they are due for payment		
	Secured, considered good	105,339,770	75,784,596
	Unsecured , considered good	16,190,475	90,678,949
	Doubtful	2,221,575	2,221,575
		123,751,820	168,685,120
	Less : Provision for Bad and Doubtful Debts	2,221,575	2,221,575
		121,530,245	166,463,545
b.	Other trade receivables		
	Secured, considered good	49,900,000	28,119,026
	Unsecured , considered good	873,636,078	479,220,492
	Doubtful		
		923,536,078	507,339,518
	TOTAL	1,045,066,323	673,803,030

NOTE - 14 CASH AND CASH EQUIVALENTS

Sl. No:	PARTICULARS	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
1	Cash and cash equivalents		
a.	Cash on Hand	143,945	289,653
b.	Balance with Banks		
	On Current Accounts	83,483,068	58,743,322
	Savings Account with Treasury	2,568,043	66,490
c.	Fixed Deposit with Treasury	24,000,000	62,511,400
	Sub Total	110,195,056	121,610,865
2	Others		
a.	Fixed Deposit with banks original maturity more than three months (Balance held as Margin Money or security against borrowings guarantees and other commitments ₹2765500/- (₹ 4700000/-))	45,808,192	113,290,323
b.	Fixed Deposit with banks original maturity more than twelve months	20,764,622	22,152,167
	Sub Total	66,572,814	135,442,490
	TOTAL	176,767,870	257,053,355

NOTE-15 OTHER CURRENT ASSETS

Sl. No:	PARTICULARS	AS ON 31-03-2020 (₹)	AS ON 31-03-2019 (₹)
I	Other Assets		
	Unsecured , considered good		
a.	Interest Receivable	3,724,427	5,880,814
b.	Claim/ Dividend Receivable	2,254,710	1,657,906
c.	Stipend Receivable	1,258,023	424,137
d.	Rent Receivable	40,500	40,500
	TOTAL	7,277,660	8,003,357

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020

NOTE- 16 REVENUE FROM OPERATIONS

Sl. No:	PARTICULARS	For the year ended 31-03-2020 (₹)	For the year ended 31-03-2019 (₹)
	Operating Revenue		
a.	Sale of products	2,012,055,961	1,789,511,305
b.	Other Operating Revenue(Sale of scrap)	2,090,679	1,674,114
	Total	2,014,146,640	1,791,185,419
	Less: Excise Duty	-	-
	Total	2,014,146,640	1,791,185,419
	Note 16(a) -Sale of products		
	Manufactured products	1,799,988,344	1,580,158,075
	Traded Goods	90,592,108	85,128,943
	Spares	121,475,509	113,135,741
	Export Manufactured products and spares	-	11,088,546
	Total	2,012,055,961	1,789,511,305

NOTE - 17 OTHER INCOME

Sl. No:	PARTICULARS	For the year ended 31-03-2020 (₹)	For the year ended 31-03-2019 (₹)
a.	Interest Income		
i.	Bank Deposits	5,045,705	11,201,914
ii.	Other Deposit		
	Treasury Deposit	3,730,735	4,135,907
	Other Deposit	1,128,928	1,104,388
	Total Interest Income	9,905,368	16,442,209
b.	Dividend Received	1,375,000	1,375,000
c.	Rent Received	66,000	67,800
d.	Other non- operating income	788,280	1,025,898
e	Capital grant from Govt under RKVY written back (pro rata to depreciation)	4,213,887	4,752,642
f	Foreign Exchange rate Fluctuation gain	71,346	-
	TOTAL (a to f)	16,419,881	23,663,549

NOTE - 18 COST OF RAW MATERIAL CONSUMED

Sl. No:	PARTICULARS	For the year ended 31-03-2020 (₹)	For the year ended 31-03-2019 (₹)
	Opening Stock	331,590,242	219,047,812
	Add: Purchase during the year	1,396,030,224	1,308,243,752
		1,727,620,466	1,527,291,564
	Less: Closing Stock	265,525,082	331,590,242
		1,462,095,384	1,195,701,321
	Add: Stores and Spares Consumed	16,163,146	14,469,349
	TOTAL	1,478,258,530	1,210,170,670

NOTE - 19 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

Sl. No:	PARTICULARS	For the year ended 31-03-2020 (₹)	For the year ended 31-03-2019 (₹)
	Inventories at the begning of the year		
	Finished Goods	55,879,020	126,260,720
	Work in Progress	75,789,539	69,066,337
		131,668,559	195,327,057
	Inventories at the end of the year		
	Finished Goods	103,349,170	55,879,020
	Work in Progress	70,723,264	75,789,539
		174,072,434	131,668,559
	TOTAL	(42,403,875)	63,658,498

NOTE - 20 EMPLOYEES BENEFITS EXPENSES

Sl. No:	PARTICULARS	For the year ended 31-03-2020 (₹)	For the year ended 31-03-2019 (₹)
	Salaries and Wages	349,619,241	322,823,612
	Contribution To Provident Fund	18,499,060	17,932,766
	Contribution To Pension Fund	14,258,725	10,941,511
	Contribution To ESI	2,319,185	2,934,863
	Contribution To Labour Welfare Fund	8,764	8,440
	Contribution To Kamco Welfare Centre	362,150	186,180
	Gratuity & Leave Policy with LIC	17,894,562	17,527,939
	Staff Welfare	28,007,556	24,261,580
	TOTAL	430,969,243	396,616,891

NOTE - 21 OTHER EXPENSES

Sl. No:	PARTICULARS	For the year ended 31-03-2020 (₹)	For the year ended 31-03-2019(₹)
	Freight	388,884	706,082
	Power & Fuel	9,000,179	8,434,157
	Coolie Charges	3,579,343	2,803,138
	Packing, Forwarding, Freight & Insurance	21,692,797	23,825,605
	Repairs		
	Plant & Machinery	171,442	201,260
	Buildings	4,111,641	2,610,640
	Others	2,234,206	1,721,390
	Testing Fee Charges	2,230,612	1,244,037
	Loss on revaluation of Tools & Stock Items	335,487	274,407
	ETP Operation charges	419,500	521,182
	Rates & Taxes	2,052,760	2,530,663
	Travelling Expenses - Directors & Chairman	1,608,436	1,555,734
	Travel & Accommodation - Others	6,645,214	6,914,824
	Printing & Stationery	1,511,489	1,336,499
	Postage, Telegram and Telephone	624,078	709,238
	Auditors Remuneration:		
	For Audit	125,000	125,000
	For Tax Audit	50,000	45,000
	For Cost Audit & Sales Tax	79,000	59,000
	For Other Audit, Professional Services & Reimbursement of Expenses	73,734	74,250
	Directors Sitting Fee	72,000	51,600
	Legal & Consultation Charges	846,430	657,195
	Research & Development Expense	463,377	446,373
	Service charges		
	Security Staff	6,132,865	6,203,903
	Others	488,197	448,377
	Lease line Rent to BSNL	275,721	178,372
	AMC Contract Charges	748,493	738,234
	Board Meeting expenses	222,407	163,324
	Insurance charges	696,989	712,128
	Repairs & Running expense Vehicle	2,706,643	2,542,483
	Honarium to Chairman	240,000	240,000
	Royalty on tractors sold	14,936	9,358
	Advertisement & Publicity	2,113,621	2,715,914
	Warranty claim	390,442	629,280
	Sales promotion Expenses	2,910,922	4,253,257
	Certification fee ISO 9002	53,198	175,656
	Subscription and Membership Fee	52,962	74,558
	Inaugural function Expenses	-	56,430
	Corporate Social Responsibility - Expenses	569,081	1,130,000
	Bank charges	26,643	177,837
	After sales service charges	9,937,134	5,699,665
	Exchange rate fluctuation	-	59,400
	Rent paid	39,580	57,140
	Miscellaneous expenses	2,886,051	1,513,401
	TOTAL	88,821,494	84,625,991

NOTE - 22 PRIOR PERIOD INCOME / EXPENDITURE

Sl. No	PARTICULARS	INCOME		EXPENDITURE	
		For the year ended 31-03-2020 (₹)	For the year ended 31-03-2019 (₹)	For the year ended 31-03-2020 (₹)	For the year ended 31-03-2019 (₹)
	Royalty expenses over booked in 2017-18	11295			
	Electricity charges collected from Federal Bank	25848			
	Freight Charges for 2018-19			12,315	
	Legal and Consultations Charges for 2016-17			15,000	
	Legal and Consultations Charges for 2018-19			17,500	
	Transit Insurance Charges			126,228	
	Courier Charges for 2018-19			9,912	
	Arrear amount paid to Headload workers (2015-19)			27,046	
	Freight charges recovered		38,840		
	Revision arrear rent		1,800		
	Travel and conveyance			100	1,645
	Fee Pollution Control Board				20,000
	Purchase			400	7,744
	Sub Total	37,143	40,640	208,501	29,389
	NET BALANCE (EXPENSE/INCOME)		11,251	171,358	

NOTE - 23 EARNINGS PER SHARE

Sl. No:	PARTICULARS	For the year ended 31-03-2020 (₹)	For the year ended 31-03-2019 (₹)
a.	Net profit as per Statement of Profit and Loss	40,420,138	28,577,642
b.	Net profit available to Equity Share holders	40,420,138	28,577,642
c.	No. of equity Shares at year end	161,460	161,460
d.	Weighted average number of Equity shares used as denominator	161,460	161,460
e.	Basic and Diluted Earning Per Share	250	177
f.	Face Value per Equity Share	100	100

The Company has reclassified previous year figures to conform to this year's classification.

Signature to Note 1 to 23

As per our report of even date attached

Sd/-
K.P. SASIKUMAR
MANAGING DIRECTOR

For and on behalf of the board
Sd/-
P. Balachandran
Chairman

For **S. Kumar & Kumar**
Chartered Accountants
Sd/-
C.A. Satheesh Kumar.G (Partner)
M.No: 027965 FRN: 01597S
Ernakulam
January 15, 2021

Athani
January 15, 2021



Participation and KAMCO's Exhibition Stall at VAIGA 2020, Thrissur



Inauguration Ceremony of Agri Tool Kit at KAMCO, Athani



Despatch of Power Tillers to various States of India By Rail

FACTORIES**Athani**

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**Valiyavelicham**

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