



45th Annual Report 2017 - 2018



Kerala Agro Machinery Corporation Ltd.,

CIN: U29211KL1973SGC002492

(A Government of Kerala Undertaking)

Regd. Office: Athani - 683 585, Ernakulam Dist, Kerala, India

Telephone: 91-484-2474301 (5 lines). Fax: 91-484-2474589.

E-mail: mail@kamcoindia.com

Visit us at: www.kamcoindia.com

BOARD OF DIRECTORS:

Shri.P. Balachandran	-	Chairman
Shri.V.Rajappan	-	Director
Shri. Bobby Antony	-	Director
Shri. R. Manikantan	-	Director
Shri. C.K. Sasidharan	-	Director
Shri. P. Kunjukrishnan Bangalam	-	Director
Shri. K.T. Jose	-	Director
Shri. S. Suresh Kumar	-	Director
Shri. K. S. Mohanan	-	Director
Shri. K.P. Sasikumar	-	Managing Director

AUDITORS:

M/s. M.V Tomy and Co.
Chartered Accountants
Kanakath House, Near Meera Flat
St. Benedict Road, Kochi

COST AUDITORS

M/s. Rajendran Mani and Varier
Cost Accountant
Alappatt Cross Road
Cochin 16

LEGAL ADVISORS

M/s. Menon & Pai
Advocates
Cochin 18

BANKERS

Union Bank of India
Federal Bank Ltd.
Canara Bank
State Bank of India
Dhanalakshmi Bank
Indian Bank

SEC/AGM/45
06.12.2018

The Shareholders, Board of Directors
& Statutory Auditors
Kerala Agro Machinery Corporation Ltd.,
Athani - 683585

Sir,

Notice is, hereby, given that the adjourned 45th Annual General Meeting of the Shareholders of the Company will be held at the Registered Office at Athani, Ernakulam District on Friday 28th December, 2018 at 12.00 Noon to transact with or without modification the following business.

ORDINARY BUSINESS

To receive, consider and adopt Directors' Report, audited Balance Sheet as at 31.03.2018, Statement of Profit & Loss for the period 2017-18 and Cash Flow together with Report of Statutory Auditors and Report of the Comptroller & Auditor General of India and Secretary, Finance (Expenditure) thereon.

To declare dividend.

By order of the Board of Directors

Sd/-

MANAGING DIRECTOR

Encl: Proxy Form

KERALA AGRO MACHINERY CORPORATION LTD, ATHANI

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 45th Adjourned Annual General Meeting of the Company to be held at the Registered
Office of the Company at Athani on Friday, 28th December, 2018 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.

KERALA AGRO MACHINERY CORPORATION LTD., ATHANI.

DIRECTORS' REPORT

The Members,
KAMCO Ltd.

Your Directors are pleased to present their 45th Annual Report together with audited financial statements of your company for the year ended 31st March, 2018.

Introduction

Financial year 2017-18 was another year of sustained performance with considerable achievements with regard to turnover, profit and collection of receivables. Although India continues to be one of the fast growing economies in the world, year under review witnessed several structural changes like demonetization, transformation to GST and series of amendments to GST laws, rules and rates leading to a lot of confusion and uncertainties. Added to that, as per a policy decision of the board and government company switched over to E-Tender system for its procurement of components. Change of a system prevailed since inception of the company during 1973, of course had a lot of initial problems which is being sorted out. Unprecedented increase in crude and steel price and consequential increase in all input cost was yet another challenge for your company during the year. Your company's achievement for the year 2017-18 has to be evaluated in the context of the aforesaid economic and market environment.

Operational Performance

During the reporting period turnover increased from Rs.155.98 Crores to Rs.153.38 Crores registering an increase of Rs.2.6 Crores. Other Income also increased by Rs.30 Lakhs registering an increase of 18%. Reaper production increased by 1307 nos registering 85% increased. Tiller production reduced marginally by 204 nos. Operating profit increased from Rs.284.77 Lakhs to Rs.375.78 Lakhs which accounts for 32% growth. Due to implementation of cash and carry system for sales debtors could be reduced to Rs.69.2 Crores from Rs.104.5 Crores during previous year. Collection for the year was all time high and stood at Rs.210.8 Crores. As a result of the enhanced collection, liability to creditors could be reduced to Rs.23.34 Crores from Rs.43.37 Crores. During the year company spent Rs.9 Lakhs on CSR Activities

Internal Financial Control

The company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

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.

Dividend and reserves

Your Board is pleased to recommend a dividend of 10% (same rate of 2016-17) on the paid up value of Equity Shares as on 31.03.2018, 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.

Working Results

Working results of the financial year 2017-18 are as follows:-

	2017-18	2016-17
<i>Production (Nos)</i>		
<i>KAMCO Power Tiller</i>	9782	9986
<i>KAMCO Power Reaper</i>	2837	1530
<i>Tera Tractor and Rotovator</i>	5	18
<i>Sales (Nos)</i>		
<i>KAMCO Power Tiller</i>	9588	9412
<i>KAMCO Power Reaper</i>	2633	1744
<i>Tera Tractor and Rotovator</i>	13	17
<i>KAMCO Engine</i>	32	51
<i>KAMCO - Beriberi Garden Tiller</i>	191	192
<i>FINANCIAL HIGHLIGHTS (Rs.in lakh)</i>		
<i>A. Sales Revenue</i>		
<i>KAMCO Power Tiller</i>	11653.47	11737.57
<i>KAMCO Power Reaper</i>	2106.66	1343.40
<i>Tera Tractor and Rotovator</i>	36.79	30.56
<i>KAMCO - Beriberi Garden Tiller</i>	90.55	91.12
<i>Diesel Engine</i>	18.18	30.72
<i>Spares and Accessories & Others</i>	1693.21	2105.20
<i>Total Sales</i>	15598.86	15338.57
<i>B. Working Results (Rs. in lakh)</i>		
<i>Operating profit</i>	375.79	284.77
<i>Depreciation, impairment loss and amortization</i>	226.85	260.39
<i>Cash Profit</i>	602.64	545.16
<i>Profit before tax</i>	375.79	284.77
<i>Provision for tax and deferred tax (net of excess of previous year)</i>	136.03	95.21
<i>Profit available for appropriation</i>	239.76	189.56
<i>C. Appropriation (Rs. in lakh)</i>		
<i>Proposed dividend</i>	16.15	16.15
<i>Tax on dividend</i>	3.29	3.78
<i>Other reserves</i>	50	50
<i>Profit after tax ,dividend and transfer to reserve</i>	170.32	119.63

Fixed Deposits

We have 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.

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.

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.

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.

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

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.

Contribution to exchequer

Your company contributed an amount of Rs1961.00 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 and dividend tax of Rs3.20. lakhs also have been proposed for payment during the year.

Expansion and Diversification

Company wishes to diversify its operations to new areas. Few more models of reapers, pump sets are planned. Similarly tractors with higher horse power is also proposed to be included in the product range.

Research & Development activities.

The company has its own, in-house research facility to develop and deliver high quality value added products for its customers. During the year the company undertook several initiatives like development of low height reaper, conoweeder, self start tillers, mulberry cutters, etc. The company has undertaken many other research initiatives during the year, which are expected to yield results in future.

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.

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.111 lakh is still pending for a final settlement. Vazhakkulam Fruit Processing Company has settled interest for the year 17-18.

Environment & Safety

Your company's commitment towards safety, health and environment is being continuously enhanced and persons working at factories are given adequate training on safety and health. The requirement relating to various environmental regulations and environment protection have been duly complied with by your company.

Corporate Social Responsibility (CSR)

As per the requirement of Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII (Activities to be included in the CSR Policies), the Company has constituted a Corporate Social Responsibility Committee at the Board level, consisting of M.D., Chairman, Director Sri.C.K.Sasidharan, Director Sri.S.Sureshkumar and Director Sri.V.Rajappan, to monitor the CSR activities. The company adopted CSR policy and constituted CSR committee as required by the Act. Company also spent Rs. 9 lakhs for CSR activities during the financial year 2017- 18, the details of which are provided in this report in the required format. The policy has been published in the website of the company. The consolidated annual report as per the provisions of Companies Act, 2013 is also attached as annexure to this report.

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 2020 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.

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'.

Human Resources & Industrial Relation

Industrial Relations have been cordial at all plants during the year. Long term settlement of workers due for renewal with effect from 01.07.2012 has been approved by Government and implemented during current year. Your company has taken appropriate steps to build organizational capabilities which will increase the long term growth plans. There were 442 permanent employees as on 31.03.2018.

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.

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 discuss 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	: Nil
No. of complaints disposed off during the year	: Nil
No. of complaints at the end of the year	: Nil

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:

- In preparation of the annual accounts for the Financial Year ended 31st March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 2017-18;
- 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;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Corporate Governance.

The company strives to ensure good in corporate governance and levels of transparency with regard to all provisions of statutory laws. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance. The compliance of all statutory and regulatory requirements has been prompt and up-to-date. The company has adequate internal control systems and procedures in place.

Management

Chairman Sri. P.Balachandran and directors Sri.C.K.Sasidharan, Sri.P.Kunjukrishnan, Sri.K.T.Jose, Sri.S.Sureshkumar, Sri.K.S.Mohanan, Sri.V.Rajappan, Special Secretary (Finance), Sri.Boby Antony, Joint Secretary Agri. Department continues to hold their respective position. Sri. Manikantan Under Secretary Agriculture PU Department was appointed as Director in place of Sri.P.Sudheer Babu. Managing Director of Kerala Agro Industries Corporation continued to hold additional charge of M.D of this corporation with effect from 06.12.2017 to

19.12.2018. Government wide order no. G.O. (MS) No. 149/2018 /Agri Dated 18.12.2018 appointed Sri.Sasikumar K.P as Managing Director of KAMCO and he took charge with effect from 20.12.2018.

The Company has not appointed any Key Managerial Personnel as per Section 203 of the Companies Act, 2013 and Rules made there under during the reporting period.

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.

Board Meetings

During the financial year 2017-18, 7 board meetings were held on 25.05.2017, 20.06.2017, 22.08.2017, 15.09.2017, 03.11.2017, 01.02.2018 and 16.03.2018 respectively. The attendance particulars of Board Meeting are :-

Sl. No.	Name of Director	25.05.17	20.06.17	22.08.17	15.09.17	03.11.17	01.02.18	16.03.18
1.	P. Balachandran Chairman	P	P	P	P	P	P	P
2.	V.S.Suresh Kumar	P	P	P	P	P		
3.	S.Saju	P	A	P	P	P		
4.	V.Rajappan	P	P	P	P	P	P	P
5.	K.Suresh Kumar –M.D	P	P	P	P	P		
6.	C. K. Sasidharan	P	P	A	P	P	A	P
7.	P. Kunjukrishnan Bangalam	P	P	P	P	P	P	P
8.	Boby Antony						P	A
9.	T. Sudheer Babu						P	A
10	K. T. Jose	P	P	P	P	P	A	P
11	S. Suresh Kumar	P	P	P	P	P	P	P
12	K. S. Mohanan	P	P	A	P	P	P	A
13	P. Suresh Babu M.D						P	P

The attendances of directors in the meetings are as follows:

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

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.

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.Rajappan	Member
3	P.Suresh Babu	Member

During the financial year 2017-18 three meeting was held on 25.05.2017, 20.06.2017, and on 16.03.2018. All the members were present in all meetings.

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.

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.

Auditor and Audit Report

Statutory auditors M/s M.V TOMY AND CO., Kanakath House, Near Meera Flats, Ernakulam- 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 2017-18. 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.

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-II**.

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.

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.

Future Outlook

KAMCO is committed to provide total solution for farmers’ all mechanization needs. Our company’s products ; mainly target the small and marginal farmers who account for more than 70% of the land holdings. The demand trend is expected to increase, especially due to shortage of rural agricultural labour force. With prediction of normal monsoon, launch of new products and varied models of tillers and reapers along with huge budget for various subsidies for mechanization of farming sector, Company expect that growth rate of the company in next few years will be at par with over all industrial growth.

Acknowledgement

The directors wish to convey their gratitude for the faith reposed in your company by all employees, dealers, vendors, bankers, customers and all other business associates at large. We thank the Central and State Government and other Government Agencies for their support & guidance and look forward for their continued assistance for the future.

For and on behalf of the Board

Sd/-

P.BALACHANDRAN
CHAIRMAN

Athani
28-12-2018

ANNEXURE I TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

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 Co , 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 2017-18.
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.	75 Unit
B. TECHNOLOGY ABSORPTION		
1.	Efforts made	Developed low height reapers and started production at Valiyavelicham.
C. FOREIGN EXCHANGE EARNINGS & OUTGO		
i	Activities relating to exports	Export initiatives were not successful due to fluctuation 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 farm machineries in overseas countries.
iv	Export plans	
v	Total foreign exchange used	US \$984900
vi	Total foreign exchange earned	US \$13042 & 590 Euro

appended as Annexure I to Board's Report.

For and on behalf of the Board

Sd/-
P.BALACHANDRAN
CHAIRMAN

KERALA AGRO MACHINERY CORPORATION LTD, ATHANI.
Comments of Statutory Auditors and reply of the company to their
comments.

Sl. No.	Comments of Statutory Auditors	Company's Reply
I 1.	Recoverability of amount due from Patel Agencies, Madhya Pradesh and Patel Agencies, Bihar amounting to Rs. 14569137 and Rs.2500775 respectively is pending for settlement since 2012. As the recoverability is doubtful provision has to be created against the same.	Both the parties have given cheque for the amount due which was dishonoured. Legal suit have been filed against the dishonour along with civil suit for recovery. Company is hopeful of recovering the amount and no provision is required to be created at this stage.
2.	Trade receivables include an amount of Rs.1183819 due from Maharashtra Agro Industries which is over due from 2014. As the recoverability is doubtful provision has to be created for this amount.	Maharashtra Agro Industries is a Govt. Concern and the recoverable amount is a claim against price revision effected to our product during 2010-11. Revision had to be got approved for releasing the payment. The matter is being followed up and company expects that the approval can be obtained. If any provision is found required same shall be created on the basis of the result of follow up.
3.	Trade receivables include an amount of Rs.48203 pending more than 3 years from Delhi Agro Services. The company is not having any transaction with this firm for last 3 years. Provision has to be created against this as it is long pending.	Action is being taken to collect the amount. Since amount involved is not material, provision has not been created at this stage.
II	Amount recoverable from M/s Kerala State Coconut Development Corporation Ltd, against loan of Rs.25 Lakh granted to them during 2004-05, together with interest is due. Total amount outstanding is Rs.5012602. Since the recoverability of this amount is doubtful and provision has to be created.	M/s KSCDC is a State owned unit and loan has been granted as per direction from Govt. Matter is being taken up with Govt. No provision is required to be created. The matter is fully disclosed under note no. 2B8.
III	Company had invested Rs.150Lakh in equity shares of M/s. Kerala Feeds; a state Public Sector Unit, during 1996 and the said unit has finalized accounts only up to the financial year 2013 – 14. As such fair valuation of investments held could not be done.	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 31.03.2014. 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).

Form No. MGT – 9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST
MARCH, 2018.**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	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 31.03.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				%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 shareholder 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 31.03.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				%Change during the year
	De mat	Physical	Total	% of Total Shares	De 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 Shareholder (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 Promoter's 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 separated during the year)				

e) Shareholding of Directors and Key Managerial Personnel : NIL

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	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				

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/WTD/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/WTD/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/WTD

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				
	Total				

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/-
P.BALACHANDRAN
CHAIRMAN

Athani
28-12-2018

Annual Report on CSR Activities

1. A brief outline on Companies CSR policy : Aims at eradication of poverty, hunger, mal- nutrition 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.Rajappan
3. Average net profit of the Company for the last three financial years : Rs.294.64 Lakh
4. Prescribed CSR Expenditure : Rs.5.89 Lakh
5. Details of CSR expenditure for the year

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	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) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency

1.	Health Care & Enhancement of livelihood of disabled	Assistance through pain and palliative care society	Local Area	8 Lakhs	8 Lakhs	8 Lakhs	Direct
2.	Educating Children	Promoting Education including special education	Local Area	1 Lakhs	1 Lakhs	1 Lakhs	Direct
Total				9 Lakhs	9 Lakhs	9 Lakhs	

Total amount spent for the financial year 2017 - 18

: 9 Lakhs

6. In case the company failed to spend the prescribed amount reason for the same

: Expenditure is as per CSR policy

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

For and on behalf of the Board

Sd/-
P.BALACHANDRAN
CHAIRMAN

Athani
28-12-2018

CHAIRMAN OF THE COMMITTEE

M.V. TOMY AND Co.,

Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KERALA AGRO MACHINERY CORPORATION LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of **Kerala Agro Machinery Corporation Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

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 there under. 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 auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

M.V. TOMY AND Co.,

Chartered Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

I. In our opinion, provision is to be made for doubtful debts in the case of the following parties for the reasons stated below.

Trade receivables include the following two parties against whom the company has filed legal suits.

<i>a) Patel Agencies, Madhya Pradesh</i>	-	<i>Rs.1,45,69,136.58/-</i>
<i>b) Patel Agencies, Bihar</i>	-	<i>Rs.25,00,775.30/-</i>

Above two debtors are sister concerns and the company had sales transactions with them till financial year 2011-2012. After that they couldn't sell tillers under subsidy scheme due to certain issues. They had given cheques against the payment due in full settlement but those cheques were dishonored with remarks "insufficient fund". Case has been filed against the cheques dishonored in appropriate court. Further, Civil suit is also filed.

In our opinion the realization of the above amount is doubtful and provision is to be made since they have no transactions with the company and no payment has been made after 11th September 2015. The suit pending shows the unwillingness of the debtor to pay the amount due.

2. The trade receivables include Rs. 11,83,818.60/- due from Maharashtra Agro Industries. The company is not having any sales transactions with the said party during the last three years. Since there are no receipts after 14th July 2014, its recoverability is doubtful and provision needs to be made.
3. Trade receivable include Rs. 48,203 pending for more than 3 years from Delhi Agro Service. The company is not having any sales transactions with the said party during the last three years. Since there are no receipts after 04-May-2012, its recoverability is doubtful, and provision needs to be made.

If adequate provision had been made in all the above cases, the profit of the company would have been reduced by the above dues amounting to Rs. 18,301,933.48.

- II. As referred to in Clause 8 of Note No. 2B of financial statements, the company had stopped recognizing interest on loan of Rs. 25,00,000/- granted to M/s. Kerala State Coconut Development Corporation Limited from financial year 2004-05. The total outstanding loan and interest as per company's records are Rs. 50,12,602/-. It is reported that the company is under liquidation. The loan and interest is not secured or guaranteed by the Government, except being a Government company, and hence the realization of the principal and interest is not certain. Based on the reasons stated above, the qualification of loss or profit, if any, cannot be ascertained.
- III. The entity has three investments in Equity shares of three companies. Out of these, sufficient details are not available regarding the valuation of shares of M/s Kerala Feeds Limited in which the company has an investment of Rs. 15,000,000 (1500 shares of Rs. 10,000 each). The audited accounts of the financial year 2013-14 onwards is not ready and no other evidence are available to make a fair valuation of those shares.

M.V. TOMY AND Co.,

Chartered Accountants

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 matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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.
- (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 the books of the Company.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with this report are in agreement with the books of account.
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the financial statements referred to in this report, comply with the Accounting Standards referred to in Section 133, of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) Section 164(2) of the Act regarding disqualification of directors is not applicable to this company vide Notification No. GSR 463(E) Dated 5th June 2015 of Ministry of Corporate Affairs.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we attached a separate report in "Annexure B".
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

M.V. TOMY AND Co.,

Chartered Accountants

- 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.
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

Report on the Directions issued by the Comptroller and Auditor General of India u/s 143(5)

- i. The company has clear title/lease deeds for freehold and leasehold land respectively.
- ii. There are no cases of waiver /write off of debts/loans/interest etc.
- iii. Proper records are maintained for inventories lying with third parties. There are no assets received as gift/ grant from Government or other authorities.

We have attached a separate statement as ‘Annexure C’ with respect to compliance on the sector specific sub directions issued by the Comptroller and Auditor General of India under section 143(5) of the Act, applicable to manufacturing companies.

Ernakulam

30-11-2018

For **M.V. Tomy & Co.**
Chartered Accountants

Sd/
M.V. Tomy (Partner)
M.No. 026107
FRN: 004432S

M.V. TOMY AND Co.,

Chartered Accountants

ANNEXURE-A TO THE AUDITORS' REPORT

(This is the Annexure referred to in as item no.1 under Other Legal and Regulatory Requirements in our Report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- 1 a) The Company is maintaining proper records showing full particulars, including location of the fixed asset, quantitative details, situation of fixed assets, depreciation and description.
 b) As per the internal audit report, fixed assets have been physically verified by the management during the year as per phased physical verification program of the management which in our opinion is reasonable looking in the size of the company and the nature of its business. It is also reported that no material discrepancies were noticed on such physical verification.
 c) The title deeds of immovable properties other than lease hold properties are held in the name of the Company.
2. The stock of inventories has been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. The Company has not given any loans, guarantees and made any investments and hence the provisions of sec 185 and 186 are not applicable.
5. According to the information and explanations given to us, the company has not accepted any deposits from the public and hence, the directives issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies under sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.

M.V. TOMY AND Co., Chartered Accountants

6. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013, for Power Tiller. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended and prescribed by the Central Government under sub section (1) of section 148 of the Companies Act 2013 and are of the opinion that, prima facie cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. a) Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, income-tax, sales-tax, service-tax and duty of customs, duty of excise, Value Added Tax, Cess, General State Tax and other statutory dues to the appropriate authorities. Undisputed Statutory dues which are outstanding as at 31st March 2018 for a period of more than six months are nil.
- b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income-tax, sales-tax, service-tax as at 31st March, 2018 which have not been deposited on account of disputes, are as follows:

Nature of Statute	Disputed Amount	Amount adjusted/remitted against disputed amount	Balance to be remitted	Forum where dispute is pending
Income Tax Act, 1961	59,92,650	Nil	59,92,650	Assessing Officer
Income Tax Act, 1961	1,59,49,162	45,11,640	1,14,37,522	Commissioner of Income Tax (Appeals)
Service Tax	17,43,624	17,43,624	Nil	Commissioner of Central Excise and Customs and service tax (Appeals), Ernakulam
Central Sales Tax Act, 1956	48,98,513	Nil	48,98,513	Sales Tax Appellate Authority

8. The Company has not raised loans from financial institutions or banks or government or by issue of debentures and hence clause (viii) of paragraph 3 of the Order is not applicable to the company.

M.V. TOMY AND Co.,

Chartered Accountants

8. The Company has not raised loans from financial institutions or banks or government or by issue of debentures and hence clause (viii) of paragraph 3 of the Order is not applicable to the company.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the company.
10. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. Sec 197 of companies act 2013 regarding managerial remuneration is not applicable to this company vide Notification No. GSR 463(E) Dated 5th June 2015 of Ministry of Corporate Affairs. Accordingly, paragraph 3(xi) is not applicable to the company.
12. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the CARO 2016 Order is not applicable.
13. As per the written representation received from the management there are no transactions with related party and hence clause 3(xiii) of the CARO 2016 order is not applicable.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Companies Act 2013 are not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **M.V. Tomy & Co.**
Chartered Accountants

Sd/
M.V. Tomy (Partner)
M.No. 026107
FRN: 004432S

Ernakulam
30-11-2018

M.V. TOMY AND Co.,

Chartered Accountants

ANNEXURE-B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Kerala Agro Machinery Corporation Limited as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate 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.

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

M.V. TOMY AND Co.,

Chartered Accountants

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 judgment, 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.

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.

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.

M.V. TOMY AND Co.,

Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, has in place an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

For **M.V. Tomy & Co.**
Chartered Accountants

Sd/
M.V. Tomy (Partner)
M.No. 026107
FRN: 004432S

Ernakulam

30-11-2018

M.V. TOMY AND Co.,

Chartered Accountants

ANNEXURE-C TO THE AUDITORS' REPORT

(This is the Annexure referred to in as item no.3 under Other Legal and Regulatory Requirements in our Report of even date)

- i) The Company's pricing policy absorbs all fixed and variable cost of production and overheads are allocated appropriately.
- ii) The Company has not received any Government assistance for technology up gradation/modernization of its manufacturing process during the financial year 2017-18.
- iii) The Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence.
- iv) The Company's manufacturing process does not result in generation of by-products. Finished products are valued at cost or net realizable value whichever is lower. There has not been any deviation from its declared policy regarding the valuation of finished products.
- v) The company has not closed any of its units during the financial year 2017-18. The effect of deteriorated stores and spares of all other units have been properly accounted for in the books.
- vi) The Company has an effective system for physical verification, valuation of stock, treatment of non-moving items and accounting the effect of shortage/ excess noticed during physical verification.
- vii) The extent of utilization of plant and machinery during the financial year 2017-18 was 83.8% of installed capacity.
- viii) The company has not deviated from its laid down policy in case of discounts/commission in regard to debtors and creditors.

For **M.V. Tomy & Co.**
Chartered Accountants

Ernakulam
30-11-2018

Sd/
M.V. Tomy (Partner)
M.No. 026107
FRN: 004432S

KERALA AGRO MACHINERY CORPORATION LIMITED
REGISTERED OFFICE: ATHANI P.O., ERNAKULAM DISTRICT, KERALA - 683 585
BALANCE SHEET AS AT 31st MARCH, 2018

Sl. No:	PARTICULARS	Notes	AS AT 31.03.2018 (Rs.)	AS AT 31.03.2017 (Rs.)
I	EQUITY AND LIABILITIES			
1	Shareholder's Funds			
	a. Share Capital	3	16,146,000	16,146,000
	b. Reserves & Surplus	4	1,194,735,902	1,178,120,049
	Sub Total		1,210,881,902	1,194,266,049
2	Non-Current Liabilities			
	a. Deferred Tax Liabilities (Net)	5	786,016	997,933
	b. Long-term Provisions	8	74,118,000	58,388,393
	Sub Total		74,904,016	59,386,326
3	Current Liabilities			
	a. Trade Payables	6		-
	i. Due to Micro and Small Enterprises (See Note 2B.9.b)		Nil	Nil
	ii. Others		233,363,267	433,684,564
	b. Other current Liabilities	7	46,784,786	59,705,290
	c. Short-term Provisions	8	64,826,673	131,817,546
	Sub Total		344,974,726	625,207,400
	TOTAL		1,630,760,644	1,878,859,775
II	ASSETS			
1	Non-Current Assets			
	a. Fixed Assets	9		
	i. Tangible assets		205,341,873	224,011,604
	ii. Intangible assets		-	1,162,583
	iii. Capital work in progress		842,880	842,880
	b. Non-current investments	10	20,500,000	20,500,000
	c. Long-term loans and advances	11	9,793,615	9,794,798
	Sub Total		236,478,368	256,311,865
2	Current Assets			
	a. Inventories	12	420,550,377	360,827,102
	b. Trade receivables	13	691,992,350	1,045,628,297
	c. Cash and Cash equivalents	14	186,188,488	157,171,730
	d. Short-term loans and advances	11	88,919,158	51,118,300
	e. Other current assets	15	6,631,903	7,802,481
	Sub Total		1,394,282,276	1,622,547,910
	Significant Accounting Policies	2.A.		
	Notes Forming Part of Accounts	2.B.		
	Contingent Liabilities	2.B1		
	TOTAL		1,630,760,644	1,878,859,775

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

Sd/-
P. Suresh Babu
Managing Director

For and on behalf of the Board
Sd/-
V. Rajappan
Director

Sd/-
P. Balachandran
Chairman

As per our report of dated 30-11-2018

Sd/-
For M.V. Tomy & Co.
Chartered Accountants

Sd/-
M.V. Tomy (Partner)
M.No. 026107 FRN: 004432S
Ernakulam
30-11-2018

Athani
13-11-2018

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, 2018

Sl. No	PARTICULARS	Notes	For the year ended 31-03-2018 Rs.	For the year ended 31-03-2017 Rs.
	Revenue			
I	Revenue from operations	16	1,561,265,085	1,533,512,168
II	Other Income	17	19,423,666	16,448,706
III	Total Revenue (I+II)		1,580,688,751	1,549,960,874
IV	Expenses			
	Cost of Raw Materials Consumed	18	1,112,606,571	1,145,923,039
	Change in inventories of finished goods, work in progress and stock in trade	19	(40,607,742)	(52402053)
	Employee Benefits Expenses	20	372,708,269	329,775,845
	Depreciations and amortizations expense	9	22,685,131	26,039,099
	Other expenses	21	75,004,292	72,100,857
	Prior period expenses	22	713,627	46,557
V	Total Expenses		1,543,110,147	1,521,483,344
VI	Profit before exceptional and extraordinary items and tax (III -		37,578,603	28,477,530
VII	Exceptional items		-	-
VIII	Profit before extraordinary items and tax (VI - VII)		37,578,603	28,477,530
IX	Extraordinary items		-	-
X	Profit before tax (VIII - IX)		37,578,603	28,477,530
XI	Tax expense:			
	1. Current tax		13,815,000	9,787,900
	2. Earlier years		-	-
	3. Deferred tax- Revesal(+)		211,917	266,794
XII	Profit for the period from continuing operations (X-XI)		23,975,520	18,956,423
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)		23,975,520	18,956,423
XVI	Earnings per equity share:	23		
	1. Basic		148	117
XVII	2. Diluted		148	117
	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

For and on behalf of the Board

Sd/-
P. Suresh Babu
 Managing Director

Sd/-
V. Rajappan
 Director

Sd/-
P. Balachandran
 Chairman

As per our report of dated 30-11-2018

Sd/-
For M.V. Tomy & Co.
 Chartered Accountants

Sd/-
M.V. Tomy (Partner)
 M.No. 026107 FRN: 004432S
 Ernakulam
 30-11-2018

Athani
13-11-2018

CASHFLOW

KERALA AGRO MACHINERY CORPORATION LIMITED

REGISTERED OFFICE: ATHANI P. O., ERNAKULAM DISTRICT, KERALA 683 585

Cash Flow Statement for the Year Ended 31st March 2018

	Particulars	Rs. 31.03.2018	Rs. 31.03.2017
A	Cash Flow from Operating Activities:		
	Profit before taxation and exceptional items	37,578,603	28,477,529
	Adjustment For:-		
	Depreciation, Amortization & Impairment	23,360,254	26,039,099
	Interest Income	-11,799,906	-8,415,223
	capital grant under RKVY Scheme written back	-5,416,372	(6,225,996)
	Dividend Income	-1,250,000	-1,250,000
	provision for bad and doubtful debts and advances	1,908,760	
	loss on sale of fixed assets	9,023	
	Operating Profit before Working Capital Changes	44,390,363	38,625,409
	Adjustment for:-		
	Trade and Other Receivables	353,403,905	16,735,553
	Inventories	-59,723,276	-71,172,912
	Other Current Assets	1,170,577	-3,862,571
	Loans and Advances	-36,719,973	-11,966,801
	Trade payables and Other Liabilities	-264,503,068	76,478,288
	Cash generated from operations	38,018,528	44,836,966
	Tax Paid (net of refunds)	-16,571,419	-8,208,556
	Net Cash From Operating Activities - A	21,447,109	36,628,410
B	Cash Flow from Investing Activities:		
	Purchase of Fixed Assets	-3577963	-2,240,588
	Interest Received	11,799,906	8,415,223
	Dividend Received	1,250,000	1,250,000
	Sale of fixed assests	41,000	
	Net Cash form/used in Investing Activities - B	9,512,943	7,424,635
C	Cash Flow from Financing Activities:		
	Dividend Paid and tax thereon	-1,943,295	0
	Net Cash Used in Financing Activities:- C	-1,943,295	0
	Net Increase/ (Decrease) in Cash and Cash equivalent	29,016,757	44,053,045
	Equivalents (A+B+C)		
	Cash and Cash Equivalents as at 1st April(Opening Balance)	157,171,730	113,118,685
	Cash and Cash equivalents as at 31st March(Closing Balance)	186,188,488	157,171,730
	Net Increase/ (Decrease) in Cash and Cash equivalent	29,016,758	44,053,045
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 31.03.2018		
		Rs.	Rs.
		2018	2017
	Cash on hand	201,775	233761
	Balance with Banks in current account	62751079	49611699
	Savings bank Account with Treasury	272,175	129359
	Fixed Deposit with Treasury	48,511,400	80747300
	Fixed Deposit with bank orginal maturity more than twelve months	53,853,035	7299445
	Fixed Deposit with bank orginal maturity more than twelve months	20,599,024	19150166
	Total	186188488	157171730

For and on behalf of the Board

Sd/-
P. Suresh Babu
Managing Director

Sd/-
V. Rajappan
Director

Sd/-
P. Balachandran
Chairman

As per our report of dated 30-11-2018

Sd/-
For M.V. Tomy & Co.
Chartered Accountants

Sd/-
M.V. Tomy (Partner)
M.No. 026107 FRN: 004432S
Ernakulam
30-11-2018

Athani
13-11-2018

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH 2018**

1. 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.

2. 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 CST/KVAT/GST. Excise duty in respect of sales is shown separately as deduction from gross turn over. 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. 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; less any permanent diminution in value.

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 forwarded 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.

2B. NOTES FORMING PART OF ACCOUNTS.

1. CONTINGENT LIABILITIES NOT PROVIDED FOR

(Figure in Rs.)

Sl.No	Discription	Current year	Previous year
(a)	Demand from Income Tax Dept. disputed (See note below)	21941812	21941812
(b)	Disputed Sales Tax (see note below)	4898513	1305462
(c)	Disputed claims of employees at High court and Tribunals	2185800	2485800
(d)	Service tax demand disputed (see note below)	Nil	2893767
(e)	Service tax & interest on technology fee, royalty TA directors disputed (see note below)	1743624	1743624
(f)	Bank Guarantees	1800000	1708143

(g) Estimated value of works to be executed on capital contract Rs.4762853/- (Rs.904000) and on balance installment towards technology transfer fee to Barbieri Rs.1850265(1850265).Being equivalent value of 23000 Euro .

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 31.03.2018

(Fig in Rs)

Assess-ment year	Status and details	Disallowance 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
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 (9153251)
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 (Nil)
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 (6415000)
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/-.SubTreasuryAluva 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.			
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 section 14A 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.0.67 lakhs. Appeal has been filed against these disallowances.	203766 (nil)	nil	66112 (nil)

2014-15	Assessment under section 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.	nil	nil	Nil
2015-16	Assessment order under section 143(3) of I.T Act, 1961 received, without any disallowance of expense. However, there is a demand of Rs.50,560. It is understood that this demand has arisen due to errors in interest calculation. Request for rectifying the error is being filed. Disputed interest is shown under contingent liability.			50560
2016-17	Revised return filed on 25.03.18 with gross total income and refund due Rs.266010.			
2017-18	Provisional return has been filed with gross total income Rs.30030724 with refund due to KAMCO Rs.23970. Assessment pending.			
	Total		4511640	21941812 (21941812)

Figures shown in bracket relate to previous year.

(B) SALES TAX

All CST assessments up to the financial year 2014-15 have been completed and two appeals with respect to 2007-08 and 2014-15 are pending. Additional tax and interest demanded towards C-forms not submitted at the time of assessment amounts to Rs.4898513 (Rs.1305462). Disputed amount has been shown under contingent liability and advance amount remitted for filing appeal has been shown as advance tax. As majority of pending forms have been obtained and balance can be collected and submitted by the time of hearing appeal, no provision has been made against the claim.

(C) SERVICE TAX

Demand notice received from Central Excise Department for service tax amounting to Rs.2893767/- (Rs.2893767/-) on commission paid by the company to its dealers from 16.07.97 to 31.08.99 was pending. Appeal filed has been decided in our favour wide judgement dated 4/12/17.

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 for hearing. 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 created amounting to 60000000, during 94-95 for equity participation in M/S Kerala Feeds worth Rs.150 lakh has been reversed during the year 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.1250000/- declared by M/S CIAL during September 2018 for the Financial Year 17-18 has been credited to the income of reporting year on accrual basis.
- 6.(a)** The inventories include Rs.19387345/- (Rs.25772878/-) 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.
- 7.** Warranty Claim received and admitted by the Company till 31.03.2018 has been accounted for. As the products are under warranty only for 500 hours 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 31.03.2018 to the extent of Rs.6300000/- (Rs. 5850000/-) each. Accordingly 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 company has 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/-is outstanding for settlement .

- 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) Company has started procuring material through E-tender system during the end of financial year of 17-18 .Few orders under said system were plaed during February/March 18 and payment due under E-tender to SMIE have been made as per tender conditions.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 31.03.2018
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.351020./- (Rs.893839/-) 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.211917/-(266794) has been reversed during the current 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 31.03.2018 is Rs.786016/- against 997933/- during its previous year. Tax rate adopted for the calculation of deferred tax is income tax rate of Assessment Year 2019-2020.

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 major products, i.e., Power Tiller and Power Reapers and intermediary product Diesel Engine manufactured and captively used were exempted from excise duty till the introduction of GST on 01.07.2017 and there is no excise duty after that date. However, implant machined components transferred/sold and Diesel engines sold attracted excise duty up to 30.06.2017. Excise duty on sale of excisable products is shown by way deduction from sales. Excise duty on implant machined components

manufactured and transferred to other units is debited to excise duty and shown under manufacturing expense.

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 standard, 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	107501433
Current Service cost	5310650
Interest Cost	8678907

Actuarial loss	41506206
Less:-Benefits paid	(24590712)
Closing Balance	<u>138406484</u>

Actuarial Assumptions

Discount rate	7.5%
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	42460106
Current Service cost	7564591
Interest Cost	3475962
Actuarial loss	5275943
Less:-Benefits paid	(5683011)
Closing Balance	<u>53093591</u>

Actuarial Assumptions

Discount rate	8%
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) Pay revision of workers which was due with effect from 01.07.2012 have got approval from government and implemented. Arrears also have been paid during September, 2017. Subsequent revision is due with effect from 01.07.2016 and provision based on last revision have been created for arrears. Amount provided for revision amounts to Rs.28319000/-. 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.9280000(9552000) has been provided towards revision arrears. An amount of Rs.713672(2199095) has been provided during the year towards DA arrears of officers which has been paid during 2018-19. 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.10808531/- 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 decision taken at a Government meeting with recognized trade unions and management for the financial year 2017-18. Provision has been created for payment of such special allowance amounting to Rs. 10299977/- (Rs.10648042/).

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 are being heard 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.711435/-(Rs.889227/-) 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 in 5 years and last installment amounting to Rs.1162583/- was charged to expense during current year under the head “Amortisation of Knowhow Fee .

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 prorata basis. Accordingly amount to be written off upto 31/3/17 amounting to Rs.675123/- is charged to prior period expense and Rs.519123/- in respect of financial year 17-18 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 Valiyavelicham 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 – 2017-18

DESCRIPTION OF PRODUCTS	CURRENT YEAR		PREVIOUS YEAR	
	QTY(.NOS)	VALUE in Rupees	QTY(NOS)	VALUE in Rupees
1. Manufactured Products				
Power Tillers	9588	1165346610	9344	1164501610
Power Reapers	2633	210666483	1744	134340111
Diesel Engines	32	1817906	51	3071927
Mini Tractor	13	3679000	9	2548950
Power Weeder	191	9055324	192	9112259
Brush Cutter	357	7439196	379	8129819
Other Products		166940		1022620
Sub Total		1398171459		1322727296
2. Traded Goods				
Sales of Accessories & Rotavator		74408001		71619207
3. Export/Deemed Export				
Power Tillers			68	9255324
Others		956257		
Sub Total		956257		9255324
4. Sale of spares		86350402		130255648
TOTAL- PRODUCTS		1559886119		1533857475
Sale of scrap		1462397		240874
Grand total		1561348516		1534098349
Less excise duty		83431		586171
Revenue from operations		1561265085		1533512178

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

(Figures in Rupees)

PARTICULARS	OPENING STOCK	PURCHASES	CONSUMPTION	CLOSING STOCK
Indigenous components	161022927	1008178396	976866174	192335149
Reaper components	8959170	29037194	34786534	3209830
Implements & Accessories	9294812	57677770	58663064	8309518
Paints & Chemicals	1706239	13003837	12471299	2238777
Tractor Components	16202303	77346	3358705	12920944
Other Products	4376130	10037740	14380276	33594
Total	201561581	1118012283	1100526052	219047812
Previous year	183452257	1154342535	1136233211	201561581

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

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	8279509	4478202

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

	Current Year(Rs.)	Previous year(Rs.)
Indigenous Components	1092123891	1130447674
% of consumption on total	99.24	99.5
Imported		
% of consumption on total	8402161	5785537
Total	0.76	0.5
	1100526052	1136233211

E. EARNINGS IN FOREIGN CURRENCY.

	Current Year (Rs.)	Previous year (Rs.)
Export/Deemed Export Sales (on F.O.B. basis)	956257	9255324

F. PARTICULARS OF REMUNERATION TO DIRECTORS.

(Figures in Rupees)

Name	Designation	Remuneration	Honorarium	Others	Total
Shri.P.Balachandran (From 23.12.2016)	-Chairman		240000 (65806)	Nil	240000 (65806)
Shri.K.K.Sureshkumar (Upto 06.12.2017)	Managing Director	672000 (8400)	Nil	Nil (2769)	672000 (86769)
Shri.P Suresh Babu (From 06.12.2017)	Addl.Charge of M.D	Nil	Nil	Nil	Nil

Note :Honorarium showed is excluding service tax

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31/03/2018

NOTE - 3 SHARE CAPITAL

Sl. No:	PARTICULARS	AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
a.	Authorised Capital 2,00,000 Equity Shares of (Rs)100/= each	20,000,000	20,000,000
b.	Issued, Subscribed and fully Paid up shares 1,61,460 Equity Shares of (Rs).100/= each, fully paid up (1,61,460 Equity Shares of 100/= each, fully paid up)	16,146,000	16,146,000
c.	Reconciliation of shares outstanding at the beginning and at the end of the reporting period		
		AS ON 31.03.2018	AS ON 31.03.2017
		No. of shares	No. of shares
	At the beginning of the period	161460	161,460
	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 period	161460	161,460
d.	<p>Terms/rights attached to equity shares.</p> <p>The corporation has only one class of equity shares having par value of Rs 100 per share. Each holder of equity share is entitiled to one vote per share</p> <p>In the event of liquidation of the corporation, the holders of equity shares will be entitiled to receive the realised value of the assets of the company ,remaining after payment of all preferential dues.</p> <p>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.</p> <p>During the year ended 31. 03.2018 the amount of dividend per share Rs10 (31.03.2017 - Rs.10/-).</p> <p>The total dividend appropriation for the year ended 31.03.2018 amounted to Rs.1614600/- (Previous Year Rs.1614600/-) and Corporate Dividend Tax amounted to Rs.378390/- (Previous Year Rs.273575)</p>		
		AS ON 31-03-2017 (Rs.)	AS ON 31-03-2016 (Rs.)
e.	Shares held by holding/ultimate holding company/ or their subsidiaries/associates	NIL	NIL
f.	Details of shareholder s holding more than 5% shares in the company		
		AS ON 31.03.2018	AS ON 31.03.2017
		No. of shares	No. of shares
	Government Of Kerala	161,460	161,460
			% of holdings
			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 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
	during the period of five years immediately preceeding the reporting date	NIL	NIL

NOTE - 4 RESERVES AND SURPLUS

Sl. No:	PARTICULARS	AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
a.	Capital Reserve		
	Opening Balance	62,694,032	68,920,028
	Grant received	-	-
	Less:- Grant received Written back during the year	5,416,372	6,225,996
		57,277,660	62,694,032
b.	General Reserve		
	Opening Balance	133,620,000	128,620,000
	Add: Transferred from Statement of Profit and loss	5,000,000	5,000,000
		138,620,000	133,620,000
	Reserve fund created for Equity participation worth Rs. 150,00,000 in shares of M/S Kerala Feeds Ltd made during 1995-96 (Carried forward)	-	60,000,000
		138,620,000	193,620,000
c.	Surplus in the statement of Profit and Loss		
	Opening Balance	921,806,017	909,842,584
	Add reserve fund created for equity participation shown above	60,000,000	-
	Surplus during the year	23,975,520	18,956,423
	Less: Appropriations:		
	Proposed final equity dividend *	1,614,600	1,614,600
	Dividend distribution tax	328,695	378,390
	Transfer to General Reserve	5,000,000	5,000,000
	Total Appropriations	6,943,295	6,992,990
	Net Surplus in the Statement of Profit and loss	998,838,242	921,806,017
	Total Reserves and Surplus	1,194,735,902	1,178,120,049

* The Board Of Directors has proposed final dividend for the year 2017 – 18 Rs.10/- per Equity Share of

NOTE - 5 DEFERRED TAX LIABILITY (Net)

Sl. No:	PARTICULARS	AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
a.	Deferred Tax Liability		
	WDV as per Companies Act (See Note 5A)	124,463,238	137,684,933
	WDV as per IT act	121,637,875	134,666,652
	Excess depreciation claimed	2,825,363	3,018,281
	Tax on above *	786,016	997,933
	Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for the financial reporting	786,016	997,933
	Gross Deferred Tax Liability	786,016	997,933

NOTE - 5A

Sl. No:	PARTICULARS	AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
	WDV as per Companies Act including intangible asset as per Note-9	205341873	225174186
	Less:- Land	23976642	25170888
ss:-	Capital grant received net of Rs.13098007 written back	56901993	62318365
	WDV as per Companies Act	124463238	137684933

NOTE - 6 TRADE PAYABLES

Sl. No:	PARTICULARS	AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
a.	Dues to Micro and Small Enterprises (See Note- 2B (9 b))	Nil	Nil
b.	Dues to Others	233,363,267	433,684,564
	TOTAL	233,363,267	433,684,564

NOTE - 7 OTHER CURRENT LIABILITIES

Sl. No:	PARTICULARS	AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
a.	Other Payables:		
i	Statutory Remittances	2,229,635	10,415,499
ii	Expenses Payable	15,627,933	14,452,093
iii	Advances from Customers	15,671,460	11,451,713
iv	Other Payables	5,390,137	5,337,706
v	Creditors for Capital & other Contracts	7,865,621	18,048,280
	TOTAL	46,784,786	59,705,291

NOTE - 8 PROVISIONS

Sl.	PARTICULARS	LONG TERM	SHORT TERM		
		AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)	AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
a.	Provision for Employee Benefits	74118000	58,388,393	60,940,083	127,930,956
		74118000	58,388,393	60,940,083	127,930,956
b.	Other Provisions				
	For Proposed Equity Dividend		-	3,229,200	3,229,200
	For Tax on Proposed Equity Dividend		-	657,390	657,390
				3,886,590	3,886,590
	TOTAL	74118000	58,388,393	64,826,673	131,817,546

Note - 9 Fixed Asset as at 31-03-2018(Figures in Rs)

DESCRIPTION OF ASSETS	GROSS BLOCK	ADDITIONS	DELETIONS	DEPRECIATION/AMORTISATION			IMPAIRMENT LOSS		WDV written off	NET BLOCK	
				AS ON 01.04.2017	FOR THE YEAR	pre-yr	01.04.2017	FOR THE YEAR			
A.TANGIBLE ASSETS											
FREE HOLD LAND	9597212			9597212			0		9597212	9597212	
LEASE HOLD LAND	15573676			15573676	519123	675123	1194246		15573676	14579439	
BUILDINGS	245682701	331869	0	246014570	232675639	11952702	0	0	0	161871493	150250662
PLANT AND MACHINERY	155359248	1254000	50023	156563225	146639186	6909974	0	0	0	31242543	25533251
OFFICE EQUIPMENTS	6283612	153308	0	6436920	5950898	304336	0	0	0	840597	689568
FURNITURE AND FITTINGS	17622003	201726	0	17823729	16322410	830204	0	0	0	3239859	2594675
PATTERNS, JGS & FIXTURES	6210621	5300	0	6215821	6210521	209	0	0	0	99223	104314
MOTOR CAR & VEHICLES	8112912	0	0	8112912	7813758	205718	0	0	0	817080	611363
COMPUTER MACHINERY	21183965	1631760	0	22815725	20456477	800283	0	0	0	709663	1541141
OTHERS	839315	0	0	839315	839315	0	0	0	0	20257	20257
TOTAL	486465165	3577963	0	489993105	437108204	21222549	675123	45930876	0	224011603	205341873
PREVIOUS YEAR	484224577	2240588	0	486465165	233621279	24184073		257807352	0	245957088	224011603
B.INTANGIBLE ASSETS											
KNOW HOW FEE	9265130			9265130	8102547	1162583		9265130	0	1162583	0
PREVIOUS YEAR	9265130			9265130	6249521	1853026		8102547		3015609	1162583
C.CAPITAL WORK IN PROGRESS											
PROJECT EXPENSE-KANNUR UNIT											
PREVIOUS YEAR											
INTANGIBLE ASSET UNDER DEVELOPMENT											
(Know how fee-new generation Tillet)										842880	842880
TOTAL										842880	842880

*675123, previous year's amortisation of lease hold land

NOTE - 10 NON CURRENT INVESTMENTS

Sl. No:	PARTICULARS		AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
	Non Trade Investments (Valued at cost) Unquoted			
	a. M/s. Kerala Feeds (Govt. of Kerala Undertaking)			
	1500 (1500) Equity Shares of Rs 10000 (10000) each fully paid up		15,000,000	15,000,000
	b. M/s. Cochin International Airport Limited			
	500000 (500000) Equity Shares of Rs. 10 (10) each fully paid up		5,000,000	5,000,000
	c. M/s. Kerala Enviro Infrastrucure Limited			
	50000 (50000) Equity Shares of Rs. 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 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)	AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
a.	Loans and advances to Employees			19,572,869	14,980,628
				19,572,869	14,980,628
b.	Deposits				
	Unsecured, considered good				
i.	Government and Other Public Bodies	4781013	4,782,196	35,039,250	8,916,674
		4781013	4,782,196	35,039,250	8,916,674
c.	Advance Recoverable in cash or in kind				
	Unsecured, considered good				
i.	Advance Tax and Tax Deducted at Source(net of provision)			19,081,469	16,325,050
			-	19,081,469	16,325,050
d.	Other Loans and advances				
	Unsecured, considered good				
i.	Government Companies	5012602	5,012,602	11,100,000	
ii.	Contractors and Suppliers			4,125,570	10,895,948
		5012602	5,012,602	15,225,570	10,895,948
	TOTAL	9793615	9,794,798	88,919,158	51,118,300

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

Sl. No:	PARTICULARS		AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
a.	Stock of raw materials		219,047,812	201,561,581
b.	Work in progress		69,066,337	56,949,784
c.	Stock of Finished Goods		126,260,720	97,769,531
d.	Stock of Tools		559,729	591,794
f.	Consumables stores and spares		5,615,779	3,954,412
	TOTAL		420,550,377	360,827,102

NOTE - 13 TRADE RECEIVABLES

Sl. No:	PARTICULARS		AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
a.	Outstanding for a period exceeding six months from the date they are due for payment			
	Secured, considered good		95,805,564	214,697,044
	Unsecured, considered good		143,491,295	72,828,740
	Doubtful		2,221,575	1,989,533
			241,518,434	289,515,317
	Less : Provision for Bad and Doubtful Debts		2,221,575	1,989,533
			239,296,859	287,525,784
b.	Other trade receivables			
	Secured, considered good		29,162,000	174,380,825
	Unsecured, considered good		423,533,491	583,721,688
	Doubtful		-	-
			452,695,491	758,102,513
	TOTAL		691,992,350	1,045,628,297

NOTE - 14 CASH AND CASH EQUIVALENTS

Sl. No:	PARTICULARS		AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
1	Cash and cash equivalents			
a.	Cash on Hand		201,775	233,761
b.	Balance with Banks			
	On current accounts		62,751,079	49,611,699
	Savings Account with Treasury		272,175	129,359
c.	Fixed Deposit with Treasury		48,511,400	80,747,300
			-	-
			111,736,429	130,722,119
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 Rs.1708143/- (Rs. 3700000/-)		53,853,035	7,299,445
b.	Fixed Deposit with banks original maturity more than twelve months		20,599,024	19,150,166
			74,452,059	26,449,611
	TOTAL		186,188,488	157,171,730

NOTE-15 OTHER CURRENT ASSETS

Sl. No:	PARTICULARS		AS ON 31-03-2018 (Rs.)	AS ON 31-03-2017 (Rs.)
I	Other Assets			
	Unsecured, considered good			
a.	Interest Receivable		4,466,053	5,528,539
b.	Claim/ Dividend Receivable		1,382,542	1,464,220
c.	Stipend Receivable		744,608	733,521
d.	Rent Receivable		38,700	76,200
	TOTAL		6,631,903	7,802,480

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018

NOTE- 16 REVENUE FROM OPERATIONS

Sl. No:	PARTICULARS	For the year ended 31-03-2018(Rs.)	For the year ended 31-03-2017(Rs.)
	Operating Revenue		
	a. Sale of products	1,559,886,119	1,533,857,465
	b. Other Operating Revenue (Sale of scrap)	1,462,397	240,874
	Total	1,561,348,516	1,534,098,339
	Less: Excise Duty	83,431	586,171
	Total	1,561,265,085	1,533,512,168
	Note 16(a)		
a	Sale of products	For the year ended 31-03-2018(Rs.)	For the year ended 31-03-2017(Rs.)
	Manufactured products	1,398,171,459	1,322,727,296
	Traded Goods	74,408,001	71,619,207
	Spares	86,350,402	130,255,638
	Export Manufactured products and spares	956,257	9,255,324
	Total	1,559,886,119	1,533,857,465

NOTE - 17 OTHER INCOME

Sl. No:	PARTICULARS	For the year ended 31-03-2018(Rs.)	For the year ended 31-03-2017(Rs.)
a.	Interest Income		
	i. Bank Deposits	6,029,641	2,175,839
	ii. Other Deposit		
	Treasury Deposit	5,080,413	6,125,446
	Other Deposit	689,852	113,938
	Total interest income	11,799,906	8,415,223
b.	Dividend Received	1,250,000	1,250,000
c.	Rent Received	66,000	199,900
d.	Other non- operating income	717,573	357,587
e.	capital grant from Govt under RKVY written back (pro rata to depreciation)	5,416,372	6,225,996
f.	Foreign Exchange rate Fluctuation gain	173,815	-
	TOTAL (a to f)	19,423,666	16,448,706

NOTE - 18 COST OF RAW MATERIAL CONSUMED

Sl. No:	PARTICULARS	For the year ended 31-03-2018(Rs.)	For the year ended 31-03-2017(Rs.)
	Opening Stock	201,561,581	183,452,257
	Add: Purchase during the year	1,118,012,284	1,154,342,535
		1,319,573,864	1,337,794,792
	Closing Stock	219,047,812	201,561,581
		1,100,526,053	1,136,233,211
	Add: Stores and Spares consumed	12,080,518	9,689,828
	TOTAL	1,112,606,571	1,145,923,039

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

Sl. No:	PARTICULARS	For the year ended 31-03-2018(Rs.)	For the year ended 31-03-2017(Rs.)
	Inventories at the begning of the year		
	Finished Goods	97,769,531	42,499,885
	Work in Progress	56,949,784	59,817,377
		154,719,315	102,317,262
	Inventories at the end of the year		
	Finished Goods	126,260,720	97,769,531
	Work in Progress	69,066,337	56,949,784
		195,327,057	154,719,315
	TOTAL	(40,607,742)	(52,402,053)

NOTE - 20 EMPLOYEES BENEFITS EXPENSES

Sl. No:	PARTICULARS			For the year ended 31-03-2018(Rs.)	For the year ended 31-03-2017(Rs.)
	Salaries and Wages			268,844,494	264,691,450
	Contribution To Provident Fund			22,108,571	15,533,541
	Contribution To Pension Fund			10,273,406	6,374,961
	Contribution To ESI			2,574,321	1,844,513
	Contribution To Labour Welfare Fund			8,452	7,668
	Contribution To Kamco Welfare Centre			182,350	194,180
	Gratuity & Leave Policy with LIC			44,684,567	17,280,581
	Staff Welfare			24,032,108	23,848,951
	TOTAL			372,708,269	329,775,845

NOTE - 21 OTHER EXPENSES

Sl. No:	PARTICULARS			For the year ended 31-03-2018(Rs.)	For the year ended 31-03-2017(Rs.)
	Freight			509,355	466,214
	Power & Fuel			8,222,195	7,969,564
	Coolie Charges			2,338,624	1,500,641
	Packing, Forwarding, Freight & Insurance			19,395,734	21,696,198
	Repairs				
	Plant & Machinery			527,844	246,552
	Buildings			3,031,182	1,738,059
	Others			1,408,121	1,166,262
	Testing Fee Charges			2,875,805	3,422,963
	Loss on revaluation of Tools & Stock Items			250,690	409,707
	ETP Operation charges			461,391	503,581
	Rates & Taxes			1,230,347	1,455,176
	Travelling Expenses - Directors & Chairman			824,115	532,424
	Travel & Accommodation - Others			7,272,709	7,193,218
	Printing & Stationery			1,360,822	1,191,832
	Postage, Telegram and Telephone			911,693	1,067,771
	Auditors Remuneration:				
	For Audit			125,000	140,894
	For Tax Audit			45,000	50,722
	For Cost Audit & Sales Tax			54,000	60,646
	For other audit, professional services & Reimbursement of expenses			61,349	37,544
	Directors Sitting Fee			24,686	4,939
	Legal & Consultation Charges			718,458	674,004
	Research & Development Expense			351,020	893,839
	Service charges				
	Security Staff			7,135,677	7,893,977
	Others			797,135	516,289
	Lease line Rent to BSNL			178,011	200,907
	AMC Contract Charges			542,376	1,020,582
	Donation			-	-
	Board Meeting expenses			113,657	38,218
	Insurance charges			997,248	973,681
	loss on sale of fixed assets			9,023	-
	Repairs & Running expense Vehicle			2,292,948	2,055,606
	Honararium to chairman (including Service tax)			252,600	115,568
	Royalty on tractors sold			74,043	43,003
	Advertisement & Publicity			3,609,543	1,670,611

Warranty claim			505,000	321,913
Sales promotion Expenses			2,206,529	2,760,400
Certification fee ISO 9002			214,867	58,605
C&F agency commission			384,000	768,000
Subscription and Membership Fee			44,427	114,662
Inaugural function Expenses			-	154,634
Corporate Social Responsibility -Expenses			900,000	
Bank charges			60035	87,980
Exchange rate fluctuation			0	127,392
Miscellaneous expenses			778,272	756,078
Bad and doubtful debts-advance			1,908,760	
TOTAL			75,004,292	72,100,857

NOTE - 22 PRIOR PERIOD INCOME / EXPENDITURE

Sl. No	PARTICULARS	INCOME	EXPENDITURE		
		For the year ended 31-03-2018 (Rs.)	for the year ended 31-03-2017 (Rs.)	For the year ended 31-03-2018 (Rs.)	For the year ended 31-03-2017 (Rs.)
	Amortisation of lease hold land		-	675,123	10,400
	excise duty and service tax			1,597	34,598
	news paper and periodicals			2,400	17,021
	repairs to other assets		-	9,160	
	sales short			25,347	
	Vehicle Loan Interest		-	-	42,714
	Purchase		58,176.00	-	
			-	713,627	104,733
	NET BALANCE (EXPENSE)		58,176	713,627	46,557

NOTE - 23 EARNINGS PER SHARE

Sl. No:	PARTICULARS	For the year ended 31-03-2018 (Rs.)	For the year ended 31-03-2017 (Rs.)
a.	Net profit as per Statement of Profit and Loss	23,975,520	18,956,423
b.	Net profit available to Equity Share holders	23,975,520	18,956,423
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	148	117
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

For and on behalf of the Board

Sd/-
P. Suresh Babu
Managing Director

Sd/-
V. Rajappan
Director

Sd/-
P. Balachandran
Chairman

As per our report of dated 30-11-2018

Sd/-
For M.V. Tomy & Co.
Chartered Accountants

Sd/-
M.V. Tomy (Partner)
M.No. 026107 FRN: 004432S
Ernakulam
30-11-2018

Athani
13-11-2018



सत्यमेव जयते

महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा) का कार्यालय, केरल,
तिरुवनन्तपुरम

**OFFICE OF THE ACCOUNTANT GENERAL (ECONOMIC & REVENUE
SECTOR AUDIT) KERALA, THIRUVANANTHAPURAM**

31 मार्च 2018 को समाप्त वर्ष के लिए केरला एग्रो मशीनरी कारपोरेशन लिमिटेड, आलुवा के वित्तीय विवरणों पर
कंपनी अधिनियम 2013 की धारा 143(6)(b) के अधीन भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF
KERALA AGRO MACHINERY CORPORATION LIMITED, ALUVA FOR THE YEAR ENDED
31 MARCH 2018**

The preparation of financial statements of **Kerala Agro Machinery Corporation Limited, Aluva** for the year ended **31 March 2018** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the 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 **30 November 2018**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **Kerala Agro Machinery Corporation Limited, Aluva** for the year ended **31 March 2018** under Section 143(6)(a) of the Act.

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

को. प. आनंद

K.P ANAND

तिरुवनन्तपुरम /Thiruvananthapuram

Dated: 20.12.2018

महालेखाकार (आ. एवं रा. क्षेत्र ले.प) केरल
ACCOUNTANT GENERAL (E&RSA), KERALA

DR. SHARMILA MARY JOSEPH IAS
SECRETARY TO GOVERNMENT



Finance (Expenditure) Department
Government Secretariat
Thiruvananthapuram-695 001

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Fax : 0471-2328980
Res :

E-mail : secy-exp.fin@kerala.gov.in

No: PU-B1/194/2018-FIN(E-1047959)

Finance (PU-B) Department

COMMENTS OF SECRETARY (FINANCE - EXPENDITURE) ON THE ANNUAL
AUDITED ACCOUNTS OF KERALA AGRO MACHINERY CORPORATION
LIMITED FOR THE FINANCIAL YEAR 2017-18

'Seen in Finance'


Dr. Sharmila Mary Joseph
Secretary (Finance - Expenditure)

Thiruvananthapuram
Date: 22/12/2018