



A Government of Kerala Undertaking

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49th ANNUAL REPORT & AUDIT REPORT 2021-2022



"A boon for the farmer. a gain for the nation"

Kerala Agro Machinery Corporation Ltd.

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BOARD OF DIRECTORS 2021-22



Sureshraj K.P.
Chairman



K.P. Sasikumar
Managing Director
(upto - 18/11/2021)



P.S. Rajeev
Managing Director
(19/12/2021 - 25/02/2022)



Sivaramakrishnan V.
Managing Director
(From 28/02/2022)



Bobby Antony
Director,
Additional Secretary,
Agriculture Dept.



A. Ajithkumar
Director,
Joint Secretary,
Finance Dept.



A. Shajan
Director,
Joint Secretary,
Agriculture Dept.



M.R. Anoop
Director,
Under Secretary,
Agriculture Dept.



K.T. Jose
Director



S. Suresh Kumar
Director



C.K. Sasidharan
Director



K.S. Mohanan
Director



P. Kunjukrishnan Bangalam
Director

Statutory Auditors : JVR Associates, Chartered Accountants, Ernakulam

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

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

PRESENT BOARD OF DIRECTORS



C.K. Sasidharan
Chairman



Sivaramakrishnan V.
Managing Director
(28/02/2022 - 31/05/2022)
(27/06/2022 - 31/08/2023)



K.P. Sasikumar
Managing Director
(From 01/09/2023)



Jessy George
Director
Additional Secretary,
Agriculture Dept.



G. Sreeni
Director
Joint Secretary,
Finance Dept.



M.R. Anoop
Director,
Under Secretary,
Agriculture Dept.



Buhari S.
Director



V. Monachan
Director



Chackochan K.A.
Director



C.K. Gopi
Director



Nixon M.T
Director

Our Banking Partners

Union Bank Of India
The Federal Bank Ltd.

State Bank Of India
Indian Bank

KERALA AGRO MACHINERY CORPORATION LTD
MANAGING DIRECTOR'S SPEECH

Dear Members,

On behalf of the Board of Directors of the Company, it is an honor and privilege for me to extend a very warm welcome to each one of you to the 49th Annual General Meeting (adjourned) of your Company. The Annual Report, including the Audited Financial Statements for the year ended 31st March 2022 are already with you and with your kind permission, I take them as read.

This has been a really challenging year of the Company due to increase in material cost and poor inflow of funds from dealers creating difficulties in working capital management. Nevertheless, company could achieve its production and marketing targets with the help of financial assistance from Government to the tune of Rs. 5 Crores as loan and Rs. 20 Crores as Bank Guarantee for obtaining loan from Union Bank of India.

Despite adversities, during the year company attained turnover to the tune of Rs.21792.29 lakhs which was Rs. 19782.40 lakhs for 2020-21. Profitability was maintained registering operating profit of Rs. 73 lakhs. More attention towards Research & Development was focused during the year and it is expected to get budgetary aid from Government for acquiring technologies for drones etc during next financial year. While thrusting to maintain the existing market of our products, efforts to develop new dealership networks for expanding market throughout the country are also underway. Focused efforts to promote export sales are also in progress.

Unlike previous years, annual report for financial year 2021-2022, is a belated issue, due to reasons beyond the control of the company. The statutory audit delayed with discomforts to the company and statutory audit report (revised) was received on 13/11/2023 only and replies to the observations of statutory audit on realistic grounds have also been furnished. All proceedings regarding statutory audit, supplementary audit by AG, etc have been reported to the Board and Government in time. Statutory audit for 2022-2023 is expected to get commenced soon on appointment of new statutory auditors to KAMCO by the office of the C &AG New Delhi.

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

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

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

Date : **30, JANUARY, 2024**

Place : **Athani**

SASIKUMAR K.P
MANAGING DIRECTOR

NOTICE

SEC/AGM/49
Dated 08/01/2024

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

Sir,

Notice is, hereby, given that the 49 th adjourned Annual General Meeting of the Shareholders of the Company will be held on Tuesday, 30 th January 2024 at 11.00 AM to transact with or without modification the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt Directors' Report, Audited Balance Sheet as at 31.03.2022, Statement of Profit & Loss for the period 2021-22 and Cash Flow together with Report of Statutory Auditors and Report of the Comptroller & Auditor General of India.
2. To declare dividend.
- 3 To fix the remuneration of Statutory Auditor.

SPECIAL BUSINESS

4. To ratify the remuneration paid to Cost Auditor

By order of the Board of Directors

Sd/-

MANAGING DIRECTOR

Encl: Proxy Form

Form No.MGT-11

PROXY FORM

(Pursuant to section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

KERALA AGRO MACHINERY CORPORATION LIMITED
CIN: U29211KL1973SGC002492
KAMCO, ATHANI POST OFFICE, ERNAKULAM, KERALA - 683585
E-mail Id: mail@kamcoindia.com, Ph. No.: 0484-2474301

Name of the member:

Registered address:

E-mail id:

Folio No.:

I, being the member of equity shares of the above named company, hereby appoint

1. Name:.....

Address:.....

Email id:.....

Signature:or failing him/ her

2. Name:.....

Address:.....

Email id:.....

Signature:or failing him/ her

3. Name:.....

Address:.....

Email id:.....

Signature:

as my proxy to attend and vote (on a poll) for me and on my behalf at the adjourned 49th Annual General Meeting of the Company on **Tuesday, 30 th January, 2024 at 11.00 A.M.** at the Registered Office of the Company, at Athani, Ernakulam and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

1. To receive, consider and adopt Directors' Report, audited Balance Sheet as at 31.03.2022, Statement of Profit & Loss for the period 2021-22 and Cash Flow together with Report of Statutory Auditors and Report of the Comptroller & Auditor General of India.
2. Declaration of Dividend.
3. Fixation of remuneration of Statutory Auditor.

SPECIAL BUSINESS:

4. To ratify the remuneration paid to Cost Auditor

Signed thisday of2024



Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

KERALA AGRO MACHINERY CORPORATION LTD., ATHANI.

DIRECTORS' REPORT

The Members,
KAMCO Ltd.

Your Directors have pleasure in presenting the 49th Annual Report of the Company and the Audited Statement of accounts for the financial year ended March 31st, 2022.

1. Introduction

As a pioneer company owned by Government of Kerala, marching towards its golden jubilee, the role of KAMCO as a contributor to farm mechanisation of the country assumes paramount importance. India decorates second position in terms of farm output, possessing seventh position in agricultural land, holding 170.70 million hectares in the world in 2018. Agricultural sector is the major employment generator and contributes 18.3% to GDP during 2020. In the context of farm mechanisation it is envisaged that the demand for power tillers and reapers will be facing high escalation by 2025. Both Central and State Governments have introduced several programs to assist agricultural sector which includes institutional credits to farmers, promotion of scientific warehousing infrastructure, better irrigation facilities, provision of price stabilisation funds etc with a view to facilitate better farming and raising standard of living of the peasants.

While trying to serve the requirements of farmers by providing agricultural machineries with support of subsidy schemes by Government, we are facing severe challenges in areas of production and marketing especially since 2019, year of Covid Pandemic. Considerable increase in the price of input components coupled with problems faced by supplier firms, creates bottlenecks to cost control mechanism. Regarding efforts to maintain and expand the existing market share, the inherent limitations faced by a public sector company responsible to hold service and social responsibility standards face challenges from other firms operating in the private sector. However, maintenance of prices at a supportive level with no compromise to quality is always our focus.

We have submitted requests to Government for granting working capital aid and Government have sanctioned an amount of Rs. 5 crores as loan assistance to KAMCO vide G.O (Rt) No. 59/2022/AGRI dated 24.01.2022. Further, Government have accorded sanction to avail loan from Union Bank of India Athani to the tune of Rs. 20 crores and provided Government Guarantee for the same vide G.O.(Ordinary) No. 168/2022/AGRI dated 26.02.2022.

2. Operational Performance

Performance of the company during F.Y 2021-22, registered increase in terms of production, sales and also profit. Turnover increased from Rs.197.82 crores during F.Y 2020-21 to Rs.217.92 crores during current year. There was also an increase in Tiller production from 10605 Nos. during 2020-21 to 11805 Nos. during 2021-22. Reaper production also registered an increase in production to the extent of 7.40%. (From 2722 nos to 2977 nos). Sale of spares accessories and others which is the main revenue earner of the company has increased by 30% during reporting year.

3. Working Results

Working results of the financial year 2021-22 are as follows:-

Particulars	2021-2022	2020-2021
Production (Nos)		
KAMCO Power Tiller	11805	10605
KAMCO Power Reaper	2977	2772
Weeder	742	547
Brush cutter	1331	1052
Sales (Nos)		
KAMCO Power Tiller	11706	10624
KAMCO Power Reaper	3398	4003
KAMCO Engine	9	10
POWER Weeder	199	546
Brush Cutter	1333	1232
FINANCIAL HIGHLIGHTS (Rs.in lakh)		
A. Sales Revenue		
KAMCO Power Tiller	15403.47	13335.36
KAMCO Power Reaper	2982.43	3596.64
PowerWeeder	91.01	257.28
Brush Cutter	276.56	255.06
Diesel Engine	5.24	5.86
Spares and Accessories & Others	3033.29	2332.20
Total Sales	21792.00	19782.40
B. Working Results (Rs. in lakh)		
Operating profit	73.00	72.97
Depreciation, impairment loss and amortization	181.00	174.97
Cash Profit	145.47	127.60
Profit before tax	73.00	72.97
Provision for tax and deferred tax (net of excess of previous year)	25.00	25.51
Profit available for appropriation	48.00	47.46
C. Appropriation (Rs. in lakh)		
Proposed dividend	-	16.15
Other reserves	-	10
Profit after tax	48.00	21.31

4. Internal Financial Control

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

5. Capital structure

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

6. Dividend and Reserves

The Board is pleased to recommend a dividend of 5% on the paid up value of Equity shares as on 31-03-2022 (Rate for 2020-21 was 10%), to the Shareholders subject to the approval of Annual General Meeting in accordance with relevant provisions in the Articles of Association. No amount is proposed to be transferred to other reserves.

7. Fixed Deposits

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

8. Particulars of loans, guarantees or investments

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

9. Related Party Transactions Under Section 188

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

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

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

11. Subsidiaries, Joint Ventures and Associate Companies:

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

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

During the year under review, there are no significant or material orders passed by the regulators or

courts or tribunals, impacting the going concern status or operations of the Company.

13. Contribution to Exchequer

The Company's contribution to the exchequer by way of taxes and duties are summarised below:-

Contribution	Amount (Rs. In Lakhs)	
	2021-22	2020-21
GST	2774.59	2552.82
Income Tax	25.00	21.81
Total	2799.59	2574.63

14. Expansion and Diversification

With a view to renovate the existing power tiller assembly line, a proposal involving a total outlay of Rs 24.82 crores for modernising the plant, envisaging 50% assistance under R.K.V.Y scheme has been submitted to Government and got approval. Against this project, so far, we have been allotted an amount of Rs. 3.5 crores in which rupees. one crore has been released in 2021.22. We have already started the implementation and expended Rs. 3.52 crores in the Project so far. Total outlay of Rs.0.43 crores has been incurred in the current year for modernisation of plant, which is shown under the head 'Capital works in progress' in Balance sheet.

15. Research & Development activities

Company always place due importance to Research and Development activities, in order to develop various new generation machines suitable for marginal farmers of our country. Modernisation of existing array of products by adopting electrification modes of operation leaving fuel based systems are given paramount priority. Identifying new trends in the market and preference for latest technology oriented machineries, steps for acquiring new technologies for development and marketing of machineries are being undertaken. Detailed Project Report in this direction have been submitted to Government for consideration. We are expecting budgetary assistance from Government to the tune of Rs 5 Crores for the new Research and Development Project in the coming financial year. Acquisition and development of Drone Technology is envisaged in the forthcoming period by virtue of implementation of this project.

16. Investment

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

17. Financial Assistance to other Institutions

The loan granted to Kerala State Coconut Development Corporation during 1998 amounting to Rs.25 lakh is long outstanding. Regarding loan granted to Vazhakkulam Agro and Fruit Processing Company Ltd., during 2018 amounting to Rs.115 lakh they have till now repaid only Rs. 4/- lakh, balance loan of Rs.111 lakh and interest amounting to Rs.39.96 lakhs is still pending for a final settlement. Both cases have been submitted to Government for appropriate decisions in accordance with G.O (Ms) No.21/2021/P&ARD dated 15/09/2021.

18. Environment & Safety

Company persistently upkeeps its focus for ensuring a safe and clean environment on its entire area of operation. Full-fledged waste management system, Effluent Treatment Plants, Systematic management of factory safety norms, deploying specific manpower for campus and factory maintenance in a neat and tidy condition, proper sewage and drainage facilities, timely repairs and maintenance as required, etc are ensured for environment protection. Adherence to various legislations and programmes by local self Government and Government with regard to environment and safety protection are always taken care of. Manufacture of power tillers, power reapers and other agricultural machineries on assembly line involves least pollution. Further, due safety standards set for factory premises as well as office premises with respect to various plant and machineries, electrical installations and any other settings involving element of operational risk are specially attended. Land extending to about 24 acres at Athani are being protected with good greenery, trees, plants, vegetation, paddy fields, vegetable crops etc. Similarly, lands at other Units of the company at Mala, Palakkad, Kalamassery etc possess high eco-friendly atmosphere. World Environmental Day on June 6 declared by United Nations are being celebrated every year and “Green Protocol” norms are inevitably observed.

19. Corporate Social Responsibility (CSR)

Company have CSR Policy with committed responsibility towards the society and environment. However, as per Section 135 of Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules 2014, no CSR is required for financial year 2021-2022.

20. ISO Certification

Company is an ISO certified company since October 1996 and 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 2026 and its scope covers design, development and manufacture of Power Tillers, Implements, Accessories, Spare Parts, Diesel Engines and Reapers. All units of the company except the new one at Valiyavelicham, is working with ISO 9001:2015 version certification. Internal audit and surveillance audit are being conducted as per schedule.

21. Particulars of Employees and related disclosures:

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

22. Human Resources & Industrial Relation

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

23. Right to Information Act, 2005.

In order to promote transparency and accountability, an appropriate mechanism has been put in place in the Company to provide information to citizens under the provisions of Right to Information (RTI) Act, 2005. For this purpose, the company has, in line with the RTI Act, nominated a Public Information Officer and Assistant Public Information Officers. An Appellate Authority has also been nominated for considering the appeals of

information seekers, who may not be satisfied with the response of Public Information Officers. The details of the procedure for securing access to information and filing of first appeal under the Act are hosted in KAMCO website. Instructions have been given to units/administrative departments to ensure compliance to the mandatory requirements of the Act.

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

The Company has an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The following is a summary harassment complaints received and disposed off during the year 2021-2022.

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

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

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

26. Directors responsibility Statement as required under Section 134(3) (c) of the Companies Act 2013.

The Directors confirm that:

- a) In the preparation of the annual accounts for the Financial Year ended 31st March 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit of the company for the period 2021-22.
- c) The Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively.

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

27. Corporate Governance

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

28. Management

Consequent to submission of nomination to the State Assembly Election held on April 6th, 2021, Shri. P. Balachandran, Chairman resigned from the position on 16.03.2021. Shri.C.K. Sasidharan, Shri. Kunjukrishnan Bangalam and Shri. K.T Jose, Directors have also been resigned during the last week of April 2021. Vide Government Order No. G.O (Rt) No.898/2021/Agri dated 11.11.2021, Shri. M.R Anoop, has been appointed as Director from Agriculture Dept. in place of Shri. A. Shajan. Directors Shri.K.S Mohanan and Shri. S. Suresh Kumar have resigned from the post of Director in the month of December 2021. Shri. Bobby Antony, Director from Agriculture Department and Shri A. Ajith Kumar, Director from Finance Department had continued as Directors during the FY 2021-2022. Sri. K.P. Sasikumar, Managing Director continues to hold his office till December 2021 during this F.Y and he has been replaced by Sri. P.S Rajeev as Managing Director vides G.O (Rt) No. 1007/2021/AGRI dated 12.12.2021. Vide G.O (Rt) No. 1052/2021 dated 23.12.2021, Govt. have appointed Sri. K.P. Suresh Raj as the Chairman and Director of the Corporation. Vide G.O (Rt) No. 166/2022/AGRI dated 25.02.2022, Shri. V Sivaramakrishnan was given additional charge as Managing Director, as Shri. P.S Rajeev has went on medical leave.

Details of Board of Directors of the company has been tabulated below:

BOARD OF DIRECTORS					
Sl. No.	NAME	DESIGNATION	PARTICULARS	FROM	TO
1	C.K. SASIDHARAN	CHAIRMAN	G.O. (Rt) No. 338/2023/Agri Dated 03-04-2023	10.04.2023	continuing
2	K.P. SURESH RAJ	CHAIRMAN	G.O (Rt) No. 1052/2021/Agri Dated 23-12-2021	24.12.2021	17.03.2023
3	K.P.SASIKUMAR	MANAGING DIRECTOR	G.O(Rt)No.852/2023/Agri Dated 25-08-2023	01.09.2023	continuing
4	V.SIVARAMAKRISHNAN CEO,VFPCK	MANAGING DIRECTOR- ADDITIONAL CHARGE	G.O. (Rt) No. 573/2022/Agri Dated 27.06.2022	27.06.2022	31.08.2023
5	M.K. SASIKUMAR GM, KAMCO LTD	MANAGING DIRECTOR- CHARGE	CHARGE TO GENERAL MANAGER-G.O. (Rt) 488/2022/Agri Dated 04.06.2022	04.06.2022	27.06.2022
6	V.SIVARAMAKRISHNAN CEO,VFPCK	MANAGING DIRECTOR- ADDITIONAL CHARGE	G.O. (Rt) No. 166/2022/Agri Dated 25.02.2022	28.02.2022	31.05.2022

7	P.S. RAJEEV MD, KLDC LTD	MANAGING DIRECTOR- ADDITIONAL CHARGE	G.O. (Rt) No. 1007/2021/ Agri Dated 12.12.2021	19.12.2021	25.02.2022
8	JESSY GEORGE ADDI- TIONAL SECRETARY, AG- RICULTURE DEPT GOVT OF KERALA	DIRECTOR	G.O. (Rt) No. 237/2023/ Agri Dated 09-03-2023	09.03.2023	Continuing
9	MEERA S. ADDITIONAL SECRETARY, AGRICULTURE DEPT GOVT OF KERALA	DIRECTOR	G.O. (Rt) No.844/2022/ Agri dated 26-09-2022	26.09.2022	09.03.2023
10	GEETHA J.R. ADDITIONAL SECRETARY, AGRICULTURE DEPT GOVT OF KERALA	DIRECTOR	G.O. (Rt) No. 430/2022/ Agri Dated 21-05-2022	21.05.2022	26.09.2022
11	BOBY ANTONY ADDITIONAL SECRETARY, AGRICULTURE DEPT GOVT OF KERALA	DIRECTOR	G.O.(Rt) No. 40/2018/ Agri Dated 10-01-2018	10.01.2018	21.05.2022
12	SREENI .G JOINT SECRETARY, FINANCE DEPT GOVT OF KERALA	DIRECTOR	G.O.(Rt) No. 592/2022/ Agri Dated 05-07-2022	05.07.2022	continuing
13	A. AJITHKUMAR JOINT SECRETARY, FINANCE DEPT GOVT OF KERALA	DIRECTOR	G.O. (Rt) No. 661/2020/ AGRI Dated 22.07.2020	22.07.2020	05.07.2022
15	M.R. ANOOP UNDER SECRETARY, AGRICULTURE DEPT GOVT OF KERALA	DIRECTOR	G.O. (Rt) No. 898/2021/ AGRI Dated 11.11.2021	11.11.2021	continuing
16	M.T. NIXON	DIRECTOR	G.O.(Rt) No. 347/2022/ Agri Dated 26-04-2022	26.04.2022	continuing
17	BUHARI	DIRECTOR	G.O.(Rt) No. 347/2022/ Agri Dated 26-04-2022	26.04.2022	continuing
18	K.A.CHACKOCHAN	DIRECTOR	G.O.(Rt) No. 347/2022/ Agri Dated 26-04-2022	26.04.2022	continuing
19	VADAKODE MONACHAN	DIRECTOR	G.O.(Rt) No. 400/2022/ Agri Dated 11-05-2022	11.05.2022	continuing
20	GOPI C.K.	DIRECTOR	G.O.(Rt) No. 400/2022/ Agri Dated 11-05-2022	11.05.2022	continuing
21	P. KUNJUKRISHNAN BANGALAM	DIRECTOR	G.O.(Rt) No. 400/2017/ Agri Dated 11-04-2017	11.04.2017	23.04.2021
22	K.T. JOSE	DIRECTOR	G.O.(Rt) No. 400/2017/ Agri Dated 11-04-2017	11.04.2017	31.05.2021

23	S. SURESHKUMAR	DIRECTOR	G.O.(Rt) No. 400/2017/ Agri Dated 11-04-2017	11.04.2017	31.12.2021
24	K.S. MOHANAN	DIRECTOR	G.O.(Rt) No. 400/2017/ Agri Dated 11-04-2017	11.04.2017	20.12.2021

29. 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.

30. Board Meetings

During the financial year 2021-22 Board meetings were held 8 times as follows. The attendance particulars of Board Meeting are:-

I.No	Name of Directors	22/4/21	10/7/21	6/8/21	4/9/21	30/11/21	15/12/21	15/1/22	2/2/22
1.	K.P Suresh Raj Chairman							P	P
2.	K.P Sasikumar M D	P	P	P	P	P	P		
3.	P.S Rajeev M D							P	P
4.	Boby Antony Director	P	P	P	P	P	P	P	P
5.	A.Ajithkumar Director	P	P	P	P	P	P	P	P
6.	A.Shajan Director	P	P	P	A				
7.	C.K Sasidharan Director	P							
8.	Kunjukrishnan Bangalam Director	P							
9.	K. T. Jose Director	P							
10.	S.Sureshkumar Director	P	P	P	P	P	P		
11.	K.S Mohanan Director	P	P	P	P	A			
12.	M.R Anoop Director					P	A	P	P

The attendances of Directors in the meetings are as follows:

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

31. 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.

32. Committees of the Board

During the financial year 2021-2022, four sub-committee meetings were held on 27.05.2021, 18.06.2021, 14.07.2021 and 22.01.2022. Subsequently, Audit Committee was held on 25.05.2023 for approval of Annual Accounts.

33. 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.

34. Risk Management and Internal Adequacy

The company's internal control system commensurate with the nature of its business, size and complexity of its operations. These are tested periodically and certified by statutory as well as Internal Auditors and cover all office functions and key business areas.

35. Auditor and Audit Report

Statutory Auditors:

Vide letter dated 23/08/2021 of C&AG, M/s JVR Associates, Chartered Accountants (Firm Regn No.011121S), 39/2790A, Wilmont Park Business Centre, Near St. George Church, Pallimukku, Ernakulam Kochi-682016, was appointed as statutory auditors for the financial year 2021-22. The Notes on standalone and consolidated financial statements referred to in the Auditors Report are self-explanatory and the reply to the comments of the auditor have been furnished in this report.

Cost Auditor:

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules 2014, your Company is required to maintain the cost records as specified under Section 148(1) of the Companies Act 2013 and the said cost records are also required to be audited. M/s. Rajendran Mani & Varrier, Cost Accountants (Firm Regn.No.000006) also have been reappointed to carry out cost audit of the Company for the financial year 2021-22.

36. 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. In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at:-

<https://www.kamcoindia.com/userfiles/FORM%20MGT-7-KAMCO-FY%2021-22.pdf>

37. Secretarial Audit Report

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

38. Compliance with Secretarial Standards of ICSI

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

39. Vigil Mechanism Policy

Being a non-listed fully State owned company having no public borrowings or credit facilities from banks or financial institutions not exceeding Rs.50 Crores provisions of Section 177 (9) of Companies Act regarding "Whistle Blower Policy" is not applicable to the company.

40. Future Outlook

It is needless to say about the importance of agriculture sector in Indian Economy. As the major functional area in employment generation and GDP growth, ease and better farming through mechanisation assumes unlimited scope. It is to be noted that we have attained only 45% in farm mechanisation so far and demand for various kinds of farm equipments and agricultural machineries are high throughout the country. Moreover, products which are backed by foreign technology and good performance track record, do possess demand in foreign markets also capable of generating openings for better markets through export trade. At this juncture, we look forward to strengthen our Research and Development Department to bring out new array of machines suiting to the requirements of rural farmers. Further, projects are being designed to adopt new technologies for developing and selling agricultural machineries which are under consideration of Government. We hope to adopt Drone Technology in the coming year itself. Cost reduction and Cost Control methods face challenges where we try to produce and sell out items to the best benefit of farmers with no compromise to quality. The company is hopeful of reaping the advantages in the area of farm mechanisation to touch new horizons in the forthcoming years setting aside the challenges and temporary setbacks.

41. Acknowledgement

We thank our Customers, Vendors, Dealers, Investors, Business Associates and Bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support. We thank the Government of India, the State Government where we have operations, and other Government Agencies for their support and look forward to their continued support in future.

For and on behalf of the Board

Sd/-

Place : **Athani**
Date : **27.06.2023**

C.K.SASIDHARAN
CHAIRMAN

ANNEXURE I TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

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.	Company's operations are not power intensive. However, optimisation of electricity and power utilisation are ensured.
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 2021-22. However, utilisation of solar power is planned during coming years.
c	Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	Not applicable.
d	Total energy consumption per unit of production.	79 Unit
B. TECHNOLOGY ABSORPTION		
1.	Efforts made	As a part of acquiring new technologies for development and selling of agricultural machineries arrangements are ahead for adopting drone technology.
C. FOREIGN EXCHANGE EARNINGS & OUTGO		
i	Activities relating to exports	During the financial year 2021-2022, export trade to the tune of USD \$ 98808 were made with reputed foreign companies.
ii	Initiatives to increase exports	Focused initiatives to attain high level of export of agricultural machineries are undertaken. For popularising our products in overseas market, competent dealers are being appointed. However, increase in cost of component inputs in the domestic market as well as unfavourable fluctuations in the foreign exchange rates creates bottlenecks for expansion of foreign trade.
iii	Development of new export market for products and services	During the financial year 2021-2022, company could export its products to reputed firms in West Africa and U.A.E. Company emphasises proper introduction of its products and services to overseas countries through ensuring participation in exhibitions of farm machineries through dealers.
iv	Export plans	Plans to capture more exports directly as well as through competent dealers are envisaged.
v	Total foreign exchange used	US \$ 439444 (US\$ 260780)
vi	Total foreign exchange earned	US\$ 98808 (US\$ 189521)

Appended as Annexure I to Board's Report.

ANNEXURE II TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022.

[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 31.03.2021)				No. of Shares held at the end of the year (As on 31.03.2022)				% 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									
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									
Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2021)				No. of Shares held at the end of the year (As on 31.03.2022)				% 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 Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs& ADRs									
Grand Total (A+B+C)		161460	161460	100		161460	161460	100	

B) Shareholding of Promoters: Not Applicable

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share Holding during the year
		No. of shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	No. of shares	% of total Shares Of the company	% of Shares pledged/ encumbered to total shares	

1								
2								
3								
4								
5								
6								
7								
8								
9								
	TOTAL							

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	%of total shares of the company	No. of Shares	%of total shares of the company
	At the beginning of the Year				
	Date wise Increase/ decrease in Promoters shareholding during the year specifying the reasons for increase/ decrease (eg: allotment/ transfer/bonus/sweat equity etc.)				
	At the end of the year				

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	%of total shares of the company	No. of Shares	%of total shares of the company
	At the beginning of the Year				

	Date wise Increase/decrease in share holding during the year specifying the reasons for increase/ decrease (eg: allotment/ transfer/bonus/sweat equity etc.)				
	At the end of the year				
	At the end of the year (or on the date of separation, if separated during the year)				
	At the end of the year (or on the date of separation, if separated during the year)				

E) Shareholding of Directors and Key Managerial Personnel : NIL

Sl. No.	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:

(Rupees in Lakhs)

Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year.(01-04-2021)	NIL	NIL	NIL	NIL
i)Principal Amount	NIL	NIL	NIL	NIL
ii)Interest due but not paid	NIL	NIL	NIL	NIL

iii)Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
Addition*	2000.00	500.00	NIL	2500.00
Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year(31-03-2022)				
i)Principal Amount	2000.00	500.00	NIL	2500.00
ii)Interest due but not paid	0.05	NIL	NIL	0.05
iii)Interest accrued but not due	10.55	NIL	NIL	10.55
Total (i+ii+iii)	2010.60	500	NIL	2510.60

* During February 2022 ₹ 500 lakhs from Government & During March 2022 ₹ 2000 Lakhs from UBI

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

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

Sl. No.	Particulars of Remuneration	Name of MD/WTM/Manager				Total Amount
1	Gross salary					
	(a)Salary as per Provisions contained in Section 17(1) of the Income tax Act, 1961					
	(b)Value of perquisites u/s 17(2) Income Tax Act,1961					
	(c)Profits in lieu of salary under section 17(3) Income Tax Act,1961					
2	Stock Option					
3	Sweat Equity					
4	Commission- as % of profit -Others specify					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

b) Remuneration to other Directors:

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: NIL

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross Salary				
	(a)Salary as per Provisions contained in Section 17(1) of the Income tax Act, 1961				
	(b)Value of perquisites u/s 17(2) Income Tax Act, 1961				
	(c)Profits in lieu of salary under section 17(3) Income Tax Act, 1961				
	Stock Option				
	Sweat Equity				
	Commission- as % of profit				
	-Others specify				
	Others, please specify				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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

For and on behalf of the Board

Sd/-

C.K.SASIDHARAN
CHAIRMAN

Place : **Athani**
Date : **27.06.2023**

ANNEXURE III TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1.	Brief outline on CSR Policy of the Company	Company have its CSR Policy. In accordance with Section 135 (1) of the Companies Act 2013 read with Companies (CSR Policy) Rules 2014, CSR not applicable to KAMCO for financial year 2021-2022.
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2. The Composition and category of the members as on 31st March 2022 are given below:		
Sl.No.	Name of the Member and Designation	Category of Member
	Not Applicable	Not Applicable

The Composition and category of the members as on the date of the Report are given below:		
Sl.No.	Name of the Member and Designation	Category of Member
	Not Applicable	Not Applicable

3.	Provide the web link where Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the Company	https://www.kamcoindia.com/CSR
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4.	Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, if applicable (attach the report)	Not applicable to the financial year under review
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5.Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility) Rules 2014 and amount required for set off for the financial year, if any			
Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial years, if any (in Rs.)
		Not Applicable	Not Applicable

6.	Average net profit of the Company as per section 135(5)	Not Applicable
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7.	a	Two percent of average net profit of the Company as per section 135(5)	Not applicable
	b	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Not applicable
	c	Amount required to be set off for the financial year, if any	Not applicable
	d	Total CSR obligation for the financial year (7a+7b-7c)	Not applicable

8. (a) CSR amount spent or unspent for the financial year	CSR amount spent or unspent for the financial year				
	Amount Unspent (in Rs.)				
Total Amount Spent for the Financial Year (in Rs.)	Total Amount transferred to Unspent CSR account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Not Applicable		Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year												
1	2	3	4	5		6	7	8	9	10	11	
SI No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project.		Project Duration	Amount Allocated for the Project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR account for the project as per section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable
--

1	2	3	4	5		6	7	8	
SI No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project.		Amount spent for the Project (in Rs.)	Mode of Implementation Direct (Yes /No)	Mode of Implementation through Implementing Agency	
				State	District			Name	CSR Registration number
1.									
2.									
3.									
4.									
5.									
d	Amount spent in Administrative Overheads								
e	Amount spent on Impact Assessment, if applicable								
f	Total Amount spent for the Financial Year (8b+8c+8d+8e)								

(g) Excess amount for set off, if any		
SI No	Particular	Amount (inRs.)
i.	Two percent of average net profit of the Company as per Section 135(5)	
ii.	Total amount spent for the Financial Year	
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	

9. (a) Details of Unspent CSR amount for the preceding three financial years- Not Applicable						
SINo Preceding Fi- nancial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Fi- nancial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeed- ing financial years (in Rs.)
			Name of the Fund	Amount (in Rs.)	Date of trans- fer	
Not Applicable						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s)

SI No	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting financial year (in Rs.)	Cumulative amount spent at the end of reporting Financial year (in Rs.)	Status of the project completed/ ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)		
a	Date of creation or acquisition of the capital assets(s)	Not Applicable
b	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
c	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
d	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable
11	Specify the reasons(s), if the Company has failed to spend two percent of the average net profits as per Section 135(5).	Not Applicable

For and on behalf of the Board

Sd/-

C.K.SASIDHARAN

CHAIRMAN

Place : **Athani**

Date : **27.06.2023**

INDEPENDENT AUDITOR'S REPORT (REVISED)

The Members of
KERALA AGRO MACHINERY CORPORATION LIMITED
Athani
CIN : U29211KL1973SGC002492

We have audited the accompanying standalone financial statements of **KERALA AGRO MACHINERY CORPORATION LIMITED**, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss Account, Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

The revisions to our original report dated 25.05.2023 are made based on the observations of the **C&AG vide letter PAG (Audit-I)/AMG-III/Party No. 1** dated 18.08.2023.

Adverse Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act, 2013 in the manner so required but because of the significance of the matters discussed in the Basis for Adverse Opinion para of our report, they do not 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 2022, its profit, and its cash flows for the year ended on that date.

Basis for Adverse Opinion

1. The controls over inventories are weak and ineffective. Physical verification reports as on 31.03.2022 were not available for our verification except that of Kalamassery unit.
2. We could not conduct a physical verification of finished goods as Finished & Semi Finished goods were not kept separately.
3. Inventory valuation is based on arbitrary assumptions without reference to the actual indirect wages and production overheads. Indirect production overheads are not allocated for valuation of Work in Progress.
4. There are inordinate delays in despatch of goods invoiced in March 2022. Inventories as on date include items which were billed in 2021-22.

5. Out of Rs 133.66 crores billed in the fourth quarter of the financial year 2021-22, Rs.24.60 crores is outstanding as on the date of the report.
6. An amount of Rs 7.25 crores is outstanding from dealers for more than three years. No provision for bad debts has been made for the same.
7. An amount of Rs 1.11 crores (principal amount) and interest thereon is outstanding from M/s Vazhakkulan Agro & Fruit Processing Company Limited for more than three years. Interest is still being charged on the same. Further, no provision for bad debts has been made for the same.
8. Accounting software used by the company is unable to provide a reliable ageing of trade payables and hence the ageing schedule disclosed in Financial Statements is incorrect.
9. Deferred tax liability computation is incorrect since expense to be disallowed under section 40 (a) (ia) of the Income Tax Act, 1961 cannot be ascertained.

On account of the diverse issues and the complexities involved, the cumulative effect of the above cannot be quantified at this stage. However we are of the opinion that, it has the effect of converting the reported profit into a loss.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our Auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and,

in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 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 the safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: Identify and assess the risks of material misstatement of the financial statements, whether

due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has an adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:

- a. *Except for the matters described in the Basis for Adverse Opinion Paragraph, we have*

sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit,

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- C. The Balance Sheet, Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
- e. Being a Government Company, the provisions of Section 164(2) of the Companies Act, 2013 do not apply as per Notification No. G.S.R 463 (E) dated 05th June 2015 issued by the Department of Company Affairs.
- f. Being a Government Company, the provisions of section 197 of the Act relating to Managerial Remuneration is not applicable to the company.

2. 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 as amended, we state as under:

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 - Refer Note 26 to the financial statements;
- ii) The Company does not have any long-term contracts including derivative contracts requiring provision for foreseeable material losses.
- iii) The company does not have any amounts required to be transferred to the Investor Education and Protection Fund.
- iv) The company has not advanced any funds to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts.

- v) The company has not received any funds from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than those disclosed in the notes to accounts
 - vi) The company has not declared or paid any dividend during the year other than certain payments of dividend for the year 2019-20.
3. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of 'The Companies Act 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
4. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, our separate Report is given in "Annexure B".
5. As required by Section 143 (5) of the Act, we have considered the directions issued by the Comptroller and Audit General of India, the action taken thereon and its impact on the accounts and financial statements of the Company in "Annexure C"

For JVR & ASSOCIATES

Chartered Accountants

(F. R. No. 011121s)

Sd/-

JOMON K GEORGE

Partner

M.No: 202144

UDIN: 23202144BGQJKW3688

Place: Kochi-16

Date: 26-09-2023

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON
THE FINANCIAL STATEMENTS OF M/s. KERALA AGRO
MACHINERY CORPORATION LIMITED, ATHANI**

In terms of Companies (Auditor's Report) Order 2020, issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that: -

- 1) (i) (a) The company is not maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and Intangible as sets except at the Kalamassery Unit.

(b) The Property, Plant & Equipment have not been physically verified by the management at reasonable intervals.

(ii) The title deeds of all immovable properties (other than Leased land at Veliyavelicham unit, where the lease agreement has not been executed in the favor of the company till date) disclosed in the financial statements are held in the name of the company.

(iii) The company has not revalued its Property, Plant & Equipment or Intangible assets during the year.

(iv) No proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder and the details have been appropriately disclosed in the financial statements.
- 2) (i) Physical verification of inventory has not been conducted at reasonable intervals by management. No physical verification reports as on 31.03.2022 were produced for the verification of stock at the units except Kalamassery.

(ii) The working capital limit of Rs 20 crore from UBI was availed in the month of March, 2022 on the security of stock and book debts with 100% guarantee from Government of Kerala. Hence, the quarterly returns/ statements were not required to be submitted to the bank in the financial year 2021-22
- 3) During the year, the company has not made investments in, provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLPs, or any other parties.

- 4) In respect of loans or security or guarantees/made any investments within the meaning of sections 185 & 186 of The Companies Act, 2013 have been complied with.
- 5) The company has not accepted any deposits from the public in terms of Section 73 to 76 or any other relevant provisions of The Companies Act, 2013.
- 6) The Central Government has specified the maintenance of cost records under Section 148(1) of the Act, for the products manufactured by the company and such records have been so made and maintained.
- 7) (i) The company is regular in depositing undisputed statutory dues with appropriate authorities.
- (ii) According to the information and explanations given to us, particulars of disputed amounts payable in respect of income tax and service tax statutory dues in arrears as at 31st March 2022 are as follows:

Name of the Statute/ Nature of Dues	Amount (in lakhs)	Period	Forum where dispute pending
Income Tax Act, 1961	23.44	1991-92	Dy. Commissioner of Income Tax
	36.48	1992-93	Dy. Commissioner of Income Tax
	1.80	2004-05	CIT (Appeals)
	121.53	2005-06	ACIT
	13.31	2008-09	CIT (Appeals)
	1.24	2009-10	CIT (Appeals)
	19.75	2011-12	CIT
	0.64	2017-18	CIT (Appeals)
	1.87	2018-19	CIT (Appeals)
Service Tax	17.44	2012-15	Commissioner of Central Excise & Service Tax
Sales Tax	6.84	2009-10	Assessing Authority, KVAT Special Circle
	3.92	2007-08	Assessing Authority, KVAT Special Circle

- 8) There are no transactions that were not recorded in the books of account of the company surrendered or disclosed as income during the year in the tax assessments under The Income Tax Act, 1961;
- 9) (i) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- (ii) The company is not declared willful defaulter by any bank or financial institution or other lender.
 - (iii) Interest free term loan obtained from Government to meet working capital requirement was applied for the same;
 - (iv) Funds raised on short term basis have not been utilized for long term purposes.
 - (v) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (vi) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies,
- 10) (i) The company has not made any initial public offer during the year.
- (ii) The company has not made any preferential allotment or private placement of shares/ debentures during the year.
- 11) (i) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the company or on the company by its officers/employees have been noticed or reported during the course of our audit.
- (ii) No whistle-blower complaints were received by the company during the year.
- 12) The transactions entered into with related parties are not in compliance with section 177 & 188 of the Companies Act 2013 and the details have not been disclosed in the financial statements as required by the applicable accounting standards.
- 13) (i) The company does not have an internal audit system commensurate with the size and nature of its business. The scope, coverage & frequency of Internal Audit functions is not prescribed.
- (ii) The undated report for the whole financial year 2021-22 which is very generic was considered by us.
- 14) The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.
- 15) The company has not incurred any cash loss during the financial year and in the immediately preceding financial year.

- 16) There has not been any resignation of the statutory auditors during the year.
- 17) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- 18) Matters specified in clauses (xii), (xvi), (xx) and (xxi) of paragraph 3 of the Companies (Auditor's Report) Order, 2020 are not applicable to the company.

For JVR & ASSOCIATES

Chartered Accountants
(F. R. No. 011121s)

Sd/-

JOMON K GEORGE

Partner

M.No: 202144

UDIN: 23202144BGQJKW3688

Place: Kochi-16

Date: 26-09-2023

ANNEXURE (B) REFERRED TO IN INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF KERALA AGRO MACHINERY CORPORATION LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2022.

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 March 31, 2022 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 Board of Directors of the company 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.

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company does not have adequate internal financial controls system over financial reporting. The prevailing internal financial controls over financial reporting were not operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company con-

sidering 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.

The scope, coverage & frequency of Internal Audit functions is not prescribed and there is only one undated report for the whole of 2021-22 which is very generic.

The controls over inventories are weak and ineffective. Physical verification reports as on 31.03.2022 were not available for our verification except that of Kalamassery. We could not do a physical verification of finished goods as Finished & Semi Finished goods were not kept separately.

Receivables management offers scope for improvement. Some of the receivables are disputed and unreconciled. An amount of Rs 7.25 crores is outstanding from dealers for more than three years.

An amount of Rs 50.12 lakhs (including interest) is outstanding from Coconut Development Corporation Limited for more than twenty years and an amount of Rs 1.11 crores (not including interest thereon) is outstanding from Vazhakkulam Agro Fruits for more than three years

Reconciliation of Trade Payables are not done regularly. Trade payables to the tune of Rs 23,88,10,472/- due to twelve suppliers are not confirmed/reconciled.

Statutory Audit, filing of Financial Statements and Annual Return with MCA, filing of Income Tax Return and Audit report u/s 14 AB of the Income Tax Act, and GST Annual Compliance are inordinately delayed, resulting in additional levies.

For JVR & ASSOCIATES

Chartered Accountants

(F. R. No. 011121s)

Sd/-

JOMON K GEORGE

Partner

M.No: 202144

UDIN: 23202144BGQJKW3688

Place: Kochi-16

Date: 26-09-2023

**ANNEXURE (C) REFERRED TO IN INDEPENDENT AUDITOR'S REPORT OF EVEN
DATE TO THE MEMBERS OF KERALA AGRO MACHINERY CORPORATION LIMITED
ON THE FINANCIAL STATEMENTS OF THE COMPANY
FOR THE YEAR ENDED 31ST MARCH, 2022.**

Replies to directions from Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013

- 1. Whether the company has a system in place to process all the accounting transactions through an IT system? If yes, the implications of processing of accounting transactions outside the IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

The Company processes all accounting transactions through different modules such as HR, Payroll, Sales, Inventory and Financial Accounting Software, which are not integrated and hence require entries to be passed manually. Reports generated from different modules were not updated. (Earnings Deduction Report, ISTN Summary, List of Sales Invoices).

The software does not provide a Trial Balance that shows the transactions entered into in this year with the opening and closing balances. Further, the software cannot generate financial statements (Balance Sheet or Profit & Loss Account) from the Trial Balance.

- 2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.**

There is no restructuring of an existing loan or cases of waiver/write off of debts / loans/interest etc. made by a lender to the company due to the company's inability to repay the loan.

- 3. Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.**

The company has received grant amounting to Rs 3.5 crores till 31.03.2022 under RKVY Scheme for Plant modernization. The following deviations were noticed from RKVY guidelines in its utilization.

- i) As per GO No. 50/2020/AGRI dated 15/06/2020, recurring kind of expenditure like manpower hiring, POL, TA/DA, transport, computer and other consumables, shall not be incurred out of RKVY Project funds. But an amount of Rs 4,56,180/- of grant is utilized for recurring expenses.

- ii) GST on RKVY assets purchased using grant is also taken as input and claimed in GST. This is taking double benefit.
- iii) As per the workings shared with us, RKVY grant amount received till 31.03.2022 was fully utilized during the period. But the bank account relating to RKVY scheme has a balance of Rs 24,98,579/- on 31.03.2022.
- iv) As per the Government guidelines, amounts to suppliers for purchases under RKVY Scheme need to be paid directly from PFMS account. But it has been noted that the amounts are being transferred from PFMS account to the bank account of KAMCO during the FY and subsequently being paid to suppliers.
- v) As per RKVY guidelines, 50% expense relating to plant modernisation need to be borne by Company. But till date, the company has not spent such equal amount.

Reply to Sector-Specific Sub- Directions

Manufacturing Sector

- 1. Whether the Company's pricing policy absorbs all fixed and variable cost of production as well as the allocation of overheads?**

Inventory valuation is based on arbitrary assumption without reference to the actual indirect wages and production overheads. Indirect production overheads are not allocated for valuation of Work in Progress.

- 2. Whether the Company has utilized the Government assistance for technology up gradation/ modernization of its manufacturing process and timely submitted the utilization certificates.**

The company has received assistance from Government for Plant modernization under RKVY Scheme. The company has utilized the amount and timely submitted the utilization certificates.

However, certain deviations have been noted in the utilization of grant from the guidelines issued by the Government. The same has been listed above under Question 3 of "Replies to directions from Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013".

- 3. Whether the Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence.**

All losses incurred during the period is absorbed in cost of consumption. Subsequently, sale of scrap is accounted as income.

- 4. What is the system of valuation of by-products and finished products? List out the**

cases of deviation from its declared policy.

Finished goods are valued at cost or NRV whichever is lower. Cost includes direct wages, materials, indirect wages and other overheads. Indirect wages and other overheads are absorbed at arbitrary percentages of 40% and 20% respectively of direct cost per unit produced.

No documented policy w.r.t. same was available for verification.

5. Whether the effect of deteriorated stores and spares of closed units been properly accounted for in the books.

No units have been closed during the year. Stores and spares are annually revalued at their realizable value and amortized.

6. Whether 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.

The company does not have effective system for physical verification. No physical verification reports as on 31.03.2022 were produced for the verification of stock. at Athani and other units except Kalamassery. While the closing stock contains products from earlier periods, no item has been declared nonmoving by the management. Tractors which were not in good condition/very old are also included in inventory valuation at arbitrary valúes.

7. State the extent of utilization of plant and machinery during the year vis-à- vis installed capacity.

As per the management, out of the installed production capacity of 12,000 units of tillers per annum, the utilized capacity/production is 11,805 units of tillers.

8. Report on the cases of discounts/commission in regard to debtors and creditors where the Company has deviated from its laid down policy.

No such deviations were noted.

For JVR & ASSOCIATES

Chartered Accountants
(F. R. No. 011121s)

Sd/-

JOMON K GEORGE

Partner

M.No: 202144

UDIN: 23202144BGQJKW3688

Place: Kochi-16

Date: 26-09-2023

**Reply to Comments by Statutory Auditors.(Statutory Audit Report dt 26/09/2023
(Revised Thrice) issued on 13/11/2023)**

Statutory Auditors for F.Y. 2021-2022, M/s. JVR Associates have issued their report dt 25/05/2023 subsequently revising the same thrice for correcting mistakes committed and final revised report dt 26/09/2023 was issued on 13/11/2023 only and therein also there are mistakes left uncorrected as detailed below:

Company is regular in payment of all statutory dues and filing of Returns. However, Statutory Auditor in his report commented that “ Statutory Audit, filing of Financial Statements and Annual Return with MCA, filing of Income Tax Return and Audit Report U/s 44 AB of Income Tax Act, and GST Annual compliance are inordinately delayed, resulting in additional levies”. In the same report under Annexure A point No. 7 (i), it is stated that “The company is regular in depositing undisputed statutory dues with appropriate authorities”

Further, under Annexure A point No. 7 (ii) of the statutory audit report, refund due to KAMCO towards sales tax to the tune of Rs. 10.76 lakhs (6.84+3.92) is shown as “Statutory Dues Pending”.

The opinion of the statutory Auditor on internal financial control systems of the company is untrue and baseless. Company has established adequate policies and procedures for the efficient conduct of business ensuring fair presentation of financial statements. KAMCO is having well-defined process to provide reasonable assurance regarding financial statements in accordance with the generally accepted accounting principles. Transactions are recorded in accordance with generally accepted accounting principles and all receipts and expenditures of the company are being made with authorisations of Management and Directors of the company. Financial powers are defined and delegated appropriately for efficient conduct of the business and the same is being followed consistently. There is no change in accounting policies, procedures and methods during the period 2021-22. Company has a separate Internal Audit Wing performing internal audit functions on concurrent basis having well defined scope of operation. Internal Audit ensures complete monitoring of Head Office & Unit financial functions and conducts inspection visits to all units of KAMCO periodically. The reports/ findings after internal audit are being submitted to Management for adopting corrective measures, wherever, found necessary. Consolidated Internal Audit Report for the particular financial year are being duly presented to Board of Directors for their approval. The Scope of internal Audit and Internal Audit Reports were also provided to statutory auditors to their satisfaction.

It is for the first time, KAMCO had to experience undesirable events affecting timely completion of Statutory Audit. The Statutory Auditors incurred procedural lapses, material errors and mistakes on their part in issuing their Audit Report with adverse comments without considering detailed reply furnished by KAMCO not adhering to Auditing Standards and Guidance Note on Internal Financial Controls.

Remarks of Statutory Auditor	Reply by Company
<p>1. The controls over inventories are weak and ineffective. Physical verification reports as on 31.03.2022 were not available for our verification except that of Kalamassery unit.</p> <p>2. We could not conduct a physical verification of finished goods as Finished & Semi Finished goods were not kept separately.</p> <p>3. Inventory valuation is based on arbitrary assumptions without reference to the actual indirect wages and production overheads. Indirect production overheads are not allocated for valuation of Work in Progress.</p>	<p>KAMCO has always been operating through well defined policies, systems and standard practices in respect of control over inventories, its physical verification and valuation. With a view to ensure effective management of inventories, company has adopted automated system. All processes right from procurement of inputs through E –Tender/Purchase Procedure Norms, release of purchase orders for input items, its receipts, issues, and balance quantities at various points of time are being maintained. Physical verification of inventory at the end of financial year have been carried out in all Units of the company invariably in accordance with internal control measures in force. The company has provided all records (including that of Kalamassery Unit) pertaining to physical verification of raw materials, assembly stock (Termed as WIP), Machine Shop etc as on 31-03-2022 to Statutory Auditors as well as to AG for the supplementary Audit. The company had been maintaining consistency in its practices and has always been receptive to any creative observations and suggestions for improving and strengthening the inventory management system for which statutory audit could not point out specific areas of weakness.</p> <p>The system followed by the company for the physical verification of finished goods have been maintained consistently through years. The list of chasis numbers of finished power tillers which were transferred to Stores after completing Quality Assurance Certification were made available to statutory Audit. The chasis numbers of tillers remaining unsold were also made available. Due to constraints in storage space in factory premises, finished tillers were kept at specific location with due compartmentalization for facilitating identification of those power tillers which require minor finishing touches before packing and despatch. The physical verification reports of all units were given to statutory auditors duly explaining points related to storing space. Nevertheless, explanations and details given for the draft observations were not considered by the statutory auditor at any subsequent stage.</p>

	<p>The classification of inventory into Raw materials, Raw Material stock with Assembly Department termed as WIP, and Stock at Machine Shop are being valued based on Weighted Average Method and entire process carried out through system software maintained for the purpose. Valuation records are open for any Audit. It has to be noted that as the value of semi-finished goods for the year is NIL., the question of allocation of overheads is not relevant. Stock of finished power tillers were to the extent of 125 numbers only which were valued as per the consistent method followed. Chasis and engine numbers of the same were also made available for Audit.</p> <p>The company has always been following systematic methods for inventory valuation never based on arbitrary assumptions. The policy, methods and practices duly satisfying ISO specifications are being maintained consistently through years. The statutory audit could not serve as a creative mechanism nor play an advisory role by suggesting points if needed for strengthening the existing system.</p>
<p>4. There are inordinate delays in despatch of goods invoiced in March 2022. Inventories as on date include items which were billed in 2021-22.</p>	<p>During the last quarter of financial year 2021-22 company faced severe working capital crisis due to poor inflow of funds from dealers. While trying to achieve the production targets, procurement of input components also faced challenge as the supplier firms were queuing for their settlements from KAMCO. At this juncture, company approached Government for financial support for attainment of targets for the year and in turn KAMCO was allowed with loan of Rs. 5 crores and also Bank Guarantee for Rs. 20 Crores for availing loan from Union Bank of India. Thus company augmented production during the last month of the quarter to meet with the firm orders from dealers.</p>

	<p>With a view to ensure reaping of seasonal advantage of sales during last quarter, major dealers placed firm orders which were invoiced and consignments kept ready for despatch. Dealers lift the items from company's godown only after completion of arrangements for transportation, insurance and allied services at their cost which normally happens during the next financial year. Dealers of the company who belong to north eastern and eastern India were affected by flood who requested to hold the consignment for more time due to constraints faced by them, resulting in delay of lifting of tillers from the premises of KAMCO.</p>
<p>5. Out of Rs 133.66 crores billed in Q4 of FY 2021-22, Rs. 24.60 crores is outstanding as on date.</p>	<p>Volume of sale attained by dealers are highly dependent on climatic factors like monsoon, and other seasonal factors. Usually, there are two major seasons viz, June- August and November-January for which dealers ensure enough quantity of power tillers and reapers to their custody in advance to reap the maximum advantage. Sales are also directly dependent on the subsidy announced and implemented under schemes for farmers by Central and State Governments. There were delays in many states for the implementation of subsidy programmes affecting inflow of funds to dealers and in turn to KAMCO.</p> <p>Rs. 109.06 crores have already been remitted by dealers against sales by KAMCO during the last quarter to the tune of Rs. 133.66 Crores. Dealers at Assam faced poor inflow in collections due to delay in release of subsidy funds for farm mechanisation coupled with climatic adversity of flood.</p> <p>The observation of statutory auditor is not inviting any serious anxiety on the part of the company as there is no uncertainty in collection of balance dues on account of aforesaid sales.</p>
<p>6. An amount of Rs 7.25 crores is outstanding from dealers for more than three years. No provision for bad debts has been made for the same.</p>	<p>Regarding outstanding from dealers, legal proceedings have been initiated which are at advanced levels before various Courts. As the company is expecting recovery in the cases, no provision for bad debts have been made.</p>

<p>7. An amount of Rs 1.11 crores (Principal amount) and interest thereon is outstanding from M/s Vazhakkulam Agro & Fruit Processing Company Limited for more than three years. Interest is still being charged on the same. Further, no provision for bad debts has been made for the same.</p>	<p>Apropos Government direction vide letter No: 1755561/PU2/2017/Agri dated 24.08.2017 and Agreement dtd 25.8.2017 & 19.10.2017 executed with VAFPC, Kerala Agro Machinery Corporation Ltd (KAMCO) had advanced an amount of Rs 1 crore to VAFPC as loan on 29.08.2017. Further, on 19.10.2017, an amount of Rs. 15 lakhs was also granted to VAFPC as loan for the purpose of warding away the legal proceedings initiated by Provident Fund Authorities against VAFPC. Out of total loan amount of Rs. 1.15 Crore, VAFPC had repaid Rs 4 lakhs on 21-10-2017 and Rs. 5.71 lakhs towards 9% interest for F.Y 2017-2018 on 17.5.2018. No further repayments either towards interest or principal amount has been made by VAFPC. As on 31-03-2023 an amount of Rs.1.61 Crores is due to KAMCO towards Principal plus interest. In the light of long pendency of the dues, KAMCO have submitted the matter to Government in accordance with G.O. (Ms) No. 21/2021/P&ARD dated 15/09/2021 and are looking forward for further directions from Government in this regard. PSUs cannot go in with direct litigation by virtue of G.O, mentioned. As the matter is being considered by Government High Power Committee constituted for the purpose, no provision is made in the case as such.</p>
<p>8. Accounting software used by the company is unable to provide a reliable ageing of trade payables and hence the ageing schedule disclosed in Financial Statements is incorrect.</p>	<p>System is able to generate the conclusive list of Trade payables which tallies with the amount given in Balance Sheet as Sundry Creditors. The technical inadequacy faced for generation of reports with regard to ageing of Trade Payables have been solved.</p>
<p>9. Deferred tax liability computation is incorrect since expense to be disallowed under section 40 (a) (ia) of the Income Tax Act, 1961 cannot be ascertained.</p>	<p>Disallowance u/s 40(a) (ia) related to gratuity and EL policies amounting to Rs 1,32,26,820 has been considered in arriving at the deferred tax liability and hence the contention of statutory audit is not correct.</p>



सत्यमेव जयते

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I) KERALA,
THIRUVANANTHAPURAM**

**COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS
OF KERALA AGRO MACHINERY CORPORATION LIMITED, ERNAKULAM FOR THE
YEAR ENDED 31 MARCH 2022**

The preparation of financial statements of **Kerala Agro Machinery Corporation Limited, Ernakulam for the year ended 31 March 2022** in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **08 October 2023** which supersedes their earlier Audit Report dated **25 May 2023**.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Kerala Agro Machinery Corporation Limited, Ernakulam for the year ended 31 March 2022** under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries to the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

भारत के नियंत्रक-महालेखापरीक्षक के लिए और उनकी ओर से
For and on behalf of
the Comptroller and Auditor General of India

एस. सुनील राज
S. SUNIL RAJ

प्रधान महालेखाकार (लेखापरीक्षा-I), केरला
**PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I),
KERALA**


Thiruvananthapuram
Dated: 22.11.2023

No. 2658504/PU-B1/1/2024-FIN

Finance (PU-B) Department
Thiruvananthapuram
Dated: 20.05.2024

The Comments of Secretary, Finance (Expenditure) on the Audited Accounts of Kerala Agro Machinery Corporation Ltd. (KAMCO) for the Financial year 2021-22.

1. The company has earned a net profit of Rs. 48 lakh in Financial Year 2021-22, with a slight increase over the previous year's profit of Rs. 47 lakh. The management may take earnest efforts to improve its net profit further.
2. The income of the company has increased from Rs. 19,921 lakh in 2020-21 to Rs. 21,909 lakh in 2021-22, but total expense has also increased from Rs. 19,848 lakh to Rs. 21,836 lakh correspondingly. The Company may continuously monitor the expenses and contain it to the extent with a view to making increased profit.
3. The Company has been consistent in payment of dividend to Government since 2017-18. It has also paid Guarantee Commission of Rs. 0.59 lakh in April 2022 for the Government Guarantee of Rs. 2000 lakh that was availed in 2021-22.
4. Receivables management offers scope for improvement. The management should look into the decrease in Trade receivable turnover ratio compared to previous year and should take appropriate corrective measures to improve the overall cash flow of the company.
5. The Company should conduct physical verification of inventory at reasonable intervals and the discrepancies must be rectified.



AJAYKUMAR K S

ADDITIONAL SECRETARY

For Secretary Finance Expenditure

KERALA AGRO MACHINERY CORPORATION LIMITED
REGISTERED OFFICE: ATHANI P.O., ERNAKULAM DISTRICT, KERALA.683 585
CIN : U29211KL1973SGC002492

BALANCE SHEET AS AT 31st MARCH, 2022

Sl.No	Particulars	Notes	Current Year	Previous Year
I	EQUITY AND LIABILITIES		Amount (Rs. in Lakhs)	
1	Shareholder's Funds			
	a. Share Capital	3	161	161
	b. Reserves & Surplus	4	12,842	12,756
2	Non-Current Liabilities			
	a. Long-term Borrowings	5	475	-
	b. Deferred Tax Liabilities (Net)	6	21	21
	c. Long-term Provisions	7	579	730
3	Current Liabilities			
	a. Short-term Borrowings	8	2,036	-
	b. Trade Payables	9	6,707	4,080
	c. Other current Liabilities	10	1,295	1,334
	d. Short-term Provisions	7	541	722
	TOTAL		24,657	19,804
II	ASSETS			
1	Non-Current Assets			
	a. Property, Plant & Equipments and Intangible Assets			
	i. Property, Plant & Equipments	11(I)	1,797	1,781
	ii. Intangible assets	11(II)	7	8
	iii. Capital work in progress	11(III)	43	72
	b. Non-current investments	12	205	205
	c. Long-term loans and advances	13	232	222
2	Current Assets			
	a. Inventories	14	3,753	4,176
	b. Trade receivables	15	16,765	9,519
	c. Cash and Cash equivalents	16	552	2,354
	d. Short-term loans and advances	13	1,205	1,359
	e. Other current assets	17	98	108
	TOTAL		24,657	19,804
	<i>The accompanying notes form an integral part of these financial statements</i>			

For and on behalf of Board of Directors

As per our report of even date attached

Sd/-
Sasidharan C K
Chairman
DIN: 01907312

Sd/-
Sivaramakrishnan V
Managing Director
DIN: 09129109

For JVR & Associates
Chartered Accountants

Sd/-
Jomon K George
Partner
M.No: 202144

Place: Athani
Date: 25-05-2023

UDIN: 23202144BGQJKW3688

KERALA AGRO MACHINERY CORPORATION LIMITED
REGISTERED OFFICE: ATHANI P.O., ERNAKULAM DISTRICT, KERALA.683 585
CIN : U29211KL1973SGC002492

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH,2022

Sl.No	Particulars	Notes	Current Year	Previous Year
I	Revenue		Amount (Rs. in Lakhs)	
	Revenue from operations	18	21,792	19,782
	Other Income	19	117	139
	Total Income		21,909	19,921
II	Expenses			
	Cost of Raw Materials Consumed	20	15,276	13,318
	Change in inventories of finished goods, Work in Progress and Stock in trade	21	162	389
	Employee Benefits Expenses	22	5,541	5,130
	Depreciations and amortizations expense	11	181	175
	Finance Charges	23	20	-
	Other expenses	24	687	833
	Prior Period Expense/ (Income)	25	-31	3
	Total Expenses		21,836	19,848
III	Profit before exceptional and extraordinary items and tax		73	73
IV	Exceptional items/Extraordinary items		-	-
V	Profit before tax (III - IV)		73	73
VI	Tax expense:			
	1.Current tax		25	22
	2.Defemed tax		-	4
VII	Profit for the period from continuing operations (V-VI)		48	47
VIII	Profit from discontinuing operations		-	-
IX	Tax expense of discontinuing operations		-	-
X	Profit from discontinuing operations (after tax) (VIII - IX)		-	-
XI	Profit for the period (VII + X)		48	47
XII	Earnings per equity share:			
	a. Earnings per equity share (Basic & Diluted)		30.01	29.16
<i>The accompanying notes form an integral part of these financial statements</i>				

For and on behalf of Board of Directors

As per our report of even date attached

Sd/-
Sasidharan C K
Chairman
DIN: 01907312

Sd/-
Sivaramakrishnan V
Managing Director
DIN: 09129109

For JVR & Associates
Chartered Accountants

Sd/-
Jomon K George
Partner

Place: Athani
Date:25 -05-2023

M.No: 202144
UDIN: 23202144BGQJKW3688

KERALA AGRO MACHINERY CORPORATION LIMITED
 REGISTERED OFFICE: ATHANI P.O., ERNAKULAM DISTRICT, KERALA.683 585
 CIN : U29211KL1973SGC002492

Cash Flow Statement for the Year Ended 31st March 2022

Particulars	Current Year	Previous Year
	Amount (Rs. in Lakhs)	
Cash Flow from Operating Activities:		
Profit before taxation and exceptional items	73	73
Adjustment For:-		
Depreciation, Amortization & Impairment	181	175
Interest Income	-52	-82
Capital grant under RKVY Scheme written back	-62	-38
Finance charges	20	-
Profit/Loss on sale of fixed assets	5	-0
Operating Profit before Working Capital Changes	165	128
Adjustment for:-		
Trade and Other Receivables	-7,247	932
Inventories	422	274
Other Current Assets	10	-35
Loans and Advances	155	36
Trade payables and Other Liabilities	2,273	-807
Cash generated from operations	-4,222	528
Tax Paid (net of refunds)	-36	-116
Net Cash From Operating Activities	-4,258	412
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	-171	-159
Interest Received	52	82
Sale of fixed assets	-	2
Net Cash from/used in Investing Activities	-119	-75
Cash Flow From Financing Activities:		
Dividend Paid and tax thereon	-16	-
Working Capital Loan from Govt. of Kerala and UBI, Athani	2,511	-
Finance charges incurred on Working Capital Loan	-20	-
Capital grant received under RKVY Scheme	100	250
Net Cash from/used in Financing Activities	2,575	250
Net Increase/ (Decrease) in Cash and Cash Equivalents	-1,802	587
Cash and Cash Equivalents as at 1st April(Opening Balance)	2,354	1,767
Cash and Cash equivalents as at 31st March (Closing Balance)	552	2,354

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 31.03.2022

	Current Year	Previous Year
Cash in hand	3	1
Balance with Banks	328	978
Balance with Banks in Fixed Deposit	221	1,375
Total	552	2,354

For and on behalf of Board of Directors

As per our report of even date attached

Sd/-
Sasidharan C K
Chairman
DIN: 01907312

Place: Athani
Date: 25-05-2023

Sd/-
Sivaramakrishnan V
Managing Director
DIN: 09129109

For JVR & Associates
Chartered Accountants

Sd/-
Jomon K George
Partner
M.No: 202144
UDIN: 23202144BGQJKW3688

KERALA AGRO MACHINERY CORPORATION LIMITED
REGISTERED OFFICE: ATHANI P.O., ERNAKULAM DISTRICT, KERALA.683 585
CIN : U29211KL1973SGC002492

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2022

1. CORPORATE INFORMATION

KERALA AGRO MACHINERY CORPORATION LIMITED is a public company fully owned by Government of Kerala, registered and incorporated on 24th March, 1973 under the Companies Act 1956. It is engaged in the manufacture of Agricultural Machineries. The registered office of the Company is situated at Athani, in Ernakulam District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
GENERAL

The Company is a Small and Medium Company as defined under the Companies (Accounting Standards) Rules, 2021 and accordingly has complied with the Accounting Standards applicable to Small and Medium Companies only. The financial statements are prepared under historical cost convention. These statements have been prepared in accordance with applicable mandatory Accounting Standards and relevant presentational requirements of The Companies Act, 2013.

1. Use of Estimates :-

The preparation of financial statements in conformity with the Indian Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amount of income and expenses during the period. Actual figures may differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2. Inventories:-

- (i) Inventories of Raw materials and Components are valued at cost on Weighted Average Cost method
- (ii) Work in progress is valued at cost using percentage of completion method.
- (iii) Finished Goods are valued at lower of Cost or Net Realisable Value.
- (iv) Cost comprises all cost of purchase excluding taxes eligible for refund, cost of conversion, indirect production overheads and other costs incurred in bringing the inventories to their present location and condition.

3. Property, Plant and Equipment :-

a. Property, Plant and Equipment

Property, Plant and Equipment are stated at the historical cost less accumulated depreciation. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the management.

Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the expenditure can be measured reliably. Repairs and Maintenance costs are recognised in the Statement of Profit and Loss when they are incurred. Lease hold land is shown separately and amortised during the period of lease agreement.

b. Depreciation

- (i) Depreciation on tangible assets is provided under written down value method over the useful life of assets prescribed in part C of Schedule II of Companies Act 2013.
- (ii) The management estimates the useful life of the assets as follows:

Factory Building	- 30 years
Office Building	- 60 years
Plant & Machinery	- 15 years
Motor car	- 8 years
Furniture & Fittings	- 10 years
Computers	- 3 years
Office Equipments	- 5 years
Patterns	- 25 years
Jigs & Fixtures	- 30 years
- (iii) 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'
- (iv) The unit at Valiyavelicham, 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 IWs. Kerala State Industrial Development Corporation on 30 years lease. Assets acquired for the unit amounting to Rs.1,308.68 Lakhs have been capitalised and depreciation is provided for. Since the land is acquired on 30 years lease, it is shown separately under "Lease hold land" and cost is written off during the lease period on pro-rata basis.

4. Revenue Recognition:-

- (a) Revenue from Sale of Goods is recognised at the time of raising invoice.
- (b) Interest is recognized on time proportion basis.

5. Government Grants

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

6. Investments :-

Investments being long term investments are carried in the financial statements at cost. Provision for diminution, if any is made to recognise a decline, other than temporary, in the value of investments.

7. Employee Benefits :-

- (i) Defined Benefit Plan 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.

8. Taxes on Income :-

- (i) Current tax is measured at the amount expected to be paid, using the applicable tax rates.
- (ii) The deferred tax charge or credit is recognised using prevailing enacted or substantively enacted tax rates. Where there are unabsorbed depreciation or carry forward losses, deferred tax asset is recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date based on the developments during the year and available case laws, to reassess realisation/liabilities. The net deferred tax position as on 31-03-2022 is a Deferred Tax Liability of Rs. 21.05 lakhs.
- (iii) Amount, if any, paid under dispute are shown under “Current Assets- Loans and Advances”.

9. Amortisation of Intangible Assets:-

Intangible assets, being the Know How fee for New generation Tiller are written off over a period of 10 years under Straight Line Method.

10. Impairment of Assets :-

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine whether any provision for impairment loss is required.

11. Provisions, Contingent Liabilities and Contingent Assets :-

The company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

KERALA AGRO MACHINERY CORPORATION LIMITED

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

CIN : U29211KL1973SGC002492

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH 2022

NOTE.3 SHARE CAPITAL

(Rupees in Lakhs)

a.	Breakup of Share Capital	Current Year	Previous Year
	Authorised Capital 2,00,000 Equity Shares of ₹100 each	200	200
	Issued, Subscribed and fully Paid up shares 1,61,460 Equity Shares of ₹100 each, fully paid up	161	161

b.	Shares held by shareholders holding more than 5% shares				
		Current Year		Previous Year	
	Name	No. of shares	% of share holding	No. of shares	% of share holding
	Government of Kerala	1.61	100%	1.61	100%

C.	Disclosures of Shareholding of Promoters - Shares held by the Promoters As on 31 March 2022:		
	S. No	1	
	Promoter Name	Govt. of Kerala	
	Class of Shares	Equity Shares F.V Rs.100	
	At the end of the year	No. of Shares	1.61
		%of total shares	100%
	At the beginning of the year	No. of Shares	1.61
		%of total shares	100%
	% Change during the year	Nil	

NOTE.4 RESERVES AND SURPLUS

(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
a.	Capital Reserve		
	i) Capital Reserve	4	4
	ii) Capital Grant received for Plant Modernisation from Kerala RKVY 350		
	Less:- Grant received Written back during the year (28)	322	250
	iii) Capital Grant receive from Kerala RKVY 441		
	Less:- Grant received Written back during the year (33)	408	442
		734	696
b.	General Reserve		
	Opening Balance	1,496	1,486
	Add: Transferred from Statement of Profit and loss		10
		1,496	1,496
c.	Surplus in the statement of Profit and Loss:		
	Opening Balance	10,564	10,543
	Add reserve fund created for equity participation shown above	-	-
	Add:- Surplus during the year	48	47
	Less: Appropriations:	-	-
	Proposed final equity dividend *	-	16
	Dividend distribution tax	-	-
	Transfer to General Reserve	-	10
	Total Appropriations		26
	Net Surplus in the Statement of Profit and loss	10,612	10,564
	Total Reserves and Surplus	12,842	12,756

NOTE.5 LONG TERM BORROWINGS

(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
1.	Un-Secured		
	Interest Free Term Loan from Govt. of Kerala (Term Loan of Rs.500 Lakhs from Govt. of Kerala sanctioned for working capital purposes as per G.O. (Rt) No.52/2022/Agri dated 21.01.2022. The said loan is repayable in 20 equal quarterly installments of Rs.25 Lakhs per quarter, beginning from 25th January, 2023. It is treated as Interest free loan as per the G.O.(Rt)No.371/2022/Agri dated 30.04.2022.)	475	Nil
a.	TOTAL	475	-

NOTE.6 DEFERRED TAX LIABILITY (Net)
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
	Deferred Tax Liability		
	WDV as per Companies Act (See Note 6A)	1,145	1,124
	WDV as per IT Act	937	1,049
	Excess depreciation claimed	208	75
	Less:- Net Disallowance as per current year	132	-
	Net Amount for DTL/DTA computation	76	75
	Tax on above x 25%+7% Surcharge+4% Edu.cess(27.82%)	21	21
	Fixed Assets: Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting	21	21
	Gross Deferred Tax Liability	21	21

NOTE.6A

	Particulars	Current Year	Previous Year
	WDV as per Companies Act including intangible asset as per Note-11	1,804.00	1789.71
	Less:- Land	96.00	224.19
	Less:- Capital grant received net written back	563.00	441.77
	WDV as per Companies Act	1,145.00	1123.75

NOTE - 7 PROVISIONS
(Rupees in Lakhs)

	Particulars	Long Term		Short Term	
		Current Year	Previous Year	Current Year	Previous Year
a.	Provision for Employee Benefits	579	730	525	690
	Total (a)	579	730	525	690
b.	Other Provisions				
	For Proposed Equity Dividend			16	32
	For Tax on Proposed Equity Dividend			-	-
				16	32
	TOTAL	579	730	541	722

NOTE.8 SHORT TERM BORROWINGS
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
a.	Interest Free Term Loan from Govt. of Kerala (Cument maturities of long term borrowings)	25	Nil
b.	Cash credit facility from Union Bank of India, Athani (Cash credit facility of Rs.2000 Lakhs was sanctioned as working capital loan from the Union Bank of India)	2,011	Nil
	TOTAL	2,036	-

a) Company has used the borrowings from Govt. of Kerala and Union Bank of India for the purpose of working capital requirement.

b) The cash credit facility from UBI is availed in the month of March, 2022. Hence, the quarterly returns / statements of current assets was not submitted to the bank.

c) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

NOTE.9 TRADE PAYABLES
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
	Creditors:		
	-For Purchases (Note 9.1)		
	(i) Micro, Small & Medium Enterprises	2,149	1,289
	(ii) Others	4,502	2,717
	-For Capital goods	20	23
	-For Expenses	36	51
	TOTAL	6,707	4,080

NOTE.10 OTHER CURRENT LIABILITIES
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
a.	Other Payables:		
i	Statutory Remittances	70	287
ii	Expenses Payable	302	307
iii	Advances from Customers	453	345
iv	Other Payables	470	395
	TOTAL	1,295	1,334

NOTE 9.1 - TRADE PAYABLES AGEING SCHEDULE

As on 31 March 2022:

(Rupees in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	
(i) MSME	-	1,085	1,054	1	1	8	2,149
(ii) Others	-	2,063	2,401	4	9	25	4,502
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	3,148	3,455	5	10	33	6,651

As on 31 March 2021:

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 yrs	2-3 yrs.	More than 3 Years	
(i) MSME	-	451	829	1	1	7	1,289
(ii) Others	-	692	1,990	9	5	21	2,717
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	1,143	2,819	10	6	28	4,006

NOTE 11 - PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS
(Rupees in Lakhs)

Description	Gross Block			Depreciation/ Amortisation				Net Block	
	As at March 31, 2021	Additions	Deletions	As at March 31, 2022	Upto March 31, 2021	Additions	Deletions	Upto March 31, 2022	As at March 31, 2021
(I) TANGIBLE ASSETS									
Free Hold Land	96	-	-	96	-	-	-	-	96
Lease Hold Land	156	-	-	156	28	5	-	33	128
Buildings	2,506	7	-	2,513	1,263	88	-	1,351	1,243
Plant & Machinery	1,694	125	-	1,819	1,467	45	-	1,512	227
Office Equipments	69	2	-	71	63	2	-	65	5
Furniture & Fittings	191	10	-	201	171	6	-	177	20
Patterns, Jigs & Fixtures	83	32	-	115	71	8	-	79	12
Motor Car & Vehicles	111	-	5	106	81	8	-	89	30
Computer Machinery	256	25	-	281	237	18	-	255	20
Others	8	-	-	8	8	-	-	8	-
Sub Total	5,170	201	5	5,366	3,389	180	-	3,569	1,781
(II) INTANGIBLE ASSETS									
Know How Fee- New Generation Tiller	8	-	-	8	-	1	-	1	8
Sub Total	8	-	-	8	-	1	-	1	8
Total (Depreciation and Amortisation for the year)	5,178	201	5	5,374	3,389	181	-	3,570	1,789
Previous Year	5,101	88	10	5,178	3,222	175	9	3,389	1,790

NOTE 11 (III) CAPITAL WORK IN PROGRESS

(Rupees in Lakhs)

Description	Gross Block				Depreciation/ Amortisation				Net Block	
	As at March 31, 2021	Additions	Deletions	As at March 31, 2022	Upto March 31, 2021	Additions	Deletions	Upto March 31, 2022	As at March 31, 2022	As at March 31, 2021
Plant Modernisation (RKVV) - Athani	72	79	108	43	-	-	-	-	43	72
Sub Total	72	79	108	43	-	-	-	-	43	72

Capital Work-In-Progress (CWIP) Ageing Schedule

As on 31 March 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Projects in progress	16	27	-	-	43
(ii) Projects temporarily suspended	-	-	-	-	-
TOTAL	16	27	-	-	43

As on 31 March 2021:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Projects in progress	72	-	-	-	72
(ii) Projects temporarily suspended	-	-	-	-	-
	72	-	-	-	72

NOTE - 12 NON CURRENT INVESTMENTS
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
	Non Trade Investments (Valued at cost) Unquoted		
a.	M/s. Kerala Feeds Ltd. (Govt. of Kerala Undertaking) 1500 (1500) Equity Shares of ₹10000 (10000) each fully paid up	150.00	150.00
b.	M/s. Cochin International Airport Limited 500000 (500000) Equity Shares of ₹10 (10) each fully paid up	50.00	50.00
c.	M/s. Kerala Enviro Infrastrucure Limited 50000 (50000) Equity Shares of ₹10 (10) each fully paid up	5.00	5.00
	TOTAL	205.00	205.00

NOTE - 13 LOANS AND ADVANCES
(Rupees in Lakhs)

	Particulars	Non-Current		Current	
		Current Year	Previous Year	Current Year	Previous Year
a.	Loans and advances to Employees	14	14	47	104
b.	Deposits	14	14	47	104
i.	Unsecured, considered good Government and Other Public Bodies	57	47	712	814
c.	Advance Recoverable in cash or in kind Unsecured, considered good	57	47	712	814
i.	Advance Tax and TDS (Net of Provision)	-	-	300	288
d.	Other Loans and advances			300	288
i.	Unsecured, considered good Government Companies	161	161	-	-
ii.	Contractors and Suppliers	-	-	163	174
iii.	Less :- Provision for bad and doubtful advance	-	-	17	21
	TOTAL	232	222	1,205	1,359

NOTE - 14 INVENTORIES (Valued at lower of cost or net realizable value)
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
a.	Stock of raw materials	2,515	2,771
b.	Work in progress	744	850
c.	Stock of Finished Goods	446	502
d.	Stock of Tools	38	9
e.	Consumables stores and spares	10	44
	TOTAL	3,753	4,176

NOTE - 15 TRADE RECEIVABLES
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
a.	Undisputed Trade Receivables		
	Secured & Unsecured Considered good	16,410	9,519
	Secured & Unsecured Considered doubtful	2	23
		16,412	9,542
	Less : Provision for Bad and Doubtful Debts	-	23
		16,412	9,519
b.	Disputed Trade Receivables		
	Secured, Considered good	353	-
	Unsecured, Considered doubtful	-	-
		353	-
	TOTAL	16,765	9,519

NOTE - 16 CASH AND CASH EQUIVALENTS
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
1	Cash and cash equivalents		
a.	Cash on Hand	3	1
b.	Balance with Banks	-	-
	On Current Accounts	318	935
	Savings Account with Treasury	10	43
c.	Fixed Deposit with Treasury	-	240
	Sub Total	331	1,219
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 ₹27.65 Lakhs (₹ 47 Lakhs)	221	915
b.	Fixed Deposit with banks original maturity more than twelve months		220
	Sub Total	221	1,135
	TOTAL	552	2,354

NOTE-17 OTHER CURRENT ASSETS
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
a.	Interest Accrued in Fixed Deposits	42	49
b.	Claim/ Dividend Receivable	28	37
c.	Stipend Receivable	28	22
d.	Rent Receivable	0	0
	TOTAL	98	108

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2022
NOTE- 18 REVENUE FROM OPERATIONS
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
	Sales		
a.	Sale of products	21,754	19,754
b.	Other Operating Revenue (Sale of Scrap)	38	28
	TOTAL	21,792	19,782
	Note 16(a)		
	Sale of products	Current Year	Previous Year
	Manufactured products	18,713	17,376
	Traded Goods	1,191	922
	Spares	1,777	1,315
	Export Manufactured products and spares	73	141
	TOTAL	21,754	19,754

NOTE - 19 OTHER INCOME
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
a.	Interest Income		
i.	Bank Deposits	28	50
ii.	Loan to Vazhakulam Agro & Fruit Processing Co. Ltd	10	10
iii.	Other Deposit	-	-
	Treasury Deposit	13	21
	Other Deposit	1	1
	Total Interest Income	52	82
b.	Rent Received	1	1
c.	Other non- operating income	3	18
d.	Capital Grant from Govt under RKVY written back (pro rata to depreciation)	62	38
e.	Foreign Exchange Rate Fluctuation Gain/(Loss)	-1	0
	TOTAL	117	139

NOTE - 20 COST OF RAW MATERIALS CONSUMED
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
	Opening Stock	2,771	2,655
	Add: Purchases during the year	14,853	13,278
		17,624	15,933
		2,515	2,771
	Less: Closing Stock	15,109	13,162
	Add: Stores and Spares Consumed	167	156
	TOTAL	15,276	13,318

NOTE - 21 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
a	<i>Inventories at the beginning of the year</i>		
	Finished Goods	502	1,034
	Work in Progress	850	707
	Total (a)	1,352	1,741
b	<i>Inventories at the end of the year</i>		
	Finished Goods	446	502
	Work in Progress	744	850
	Total (b)	1,190	1,352
	TOTAL	162	389

NOTE - 22 EMPLOYEE BENEFITS EXPENSES
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
1	Salaries and Wages	4,478	4,118
2	Contribution To Provident Fund	229	194
3	Contribution To Pension Fund	167	163

4	Contribution To ESI	18	22
5	Contribution To Labour Welfare Fund	0	0
6	Contribution To Kamco Welfare Centre	3	3
7	Gratuity & Leave Policy with LIC	347	329
8	Staff Welfare	299	301
	TOTAL	5,541	5,130

NOTE - 23 FINANCE CHARGES
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
1	Interest on Cash Credit from UBI	20	-
	TOTAL	20	-

NOTE - 24 OTHER EXPENSES
(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
	Freight	3	3
	Power & Fuel	88	87
	Coolie Charges	40	39
	Packing, Forwarding, Freight & Insurance	216	221
	Repairs		
	Buildings	15	22
	Plant & Machinery	3	4
	Others	31	23
	Testing Fee Charges	16	12
	Loss on revaluation of Tools & Stock Items	8	4
	ETP Operation charges	4	4
	Rates & Taxes	15	14
	Travelling Expenses - Directors & Chairman	3	8
	Travel & Accommodation - Others	36	23
	Printing & Stationery	21	15
	Postage, Telegram and Telephone	6	7
	Auditors Remuneration:		
	For Statutory Audit	2	2
	For Tax Audit	1	1
	For Cost Audit	0	1
	For Other Audit, Professional Services & Reimbursement of Expenses	1	1
	Directors Sitting Fee	0	0
	Legal & Consultation Charges	2	4
	Research & Development Expense	4	6
	Service charges		
	Security Staff	63	65
	Others	5	4

Lease line Rent to BSNL	5	5
AMC Contract Charges	13	10
Insurance charges	8	10
Repairs & Running expense Vehicle	30	27
Royalty on tractors sold	0	0
Advertisement & Publicity	13	23
Warranty claim	1	0
Sales promotion Expenses	8	12
Subscription and Membership Fee	0	1
Bank charges	1	2
Loss on sales of fixed assets	5	0
Miscellaneous expenses	20	173
TOTAL	687	833

NOTE - 25 PRIOR PERIOD INCOME / EXPENDITURE
(Rupees in Lakhs)

Particulars	Income		Expenditure	
	Current Year	Previous Year	Current Year	Previous Year
Rent received from Agromech Engineering	-	-	-	-
Court Fees Deposited at various courts charged as expense in prior periods	2	-	-	-
Long pending amounts of Retention Money Deposit payable to various parties are no longer payable	11	-	-	-
Long pending amounts of EMD/SD payable to various parties are no longer payable	0	-	-	-
Provision provided for various expenses are no longer payable	24	-	-	-
Freight Charges	-	-	-	0
Testing Fees paid	-	-	-	0
Royalty expenses previous years	-	-	-	-
Sales Promotion expenses	-	-	-	1
Other staff welfare expense	-	-	-	0
Travel and conveyance	-	-	-	0
Research & Development Expense	-	-	-	0
Other expense	-	-	2	1
AMC Charges	-	-	0	-
FBT Refund Due written off	-	-	-	1
Legal Fees related to 2020-21	-	-	1	-
Credit note of Dealer Reliance Radiators, Tiller & Spares	-	-	3	-

Credit note of Dealer Agri Ignite Ventures	-	-	-	0
	37	-	6	3
Net Balance (Expense/Income)*			31	3

NOTE - 26 CONTINGENT LIABILITIES AND COMMITMENTS

1) Claims against Company not acknowledged as debts:-

(Rupees in Lakhs)

Particulars	Current year	Previous year
a) Demand from Income Tax Dept. disputed	220	222
b) Disputed Sales Tax	11	Nil
c) GST	Nil	1
d) Service Tax & Interest on Technology fee, Royalty TA directors disputed	17	17
e) Disputed claims of employees at High court and Tribunals	36	36
f) Bank Guarantees	86	92

2) **Capital Contracts:**

Estimated Value of Contracts pending execution- Rs.17.72 Lakhs (P.Y. Rs.24.76 Lakhs)

3) Warranty Claim received and admitted by the Company till 31.03.2022 has been accounted for. As the products are under warranty for only 500 hours and the average warranty claim for earlier years were only nominal when compared with the total sales, no provision has been made for warranties on products sold during the year.

NOTE - 27 DISCLOSURE IN ACCORDANCE WITH AS 15 ON EMPLOYEE BENEFITS

(a) Defined Contribution Plans

(Rupees in Lakhs)

Particulars	Amount
Contribution to Recognised Provident Fund	391
Contribution to Employee's State Insurance	18
TOTAL	409

(b) Defined Benefit Plan- Gratuity

(Rupees in Lakhs)

Particulars	Amount
Present Value of Obligations at the Beginning of the year	1629
Current Service Cost	74
Interest Cost	114
Benefits Paid	-273
Actuarial (Gain)/Loss	19
Present Value of Obligations at the end of the year	1563

(c) The components of net gratuity costs are reflected below

(Rupees in Lakhs)

Particulars	Amount
Service Cost	74
Interest Cost	114
Net Actuarial Gain/ (Loss) recognized in the year	19
Net gratuity costs	207

(d) Following are the Principal Actuarial Assumptions used at the Balance Sheet date

Particulars	Rate
Discount Rate	7%
Compensation Escalation Rate	4%

(e) Defined Benefit Plan- Leave Encashment

Particulars	Amount
Present Value of Obligations at the Beginning of the year	499
Current Service Cost	87
Interest Cost	35
Benefits Paid	-120
Actuarial (Gain)/Loss	57
Present Value of Obligations at the end of the year	558

(f) The components of net leave costs are reflected below

Particulars	Amount
Service Cost	87
Interest Cost	35
Net Actuarial Gain/ (Loss) recognized in the year	57
Net leave costs	179

(g) Following are the Principal Actuarial Assumptions used at the Balance Sheet date

Particulars	Rate
Discount Rate	7.25%
Compensation Escalation Rate	4%

With regard to Pay-revision of workers which was due w.e.f 01.07.2020, the Human Resource Department has collected and sent the necessary data to the Government for obtaining necessary guidelines. The Company has provided a provision for this purpose at an anticipated hike of 9% in the current year, which is amounting to Rs.296.32 Lakhs. Similarly, pay revision of Officers is due for renewal in line with pay revision of State Government employees w.e.f 01.07.2019 and an amount of Rs. 273.99 Lakhs has been provided towards revision arrears.

NOTE - 28 EARNINGS PER SHARE

(Rupees in Lakhs)

	Particulars	Current Year	Previous Year
a.	Net profit as per Statement of Profit and Loss	48	47
b.	Net profit available to Equity Share holders	48	47
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	30.01	29.16
f.	Face Value per Equity Share	100	100
The Company has reclassified previous year figures to conform to this year's classification.			

29. ADDITIONAL INFORMATION

a) Details of Finished Goods

(Rupees in Lakhs)

Particulars	Sales Value	Closing Inventory	Opening Inventory
Power Tillers	15,403	161	39
Power Reapers	2,982	32	289
Weeders	91	185	41
Brush Cutter	277	14	14
Other Products and spares	3,001	54	120
TOTAL	21,754	446	503

b) Details of Work in Progress

Particulars	Current year	Previous year
Power Tillers	629	614
Power Reapers	33	99
Weeders	15	63
Other Products and spares	67	74
TOTAL	744	850

c) Quantitative Details of major items of Raw materials

Since the company is dealing with wide variety of raw materials, item wise quantity details are not given.

d) Value of Indigenous & Imported Raw Materials consumed

Particulars	Current year	Previous year
Indigenous Components	14,720	12,946
% of consumption on total	97	98
Imported	389	219
% of consumption on total	3	2
TOTAL	15,109	13,165

	Current year	Previous year
e) CIF Value of Imports made during the year	389	219
f) Earnings in foreign exchange (FOB)	73	141
g) Expenditure in foreign currency	Nil	Nil
h) Amount remitted during the year in foreign currency (in USD)	4	3

30. ADDITIONAL REGULATORY INFORMATION

a) Financial Ratios

	Numerator	Denominator	Current Period	Previous Period	% of Variance	Reasons for Variation
Liquidity Ratio						
Current Ratio (Times)	Current Asset	Current Liability	2.11	2.85	-25.91	Decline in Current Ratio is attributable to the debt facility availed and increase in Trade Payables in combination.
Solvency Ratio						
Debt-Equity Ratio (times)	Total Debt	Shareholders Equity	0.19	-	-	Company has availed debt facility in the current year.
Debt Service Coverage Ratio (times)	Earnings available for debt service	Debt Service	0.11	-	-	Company has availed debt facility in the current year.
Profitability Ratio						
Net Profit Ratio (%)	Net profit after Tax	Net Sales	0.22	0.24	-7.61	
Return on Equity Ratio (%)	Net profit after Tax	Average Shareholder's Equity	0.37	0.37	0.48	
Return on Capital Employed (%)	Earnings Before interest and taxes	Capital Employed	0.60	0.56	5.86	
Return on Investment (%)	Profit after Tax	Average Shareholder's Funds	0.37	0.37	0.48	
Utilisation Ratio						
Inventory Turnover Ratio (times)	Cost of Goods Sold	Average Inventory	3.89	3.18	22.52	
Trade Receivable Turnover Ratio (times)	Net Sales	Average Accounts Receivable	1.66	1.98	-16.31	Though the Company has achieved increase in Turnover by 10%, there is delay in collection against receivables on account of sales under subsidy schemes, due to post Covid-19 pandemic impacts.
Trade Payables Turnover Ratio (times)	Net Purchases	Average Accounts Payables	2.75	3.03	-9.21	Purchases registered an increase of 12% when compared with previous year. Due to delay in the process of realisation of debtors value of creditors also resulted in an increase.
Net Capital Turnover Ratio (times)	Net Sales	Average Working Capital	1.85	1.74	6.28	

- b) The company did not have any transaction with struck off companies under section 248 or 560 of the Companies Act, 2013/1956.
- c) Satisfaction of charges to the tune of Rs. 115 lakhs are yet to be registered with the Registrar of Companies.
- d) The company has complied with the number of layers prescribed u/s 2(87) read with the applicable rules.
- e) There is no scheme of arrangements that has been approved in terms of sections 230 to 237 of the Companies Act, 2013.
- f) The company has not advanced/loaned/invested or received funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- g) No proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988.
- h) The company is not covered under section 135 of Companies Act, 2013.
- i) The company has not traded or invested in Crypto currency or Virtual Currency during the year.
30. The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Few suppliers have submitted MSME Registration against the orders placed for procurement of raw materials. Their payments have been released as per the tender terms. With regard to others, none of the trade creditors have claimed any benefits under Chapter V of MSME Act and filed any evidence claiming their status as MSME.
31. Previous year figures are regrouped /recast/reclassified where ever necessary to conform to the classification of the current year.

For and on behalf of Board of Directors	As per our report of even date attached
<p>Sd/-</p> <p>Sasidharan C K Chairman DIN: 01907312</p> <p>Place: Athani Date: 25 -05-2023</p>	<p>Sd/-</p> <p>Sivaramakrishnan V Managing Director DIN: 09129109</p> <p>Sd/-</p> <p>For JVR & Associates Chartered Accountants</p> <p>Jomon K George Partner M.No: 202144 UDIN: 23202144BGQJKW3688</p>



FACTORIES



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