



**THE PLANTATION CORPORATION
OF KERALA LIMITED**

BOARD OF DIRECTORS

1. **Shri. M. M. Jacob (Chairman)**
2. " **P. G. Muralidharan, I.A.S.**
3. " **P. T. Devassy, I.F.S.**
4. " **S. Gopalan, I.A.S. (Retired on 13-6-1977)**
5. **Smt. Sarala Gopalan, I.A.S.**
6. **Shri. C. K. K. Panicker, I.A.S.**
7. " **A. K. Singh, I.A.S. (with effect from 13-6-1977)**
8. **Prof. K. M. Chandy**
9. **Shri. R. Ravindran**
10. " **P. K. Narayanan Nambiar**
11. " **C. P. Kunhalikutty Keyi**
12. " **N. Hemachandran**
13. " **Paul P. Manvettom**
14. " **R. Ravindran, Managing Director**

SECRETARY

Shri. Philip Jacob

BANKERS

1. **State Bank of Travancore**
2. **Indian Overseas Bank**
3. **Syndicate Bank**
4. **Canara Bank**
5. **Central Bank of India**
6. **Union Bank of India**
7. **Kottayam District Co-Operative Bank**
8. **State Bank of India**

AUDITORS

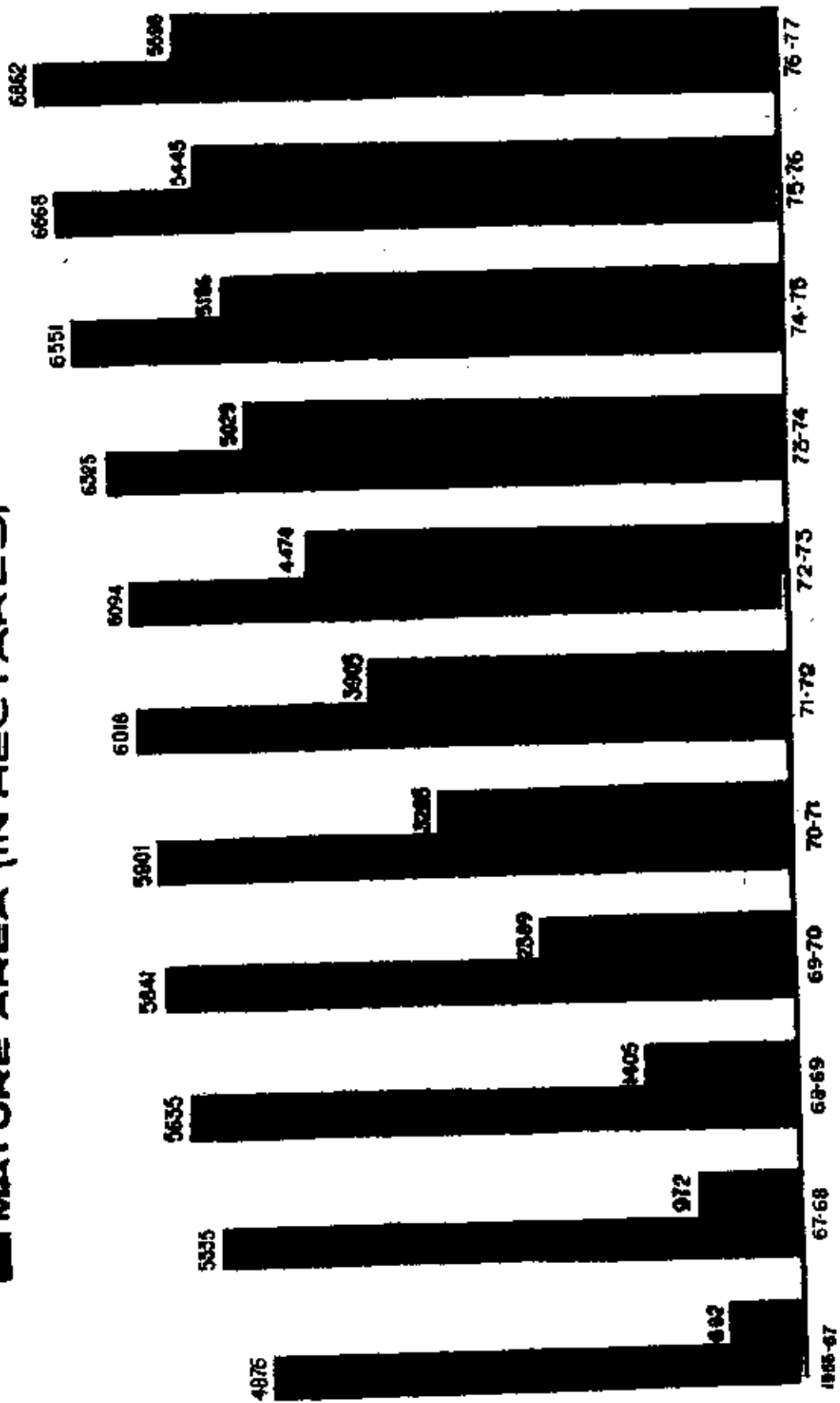
**M/s. Varma & Varma,
Chartered Accountants
Ernakulam.**

LEGAL ADVISERS

1. **M/s. Joseph & Markos, Advocates, Kottayam**
2. **M/s. Menon & Pai, Advocates, Ernakulam**
3. **M/s. Meenattoor & Dias, Advocates, Ernakulam**
4. **M/s. Ninan & Manuel, Lawyers & Notaries, Kottayam**
5. **Justice M. U. Issac (Retired) Consultant,
Southern Law Chambers, Ernakulam**

**Registered Office
KOTTAYAM-4**

■ PLANTED AREA (IN HECTARES)
■ MATURE AREA (IN HECTARES)





NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Fifteenth Annual General Meeting of the Corporation will be held at the Registered Office of the Company at 3 P.M. on Friday the 30th September 1977 to transact the following business.

1. To receive and adopt the Directors' and Auditors' Reports and audited Balance Sheet as on 31st March 1977 and the Profit & Loss Account for the year ended that date.
2. To record the appointment of Directors by the Governor of Kerala in the place of Directors retiring at the Annual General Meeting under Article 63 (2) of the Articles of Association. The following Directors retire and are eligible for re-appointment.

- | | |
|-----------------------------|-----------------------------------|
| 1) Shri. P. G. Muralidharan | 7) Shri. R. Ravindran |
| 2) Shri. P. T. Devassy | 8) Shri. C. P. Kunhalikutty Keyi |
| 3) Shri. A. K. Singh | 9) Shri. N. Hemachandran |
| 4) Shri. C. K. K. Panicker | 10) Shri. Paul P. Manvettom |
| 5) Prof. K. M. Chandy | 11) Shri. P. K. Narayanan Nambiar |
| 6) Smt. Sarala Gopalan | |

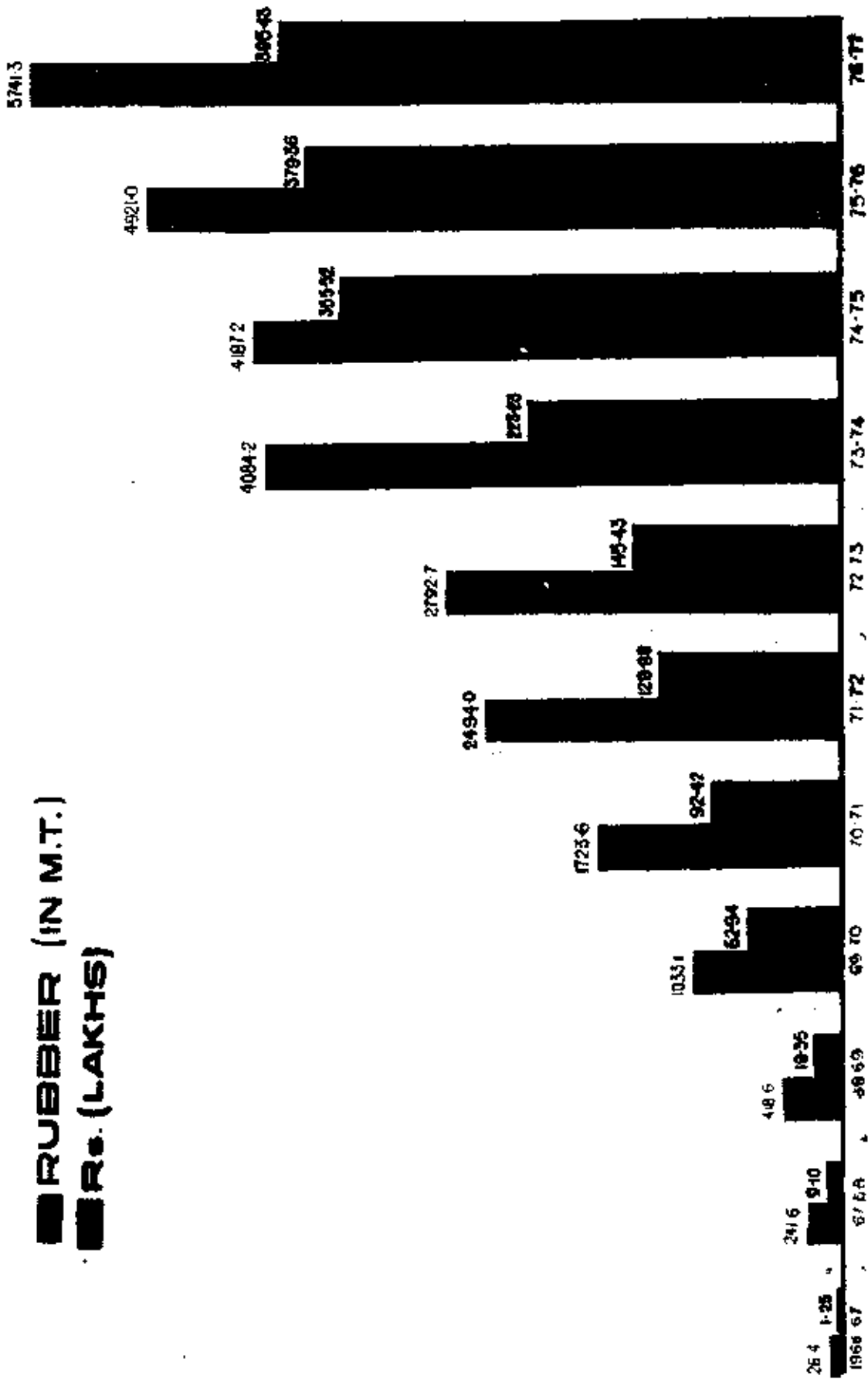
By Order of the Board
For THE PLANTATION CORPORATION OF KERALA LTD.

Kottayam,
23-8-1977.

Sd/-
PHILIP JACOB
Secretary

- Notes:-
1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. A form of proxy is attached. This must be returned duly completed to reach the Office not less than 48 hours before the meeting.
 2. Consent of all Shareholders has been obtained as per Section 171 (2) of the Companies Act, 1956 for holding the meeting at shorter notice.

RUBBER (IN M.T.)
Rs. (LAKHS)





DIRECTORS' REPORT

Gentlemen,

Your Directors have pleasure in presenting to you the Fifteenth Annual Report of the Corporation for the year ended 31st March 1977.

SHARE CAPITAL

The authorised share capital of the Corporation is Rs. 7.5 crores. The paid-up share capital which stood at Rs. 437.44 lakhs as on 31-3-1976, has been brought up to Rs. 441.44 lakhs as on 31-3-1977. Subsequently, the paid-up capital has been further increased by issue of another Rs. 5 lakhs to Government of Kerala, bringing the amount of paid-up capital of the Company to Rs. 446.44 lakhs as on date.

FINANCE

Over and above the sales revenue, the Company's operations were financed by loan from Government of Kerala. An amount of Rs. 6 lakhs at 10½% interest was sanctioned as loan to the Corporation during the year 1976-77, for financing the Company's affairs. A further amount of Rs. 7,52,500/- has been received from Government of Kerala as loan towards Subsidised Housing Scheme (Labour tenements) which bears an interest rate of 5½%. For the Subsidised Housing Scheme, the Corporation also received an amount of Rs. 5,64,375/- during 1976-77 from Government as subsidy which is not repayable. However, this amount has also been disclosed separately in the Balance-sheet under liabilities.

For meeting the huge financial commitments during the year 1976-77, the Corporation has arranged an over draft facility to a maximum limit of Rs. 30/- lakhs at an interest rate of 16% with the Syndicate Bank. This facility was being used from 1-9-1976 and the balance as on 31-3-1977 stood at Rs. 17,58,582.65.

On account of the tight financial position, the Corporation was not able to fulfil its loan repayment, and interest payment commitments to the Government of Kerala during the year under review. Also the Corporation staggered the payment of lease rent payable to the Forest Department and the bill of cost in respect of Police Guards posted for security purposes in the Kalady and Kodumon Group of Estates, payable to the Police Department, in spite of the financial burdens mentioned above, it is gratifying to note that the Corporation was able to repay an amount of Rs. 50,86,319.67 to the Agricultural Finance Corporation Limited and the member banks against the loan of Rs. 221 lakhs borrowed from them. So far, the Corporation has been able to honour its repayment schedule and as on 31-3-1977, the balance amount outstanding in the loan account was Rs. 43,95,000/-. This amount has to be paid before 31-3-1978.

PROFIT AND LOSS ACCOUNT

The Corporation has made a net profit of Rs. 26,35,355.05 during the financial year ended 31st March 1977, as against a profit of Rs. 43,23,148.96 during the previous year. This profit is after making the following appropriations and provisions and set off of losses.

A. Interest on loan and guarantee commission ...	Rs. 39,21,988.08
B. Rehabilitation Reserve ...	Rs. 11,79,430.37
C. Depreciation ...	Rs. 14,61,177.22
D. Amounts written off ...	Rs. 494.38
E. Bonus ...	Rs. 6,43,917.92
F. Provision for taxation ...	Rs. 35,000.00
G. Loss in Revenue account of Oil Palm ...	Rs. 13,10,458.35
Total ...	Rs. 85,52,466.32



No provision has been made for Bonus for the year 1976 as the final decision in the matter has not yet been taken. The amount of Rs. 6,43,917.92 indicated above is the 4% bonus paid for the year 1976.

PLANTING

The total area handed over to the Corporation was approximately 9856 hectares. According to latest statistics, the effective area under rubber was 6862 hectares. A total area of 1150 hectares was planted with oil palm. The balance area comes to 1844 hectares. Allocation of this area is as follows:

Area under cashew	...	800	hectares
Area under other crops	...	45	"
Area put to non-agricultural use	...	350	"
Area to be planted	...	429	"
Submergible area in Perambra	...	220	"

Area put to non-agricultural use includes area covered by buildings, roads, canals, marshy areas, rocky patches and the like.

OIL PALM

A total area of about 1626 hectares was released to the Corporation for planting oil palm and out of this an area of 1150 hectares has been planted up to now. New planting could not be taken up during the year due to lack of planting materials.

An Expert Committee on Oil Palm which was constituted to study the problems of various aspects of oil palm planting, went into the matter in depth and presented a Report to the Board based on which suitable steps are being taken.

Government of Kerala have decided to hand over the Oil Palm Research Station at Thodupuzha, comprising about 40 hectares to the Corporation, for purposes of Research and Development of oil palm.

Steps are under way for the formation of a Subsidiary Company for Oil Palm to take over the

Oil Palm Estates of the Corporation. Clearance has been obtained from the Central Government regarding the financing of the Company, 49% of the equity share capital of which will be contributed by the Government of India. The balance 51% will be contributed by the Plantation Corporation of Kerala Limited, with financial assistance from the Government of Kerala who will, in turn, get a loan of that extent from the Central Government. Possibilities of increasing the area under oil palm at Anchal will be explored.

The Oil Palm Extraction Unit at the Oil Palm Estate at Anchal has proved to be insufficient for even the present needs. Considering the substantially increased out-put anticipated over the coming years, it has been decided to enlarge the existing Factory and bring it up to a full-fledged Factory by 1980. Steps are being taken to procure necessary items of machinery in stages.

CASHEW

As per the decision of the Government of Kerala to let the Corporation handle the task of bringing the planned areas under cashew cultivation, the Corporation has started cashew planting in 800 hectares at Cheemeni in Cannanore District. Another area of 3750 hectares at Kasergode will be handed over to the Corporation by the State Government under a Scheme of assistance from World Bank and advance possession of the area has been taken by the Corporation. In addition to this, lands already in possession of the Corporation in the various Estates which are suitable for cashew cultivation, totalling about 800 hectares have also been put under cashew. At Kasergode, planting has already been started on a substantial scale.

The Corporation has already decided to form another Subsidiary Company for Cashew, for which financial assistance by way of share participation and loan is expected from Cashew Corporation of India and other bodies. Steps are under way for the formation of this Company also.



ALAKODE ESTATE

The Corporation continues to manage the Alakode Estate in Cannanore District as per the terms of agreement with the Government of Kerala.

TAPPING AND COLLECTION RUBBER

By the close of the year under review, the total area under tapping was 5595.59 hectares as against the tapping area of 5444.84 hectares at the beginning of the year. As against the target of 5540 M. T. we were able to produce 5897 M. T.

Steps are being taken to acquire the additional items of machinery required for the Factories. The Pale Latex Crepe Factory at Kallala and Skim Lump Factory at Chandanappally are expected to be commissioned very shortly. These will obviate the need for sale of un-processed rubber and skim lump.

IMPROVEMENT IN QUALITY

During the year, the Corporation has taken positive steps for the improvement of the quality of its various products, namely concentrated latex, crumb rubber, sheet and crepe and the results have been noteworthy.

It may be mentioned that the Corporation is the only natural rubber producer in the country whose centrifuged latex is marketed with I. S. I. marking.

The crumb rubber produced at the Kalady Factory also registered considerable improvement during the year and we have started marketing it along with internationally accepted technical grade.

SALES

During the year 1976-77 the Corporation has sold 5741 M. T. of various grades of rubber including centrifuged latex and realised an income of Rs. 395.43 lakhs as against Rs. 379.36 lakhs during the previous year from sale of rubber.

RUBBER PRICES

A major set-back which affected the turnover for the year, was the considerable fall in the price of rubber as compared to previous years. The lot price on 1-4-1975 was Rs. 850/- per quintal, as against Rs. 680/- on 1-4-1976, and the rate further came down to Rs. 600/- as on 31-3-1977. The average prices realised by us during 1975-76 and 1976-77 were respectively, Rs. 771 - and Rs. 688/- per quintal. This has caused substantial loss of income to the Corporation.

RESEARCH WING

The Laboratory set up at the Head Office for soil and foliar analysis, has started functioning from the beginning of the period under review.

FIRE ACCIDENTS

The Corporation has taken effective steps for prevention of fire accident and it is a matter of satisfaction that there has not been any instance of fire accident during the year.

PERSONNEL

During the year, the strength of the staff rose from 600 to 639 and that of officers from 60 to 62.

Appointment was made to the post of Secretary of the Corporation on 4-2-1977. On 1-4-1977, the post of General Manager was filled up by selection from the superintendents of the Corporation. The posts of Cashew Project Officer and Special Officer (Oil Palm) have also been tentatively filled up.

Government policy in giving employment to one of the dependants of the employees who die in harness has been continued. During the year, 11 dependants have been employed accordingly. The policy of giving maximum promotion opportunities to the employees was continued. From among the workers, 6 (six) promotions were made to the staff cadre.



INDUSTRIAL RELATIONS

The Industrial Relations during the year were smooth and cordial and there was no strike or unrest, and this was well reflected in the output and the general performance of the Corporation. Joint discussions with labour and staff unions were conducted whenever necessary to find out quick and effective solutions to problems.

The D. A. rates of the Officers of the Corporation were revised at the rate applicable to Government Officers

LABOUR WELFARE

As was done in previous years, the Company provided to its employees free accommodation, electricity, water, free uniforms to a large number of employees with washing allowance, free footwear, umbrellas and free medical, educational and cultural facilities during 1976-77 also. To solve the housing problem of the staff a scheme has been drawn up and 12 quarters have been constructed for last grade employees at Head Office. Accommodation facilities were also given to more than 50% of the permanent workers. The construction of labour tenements is progress in various Estates under the Subsidised Plantation Labour Housing Scheme is a giant stride in providing accommodation facilities to workers.

The three modern Garden Hospitals and six Dispensaries in Estates are providing excellent medical aid to the employees.

The U. P. School in Kalady Plantation is having 7 standards with a strength of 1099.

For transporting students free of charge, a School Bus has been provided in the Kalady Plantation and a ferry has been engaged at Perambra. Our schools maintain good educational standard.

To cater to the needs of the workers, Canteens are provided in all the Estates. For the children of workers Creches with Ayas are

provided. In Creches, children are given baby food, milk etc. at the expense of the Corporation.

Libraries and Recreation Clubs are provided

in all the Estates and Head Office with facilities for Indoor and Outdoor games.

We have implemented the Kerala Labour Welfare Fund Act 1975 during the year.

AUDIT

The Accounts of the Company for the year 1976-77 were audited by M/s. Varma & Varma, Chartered Accountants, Ernakulam.

BOARD OF DIRECTORS

The Board of Directors of the Corporation was re-constituted with effect from 27-9-1976 and the following Directors were re-appointed.

1. Shri. P. G. Muralidharan, IAS, Agricultural Production Commissioner.
2. Shri. S. Gopalan, IAS, Director of Agriculture.
3. Shri. P. T. Devassy, IFS, Chief Conservator of Forests.
4. Smt. Sarala Gopalan, IAS, Addl. Secretary, Industries Department.
5. Shri. C. K. K. Panicker, IAS, Additional Secretary, Finance Department.
6. Prof. K. M. Chandy, Chairman, Rubber Board.
7. Shri. R. Ravindran, President, Kunnathur Thottam Thozhilali Union, Pathanamthitta.
8. Shri. C. P. Kunjalikutty Keyi, P.O. Parappanangadi, Malappuram Dist.
9. Shri. P. K. Narayanan Nambiar, Meppayur P.O. Kozhikode.
10. Shri. N. Hemachandran, Kattuvilla veedu, Vendar P.O. Via Kottarakara.
11. Shri. Paul P. Manvettom, Advocate, Kaloor, Cochin.

Consequent on the resignation of Shri. S. Gopalan, IAS, Shri. C. K. K. Panicker, IAS, replaced him and Shri. A. K. Singh, IAS, has filled up the vacancy thus caused by Shri. C. K. K. Panicker, IAS.



MANAGING DIRECTOR

Sanction of the Department of Company Affairs has been obtained under Section 269 of the Companies Act 1956 for the appointment and remuneration of Shri. R. Ravindran, who was appointed Managing Director of the Corporation with effect from 7-8-1976. However, since the full terms of his perquisites have not been obtained from Government necessary amendments for the above sanction will be obtained.

Your Directors take this opportunity to thank the Government of India, Government of Kerala, the Rubber Board, the Central Plantation Crops Research Institute, Agricultural University and Agricultural College for their co-operation and guidance in all matters. Your Directors also thank the Officers, staff and workers of the Company for their conscientious and efficient work and the commendable effort taken to keep up the image of the Company.

for and on behalf of Directors,

Kottayam,
21-9-1977.

M. M. JACOB,
Chairman.



Annexure to the Directors' Report

REVIEW OF THE ACCOUNTS OF
THE PLANTATION CORPORATION OF KERALA LIMITED
FOR THE YEAR ENDED 31ST MARCH 1977 BY THE ACCOUNTANT GENERAL, KERALA

1. FINANCIAL POSITION

The table below summarises the financial position of the Company under broad headings for the three years ended 31st March 1977.

<i>Liabilities</i>	1974-75	1975-76	1976-77
	<i>(Rupees in lakhs)</i>		
a. Paid-up capital	427.44	437.44	441.44
b. Reserves and surplus	...	6.00	28.73*
c. Borrowings	423.84	425.97	408.22
d. Trade dues and current liabilities including provision	112.48**	99.42**	145.14**
	<u>963.76</u>	<u>968.83</u>	<u>1021.53</u>
<i>Assets</i>			
e. Gross block	322.29	357.12	412.14
f. Depreciation	69.67	80.45	94.61
g. (i) Net fixed assets	252.62	276.67	317.53
(ii) Development of property	447.25	514.95	557.20
	<u>699.87</u>	<u>791.62</u>	<u>874.73</u>
h. Building and roads under construction, machinery under erection	25.68	36.00	33.74
i. Investment	0.46	0.46	0.46
j. Current Assets, loans and advances	162.37	118.54	109.68
k. Miscellaneous expenditure including accumulated loss	75.38	22.21	2.92@
	<u>963.76</u>	<u>968.83</u>	<u>1021.53</u>
Capital employed	749.76	810.74	839.27
Net worth	352.06	421.23	467.24

Note :- (1) Capital employed represents net fixed assets *Plus* working capital.

(2) Net worth represents paid-up capital *Plus* reserves *Less* intangible assets.

* This includes subsidy of Rs. 11.64 lakhs received from Govt. for Housing Scheme.

** This includes balance under Welfare Fund which formed part of Reserves and surplus during previous years.

@ Miscellaneous expenditure only.

2. CAPITAL STRUCTURE

The debt equity ratio of the Company was 0.99 : 1 in 1974-75, 0.97 : 1 in 1975-76, and 0.92 : 1 in 1976-77.



3. RESERVES AND SURPLUS

The reserves and surplus accumulated as on 31-3-1976 and 31-3-1977 were Rs. 6.00 lakhs and Rs. 28.73 lakhs respectively.

The reserves (Rs. 28.73 lakhs) work out to 2.81 per cent of the total liabilities in 1976-77 as against 0.62 per cent in 1975-76 and to 6.51 per cent of equity capital in 1976-77 as against 1.37 per cent in 1975-76.

4. LIQUIDITY AND SOLVENCY

a) The proportion of current assets to total net assets varied from 18.26 per cent in 1974-75 to 12.51 per cent in 1975-76 and to 10.74 per cent in 1976-77.

b) The percentage of current assets to current liabilities (including provisions) decreased from 144.35 in 1974-75 to 119.23 in 1975-76 and to 75.57 in 1976-77.

c) The percentage of quick assets (Sundry debtors advances and cash and bank balances) to current liabilities (excluding provisions) decreased from 94.94 in 1974-75 to 52.20 in 1975-76 and 22.56 in 1976-77.

5. WORKING CAPITAL

The working capital (current assets, loans and advances less trade dues and current liabilities) of the Company at the close of each of the three years ending 31st March 1977 amounted to Rs. 49.89 lakhs, Rs. 19.12 lakhs and (-) Rs. 35.46 lakhs respectively.

The working capital requirements of the Company during the three years ended 31-3-1977 were met mainly from loans obtained from Agricultural Finance Corporation by hypothecation of standing crops and assets of the Company, unsecured loans from Government of Kerala and overdraft facilities to the extent of Rs. 30 lakhs provided by the Syndicate Bank on Government Guarantee.

6. SOURCES AND USES OF FUNDS

Funds amounting to Rs. 36.94 lakhs (depreciation, provision and reserves) from internal sources and Rs. 29.92 lakhs from other sources were utilised during 1976-77 as shown below:-

	<i>(Rupees in lakhs)</i>
Gross fixed assets	... 55.02
Development of property	... 42.25
Buildings and roads under construction	... (-) 2.26
Miscellaneous expenditure	... (-) 19.29
Current assets, loans and advances	... (-) 8.86
	... <u>66.86</u>

7. WORKING RESULTS

The working results of the Company for the three years upto 31st March 1977 are tabulated below :

	1974-75	1975-76	1976-77
	<i>(Rupees in lakhs)</i>		
a) i) Profit before tax	57.59	43.53	26.70
ii) Tax provision	0.25	0.30	0.35
iii) Profit after tax	57.34	43.23	26.35



	1974-75	1975-76	1976-77
	(Rupees in lakhs)		
b) Percentage of profit <i>before tax</i> to :			
i) Sales	16.19	11.47	6.75
ii) Gross fixed assets (including development of property)	7.48	4.99	2.75
iii) Capital employed	7.68	5.37	3.18
c) Percentage of profit <i>after tax</i> to :			
i) Net worth	16.29	10.26	5.64
ii) Equity capital	13.41	9.88	5.97
iii) Capital employed	7.65	5.33	3.14

8. COST TRENDS

The table below indicates the sales, cost of sales and percentage of cost of sales to sales for the three years upto 31st March 1977.

	1974-75	1975-76	1976-77
	(Rupees in lakhs)		
Sales	355.62	379.45	395.81
Less profit	57.34	43.23	26.35
Cost of sales	298.28	336.22	269.46
Percentage of cost of sales to sales...	83.88	88.61	93.34

9. PRODUCTION PERFORMANCE

The value of production for the three years upto 31st March 1977 is worked out below :

	1974-75	1975-76	1976-77
	(Rupees in lakhs)		
i) Sales	355.62	379.45	395.81
ii) Closing stock of finished goods, work-in-process and stock in transit	28.18	37.44	48.48
iii) Opening stock of finished goods, work-in-process and stock in transit	24.05	28.18	37.44
iv) Value of production (i + ii - iii)	359.75	388.71	406.85

The percentage of value of production to net worth decreased from 102.18 in 1974-75 to 92.28 in 1975-76 and to 87.08 in 1976-77. The percentage of value of production to total net assets increased from 40.45 in 1974-75 to 41.01 in 1975-76 and decreased to 39.83 in 1976-77.

10. INVENTORY AND PRODUCTION

The following table indicates the comparative position of inventory and its distribution at the close of the three years upto 31st March 1977.

	1974-75	1975-76	1976-77
	(Rupees in lakhs)		
i) Stores and spares			
a) General stores and spares	8.21	16.37	16.50
b) Engineering stores	4.87	7.40	7.12
ii) Loss tools	1.25	1.46	1.59
iii) Stock in trade, finished goods including work-in-process	28.18	37.44	48.48
iv) Equipments	0.86	1.57	1.69
	43.37	64.24	75.38



The stock of general stores and spares equalled 3.92 months' requirements (for production and development of property) during 1976-77 as compared to 3.73 months' in 1975-76 and 2.04 months' in 1974-75 (Engineering Stores intended for capital construction are excluded for the purpose of this analysis).

11. SUNDRY DEBTORS AND TURNOVER

<i>As on</i>	<i>Total book debts considered good</i>	<i>Considered doubtful (Rupees in lakhs)</i>	<i>Sales</i>	<i>Percentage of Debts to sales</i>
31-3-1975	15.78	...	355.62	4.44
31-3-1976	18.40	...	379.45	4.86
31-3-1977	19.03	...	395.81	4.81

The Sundry Debtors increased by 18.60 per cent in 1975-76 and 20.80 per cent in 1976-77 as compared to 1974-75. The Sundry Debtors represented about 0.53 month's turnover in 1974-75 and 0.58 month's in 1975-76 and 1976-77.

The following table indicates the details of the debts outstanding for more than one year as on 31-3-1977.

	<i>Government Companies</i>	<i>Private</i>	<i>Total</i>
	<i>(Rupees in lakhs)</i>		
1. Debts outstanding more than one year but less than two years	...	0.95	0.95
2. Debts outstanding for more than two years but less than three years	6.07	0.58	6.65
3. Debts outstanding for three years and more	...	0.10	0.10

Trivandrum,
5-10-1977.

Sd/-
(R. K. A. SUBRAHMANYA)
ACCOUNTANT GENERAL, KERALA



BALANCE SHEET AS AT

Previous year		LIABILITIES		Rs.	P.	Rs.	P.
Rs	P.						
		SHARE CAPITAL					
		AUTHORISED					
7,50,00,000.00		75,000 equity shares of Rs. 1,000/- each		7,50,00,000.00			
		SUBSCRIBED AND PAID UP					
4,37,44,000.00		44,144 equity shares of Rs. 1,000/- each subscribed and paid up (43,744 shares Previous Year)		4,41,44,000.00			
3,69,40,000.00		37,340 equity shares of Rs. 1,000/- each fully called up (36,940 shares Previous year)		3,73,40,000.00			
68,04,000.00		6,804 equity shares of Rs. 1,000/- each allotted as fully paid up pursuant to a contract without payment being received in cash		68,04,000.00	4,41,44,000.00		
<u>4,37,44,000.00</u>		RESERVES AND SURPLUS					
Nil		Rehabilitation Reserve		44,73,234.90			
		Add: for the year		11,79,430.37			
				<u>56,52,666.27</u>			
		PROFIT AND LOSS ACCOUNT ADJUSTED					
		Balance loss as on 31-3-1976	Rs. 65,79,860.05				
		Less: Profit for the year	Rs. 26,35,355.05	39,44,505.00	17,08,160.27		
		(See Asset Side)					
6,00,000.00		Subsidy received from Govt. of Kerala for subsidised Housing Scheme Note 7			11,64,376.00		
		SECURED LOANS (from scheduled banks)					
94,81,319.67		Loan from ten scheduled banks in consortium with Agricultural Finance Corporation Ltd. Note 15		43,95,000.00			
		Interest accrued and due		2,064.74	43,97,064.74		
		UNSECURED LOANS					
2,67,16,115.00		Loan from Govt. of Kerala		2,73,16,115.00			
56,00,000.00		-do- for Oil Palm		56,00,000.00			
8,00,000.00		-do- for Subsidised Housing Scheme-Note 26		15,52,500.00			
		Overdraft with Syndicate Bank-Note 29		17,58,582.65			
		Interest accrued and due on Govt. Loans		48,03,464.49	4,10,30,662.14		
		CURRENT LIABILITIES AND PROVISIONS					
98,42,908.34		A. Current Liabilities as per Schedule H		96,02,972.26			
69,241.43		Welfare Fund-Note 8		70,997.49			
30,000.00		B. Provisions:					
		Provisions for taxation		35,000.00	97,08,969.76		
<u>9,68,83,584.44</u>				<u>Total</u>	<u>10,21,53,231.90</u>		

Sd/-
M. M. JACOB
Chairman

Note to Accounts - See Schedule VI

Sd/-
R. RAVINDRAN
Managing Director



31ST MARCH 1977

Previous year		ASSETS				
Rs.	P.		Rs.	P.	Rs.	P.
FIXED ASSETS						
2,76,67,187.42		(a) Buildings, Roads, Plant & Machinery Furniture etc. as per Schedule A	3,17,53,543.08			
5,14,95,193.40		(b) Development of property as per Schedule B	5,57,19,564.74			
35,99,767.85		(c) Buildings & roads under construction (at cost) and Plant & Machinery under erection	<u>33,73,926.88</u>		9,08,47,034.70	
INVESTMENTS						
1,000.00		Investment in equity shares of Companies (unquoted) fully paid up (at cost) as per Schedule C-Note 21	1,000.00			
5,100.00		Investment in equity shares of Co-operative Societies (unquoted) fully paid up (at cost) as per Schedule D Note 21	5,100.00			
40,000.00		Investment in 7 year National Savings Certificate (at cost)	<u>40,000.00</u>		46,100.00	
CURRENT ASSETS, LOANS AND ADVANCES						
1,05,34,000.65		A. Current Assets as per Schedule E	96,08,895.07			
13,20,075.99		B. Loans & Advances as per Schedule F	<u>13,59,102.09</u>		1,09,67,997.16	
MISCELLANEOUS EXPENDITURE						
1,14,633.98		(to the extent not written off or adjusted as per Schedule G)			2,92,100.04	
PROFIT & LOSS ACCOUNT (see Liability side)						
1,09,03,009.01		Balance loss as per last Balance Sheet	65,79,860.05			
(-) 43,23,148.96		Less : Net Profit for the year	<u>26,35,355.05</u>			
			39,44,505.00			
(-) 44,73,234.90		Less : Rehabilitation Reserve	<u>56,52,665.27</u>			
		Carried to Liability side	<u>17,08,160.27</u>			
<u>9,68,83,584.44</u>			Total		<u>10,21,53,231.90</u>	

As per our report of even date
For VARMA & VARMA

Sd/-
S. PRABHAKARAN
Partner
Chartered Accountants

Sd/-
PHILIP JACOB
Secretary



PROFIT AND LOSS ACCOUNT FOR

Previous year		EXPENDITURE	
Rs.	P.	Rs.	P.
		To Opening Stock:	
28,15,233.91		Finished goods Work in progress	37,44,011.38
26,58,114.69		" Pay and allowances	31,35,344.68
5,030.32		" Leave salary & Pension Contribution to former	
		Managing Director	920.00
2,833.67		" Leave salary & Pension Contribution to staff	5,376.41
3,08,974.05		" Gratuity paid	1,41,566.63
3,26,142.00		" Leave encashment (P. L. & S. L.)	3,75,797.18
12,45,569.98		" Employers' Contribution to PF	12,09,863.95
		" Deposit Linked Insurance	56,164.40
18,090.64		" Bonus - Note 62	6,43,917.92
6,000.00		" Honararium to Chairman	6,000.00
58,002.86		" T. A. & Sitting fees to Directors	59,141.06
1,46,539.64		" T. A. to Staff & Officers	1,52,202.44
4,380.91		" Rent	4,483.70
2,87,348.56		" Rates & Taxes	5,13,359.50
2,59,889.39		" Electricity charges	3,34,177.44
1,49,229.68		" Lease rent	1,83,639.23
3,38,846.42		" Insurance charges	3,76,997.76
7,69,537.49		" Repairs & Maintenance of Assets (Schedule 1)	7,29,320.76
1,02,701.67		" Advertisement charges	82,248.96
31,738.86		" Legal Expenses	28,938.40
8,000.00		" Remuneration to Auditors - For Audit	9,000.00
1,000.00		do for expenses	2,000.00
1,40,801.91		" Prior Period Adjustment - Note 60	5,45,454.62
5,710.06		" Staff training expenses	1,690.00
27,24,149.42		" Welfare Expenses	29,59,505.22
		" Medical & Hospital facilities to Chairman (Note 35)	1,190.40
14,15,398.50		" Miscellaneous expenses Adjustments Schedule II	31,02,339.02
56,76,132.27		" Cultivation & Upkeep of Rubber and Oil Palm	47,44,403.41
85,92,181.07		" Tapping & Collection of Rubber	84,61,638.65
39,34,816.21		" Manufacturing & Selling Expenses (Schedule III)	43,65,862.37
6,63,830.53		" Depreciation including loss on revaluation etc.	10,31,115.80
		" Pine apple cultivation - Note 20	920.14
37,42,754.13		" Interest on loans & Overdraft	38,64,910.57
84,150.81		" Guarantee Commission	57,077.51
30,000.00		" Provision for Income tax	35,000.00
10,17,702.40		" Rehabilitation Reserve	11,79,430.37
43,23,148.96		" Net profit for the year	26,35,355.05
<u>4,18,81,981.01</u>		Total	<u>4,47,60,359.92</u>

Sd/-
M. M. JACOB
Chairman

Sd/-
R. RAVINDRAN
Managing Director



THE YEAR ENDED 31ST MARCH 1977

Previous year		INCOME		
Rs.	Pg.		Rs.	Pg.
3,79,35,588.63		By Sale of Rubber	...	3,95,42,685.24
...		" Sale of Palm Oil	...	26,012.50
3,828.14		" Sale of Agricultural Produce	...	2,784.04
5,236.05		" Sale of Budwood	...	9,885.00
...		" Sale of tender forms	...	100.00
36,108.66		" Sale of empties and Unserviceables	...	35,042.31
1,495.00		" Sale of Rubber seeds	...	6,274.90
...		" Sale of Bamboo	...	28,082.50
21,501.27		" Sale of fire wood	...	50.00
5,164.16		" Profit on sale of Assets	...	9,613.86
10,790.57		" Interest on deposit	...	1,328.17
4,267.22		" Interest on Motor car loan	...	5,000.10
5,705.93		" Interest on motor cycle loan	...	7,178.89
74,867.54		" Rent of Buildings	...	96,234.02
9,694.30		" Miscellaneous income and adjustment	...	27,511.38
31,291.41		" Prior Period adjustment, Note 60	...	1,08,050.12
2,502.00		" Excess provision for Income Tax	...	7,665.00
808.75		" Application fee received	...	45.00
37,34,131.38		" Closing stock of finished goods, work in process (Note 18)	...	48,00,490.82
...		" Closing stock of Palm Oil	...	47,320.07

4,18,81,981.01

Total 4,47,60,363.92

Sd/-
PHILIP JACOB
Secretary

As per our report of even date
For VARMA & VARMA
Sd/-
S. PRABHAKARAN
Partner
Chartered Accountants



Development expenditure for the year ended 31st March 1977

(Schedule forming part of Balance Sheet as at March 1977)

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.
4,49,306.45		Overheads B/f from Previous year	4,81,651.82	
6,80,271.75		Pay & Allowances	6,17,059.94	
39,487.90		Overtime to staff	37,495.03	
5,016.22		Leave Salary & Pension contribution	4,766.71	
54,167.35		Leave encashment	35,725.02	
44,697.11		Employers Contribution PF	37,431.33	
6,746.30		Bonus (Note 62)	27,459.28	
29,475.42		Travelling Expenses	19,549.32	
1,200.00		Honararium to M. N. Kunjan	...	
4,593.06		Rates & Taxes	5,943.36	
14,954.51		Insurance charges	2,338.00	
1,98,265.46		Repairs & Maintenance to Assets (Schedule IV)	1,98,255.11	
53,433.19		Lease Rent	3,82,227.76	
29,652.77		Advertisement charges	5,525.45	
1,085.39		Prior Period Adjustment account	13,750.48	
3,28,983.71		Welfare expenses	2,31,929.15	
4,04,028.22		Interest on loan	...	
		Miscellaneous expenses and adjustments Schedule V	79,931.27	
74,401.83		Depreciation	68,194.64	
1,32,784.53		Opening stock of Palm oil	...	
2,359.85		Cultivation & Upkeep of Rubber	21,43,082.14	
22,29,310.24		.. Oil Palm	7,42,236.19	
30,33,228.33		.. Eucalyptus	15,003.43	
		.. Cashew	7,216.92	
37,423.12			2,61,894.48	
...		Survey	3,090.06	
<u>8,54,872.71</u>			<u>54,21,755.88</u>	
		LESS: CREDITS		
2,047.23		Sale of Empties		
1,700.50		Sale of tender forms	2,255.50	
717.22		House rent received	342.68	
264.00		Miscellaneous incomes	402.50	
356.56		Interest on Motor cycle loan	257.20	
11,637.47		Rent for cultivation	...	
13,762.50		Sale of Palm Oil	...	
		Hire charges	101.17	
9,880.00		Stock of Palm Oil		
		Registration charge	5,000.00	
4,81,651.82		Overheads of incomplete Engg. Works	5,21,828.33	5,30,187.38
<u>3,32,855.41</u>			<u>48,91,568.50</u>	

(Continued)



Development expenditure for the year ended 31st March 1977

(Schedule forming part of Balance Sheet as at March 1977)

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.

(Continuation)

CAPITALISED AS UNDER:

5,66,170.18	Completed Engineering Works	6,67,040.57
7,23,240.82	Rubber Plantation	25,66,827.48
0,06,021.29	Oil Palm Plantation	12,39,064.86
37,423.12	Cashew Plantation	4,00,542.10
...	Eucalyptus Plantation	15,003.43
...	Survey	3,090.06

3,32,855.41

48,91,568.50

Sd/-
M. M. JACOB
Chairman

Sd/-
R. RAVINDRAN
Managing Director

Sd/-
PHILIP JACOB
Secretary

As per our report of even date
For VARMA & VARMA
Sd/-
S. PRABHAKARAN
Partner
Chartered Accountants



SCHEDULE
SCHEDULE OF
(Included in and forming part of

Items	ORIGINAL COST			DEPRECIATION		
	Cost as at the end of the previous year	Additions during the year	Total	As at the end of the previous year	For the year	Total
1	2	3	4	5	6	7
	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
Free hold land	1,85,718.90	...	1,85,718.90	...	...	...
Buildings	2,14,70,852.74	14,61,565.79	2,29,32,418.53	38,82,158.21	5,49,989.77	42,32,145.98
Vehicles	16,80,155.83	3,26,269.58	20,06,425.41	13,03,870.95	2,05,205.83	15,09,076.78
Plant & Machinery	24,68,711.81	12,02,857.87	36,71,569.68	15,16,308.65	4,03,431.94	19,19,740.59
Furniture	5,62,584.14	98,358.17	6,60,942.31	2,38,682.61	42,224.21	2,80,906.82
Office Equipments	1,64,480.31	5,417.32	1,69,897.63	95,994.42	11,084.07	1,07,078.49
Survey Instruments	11,260.44	...	11,260.44	9,243.05	302.29	9,545.34
Library	14,154.46	2,314.29	16,468.75	6,494.20	997.44	7,491.64
Roads	59,47,738.29	15,30,232.81	7,47,971.10	...	...	...
Fence	4,62,027.55	1,54,095.47	6,16,123.02	...	...	...
Electric Fittings	23,379.70	1,440.30	24,820.00	10,971.68	1,953.45	12,925.13
Electric Appliances	12,321.04	9,717.47	22,038.51	7,674.19	2,154.62	9,828.81
Installations	12,84,835.79	4,86,299.38	17,71,135.17	5,02,156.60	1,26,960.01	6,29,116.61
Telephone H. O.	15,557.38	...	15,557.38	5,639.54	1,487.66	7,127.20
Wells	1,677.37	264.00	1,941.37	...	...	...
Water supply installation	9,01,965.39	283,730.03	11,85,695.42	2,87,809.04	76,549.74	3,64,358.78
Landing Pad	5,152.94	...	5,152.94	...	...	...
Earth moving equipment	4,88,255.00	...	4,88,255.00	3,71,024.98	35,169.00	4,06,193.98
Jhankar	11,317.00	...	11,317.00	6,932.54	438.44	7,370.98
Total	3,57,12,146.08	55,62,562.48	4,12,74,708.56	80,44,958.66	14,57,948.47	95,02,907.13

Sd/-
M. M. JACOB
Chairman

Sd/-
R. RAVINDRAN
Managing Director



A

FIXED ASSETS

the Balance Sheet as at 31st March, 1977

DISPOSALS & ADJUSTMENTS		BALANCE				Net Block
Original cost		Original cost		Depreciation to-date		
8		10		11		12
Rs.	P.	Rs.	P.	Rs.	P.	Rs. P.
...		1,85,718.90		...		1,85,718.90
14,034.00		2,29,18,384.53		42,31,795.13		1,86,86,589.40
34,485.96	350.85	19,71,939.45		14,75,263.96		4,96,675.49
12121.98	33,812.82	36,59,447.70		19,11,520.67		17,47,927.03
...	8,219.92	6,60,942.31		2,80,906.82		3,80,035.49
...	...	1,69,897.63		1,07,078.49		62,819.14
...	...	11,260.44		9,645.34		1,715.10
...	...	16,468.75		7,491.64		8,977.11
...	...	74,77,971.10		...		74,77,971.10
...	...	6,16,123.02		...		6,16,123.02
...	...	24,820.00		12,925.13		11,894.87
...	...	22,038.51		9,828.81		12,209.70
...	...	17,71,135.17		6,29,116.61		11,42,018.56
...	...	15,557.38		7,127.20		8,430.18
...	...	1,941.37		...		1,941.37
...	...	11,85,695.42		3,64,358.78		8,21,336.64
...	...	5,152.94		...		5,152.94
...	...	4,88,255.00		4,06,193.98		82,061.02
...	...	11,317.00		7,370.98		3,946.02
60,641.94	42,383.59	4,12,14,066.62		94,60,523.54		3,17,53,543.08

Sd/-
PHILIP JACOB
Secretary

As per our report of even date
For VARMA & VARMA
Sd/-
S. PRABHAKARAN
Partner
Chartered Accountants



SCHEDULE

(Included in and forming part of

Items	Cost till last year	Kodumon	Chandanappally	Adirappally	Kallala	Ventilappara
1	2	3	4	5	6	7
1959 Plantation	7,17,074.89	...	...	...	...	...
1960 "	5,62,467.87	...	...	...	...	...
1961 "	71,37,275.16	...	...	...	...	...
1962 "	45,64,998.12	...	...	...	...	...
1963 "	44,37,542.96	...	...	...	...	...
1964 "	20,47,794.67	...	...	...	...	...
1965 "	49,65,626.49	...	...	...	...	...
1966 "	22,55,711.48	...	...	...	...	...
1967 "	37,42,245.92	...	...	...	...	...
1968 "	30,33,392.97	...	...	...	...	...
1969 "	4,94,737.12	...	...	...	...	...
1970 "	7,76,076.84	...	...	...	...	...
1971 "	6,88,430.66	...	...	...	...	...
1972 "	5,67,445.16	...	...	...	...	...
1973 "	9,38,399.31	1,07,902.84	23,895.42	...	13,457.34	12,761.35
1974 "	17,71,296.61	83,152.19	22,191.85	...	...	...
1975 "	3,03,277.02	8,098.39	40,184.51	...	...	...
1976 "	69,396.43	...	18,963.69	...	...	...
1967 Replanting	8,99,989.98	...	...	...	3,29,315.63	42,846.89
1968 "	1,76,105.28	...	...	...	...	...
1969 "	4,99,906.84	...	...	...	...	...
1970 "	44,937.52	...	...	...	...	...
1971 "	2,24,032.34	...	...	...	8,866.14	...
1972 "	1,27,484.47	...	...	34,857.71	8,841.61	...
1973 "	6,30,967.43	...	...	18,818.04	...	...
1974 "	44,216.40	...	...	82,454.57	37,561.59	...
1975 "	...	...	...	...	...	...
1976 "	...	...	...	1,23,526.96	...	...
Coconut	795.36	...	...	1,83,238.85	...	...
Areca nut	156.59	...	...	...	...	...
Evicted Area expenses	14,55,240.09	...	...	...	...	...
Survey	90,933.34	...	...	...	...	...
Eucalyptus	59,972.21	...	...	...	...	550.00
Cashew Plantation	37,423.12	...	...	14,581.63	...	421.80
1971 Oil Palm,	15,58,525.34	...	23,216.96	22,564.88	64,559.61	1,00,721.96
1972 "	22,67,729.38	...	...	...	...	...
1973 "	18,98,181.62	...	...	...	...	...
1975 "	24,16,507.41	...	...	...	...	...
Total	5,14,95,193.40	1,99,153.42	1,28,452.43	4,80,042.64	4,62,601.92	1,57,302.00

Sd/-
M. M. JACOB
Chairman

Sd/-
R. RAVINDRAN
Managing Director



B

the Balance Sheet as at 31st March, 1977)

Parambra 8	Thennithode 9	Oil Palm 10	Head Office 11	Total 12	Disposals and adjustments 13	Cost To-date 14
...	7,17,074.89	...	7,17,074.89
...	5,62,467.87	...	5,62,467.87
...	71,37,275.16	...	71,37,275.16
...	46,64,998.12	...	46,64,998.12
...	44,37,542.96	...	44,37,542.96
...	20,47,794.67	...	20,47,794.67
...	49,55,526.49	...	49,55,526.49
...	22,55,711.48	...	22,55,711.48
27,230.65	37,69,476.47	...	37,69,476.47
1,68,708.39	32,02,101.36	...	32,02,101.36
47,928.20	5,42,665.32	...	5,42,665.32
79,842.26	8,54,918.10	...	8,54,918.10
1,13,419.84	8,01,850.50	...	8,01,850.50
81,418.77	6,75,082.62	...	6,75,082.62
94,770.74	11,64,968.31	...	11,64,968.31
32,076.23	3,67,737.83	...	...	22,76,454.71	...	22,76,454.71
...	3,51,559.92	...	3,51,559.92
1,77,799.92	1,66,141.07	...	...	8,04,463.63	...	8,04,463.63
...	8,99,989.98	...	8,99,989.98
...	1,76,105.28	...	1,76,105.28
...	4,99,906.84	...	4,99,906.84
...	53,803.66	...	53,803.66
...	26,7731.66	...	2,67,731.66
...	1,46,302.51	...	1,46,302.51
...	7,50,983.59	...	7,50,983.59
8,818.11	53,034.51	...	53,034.51
...	1,23,526.96	...	1,23,526.96
...	1,83,238.85	...	1,83,238.85
...	795.36	...	795.36
...	156.59	156.59	...
...	14,55,240.09	...	14,55,240.09
2,540.06	94,023.40	...	94,023.40
...	74,975.64	...	74,975.64
97,776.87	91,701.82	...	...	4,37,965.22	...	4,37,965.22
...	...	8,684.00	...	15,67,209.34	...	15,67,209.34
...	...	2,87,051.56	...	25,54,780.94	...	25,54,780.94
...	...	2,17,169.17	...	21,15,350.79	...	21,15,350.79
...	...	7,26,160.13	...	31,42,667.54	...	31,42,667.54
9,32,329.94	6,25,580.72	12,39,064.86	...	5,57,19,721.33	156.59	5,57,19,664.74

As per our report of even date
For VARMA & VARMA

Sd/-
S. PRABHAKARAN
Partner
Chartered Accountants

Sd/-
PHILIP JACOB
Secretary



SCHEDULE—C.

(Included in and forming part of Balance Sheet as at 31st March 1977)

Other Investments: Unquoted fully paid up shares:

1. 10 equity shares of Rs. 100 – each fully paid-up in the Banana & Fruit Development Corporation Limited, Madras (Note 22)	Rs. <u>1,000.00</u>
	Rs. <u>1,000.00</u>

SCHEDULE—D.

(Included in and forming part of Balance Sheet as at 31st March 1977)

Other Investments : Unquoted fully paid up shares:

1. 1 A Class share of Rs. 100 – each fully paid in the Mannam Sugar Mills Co-operative Stores Ltd. No. 4324	Rs. 100.00
2. 25 B class shares of Rs. 100/- each fully paid in the Kodumon Group of estate Employees' Consumer Co-operative Stores Ltd. No. Q. 341	Rs. 2,500.00
3. 25 B class shares of Rs. 100 – each fully paid in the Kalady Group of Estate Employees' Consumer Co-operative Stores Limited No. E. 230. (Note 22)	Rs. <u>2,500.00</u>
Total	Rs. <u>5,100.00</u>



SCHEDULE—E

(Included in and forming part of the Balance Sheet as at 31st March 1977)

Previous year Rs. P.	ITEMS	This year Rs. P.
CURRENT ASSETS		
23,77,053.17	Stores and spares at cost *	23,62,019.93
1,45,710.12	Loose Tools revalued*	1,58,708.67
1,56,778.50	Equipments revalued*	1,69,038.25
37,34,131.38	Finished goods, work in process stock in transit at value subsequently realised realisable* (Note 18)	48,00,490.82
88,921.57	Nurseries Rubber (at cost)*	1,23,724.90
32,507.64	Nurseries Oil Palm (at cost)*	...
920.14	Pineapple cultivation (at cost)*	...
9,880.00	Stock of Palm oil (at value subsequently realised realisable)	47,320.07
6,709.12	Teak Plantation (at cost)	...
	Sundry Debtors (unsecured considered good) Note Subject to confirmation from them	19,02,933.81
	(a) Debts outstanding for more than 6 months (includes Rs. 6,09,034.57 from Govt. Departments and Companies. Last Year Rs. 7,51,730.52	7,83,670.27
10,51,253.48	(b) Other debts (Last year Rs. 15,153.96)	11,19,263.54
7,89,116.86	Bills margin on discounted bills	...
25,624.00	Cashew Nursery	14,200.17
CASH AND BANK BALANCE		
1,242.30	Stamp and Stamp paper on hand	904.95
98,397.15	Cash in transit	9,896.38
9,11,647.93	Balance on Treasury Savings	1,335.73
11,04,107.29	Bank account	18,321.39
	Balance on Scheduled Banks in current account	
<u>1,05,34,000.65</u>	Total	<u>96,08,895.07</u>

* As certified and as valued by the Managing Director



SCHEDULE—F

(Included in and forming part of the Balance Sheet as at 31st March 1977)

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.
LOANS AND ADVANCES				
1,03,860.00		Motor cycle Loan (Secured considered good) Note-10.	80,130.00	
63,360.00		Motor Car Loan (Secured considered good) Note-9	46,270.00	
UNSECURED CONSIDERED GOOD				
92,134.35		Alakode Government Estate (Managed by Corporation)	59,437.62	
82,242.00		Deposit with P & T Department, Electricity Board, Port Trust		
92,538.00		and other Government Departments by the Corporation—Note, 36	93,542.00	
1,03,596.83		Deposit with others	1,12,733.00	
		Prepaid expenses	7,192.70	
7,56,039.81		Other advances recoverable in cash or in kind or for value		
2,000.00		to be received Note-14.	9,35,366.77	
24,305.00		Advance to Employees Co-operative Society	2,000.00	
		Advance tax paid and tax deducted at source	22,430.00	
<u>13,20,075.99</u>		Total	<u>13,59,102.09</u>	

SCHEDULE—G

(Included in and forming part of the Balance Sheet as at 31st March 1977)

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.
MISCELLANEOUS EXPENDITURE				
(to the extent not written off or adjusted)				
...		Lease rent	1,49,927.16	
13,220.05		Tapper Training expenses	18,751.84	
27,465.19		Suspense pending adjustment	32,474.25	
56,277.40		Stores Suspense	61,836.87	
2,010.42		Shortage of Tools	3,554.57	
2,908.55		Shortage of Stores	11,044.63	
2,092.85		Preliminary Expenses - Oil Palm	2,092.85	
379.00		P. F. Suspense	523.29	
5,051.63		Investigation factory site (Oil Palm)	5,051.63	
1,075.00		Compulsory Deposit Workers-Thannithode	...	
4,153.89		Lease rent suspense	4,153.89	
...		Cashew Project	2,689.06	
<u>1,14,633.98</u>		Total	<u>2,92,100.04</u>	



SCHEDULE—H

(Included in and forming part of Balance Sheet as at 31st March 1977)

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.
CURRENT LIABILITIES				
32,46,347.43		Sundry Creditors	49,92,500.06	
3,34,819.85		Other liabilities	1,43,581.67	
5,18,731.52		Earnest money and security deposit	6,53,832.98	
18,341.87		Suspense pending adjustment	1,01,367.85	
713.75		P. F. Suspense	935.13	
57,21,741.57		Interest accrued but not due on loans	36,90,626.81	
1,715.69		Stale cheque	941.98	
219.16		Stores Suspense	17,351.33	
277.50		Excess Recovery of Onam Advance staff	243.60	
...		Court attachment	706.50	
...		Medical examination fee	720.00	
...		Excess recovery of Family pension Fund	3.50	
...		Excess recovery of advance to workers	160.85	
<hr/>		Total	<hr/>	
98,42,908.34			96,02,972.26	



SCHEDULE--1

REPAIRS & MAINTENANCE OF ASSETS

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.
2,59,439.75		Vehicles	3,32,471.85	
1,17,884.38		Roads	87,404.50	
16,088.31		Plant & Machinery	27,587.80	
3,04,822.45		Building	2,10,394.88	
71,302.60		Others	71,461.63	
<hr/>			<hr/>	
7,69,537.49		Total	7,29,320.76	

SCHEDULE--2

MISCELLANEOUS EXPENSES AND ADJUSTMENTS

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.
70,663.54		Postage, Telephone & Telegram	1,12,848.95	
61,529.36		Printing & Stationery	89,908.95	
23,849.66		Office expenses & Miscellaneous	43,551.75	
3,13,855.63		Bank charges	3,46,799.30	
3,682.79		Books & Periodicals	4,894.16	
5,432.03		Storage expenses	5,471.55	
725.11		Gardening	125.69	
18,620.26		I. B. Charges	19,967.38	
11,550.00		Rent of Boats	11,800.00	
500.00		Loss by fire	...	
603.20		Cost of Pueraria seeds sold	...	
2,136.11		Losses and write off	494.39	
23,587.39		Entertainment Expenses	24,951.31	
8,50,835.78		Security Expenses. Note-58,	24,05,266.95	
21,684.76		Ferry expenses	23,746.58	
...		Honararium to Experts	1,775.00	
...		Temporary shed	6,666.11	
1,059.05		Inauguration expenses	2,077.10	
5,083.83		Research expenses	1,993.86	
<hr/>			<hr/>	
14,15,398.50		Total	31,02,339.02	



SCHEDULE—3

MANUFACTURING AND SELLING EXPENSES

Previous year Rs. P.	ITEMS	This year Rs. P.
TRANSPORT OF LATEX TO FACTORY		
2,22,019.52	Pay and allowances	2,60,384.35
59,086.00	Vehicle tax	28,747.80
8,630.55	Vehicle Insurance	3,786.10
3,34,377.80	Running & Maintenance of Vehicle	3,48,160.96
		6,41,079.21
MANUFACTURING		
2,97,958.07	Pay & allowances	3,41,212.08
5,13,800.80	Factory wages	5,65,800.42
76,924.82	Fuel for Smoke House	1,75,383.89
4,127.84	Fuel for Generator	8,446.99
6,84,370.91	Chemicals	7,51,348.27
61,773.38	Factory Upkeep and maintenance	85,456.64
1,04,614.37	Machinery Upkeep & Maintenance	1,15,789.62
44,531.85	Factory Insurance	45,128.12
77,021.57	Power Supply	1,03,590.03
1,18,527.21	Welfare Expenses	1,22,081.03
980.28	Factory Utensils	1,993.89
47,227.72	Maintenance & Upkeep of Crumb Plant	23,477.24
80,859.52	Fuel for drier	1,24,540.45
...	Processing expenses - Oil Palm	19,477.57
		23,83,726.24
DISTRIBUTION		
49,830.36	Packing materials	81,381.47
1,05,017.68	Packing wages	94,076.32
2,03,113.26	Forwarding charges	2,03,026.46
1,86,064.45	Road Rail Insurance	1,05,979.01
3,80,361.05	Depreciation	4,30,061.42
74,650.47	Selling Expenses	1,43,451.24
77,171.42	Shipping expenses	1,14,900.11
1,21,775.29	Commission to Selling Agents & rebate	1,68,180.89
39,34,816.21	Total	13,41,056.92

TOTAL Rs. 43,65,862.37



SCHEDULE—4

REPAIRS AND MAINTENANCE OF ASSETS

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.
7,176.19		Plant & Machinery	7,461.41	
6,489.64		Implements	5,834.25	
22,156.90		Roads	9,709.36	
...		Fencing	3,267.30	
14,043.77		Buildings	9,462.20	
1,42,857.22		Vehicles	1,61,154.12	
2,568.60		Others	811.13	
2,973.14		Electrical	755.34	
<hr/>			<hr/>	
1,98,265.46		Total	1,98,255.11	

SCHEDULE—5

MISCELLANEOUS EXPENSES & ADJUSTMENTS

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.
8,282.73		Temporary Shed	838.32	
7,354.75		Postage, telephone & telegram	3,405.75	
13,029.26		Printing & Stationery	6,085.08	
1,505.60		Office expenses & Miscellaneous	2,341.40	
77.68		Bank charges	9.50	
288.23		Entertainment expenses	50.00	
29,728.24		Storage expenses	64,739.24	
277.86		Books & Periodicals	133.80	
...		Extra compensation	2,100.00	
5,232.98		Electricity charges	228.18	
...		Legal charges, Security expenses loss etc.	...	
<hr/>			<hr/>	
74,401.83		Total	79,931.27	

Schedule A to H and 1 to 5

As per our report of even date

For VARMA & VARMA

Sd/-

S. PRABHAKARAN

Partner

Chartered Accountants

Sd/-

M. M. JACOB

Chairman

Sd/-

R. RAVINDRAN

Managing Director

Sd/-

PHILIP JACOB

Secretary



NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1977

1. The Company has discounted usance and sight bills worth Rs. 28,87,946.84 as on 31-3-77 (last year Rs. 27,26,557.02) with the banks for which the Company is contingently liable.

2. Estimated amount of civil contracts on capital assets to be executed on account and not provided for Rs. 30,44,640.98 (last year Rs. 25,48,139.00).

3. Estimated amount of supply of capital assets remaining to be executed and not provided for Rs. 4,69,536.00. (last year Rs. 7,90,699.13)

4. Lease deeds for lands (approximate 2126 hectares) handed over since 1970 are yet to be executed.

5. The Company is liable to pay a compensation of Rs. 8,511.31 to persons evicted from the Kodumon Group of estates which has not been provided since the persons are deceased and the claimants are to produce succession or heirship certificates.

6. No provision has been made for gratuity. Actual expenses have been charged to revenue account. Accrued liability upto 31-3-77 has not been provided for in the accounts. However on an approximate estimation, the contingent liability on this account may be of the order of around Rs. 66,00,000/- based on the total strength of approximately 6,000 employees. However this is only an arbitrary amount. All the employees of the Corporation are not going to retire at one point of time and therefore it is not considered necessary to provide for gratuity. The retirement will be staggered and as the expenditure is charged to revenue every year it is not considered necessary to provide for the same.

7. Apart from the amount Rs. 6,00,000/- received during 75-76 towards Subsidy for subsidised housing scheme (labour tenements) we have received a further amount of Rs. 5,64,375/- in 1976-77 and this total amount of Rs. 11,64,375/- has been separately disclosed in the Balance Sheet.

8. Welfare fund has been created out of time barred claims and according to the recent enactment viz. The Kerala Labour Welfare Fund Act 1975 given assent by President on 25-3-77, this amount is payable to Labour Welfare Fund of the State Government.

9. Motor Car loan to officers is fully secured by hypothecation of motor cars in favour of the Company. Maximum amount of such loan during the year was Rs. 63,360/- (previous year Rs. 77,010/-) The balance outstanding as on 31-3-77 includes an amount of Rs. 8,490/- due from R. Ravindran, Managing Director.

10. Motor cycle loan to the officers and staff are also secured by hypothecation of motor cycle in favour of the Company. Maximum amount of such loans during the year was Rs. 1,03,860.00 (last year Rs. 1,11,060/-)

11. SUNDRY DEBTORS includes the following amounts due from Government Companies under the same management viz. Govt. of Kerala.

1. Trivandrum Rubber Works Limited more than six months
of this Rs. 5,44,084.75 was received on 27-4-77. : Rs. 6,07,359.02
2. Kerala Soaps & Oils more than six months : 1,675.55

12. As the company is an Agricultural Company and is carrying only operations required for making the produce marketable, the provision contained in Para II, Schedule VI as to installed capacity etc. of the Companies Act is not applicable.

13. Five cases are pending against the Corporation against which the amounts payable are not ascertainable, as claims due to parties are not finalised. As such they are not acknowledged as debts and provided for.

14. Under the Head "Other advance recoverable in cash or in kind or value to be received" included under Loans and Advances Schedule F includes an amount of Rs. 829.60 (last year Rs. 5,505.05) paid to officers of the Corporation as salary advance.

15. Loans from Ten scheduled banks in consortium with Agricultural Finance Corporation Limited are secured to the extent of Rs. 22 lakhs and interest by hypothecation/charge of standing



crops the Kodumon, Kalady and Perambra Group of Estate (Rubber) of the Corporation and of furniture and fixtures, Plant and Machinery and vehicles in the factories and offices in the said rubber estates, as detailed in the agreement with them. An equitable mortgage has also been created in their favour of the lease hold lands of the Corporation where rubber plantations are raised. The loans are further secured by a Government guarantee for a like amount. Balance loan outstanding as on 31-3-77 is Rs. 43,95,000/-

16. For the police party posted for security purposes in the estates bills have not been received from 1-10-76 onwards for Kalady and Kodumon Group of Estates. Liability on this account is not known/ascertainable and therefore not provided for.

17. No provision has been made for penal interest on the amounts payable to Government against loan, which has fallen due for payment during 1975-76 and 1976-77. The approximate amount of this account would be Rs. 6,02,806.70 upto 31-3-77.

18. The Closing stock as on 31-3-77 has been valued at subsequent realised realisable value. The quantity of rubber under work in process as on 31-3-76 has also been valued on the same basis as per grades indicated in stock verification statements. Due to various practical difficulties the work in process could not be assessed accurately and hence the previous year's practice was followed.

19. Other liabilities shown under Schedule H includes an amount of Rs. 1,37,916.16 which is adjustable towards sundry debtors and for sales during 77-78.

20. The cost of teak plantations amounting to Rs. 6,709.92 has been charged to repairs and maintenance of fence during 76-77 as the teak saplings were cut and used for replacing old posts. The pine apple plantations amounting to Rs. 920.14 has been written off as the yielding stage is over. This has a reference to note No. 24 of the note to Balance Sheet for 75-76.

21. The market value/realisable value of investment shown under Schedule C & D cannot be assessed.

22. An amount of Rs. 5,000/- representing the value of 25 B class shares of Rs. 100/- each fully paid up in the Kodumon Group of Estate Employees Consumer Stores Ltd. and Kalady Group of Estate Consumer Co-operative Stores Ltd. will have to be finally adjusted after the liquidation process is over as these two societies are under liquidation.

23. As the 2 Co-operative societies stated above are under liquidation the advance amount of Rs. 2,000/- recoverable from them may also become irrecoverable. This will also be adjusted after liquidation process is over.

24. Sundry Debtors, deposits with Govt. Departments and deposits with others are subject to confirmation.

25. An area of 3.28 hectares of 1961 plantations in the Kodumon estate under Survey No. 783/1 of Koodal Village has been handed over to PWD for Kallada Irrigation Project. The value of this will be adjusted after finalisation of the valuation by the District Collector, Quilon.

26. The buildings and buildings under construction shown under fixed assets include the cost of buildings put up with the loan and subsidy assistance from Government of Kerala under the rules for the subsidised housing scheme for Plantation labour Kerala 1974, and such buildings as per above rules remain Govt. property till the loan taken by the Corporation under the Scheme is repaid to the Government.

27. No provision has been made for bonus for the year 1976-77 as no final decision has been taken for the same so far.

28. Total area handed over to the Company on lease by the Forest Department for Rubber and Oil Palm	:	9,856 hectares
Area unsurveyed (approximate)	:	2,126 ..
Area under rubber including area for buildings, factories, roads, canals, marshy areas, rocks, fire belts etc.	:	7,212 hectares
Area under Oil Palm including area for buildings, Roads, canals, marshy place, firebelt etc.	:	1,150 ..
Area under cashew	:	800 ..
Area under other crops	:	45 ..
Submergible area	:	220 ..
Area to be planted	:	429 ..
Total	:	<u>9,856 hectares</u>



29. The Company has availed an overdraft facility with the Syndicate Bank, Kottayam for a total limit of Rs. 30 lakhs. The balance in this account as on 31-3-77 is Rs. 17,58,582.65. This amount has been shown under the un-secured loans. The same has been sanctioned on the strength of the Government guarantee issued by the State Government.

30. In our Thannithode Estate an area of 80 hectares have been taken possession during 76-77 and preliminary operations for planting has also been done in this area. But the official handing over and taking over was done only after 1-4-77. However lease rent has been provided for 7 months.

31. As per the note No. 12 of the Balance Sheet for the year ended 31-3-76 we have taken over the Crumb Plant with effect from 7-7-76 and the cost of the Crumb plant has been capitalised during 76-77. We have also capitalised an amount of Rs. 2,83,719 pertaining to the cost of one additional drier supplied and erected by M/s. Premier Engg. Products, eventhough, the trial run could not be completed, due to the frequent current failures which was occurring in the Kalady Group of estates. The drier is working and as the drier is in our possession the Company will be responsible for any damage caused to the drier due to natural causes. It is only in this context the capitalisation has been made.

32. The work in progress includes Rs. 2,94,427.59 towards cost of works entrusted to M/s. ENCOS. M/s. ENCOS has abandoned the work entrusted to them and alternate arrangements are being made to complete these works. The additional cost is to be recovered them. The contingent liability on account of work entrusted to ENCOS as per their agreement is Rs. 17,36,105.41 as on 31-3-77. However the final figures are yet under preparation and the liability on account of rearranging the work cannot be ascertained at this stage.

33. An amount of Rs. 48,03,464.49 pertaining to interest accrued and fallen due as on 31-3-77 has been shown under unsecured loans. This has reference to the observation made by the Accountant General Kerala on the accounts for the year ended 31st March 1976.

34. Approval of the Central Government under Section 269 has been obtained for the appointment of Sri. R. Ravindran as Managing Director for a period of 5 years from 21-4-76 on a salary in the scale of Rs 1600-50-2000 as well as the perquisites that may be granted as per the order of the Government of Kerala. Orders of the Government of Kerala in pursuant to this have not yet been received.

The Board of Directors had also sanctioned HRA of Rs. 350/- and D. A. at Government rules subject to approval of Govt. of Kerala.

The approval of the Company in general meeting for the payment of the following remuneration under Section 309 (i) and under Section 198 (1) (4) is being sought.

Salary in the scale of Rs. 1600-50-2000.

D. A. of Rs. 200 p. m.

H. R. A. of Rs. 350/- p. m. and free use of Company's

Car subject to recovery of Rs. 100/- p. m.

The approval of the Central Government for the payment of the above remuneration, as the minimum remuneration under Section 198 (4) is also being sought.

35. The Chairman has been paid an amount of Rs. 1190.40 pertaining to medical expenses (refer Note No. 49) in addition to the Honararium of Rs. 500/- p. m. which was approved by the Board of Directors. The approval of the General Meeting and that of the Central Government for the above payment, as required under Section 314 (1) and Section 309 is being sought.

36. Under loans & advances in Schedule F we have shown an amount of Rs. 93,542/- as Deposit with Government Departments. The Deposit of this amount is as follows:

Cochin Port Trust	:	Rs. 3,600.00
Post Master, Kottayam	:	200.00
Electricity Board	:	89,742.00
Total	:	<u>93,542.00</u>

37. The Company is an Agricultural Company and mostly selling the products to Manufacturers within the state as well as outside. The Sales Tax authorities have sent us a pre assessment notice against which we have filed a writ petition with the High Court for final orders.



As the results are not known the amount if any becomes payable by the Corporation is not ascertainable and hence no provision has been made in this regard. We have also written to the State Government to take up the matter with the Sales Tax authorities.

38. The Development expenditure includes

	1976-77	1975-76
Wages	24,61,621.86	31,58,055.43
Stores	5,65,364.11	19,24,157.04
Fuel	9,612.00	1,74,482.82

39. The expenditure on repairs and maintenance shown under Schedule IV is the net expenditure after deducting tolls collected for using the estate roads. This collection is only nominal for meeting the repair expenses.

40. Development expenditure has been allocated on the basis of the practice followed during the previous years for capitalisation.

41. As was the practice of the Corporation, overhead charges wherever required have been allocated only to Rubber plantation and Oil Palm plantation and no part of such overheads is charged to other crops viz. Cashew, Eucalyptus, Coconut etc.

42. In our estate patches the Company has raised Cashew Plantation where the land was not suitable for rubber Plantations. In some of the areas of cashew plantations the Company has subleased the area for tongya cultivation in order to reduce the weeding cost and to protect the cashew plants. The Company has received an amount of Rs. 14,270.19 by lease rent and this has been shown as a reduction in cultivation expenses of cashew and only the balance amount has been capitalised.

Some other patches in the Rubber area has also been subleased for tongya cultivation against which we have realised an amount of Rs. 21,941.33 which has also been credited to the cultivation expenses of the respective areas.

43. The services of 17 employees of the Corporation who had been taken on a temporary basis from the Employment Exchange were terminated in 1975-76 subsequent to the appointment of PSC hands. They were taken back in service on the basis of industrial disputes award of the Labour Court. A memorandum of settlement was arrived at on 12-5-77 between the Management and the Plantation Corporation staff union representing 17 workmen involved in the dispute. They were paid 50% of the back wages and the total amount so paid works out to Rs. 59,676.32. This will be adjusted in the accounts during 77-78.

44. As per the orders of the State Government men and women engaged for the same work in the estates for field work or factory work are to be paid equal wages with effect from 15-10-75. The same has been implemented in 1976-77 and the arrears paid upto 31-3-76 has been shown under prior period adjustment account. The amount included under prior period adjustment account is Rs. 35,767.79.

45. As per Memorandum of settlement dated 23-7-76 between the staff union and the management the staff members have been granted 2 additional increments and some special allowance with effect from 1-4-75. Orders for paying arrears on account of the pay revision was issued on 7-8-76 and this has been paid during 76-77. The total amount of salary arrears upto 31-3-76 amounting to Rs. 3,78,983.63 was paid during the year and this amount has also been shown under prior period adjustment account.

46. Amount paid to Managing Director.

	This Year	Previous Year
Pay and allowances to Managing Director	22,334.39	26,145.25
T. A. to do.	14,769.00	26,127.72
Leave salary and pension contribution	920.00	5,030.32
Medical expenses	1,867.69	1,989.09
Leave encashment	1,648.32	Nil

Sri. R. Ravindran, previously the General Manager was holding full additional charge as Managing Director from 21-4-1976 to 19-8-1976. Sri. R. Ravindran has been appointed as Managing Director as per order No. G. O. Rt. No. 2680.76 AD dated 7-8-1976 and assumed charge with effect from 20-8-1976.



47. Sitting fee to Directors.

<i>This Year</i>	<i>Previous Year</i>
10,900.00	5,900.00

48. PERQUISITE TO DIRECTORS.

The Managing Director is provided with a car for his official purposes and is charged Rs. 100/- per month for his private use limiting to 500 Kmrs. a month.

The perquisite enjoyed in this regard is Rs. 2400/-

49. The Chairman has been paid an amount of Rs. 1,190.40 pertaining to Medical expenses incurred by him while on tour outside the State for official purpose, with the due approval of the Board.

50. There was no employee in the Corporation drawing a remuneration in excess of Rs. 36,000/- per annum in the aggregate during the year 1976-77. No person was employed for any part of this year on a monthly remuneration exceeding Rs. 3,000/-

51. An amount of Rs. 3,95,42,685.24 representing the sale of rubber is in the safe proceeds of 57,41,323.65 Kgs. of dry rubber content of various grades.

52. The provision of rehabilitation reserve of Rs. 11,79,430.37 is based on the total production of 58,97,151.85 Kgs. of Rubber at Rs. 20/- per quintal as is allowed under the Agricultural Income Tax Act.

53. The Management of Alakode Govt. Estate has been entrusted to the Corporation during 1974-75. To cover the management expenses, there is a provision of Rs. 15,000/- per annum as per agreement dated 17th January 1977. An amount of Rs. 45,410.95 pertaining to management expenses from 22-3-1974 to 31-3-77 has been adjusted in the accounts for the year.

54. The Corporation has invested an amount of Rs. 40,000/- under 7 year National Savings Certificate on 6-8-1974. This will be maturing only on 6-8-1981. Interest will accrue only after the expiry of 3 completed years and hence interest for the period upto 31-3-77 has not been provided for.

55. For the School at Kalady, the maintenance grant has not been received since 1973-74, the approximate amount due is Rs. 6,200/-.

56. Postage and telephone account shown under Schedule II include Rs. 4,000/- towards deposit made for OYT scheme for installation of one telephone and Rs. 14,532/- for installation of a PABX system in the Head Office.

57. The 1971 plantation of the Oil Palm Project has been declared as matured as the same has started yielding and the expenditure pertaining to 1971 plantation as well as the common expenditure has been shown under revenue account.

58. Security expenses. The amount of security expenses shown under Schedule II Miscellaneous expenses and adjustments amount to Rs. 24,06,266.76 out of this Rs 18,06,687.53 pertains to previous years as per details given below.

KODUMON

1-4-1973 to 31-3-1974	:	3,34,002.00
1-10-1974 to 31-12-1974	:	94,391.05
1-1-1975 to 31-3-1975	:	98,335.76
1-4-1975 to 31-3-1976	:	4,65,798.40

KALADY

1-5-1972 to 31-12-1972	:	6,404.58
1-4-1974 to 31-3-1975	:	3,73,490.55
1-4-1975 to 31-3-1976	:	4,34,265.20

Total : 18,06,687.53

59. The Company has supplied the following quantities of concentrated latex to make good the loss sustained by the parties due to deterioration in quality of latex supplied and loss in transit.

M.s. Enkay India Rubber Company 6870 Ltrs.	39,846.00
.. Kanam Rubber Company 4118.7 Ltrs.	23,888.46
.. .. 898.5 Ltrs.	5,211.30

As these supplies are made to make good the loss sustained by the parties no financial entries have been passed on the books of accounts.

60. PRIOR PERIOD ADJUSTMENT ACCOUNT DEBIT

In the Profit & Loss account the debit is Rs. 5,45,454.62. The major amount included under this head pertains to amount paid on account of equal wages paid to men and women with effect



from 6-10-1975 and arrears of staff salary paid with effect from 1-4-75 which amounts to Rs. 4,14,751.32 (Refer Note No. 37 and 38) The balance amount pertains to various other payments which are less than 5000 for each of the items.

CREDIT In the Profit & Loss account the credit is 1,08,050.12. This amount includes the following:

Management expenses of Alakode Estate upto 31-3-77	:	30,410.95
Sale of Rubber	:	37,712.00
Value of stores short adjusted in Chandanappally Estate in 75-76	:	33,664.80
Total	:	<u>1,01,787.75</u>

The balance amounts pertain to various heads of accounts and are only nominal amounts.

61. The Profit & Loss Accounts expenditure includes

	1976-77	1975-76
Wages	1,15,12,708.42	1,17,73,487.92
Stores	50,44,363.80	52,63,385.29
Fuel	3,99,300.89	3,06,779.09

62. The payment of advance bonus at the rate of 4% of the total earnings against the bonus for the year 1975 to the employees of the Corporation has been charged to Profit and Loss account.

63. Additional information as per clause IV 'D' of part 2 to Schedule VI.

(a) CIF value of imports during the year	:	Nil
(b) Expenditure in foreign currency	:	Nil
(c) Value of raw materials, stores, spare parts and components consumed during the year:		
	<i>Value</i>	<i>Express as percentage of consumption</i>

1) Imported value	Nil	Nil
2) Indigenous (stores and spares) this includes value of stores included under capitalisation	Rs. 56,09,727.91	100%

(d) Particulars of dividends remitted in foreign exchange	Nil
(e) Earnings in foreign exchange	Rs. 3,77,358.49 (U.S.\$ 42,000)

64. Interest accrued and due on Government loans shown under unsecured loan is exclusive of an amount of Rs. 77,255.29 which has been shown under Schedule H in current liabilities under the head interest accrued but not due on loans. This amount pertains to interest on belated payments.

65. Interest on loans and Overdraft Rs. 38,64,910.57 shown in the Profit & Loss account are as follows:

INTEREST ON FIXED LOANS

Interest on Agricultural Finance Corporation Loan	:	9,97,893.24
Interest on Government Loan	:	28,16,349.73
Total	:	<u>38,14,242.97</u>
Interest on Overdraft	:	50,667.60
Total	:	<u>38,64,910.57</u>

66. The sale of Palm Oil amounting to Rs. 26,01,250 represents the value of 5001 Kg. Red Palm Oil.

67. Selling expenses shown in Manufacturing and Selling expenses under Schedule III is inclusive of Processing charges of normal latex such as ammoniation etc.

68. Sale of rubber includes an amount of Rs. 3200 pertaining to Earnest Money forfeited to works. Sale of Skim Lump.

69. The cost of fencing shown under Fixed Assets is inclusive of the cost of Kallukayyala.

70. Previous year figures have been re-grouped whenever necessary to suit current year's lay out.

As per our report of even date

For VARMA & VARMA

Sd/-

S. PRABHAKARAN

Partner

Chartered Accountants

Sd/-

M. M. JACOB

Chairman

Sd/-

R. RAVINDRAN

Managing Director

Sd/-

PHILIP JACOB

Secretary



VARMA & VARMA
Chartered Accountants

AUDITORS' REPORT

The Shareholders
THE PLANTATION CORPORATION OF KERALA LTD.,
Kottayam.

We have audited the attached Balance Sheet of the Plantation Corporation of Kerala Limited as at 31st March, 1977 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report as under :-

A. As required by the Manufacturing and Other Companies (Auditors' Report) Order 1975 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure 'A' a statement on the matters specified in paragraph 4 and 5 of the said order.

B. Further to our comments in the annexure referred to in paragraph 1 above.

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, subject to the qualifications contained in paragraph 4 below.

2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.

3. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account.

4. (a) The Investments detailed in Schedule D to the Balance Sheet have, in our opinion, no realisable value.

(b) During the year the Company has charged to Profit and Loss Account an amount of Rs. 6,43,917.92 representing the advance bonus paid for the year 1975 as we understand on the assumption that the advance so made is not recoverable (Note 62 on the accounts).

(c) The Company has not made any provision for bonus for the accounting year 1976-77. The probable amount of minimum bonus at 8 $\frac{1}{3}$ % if declared would amount to approximately Rs. 15 lakhs.

(d) Prior Period adjustments of Rs. 5,45,454.62 is inclusive of Rs. 60,071.31 being lease rent for the period ending 31-3-1976 for Division 'A' of Oil Palm Plantation, matured during 76-77 which should have been capitalised.

(e) An amount of Rs. 60,712.52 representing the cost of stores purchased during the year has not been included in the closing stock of stores and spares and corresponding liability has also not been provided for.

5. Subject to and read with the above qualifications and the Audit Notes forming part of this report detailed in annexure 'B' and subject to the Notes No. 6 regarding gratuity No. 16 regarding non provision of liability towards security, No. 17 regarding non provision of penal interest for the delayed payment of loan instalments to Government of Kerala, No. 18 regarding work-in-progress, No. 19 regarding adjustment in sundry debtors, No. 23 regarding irrecoverability of advance to a Co-operative Society, No. 31 regarding crumb plant, No. 32 regarding contract with M/s. ENCOS LTD. (reported to be in liquidation) and other notes thereon, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts and schedules thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.

a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 1977, and

b) in the case of the Profit and Loss Account, the profit for the year ended on that date.

For VARMA & VARMA
Sd/-
(S. PRABHAKARAN)
Partner
Chartered Accountants

Ernakulam, Cochin-16
3rd September 1977

(Seal)



ANNEXURE 'A'

ANNEXURE TO OUR AUDIT REPORT ON THE ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED FOR THE YEAR ENDED 31-3-1977

(Referred to in paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets except that the Company has not kept upto date the Plantation field registers giving particulars of trees etc. for which the Company has promised to take immediate action. As per the information furnished to us the fixed assets have been verified by the management during the year. No serious discrepancies have been noticed on verification except casualties in the case of Plantations. The policy of the company is understood to be not to make any adjustments in the accounts regarding casualties suffered in the plantations. Further the casualties suffered in the Oil Palm Plantation appear to be heavy that is as much as 61.4% on 1973 plantation and 57.4% on 1975 plantations. The estimated loss on account of casualties amounts to Rs. 13 lakhs for 1973 plantation and Rs. 18 lakhs for 1975 plantation. The loss is arrived at after taking into consideration the cost of gap filling also. The Company does not consider such loss arising on casualties as a revenue loss and hence such expenditure remains as part of the development expenditure.

2. None of the fixed assets have been revalued during the year.

3. The stock of finished goods, stores, spare parts and other items have been physically verified on 31-3-1977 by the management. The discrepancies noticed on verification between the physical stock and book records have been properly dealt with in the books of account. In our opinion the valuation of the above mentioned stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in earlier years. Physical verification of stocks at the factories used to be conducted every quarter.

4. The Company has not obtained loans from Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act 1956 and from Companies under the same management.

5. In respect of loans and advances (except in the case noted below) in the nature of loans given by the Company, parties have, except in certain cases, repaid the principal amounts as stipulated and have also been regular in the payment of interest according to the terms and conditions laid down by the Company. Loans and Advances include Rs. 2,00,000 paid to M/s. ENCOS Ltd. (said to be in liquidation) towards carrying out works contract which according to the Company is adjustable against works done by them on behalf of the Company.

6. a) In our opinion and according to the explanations given to us there are adequate internal control procedures commensurate with size of the Company and the nature of its business with regard to the purchases of stores, plant and machinery except for the fact that these procedure have not been fully followed in respect of the following items:

- 1) Purchase of Polythene Film rolls (1976-77 season)
- 2) Purchase of a Drier from Premier Engineering Product

Though the contracts with M/s. ENCOS Ltd. (reported to be in liquidation) for construction of labour tenements in the estate have been cancelled, the Corporation has not been so far able to find out the total value of work done by them and the net amount due to them or due to the Corporation from them. It is reported that certain quantity of cement issued to M/s. ENCOS Ltd. has been damaged and that the full account of the same has not yet been ascertained.

b) Principles and procedures in allowing rebates, discount and replacements etc. on defects found by the purchaser of the products of the Company have not been laid down.

7. According to the information and explanations given to us, the company has not made any purchase of stores or other items from subsidiaries or from firms or companies or other parties in which the directors are interested as listed in the register maintained under Section 301 under the Companies Act, 1956.

8. The Company had determined unserviceable or damaged tools and stores. Adequate provision has been made in the accounts for the loss arising on the items so determined.

9. During the year in question the Company has not accepted deposits from public and therefore provisions of section 58A of the Companies Act 1956 and the rules framed thereunder are not applicable.



10. In our opinion and according to the information and explanations given to us the Company has maintained reasonable records for sale and disposal of scrap and unserviceables (no bye-products are obtained)

11. In our opinion, the Company has adequate internal audit system commensurate with the size of the Company, except for the fact that during the year the internal audit department could not go into the purchase in its entirety. We are given to understand that the field conditions are being looked into by the Visiting Agent of the Company.

12. The order made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 is not applicable to this Company.

13. According to the records of the Company provident fund dues have been regularly deposited during the year except for certain delays, with the appropriate authorities and there are no arrears of Provident Fund dues as at 31-3-1977.

Ernakulam, Cochin-16
3rd September 1977

For VARMA & VARMA
Sd/-
(S. PRABHAKARAN)
Partner
Chartered Accountants

ANNEXURE 'B'

AUDIT NOTES ATTACHED TO AND FORMING PART OF THE AUDIT REPORT ON THE ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED FOR THE YEAR ENDED 31-3-1977.

1. In the Balance Sheet under the head "Unsecured Loans", under sub head "Interest accrued and due on Government loans" a total amount of Rs. 93,409.33 representing interest accrued and due has not been included and the same is included in the amount of Rs. 36,90,626.81 being Interest accrued but not due on loans disclosed in schedule H-Current liabilities. Further the interest accrued and due should have been clubbed along with respective loans.

2. The buildings and Roads under construction (at cost) and Plant and Machinery under Erection disclosed as item No. C under Fixed Assets is inclusive of Rs. 98,267.73 being work-in progress relating to incompletd repairs and maintenance works. Further the total cost of materials issued to M/s. ENCOS Ltd. (reported to be in liquidation) for construction of labour tenements in the estates, which is to be accounted by them is included in the above head.

3. "Development of Property"

(a) Rs. 1,23,526.96 and Rs. 1,83,238.85 representing development cost of the Plantations in the Adirappally Estate for the years 1975 and 1976 respectively have been wrongly classified under the sub head Re-planting.

(b) Eucalyptus Plantation in Chandanappally Estate. Rs. 1280.94 representing the cost of development of Eucalyptus plantation requires to be written off in view of the fact that there are no eucalyptus trees in the estate.

4. Welfare Expenses in the Profit and Loss Account include the following.

Leave with wages	:	Rs. 5,03,592.54
Holiday wages	:	3,38,755.17
Subsistence allowance	:	89,354.00
Notice pay	:	2,428.44
Pay and allowance	:	3,19,592.90
Running and maintenance of vehicles	:	Rs. 85,220.35



5. The Corporation has purchased a Drier from a supplier at Rs. 2,23,000 as against a lower quotation made by another supplier for Rs. 1,21,600 since the latter quotation was received a little late. The Company is of opinion that this procedure has been followed since its policy is to reject late quotations.

6. As on 31-3-1977 the company had in stock 203 rolls of polythene film meant for use as rain guards, which were declared as unserviceable, the cost being Rs. 27,131.56. The Company has stated that it has valued the same at cost on the ground that the suppliers have agreed to reprocess the said rolls free of cost.

7. The claims against the company not acknowledged as debts do not include the following:

From the Forest Department for 720 MT of firewood	(value not ascertainable)
-do- for Bamboo sold by Corporation at	Rs. 28,082.30
From a Customer towards additional processing charges on defective Centrifugal latex supplied by the Corporation in 220 drums.	Rs. 50,700.00
From a customer towards cost of 20 drums of centrifugal latex approximate cost	Rs. 22,800.00

8. The Company was meeting the expenses of the Alakode Government estate from its own funds (Maximum amount spent being Rs. 2,09,437.62) even though as per the agreement with the Land Board the Company was entitled to receive the amount in advance.

9. The cost of 2299.90 Kg. bitubest found short in Chandanappally estate has not been adjusted in the books of account.

10. In Schedule III to the Accounts under the main head "Manufacturing and Selling expenses, the following items included in "Distribution", should have found a place in "Manufacturing".

Depreciation	: Rs. 4,30,061.42
Amortisation charges included in selling expenses	: Rs. 1,37,925.28

11. The Company had received a security deposit of Rs. 500 - from an employee, but the company has not complied with the provisions of section 417 of the Companies Act, by depositing the same in either in a Post Office Savings Bank Account or in a Bank.

12. Lease rent shown in development expenditure (capitalised) includes Rs. 98,559.23 pertaining to prior period ending upto 31-3-1976.

13. Note No. 46 on the accounts:- Leave encashment of Rs. 1648.32 paid to the Managing Director is in respect of his leave while working as General Manager.

Ernakulam, Cochin-16
3rd September 1977.

For VARMA & VARMA
Sd:-
(S. PRABHAKARAN)
Partner
Chartered Accountants



REPLIES TO THE REPORT OF THE STATUTORY AUDITORS

4. (a) The Co-operative societies are not liquidated so far. In view of this the market value/realisable value cannot be assessed. Note No. 21 to the accounts may also be seen.

(b) The amount has been paid as customary bonus as per the directions of the State Govt. and is chargeable to the Profit and Loss Account. Note No. 62 on the accounts may be seen.

(c) The decision to pay the minimum bonus of 8½% was taken by the Government after finalisation of the accounts and hence no provision was made in the accounts. This has a reference to note No. 27 on the accounts.

(d) The amount of Rs. 60,071.31 pertaining to lease rent for the prior period ended 31-3-1976 for Div. A will be capitalised during 77-78.

(e) The amount of Rs. 60,712.52 representing the cost of bitubest supplied to the estate will be included in the accounts for 77-78. However it has not affected the profit shown in the Profit and Loss account.

REPLY TO THE ANNEXURE TO THE AUDIT REPORT (ANNEXURE A) OF STATUTORY AUDITORS - WHEREVER REQUIRED

1. The policy of the Company is not to make any adjustments in the accounts regarding casualties suffered in the plantations. This has been the practice followed by the Corporation since the very inception. The casualties incurred during the past years have been properly gap filled. In Oil Palm Plantations, the casualties are on the high side due to various reasons. The Board has already approved of gap filling this area. The Company does not consider the loss on account of casualties as a revenue loss and the expenditure remains as part of development expenditure.

3. As regards consumable stores the physical verification is done only once in a year. This is due to the fact that there is a control account for the stock of stores and this is being tallied monthly. Apart from this, test checks are also being conducted by the internal audit wing from time to time, on various stores situated in the estates. The stock of rubber at the factories are physically verified every quarter.

5. Loans and advances include Rs. 2 lakhs paid to M/s. ENCOS Ltd. (said to be in liquidation) towards carrying out works contracts. The Company is hopeful of adjusting the amount against the works done by them.

6. (a) For reply please see reply to Note No. 5&6 of Annexure B.

As regards the contracts entrusted to M/s. ENCOS, The Corporation is yet to finalise the value of the work done by them. Only after finalisation of this it could be known whether there is any amount due to them or due from them. As regards cement which has been issued by the Corporation to M/s. ENCOS and was damaged subsequently the cost will be recovered with penalty from their pending bills.

(b) This is not a common feature. As regards deterioration in quality either due to long storage or due to damages in transit the Corporation is morally bound to replace the damaged quantity in order to retain good relationship with our customers and win over their confidence and that is the trade practice also. This has a reference to Note No. 59 to the accounts.

11. As regards purchase, the internal audit does not cover all the points and policy matters as there are checking and counter checking at various levels in the Head Office.



REPLY TO THE ANNEXURE TO THE AUDIT REPORT (ANNEXURE B)
OF THE STATUTORY AUDITORS (WHEREVER NECESSARY)

1. An amount of Rs. 93,409.33 representing interest accrued and due has not been included under secured loans due to the fact that the decision of the Government on waiving of penal interest has not been finalised and hence shown under current liabilities.

2. Noted Such bifurcation will be done in future.

3. Development of property.

(a) This will be adjusted in the accounts for the year 77-78.

(b) The amount of Rs. 1280.94 pertaining to Eucalyptus plantations in Chandanappally estate will be written off during 77-78.

4. The comment is factual. However it is pointed out that all these items have been shown under the same head during previous years as well.

5. The comment is factual. The late quotation received was not in accordance with the specification of the tender.

6. 203 rolls of polythene film was deteriorated quality and was sent back for reprocessing to the supplier free of cost.

7. These claims have not been accepted by the Company and hence we do not think that any liability will arise on this account. Hence not shown under contingent liability.

8. The comment is factual.

9. It will be investigated and if there is actual shortage it will be recovered from the persons responsible for the shortage.

10. Noted.

11. An amount of Rs. 500.- received as security deposit from an employee will be deposited in the post office savings bank account or any bank account without further delay.

12. Since the capitalisation is done on the area basis there will not be any implication. However the comment is factual.

13. The comment is factual.

Sd/-
M. M. JACOB
Chairman

Sd/-
R. RAVINDRAN
Managing Director

Sd/-
PHILIP JACOB
Secretary



COMMENTS OF THE FINANCE SECRETARY TO THE
GOVERNMENT OF KERALA UNDER ARTICLE 105 OF
THE ARTICLES OF ASSOCIATION OF THE PLANTATION
CORPORATION OF KERALA LIMITED ON THE ACCOUNTS
OF THE COMPANY FOR THE PERIOD FROM 1-4-1976
TO 31-3-1977.

"NO COMMENTS"

TRIVANDRUM,
3-10-1977.

Sd/-
K. V. RABINDRAN NAIR
FINANCE SECRETARY.



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF
INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956
ON THE ACCOUNTS OF THE PLANTATION CORPORATION OF
KERALA LIMITED FOR THE YEAR ENDED 31ST MARCH 1977.**

I have to state the Comptroller and Auditor General of India has no comments upon or supplement to the Auditor's Report under Section 619(4) of the Companies Act, 1956 on the accounts of The Plantation Corporation of Kerala Limited for the year ended 31st March 1977.

Trivandrum,
5-10-1977.

Sd/-
(R. K. A. SUBRAHMANYA)
ACCOUNTANT GENERAL, KERALA.