



PLANTATION  
CORPORATION OF KERALA  
LIMITED

ANNUAL REPORT

1979



## BOARD OF DIRECTORS

- E. P. Eapen, Chairman (from 24-8-1978 to 30-4-1980)  
P. M. Abraham, I. A. S., Chairman (from 30-4-1980)  
Director (from 14-6-1979)  
P. G. Muralidharan, I. A. S.  
Chairman (upto 23-6-1978)  
Director (upto 23-6-1978)  
T. Madhava Menon, I. A. S.  
Chairman (from 23-6-1978 to 24-8-1978)  
Director (from 23-6-1978 to 14-6-1979)  
P. T. Devassy, I. F. S. (upto 31-1-1980)  
A. K. Singh, I. A. S. (upto 1-4-1978)  
Sarala Gopalan, I. A. S. (upto 28-9-1978)  
Prof. K. M. Chandy (upto 28-9-1978)  
C. K. K. Panicker, I. A. S. (upto 7-2-1979)  
P. Subbiah Pillai (from 1-4-1978 to 31-7-1979)  
C. P. Kunhalikutty Keyi (from 24-8-1978 to 28-9-1979  
and from 11-10-1979 to 30-4-1980)  
P. Unnikrishnan Nair (from 24-8-1978 to 28-9-1979)  
Y. Thomas (from 24-8-1978 to 28-9-1979)  
N. Hemachandran (from 24-8-1978 to 28-9-1979)  
Joseph Alexander (from 24-8-1978 to 28-9-1979)  
R. C. Choudhury, I. A. S. (from 28-9-1978 to 14-6-1979)  
S. G. Sundaram, I. A. S. (from 28-9-1978)  
M. S. Joseph, I. A. S. (from 7-2-1979 to 30-4-1980)  
K. Babu (from 28-3-1979 to 30-4-1980)  
M. L. Francis (from 28-4-1979 to 30-4-1980)  
T. N. Jayachandran, I. A. S. (from 14-6-1979 to 30-4-1980)  
T. M. Thomas (from 31-7-1979 to 28-9-1979)  
P. Balakrishnan Nair (from 28-9-1979)  
M. N. Sukumaran Nair (from 11-10-1979 to 30-4-1980)  
V. Govinda Menon (from 11-10-1979 to 30-4-1980)  
P. V. Thampi (from 11-10-1979 to 30-4-1980)  
V. K. Abraham (from 3-12-1979 to 30-4-1980)  
R. Ravindran, Managing Director (upto 11-3-1979)  
K. K. Nair, I. F. S. (from 31-1-1980)  
K. J. Joseph, I. F. S., Managing Director (from 11-3-1979)

## SECRETARY

Philip Jacob, B. Sc., B. Com., A. C. S.

## BANKERS

State Bank of Travancore  
Indian Overseas Bank  
Syndicate Bank  
Canara Bank  
Central Bank of India  
Union Bank of India  
Kottayam District Co-operative Bank  
State Bank of India

## AUDITORS

M/s. John & Co.  
Chartered Accountants,  
Collectorate Junction,  
Kottayam.

## LEGAL ADVISERS

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

**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the 17th Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at 12.30 P. M. on Saturday the 29th September 1979 to transact the following business.

- (i) to receive and adopt the Directors' and Auditors' Reports and the audited Balance Sheet as on 31st March 1979 and the Profit and Loss Account for the year ended that date.
- (ii) 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. M. Abraham
2. " P. T. Devassy
3. " M. S. Joseph
4. " S. G. Sundaram
5. " T. N. Jayachandran
6. " T. M. Thomas
7. " C. P. Kunhalikutty Keyi
8. " P. Unnikrishnan Nair
9. " Y. Thomas
10. " N. Hemachandran
11. " Joseph Alexander
12. " K. Babu
13. " M. L. Francis

By order of the Board

**For The Plantation Corporation of Kerala Ltd.**

Sd/-

PHILIP JACOB

Secretary

Kottayam,  
27-8-1979.

Note:- 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.

**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the 17th (adjourned) Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at 10.30 A. M. on Thursday the 29th May 1980, to transact the following business.

To receive and adopt the Directors' and Auditors' Reports and Audited Balance Sheet as on 31-3-1979 and the Profit and Loss Account for the year ended that date.

By Order of the Board

**For The Plantation Corporation of Kerala Ltd.**

Sd/-

PHILIP JACOB

Secretary

Kottayam,  
25-4-1980.

Note: 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.

**DIRECTORS' REPORT**

Gentlemen,

Your Directors have pleasure in presenting to you the 17th Annual Report of the Corporation for the year ended 31st March 1979.

**FINANCIAL POSITION**

The authorised share capital of the Corporation is Rs. 7.5 crores and the paid up capital was raised from Rs. 449.44 lakhs as on 31st March 1978 to Rs. 510.10 lakhs as on 31st March 1979. The paid up capital has been increased further by Rs. 5 lakhs by issue of shares to Government of Kerala, bringing the amount to Rs. 515.10 lakhs as on the date of report.

The financial position of the Corporation improved considerably during the year under review. This can be attributed mainly to the increase in price of rubber.

**AUDIT**

The accounts of the company were audited by M/s. John & Co., Chartered Accountants Kottayam, who were appointed by the Government of India as auditors under Sec. 619 of the Companies Act.

**PROFIT & LOSS ACCOUNT**

It is a matter of satisfaction that against the net profit of Rs. 5,28,980.12 for the previous year, the Corporation was able to show a net profit of Rs. 34,85,344.59 for the year ended 31st March 1979. This has been arrived at after making the following appropriations and provisions:

(a) Interest on loans and guarantee commission	..	Rs.	61,09,691.28
(b) Rehabilitation reserve	..		9,99,890.53
(c) Depreciation	..		16,25,754.32
(d) Amount written off	..		4,141.61
(e) Bonus	..		17,51,782.10
(f) Provision for taxation	..		65,45,000.00
			<hr/>
	Total	..	1,70,36,259.84
			<hr/>

**CONDITION OF THE ESTATES**

The major activity of the Corporation continue to be management of extensive rubber plantations. The total area with the Corporation at present is given below:

Area under rubber including area for buildings factories, roads, canals, marshy areas, rocks fire belts etc.	7,418	hectares
Area under cashew (in the rubber Estates)	920	"
Submergible area	220	"
Area to be planted	70	"
Kasergode Cashew Plantation	2,321	"
Cheemeni Cashew Plantation	975	"
Rajapuram Cashew Plantation	493	"
	<hr/>	
	12,417	"
	<hr/>	

An extent of 2125.65 hectares is yet to be handed over to the Corporation by Forest Department for rubber plantation. Forest Department and Government have been requested to expedite this.

We have at present 5645 hectares of mature and 1517 hectares of immature areas under rubber. The target of yield fixed for the year under report (5482 M.T.) could not be achieved but there was an increase of 153 M. T. production compared to previous year.

The yield during the year 1979-80 (i.e. after 31-3-1979) was not steady during the early part of the tapping season mainly due to the prolonged drought. After the rains the yield has improved and in some areas the target fixed for the day are seen exceeded.

Strict measures are being adopted for controlling bark consumption during tapping. Trees affected by disease have been given rest and tapping pattern has been changed suitably, taking into account the condition of plants. Rainguarding, spraying, fertiliser application etc. have been carried out in time during the year. There was heavy wind damage in 1979 and we sustained a loss of about 12,000 plants in Vettilappara and Kallala Estates alone.

### **CASHEW**

During the year under report 400 hectares was planted with cashew in Rajapuram.

The yield during 1978-79 was 313 M. T. During 1979-80 till date, we got a total yield of 247 M. T. of cashew against an estimated yield of 380 M. T. Adverse climatic conditions during the year 1979-80 were responsible for this reduction in yield.

### **WORLD BANK SCHEME FOR CASHEW**

The Corporation is implementing a World Bank Scheme for cashew. According to this programme, we have already planted 750 hectares with cashew and rehabilitation work has been completed in 2320 hectares. There is a proposal by the Corporation to increase the area under cashew and identification of areas suitable for the same is being carried out now. Feasibility studies on the establishment of a Pilot Plant for cashew apple processing are also under way.

### **CARDAMOM AND COFFEE PLANTATIONS**

The Corporation continues to manage the Alakode Estate (as per government orders) for raising Cardamom, Coffee etc. A programme for improvement of existing plantations and raising new plantations of Cardamom etc. has been approved by the Board. Inaccessibility continues to be a problem in this area as far as management is concerned.

### **PERSONNEL MANAGEMENT AND INDUSTRIAL RELATIONS**

During the year under review, there has been no change in the structure of the organisation. We have continued the practice of sending our staff and officers for various seminars and training programmes arranged by various agencies.

Except for an Industry-wide strike for wage revision lasting 17 days, there has been no other major labour unrest during the year. Good relationship has been maintained between the workers, staff and management and this is the result of joint discussions with labour and staff unions from time to time.

### **LABOUR WELFARE**

The Corporation continues to give facilities like free electricity, water, accommodation, uniforms, medical facilities etc. as before. Steps are taken to improve the quality of service every

year. Our hospitals in the estates provide medical amenities to staff and workers. During the current year, a comprehensive medical check up by the Doctors of Kottayam Medical College Hospital has been arranged for the workers, staff and their families in the Estates. The Corporation is still looking after the management of the U. P. School at Kalady as an aided school.

Other facilities like canteen, creches, free supply of baby food, milk, nursery school, libraries and recreation clubs are provided in the estates.

### BOARD OF DIRECTORS

The Board of Directors of the Corporation was re-constituted on 28-9-1978 by the Government of Kerala under Article 63 (2) of the Articles of Association of the Corporation and the following Directors were appointed.

1. Shri T. Madhava Menon
2. " P. T. Devassy
3. " C. K. K. Panicker
4. " P. Subbiah Pillai
5. " C. P. Kunhalikutty Keyi
6. " Y. Thomas
7. " P. Unnikrishnan Nair
8. " N. Hemachandran
9. " Joseph Alexander

Under Article 63 (3) of the Articles of Association, Government have appointed, by the same order, the following Directors to fill up casual vacancies.

1. Shri S. G. Sundaram, Chairman, Rubber Board  
(in place of Prof. K. M. Chandy, resigned)
2. Shri R. C. Choudhury, Addl. Secretary, Industries Department  
(in place of Smt. Sarala Gopalan, former Addl. Secretary, Industries Department).

Shri E. P. Eapen continued to be the Chairman of the Corporation.

On 7-2-1979, Shri M. S. Joseph, Director of Agriculture was appointed Director in place of Shri C. K. K. Panicker. Under Article 63 (1) of the Articles of Association, Shri K. Babu was appointed Director on 28-3-1979. Shri P. M. Abraham, Agricultural Production Commissioner was appointed Director in place of Shri T. Madhava Menon and Shri T. N. Jayachandran was appointed director in place of Shri R. C. Choudhury on 14-6-1979 under Article 63 (3) of the Articles of Association. Shri T. M. Thomas, Deputy Secretary, (Finance Department) was appointed Director in place of Shri P. Subbiah Pillai on 31-7-1979.

### MANAGING DIRECTOR

Shri K. J. Joseph, I. F. S. was appointed Managing Director of the Corporation in place of Shri R. Ravindran, by G. O. (Rt.) No. 674/79/AD dated 8-3-1979.

### SUBSIDIARY COMPANY

Oil Palm India Limited was incorporated on 21-11-1977 as subsidiary company and it has taken over the Oil palm estates of the Corporation by virtue of an agreement with the holding company.

Against the authorised capital of Rs. 10 crores and paid-up capital of Rs. 2 crores of the subsidiary company, 51% is held by the Holding company and the rest by Government of India.

After setting off the value of shares allotted to the Holding Company viz. Rs. 1,02,00,000/- out of the take over consideration of Rs. 1,61,11,088.87. the balance amount of Rs. 59,11,088.87 has been treated as a loan to the subsidiary company. The balance in this account as on 31-3-1979 is about Rs. 17 lakhs.

### ACKNOWLEDGEMENT

The Directors wish to record their gratitude and appreciation for the services rendered by outgoing Directors Sri T. Madhava Menon, Shri C. K. K. Panicker, Shri P. Subbiah Pillai, Shri R. C. Choudhury, Prof. K. M. Chandy, Mrs. Sarala Gopalan and Shri R. Ravindran, former Managing Director.

The Directors express their sense of gratitude to the Government of India, Government of Kerala, World Bank, Rubber Board, Central Plantation Crops Research Institute, Agricultural University, Agricultural College and F. A. O. and other agencies for their contribution to the significant growth achieved by the Corporation.

The Directors are also grateful to the officers, staff and workers of the Corporation for their unstinted co-operation and contribution to the progress of the Corporation.

for and on behalf of the Board of Directors,

Kottayam,  
29-8-1979.

Sd/-  
E. P. EAPEN,  
Chairman.

**REVIEW OF THE ACCOUNTS OF  
THE PLANTATION CORPORATION OF KERALA LIMITED FOR THE  
YEAR ENDED 31st MARCH 1979 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 upto 1978-79.

Liabilities	1976-77	1977-78	1978-79
	<i>(Rupees in lakhs)</i>		
1. Paid-up capital	441.44	449.44	515.10*
Reserves and surplus	28.73	50.80	102.96
Borrowings	406.22	463.84	436.22
Trade dues and current liabilities including provision	145.14	173.21	234.06
	1,021.53	1,137.29	1,288.34
<b>Assets</b>			
Gross block	412.14	422.05	496.47
Less: Depreciation	94.61	102.53	118.52
Net Fixed assets	317.53	319.52	377.95
Development of property	557.20	499.98	582.66
Buildings and roads under construction, machinery under erection	33.74	55.13	36.41
Investments	0.46	0.45	102.41
Current assets, loans and advances	109.68	261.04	187.09
Miscellaneous expenditure	2.92	1.17	1.82
	1,021.53	1,137.29	1,288.34
Capital employed	839.27	907.33	913.64
Net worth	467.24	499.07	616.24

Note:—1. Capital employed represents net fixed assets plus Working Capital.

2. Net worth represents paid-up capital plus reserves and surplus less intangible assets.

\* Includes Rs. 5 lakhs received from Government for issue of shares.

### 2. CAPITAL STRUCTURE

The debt equity ratio of the Company was 0.92:1 in 1976-77, 1.03:1 in 1977-78 and 0.85:1 in 1978-79.

### 3. RESERVES AND SURPLUS

The reserves and surplus accumulated as at the end of 3 years upto 1978-79 amounted to Rs. 28.73 lakhs, Rs. 50.80 lakhs and Rs. 102.96 lakhs respectively. The reserves worked out to 2.81 per cent of the total liabilities in 1976-77, 4.47 per cent in 1977-78 and 7.99 per cent in 1978-79, and to 6.51 per cent of equity capital in 1976-77, 11.30 per cent in 1977-78 and 19.99 per cent in 1978-79.

## 4. LIQUIDITY AND SOLVENCY

(a) The percentage of current assets to total net assets varied from 10.74 in 1976-77 to 22.95 in 1977-78 and 14.52 in 1978-79.

(b) The percentage of current assets to current liabilities (including provision) increased from 75.57 in 1976-77 to 150.71 in 1977-78 and decreased to 79.93 in 1978-79.

(c) The percentage of quick assets (sundry debtors, advances and cash and bank balances) to current liabilities (excluding provisions) increased from 22.56 in 1976-77 to 55.65 in 1977-78 and to 67.82 in 1978-79.

## 5. WORKING CAPITAL

The working capital (current assets, loans and advances less trade dues and current liabilities) of the Company at the end of the three years upto 1978-79 amounted to Rs. (—) 35.46 lakhs, Rs. 87.83 lakhs and Rs. (—) 46.97 lakhs respectively.

The working capital requirements of the Company during the three years upto 1978-79 were met mainly from unsecured loans from Government of Kerala and overdraft facilities from a Bank against Government guarantee.

## 6. SOURCES AND USES OF FUNDS

Funds amounting to Rs. 148.60 lakhs from internal sources (depreciation, provision and reserves) and Rs. 18.44 lakhs from other sources were utilised during 1978-79 as shown below:—

	<i>(Rupees in lakhs)</i>
Gross fixed assets (including Development of property & Capital works-in-progress)	138.38
Investment	101.96
Current assets	(—) 73.95
Miscellaneous expenditure	0.65
	<u>167.04</u>

## 7. WORKING RESULTS

The working results of the Company for the three years upto 1978-79 are tabulated below:—

	1976-77	1977-78	1978-79
	<i>(Rupees in lakhs)</i>		
(a) (i) Profit before tax	26.70	5.70*	100.30
(ii) Tax provision	0.35	0.41	65.45
(iii) Profit after tax	26.35	5.29	34.85
(b) Percentage of profit before tax to :			
(i) Sales	6.75	1.49	18.64
(ii) Gross fixed assets (including development of property)	2.75	0.62	9.29
(iii) Capital employed	3.18	0.63	10.98
(c) Percentage of profit after tax to :			
(i) Net worth	5.64	1.06	5.66
(ii) Equity capital	5.97	1.18	6.77
(iii) Capital employed	3.14	0.58	3.81

\* Profit after charging provision for bonus (Rs. 15 lakhs) in addition to bonus for the preceding year.

**B. COST TRENDS**

The table below indicates the sales, cost of sales and percentage of cost of sales for the three years upto 1978-79.

	1976-77	1977-78	1978-79
	(Rupees in lakhs)		
Sales	395.81	381.95	538.00
Less: Profit before tax	26.70	5.70	100.30
Cost of sales	369.11	376.25	437.70
Percentage of cost of sales to sales	93.25	98.51	81.36

**C. PRODUCTION PERFORMANCE**

The value of production for the three years upto 1978-79 is worked out below:-

	1976-77	1977-78	1978-79
	(Rupees in lakhs)		
(a) Sales	395.81	381.95	538.00
(b) Closing stock of finished goods, work-in-process and stock in transit	48.48	30.62	43.33
(c) Opening stock of finished goods, work-in-process and stock in transit	34.44	48.48	30.62
(d) Value of production (a + b - c)	406.85	364.09	550.71

The percentage of value of production to net worth decreased from 87.08 in 1976-77 to 72.95 in 1977-78 and increased to 89.37 in 1978-79. The percentage of value of production to total net assets decreased from 39.83 in 1976-77 to 32.01 in 1977-78 and increased to 42.75 in 1978-79.

**D. INVENTORY AND PRODUCTION**

The following table indicates the comparative position of inventory and its distribution at the close of the three years upto 1978-79.

	1976-77	1977-78	1978-79
	(Rupees in lakhs)		
(a) Stores & spares			
(i) General stores and spares	16.50	16.06	23.31
(ii) Engineering stores	7.12	5.77	3.60
(b) Loose tools	1.59	1.48	1.49
(c) Stock-in-trade, finished goods including work-in-process	48.48	30.62	43.33
(d) Equipment	1.69	2.59	2.82
	75.38	56.52	74.55

The Stock of general stores and spares was the equivalent of 6.46 months' requirements (for production and development of property) during 1978-79 as compared to 3.79 months' in 1977-78 and 3.92 months' in 1976-77. (Engineering stores intended for capital construction are excluded for the purpose of this analysis).

## 11. SUNDRY DEBTORS AND TURNOVER

The following table indicates the value of book debts and sales for the three years upto 1978-79.

<i>As on 31st March</i>	<i>Total book debts</i>			<i>Percentage of debts to sales</i>
	<i>Considered good</i>	<i>Considered doubtful</i>	<i>Sales</i>	
1977	19.03	..	395.81	4.81
1978	19.65	..	381.95	5.14
1979	41.55	..	538.00	7.72

The book debts increased by 3.26 per cent in 1977-78 and 118.34 per cent in 1978-79 as compared to 1976-77. The book debts represented about 0.58 months' turnover in 1976-77, about 0.62 months' in 1977-78 about 9.03 months' in 1978-79.

The following table indicates the details of the debts outstanding for more than one year as on 31-3-1979.

	<i>Govt. Companies</i>	<i>Private Companies</i>	<i>Total</i>
	<i>(Rupees in lakhs)</i>		
1. Debts outstanding for more than one year but less than two years	..	0.36	0.36
2. Debts outstanding for more than two years but less than three years	..	0.08	0.08
3. Debts outstanding for three years and more	0.18	0.31	0.49

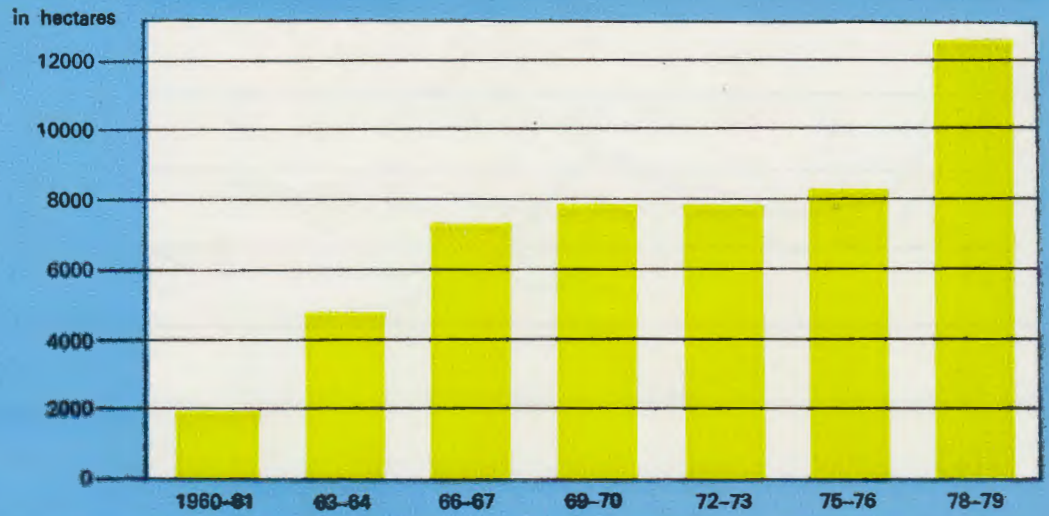
Trivandrum,  
12-2-1980.

Sd/-  
S. SETHURAMAN,  
Accountant General, Kerala.

PLANTATION CORPORATION OF KERALA

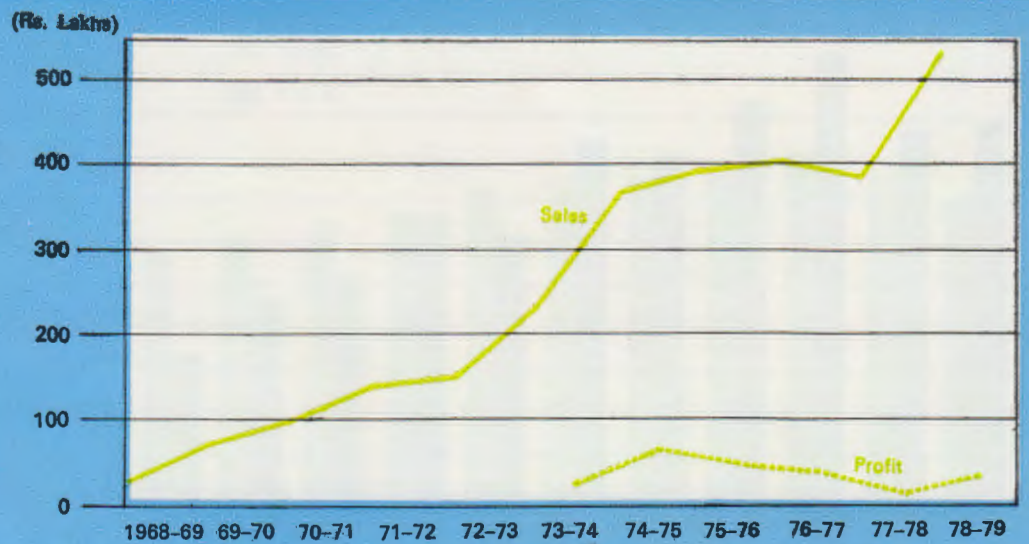
AREA BROUGHT UNDER PLANTATION CROPS

Year	Area (in hectares)
1960-61	1932
1963-64	4701
1966-67	7320
1969-70	7844
1972-73	7844
1975-76	8189
1978-79	12417



SALES AND PROFIT

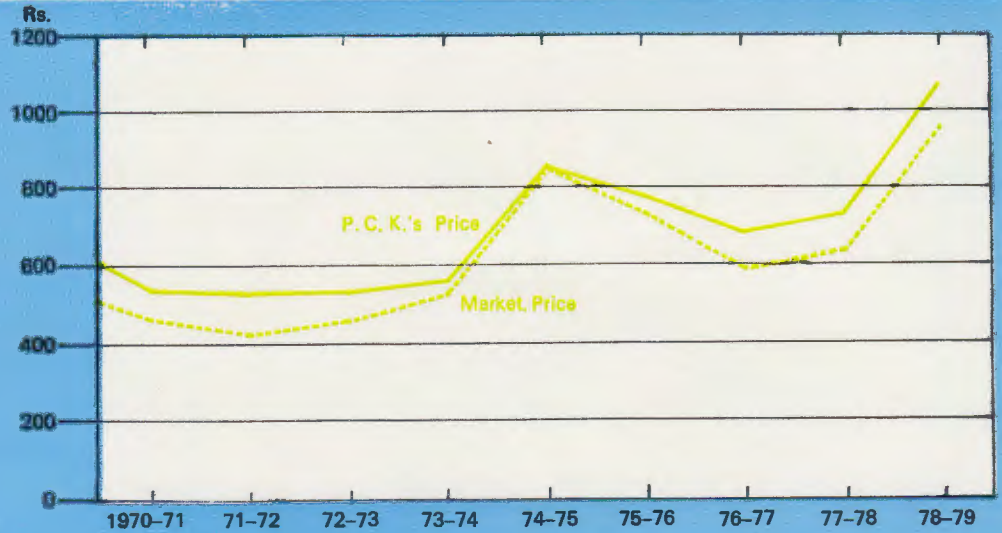
Year	Sales (Rs. Lakhs)	Profit (Rs. Lakhs)
1968-69	19	
1969-70	63	
1970-71	92	
1971-72	130	
1972-73	145	
1973-74	223	13
1974-75	356	57
1975-76	379	43
1976-77	395	28
1977-78	377	5
1978-79	523	35



PLANTATION CORPORATION OF KERALA

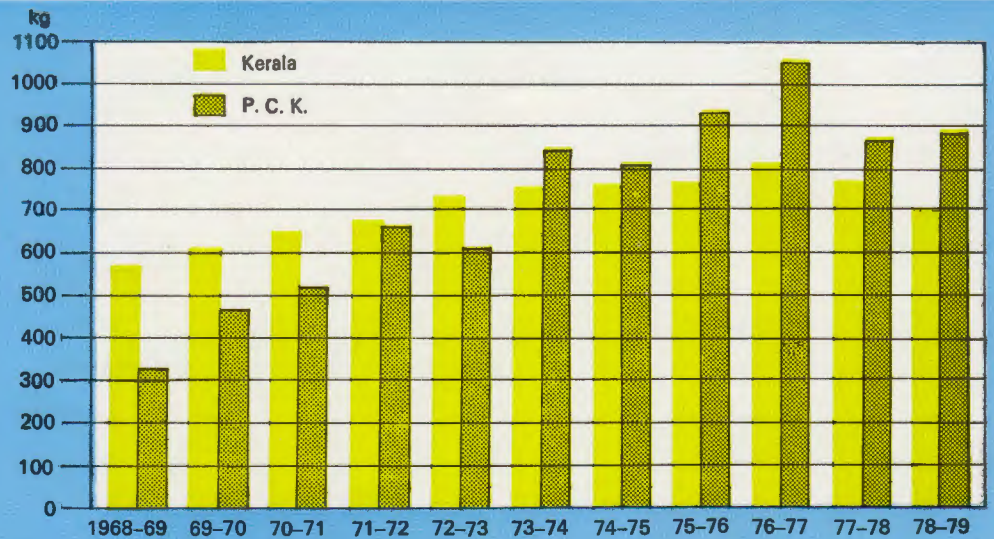
AVERAGE PRICE PER QUINTAL

Year	P. C. K. (Rs.)	Market (Rs.)
1968-69	462	466
1969-70	609	501
1970-71	536	464
1971-72	521	421
1972-73	521	459
1973-74	547	515
1974-75	849	849
1975-76	771	744
1976-77	688	596
1977-78	726	632
1978-79	1062	953



AVERAGE YIELD PER HECTARE

Year	Kerala (kg)	P. C. K. (kg)
1968-69	568	323
1969-70	609	468
1970-71	647	517
1971-72	673	665
1972-73	721	609
1973-74	750	844
1974-75	755	812
1975-76	768	935
1976-77	806	1054
1977-78	764	858
1978-79	698	884



PLANTATION CORPORATION OF KERALA

ACCOUNTS

## BALANCE SHEET AS AT

Previous year	LIABILITIES		Rs.	P.	Rs.	P.
Rs. P.						
	<b>SHARE CAPITAL</b>					
	AUTHORISED					
7,50,00,000 .00	75,000 Equity Shares of Rs. 1,000/- each		7,50,00,000 .00			
	SUBSCRIBED					
4,49,44,000 .00	51,010 Equity shares of Rs. 1,000/- each subscribed and paid up (Previous year 44,944 shares)		5,10,10,000 .00			
3,81,40,000 .00	38,840 Equity shares of Rs. 1,000/- each fully called up (38140 shares previous year)		3,88,40,000 .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			
	5,366 Equity shares allotted as fully paid up pursuant to a contract without payment being received in cash (cost of Cashew Plantation at Kasergode)		53,66,000 .00			
4,49,44,000 .00					5,10,10,000 .00	
	Amount received from Government of Kerala for the issue of shares					5,00,000 .00
	RESERVES AND SURPLUS					
	Rehabilitation Reserve		66,20,244 .06			
	Add: for the year		9,99,890 .53			
			76,20,134 .59			
	PROFIT AND LOSS ACCOUNT ADJUSTMENT					
	Profit for the year ended 31-3-1979		34,85,344 .59			
32,04,719 .18	Less: Balance loss as on 31-3-1978		34,15,524 .88			
			69,819 .71			
18,75,000 .00	Subsidy received from Government of Kerala for Subsidised Housing Scheme					18,75,000 .00
	Subsidy received from Government for the Upkeep and maintenance of Cashew Plantations					7,30,640 .00
5,00,23,719 .18	Carried over				6,18,05,594 .59	

31ST MARCH 1979

Previous Year	ASSETS				
Rs. P.		Rs.	P.	Rs.	P.
	<b>FIXED ASSETS</b>				
3,19,51,664.86	(a) Buildings, Roads, Plant and Machinery, Furniture etc. as per Schedule A.	3,77,95,008.84			
4,99,98,440.05	(b) Development of Property as per Schedule B	5,82,65,580.90			
55,13,156.42	(c) Buildings & Roads under construction (at cost) and Plant & Machinery under erection	<u>36,41,144.67</u>			9,97,01,734.41
	<b>INVESTMENTS</b>				
1,000.00	Investment in Equity Shares of Companies (unquoted) fully paid up (at cost) as per Schedule C	1,000.00			
100.00	Investment in Equity shares of Co-operative Society (unquoted) fully paid up (at cost) as per Schedule D.	100.00			
40,000.00	Investment in 7 Year National Savings Certificate at cost	40,000.00			
4,000.00	Investment in Equity Shares of Oil Palm India Limited (Subsidiary Company) 10,200 Equity shares of Rs. 1000/- each (4 shares previous year)	1,02,00,000.00			1,02,41,100.00
	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
1,14,28,434.96	A. Current Assets as per Schedule E	1,43,18,815.61			
1,46,75,640.11	B. Loans & advances as per Schedule F	<u>43,90,550.05</u>			1,87,09,365.66
	<b>MISCELLANEOUS EXPENDITURE</b>				
1,16,299.88	(to the extent not written off or adjusted as per schedule G)				1,81,811.84
<u>11,37,28,736.28</u>	Carried over				<u>12,88,34,011.91</u>

## BALANCE SHEET AS AT

Previous year Rs. P.	LIABILITIES	Rs. P.	Rs. P.
5,00,23,719.18	Brought forward		6,18,05,594.30
	<b>UNSECURED LOANS</b>		
4,39,16,115.00	Loan from Government of Kerala	4,11,93,578.00	
24,68,000.00	Loan from Government of Kerala for Subsidised Housing Scheme	24,28,400.00	
76,73,544.33	Interest accrued and due on Government loans	<u>52,53,568.15</u>	4,88,75,546.15
	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
81,05,264.07	A. Current liabilities as per Schedule H.	85,65,481.28	
2,093.70	Welfare fund	2,390.18	
	B. Provisions :		
40,000.00	Provision for Taxation	65,85,000.00	
15,00,000.00	Provision for Bonus	<u>30,00,000.00</u>	1,81,52,871.46
<u>11,37,28,736.28</u>	<b>Total</b>		<u>12,88,34,011.96</u>

Sd/-  
E. P. EAPEN  
Chairman

Sd/  
K. J. JOSEPH  
Managing Director

PLANTATION CORPORATION OF KERALA

31st MARCH 1979

Previous Year  
Rs. P.

12,87,28,736.28

ASSETS

Rs. P.

Rs. P.

Brought forward

12,88,34,011.91

12,87,28,736.28

Total

12,88,34,011.91

As per our report of even date  
For JOHN & CO.

Sd/-

T. V. JOSEPH

Partner

Chartered Accountants

JACOB

## PROFIT AND LOSS ACCOUNT

Previous year Rs. P.	EXPENDITURE	This year Rs. P.
	To Opening Stock	
48,00,490.82	Finished goods/work-in-process (Rubber)	26,32,655.98
	Stock of cashew nuts	4,28,937.64
35,38,930.06	Pay and allowances	40,90,743.01
5,567.83	" Leave salary & pension contribution to staff	5,328.00
58,366.01	" Gratuity paid	1,15,338.71
	" Leave encashment (Privilege leave and sick leave)	4,63,361.04
4,03,067.30	" Employers contribution to P. F.	14,69,435.73
12,67,770.89	" Deposit linked insurance	1,01,403.70
95,540.24	" Bonus	32,51,782.10
11,90,427.94	" Less: Provision	15,00,000.00
		17,51,782.10
4,774.19	" Honorarium to Chairman	3,629.03
32,332.80	" T. A. & sitting fees to Directors	30,092.15
1,66,298.03	" T. A. to staff and officers	1,67,999.37
3,720.02	" Rent	3,023.04
2,94,151.26	" Rates and Taxes	3,81,547.04
3,18,832.09	" Electricity charges	3,92,951.76
1,83,398.26	" Lease rent	1,93,352.74
3,24,074.75	" Insurance charges	3,83,632.41
6,83,192.48	" Repairs & maintenance of Assets (Sch. I)	13,17,186.41
69,021.22	" Advertisement charges	1,04,643.04
21,302.55	" Legal expenses	53,164.81
	" Remuneration to Auditors	
9,000.00	For audit	9,000.00
	for expenses	4,255.40
		13,255.40
1,70,361.35	" Prior period adjustment	5,17,132.29
3,780.00	" Staff training expenses	3,595.00
30,90,964.96	" Welfare expenses (Schedule V)	34,99,505.27
17,23,276.38	" Miscellaneous expenses and adjustments (Schedule II)	5,83,507.53
48,17,890.04	" Cultivation & Upkeep of Rubber	47,88,180.44
80,19,339.76	" Tapping and collection of rubber	85,91,247.34
42,48,178.88	" Manufacturing and selling expenses as per Schedule III	47,18,549.06
8,49,269.14	" Depreciation including loss on revaluation etc.	10,88,016.98
37,59,540.40	" Interest on loans and overdraft	61,09,691.28
26,626.98	" Guarantee commission	
93,386.05	" Cashew Project expenses (Schedule IV)	1,26,363.97
948.00	" Income Tax paid in excess of provision	
40,000.00	" Provision for taxation	65,45,000.00
9,67,578.79	" Rehabilitation Reserve	9,99,890.53
8,61,989.64	" Cultivation and upkeep of cashew	9,16,228.02
70,919.32	" Collection charges of cashew	3,01,407.80
15,00,000.00	" Provision for Bonus	30,00,000.00
	" Remuneration to Visiting Agent	14,316.00
	" T. A. to Visiting Agent	8,233.31
5,28,980.12	" Net profit for the year after all provisions and appropriations	34,85,344.59
4,42,43,288.55	Total	5,93,99,672.52

Sd/-  
E. P. EAPEN  
Chairman

Sd/-  
K. J. JOSEPH  
Managing Director

PLANTATION CORPORATION OF KERALA

FOR THE YEAR ENDED 31ST MARCH 1979

Previous year Rs. P.	INCOME	This year Rs. P.
1,77,44,511.43	By sale of rubber	5,23,27,614.32
4,42,000.00	.. sale of cashew	14,53,334.52
8,419.28	.. sale of Agricultural produce	16,307.42
3,790.00	.. sale of Budwood	1,107.50
36.50	.. sale of Tender forms	..
25,342.92	.. sale of empties and unserviceables	34,959.95
1,023.06	.. sale of rubber seeds	2,172.06
6,680.00	.. sale of Bamboo	..
42,407.85	.. sale of firewood	17,272.91
33,380.43	.. sale of pureria	37.50
300.00	.. sale of budded plants	..
..	.. sale of cashew seedlings	75.00
200.00	.. Sitting fees to Managing Director	100.00
35,96,447.11	.. Service charges Oil Palm	7,07,226.61
4,180.93	.. Profit on sale of assets	..
39.65	.. Interest on deposit	1,18,196.85
5,600.00	.. Interest on investment	..
5,372.46	.. Interest on Motor Cycle loan	6,476.87
2,506.67	.. Interest on Motor car loan	7,000.72
35,777.23	.. Rent of buildings	43,536.28
51,046.20	.. Miscellaneous income and adjustment	53,332.31
25.00	.. Prior Period Adjustment	42,636.68
345.00	.. Application fee received	554.00
66,247.21	.. Lease rent for cultivation	2,35,180.24
16.00	.. Registration fee for cattle	..
35,32,655.98	.. Closing stock of finished goods/work-in-process (Rubber)	40,07,151.77
4,28,937.64	.. Closing stock of cashew	3,25,399.01

4,42,43,288.55

Total

5,93,99,672.52

As per our report of even date  
For JOHN & CO,

Sd/-

T. V. JOSEPH

Partner

Chartered Accountants

Sd/-  
PHILIP JACOB  
Secretary

**Development Expenditure for the year ended 31st March 1979**  
(Schedule forming part of Balance Sheet as at 31st March 1979)

Previous year Rs. P.	ITEMS	Rs. P.	This year Rs. P.
5,21,828.33	Overheads B/f from previous year	6,40,344.42	
6,61,990.09	Pay and allowances	7,26,707.56	
62,234.55	Overtime to staff	90,952.61	
1,162.00	Leave salary and pension contribution	539.00	
49,359.24	Leave encashment	54,731.99	
57,274.28	Employers contribution P. F.	67,590.20	
39,839.71	Bonus	1,23,421.49	
27,870.24	Travelling expenses	34,764.95	
2,307.36	Rates and taxes	11,594.48	
9.00	Insurance charges	..	
2,09,115.18	Repairs & maintenance of Assets (Schedule VI)	2,59,578.83	
34,933.75	Lease rent	49,159.98	
231.00	Advertisement charges	5,650.48	
19,193.37	Prior period adjustments	2,647.65	
2,18,990.32	Welfare expenses	3,91,425.00	
59,268.94	Miscellaneous expenses and adjustments (Schedule VII)	92,882.44	
74,095.95	Depreciation	62,076.80	
21,66,550.81	Cultivation and upkeep of rubber	26,45,120.22	
6,13,978.96	" " cashew	9,10,123.28	
1,224.12	" " Eucalyptus	..	
47,045.13	Survey	6,797.86	
121.00	Labour welfare fund contribution	283.00	
4,008.43	Deposit linked insurance	4,708.70	
2,194.00	Rent	4,859.61	
..	Eviction expenses	3,157.56	
<u>48,74,825.76</u>	<b>Total</b>	<u>61,89,118.11</u>	
1,098.00	<b>LESS CREDITS</b>	5,042.12	
481.00	Sale of Tender forms	554.20	
4,382.00	House rent received	5,186.44	
950.00	Miscellaneous income	..	
..	Fuel charges recovered	809.26	
..	Interest on loans (Motor car/motor cycle)	3,780.00	
..	Registration fee from contractors	2,025.00	
..	Tongya cultivation	732.50	
..	Sale of Budwood	4,52,710.10	
..	Overheads of incomplete Engineering works	62,802.34	
..	Overheads transferred to Oil Palm	..	
6,47,256.22	<b>Total</b>	<u>5,33,641.96</u>	
<u>42,27,569.54</u>	<b>Balance</b>	<u>56,55,476.15</u>	
	<b>CAPITALISED AS UNDER</b>		
	Completed Engineering works	7,53,933.22	
	Rubber Plantation	34,85,952.16	
	Cashew Plantation	14,05,635.35	
	Survey	6,797.86	
	Eviction expenses	3,157.56	
<u>42,27,569.54</u>	<b>Total</b>	<u>56,55,476.15</u>	

As per our report of even date  
For JOHN & CO.

Sd/-  
E. P. EAPEN  
Chairman

Sd/-  
K. J. JOSEPH  
Managing Director

Sd/-  
PHILIP JACOB  
Secretary

Sd/-  
T. V. JOSEPH  
Partner  
Chartered Accountants

SCHEDULES

## SCHEDULE

## SCHEDULE OF

(Included in and forming part of

Item	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
	2	3	4	5	6	7
1	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.	Rs. P.
Freehold land	1,96,735.20	17,23,612.00	19,20,347.20			
Buildings	2,41,60,632.88	36,29,102.24	2,77,89,735.12	47,34,977.01	6,52,638.24	53,87,615.25
Vehicles	20,35,990.16	4,54,500.23	24,90,490.39	15,85,954.19	2,40,988.26	18,26,942.45
Plant and machinery	43,40,819.93	20,629.72	43,61,449.65	22,88,325.65	2,86,366.48	25,74,692.13
Furniture	6,56,512.80	40,635.67	6,97,148.47	3,06,622.69	39,070.64	3,45,693.33
Office equipment	2,15,265.48	32,919.76	2,48,185.24	1,21,067.93	18,951.04	1,40,018.97
Survey Instruments	9,755.61		9,755.61	8,779.97	146.30	8,926.27
Library	20,341.55	1,655.05	21,996.60	8,754.93	1,302.46	10,057.39
Roads	64,69,919.72	23,811.21	64,93,730.93			
Fence	7,53,632.46	13,882.51	7,67,514.97			
Electric Fittings	24,820.00	727.35	25,547.35	14,597.98	1,505.79	16,103.77
Electric Appliances	19,699.51	485.00	20,184.51	9,971.70	1,531.89	11,503.59
Electric Installations	20,72,856.72	1,70,627.86	22,43,484.58	7,68,290.03	1,44,326.08	9,12,616.11
Telephone	15,557.38		15,557.38	8,391.72	1,074.84	9,466.56
Wells	1,677.37		1,677.37			
Water supply installation	11,90,224.27	13,64,497.29	25,54,721.56	3,89,600.98	220,762.40	6,10,363.38
Landing pad	9,007.18	5,851.33	14,858.51			
Jhankar	11,317.00		11,317.00	7,765.58	355.14	8,120.72
<b>Total</b>	<b>4,22,04,765.22</b>	<b>74,82,937.22</b>	<b>4,96,87,702.44</b>	<b>1,02,53,100.36</b>	<b>16,09,019.56</b>	<b>1,18,62,119.92</b>

Sd/-  
E. P. EAPEN  
Chairman

Sd/-  
K. J. JOSE  
Managing Director

PLANTATION CORPORATION OF KERALA

Statement of Assets and Liabilities as at 31st March 1979)

DEPOSALS & ADJUSTMENTS		BALANCE			
Original cost		Depreciation written off	Original cost	Depreciation to-date	NET BLOCK
8		9	10	11	12
Rs.	P.	Rs.	P.	Rs.	P.
..	..	..	19,20,347.20	..	19,20,347.20
..	..	..	2,77,89,735.12	53,87,615.25	2,24,02,119.87
35,318.27	..	7,232.53	24,55,172.12	18,19,709.92	6,35,462.20
5,351.67	..	2,863.73	43,56,097.98	25,71,828.40	17,84,269.58
..	..	..	6,97,148.47	3,45,693.33	3,51,455.14
..	..	..	2,48,185.24	1,40,018.97	1,08,166.27
..	..	..	9,755.61	8,926.27	829.34
..	..	..	21,996.60	10,057.39	11,939.21
..	..	..	64,93,730.93	..	64,93,730.93
..	..	..	7,67,514.97	..	7,67,514.97
..	..	..	25,547.35	16,103.77	9,443.58
..	..	..	20,184.51	11,503.59	8,680.92
..	..	..	22,43,484.58	9,12,616.11	13,30,868.47
..	..	..	15,557.38	9,466.56	6,090.82
..	..	..	1,677.37	..	1,677.37
..	..	..	25,54,721.56	6,10,363.38	19,44,358.18
..	..	..	14,858.51	..	14,858.51
..	..	..	11,317.00	8,120.72	3,196.28
40,669.94	..	10,096.26	4,96,47,032.50	1,18,52,023.66	3,77,95,008.84

As per our report of even date  
For JOHN & CO.  
Sd/-  
T. V. JOSEPH  
Partner  
Chartered Accountants

## SCHEDULE

## DEVELOPMENT

(Included in and forming part of)

Item	Till last year	Additions during					
		Kodumon	Chandanappally	Adirappally	Kallala	Vettilappara	
1	2	3	4	5	6	7	
1959 Plantation	7,17,074.89	..	..	..	..	..	
1960 Plantation	5,62,467.87	..	..	..	..	..	
1961 Plantation	71,35,037.26	..	..	..	..	..	
1962 Plantation	45,64,998.12	..	..	..	..	..	
1963 Plantation	44,37,542.96	..	..	..	..	..	
1964 Plantation	20,37,593.07	..	..	..	..	..	
1965 Plantation	49,55,526.49	..	..	..	..	..	
1966 Plantation	22,55,711.48	..	..	..	..	..	
1967 Plantation	37,69,476.47	..	..	..	..	..	
1968 Plantation	32,02,101.36	..	..	..	..	..	
1969 Plantation	5,42,665.32	..	..	..	..	..	
1970 Plantation	9,04,884.41	..	..	..	..	..	
1971 Plantation	8,99,186.68	..	..	..	..	..	
1972 Plantation	7,74,088.92	..	..	..	..	14,372.00	
1973 Plantation	13,79,521.10	87,085.57	32,585.65	..	..	..	
1974 Plantation	27,26,341.23	81,199.32	40,404.86	..	..	..	
1975 Plantation	6,38,063.63	12,567.29	42,898.57	1,59,787.91	..	..	
1976 Plantation	15,61,048.04	..	11,823.08	2,15,964.64	3,28,718.33	33,501.80	
1977 Plantation	8,94,227.88	..	..	3,71,362.22	..	..	
1978 Plantation	..	..	..	..	..	..	
1979 Plantation	..	..	..	..	..	..	
1967 Replanting	8,99,989.98	..	..	..	..	..	
1968 Replanting	1,76,105.28	..	..	..	..	..	
1969 Replanting	4,99,906.84	..	..	..	..	..	
1970 Replanting	70,505.30	..	..	..	..	..	
1971 Replanting	3,14,844.42	..	..	..	..	..	
1972 Replanting	1,68,106.87	..	..	25,177.76	..	..	
1973 Replanting	8,56,582.70	..	..	70,451.03	42,387.69	..	
1974 Replanting	62,738.36	..	..	..	27,923.95	..	
Coconut	795.36	..	..	..	..	..	
Evicted Area Expenses	14,55,240.09	3,157.56	..	..	..	..	
Survey	1,41,068.53	..	..	..	2,630.78	..	
Eucalyptus	85,325.37	..	..	..	..	..	
Kasargode Cashew Plantation	65,710.48	..	..	..	..	..	
Cashew 1976	..	..	..	..	..	..	
Cashew 1977	4,52,980.40	..	..	..	..	..	
Cashew 1978	..	..	..	..	..	..	
Cashew	7,90,982.89	..	34,233.46	16,517.69	25,170.23	13,022.00	
<b>Total</b>	<b>4,99,98,440.05</b>	<b>3,157.56</b>	<b>1,80,652.18</b>	<b>1,51,945.62</b>	<b>8,59,261.25</b>	<b>4,26,830.98</b>	<b>60,891.00</b>

Sd/-  
E. P. EAPEN  
Chairman

Sd/-  
K. J. JOSE  
Managing Director

**B**

OF PROPERTY

the Balance Sheet as at 31st March 1979)

the year

Perambra	Thannithodu	Kasargode	Cheemeni	Rajapuram	Total	Disposals	Cost to date
8	9	10	11	12	13	14	15
..	..	..	..	..	7,17,074.89	..	7,17,074.89
..	..	..	..	..	5,62,467.87	..	5,62,467.87
..	..	..	..	..	71,35,037.26	..	71,35,037.26
..	..	..	..	..	45,64,998.12	..	45,64,998.12
..	..	..	..	..	44,37,542.96	..	44,37,542.96
..	..	..	..	..	20,37,593.07	..	20,37,593.07
..	..	..	..	..	49,55,526.49	..	49,55,526.49
..	..	..	..	..	22,55,711.48	..	22,55,711.48
..	..	..	..	..	37,69,476.47	..	37,69,476.47
..	..	..	..	..	32,02,101.36	..	32,02,101.36
85,913.35	..	..	..	..	5,42,665.32	..	5,42,665.32
1,04,997.98	..	..	..	..	9,90,797.76	..	9,90,797.76
79,961.27	..	..	..	..	10,04,184.66	..	10,04,184.66
1,40,651.41	..	..	..	..	8,68,422.27	..	8,68,422.27
33,170.93	..	..	..	..	16,39,843.73	..	16,39,843.73
..	4,70,684.84	..	..	..	33,41,801.18	..	33,41,801.18
3,05,483.33	..	..	..	..	8,53,317.40	..	8,53,317.40
51,558.79	..	..	..	..	24,56,539.27	..	24,56,539.27
..	2,85,977.38	..	..	..	16,03,126.27	..	16,03,126.27
24,654.39	2,93,236.37	..	..	..	3,17,890.76	..	3,17,890.76
8,018.09	13,432.23	..	..	..	21,450.32	..	21,450.32
..	..	..	..	..	8,99,989.98	..	8,99,989.98
..	..	..	..	..	1,76,105.28	..	1,76,105.28
..	..	..	..	..	4,99,906.84	..	4,99,906.84
..	..	..	..	..	70,505.30	..	70,505.30
..	..	..	..	..	3,14,844.42	..	3,14,844.42
..	..	..	..	..	1,93,284.65	..	1,93,284.65
..	..	..	..	..	9,69,421.42	..	9,69,421.42
..	..	..	..	..	90,662.31	..	90,662.31
..	..	..	..	..	795.36	..	795.36
4,167.08	..	..	..	..	14,58,397.63	..	14,58,397.65
..	..	..	..	..	1,47,866.39	..	1,47,866.39
..	..	..	..	..	85,325.37	72,591.92	12,733.45
..	..	35,78,781.94	..	..	36,44,492.42	7,938.00	36,36,554.42
..	..	..	..	71,445.22	71,445.22	..	71,445.22
..	..	..	3,96,123.32	54,676.89	9,03,780.61	81,872.16	8,21,908.45
..	..	..	..	5,24,441.52	5,24,441.52	..	5,24,441.52
2,05,635.66	13,586.72	..	..	..	10,99,149.35	..	10,99,149.35
<b>10,44,212.28</b>	<b>10,76,917.54</b>	<b>35,78,781.94</b>	<b>3,96,123.32</b>	<b>6,50,563.63</b>	<b>5,84,27,982.98</b>	<b>1,62,402.08</b>	<b>5,82,65,580.90</b>

As per our report of even date  
For JOHN & CO.

Sd/-  
T. V. JOSEPH  
Partner

Chartered Accountants

Sd/-  
PHILIP JACOB  
Secretary

**SCHEDULE—C**

(Included in and forming part of Balance Sheet as at 31st March 1979)

Previous year Rs. P.		This year Rs. P.
	Other investments: Unquoted fully paid up Shares.	
1,000.00	10 Equity Shares of Rs. 100/- each paid up in the Banana and and Fruit Development Corporation Limited, Madras	1,000.00
<u>1,000.00</u>	Total	<u>1,000.00</u>

**SCHEDULE—D**

(Included in and forming part of Balance Sheet as at 31st March 1979)

Previous year Rs. P.		This year Rs. P.
	Other investments Unquoted fully paid up shares	
100.00	1 A Class Share of Rs. 100/- each fully paid up in the Mannam Sugar Mills Co-operative Stores Limited No. 4324.	100.00
<u>100.00</u>	Total	<u>100.00</u>

**SCHEDULE—E**

(Included in and forming part of the Balance Sheet as at 31st March 1979)

Previous year Rs. P.	ITEMS	This year Rs. P.
<b>CURRENT ASSETS</b>		
21,82,915.12	Stores & Spares at cost*	26,91,292.02
1,48,289.07	Loose Tools revalued*	1,49,022.70
2,58,583.60	Equipments revalued*	2,81,845.21
26,32,655.98	Finished goods work in process, stock in transit at value subsequently realised/realisable (Rubber)*	40,07,151.77
4,28,937.64	Stock of cashew nuts (at subsequently realised/realisable value*)	3,25,399.01
55,417.65	Nurseries Rubber (at cost)*	40,311.73
19,64,710.41	Sundry debtors (unsecured considered good) subject to confirmation by them	41,55,035.89
	(a) Debts outstanding for more than 6 months (includes Rs. 17,472.68) from Govt. Department and Companies. Last year Rs. 94,816.75	98,067.97
	(b) Other debts (last year Rs. 17,95,242.24)	<u>40,56,967.92</u>
5,600.00	Interest accrued on Seven Year National Savings Certificate	5,600.00
<b>CASH AND BANK BALANCE</b>		
1,075.75	Stamp and Stamp paper on hand	610.50
1,28,922.38	Cash in Transit	3,13,057.13
16,58,292.53	Balance on Treasury Savings Bank Account	17,29,275.96
18,63,034.83	Balance with scheduled banks in current account	6,20,213.69
1,00,000.00	Margin money account with Syndicate Bank	..
<u>14,28,434.96</u>	Total	<u>1,43,18,815.61</u>

is certified and as valued by the Managing Director

**SCHEDULE—F**

(Included in and forming part of Balance Sheet as at 31st March 1979)

Previous year Rs. P.	ITEMS	This year Rs. P.
<b>LOANS AND ADVANCES</b>		
73,250.00	Motor Cycle loan (secured considered good)	96,388.90
58,530.00	Motor car loan (secured considered good)	85,290.00
<b>UNSECURED CONSIDERED GOOD</b>		
3,91,354.61	Alakode Government Estate (Managed by the Corporation) Deposit with Post & Telegraph Department, Electricity Board, Port Trust and other Government Departments by the Corporation	7,16,354.33
1,40,625.00	Deposit with others	2,11,320.00
92,375.42	Prepaid expenses	67,058.52
10,084.96	Other advances recoverable in cash or in kind or for value to be received	9,500.82
23,04,097.29	Advance tax paid and tax deducted at source	13,73,474.72
22,335.00	Oil Palm India Limited (Subsidiary Company of the Corporation)	84,335.00
1,15,82,987.83		17,46,827.76
<u>1,46,75,640.11</u>	Total	<u>43,90,550.05</u>

**SCHEDULE—G**

(Included in and forming part of Balance Sheet as at 31st March 1979)

Previous year Rs. P.	ITEMS	This year Rs. P.
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)		
55,484.29	Suspense pending Adjustment	59,682.55
46,294.43	Stores Suspense	1,00,228.05
3,739.80	Shortage of tools	5,404.93
5,806.43	Shortage of Stores	5,954.69
821.04	P. F. Suspense	859.79
4,153.89	Lease rent suspense	—
..	Stores in transit	9,681.83
<u>1,16,299.88</u>	Total	<u>1,81,811.84</u>

PLANTATION CORPORATION OF KERALA

**SCHEDULE—H**

(included in and forming part of Balance Sheet as at 31st March 1979)

Previous year Rs. P.	ITEMS	This year Rs. P.
31,35,751.89	Sundry Creditors	30,23,942.90
2,60,250.48	Other liabilities	3,28,744.97
8,88,072.19	Earnest money and security deposit	11,09,485.49
35,729.29	Suspense pending adjustments	39,535.21
1,835.13	P. F. Suspense	1,172.88
37,65,705.06	Interest accrued but not due on Government loans	40,60,249.72
2,151.71	Stale cheque	2,145.11
1,179.50	Court attachment	205.00
14,588.82	Stores in transit	..
81,05,264.07	Total	85,65,481.28

PLANTATION CORPORATION OF KERALA

**SCHEDULE—H**

(included in and forming part of Balance Sheet as at 31st March 1979)

Previous year Rs. P.	ITEMS	This year Rs. P.
31,35,751.89	Sundry Creditors	30,23,942.90
2,60,250.48	Other liabilities	3,28,744.97
8,88,072.19	Earnest money and security deposit	11,09,485.49
35,729.29	Suspense pending adjustments	39,535.21
1,835.13	P. F. Suspense	1,172.88
37,65,705.06	Interest accrued but not due on Government loans	40,60,249.72
2,151.71	Stale cheque	2,145.11
1,179.50	Court attachment	205.00
14,588.82	Stores in transit	..
81,05,264.07	Total	85,65,481.28

**SCHEDULE—I**

## REPAIRS AND MAINTENANCE OF ASSETS

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.
3,10,473.	45	Vehicles	4,02,915.	47
1,09,760.	64	Roads	1,81,436.	72
18,036.	06	Plant and machinery	22,074.	35
1,50,761.	17	Buildings	5,92,629.	96
94,161.	16	Others	1,18,129.	91
<hr/>			<hr/>	
6,83,192.	48	Total	13,17,186.	41
<hr/>			<hr/>	

**SCHEDULE—II**

## MISCELLANEOUS EXPENSES AND ADJUSTMENTS

Previous year		ITEMS	This year	
Rs.	P.		Rs.	P.
1,18,827.	33	Postage, Telephones and Telegrams	1,49,782.	87
80,689.	17	Printing and stationery	76,859.	69
27,183.	38	Office expenses and miscellaneous	29,990.	49
3,44,437.	98	Bank charges	10,590.	38
5,481.	34	Books and periodicals	6,156.	07
7,121.	21	Storage expenses	7,447.	07
353.	29	Gardening	1,492.	13
17,494.	84	I. B. expenses	31,664.	53
12,690.	00	Rent of Boats	12,601.	00
750.	00	Loss by fire	1,250.	00
16,267.	74	Losses and write off	4,141.	61
28,008.	57	Entertainment expenses	23,340.	78
10,28,039.	49	Security expenses	1,72,588.	42
23,558.	54	Ferry expenses	37,654.	60
8,431.	57	Temporary sheds	9,112.	68
3,134.	93	Research expenses	1,919.	42
807.	00	Cost of Budwood sold	.	.
		Unserviceable stores	6,915.	79
<hr/>			<hr/>	
17,23,276.	38	Total	5,83,507.	53
<hr/>			<hr/>	

SCHEDULE—III

MANUFACTURING AND SELLING EXPENSES

Previous year  
Rs. P.

ITEMS

This year  
Rs. P.

**TRANSPORT OF LATEX TO FACTORY**

2,76,851.82	Pay & Allowances	3,38,640.18	
57,423.50	Vehicle Tax and Insurance	68,964.23	
2,84,720.91	Running and Maintenance of Vehicle	3,22,252.94	
			7,29,857.35

**MANUFACTURING**

4,75,267.78	Pay and Allowances	4,83,809.87	
7,68,783.74	Factory Wages	7,79,518.78	
50,754.30	Fuel for Smoke House	69,736.82	
23,658.26	Fuel for Generator	18,672.24	
3,78,768.56	Chemicals	5,21,238.51	
59,501.36	Factory upkeep & Maintenance	50,795.68	
1,48,209.70	Machinery upkeep & Maintenance	1,70,825.86	
44,572.77	Factory insurance	43,000.00	
1,40,908.55	Power supply	1,56,491.00	
70,074.67	Welfare Expenses	1,78,010.61	
85,601.61	Fuel for Drier	93,520.81	
			25,65,620.18

**DISTRIBUTION**

63,210.38	Packing materials	73,082.17	
1,02,750.89	Packing wages	1,08,131.00	
1,64,430.26	Forwarding charges	1,56,264.24	
6,11,508.19	Depreciation	5,37,737.34	
1,39,017.55	Selling Expenses	1,77,123.66	
76,976.71	Shipping expenses	73,455.59	
2,25,187.37	Commission to Selling Agents and rebates	2,97,277.53	
			14,23,071.53

42,48,178.88

Total

47,18,549.06

**SCHEDULE—IV****CASHEW PROJECT EXPENSES**

Previous Year		This year
Rs. P.		Rs. P.
45,241 .07	Pay and allowances	70,050 .61
1,571 .90	Overtime	1,667 .77
4,013 .50	Advertisement charges	9,195 .23
517 .30	Postage	2,735 .08
1,357 .08	Printing and Stationery	3,458 .89
1,670 .15	Privilege leave encashment	1,172 .55
1,414 .00	Bonus	1,594 .53
13,508 .61	Travelling expenses	15,549 .58
616 .62	Office expenses and miscellaneous	2,432 .04
2,836 .08	Entertainment expenses	11,484 .35
900 .35	Medical facilities	843 .25
4,739 .39	Provident Fund	4,703 .80
15,000 .00	Management consultation	.
	Leave salary and pension contribution	1,476 .29
<hr/>		
93,386 .05	Total	<hr/> 1,26,363 .97 <hr/>

**SCHEDULE—V****WELFARE EXPENSES**

	Rs. P.
Sickness Benefit	4,50,751 .13
Maternity Benefit	2,01,933 .94
Leave with wages	5,64,317 .86
Holiday Wages	2,61,779 .25
Weather protection	1,16,916 .62
Drinking water supply	2,06,826 .77
Sanitation	60,287 .72
Recreation facilities	17,131 .65
Medical & Hospital facilities	13,00,565 .83
Way expenses to workers	12,829 .90
Maintenance of school	17,776 .03
Creche expenses	1,88,518 .83
Workmen compensation	7,781 .65
Workers education	7,768 .04
Uniform to staff and workers	58,141 .16
Suspension period wages	696 .66
Subsistence allowance	5,486 .80
Special bonus	720 .30
Labour Welfare fund	19,275 .13
<hr/>	
Total	<hr/> 34,99,505 .27 <hr/>

SCHEDULE—VI

REPAIRS & MAINTENANCE OF ASSETS

Previous year Rs. P.	ITEMS	This year Rs. P.
2,220.18	Plant & Machinery	6,338.92
3,743.59	Implements	6,296.09
24,423.69	Roads	3,052.05
1,296.64	Fence	2,754.94
4,681.69	Bulldozer	87,771.86
1,71,693.40	Vehicles	1,51,825.34
56.20	Others	1,539.63
999.79	Office equipments	..
<u>2,09,115.18</u>	Total	<u>2,59,578.83</u>

SCHEDULE—VII

MISCELLANEOUS EXPENSES AND ADJUSTMENTS

Previous year Rs. P.		This year Rs. P.
3,020.87	Temporary shed	11,994.94
3,416.90	Postage, Telephones & Telegram	4,042.85
5,018.56	Printing & Stationery	13,393.13
2,710.79	Office expenses and Miscellaneous	3,091.33
4.25	Bank charges	15.00
1,810.82	Entertainment expenses	1,960.58
41,177.77	Storage expenses	46,387.21
235.65	Books & Periodicals	393.60
378.92	Electricity charges	194.00
85.00	Security expenses	506.10
1,305.41	Unserviceable stores	..
104.00	Survey	..
..	Legal expenses	10,903.70
<u>59,268.94</u>	Total	<u>92,882.44</u>

As per our report of even date  
For JOHN & CO,

Sd/-

T. V. JOSEPH  
Partner

Chartered Accountants

Sd/-  
K. J. JOSEPH  
Managing Director

Sd/-  
PHILIP JACOB  
Secretary

Sd/-  
EAPEN  
Chairman

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE  
YEAR ENDED 31ST MARCH 1979

1. The Company has discounted usance and sight bills worth Rs. Nil as on 31-3-1979 (last year Rs. 26,01,969.57) 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. 16,29,936.35. (last year Rs. 18,13,353.91).
3. Estimated amount of supply of capital assets remaining to be executed and not provided for Rs. 6,000/-. (last year Rs. 1,86,967.63).
4. Lease deeds for lands handed over since 1970 are yet to be executed.
5. The Company is liable to pay a compensation of Rs. 5,353.75 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 certificate.
6. No provision has been made for gratuity. Actual expenses have been charged to revenue account. Accrued liability upto 31-3-1979 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 Rs. 84,00,000/- based on the total strength of approximately 7000 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. The total amount of Rs. 18,75,000/- received as subsidy under the Subsidised Housing Scheme (labour tenements) has been separately disclosed in the Balance Sheet as was done during the previous year.
8. An amount of Rs. 7,30,640/- received from the Government as subsidy towards upkeep and maintenance of cashew plantations has been separately disclosed in the Balance Sheet.
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. 1,21,270/- (Previous year Rs. 76,270/-).
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. 1,31,130/-. (Last year Rs. 81,130/-).
11. Sundry debtors includes the following amounts due from Government Companies under the same management, viz. Government of Kerala.
 

(i) M/s. Trivandrum Rubber Works Limited	Rs. 4,26,472.68
(ii) More than six months	Rs. 17,472.68
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 Company's 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. 8,036.22. (Last year Rs. 2,570.15) paid to Officers of the Corporation as salary advance.

15. For the police party posted for security purpose in the Estates, bills have not been received from 1-7-1977, for Kodumon Group and from 1-7-1978 for Kalady Group. Liability on this account is not known and hence not provided for.

16. Loan from ten Scheduled Banks in consortium with Agricultural Finance Corporation has been paid back in full with interest before 31-3-1978. Action has already been taken to vacate the hypothecation and equitable mortgage created for the purpose. Confirmation in this regard is awaited from the Registrar of Companies.

17. The closing stock as on 31-3-1979 has been valued at subsequently realised/realisable value. The quantity of rubber under work-in-process as on 31-3-1979 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 years practice is followed.

18. Sundry debtors, deposit with Government Departments and deposit with others are subject to confirmation.

19. An area of 3.28 hectares of 1961 plantation in the Kodumon Estate under Survey No. 100/1 of Koodal Village has been handed over to P. W. D. for Kallada Irrigation Project. The value of this will be adjusted after finalisation of the valuation by the District Collector, Quilon.

20. 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 the above Rules remain Government property till the loan taken by the Corporation under the Scheme is repaid to the Government.

21. The Company has availed an over draft facility with the Syndicate Bank, Kottayam for a total limit of Rs. 30 lakhs on the strength of the Government guarantee issued by the State Government. As on 31-3-1979, no amount is due to them on this account.

22. Under Loans & Advances in Schedule F, we have shown an amount of Rs. 2,11,320/- as deposit with Government Departments. The deposit of this amount is as follows:

Cochin Port Trust	Rs.	3,600.00
Post Master, Kottayam	Rs.	200.00
Electricity Board	Rs.	2,07,520.00
Total	Rs.	2,11,320.00

23. The Agricultural Income Tax authorities have made the following assessments:

	Rs.
Assessment year 1976-77	14,90,973.90
" 1977-78	40,24,618.65
Total	55,15,592.55

These assessments have been made after disallowing certain items of major expenditure like interest payments etc. which in the opinion of the Company as well as the Legal Advisors are allowable items and as such we have filed appeals. The appeals are pending disposal and we have obtained a stay order for not paying the amount till the disposal of the appeals.

24. The Development expenditure includes:-

	1978-79 Rs.	<i>Previous year</i> 1977-78 Rs.
Wages	31,06,328.72	13,86,294.13
Stores	7,83,745.42	2,96,005.26
Fuel	23,069.31	25,918.64

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

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

27. As was the practice of the Corporation, overhead charges wherever required have been allocated only to Rubber Plantation and no part of such overheads is charged to other crops within the rubber estates viz. Cashew, Eucalyptus, Coconut etc. Direct overheads concerning Cashew Plantations at Rajapuram and Cheemeni has been capitalised.

28. Amount paid to Managing Director:

	<i>This year</i> Rs.	<i>Previous year</i> Rs.
Pay and allowances	31,902.12	28,328.57
Travelling allowance	14,652.75	11,252.40
Medical expenses	25.00	892.25
Leave encashment	2,663.36	2,216.56
Leave salary and pension contribution	..	..
29. Sitting fee to Directors	10,400.00	9,400.00

30. Perquisite to Directors:

The Managing Director is provided with a car for his official purpose and is charged Rs. 100/- per month for his private use limiting to 500 Kms. a month. The perquisite enjoyed in this regard is Rs. 2,400/-.

31. There was no employee in the Corporation drawing a remuneration in excess of Rs. 36,000/- per annum in the aggregate during the year 1978-79. No person was employed for any part of the year on a monthly remuneration exceeding Rs. 3,000/-.

32. An amount of Rs. 5,23,27,614.32 representing the sale of rubber is the sale proceeds of 49,25,406.44 Kgs of DRC of various grades.

33. The provision for Rehabilitation Reserve of Rs. 9,98,090.53 is based on the total production of 48,90,452.64 Kgs. at Rs. 20/- per quintal as is allowed under the Agricultural Income Tax Act. (See Note No. 50 (d) also)

34. The management of Alakode Government 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 17-1-1977. This amount for 1978-79 has been adjusted in the accounts and is shown under Miscellaneous income. The total amount due from the Land Board as on 31-3-1979 is Rs. 7,16,354.33. It is under the active consideration of the Government to hand over the area to the Corporation for its development.

35. 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	Nil	
	<i>Value</i>	<i>Express as percentage of consumption</i>
1. Imported value	Nil	Nil
2. Indigenous (stores & spares) this includes value of stores included under capitalisation	51,14,906.38	100%
(d) Particulars of dividends remitted in foreign exchange	Nil	Nil
(e) Earnings in foreign exchange	Nil	

36. Selling expenses shown in manufacturing and selling expenses under Schedule III is inclusive of processing charges of normal latex such as ammoniation etc.

37. Interest on loans and overdrafts Rs. 61,09,691.28 shown in the Profit & Loss Account are as follows:-

*Interest on Fixed loans:*

	Rs.
Interest on the value of cashew plants	1,15,579.00
Interest on Government loan	59,51,331.38
Interest on overdue payments	42,780.90
Total	<u>61,09,691.28</u>

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

39. Previous year figures have been regrouped wherever necessary to suit current year's layout.

40. An area of 2320 hectares of Cashew Plantations at Kasargode had been handed over to the Plantation Corporation of Kerala Limited at a value of Rs. 53,66,879/- as per details given below:

	Rs.
Land value	17,23,300
Cashew plantation (improvements)	35,28,000
Interest	1,15,579
Total	<u>53,66,879</u>

Out of this shares have been allotted for Rs. 53,66,000/-. The balance amount of Rs. 879/- will be paid in cash.

41. M/s. Encos has abandoned the work entrusted to them and alternate arrangements have been made to complete these works. By making alternate arrangements, the Corporation may have to incur an additional expenditure of Rs. 3,60,620/-. This will have to be recovered from M/s. Encos.

42. The Profit & Loss Accounts expenditure includes:

	1978-79 Rs.	Previous year 1977-78 Rs.
Wages	1,24,00,635.57	1,17,69,186.69
Stores	43,31,160.96	50,89,777.56
Fuel	5,33,044.54	3,58,715.67

43. The total area handed over to the Company by the Government Department as on 31-3-1979 is approximately 12,417 hectares (the total area has not been surveyed).

Area under Rubber including area for buildings, factories, road, canals, marshy areas, rocks, fire belts etc.	7418 hectares
Area under cashew (in the Rubber Estates)	920 ..
Submergible area	220 ..
Area to be planted	70 ..
Kasargode Cashew Plantation	2321 ..
Cheemeni Cashew Plantation	975 ..
Rajapuram Cashew Plantation	493 ..
Total	<u>12,417 hectares</u>

44. The assets and liabilities of the Oil Palm India Limited have been transferred with effect from 1-1-1978. The formal deed of transfer is yet to be executed.

45. There was a fire accident in Thannithode Estate on 16-4-1978 which has partially damaged the cashew area. As the cashew plantations were not covered under fire insurance at that time the damage could not be claimed. As the fire attack is suspected to be caused by Tongya contractor legal action is being taken to recover the cost or to make good the plantation.

46. There is a stock of 14.5 Mts. of raw cashew nuts collected during 1977-78 season. This was collected after the on-set of monsoon and due to long storage, there has been considerable deterioration in quality. The Kerala State Co-operative Marketing Federation who is the only authorised agency to procure the nuts was requested to purchase the stock. But they objected on the ground that the quality is inferior. On request to the Government, the Government in their letter No. 3043/F3/79/ID dated 12-2-1979, have accorded sanction for the disposal of the stock to any agency. In view of the inferior quality, the quantity has not been valued as any realistic value cannot be fixed.

47. Sri. K. J. Joseph, I. F. S. has taken over charge of the Managing Director with effect from 11-3-1979 and is provided with unfurnished accommodation by the Company charging 7½% of the salary. The rent paid for the building during 1978-79 was Rs. 322.58.

48. The bonus amount shown in the account is inclusive of arrears of bonus paid for the calendar year 1976 and 1977 amounting to Rs. 15,97,243.65.

49. The Postage & Telephone account shown under Schedule 11 includes Rs. 12,000/- towards deposit made under O. Y. T. for installation of three telephones.

50. The following adjustments have been made in the accounts on the basis of the Audit Report of the Statutory Auditors for the year 1977-78.

- (a) An amount of Rs. 37,145/- being slash-felling expenses in Perambra Estate for 1976 area has been capitalised by debiting the amount to 1976 plantations and crediting the same to Prior Period Adjustment account.
- (b) The amount of Rs. 19,127.15 short-provided as depreciation on water supply installation at Chandanappally Estate during 1977-78 has been adjusted during 1978-79 accounts.
- (c) Depreciation amounting to Rs. 83,400/- provided for during 1977-78 for the Generator at Vettilappara Estate has been adjusted by not providing for depreciation during 1978-79 as the Generator was commissioned only after 31-3-1978.
- (d) An amount of Rs. 1,800/- has been provided under Rehabilitation Reserve in addition to this year's provision on the basis of the report of Statutory Auditors. This has a reference to note No. 33.

As per our report of even date  
For JOHN & CO

Sd/-

T. V. JOSEPH  
Partner

Chartered Accountants

Sd/-  
E. P. EAPEN  
Chairman

Sd/-  
K. J. JOSEPH  
Managing Director

Sd/-  
PHILIP JACOB  
Secretary

JOHN & COMPANY  
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 1979 and also the annexed Profit and Loss Account of the Corporation 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 matter specified in paragraphs 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.

2. In our opinion, proper books of account as required by law have been kept by the Corporation 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) Depreciation has been provided short by Rs. 15,198.19 (No. 6 Annexure 'B').

(b) Penal interest on the amounts payable to Government Rs. 21,510.64 has been provided short (No. 7—Annexure 'B').

(c) Engineering wing overheads in respect of Oil Palm India Ltd. charged to them is short by Rs. 13,197.66 (No. 11—Annexure 'B').

(d) The net profits after adjustment of items 4 (a), (b) and (c) would have been Rs. 34,61,833.42 instead of Rs. 34,85,344.59.

5. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and the Profit and Loss Account, subject to and read with the notes, attached to audit notes forming part of this report detailed in Annexure 'B' 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 Corporation as at 31st March 1979 and

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

Kottayam,  
21st September 1979.

For JOHN & CO.  
Sd/-  
T. V. JOSEPH,  
Partner,  
Chartered Accountants.

JOHN & CO.  
Chartered Accountants

**ANNEXURE 'A'**

ANNEXURE TO OUR AUDIT REPORT ON THE ACCOUNTS OF  
THE PLANTATION CORPORATION OF KERALA LIMITED  
FOR THE YEAR ENDED 31-3-1979  
(Referred to in paragraph 1 of our report of even date)

1. The Corporation has maintained proper records showing full particulars including quantitative details and situation of fixed assets. 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.
2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, stores, spareparts, raw materials and other items have been physically verified by the management at the close of the year. 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 normally accepted accounting principles and is on the same basis as in earlier years.
4. The Corporation has not obtained loans from Companies, firms or other parties to which Section 301 of the Companies Act 1956 is applicable and from Companies under the same management.
5. In respect of loans and advances in the nature of loans given by the Corporation, 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 Corporation.
6. In our opinion and according to the explanations given to us there are adequate internal control procedures commensurate with the size of the Corporation and the nature of its business with regard to the purchase and issues of Stores, plant and machinery, equipments and other assets except wherever deviations are made from normal procedures the reasons for making such deviations have not been recorded.
7. According to information and explanations given to us, the Corporation has not made any purchase of stores or\*\* other parties in which the directors are interested as listed in the register maintained under Section 301 of the Companies Act 1956 except as provided under section 297 (2) of the Act.
8. The Corporation 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. The Corporation has not accepted deposits from public under Section 58-A of the Companies Act 1956 and the Companies (Acceptance of Deposits) Rules 1975.
10. In our opinion and according to the information and explanation given to us the Corporation has maintained reasonable records for the sales and disposal of scrap and unserviceables.

\*\* other items from subsidiaries or from firms or Companies or

11. In our opinion the Corporation has adequate internal audit system commensurate with the size of the Corporation. We are given to understand that the field conditions are being looked into by the Visiting Agent of the Corporation.

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

13. According to the records of the Corporation, Provident Fund dues have been regularly deposited during the year and there are no arrears of Provident Fund dues.

Kottayam,  
21st September 1979

For JOHN & CO.  
Sd/-  
T. V. JOSEPH,  
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 PERIOD ENDED 31-3-1979

1. Fixed Assets—Schedule—A—Electrical installation includes Rs. 20,572.66, which is still work-in-progress and on which no depreciation has been charged.

2. Deposit with Others—Schedule F—The amount of Rs. 67,058.52 is after adjustment of suppliers' credit balance Rs. 42,780.90.

3. Sundry Debtors Rs. 41,55,035.89 includes Rs. 58,440/- due from Government and Rs. 1,02,319.92 insurance claim recoverable.

4. Sundry Creditors Rs. 30,23,942.90—This includes amount of advances received from customers also.

5. Miscellaneous Expenses and Adjustments—Schedule—II P & L—Bank charges Rs. 10,590.38 is after adjustment of Rs. 10,868.27 being interest received from Oil Palm India Limited.

6. Depreciation—An amount of Rs. 14,198.19 has been short provided—Rajapuram Estate Rs. 14,480.03; Kodumon Estate Rs. 631.16, Chandanappally Estate Rs. 60/- and Adirappally Estate Rs. 27/-.

7. Penal interest on the amounts payable to the Government against loans, to the extent of Rs. 21,510.64 has not been provided in the accounts.

8. Commission to selling agents includes Rs. 6,252/- excess payment made during the year 1978-79 to various selling agents shown below:

PLANTATION CORPORATION OF KERALA

<i>Name of the Agent</i>	<i>Commission paid in excess Rs.</i>
1. M/s. Metro Trading Syndicate	422.36
2. M/s. Super Foam (Pvt.) Ltd.	1,556.52
3. Do.	1,239.00
4. M/s. A. V. George & Company	1,483.20
5. M/s. Global Enterprises	741.60
6. M/s. Good Luck Rubber House	78.35
7. Do.	730.97
Total	<u>6,252.00</u>

9. An amount of Rs. 3,60,620 is due from M/s. Encos in respect of additional expenditure to be incurred by the Corporation by making alternate arrangements for completing the contract work abandoned by them. As M/s. Encos is said to be in liquidation, in our opinion, the recovery of this amount is doubtful.

10. The disposals shown under Schedule 'A' against vehicles are as shown below:

	<i>Original cost Rs.</i>	<i>Depreciation Rs.</i>
Ambassador Car	35,084.45	7,016.89
Cycle	233.82	215.64
	<u>35,318.27</u>	<u>7,232.53</u>

11. Engineering wing overheads in respect of Oil Palm India Ltd. charged by the Corporation is under calculated by us Rs. 13,197.66.

Kottayam,  
27th September 1979.

For JOHN & CO.  
Sd/-  
T. V. JOSEPH  
Partner,  
Chartered Accountants

REPLIES TO THE REPORT OF THE STATUTORY AUDITORS

4. (a), (b) and (c). The short provision and short charging will be adjusted in the accounts for the year 1979-80.

REPLY TO ANNEXURE A TO THE AUDIT REPORT OF THE  
STATUTORY AUDITORS

All the points (1 to 13) contained in the Annexure A to the audit report of the Statutory Auditors of the Company are factual.

REPLY TO ANNEXURE B TO THE AUDIT REPORT OF THE  
STATUTORY AUDITORS

All the points from 1 to 5 are factual. As regards points 6, 7 and 11 the items are already included under the Audit report under 4 (a) (b) & (c) for which reply has been furnished.

As regards point 8 the excess payment amounting to Rs. 6,252/- will be recovered from the respective parties.

As regards item 9, regarding amount of Rs. 3,60,620/- due from M/s. Encos is not considered doubtful. We have already addressed the Government in this regard.

Item No. 10. The comment is factual.

Sd/-  
E. P. EAPEN  
Chairman

Sd/-  
K. J. JOSEPH  
Managing Director

Sd/-  
PHILIP JACOB  
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 1979**

**A. BALANCE SHEET**

**LIABILITIES**

*Current liabilities and provisions*

1. CURRENT LIABILITIES: Rs. 85,65,481.28

This does not include liability amounting to Rs. 89,964.17 towards lease rent payable to Government in respect of 493.22 hectares of land in Wynad Division. This also resulted in an under-valuation of Development of property under fixed assets.

**FIXED ASSETS**

2. DEVELOPMENT OF PROPERTY: Rs. 5,82,65,580.90

This is overstated to the extent of Rs. 1,15,200 representing the expenditure incurred by the Company on behalf of the Forest Department which is recoverable from that Department.

**GENERAL**

(i) A reference is invited to item 43 of the Notes attached to and forming part of the accounts. The fact that out of the total area of 12,417 hectares handed over to the Company by Government Departments, 9121 hectares are held under lease and the terms and conditions of take over of 575 hectares of cashew plantations are yet to be determined, has not been disclosed.

(ii) The maximum amount due by the Directors and other officers of the Company at any time during the year has not been disclosed as required under Part I of Schedule VI to the Companies Act.

(iii) The perquisite involved in the payment of Rs. 2,540.32 as salary for the driver engaged by the Chairman for driving his own car has not been disclosed in terms of Part II of Schedule VI to the Companies Act.

(iv) As required under Section 212 of the Companies Act, a copy each of the Balance Sheet, Profit and Loss Account, Directors' Report, Auditors' Report, a statement of the holding Company's interest in respect of the subsidiary Company etc. has not been attached to the Balance Sheet of the holding Company.

Tiruvandrum,  
12-2-1980.

Sd/-  
S. SETHURAMAN,  
Accountant General, Kerala.

**REPLY TO THE COMMENTS TO THE COMPTROLLER AND AUDITOR GENERAL OF  
INDIA ON THE ACCOUNTS OF THE PLANTATION CORPORATION  
OF KERALA LIMITED, KOTTAYAM FOR THE YEAR ENDED  
31st MARCH 1979.**

1. It is true that the liability has not been included. But as per Govt. Order No. G.O. (MS) 306/79/AD dated 22-7-79 the Government has agreed to postpone the collection of lease rent for the first three years to 4th, 5th and 6th years respectively. Also the rate of lease rent for cashew is not yet finalised.

2. The matter has been taken up with the Forest Department and will be recovered and disclosed in the accounts for 1979-80.

3. (i) Noted  
(ii) Noted  
(iii) Noted  
(iv) The Subsidiary Company's accounts will be attached when the accounts are published after obtaining the approval by the Annual General Meeting.

Kottayam,  
21st Feb. 1980.

Sd/-  
K.J. JOSEPH  
Managing Director.

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 CORPORATION FOR THE YEAR ENDED 31-3-1979.

'NO COMMENTS'

Trivandrum  
3-10-1979

Sd/-  
S. PADMAKUMAR  
Finance Secretary



