

**ANNUAL
REPORT
1988-'89**



**THE PLANTATION CORPORATION
OF KERALA LTD.**

P. B. No: 12 KOTTAYAM - 686 004

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office: KOTTAYAM - 686 004

BOARD OF DIRECTORS

SHRI M. S JOSEPH I. A. S

Chairman (from 25-7-1991)
Managing Director (from 28-2-1988 to
2-5-1988)

SHRI M. SIVARAJAN, I. F. S.

Director (from 12-10-1984 to 7-10-1985
and from 19-10-1985 to 25-9-1990)

.. V. T. THOMAS

Chairman (from 27-10-1987 to
22-11-1990)

.. C. A. KURIAN

(from 27-10-1987 to 12-12-1990)

.. VINOD RAI I. A. S.

Chairman (from 23-11-1990 to
12-12-1990)
Managing Director (from 10-5-1990 to
7-6-1990 and from
29-11-1990 to 20-12-1990)
Director (from 25-9-1989 to 25-7-1991)

.. T. P. RAMAKRISHNAN

(from 27-10-1987 to 25-7-1991)

.. KURUVILLA JOHN I. A. S.

Managing Director (from 2-5-1988 to
18-7-1989)

.. C. K. UNNIKRISHNAN

(from 27-10-1987 to 25-7-1991)

.. K. SIVAPRASAD

Managing Director (from 18-7-1989 to
18-4-1990)

.. G. PEETHAMBARAN

(from 27-10-1987 to 25-7-1991)

.. E. K. BHARAT BHUSHAN I. A. S.

Managing Director (from 18-4-1990 to
9-5-1990 and from
7-6-1990 to 28-11-1990)

.. K. GOPINATHA PILLAI

(from 27-10-1987 to 25-7-1991)

THE PLANTATION CORPORATION OF KERALA LIMITED

SHRI U. K. BHASI

(from 27-10-1987 to 25-7-1991)

.. M. NARAYANA PILLAI

(from 27-10-1987)

.. K. BHASKARAN

(from 19-4-1989 to 25-9-1989)

.. KALLAT KRISHNAN

(from 13-12-1990 to 25-7-1991)

.. K. P. PRABHAKARAN

Chairman (from 13-12-1990 to 25-7-1991)

.. G. MUKUNDAN, I. F. S.

(from 25-7-1991)

BANKERS

Syndicate Bank
State Bank of Travancore
Central Bank of India
Canara Bank
State Bank of India
South Indian Bank Limited
Corporation Bank
Union Bank of India
The Federal Bank Limited
Indian Overseas Bank
Kottayam District Co-operative Bank
District Treasury, Kottayam

SHRI N. VIJAYAKUMAR

Managing Director (from 20-12-1990 to 23-9-1991)

.. K. J. JOSEPH, I. F. S.

Director (from 25-9-1990 to 25-7-1991)

.. A. RAMACHANDRAN

Managing Director (from 24-9-1991 to 10-10-1991)

.. JACOB THOMAS, I. P. S.

Managing Director (from 11-10-1991)

SECRETARY

M. R. V. NAIR

AUDITORS

Kurian and Susheelan
Chartered Accountants
Kottayam

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 27th Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at Kottayam on Monday, the 25th September, 1989 at 11.30 A. M. to transact the following business.

- i) To receive and adopt the Directors and Auditor's Reports and the audited Balance Sheet as on 31st March 1989 and the Profit and Loss Account for the financial year ended 31st March 1989.
- ii) To record the appointment of Directors by the Government of Kerala in the place of Directors retiring at the Annual General Meeting under the Article 63(2) of the Articles of Association. The following Directors retire and are eligible for re-appointment.

1. Shri. C. A. Kurian
2. ,, T. P. Ramakrishnan
3. ,, C. K. Unnikrishnan
4. ,, G. Peethambaran
5. ,, K. Gopinatha Pillai
6. ,, U. K. Bhasi
7. ,, M. Sivarajan
8. ,, M. Narayana Pillai
9. ,, K. Bhaskaran

By Order of the Board
for The Plantation Corporation of Kerala Limited

Sd/-

M. R. Viswambharan Nair
Secretary-cum-Manager (F&A)

Kottayam,
Date: 21-8-1989

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. The proxy form 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 27th (adjourned) Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at Kottayam at 10.30 A.M. on Saturday the 4th January 1992 to transact the following business.

To receive, consider and adopt the Director's Report, Auditors Report and the audited Profit and Loss account for the year ended 31st March 1989 and the Balance Sheet as on that date.

By Order of the Board
For The Plantation Corporation of Kerala Limited,
Sd/-
M. R. V. NAIR
SECRETARY-CUM-MANAGER (F&A)

Kottayam
Date : 10-12-1991.

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 the 27th Annual Report of the Corporation for the year ended 31st March 1989.

Financial Position

The authorised capital of the Corporation is Rs. 750/-lakhs and the paid up capital which stood at Rs. 556.88 lakhs as on 31-3-1988 continued unchanged during 1988-89.

The Corporation has made substantial remittances towards loan drawn from Government of Kerala for Estate developments and subsidised Housing Scheme and also interest due on these loan during the year 1988-89. The amount paid are as follows:

Payment of loan	:	Rs. 28.34	Lakhs
Payment of interest	:	Rs. 16.62	„

The amounts paid subsequently are as follows:

Financial year 1989-90:

Payment of loan	:	Rs. 46.88	Lakhs
Payment of interest	:	Rs. 9.20	„

Financial year 1990-91:

Payment of loan	:	Rs. 7.72	„
Payment of interest	:	Rs. 5.51	„

Payment upto 31-5-1991

Payment of loan	:	Nil
Payment of interest	:	Nil

The loan amounting to Rs. 24.86 lakhs availed from Syndicate Bank under World Bank Scheme on 22-7-1986 has fully been refunded during the financial year 1988-89.

Also an amount of Rs. 3.57 lakhs towards interest has been remitted against the above loan during the current year.

Profit & Loss Account

The net profit for the year ended 31-3-1989 was Rs. ^{58.94}~~64.73~~ lakhs after making the following provisions.

Interest for loans	:	Rs. 12.58	lakhs
Rehabilitation allowance	:	Rs. 1.38	„
Replanting reserve	:	Rs. 50.00	„
Depreciation	:	Rs. 40.95	„
Bonus	:	Rs. 129.55	„
Provision for taxation	:	Rs. 180.00	„
Provision for gratuity	:	Rs. ^{165.00} 93.02	„

The term of settlement of account with the Government of Kerala has not been finalised so far in respect of Alakode Estate. There is a proposal to transfer the Alakode Estate to the Rubber Board. As the final decision in the matter has not been taken so far, the amount received from the Government has not been adjusted in the books. The expenditure upto 31-3-1987 written off in the accounts during 1987-88 comes to Rs. 97.85 lakhs whereas the amount received from the Government is only Rs. 8/-lakhs. As the final order to compensate the loss sustained by the Corporation has not been received so far from the Government, the amount received is kept pending adjustment, under current liabilities.

Agricultural Income Tax

The assessment of Agricultural Income tax of the Corporation has been completed upto financial year. 1985-86.

For the completed assessment, the Company has filed appeals before the higher authorities which are pending for disposal.

Lease Rent

Government has unilaterally revised the lease rent to Rs. 615/-per Ha. from 18-12-1981 and to Rs. 1,300/-per Ha. from 18-12-1987 onwards for the lands leased out to the Corporation by the Forest Department. Though we have made provisions for this for 1984-85, 1985-86, 1986-87 and 1987-88, we have taken up the matter with the Government for bringing down the lease rent to a rate which the Corporation can withstand. In view of the Corporation's liability to pay up the arrears on this account, we have also suggested to Government that alternatively the lease hold lands may be assigned to the Corporation and the Value adjusted against shares to be issued. This matter is pending with Government for a final decision.

Sales

Rubber

During 1988-89 quantity of rubber sold was 6264.073 Tons for Rs. 1,474.73 lakhs against 6011.203 Tons sold for Rs. 1,361.27 lakhs in 1987-88. Average price realised in 1988-89 was Rs. 23.54 kg. against Rs. 22.64 per kg. realised in 1987-88.

Cashew

In the year 1988-89 the amount received through sale of cashew nut was Rs. 121.21 lakhs as, against Rs. 107.96 lakhs for 1987-88.

Rubber Estates

There are eight rubber Estates under the ownership of the Corporation, which are located in the Districts of Pathanamthitta, Ernakulam, Trissur, Malappuram and Kozhikode.

Area under rubber	: 7,338 Ha.
Area under tapping	: 5,319 "
Area under immature rubber	: 471 "
Area under slaughter tapping	: 1,079 "
Area under uncultivated reserve including submergible areas	: 174 "
Area under buildings and roads	: 295 "
Cashew area in the rubber Estate (in the area unsuitable for rubber)	: 660 "

In Nilambur Estate 40 Ha. has been newly planted in 1988 season and a seedling nursery sufficient to plant 200 Ha. In 1992 has been raised.

Cashew Estates

The four cashew Estates namely, Kasargode, Rajapuram, Cheemeni and Mannarghat are maintained in a satisfactory condition.

Engineering Works

Head office

Quarters for Managing Director and one for General Manager are in progress. One of the old Ambassador car was replaced by a new one.

Kodumon Group

Installed a 250 KVA Generator for Kodumon Group latex factory. The Rubber Wood factory was commissioned on 23-12-1989. Started remodification of effluent treatment plant for Kodumon Group Latex factory.

Thannithode Estate

Construction of 8 sets of workers quarters, Office-cum-Inspection Bungalow, club-1 no., Creche-1 No. and collecting station -3 nos. are in progress.

Kalady Group

Construction of 'C' type quarters for extension of latex reception tank, latex storage tank etc. for Kallala factory, additional storage tank for water supply in Kalady Group are in progress.

Perambra Estate

Workers' quarters 1 set and 2 sections of road in Muthukad new planting area for a distance of 4 kms. completed. Semi-grouting work of I.B. road is in progress.

Nilmabur Estate

Work of 6 sets labourers quarters, 1 No. Manager's quarter and twin type quarters of staff are in progress.

Alakode Estate: Construction of 4 sets labourer's quarters, 1 No. twin type quarters for staff and Division Store work are in progress.

Rajapuram Estate

Completed 4 sets labourers quarters and a road in the new area.

In all the rubber Estates maintenance works for the quarters are being done.

PERSONNEL MANAGEMENT, INDUSTRIAL RELATIONS AND LABOUR WELFARE

The organisational set up of the Company continued unchanged during this year.

Labour-management relations in the Company atmosphere continued to be smooth and cordial. We have held conferences, discussion and negotiations at Union-Management level and also at higher levels on various matters concerning staff and workers. These conferences and discussions have enabled us to maintain smooth relationship with the employees. As a result of series of discussions we have settled the issue of salary revision and certain service conditions of staff. The issue relating to the recruitment of workers for Nilambur Estate has also been settled. There was no case of continuous labour unrest during this period.

Workers in the Estates are provided with all basic amenities such as free quarters with electricity and water supply, medical and recreational facilities etc. As a welfare measure the Corporation has introduced a welfare fund to provide loan facility to the workers and other employees of the Corporation, with a view to help them to meet some of their emergency requirements.

The last grade staff, Mechanical Staff, Hospital staff etc. are supplied with terrycotton uniform once in 2 years. The tappers are being paid an all inclusive special allowance of Rs. 300/- per annum towards the cost of uniform and its maintenance.

The rate of gratuity payable to the workers has been enhanced as one month's pay subject to a maximum of Rs. 20,000/- and subject to the provisions in the Gratuity Act. The rate of gratuity is thus made equivalent to that staff and Officers of the Corporation.

The wages of workers in Cashew Plantations has been revised following the wage revision of other plantation workers as per P. L. C settlement.

We continued the practice of sending employees for training programmes, seminars etc. and the knowledge gained by them has been made use of in the efficient functioning of the organisation.

The scheme for providing house building loan to the employees and workers of the Corporation has already been started.

Under the scheme of providing employment to the dependents of employees who die in harness while in our service, we have given 35 appointments in various categories during the relevant period.

There were fresh appointment of 1 Accounts Manager and 4 Welfare Officers in Officers' category and other 21 persons in staff category during this period.

5 persons were promoted from the staff category to Officer category.

A proposal for introducing a pension scheme for the employees of the Corporation is under consideration.

Particulars of Employees

Particulars under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975 as amended, is deleted, since none of the employees falls in that limit.

ANNEXURE-1

Details of Directors including changes taken place during the year ending 31st March 1989

<u>Sl. No.</u>	<u>Name</u>	<u>Address</u>	<u>Date of appointment</u>
1.	M. S. Joseph, I. A. S.	Secretary to Government Agriculture Department Thiruvananthapuram	From 19-10-1985 to 1-5-1988
2.	M. Sivarajan, I. F. S.	Principal Chief Conservator of Forests Thiruvananthapuram	From 19-10-1985 to 25-9-1990
3.	C. A. Kurian	Devikulam Estate Workers Union (AITUC) Munnar P. O., Idikki	From 27-10-1987 to 12-12-1990
4.	T. P. Ramakrishnan	C. P. I. (M) Office, Perambra P. O. Kozhikode	From 27-10-1987 to 24-7-1991
5.	C. K. Unnikrishnan	Secretary, Kalady Plantation Workers Union P. O. Kalady Plantation Via, Kalady, Ernakulam	-do-
6.	K. Gopinatha Pillai	Asha Bhavan, Kizhakkekara Kottarakkara	-do-
7.	G. Peethambaran	Edayile Veedu, Edathitta P. O. Via, Kodumon Pathanamthitta	-do-
8.	U. K. Bhasi	Valyaparambil House Tanur P. O., Malappuram	-do-
9.	M. Narayana Pillai	Additional Secretary Finance Department Thiruvananthapuram	From 27-10-1987

Broad of Directors

The details of Board of Directors including the changes, that have taken place during the period under report are given in Annexure-1.

Chairman

Shri V. T. Thomas appointed as Chairman from 27-10-1987 continued to hold office as Chairman during the period under review.

Managing Director

Shri M. S. Joseph, I. A. S. appointed as Managing Director from 28-2-1988 held the office as Managing Director till 1-5-1988. From 2-5-1988 Shri Kuruville John, I. A. S. was appointed as Managing Director and he continued to hold office as Managing Director during the remaining period under review.

Acknowledgement

Your Directors are grateful to the Government of India, Government of Kerala, World Bank, 'NABARD', Rubber Board, Banks and others for their continued support during the year under review.

Your Directors wish to place on record their deep sense of appreciation of the devoted services rendered by the Executives, staff and workers of the Corporation.

For and on behalf of the Board of Directors

Sd/-

M. S. JOSEPH, I. A. S.
Chairman

Kottayam
7-12-1991

REVIEW OF ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM FOR THE YEAR ENDED 31ST MARCH, 1989 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.

I Financial Position

The table below summarises the financial position of the Company under broad heading for the three years upto 1988-89.

	1986-87	1987-88	1988-89
<i>(Rupees in Lakhs)</i>			
Liabilities			
a) Paid up Capital	556.88	556.88	556.88
b) Reserves & Surplus	384.33	412.20	522.56
c) Borrowings	215.96	185.47	132.26
d) Trade dues and current liabilities (including provisions)	1,330.55	1,508.01	1,872.47
	<u>2,487.72</u>	<u>2,662.56</u>	<u>3,084.17</u>
Assets			
a) Gross block	835.12	859.50	881.33
b) Less Depreciation	279.14	318.06	356.63
c) Net block	555.98	541.44	524.70
d) Development of Property	911.60	955.07	978.91
e) Capital work in progress	20.92	19.55	23.54
f) Investments	0.01	0.01	0.01
g) Current Assets, Loans & Advances	999.21	1,146.49	1,557.01
	<u>2,487.72</u>	<u>2,662.56</u>	<u>3,084.17</u>
Capital employed	1,405.54	1,439.52	1,571.63
Net worth	941.21	969.08	1,079.44

Note:

- 1 Capital employed represents net fixed assets plus working capital.
- 2 Net worth represents paid up capital plus reserve and surplus.

II Capital Structure

The debt-equity ratio of the Company declined from 0.33:1 in 1987-88 and to 0.20:1 in 1988-89. Borrowings have come down year by year.

III Reserves & Surplus

The reserves and surplus accumulated as at the end of the three years upto 1988-89 amounted to Rs. 384.33 lakhs, and surplus worked out to 15.4 percent of the total liabilities in 1986-87, 15.5 percent in 1987-88 and 16.9 percent in 1988-89 and 69 % of equity capital in 1986-87, 74% in 1987-88 and 94% in 1988-89.

IV Liquidity and Solvency

a) The percentage of current assets to total net assets varied from 40.2% in 1987-87 to 43.1% in 1987-88 and 50.5% in 1988-89

b) Percentage of current assets to current (liabilities including provisions) varied from 75.1 in 1986-87 to 76.01 in 1987-88 and to 83.2 in 1988-89. This indicated improvement in working capital position.

c) The percentage of quick assets (sundry debtors, cash and bank balances, advances recoverable) to current liabilities (excluding provisions) varied from 45.9 in 1986-87 to 34.7 in 1987-88 and to 40.8 in 1988-89. The quantum of easily realisable assets came down when compared to the liabilities.

V Sources and Uses of Funds

Funds amounting to Rs. 506.92 lakhs from internal sources and Rs. 6.47 lakhs from other sources were utilised during the year as shown below:

	(Rupees in Lakhs)
Gross fixed assets (including development of property and capital work-in-progress)	49.66
Repayment of borrowing	: 53.21
Current assets, loans & advance	: 410.52
Total	<u>: 513.39</u>

VI Working Results

The working results of the Company for the three years up to 1988-89 are tabulated below

	1986-87	1987-88	1988-89
	(Rupees in lakhs)		
i Profit as per accounts	25.70	104.03	223.98
Add: a) Prior period adjustment shown above the line	0.07	0.84 (-)	1.40
b) Replanting/Rehabilitation reserve	8.35	21.36	51.38
ii Profit for the year	34.12	126.23	273.96
Less: Past period adjustments shown below the line	39.95	—	—
iii Profit (+) Less (-) for the year before tax	(-) 5.83	(+) 126.23	(+) 273.96
iv Taxation provision	24.00	100.00	165.00

	1986-87	1987-88	1988-89
v Profit (+) Loss (-)			
after tax	(-) 29.83	(+) 26.23	(+) 108.96
Percentage of profit before tax to			
Sales	2.7	8.3	16.8
Gross Fixed assets (including) development of property	1.9	7.0	14.7
Capital employed	2.4	8.8	17.4
Percentage of profit after tax to	—		
Net worth	—	2.7	10.1
Equity Capital	—	4.7	19.5
Capital employed	—	1.8	6.9

VII Cost Trends

The table below indicates the sales, cost of sales and percentage of cost of sales to sales for the three years up to 1988-89.

	1986-87	1987-88	1988-89
		(Rupees in Lakhs)	
Sales	1,246.61	1,515.52	1,625.23
Less: Profit for the year	34.12	126.23	273.96
Cost of Sales	1,212.49	1,389.29	1,351.27
Percentage of cost of Sales to sales	97.3	91.7	83.2

VIII Production Performance

The value of Production for the three years upto 1988-89 is worked out as below:

	1986-87	1987-88	1988
		(Rupees in lakhs)	
a) Sales	1,246.61	1,515.52	1,625.23
b) Closing stock of finished goods and work in progress	234.81	288.58	453.78
c) Opening stock of finished goods and work in progress	262.81	234.81	288.58
d) Value of production			
(a+b-c)	1,218.61	1,569.29	1,790.43

Percentage of Value of production to net worth varied from 129.5 in 1986-87 to 161.9 in 1987-88 and to 165.87 in 1988-89. The percentage of Value of production to total net assets varied from 49.0 in 1986-87 to 58.9 in 1987-88 and to 58.1 in 1988-89.

IX Inventory and Production

The following table indicates the comparative position of inventory and its distribution at the close of the three years upto 1988-89.

	1986-87	1987-88	1988-89
	(Rupees in lakhs)		
a) Stores and spares			
i) General Stores and spares	67.01	59.53	97.21
ii) Engineering stores	11.19	11.32	11.31
b) Loose Tools	5.75	8.55	6.95
c) Stock in trade of finished goods including work in progress	234.81	288.58	453.78
d) Agricultural equipments	3.47	3.88	3.62
	<u>322.23</u>	<u>371.86</u>	<u>572.87</u>

The stock in trade was equivalent to 2.26 month's sales in 1986-87, 2.29 month's in 1987-88 and 3.35 month's in 1988-89.

X Sundry Debtors and Turnover

The following table indicates the volume of book debts and sales for the three years upto 1988-89.

As on 31 st March	Book debts considered good	Considered doubtful	Total	Sales during the year	% of debts to sales
	Rs. in lakhs				
1987	129.30	—	129.30	1246.61	10.4
1988	174.29	—	174.29	1515.52	11.5
1989	267.69	—	267.69	1625.23	16.3

The age wise break up of the book debts as on 31 st March, 1989 is indicated below:

	(Rs. in lakhs)
i) Outstanding for less than one year	246.04
ii) Outstanding between one and two years	2.79
iii) Outstanding between two and three years	3.39
iv) Outstanding over three years	15.47
Total	<u>267.69</u>

Note: No effect of the qualification in the Auditor's Report has been given in the review of accounts.

Sd/-
PRINCIPAL ACCOUNTANT GENERAL (AUDIT)

BALANCE SHEET AS AT

Previous Year Rs.	LIABILITIES	Current Year Rs.
	SHARE CAPITAL	
	Authorised	
<u>7,50,00,000.00</u>	75,000 Equity shares of Rs. 1,000/-each	<u>7,50,00,000.00</u>
	Issued	
<u>5,56,88,000.00</u>	55,688 equity share of Rs. 1,000/-each	<u>5,56,88,000.00</u>
	Subscribed, called up and paid up	
5,56,88,000.00	55,688 Equity shares of Rs. 1000/-each of which 12,182 shares are allotted as fully paid up in pursuant to a contract without payment being received in cash	5,56,88,000.00
	RESERVES & SURPLUS (Schedule-A)	
4,12,20,455.77		5,22,56,533.84
	SECURED LOANS:	
	(from Syndicate Bank accrued by a first charge on the buildings, machinery, furniture etc. & standing crops of Cashew)	
24,86,800.00		
77,499.60	Interest accrued and due thereon	
	UNSECURED LOANS:	
	From Government of Kerala	
1,44,76,275.00	i) For Estate Development	1,17,42,431.00
15,83,400.00	ii) For Subsidised Housing Scheme	14,83,400.00
1,27,25,989.06	Interest accrued and due thereon	1,21,28,189.44
		2,53,54,020.44
	CURRENT LIABILITIES AND PROVISIONS:	
10,30,87,131.22	A Current Liabilities (Schedule-B)	10,44,08,324.88
3,49,10,824.37	B Provisions: (Schedule-C)	7,07,10,283.12
<u>26,62,56,375.02</u>		<u>17,51,18,608.00</u> <u>30,84,17,162.82</u>

M. R. V. NAIR
Secretary

N. VIJAYAKUMAR
Managing Director

M. S. JOSEPH
Chairman
For KURYAN & SUSEELAN
Chartered Accountants
Sd/
V. K. KURYAN
(Partner)

31 ST MARCH, 1989

Previous Year Rs. Ps.	ASSETS	Current Year Rs.
	FIXED ASSETS:	Rs.
9,55,07,478.81	a) Plantations (Sch. D)	9,78,91,534.08
5,41,43,214.68	b) Buildings, roads, plant & machinery, furniture etc. (Schedule E)	5,24,69,736.13
19,55,345.27	c) Building and road under construction	<u>23,54,140.94</u> 15,27,15,411.15
	INVESTMENTS:	
1,100.00	Investments in Shares (at cost) Schedule F	1,100.00
	CURRENT ASSETS, LOANS & ADVANCES:	
7,37,99,018.94	a) Current Assets (Schedule-G)	9,42,26,677.67
4,08,50,217.32	b) Loans & Advances (Schedule-H)	6,14,73,973.46 15,57,00,651.13
	Notes on Accounts (Schedule-I)	
<u>26,62,56,375.02</u>		<u>30,84,17,162.28</u>

M. R. V. NAIR
Secretary

N. VIJAYAKUMAR
Managing Director

M.S. JOSEPH
Chairman

For KURYAN & SUSEELAN
Chartered Accountants

Sd/

V. K. KURYAN
(Partner)

PROFIT AND LOSS ACCOUNT FOR

Pervious year		EXPENDITURE	Current year	
Rs.	Ps.		Rs.	Ps.
		To opening Stock		
2,34,80,978.00		Finished goods / work in progress	2,88,58,022.00	
1,51,59,137.00		Pay and Allowances	1,65,24,452.04	
17,40,799.00		Leave Encashment	18,15,531.19	
53,65,494.00		Employers contribution to P.F	56,54,635.70	
		Bonus	1,24,54,797.02	
82,41,694.00		Less: Provision	<u>30,00,000.00</u>	94,54,797.02
3,725.00		Honararium to Chairman	9,000.00	
		Leave salary & Pension contribution of MD	1,307.00	
36,355.00		T.A & Sitting Fee to Directors	70,464.50	
4,80,101.00		T. A to Staff & Officers	4,96,577.62	
		Remuneration to Visiting Agent	6,546.57	
14,661.00		Rent of Building	14,990.91	
8,14,626.00		Rates & Taxes	16,29,599.25	
9,97,851.00		Electricity Charges	14,87,823.25	
70,97,834.00		Lease Rent	1,48,53,579.00	
1,11,247.00		Insurance Charges	1,30,307.51	
2,31,808.00		Advertisement	5,49,095.95	
1,01,623.00		Legal Expenses	2,16,810.45	
51,000.00		Auditors Fee and Expenses	29,000.00	
13,36,125.00		Security Expenses	52,171.08	
22,13,088.00		Interest on Loans	12,58,253.08	
35,18,686.00		Repairs & Maintenance (Schedule-J)	37,14,682.93	
9,66,939.00		Miscellaneous Expenses (Schedule-M)	10,69,805.29	
1,02,31,456.00		Welfare Expenses (Schedule-I)	1,11,00,824.26	

THE YEAR ENDED 31S MARCH, 1989

Previous year		INCOME	Current year
Rs.	Ps.		Rs.
		By Sales:-	
13,61,27,575.00		Rubber	14,74,73,405.60
1,07,96,123.00		Cashew	1,21,21,667.02
1,10,563.00		Agricultural Produce	10,867.05
17,280.00		Other Crops	2,17,520.03
7,28,121.00		Rubber Trees	29,20,504.29
		Budwood	13,150.64
		Rubber Seeds	24,592.00
1,63,683.00		Empties & Unserviceables	37,957.38
45,01,060.00		Slaughter Tapping	26,99,578.69
6,307.00		Tender Form and Registration fee	8,165.30
75,570.00		Profit on sale of Assets	35,079.05
22,947.00		Rent of Buildings	26,135.00
		Penalty from Contractors	2,43,288.00
		Interest from Customers	17,74,406.98
50,934.00		Interest from Staff Loan	43,709.29
14,15,957.00		Interest from Bank & Treasury Deposits	4,48,886.04
		Interest from Contractors	18,021.19
3,21,734.00		Miscellaneous Income	1,07,992.66
		Prior Period Adjustment account	8,00,000.00
2,88,58,022.00		Closing Stock of finished goods/ work in progress	4,53,77,832.00
<u>18,31,95,876.00</u>		Total	<u>21,44,02,758.21</u>

PROFIT AND LOSS ACCOUNT FOR

previous year Rs.	EXPENDITURE	Current year Rs.
1,22,85,699.00	Cultivation & Upkeep of Rubber	1,23,63,655.45
2,83,59,266.00	Tapping & Collecting of Rubber	3,03,98,297.09
1,85,07,457.00	Manufacturing & Selling Expenses	2,07,12,685.31
64,70,091.00	Cultivation & Upkeep of Cashew	66,44,302.93
32,698.00	Cultivation & Upkeep of other crops	1,92,082.56
11,48,212.00	Nilambur Estate Expenses	
94,84,925.00	Alakode Estate Expenditure	
41,71,483.00	Depreciation	40,95,203.04
83,854.00	Prior Period expenses	6,60,152.16
	Provisions:-	
30,00,000.00	i) Bonus	35,00,000.00
49,17,903.00	ii) Gratuity	93,02,025.00
1,00,00,000.00	iii) Taxation	1,65,00,000.00
1,36,285.00	Rehabilitation Allowance	1,38,110.00
20,00,000.00	Replanting Reserve	50,00,000.00
4,02,776.00	Net Profit	58,97,968.07
<u>18,31,95,876.00</u>	Total	<u>21,44,02,758.21</u>

Sd/-
M. R. V. NAIR
Secretary

Sd/-
N. VIJAYAKUMAR
Managing Director

Sd/-
M. S. JOSEPH
Chairman

THE YEAR ENDED 31 ST MARCH. 1989

Previous Year		INCOME		Current Year
Rs.	Ps.			Rs.
		Total	B/F	21,44,02,758.21

18,31,95,876.00

Total

21,44,02,758.21

Sd/-
M. R. V. NAIR
Secretary

Sd/-
N. VIJAYAKUMAR
Managing Director

Sd/-
M. S. JOSEPH
Chairman

For KURYAN & SUSEELAN
Chartered Accountant
Sd/-
V. K. KURYAN
(Partner)

SCHEDULE A

Previous year Rs. Ps.			As on Rs	31/3/89 Ps.
	RESERVES & SURPLUSES			
	Capital reserve			
7,76,733.00	i) As per last Balance / Sheet	7,76,733.00		
	Addition this year	—		7,76,733.00
1,89,58,000.00	ii) Replanting Reserve			
	As per last Balance Sheet	1,89,58,000.00		
	Addition this year	50,00,000.00		2,39,58,000.00
1,33,49,747.00	iii) Rehabilitation Reserve			
	As per last Balance Sheet	1,33,49,747.48		
	Addition this year	1,38,110.00		1,34,87,857.48
18,75,000.00	iv) Subsidy Received from Government of Keraala for Housing Scheme			
	As per last Balance Sheet	18,75,000.00		
	Addition this year	—		18,75,000.00
23,35,440.00	v) Subsidy Received from Government of Kerala for up-keep of cashew plantation			
	As per last Balance Sheet	23,35,440.00		
	Addition this year	—		23,35,440.00
7,22,548.00	vi) Subsidy Received from Rubber Board for Rubber Cultivation			
	As per last Balance Sheet	7,22,547.50		
	Addition this year	—		7,22,547.50
32,02,988.00	vii) Profit and Loss Account			
	As per last Balance Sheet	32,02,987.79		
	Addition this year	<u>58,97,968.07</u>		91,00,955.86
<u>4,12,20,456.00</u>				<u>5,22,56,533.84</u>

M. R. V. NAIR
Secretary

N. VIJAYAKUMAR
Managing Director

M. S. JOSEPH
Chairman

For KURYAN & SUSEELAN
Chartered Accountants
Sd/

V. K. KURYAN
(Partner)

SCHEDULE B

Previous year		CURRENT LIABILITIES	As at 31/3/89	
Rs.	Ps.		Rs.	Ps*
11,59,387.00		Sundry Creditors	28,44,744.84	
4,81,75,650.00		Other Liabilities	6,28,19,378.19	
49,83,162.00		Earnest Money Deposit Security Deposit	55,12,763.08	
86,784.00		Suspense Pending Adjustment	93,519.34	
11,404.00		P. F. Suspense	11,479.77	
34,000.00		Stores Suspense	77,916.39	
67,24,018.00		Income received in advance	87,60,135.58	
10,000.00		Housing Scheme Workers	10,000.00	
4,96,598.00		Income Tax payable	7,46,500.00	
7,067.00		Welfare fund	9,533.49	
...		Sale of Secondary growth	6,41,000.00	
4,13,99,061.00		Agricultural Income Tax due Interest accrued but not due on Govt. of Kerala Loan	2,27,31,667.42 1,49,686.78	
<u>10,30,87,131.00</u>			<u>10,44,08,324.88</u>	

M. R. V. NAIR
Secretary

N. VIJAYAKUMAR
Managing Director

M. S. JOSEPH
Chairman

For KURYAN & SUSEELAN
Chartered Accounts

Sd/

V. K. KURYAN

(Partner)

SCHEDULE C

Previous year Rs.			Current Year Rs.
	i. Gratuity		
3,04,53,070.00	As per last Balance Sheet	3,04,53,070.00	
	Addition this year	<u>93,02,025.00</u>	
		3,97,55,095.00	
	Less: Paid this year	14,07,195.25	3,83,47,899.75
	ii. Bonus		
30,00,000.00	As per last Balance Sheet	30,00,000.00	
	Addition this year	<u>35,00,000.00</u>	
		65,00,000.00	
	Less: Adjusted against bonus paid this year	30,00,000.00	35,00,000.00
	iii- Taxation		
	As per last Balance Sheet	14,57,754.37	
	Addition this year	<u>1,65,00,000.00</u>	
		1,79,57,754.37	
	Add:-		
	i I. T Reund & Adjust- ment Asst. 79/80 & 84/85	1,02,992.00	
	ii A. I. T Assessment years 83/84 & 84/85	3,34,69,937.00	
	iii A. I. T Relief in appeal Asst. year 82-83	<u>3,08,313</u>	
		5,18,38,996.37	
	Less:		
	I. T payable as per assessment for asst. 87/88	8,19,875.00	
14,57,754.00	A. I. T payable as per assessment for Asst. 85-86	2,21,56,738.00	<u>2,88,62,383.37</u>
<u>3,49,10,824.00</u>			<u>7,07,10,283.12</u>

Sd/-
M. R. V. NAIR
Secretary

Sd/-
N. VIJAYAKUMAR
Managing Director

Sd/-
M. S. JOSEPH
Chairman

SCHEDULE D

DEVELOPMENT OF PROPERTY

(Schedule forming part of Balance Sheet as at 31-3-1989)

Rubber	Balance as per last B/Sheet	Perambra Rs.	Thannithodu Rs.	Nilambur Rs.	Alakode Rs.	Kodumon Rs.	Disposal Rs.	Total Rs.
1959	Plantation (Kod)	6,28,371.94	...	...	...	...	...	6,28,371.94
1960	"	5,62,467.87	...	...	...	...	...	5,62,467.87
1961	"	69,40,672.05	...	...	...	...	2,71,556.83	66,69,115.22
1962	"	43,29,652.14	...	...	...	...	...	43,29,652.14
1963	"	44,37,542.96	...	...	...	...	6,323.84	44,31,219.12
1964	"	20,37,593.07	...	...	...	...	...	20,37,593.07
1965	"	49,47,322.09	...	...	...	...	...	49,47,322.09
1966	"	22,52,657.43	...	...	...	...	4,19,935.43	18,32,722.00
1967	"	37,69,476.47	...	...	...	...	...	37,69,476.47
1968	"	31,97,400.76	...	...	...	...	...	31,97,400.76
1969	"	5,42,665.32	...	...	...	...	...	5,42,665.32
1970	"	9,90,797.76	...	...	...	...	...	9,90,797.76
1971	"	10,04,184.66	...	...	...	...	...	10,04,184.66
1972	"	10,00,295.85	...	...	...	...	...	10,00,295.85
1973	"	23,66,727.72	...	...	...	...	...	23,66,727.72
1974	"	56,54,790.43	...	...	...	...	...	56,54,790.43
1975	"	19,40,223.72	...	...	...	...	...	19,40,223.72
1976	"	64,83,834.44	...	...	...	...	...	64,83,834.44
1977	"	48,06,978.60	...	...	...	...	...	48,06,978.60
1978	"	7,40,108.44	...	...	...	...	...	7,40,108.44
1979	"	31,34,577.92	...	...	...	...	...	31,34,577.92
1980	(133265.58 + 80795.05) Thannithode Nilambur	2,14,060.63	...	...	...	...	...	2,14,060.63
1981	(Nilambur)	7,37,874.74	...	...	...	...	...	7,37,874.74
1982	(Thannithode)	6,79,422.23	...	...	...	...	...	6,79,422.23
1983	(")	36,75,592.59	...	...	...	...	...	36,75,592.59
1985		16,06,742.62	...	4,60,334.75	...	...	...	20,67,077.37
1986	(Perambra Muthucaud)	22,85,896.59	3,73,710.57	...	...	...	...	26,59,607.16
1988	(Perambra)	86,613.08	12,56,695.21	...	4,88,136.76	...	...	18,31,445.05
1989	(Pre-planting)	...	...	...	25,092.07	...	15,643.55	...40,735.62

Rubber	Balance as per last B/Sheet	Perambra Rs.	Thannithodu Rs.	Nilambur Rs.	Alakode Rs.	Kodumon Rs.	Disposals Rs.	Total Rs.
1967 Replanting	8,99,989.98	...	...	...	...	...	...	8,99,989.98
1968 ..	1,76,105.28	...	...	...	...	...	...	1,76,105.28
1969 ..	4,99,906.84	...	...	...	...	...	...	4,99,906.84
1970 ..	70,505.30	...	...	...	...	...	...	70,505.30
1971 ..	3,14,844.42	...	...	...	...	...	...	3,14,844.42
1972 ..	2,18,930.02	...	...	...	...	...	...	2,18,930.02
1973 ..	15,03,654.30	...	...	...	...	...	...	15,03,654.30
1974 ..	2,69,512.32	...	...	...	...	...	...	2,69,512.32
1980 (Perambra)	49,295.16	...	...	...	...	...	...	49,295.16
1983	5,40,095.52	...	...	...	...	60,808.05	...	6,00,903.57
Coconut (Kodumon)	795.36	...	...	...	...	...	...	795.36
Evicted area	16,94,037.42	...	...	...	...	...	...	16,94,037.42
Survey	1,60,561.22	...	...	...	...	...	...	1,60,561.22
Eucalyptus	15,963.37	...	...	...	...	...	...	15,963.37
Cashew plantation, Kasargode	36,65,014.59	...	...	...	...	...	...	36,65,014.59
Cashew 1976 Rajapuram	1,50,069.06	...	...	...	...	...	...	1,50,069.06
1977	20,06,054.00	...	...	...	...	...	...	20,06,054.00
1978 Rajapuram	13,65,478.81	...	...	...	...	...	...	13,65,478.81
1979 ..	8,24,526.79	...	...	...	...	...	...	8,24,526.79
1980 ..	11,97,002.60	...	...	...	...	...	...	11,97,002.60
1981 ..	18,87,966.82	...	...	...	...	...	...	18,87,966.82
1982 ..	17,59,787.41	...	...	...	...	...	...	17,59,787.41
1983 ..	5,80,552.40	...	...	...	...	...	...	5,80,552.40
1985 ..	5,467.22	...	...	...	...	...	...	5,467.22
Cashew in Rubber estates	15,03,807.72	...	...	...	...	...	...	15,03,807.72
Alakode Plantation	30,93,010.89	...	...	...	4,01,450.41	...	...	34,94,461.30
Total	9,55,07,478.81	16,30,405.78	4,60,334.75	5,13,228.834	01,450.41	76,451.60	6,97,816.10	9,78,91,534.08

For: **KURYAN & SUSEELAN**
Chartered Accountants

Sd/-
M. R. V. NAIR
Secretary

Sd/-
N. VIJAYAKUMAR
Managing Director

Sd/-
M. S. JOSEPH
Chairman

Sd/-
V. K. KURYAN
(Partner)

SCHEDULE

(Included in and forming part of
SCHEDULE OF

ITEMS	ORIGINAL COST						DEPRECIATION					
	Cost at the end of Prev. year		Additions during the year		Total Cost		As at the end of Prev. year		For the Current year		Total Depreciations	
	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
Freehold Land	28,81,200.55		...		28,81,200.55		...		...		...
Buildings	4,38,34,246.10		3,96,732.06		4,42,30,978.16		1,37,48,547.52		17,65,922.86		1,55,14,470.38	
Vehicles	46,86,544.51		9,02,069.57		55,88,614.08		38,68,838.38		3,15,154.55		41,83,992.93	
Plant and Machinery	83,50,607.65		8,47,499.07		91,98,106.72		62,47,128.41		6,65,925.07		69,13,053.48	
Furniture	15,72,520.89		13,085.75		15,85,605.64		9,32,270.26		65,333.24		9,97,603.50	
Office Equipments	4,82,171.15		7,603.43		4,89,774.58		3,29,989.99		23,967.42		3,53,957.48	
Survey Instruments	11,098.20		...		11,098.20		10,527.80		84.11		10,611.91	
Library	47,277.86		...		47,277.86		31,739.04		1,565.79		33,304.83	
Roads	1,38,32,781.65		...		1,38,32,781.65		6,84,341.60		6,57,421.99		13,41,763.59	
Fence	10,07,277.39		...		10,07,277.39		50,363.81		47,845.65		98,209.46	
Electric Fittings	54,404.78		978.60		55,383.38		35,533.94		2,830.62		38,364.56	
Electric Appliances	66,893.33		1,100.00		67,993.33		48,650.28		3,761.18		52,411.46	
Electrical Installation	46,35,414.63		1,90,520.00		48,25,934.63		30,16,493.39		2,56,498.35		32,72,991.74	
Telephone	15,557.38		...		15,557.38		14,146.60		211.62		14,358.22	
Wells	6,573.37		...		6,573.37		327.76		312.29		640.05	
Water Supply Installation	43,27,143.53		55,928.64		43,83,072.17		27,67,212.10		2,42,648.98		30,09,861.08	
Landingpads	1,18,844.25		...		1,18,844.25		5,942.20		5,645.10		11,587.30	
Jhankar and Boat	19,051.49		...		19,051.49		14,340.95		471.04		14,811.99	
Total	8,59,49,608.71		24,15,517.12		8,83,65,125.83		3,18,06,304.03		40,55,599.93		3,58,61,993.96	
Total for the previous year	8,35,11,927.36		27,21,589.09		8,62,33,516.45		2,79,13,511.92		41,59,659.49		3,20,73,171.41	

Sd/-
M. R. V. NAIR
Secretary

Sd/-
N. VIJAYAKUMAR
Managing Director

E

the Balance sheet as on 31/3/1989)

FIXED ASSETS

DISPOSALS & ADJUSTMENTS				BALANCE							
Original Cost		Depreciation written off		Total cost at the end of the current year		Total depreciation at the end of current year		Net Block		Net Block as on 31-3-1988	
Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
...		...		28,81,200.55		...		28,81,200.55		28,81,200.55	
231.50		...		4,42,30,746.66		1,55,14,470.38		2,87,16,276.28		3,00,85,698.58	
2,16,855.20		1,91,415.25		53,71,758.88		39,92,577.68		13,79,181.20		8,17,706.13	
14,794.00		7,071.40		91,83,312.72		69,05,982.08		22,77,330.64		21,03,479.24	
...		...		15,85,606.64		9,97,603.50		5,88,003.14		6,40,250.63	
...		...		4,89,774.58		3,53,957.48		1,35,817.10		1,52,181.16	
... 98.28		... 96.59		10,999.92		10,515.32		484.60		570.40	
...		...		47,277.86		33,304.83		13,973.03		15,538.82	
...		...		1,38,32,781.65		13,41,763.59		1,24,91,018.06		1,31,48,440.05	
...		...		10,07,277.39		98,209.46		9,09,067.93		9,56,913.58	
...		...		55,383.38		38,364.56		17,018.82		18,870.84	
...		...		67,993.33		52,411.46		15,581.87		18,243.05	
...		...		48,25,934.63		32,72,991.74		15,52,942.89		16,18,921.24	
...		...		15,557.38		14,358.22		1,199.16		1,410.78	
...		...		6,573.37		640.05		5,933.32		6,245.61	
...		...		43,83,072.17		30,09,861.08		13,73,211.09		15,59,931.43	
...		...		1,18,844.25		11,587.30		1,07,256.95		1,12,902.05	
...		...		19,051.49		14,811.99		4,239.50		4,710.54	
2,31,978.98		1,98,583.24		8,81,33,146.85		3,56,63,410.72		5,24,69,736.13		5,41,43,214.68	
2,83,907.74		2,66,777.38		8,59,49,608.71		3,18,06,394.03		5,41,43,214.68			

S/-
M. S. JOSEPH
Chairman

For KURYAN & SUSEELAN
Chartered Accountants

Sd/
V. K. KURYAN
(Partner)

SCHEDULE F

Previous year Rs.	TRADE INVESTMENTS	As at 31/3/89 Rs.
	Investment in shares	
	a) 10 Equity shares of Rs. 100/-each fully paid up in Banana & Fruit Development Corporation Ltd., Madras (Unquoted)	1,000-00
1,000.00		
	b) 1 A class share of Rs. 100/- each fully paid up in Mannam Sugar Mills Corporation Society No. 4324	100-00
100.00		
	Total	<u>1,100-00</u>
<u>1,100.00</u>		

Sd/-
M. R. V. NAIR
Secretary

Sd/-
N. VIJAYAKUMAR
Managing Director

Sd/-
M. S. JOSEPH
Chairman
For KURYAN & SUSEELAN
Chartered Accounts
Sd/-
V. K. KURYAN
(Partner)

SCHEDULE G

Previous year Rs.	CURRENT ASSETS	As at 31.3.1989 Rs.
	A. Inventories (As valued and certified by Management)	
70,85,207.00	1) Stores & Spares at cost	10,85,2374.28
8,55,150.00	2) Loose Tools at valuation	6,94,730.93
3,88,224.00	3) Agricultural and other equipments at valuation	3,61,789.62
2,88,58,022.00	4) Stock of Rubber, Rubber in process (Value fixed by Management less incidental expenses)	4,53,77,832.00
	5) Nursries:-	
	Rubber	32,77,824.00
	Cashew	4,195.34
	Arecanut	8,151.16
26,46,716.00	Others	<u>36,203.76</u>
	B. Sundry Debtors (Unsecured considered good)	
19,94,185.00	a) Exceeding six months	28,07,476.02
1,54,34,379.00	b) Less than six months	2,39,61,824.66
	C. Cash & Bank Balances:-	
6,318.00	a) Stamp & Stamp paper	10,149.50
1,18,26,895.00	b) Bank Balance:-	
	1) With Scheduled Banks in Current Account	65,33,388.40
46,80,043.00	2) With Treasury Savings Bank	<u>2,76,858.00</u>
	3) Income-Tax Surcharge Deposit in State Bank of India.	<u>23,880.00</u>
<u>7,37,99,019.00</u>	Total	<u>9,42,26,677.67</u>

Sd/-
M. R. V. NAIR
Secretary

Sd/-
N. VIJAYAKUMAR
Managing Director

Sd/-
M. S. JOSEPH
Chairman

For KURYAN & SUSEELAN
Chartered Accounts

Sd/-
V. K. KURYAN
(Partner)

SCHEDULE H

Previous Year Rs. Ps.	LOANS AND ADVANCES		As at 31/3/89 Rs. Ps.
	I. SECURED (CONSIDERED GOOD)		
	Staff loan:-		
2,30,635.00	i) Motor Car Loan	1,81,130.00	
2,49,250.00	ii) Motor Cycle Loan	<u>2,25,685.80</u>	4,06,815.80
	II. UNSECURED (CONSIDERED GOOD):-		
53,83,768.00	a) Oil Palm India Ltd.	42,84,916.44	
50,80,331.00	b) Advances recoverable in cash or kind or value to be recovered	40,89,619.50	
	c) Advance payment of Taxes:		
6,02,435.00	i) Sales-Tax	19,12,564.73	
2,74,23,337.00	ii) Agricultural Income-Tax 3,	91,44,643.00	
11,69,903.00	iii) Central Income-Tax	20,73,457.72	
38,271.00	d) Prepaid expenses	72,966.27	
	e) Housing Loan	10,000.00	
	f) Income-Tax Refund due	<u>1,44,954.00</u>	5,17,33,121.66
	g) Deposits:-		
	1) With post & Telegraph, Electricity Board, Port Trust & Other Government Departments	6,11,870.00	
	2) With Housing Board	59,000.00	
	3) Other Deposits	11,63,166.00	
	4) With Housing Development Corporation	15,00,000.00	
6,76,304.90	5) With Treasury & Post Office	<u>60,00,000.00</u>	93,34,036.00
	III. UNSECURED (CONSIDERED DOUBTFUL)		
45,983.00	Advances recoverable in cash or kind or value to be received		...
<u>4,08,50,217.00</u>	Total		<u>6,14,73,973.46</u>

Sd/-
M. R. V. NAIR
Secretary

Sd/-
N. VIJAYAKUMAR
Managing Director

Sd/-
M. S. JOSEPH
Chairman

For KURYAN & SUSEELAN
Chartered Accountants
Sd/-
V. K. KURYAN
(Partner)

(SCHEDULE I)

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 ST MARCH 1989

1. Amount of Civil contracts on Capital assets to be executed on account and not provided for is estimated at Rs. 18, 81, 950/= (previous Year Rs. 15, 38,500/=).
2. The Government has revised Lease rent @ Rs. 1, 300/= per annum in the latest G. O. (MS) 11/89 F & WLD dated 20-1-1989 w.e.f 18/12/1987. But the corporation has issued cheques for the lease rent @ Rs. 125/= per annum per hector for the leasehold land except for 1.519-75 hectors in Rajapuram Estate which is calculated @ Rs. 250/= per annum. The final accounts of the Corporation for the year 1988-89 have been prepared after providing for the Lease rent @ 1,300/= per annum for 11425. 83 hectors.
3. The Corporation is liable to pay a Compensation of Rs. 5,353-75 (previous year 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 have to produce succession or her ship certificate.
4. An amount of Rs. 9, 533-49 (previous year Rs. 7,066-69) is payable to Labour Welfare Fund of the State Government, being welfare fund created out of time barred claims.
5. Six cases are pending against the corporation against which the amounts payable are not ascertainable, as the claims due to parties are not finalised. As such they are not acknowledged as debts and are not provided for.
6. Loan of Rs. 24,86,800/= from Syndicate Bank secured by first charge on the Buildings, Machinery & Furniture has been repaid in full before 31-3-1989.
7. The subsidiary status of Oil Palm India Ltd., was terminated vide G.O. (MS).No. 238/83 AD. dated 4-8-1983. The Intrinsic value of shares of Oil Palm India Ltd. as on 1-4-1983, was determined at Rs. 62, 05, 440 and the same is adjusted against loan due to Government of Kerala against the purchase of these shares. Interest has not been provided from 1-4-1983, on these loans amounting to Rs. 112 lakhs drawn from the Government of Kerala for investment in Oil Palm India Ltd., as the said loans were cancelled vide G. O. (MS) 238/83/AD dated 4-8-1983. The Government of Kerala vide their letter No. 18919/ U-1/89 AD dated 3-10-1989 has confirmed that no interest need to be provided for. The balance amount of the said loan Rs. 32, 61, 222 has been included in 'Unsecured loans'. The mode of adjustment to be made for the balance has to be confirmed by the Government.
8. Interest on Government loans under different accounts have been provided in accordance with the orders issued by the Government of Kerala from time to time.
9. The corporation has received an amount of Rs. 7, 22, 547-50 as Rubber Board subsidy so far; and the corporation has a contingent liability as the same has to be repaid to the Rubber Board in case the Plantation is destroyed or taken for any public purpose.

10. In accordance with the companies usual practice, commission payable to selling agents is charged in the accounts only when paid to them after full realisation of the dues from the customers. Now, the corporation is contingently liable for Rs. 2,08,947-60 (including special commission Rs. 89,028) being commission to selling agents for 1988-89 which has not been settled.

11. The total area of land handed over to the Corporation by the Government departments as on 31-3-1989 is approximately 14,454 Hectors (The total area has not been surveyed).

	Hectors
	(Figures rounded to the nearest decimal)
Rubber Plantation	7614
Cashew in Rubber Estates	1059
Cashew Plantations	5259
Submergible area	220
Handed over to P. W. D. for Kallada Irrigation Project	3.3
Area under buildings, factories, roads, canals, marshy place, fire belt etc.	295
Area to be planted	3.7
Total	14454

12. An area of 3.28 hectors of 1961 plantation in Kodumon Group of Estates under Survey No. 783/1 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.

13. The terms and conditions under which the Corporation has taken 975 hectors of land covered by Cheemeni Plantations are yet to be determined.

14. Lease deed for lands handed over to the corporation since 1970 has yet to be executed excepting the land (Rajapuram Estate) handed over for the development of cashew plantations under the World Bank Scheme.

15. In making alternative arrangements for the works abandoned by M/s. ENCOS, the company incurred an expenditure of Rs. 3,60,000/-. The Government vide order No. MS. 137/81/AD dated 20-4-1981 appointed an arbitrator for the settlement of this and his decision is awaited.

16. The corporation has given certain rubber plantations for slaughter tapping. As per the agreement, the contractors are permitted to remit the amount agreed in instalments. The actual amount received during the year from the contractors are credited to the Profit and Loss Account.

17. The right of collection of cashew nuts from the corporation's cashew estates has been given on contract under Tender-cum auction system. As the crop season is from February to June, 40% of the auction amount has been treated as the income for the current year and the balance as income received in advance. However, the income from cashew in rubber estates has been fully credited in the Profit & Loss Account.

18. Loan with Government Departments, Sundry Creditors, Sundry Debtors, Deposit with Government Departments and Deposit with others are subject to confirmation by the parties.

19. Under "Fixed Assets", items 'Buildings', 'Roads', 'Fence' and 'Landing pad' the cost of Rs. 3,00,85,699, Rs. 1,31,48,440, Rs. 9,56,914 and Rs. 1,12,902 respectively included Rs. 2,44,01,20, Rs. 1,19,60,944 Rs. 8,02,302 and Rs. 1,07,257 respectively constructed on lease hold land.

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 above rules remain Government property till the loan taken by the corporation under the scheme is repaid to the Government.

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

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

23. The market value/realisable value of investment shown under Schedule - F cannot be assessed.

24. Closing Stock of finished goods and work in process has been valued at the price fixed by the Corporation as on 31-3-1989 less incidental expenses as in the previous year.

25. With regard to the valuation of ammoniated latex which is kept at various collection centres in the Estates, factories etc. for which some more processing is required to make it saleable as a finished product, the valuation is made on estimated basis by ascertaining the quantity of Dry Rubber content in the respective items.

26. 'Sundry Debtors' include the following amounts due from Government Companies under the same management viz., Government of Kerala.

	Less than Six months	More than six months	Total
1. Trivandrum Rubber works	133-00	10,07,382-10	10,07,515-14
2. Foam mattings		16,117-47	16,117-47
3. Forest development Corporation		7-62	7-62
4. State Farming Corporation		350-00	350-00

27. Motor Car loan to officers is fully secured by hypothication of Motor Cars in favour of the Corporation. Balance outstanding as on 31-3-1989 is Rs. 1,81,130 (previous year Rs. 2,30,635/=). Maximum amount of such loan during the year was Rs. 2,30,635 (Previous year Rs. 2,31,830/=).

28. Motor Cycle loan to officers and staff are also secured by hypothication of Motor cycle in favour of the Corporation. Balance outstanding as on 31-3-1989 from officers is Rs. 1,85,146 (previous year Rs. 1,98,764). Maximum amount of such loan during the year was Rs. 2,57,030 (Previous year Rs. 2,37,517).

29. 'Other advances recoverable in cash or in kind, or value to be received' under 'Loans and Advances' include the following amounts due by officers of the Corporation.

1. T. A. Advance	43,522-81
2. Salary Advance	1,06,042-72
3. Other Advance	38,081-87
4. Interest on Motor Car loan	31,566-39
5. Interest on Motor Cycle loan	41,996-99
6. Stores Recoverable	19,658-76
7. Fuel charges Recoverable	977-98
8. I. B. charges recoverable	982-15
9. Postage recoverable	117-00

30. 'Loans and Advances' include Rs. 1,71,891 (previous year Rs. 1,71,891) on account of the insurance claims lodged by the Company with the insurers which are yet to be admitted by the insurers. Hence the adjustment in accounts thereof has to be made on admission and settlement of the claims by the insurers.

30. Under 'Loan & Advances' in schedule-H an amount of Rs. 6,11,870 is shown as deposit in the Government departments. The details of this amount are as follows;

	<u>Current year</u>	<u>Previous year</u>
1. Cochin Port Trust	3,600-00	3,600-00
2. Post & Telegraph Department	30,366-00	51,860-00
3. Kerala State Electricity Board	<u>5,77,904-00</u>	<u>3,81,303-00</u>
	<u>6,11,870-00</u>	<u>4,36,763-00</u>

32. The Corporation has paid to its employees, bonus at 8.33% and production incentive at 11.67% for the calendar year 1988 as per G. O. (RT) No. 1579/89/AD dated 4/9/89.

33. The depreciation provided in the accounts is at the rates applicable as per Schedule XIV of the Companies Act, 1956. Reducing Balance (written down value) method of depreciation has been consistently followed.

34. Gratuity has been provided on the basis of actuarial valuation.

35. The Expenditure on repairs and maintenance shown under Schedule-1 is the net expenditure after deducting tools collected for using the estate roads. The collection is only in nominal for meeting the repair expenses.

36. Additional information pursuant to the provisions of paragraph 3 Part-II of Schedule-VI to the companies Act 1956.

	<u>Current year</u>		<u>Previous year</u>	
	Quantity in MT	Value Rs.	Quantity in MT	Value Rs.
Sales of goods as per Sale Register:-				
1) Rubber	6,300.8	14,74,73,405	6011.203	13,61,27,575
2) Cashew	...	1,21,21,667	...	1,07,96,123

Quantity particulars of cashew are not available as the sales were by tender cum Auction.

37. An Adhoc provision of Rs. 35,00,000 has been made in the accounts towards payment of bonus pertaining to the period from January to March 1989.

38. The following amounts are set aside towards Reserves as shown below:-

	<u>Current year</u>	<u>Previous year</u>
1) Replanting Reserve	50,00,000	20,00,000
2) Rehabilitation Reserve	1,38,110	1,36,285

39. Provision of rehabilitation reserve of Rs. 1,38,110 is at 3% of the cost of replanting as is allowed under the Agricultural Income-Tax Act.

40. The Corporation has made a provision for replanting reserve of Rs. 50,00,000 from the profit at the rate of 5% P. A of the cost of the Plantations.

41. Interest on loans amounting to Rs. 12,58,253-08 pertains to interest on loan availed from Government of Kerala 12,14,598-16 and interest on banks loan Rs. 20,045-92 for Cashew Development and guarantee Commission Rs. 23,609/=.

42. Packing Drum, tapping stores and other implements issued during the year have been charge to revenue. The Manufacturing and selling expenses include a sum of Rs. 77,60,110/= being the cost of 30,169 drums consumed during the year.

Managerial Remuneration paid/payable to Managing Director.

	<u>Current year</u>	<u>Previous year</u>
	Rs.	Rs.
1) Pay & Allowance	94,449-55	49,314-00
2) Festival Allowance	375-00	350-00
3) Leave encashment	...	3,458-00
4) Expenses reimbursed	25,309-00	12,472-00
5) Leave Salary and pension contribution	1,307-00	...
6) Perquisite	3,600-00	3,600-00
	<u>1,25,040-55</u>	<u>69,194-00</u>

The Managing Director is provided with a car for his official purpose and is charged Rs. 150 P. M. for his Private use limiting to 500 Kms. a month. Perquisite in this regard is Rs. 3,600/=

The Managing Director has been provided with furnished accomodation charging 10% of the salary and rent in excess of 25% of the Salary. The expenses with regard to the medical treatment are also being paid by the corporation.

44. Salary Rs. 94,449-55 under remuneration to Managing Director (See note 43 includes Rs. 42,853-25 being salary payable to former Managing Director Sri. M. K. Gopalakrishnan for the period 25/2/88 to 7/11/88 vide G. O. (RT) No. 681/89 Ad dated 30/3/89.

45. The Chairman Sri. V. T. Thomas (for 27/10/1987) is being paid an honararium of Rs. 750 P. M. He is also provided with a car for his official use and an amount of Rs. 150 P. M. is being deducted for Non-Official use of the car limiting to 500 KM. per month. Perquisite in respect thereof is Rs. 3,600/=

46. Remuneration to other Directors.

	Current year Rs.	Previous year Rs.
1. Sitting Fee	5,200-00	2,900
2. T. A. to Directors	399,55-50	20,983

47. There was no employee in the corporation drawing a remuneration in excess of Rs. 72,000/= per annum in the aggregate during 1988/89. No person was employed for any part of the year on a monthly remuneration exceeding Rs. 6000 P. M.

48. Miscellaneous Expenditure includes donations of Rs. 5,000/=

49. Information in regard to amounts paid to auditors.

	Rs.	Previous year Rs.
1. Statutory Audit	15,000/=	15,000/=
2. Internal Audit	9,000/=	32,000/=
3. Expenses to Statutory Auditors	5,000/=	4,000/=
	<u>29,000/=</u>	<u>51,000/=</u>

50. Additional information as per clause IV D of part-II to Scheule-VI.

	Previous Year	
a) C. I. F. Value of imports during theyear	NIL	NIL
b) Expenditure in Foreign Currency	NIL	NIL

c) Value of Raw Materials, stores, spareparts and components consumed during the year.	Value	Expenses as percentage of consumption	Value Expenses as percentage of consumption (Previous year)	
			Value	Expenses as percentage of consumption
1) Imported value	NIL	NIL	NIL	NIL
2) Indigenous (Stores & Spares) including value of stores capitalised)	1,36,06,844	100%	1,25,43,355	100%
3. Particulars of dividends remitted in Foreign Exchange	NIL		NIL	
4. Earnings in Foreign Exchange	NIL		NIL	

51. The Corporation is of opinion that since it is an Agricultural Company and carrying on only operations required for making the produce marketable, the provisions contained in Para 3 (ii) a and 4 c of Part-II Schedule-VI to the Companies Act, 1956, regarding reporting of information in the case of Manufacturing Companies are not applicable.

52. Sales-Tax

Appeals against Sales-Tax Assessments (CST) from 1979-80 to 1983-84 were remanded by the Deputy Commissioner (Appeals), Quilon for fresh hearing. They are not yet posted for such hearing by the Assessing Authority.

For the year 1984-85, the D. C. (Appeals) has reduced the CST and K. G. S. T. Assessments made by the Asst. Commissioner (Assessment) heard the case. However, orders for the same have not yet been received by us. Pending receipt of the assessment orders, no provision has been made in the accounts for any additional liability. Regarding 1985-86, appeals were filed before D. C. (Appeals), Quilon against the C. S. T. and K. G. S. T. Assessments of the Asst. Commissioner, Special Circle, Kottayam which are not acceptable to the Corporation. The appeals have not yet been posted for hearing. Accounts for 1986-87 have not yet been taken up for assessment.

53. Agricultural Income-Tax

a) Agricultural Income-Tax authorities have completed the assessment for assessment year 1977-78 fixing the total tax for the year at Rs. 39, 93, 453-10 which has been fully remitted.

b) For the assessment Year 1978-79 the AIT authorities have assessed an amount of Rs. 13, 34, 188-70 as tax payable, out of this Rs. 10, 54, 392-18 has been remitted. For the balance tax of Rs. 2, 79,796-52 the company obtained stay order.

c) For the assessment year 1979-80 the AIT authorities have assessed an amount of Rs. 81,63, 752/= as tax payable. So far the company paid an amount of Rs.76,09,060/= and for the balance amount the company obtained stay order.

d) For the assessment for 1980-81 the AIT authorities have assessed an amount of Rs. 84, 85, 192/= as per the revised assessment order dated 14-3-88. The company paid the full amount of tax assessed.

e) For the assessment year 1981-82 the total tax due per appellate order issued by the Deputy Commissioner (Appeal) is Rs. 127,78,890/ For the said year so far the company has paid Rs.88, 76,945/=

f) For the assessment year 1982-83 the Agricultural Income-Tax authorities have assessed an amount of Rs. 1, 28, 20, 234/=. Out of this we have paid Rs. 1, 15,00,000/.

Appeals filed against the above assessments have been disposed off and the orders giving effect to the appellate orders have not been received so far. Hence no adjustments have been made in the accounts in this regard.

g) For the assessment year 1983-84 and 1984-85 the assessments made by the Inspecting Asst. Commissioner, Kottayam have been set aside by the Deputy Commissioner (Appeals) Quilon for fresh hearing.

h) For the assessment year 1985-86 the total tax assessed was Rs. 2.21. 56,738/- out of which we have already remitted Rs. 1,58,20,382/- for the balance amount of Rs. 63,36,356/- we have obtained stay order. The appeal filed against the said order is pending disposal.

The Company has paid advance-tax towards AIT as shown below:-

Assessment year	Amount paid
1986/87	Rs. 48,43,528/-
1987/88	Rs. 60,33,927/-
1988/89	Rs. 40,32,221/-
1989/90	Rs. 20,00,000/-

54) Prior Period expenses include plantation tax Rs. 6,03,901/- Audit expenses Rs. 2,500/- and Lease Rent Rs. 1,823,72.

55) Previous years figures have been re-grouped /re-stated wherever necessary to make them comparable with current year figures.

56) The total wages paid during the year to the workers (Tappers, Field Workers and Factory workers) is Rs. 502. 14 lakhs.

57) An amount of Rs. 8,00,000/- received from the Govt. of Kerala prior to 31.3.87 towards reimbursement of expenses of Alakode estate shown in current liabilities is transferred to the Reserves and Surplus this year through the Profit & Loss account, as Prior Period Income. Since the total expenditure up to 31.3.87 (i. e. Rs. 94, 84, 925/-) was written off in the profit & loss account for the year 1987-88.

58) No depreciation has been provided on the cost of Ammonia cylinders (Rs.2,46,578.00) used in various factories and divisions of the Corporation. Eventhough as Per Schedule XIV C 5 of the Companies Act Ammonia gas cylinders have to be classified as Fixed Asset, the Company was treating this as a Current Asset. Depreciation at the rate of 40% per annum for the current year comes to Rs. 98,631.20. This aspect will be considered while finalising the accounts for the year 1989-90.

59) The provisional accounts for the year 1988-89 was approved by the Board on 20.2.90. and the Managing Director was authorised to make any modification or alteration as suggested by Statutory Auditors during their audit. Subsequently certain changes were made in the Accounts on the basis of this audit. This accounts showing a net profit of Rs. 64,73,409. 96 was submitted to Accountant General for their comments. As the above accounts were not placed before the Board the Accountant General directed the Company to place the Accounts again in the Board for approval. The accounts were modified taking into consideration the various observations made by the Accountant General on Audit. The net profit as per the modified accounts is Rs. 58,97,968.07 after providing for taxation of Rs. 1,65,00,000/- as against the original tax provision of Rs. 1,80,00,000/-

For KURYAN & SUSEELAN
Chartered Accountants

Sd/-
M. R. V. NAIR
Secretary

Sd/-
N. VIJAYAKUMAR
Managing Director

Sd/-
M. S. JOSEPH
Chairman

Sd/-
V. K. KURYAN
(Partner)

SCHEDULE-J

Previous Year Rs.	REPAIRS & MAINTENANCE	Current Year Rs.
7,53,562.00	Buildings	8,69,817.56
11,11,931.00	Vehicles	9,89,149.36
6,33,201.00	Roads	6,66,789.81
2,88,519.00	Water supply Installations	2,09,664.98
3,02,363.00	Electrification	1,97,653.44
2,03,946.00	Fence/Kayyala	4,43,682.89
2,25,164.00	Others	3,37,924.89
<u>35,18,686.00</u>		<u>37,14,682.93</u>

SCHEDULE-K

3,01,917.00	Postage, Telephone & Telegram	3,46,910.22
2,45,109.00	Printing & Stationery	2,68,168.46
30,575.00	Office Expense & Miscellaneous	34,822.62
2,217.00	Bank charges	4,626.43
30,877.00	Books & Periodicals	23,216.79
82,129.00	Storage Expenses	91,034.07
77,570.00	I. B. Expenses	61,719.98
41,658.00	Entertainment Expenses	43,456.62
6,645.00	Staff Training Expenses	12,250.00
1,41,143.00	Ferry Expenses	1,20,120.23
1,115.00	Gardening	1,453.95
1,700.00	Temporary Shed	44,525.92
4,000.00	Management Consultancy	5,000.00
144.00	Losses & Write off	7,500.00
...	Donation	5,000.00
140.00	Research Expense	...
<u>9,66,939.00</u>		<u>10,69,805.29</u>

SCHEDULE-L

12,55,968.00	Sickness Benefit	13,10,437.92
58,908.00	Maternity Benefit	66,712.90
18,91,423.00	Leave with wages	21,14,539.73
11,30,550.00	Holiday wages	12,51,014.48
2,94,021.00	Weather protection	3,15,726.15
8,56,341.00	Drinking Water supply	9,60,223.65
1,88,743.00	Sanitation	1,63,154.54
62,941.00	Recreation facilities	59,857.84
32,74,408.00	Medical & Hospital Expense	34,23,256.22
33,769.00	Way expense to workers	43,297.70
44,891.00	Running & Maintenance of School	55,359.86
1,73,002.00	Creche Expense	1,33,200.71
20,027.00	Workmen's Compensation	59,732.06
9,978.00	Workers Education	16,997.26
9,06,824.00	Uniform to Staff & Workers	10,48,029.44
616.00	Subsistence Allowance	50,892.80
29,046.00	Labour Welfare fund	27,791.00
...	Others	600.00
<u>1,02,31,456.00</u>		<u>1,11,00,824.26</u>

M. R. V. NAIR
Secretary

N. VIJAYAKUMAR
Managing Director

M. S. JOSEPH
Chairman

For KURYAN & SUSEELAN
Chartered Accountants
Sd/
V. K. KURYAN (Partner)

AUDITORS' REPORT TO THE SHARE HOLDERS

The Balance Sheet and Profit and Loss Account on which we made our report dated 8/6/1991 were not placed before the Board for its approval at the time of our said report. The fact of non-compliance of provisions of Section 215 (3) of the Companies Act 1995 with regard to authentication of Balance Sheet and Profit and Loss Account was brought to the notice of the share holders vide para (16) of the said report.

In Supersession of our earlier report dated 8.6.1991 we now report on the Balance Sheet as at 31st March 1989 and Profit and Loss Account for the year ended that date placed before the Board on 14.8. 1991 duly approved after incorporating certain modifications.

We have audited the attached Balance Sheet of the Plantation Corporation of Kerala Ltd. Kottayam as at 31st March 1989 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:-

- 1 As required by the Manufacturing and other Companies (Auditors' report) order 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on matters specified in the said order.
- 2 Further to our comments in the Annexure referred to in paragraph 1 above and the remarks made elsewhere in this report:-
 - a 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.
 - b In our opinion proper books of Accounts as required by Law have been kept by the Corporation so far as appears from our examination of such books.
 - c The Balance Sheet and Profit Loss Account referred to in this report are in agreement with the books of account.
 - d In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and the Profit Loss Account read together with the notes thereon give the information required and give a true and fair view.
 - i In so far as it relates to the Balance Sheet of the state of affairs of the Corporation as at 31st march 1989 and
 - ii In so far as it relates to the Profit and Loss Account of the Profit of the Corporation for the year ended on that date.
- 3 Agricultural Income-tax assessments up to the Assessment year 1986/87 and Central Income Tax Assessments upto the assessment year 1988/89 have been completed. Short provision of tax in respect of completed assessments is estimated as Rs. 386.1 lakhs.
- 4 The Government has revised the lease rent vide G.O.-11/89 dated 2/1/89 at Rs. 1,300/- per hectare per annum for the period 18/12.87 to 17/12/90. Lease Rent at the above rate for 11,713.2 hectares is Rs. 1,52,27,160/-Against this the Corporation has paid/ provided only Rs. 1,48,53,579/- for the year. Short provision for the year 1988-89 is Rs. 3,73,581/-

- Estimated amount of such short provision excluding interest if any for the financial year 81/82 to 84-85 is Rs. 102 lakhs and that for the financial year 1987/88 is Rs.23,91,943/-
- 5 Selling agents Commission of Rs. 2,08,947.60 (including special/Commission of Rs. 89,028 has not been provided (See Note No. 10)
 - 6 Prepaid expenses of Rs. 38,271.27 as per last Balance Sheet has not been transferred to current years expenditure.
 - 7 The Corporation has given certain rubber plantations for slaughter tapping (See note N. 16) for the period 3/3/87 to 28/2/89 for Rs. 69,38,550/- Amount attributable to the financial year 1988/89 on time basis is Rs. 31,80,168.75. Against this the Corporation has accounted only Rs. 26,99,578.69 being the instalments actually received. The extent of revenue understated is Rs. 4,80,590/-
 - 8 The Corporation has deposited Rs. 5,00,000/- each on 31/8/88 and 1/9/88 in Kerala State Financial Enterprises Bhadratha Deposit having a maturity value of Rs. 10,00,000/ each after 60 months. The rate of interest on the above deposits works out to 14.9% compounded annually. Interest accrued thereon till 31/3/89 is Rs. 86,916/- This interest has not been taken into account by the Corporation.
 - 9 Closing stock of centrifuged latex of Previous year was coverstated by Rs. 2,94, 750/-due to inclusion of value of packing drums already accounted under stores and spares. This has the effect of overstating the profit for the Current year 1987/88 and correspondingly understating the profit for the Current year by Rs. 2,94,750/-
 - 10 Depreciation on assets to which additions are made on assets which are sold, discarded, demolished or destroyed during the year is not made on prorata basis except that for vehicles. Since the exact dates on which such additions, sales etc, are made are not ascertainable from the registers, we are not able to quantify the excess / deficiency in the matter of depreciation on such assets.
 - 11 Registers showing the location, nature and extent of free hold and lease hold lands of the Corporation have not been produced for our verification.
 - 12 In the absence of confirmation of balances of Sundry Debtors, Sundry Creditors, Government Loans, Other Loans, advances and deposits, we have not been able to verify the correctness of these balances.
 - 13 Sundry Debtors for Rs. 15.1 lakhs and sundry Creditors for Rs. 2.95 lakhs are outstanding for more than 3 years. In the absence of confirmations, correspondence relating to settlement of claims, we have not been able to form any definite opinion regarding provision for bad and doubtful debts / liabilities which are not payable. Accordingly we decline to express any opinion thereon.
 - 14 The Corporation has not furnished a consolidated reconciliation statement showing the quantitative particulars of agricultural produce, manure, chemicals, stores and spares either produced / acquired or sold / consumed.
 - 15 The details of the amounts due by the officers of the Corporation included under other advances recoverable in cash or kind for value to be received under loans and advances do not show the maximum amount due by such officers at any time during the year (See note No. 29.

FOR KURIAN & SUSEELAN
Chartered Accounts
Sd/-

V. K. KURIYAN
(Partner)

Kottayam,
4-9-1992

ANNEXURE REFERRED TO IN PARA 1 OF THE
AUDITORS' REPORT

i. The Corporation has, except for those registers referred to in (para II) of our report concerning freehold and leasehold lands, maintained proper records to show full particulars including quantitative details and situation of Fixed Assets. The Management has confirmed that fixed assets have been physically verified by them and we were informed that the discrepancies noticed were not significant.

ii. None of the Fixed Assets have been re-valued during the year.

iii. Subject to our observation in (Para 14) of our report stock of finished goods, stores, spare, parts, loose tools and other items have been physically verified by the management at the close of the year and the management has confirmed that discrepancies noticed on verification between the physical stock and the book records have been properly dealt with in the books of accounts. The valuation of the above mentioned stocks is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the previous year.

iv. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Corporation and the nature of its business.

v. The Corporation has not availed any loans either secured or unsecured from Companies, Firms or other parties listed in the registers, maintained under Section 301 and 370 (1 B) and from Companies under the same management.

vi. In our opinion, the rate of interest and other terms and conditions on which loans have been granted to Companies, firms or other Companies listed in the registers maintained under section 301 and to the Companies under the same management are not, prima facie, prejudicial to the interest of the Company.

vii. In respect of loans and advances in the nature of loans given by the Corporation, parties have except in the case of Oil Palm India Ltd., and in some cases in respect of employees, repaid the principal amounts and have also been regular in the payment of interest wherever applicable in accordance with the terms and conditions laid down by the Corporation.

viii. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of stores, raw materials including components, plant and machinery equipments and other assets and with regard to the sale of goods. However the internal control procedure in respect of collection and procurement of agricultural produce and their processing at factories and the despatch is not satisfactory.

ix. In our opinion and according to the information and explanations given to us, the Corporation has not purchased any goods or materials or made sale of goods, materials or services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of Companies Act 1956, and aggregating during the year to Rs. 50,000/- or more in respect of each party.

x. As explained to us, unserviceable or damaged stores and raw materials are determined by the management and adequate provisions have been made in the accounts for loss so determined

- xi. The Corporation has not accepted any deposits from the public.
- xii. According to the information given to us the Corporation has maintained records for the sale and disposal of scrap and realisable by products. However the system of maintenance of records in respect of generation of such by-products and scrap is not satisfactory.
- xiii. The Corporation has an Internal Audit System Commensurate with the size and nature of business. It is observed that in certain cases prompt actions were not taken by certain departments on points raised by the internal Audit Department.
- xiv. Maintenance of cost records U/s 209 (1) (d) of the Companies Act is not applicable to the Corporation.
- xv. According to the records of the Corporation, provident fund and Employee's State Insurance dues have been regularly deposited with appropriate authorities though there has been slight delay in few cases. It is informed that small amounts which remain unpaid inadvertently, were paid subsequently.
- xvi. According to the information and explanations given to us and subject to what is stated in Notice Nos. 52-53 no undisputed amounts payable in respect of Income Tax, Wealth tax, sales tax, Customs duty and Excise duty were outstanding as at 31st March 1989, for a period of more than six months from the date they become payable.
- xvii. According to the information and explanations given to us no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
- xviii. The sick industrial Companies (Special Provisions) Act 1985 does not apply to the Corporation.

Kottayam,
4/09/1991.

For KURYAN & SUSEELAN
CHARTERED ACCOUNTANTS

Sd/-
V. K. KURYAN
(Partner)

**REPLIES TO THE REPORT OF THE STATUTORY AUDITORS ON
THE ACCOUNTS FOR THE YEAR ENDED 31.3.1989.**

3. For the completed assessments we have already filed appeals before the higher authorities. Some of the appeals have been allowed in favour of the Corporation. Orders giving effect to the said appellate orders has yet to come. After the completion of the revised assessments there will not be any substantial short provision.
4. As the increase in the rate of lease rent was unilateral we have already requested the Government of Kerala to reconsider the matter and to reduce the lease rent rates.
5. The matter has been disclosed in note No. 10.
6. Noted.
7. As some of the Contractors are not regular in paying the instalments in time we have accounted only the amount actually received during the financial year.
8. As per the terms of the deposit the interest and principal will be repaid only after a period of 5 years. As such we have not provided for the interest accrued.
9. The closing stock as on 31.3.88 as per the previous balance sheet is taken as the opening stock for the current year. Taking the profitability of 1987-88 and 1988-89 together there will not be any difference in the net profit.
10. Noted.
11. All the available records and deeds have been shown to the auditors. Action is being taken to prepare an updated register.
12. Noted.
13. The Company does not consider any debt as doubtful. Out of this the major amount of Rs. 10,07,382.14 is due from Trivandrum Rubber Works, a Government Company. As this is a Government Company we have not shown this as a doubtful debt.
14. The Corporation is maintaining proper registers in all its units showing the different items of stores received and issued/sold or consumed.
15. Noted.

GOVERNMENT OF KERALA

No. 46468/PUB1/91/Fin.

Finance Department.

Comments of the Commissioner & Secretary (Finance) 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 year ended 31-3-1989.

"It is noticed that short provision towards lease rent (Rs. 3.74 lakhs) Non-provision for selling agents Commission (Rs. 2.09 lakhs) etc. have amounted to over statement of the actual profit, to that extent during 1988-89. It is also noted that the internal control procedure existing in the company, for collection and procurement of agricultural produce and their processing as factories, despatch etc. is not satisfactory. It is also observed that prompt follow up action is not being taken by certain departments, on the points raised by internal audit department".

Sd/-

M. MOHANKUMAR

Commissioner & Secretary (Finance)

Thiruvananthapuram,
6-7-1991.

REPLY TO COMMENTS OF THE COMMISSIONER AND SECRETARY (FINANCE)
TO THE GOVERNMENT ON THE ACCOUNTS FOR THE YEAR ENDED 31. 3. 1989

“NOTED”

OFFICE OF THE ACCOUNTANT GENERAL (AUDIT)
KERALA THIRUVANANTHAPURAM

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 LTD. KOTTAYAM for the year ended 31st March 1989.

In view of the revisions made in the accounts as a result of the observations made by the Comptroller and Auditor General of India indicated in Note No. 59 of the notes forming part of accounts, there are no further comments to offer upon or supplement to the Auditors' Report under Section 619 (4) of the Companies Act, 1956 on the accounts of the Plantation Corporation of Kerala Limited, Kottayam for the year ended 31st March, 1989.

Sd/-
Principal Accountant General (Audit)
Kerala

Thiruvananthapuram
11-10-1991

REPLY TO THE COMMENTS OF THE CONTROLLER AND
AUDITOR GENERAL OF INDIA

“NOTED”