

ANNUAL REPORT  
1989 - 1990



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  
to 4-9-92)

SHRI C. A. KURIAN  
Director (from 27-10-1987 to 12-12-90)

.. V. T. THOMAS  
Chairman (from 27-10-87 to 22-11-90)

.. T. P. RAMAKRISHNAN  
Director (from 27-10-87 to  
24-7-91)

.. VINOD RAI I. A. S.  
Chairman (from 23-11-90 to  
12-12-90)  
Managing Director (from 10-5-90  
to 7-6-90 and from  
29-11-90 to 20-12-90)  
Director from (25-9-89 to 24-7-91)

.. C. K. UNNIKRISHNAN  
Director (from 27-10-87 to  
24-7-1991)

.. KURUVILLA JOHN I. A. S.  
Managing Director (from 2-5-1988 to  
18-7-89)

.. G. PEETHAMBARAN  
Director (from 27-10-87 to 24-7-91)

.. K. SIVAPRASAD  
Managing Director (from 18-7-89 to  
18-4-90)

.. K. GOPINATHA PILLAI  
Director (from 27-10-87 to 24-7-91)

.. E. K. BHARAT BHUSHAN I. A. S  
Managing Director (from 18-4-90 to  
9-5-90 and from  
7-6-90 to 28-11-90)

.. U. K. BHASI  
Director (from 27-10-87 to 24-7-91)

.. M. SIVARAJAN I. F. S.  
Director from 12-10-84 to 7-10-85  
and from 19-10-85 to 25-9-1990)

.. M. NARAYANA PILLAI  
Director (from 27-10-87 to 26-9-92)

**TWENTY EIGHTH ANNUAL REPORT**

**SHRI K. BHASKARAN**  
Director (from 19-4-89 to 25-9-89)

.. **KALLAT KRISHNAN**  
Director (from 13-12-90 to 24-7-91)

.. **K. P. PRABHAKARAN**  
Chairman (from 13-12-1990 to 24-7-91)

.. **G. MUKUNDAN I. F. S.**  
Director (from 25-7-91)

.. **N. VIJAYAKUMAR**  
Managing Director (from 20-12-90 to 23-9-91)

.. **K. J. JOSEPH I. F. S.**  
Director (from 25-9-90 to 24-7-91)

.. **A. RAMACHANDRAN**  
Managing Director (from 24-9-91 to 10-10-91)

.. **JACOB THOMAS I. P. S**  
Managing Director (from 11-10-91 to 26-8-92)

**MAJ. GEN. (Rtd.) P. M. MENON**  
Chairman (from 4-9-92)  
Managing Director (26-8-92)

**SHRI M. S. DHARAN**  
Director (from 26-9-92)

**SECRETARY**  
**M. R. V. NAIR**

**AUDITORS**  
Kurian and Susheelan  
Chartered Accountants  
Kottayam

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 28th Annual General Meeting of the Corporation will be held at the Registered office of the Corporation at Kottayam on Tuesday, the 25th September 1990 at 11 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 1990 and the Profit and Loss Account for the financial year ended 31st March 1990.
- ii) To record the appointment of Directors by the Governor 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 I. F. S.
8. " Vinod Rai I. A. S.
9. " M. Narayana Pillai

By Order of the Board  
for The Plantation Corporation of Kerala Limited  
Sd/-

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

Kottayam,  
Date: 16-8-1990

**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 28th (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 Wednesday the 7th April 1993 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 1990 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: 10-3-1993

**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

Gentleman,

Your Directors have pleasure in presenting 28th Annual Report of the Corporation, for the year ended 31st March 1990.

### 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 31-3-1989 continued unchanged during 1989-90.

The Corporation has made substantial remittance towards loan drawn from Government of Kerala for estate developments and subsidised Housing schemes and also interest due on these loan during the year 1989-90. The amount paid are as follows.

Payment of loan	: Rs. 46.88 Lakhs
Payment of Interest	: Rs. 9.20 ..

The amounts paid subsequently are as follows:

Financial year 1990-91

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

Financial year 1991-92

Payment of loan	: Rs. 5.95 ..
Payment of Interest	: Rs. 4.69 ..

Payment upto 31-7-1992

Payment of loan	: Rs. 0.64 ..
Payment of interest	: Rs. 0.26 ..

### Profit & Loss account

The net profit for the year ended 31-3-1990 was Rs. 89.40 lakhs after making following provisions.

Interest for loan	: Rs. 7.88 Lakhs
Rehabilitation allowance	: Rs. 1.81 ..
Replanting reserve	: Rs. 75.00 ..
Depreciation	: Rs. 39.17 ..
Bonus	: Rs. 117.36 ..
Provision for taxation	: Rs. 276.39 ..
Provision for gratuity	: Rs. 111.39 ..

### Agricultural Income Tax

The assessment of Agricultural Income Tax of the Corporation has been completed up to financial year 1985-86.

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

### Sales

#### Rubber

During 1989-90 quantity of rubber sold was 6178.1 Tons for Rs 1,673.17 Lakhs against 6300.800 Tons sold for Rs. 1,474.73 lakhs in 1988-89. Average price realised in 1989-90 was Rs. 27.08 per kg. against Rs. 23.41 per kg. realised in 1988-89.

#### Cashew

In the year 1989-90 amount received in auction sale of cashew nut was Rs. 137.59 lakhs against Rs. 121.21 lakhs in 1988-89.

### Rubber Estates

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

Area under rubber plantations	:	7614.00	Ha.
Cashew Plantations	:	5259.00	..
Handed over to PWD for Kallada Irrigation Project	:	3.30	..
Area to be planted	:	3.70	..
Area under uncultivated reserve including submergible area	:	220.00	..
Area under buildings, roads, canals, Marshy places etc.	:	295.00	..
Cashew area in rubber estate (in the area unsuitable for rubber)	:	1059.00	..
Total	:	<u>14,454.00</u>	..

In Nilambur estate 25 Ha. has been newly planted in 1989 season and a seedling nursery has been raised.

In 1989, 150.91 Ha., in 1990 314.00 Ha., in 1991, 398.58 Ha. and in 1992, 633.22 Ha. have been replanted with rubber. About 30 Ha. in Vettilappara estate is planted with oil palm.

### Cashew Estates

There are four cashew estates namely Kasargode, Rajapuram, Cheemeni and Mannarghat under the ownership of the Corporation. Aerial spraying of cashew was done against tea mosquito. Necessary maintenance operations were carried out and the are was maintained in satisfactory condition.

### Engineering Works

#### Head Office

Completed the construction of quarters for Managing Director and one quarter for General Manager. Compound wall on eastern side at Vadavathoor also completed.

#### Kodumon Group

Completed the re-modification works of effluent treatment plant for Kodumon Group latex factory, metalling, remetalling and black topping the work of the road are undertaken.

### Thannithode Estates

Completed the works of 8 sets of workers quarters, Office-cum-Inspection Bungalow, Club-1 no., Creche-1 no. and collecting station 3 nos. Farming road to Dn. C. is in progress.

#### Kalady Group

Completed the work of 'C' type quarters for staff, latex reception tank and latex storage tank for Kallala factory and additional storage tank for water supply in Kalady Group. 1 set 'E' type quarters for workers and chipping carpet work of the road are in progress.

#### Perambra Estate

Completed the semi-grouting work of I. B. road and progressing the work of 6 sets of 'E' type quarters for workers, 1 set 'C' type quarters for staff and 1 no. Divisional store and road work in Muthukad new planting area.

#### Nilambur Estates

Work of labourers quarters, Managers quarters 'C' type quarters for staff and division store are in progress.

#### Alakode Estate

Construction of labourers quarters, 'C' type quarters for staff and store building work and road work are in progress.

### 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 continued to be smooth and cordial. We have held conferences, discussions 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 relations with the employees. As a result of series of discussions, we have reached understandings with staff unions on the salary revision and certain service conditions of staff to be given effect from 25-10-91. As a result of wage revision in the industry, our workers are benefitted by a wage increase of Rs. 2.06 per day with effect from 1-4-1989.

Workers in the estates are being provided with all basic amenities such as free quarters with electricity and water supply, medical recreational facilities etc. As a welfare measure the Corporation introduces a welfare fund to provide loan facility to the workers and other employees of the Corporation.

The last grade staff, Mechanical staff, Hospital staff etc. are supplied with terry cotton uniforms once in two years. The tappers are being paid an all inclusive special allowance of Rs. 300/ per annum towards the cost of uniforms and its maintenance.

We continued the practice of sending employees for training programme, 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 implemented through H. D. F. C.

A scheme for giving time bound higher grade promotion to the staff and officers of the corporation has been introduced and those who have completed 10 years service continuing in a post have been given the higher grade. This has been implemented after getting government approval.

Under the scheme of providing employment to the dependants of employees who die while in our service, we have given employment to 23 persons in the various categories during the relevant period.

There were fresh appointment of 1 Accounts Manager and a Secretary in Officers category and other 5 persons in staff category during this Period.

Two persons were promoted from the staff category to Officers category.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The required information under Section 217 (1) (e) of the Companies Act 1956, is given in Annexure 1 of this report.

#### **Particulars of Employees**

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

#### **Board of Directors**

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

#### **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 Kuruville John I. A. S. appointed as Managing Director from 2-5-1988 held office of the Managing Director till 18-7-1989. From 18-7-1989 Shri K. Sivaprasad 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 the continued support during the year under review.

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

For and on behalf of the Board of Directors,

Kottayam.  
10-3-93

Sd/-  
Chairman

ANNEXURE—1

**Statement under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988**

A) CONSERVATION OF ENERGY:

- |   |   |   |
|---|---|---|
| a) Energy conservation measures taken   | : | Standardisation of electrical installations at factories undertaken.  |
| b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy                                   | : | A programme is undertaken to extend the electric feeder line from Kalady side to Kallala factory to meet the power failure and voltage drop and to reduce the dependence on diesel generator. |
| c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods | : | With the implementation of the above measures energy consumption will be reduced and consequently the energy input cost in production of goods will be reduced.                               |
| d) Total energy consumption and energy consumption per unit of production   | : | Not applicable  |

B) TECHNOLOGY ABSORPTION

- |  |   |     |
|--|---|-----|
| e) Efforts made in technology absorption | : | Nil |
|--|---|-----|

**FORM B**  
(See Rule 2)

**Form for disclosure of particulars with respect to absorption**

- |   |   |                 |
|---|---|-----------------|
| Research and Development (R & D)  | : | Not significant |
| C) Foreign Exchange Earnings and outgo  | : | Nil             |
| f) Activities relating to exports initiatives taken to increase exports development of new export market for products and services and export plans | : | Nil             |
| g) Total foreign exchange used and earned   | : |                 |
| Used  | : | Nil             |
| Earned  | : | Nil             |

## ANNEXURE- II

Details of Director's including changes taken place during the year ending 31st March 1990

<u>Sl. No.</u>	<u>Name</u>	<u>Address</u>	<u>Date of appointment</u>
1	M. Sivarajan I. F. S.	Principal Chief Conservator of Forests Thiruvananthapuram	From 19-10-1985 to 25-9-1990
2	C. A. Kurian	Devikulam Estate Workers Union (AITUC) Munnar P. O., Idikki	From 27-10-1987 to 12-12 1990
3	T. P. Ramakrishnan	C. P. I. (M) Office Perambra P. O. Kozhikode	From 27-10-1987 to 24-7-1991
4	C. K. Unnikrishnan	Secretary, Kalady Plantation Workers Union P. O. Kalady Plantation Via, Kalady, Ernakulam	-do-
5	K. Gopinatha Pillai	Asha Bhavan, Kizhakkekara Kottarakkara	-do-
6	G. Peethambaran	Edayile Veedu, Edathitta-P. O. Via, Kodumon Pathanamthitta	-do-
7	U. K. Bhasi	Valyaparambil House Tanur P. O. Malappuram	-do-
8	M. Narayana Pillai	Additional Secretary Finance Department Secretariat Thiruvananthapuram	From 27-10-1987 to 26-9-1992
9	Vinod Rai I. A. S.	Secretary to Government Agriculture Department Secretariat Thiruvananthapuram	From 25-9-1989 to 24-7-1991

REVIEW OF ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM FOR THE YEAR ENDED 31ST MARCH 1990 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.

**I Financial Position**

The table below summarises the financial position of the Company under broad headings for the three years upto 1989-90.

	1987-88	1988-89	1989-90
	(Rupees in lakhs)		
<i>Liabilities.</i>			
a) Paid up capital	556.88	556.88	556.88
b) Reserves & Surplus	412.20	522.56	689.48
c) Borrowings	185.47	132.26	85.37
d) Trade dues and current liabilities (including provision)	1508.01	1,872.47	2,083.57
	<u>2,662.56</u>	<u>3,084.17</u>	<u>3,415.30</u>
<i>Assets.</i>			
a) Gross block	859.50	881.33	915.22
b) Less Depreciation	318.06	356.63	393.25
c) Net block	541.44	524.70	521.97
d) Development of property	955.07	978.91	999.23
e) Capital work in progress	19.55	23.54	25.27
f) Investments	0.01	0.01	0.01
g) Current Assets, Loans and Advances	1146.49	1,557.01	1,869.82
	<u>2,662.56</u>	<u>3,084.17</u>	<u>3,415.30</u>
Capital employed	1,439.52	1,571.63	1,781.70
Net worth	969.08	1,079.44	1,246.36

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

**II. Capital Structure**

The debt /equityratio of the Company declined from 0.33:1 in 1987-88 to 0.20:1 in 1988-89 and/to 0.11:1 in 1989-90. Borrowings have come down year by year.

**III. Reserves & Surplus**

The reserves and surplus accumulated as at the end of the three years upto 1989-90 amounted to Rs. 412.20 lakhs, Rs. 522.56 lakhs. and Rs. 689.48 lakhs respectively. The reserves and surplus worked out to 15.5% of the total liabilities in 1987-88, 16.9% in 1988-89 and 20.19% in 1989-90 and 74% of equity capital in 1987-88, 94% in 1988-89. and 124% in 1989-90.

#### IV. Liquidity and Solvency

- a) The percentage of current assets to total net assets varied from 43.1% in 1987-88 to 50.5% in 1988-89 and 54.75% in 1989-90.
- b) Percentage of current assets to current liabilities (including provisions) varied from 76.01 in 1987-88 to 83.2 in 1988-89 and to 89.74 in 1989-90. This indicated improvement in working capital position.
- c) The percentage of quick assets (sundry debtors, cash and bank balance, advances recoverable) to current liabilities (excluding provisions) increased from 34.7 in 1987-88 to 40.8 in 1988-89 and to 66.17 in 1989-90. The quantum of easily realisable assets went up when compared to the liabilities.

#### V. Sources and Uses of Funds

Funds amounting to Rs. 217.65 lakhs from internal sources and Rs. 196.99 lakhs from other sources were utilised during the year as shown below:

(Rupees in lakhs)	
Gross fixed assets (including capital work in progress)	34.62
Development of property	20.32
Repayment of Borrowings	46.89
Current assets, loans & advances	312.81
Total	<u>414.64</u>

#### VI Working Results

The working results of the Company for the three years upto 1989-90 are tabulated below:

	1987-88	1988-89		1989-90
		(Rupees in lakhs)		
i) Profit as per accounts	104.03	223.98		219.40
Add: a) Prior period adjustment shown above the line	0.84	(-) 1.40	(+)	0.99
b) Replanting/Rehabilitation reserve	21.36	51.38		76.81
ii) Profit for the year	126.23	273.96		297.20
Less: Past period adjustments shown below the line	—	—		—
iii) Profit (+) Loss (-) for the year before tax	(+ )126.23	(+)	273.96	(+)
iv) Taxation provision	100.00	165.00		130.00

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v) Profit (+) Loss (—) after tax	(+) 26.23	(+) 108.96	(+) 167.20
Percentage of profit before tax to Sales	8.3	16.8	14.92
Gross fixed assets (including) development of property	7.0	14.7	15.5
Capital employed	8.8	17.4	16.6
Percentage of profit after tax to Net worth	2.7	10.1	13.4
Equity capital	4.7	19.5	30.0
Capital employed	1.8	6.9	9.4

## VII Cost Trends

The table below indicates the sales, cost of sales and percentage of cost of sales to sales for the three years upto 1989-90.

	1987-88	1988-89	1989-90
		(Rupees in lakhs)	
Sales	1,515.52	1,625.23	1,991.54
Less: Profit for the year	126.23	273.96	297.20
Cost of Sales	1,389.29	1,351.27	1,694.34
Percentage of cost of Sales to sales	91.7	83.2	85.08

## VIII Production Performance

The value of production for the three years upto 1989-90 is worked out as below:

	1987-88	1988-89	1989-90
		(Rupees in lakhs)	
a) Sales	1,515.52	1,625.23	1,991.54
b) Closing stock of finished goods and work in progress	288.58	453.78	235.80
c) Opening stock of finished goods and work in progress	234.81	288.58	453.78
d) Value of production			
(a+b—c)	1,569.29	1,790.43	1,773.56

Percentage of value of production to net worth varied from 161.9 in 1987-88 to 165.58 in 1988-89 and to 142.30 in 1989-90. The percentage of value of production to total net assets varied from 58.9 in 1987-88 to 58.1 in 1988-89 and 51.9 in 1989-90.

### IX Inventory and Production

The following table indicate the comparative position of inventory and its distribution at the close of the three years upto 1989-90.

	1987-88	1988-89	1989-90
	(Rupees in lakhs)		
a) Stores & Spares			
i) General Stores and Spares	59.53	97.21	67.84
ii) Engineering Stores	11.32	11.31	10.66
b) Loose tools	8.55	6.95	4.16
c) Stock in trade of finished goods including work in progress	288.58	453.78	235.80
d) Agricultural equipments	3.88	3.62	6.41
	371.86	572.87	324.87

The stock in trade was equivalent to 2.29 months sales in 1987-88, 3.35 months' in 1988-89 and 1.42 months' in 1989-90

### X Sundry Debtors & Turnover

The following table indicates the volume of book debts and sales for the three years upto 1989-90.

As on 31st March	Book debts considered good	Considered doubtful	Total	Sales during the year	% of debts to sales
(Rupees in lakhs)					
1988	174.29	..	174.29	1515.52	11.5
1989	267.69	..	267.69	1625.23	16.3
1990	174.72	..	174.72	1991.54	8.8

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The age wise break up of the book debts as on 31st March 1990 is indicated below:

	(Rupees in lakhs)
i) Outstanding for less than one year	144.84
ii) Outstanding between one and two years	11.44
iii) Outstanding between two and three years	1.80
iv) Outstanding over three years	16.64
Total	<u>174.72</u>

*Note:-* No effect of the Comments of the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956/qualifications in the Auditors' report has been given in the Review of Accounts.

Sd/-  
K. KRISHNA DAS  
PRL. ACCOUNTANT GENERAL (AUDIT)  
KERALA.

Annual Accounts  
and  
Schedules

**BALANCE SHEET AS AT**

Previous year Rs	LIABILITIES	Rs	Current year Rs
	<b>SHARE CAPITAL</b>		
<u>7,50,00,000</u>	<b>Authorised:</b> —75,000 Equity shares of Rs 1,000/—each		7,50,00,000.00
<u>5,56,88,000</u>	<b>Issued:</b> 55,688 Equity share of Rs. 1,000/-each		<u>5,56,88,000 00</u>
	<b>Subscribed, called up and paid up:-</b> 55,688 Equity shares of Rs.1,000/— 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
<u>5,56,88,000</u>			
<u>5,22,56,534</u>	<b>RESERVES &amp; SURPLUSES</b> (Schedule-A)		6,89,47,870.63
	<b>UNSECURED LOANS</b> From Govt. of Kerala:-		
1,17,42,431	i) For Estate Development	72,31,671,00-	
14,83,400	ii) For subsidised Housing	13,05,900.00	
<u>1,21,28,189</u>	iii) Interest Accrued & due on the above loans	<u>1,20,53,889.83</u>	2,05,91,460 83
	<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<u>10,44,08,325</u>	(A) Current Liabilities (Schedule-B)	12,41,82,590.22	
<u>7,07,10,283</u>	(B) Provisions (Schedule-C)	<u>7,21,20,524.01</u>	19,63,03,114.23
<u>30,84,17,162</u>			<u>34,15,30,445.69</u>

Sd/-  
M. S. JOSEPH  
(Chairman)

Sd/-  
Dr. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)

(As per our report of even date)

For KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS

Sd/-  
V.K.KURYAN  
(Partner)

31st MARCH 1990

Previous year Rs	ASSETS	Rs	Current year Rs
	<b>FIXED ASSETS</b>		
9,78,91,534 00	(a) Plantation (Schedule-D)	9,99,22,965.50	
5,24,69,736 00	(b) Buildings, Roads, Plant & Machinery, Furniture etc. (Schedule-E)	5,21,96,744.74	
23,54,141 00	(c) Buildings & Roads under construction	<u>24,27,222.05</u>	
			15,45,46,932.29
	<b>INVESTMENTS</b>		
1,100 00	Investment in shares at cost (Schedule-F)		1,100.00
	<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
9,42,26,678 00	(a) Current Assets (schedule-G)	6,83,73,075.79	
6,14,73,973 00	(b) Loans & Advances (Schedule-H)	<u>11,86,09,337.61</u>	
			18,69,82,413.40
<u>30,84,17,162 00</u>			<u>34,15,30,445.69</u>
	Notes forming part of the Accounts (Schedule-I)		

Sd/-  
M. S. JOSEPH  
(Chairman)

Sd/-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)

For KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS

Sd/-  
V. K. KURYAN  
(Partner)

PROFIT AND LOSS ACCOUNT FOR

Previous Year Rs	EXPENDITURE	Current year Rs Ps.
2,88,58,022 00	To Opening Stock:- Finished goods/ work-in-progress	4,53,77,832.00
1,65,24,452 00	.. Pay & Allowances	1,78,66,145.10
18,15,531 00	.. Leave Encashment	10,55,948.35
56,54,636 00	.. Employer's Contribution, to P F	77,64,486.40
	.. Bonus	1,17,36,270.05
94,54,797 00	.. Less: Provision	<u>35,00,000.00</u> 82,36,270.05
9,000 00	.. Honararium to Chairman	9,000.00
1,307 00	.. Leave Salary & Pension Contribution, to MD	....
70,464 00	.. T. A. & Sitting Fee to Directors	60,358.17
4,96,578 00	.. T. A. to Staff & Officers	6,11,413.40
6,547 00	.. Remuneration to Visiting Agent	2,991.80
14,991 00	.. Rent of buildings	49,096.40
16,29,599 00	.. Rates & Taxes	16,37,687.46
14,87,823 00	.. Electricity Charges	18,58,827.75
1,48,53,579 00	.. Lease Rent	1,49,50,702.00
1,30,308 00	.. Insurance Charges	3,37,402.55
5,49,096 00	.. Advertisement	4,93,822.05
2,18,810 00	.. Legal Expenses	96,381.71
29,000 00	.. Auditors' Fee & Expenses	20,000.00
52,171 00	.. Security Expenses	1,48,799.68
12,58,253 00	.. Interest on Loan	7,87,836.70
37,14,683 00	.. Repairs & Maintenance (Sch. J)	51,22,596.77
10,69,805 00	.. Misc. Expenses (Schedule-K)	9,15,130.18
1,11,00,825 00	.. Welfare Expenses (Schedule-L)	1,11,33,342.30

THE YEAR ENDED 31st MARCH, 1990

Previous year Rs	INCOME	Current year Rs Ps
	By Sales:-	
14,74,73,406	Rubber	16,73,16,627.34
1,21,21,667	Cashew	1,37,59,749.37
2,28,387	Agricultural Produce	1,18,173.30
29,20,504	Rubber Trees	1,25,65,826.12
37,742	Budwood & Polybag plants	82,577.50
37,958	Empties & Unserviceables	2,45,755.99
26,99,579	Slaughter tapping	1,79,59,619.73
8,165	Tender Form & Registration Fee	13,126.00
35,079	Profit on sale of Assets	29,087.69
26,135	Rent of buildings	37,003.17
17,92,284	Interest from Customers	13,19,649.03
43,709	Interest on staff loan	47,271.71
4,48,887	Interest on Bank & Treasury Deposits	22,37,401.92
3,51,280	Miscellaneous Income	3,44,782.28
8,00,000	Prior period adjustment	—
4,53,77,832	Closing stock of finished goods/ work-in-progress	2,35,80,089.00
<u>21,44,02,758</u>		<u>23,96,56,740.15</u>

Sd/-  
M. S. JOSEPH  
(Chairman)

Sd/-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)

(As per our report of even date)

KOTTAYAM

For KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS

Sd/-  
V. K. KURYAN  
(Partner)

PROFIT AND LOSS ACCOUNT FOR

Previous year		EXPENDITURE	Current year	
Rs.	Ps.		Rs.	Ps.
1,23,63,655		.. Cultivation & Upkeep of Rubber	1,40,30,968.58	
3,03,98,297		.. Tapping & Collection of Rubber	3,07,06,101.32	
2,07,12,685		.. Manufacturing & Seiling Expenses	2,31,96,900.50	
66,44,303		.. Cultivation & Upkeep of Cashew	45,90,103.92	
1,92,083		.. Cultivation & Upkeep of other crops	2,17,522.11	
—		.. Net Loss on Rubber wood Project (Sch. M)	1,03,116.00	
40,95,203		.. Depreciation	39,16,911.96	
6,60,152		.. Prior period expenses	98,743 55	
		.. Provisions:-		
35,00,000		(i) Bonus	35,00,000.00	
93,02,025		(ii) Gratuity	1,11,39,083. 00	
1,65,00,000		(iii) Taxation:-		
		(a) Agri. Income tax	1,05,00,000. 00	
		(b) Income-Tax	<u>25,00,000. 00</u>	2,76,39,083.00
		.. Reserves:-		
1,38,110		(i) Rehabilitation	1,81,134.00	
50,00,000		(ii) Replanting	75,00,000.00	76,81,134.00
58,97,968		.. Net Profit		89,40,084.39
<u>21,44,02,758</u>				<u>23,96,56,740.15</u>

Sd/-  
M. S. JOSEPH  
(Chairman)

Sd/-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)

(As per our report of even date)

FOR KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS

Sd/-  
V. K. KURYAN  
(Partner)

THE YEAR ENDED 31st MARCH, 1990

Previous Year  
Rs- Ps.

INCOME

Current Year  
Rs.

Total B/F

23,96,56,740.15

21,44,02,758.21

Total

23,96,56,740.15

Sd/-  
M. S. JOSEPH  
(Chairman)

Sd/-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)

For KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS

Sd/-  
V. K. KURYAN  
(Partner)

**SCHEDULE A**

Previous year Rs	RESERVES & SURPLUS	Rs	Current year Rs
	1) CAPITAL RESERVE		
7,76,733	As per last Balance Sheet	7,76,733.00	
	Addition during the year	<u>n-i-l</u>	7,76,733.00
	2) REPLANTING RESERVE		
2,39,58,000	As Per the last Balancesheet	2,39,58,000.00	
	Addition during the year	<u>75,00,000.00</u>	3,14,58,000.00
	3) REHABILITATION RESERVE		
1,34,87,857	As per last B/S	1,34,87,857.48	
	Addition during the year	<u>1,81,134.00</u>	1,36,68,991.48
	4) Subsidy received from Govt. of Kerala under subsidised Housing Scheme		
18,75,000	As per last B/S	18,75,000.00	
	Additions during the year	<u>...</u>	18,75,000.00
	5) Subsidy received from Govt. of Kerala for upkeep of Cashew Plantations		
23,35,440	As per last B/S	23,35,440.00	
	Additions during the year	<u>...</u>	23,35,440.00
	6) Subsidy received from the Rubber Board for cultivation of Rubber		
7,22,548	As per last B/ S	7,22,547.50	
	Additions during the year	<u>70,118.40</u>	7,92,665.90
	7) Profit & Loss Account		
91,00,956	As Per last B/S	91,00,955.86	
	Additions during the year	<u>89,40,084.39</u>	1,80,41,040.25
<u>5,22,56,534</u>			<u>6,89,47,870.63</u>

Sd/-  
M. S. JOSEPH  
(Chairman)

Sd/-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)

For KURYAN & SUSEELAN,  
CHARTERED ACCOUNTS

Sd/- V. K. Kuryan  
(Partner)

**SCHEDULE B**

Previous year Rs	CURRENT LIABILITIES	Current year Rs Ps
28,44,745	Sundry Creditors	41,19,656 90
55,12,763	Earnest Money Deposit/Security Deposit	1,02,63,111.43
93,519	Suspense Pending Adjustment	64,745.46
11,480	P.F. suspense	13 015-23
1,49,687	Interest accrued but not due on Govt. loans	91,949.09
77,916	Stores suspens	80,747.53
87,60,136	Income received in advance	90,82,238.04
10,000	Housing Scheme-Workers	10,000.00
9,533	Welfare Fund	13,759.94
6,41,000	Sale of Secondary Growth	6,41,000.00
7,46,500	Income tax payable	4,68,428.00
2,27,31,668	Agricultural Income Tax due	2,62,99,772.42
6,28,19,378	Other liabilities	7,30,40,166.18
<u>10,44,08,325</u>		<u>12,41,82,590.22</u>

Sd/-  
M.S.JOSEPH  
(Chairman)

Sd/-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M.R.V. NAIR  
(Secretary)

For KURYAN & SUSEELAN,  
CHARTERED ACCOUNTANTS

Sd/-  
V.K. Kuryan  
(Partner)

**SCHEDULE C**

Previous year Rs	PROVISIONS	Current year Rs Ps
	1) Gratuity	
	As per last Balance Sheet	3,83,47,899.75
	Additions during the year	<u>1,11,39,083.00</u>
3,83,47,900	Less: Paid during the year	<u>4,94,86,982.75</u> 20,61,493.11
		4,74,25,489.64
	2) Bonus	
	As per last B/S	35,00,000 00
	Additions during the year	<u>35,00,000.00</u>
35,00,000	Less: Adjusted during the year	<u>70,00,000 00</u> 35,00,000.00
		35,00,000 00
	3) Taxation	
	As per last B/S	2,88,62,383.37
	Additions during the year	
	A. I. T	1,05,00,000.00
	C. I. T	<u>25,00,000.00</u>
		4,18,62,383.37
2,88,62,383	Less: Adjusted during the year	<u>2,06,67,349.00</u>
		2,11,95,034.37
<u>7,07,10,283</u>		<u>7,21,20,524.01</u>

Sd/-  
M. S. JOSEPH  
Chairman)

S/d-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)

For KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS

Sd/-  
V. K. KURYAN  
(Partner)

**SCHEDULE D**

**DEVELOPMENT OF PROPERTY (Plantation) AS AT 31-3-1990**

RUBBER	Balance as per last Balance Sheet	Nilambur Rs.	Perambra Rs.	Alakode Rs.	Vettiappara Rs.	Kodumon Rs.	Adirappally Rs.	DISPOSAL Rs.	TOTAL Rs.
1959 PLANTATION (Kod)	6,28,371.94	....	....	....	....	....	....	6,28,371.94	—
1960	5,62,467.87	....	....	....	....	....	....	3,78,404.09	1,84,063.78
1961	66,69,115.22	....	....	....	....	....	....	10,01,050.80	56,68,064.42
1962	43,29,552.14	....	....	....	....	....	....	....	43,29,652.14
1963	44,31,819.12	....	....	....	....	....	....	....	44,31,219.12
1964	20,37,593.07	....	....	....	....	....	....	....	20,37,593.07
1965	49,47,322.09	....	....	....	....	....	....	....	49,47,322.09
1966	18,32,722.00	....	....	....	....	....	....	....	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	....	....	....	....	....	....	32,304.42	23,34,423.30
1974	56,54,790.43	....	....	....	....	....	....	....	56,54,790.43
1975	19,40,223.72	....	....	....	....	....	....	....	19,40,223.72
1976	64,83,834.44	....	....	....	....	....	....	70,653.66	64,13,180.78
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	2,14,060.63	....	....	....	....	....	....	....	2,14,060.63
1981	7,37,874.74	....	....	....	....	....	....	....	7,37,874.74
1982	6,79,422.23	....	....	....	....	....	....	....	6,79,422.23
1983	36,75,592.59	....	....	....	....	....	....	....	36,75,592.59
1985	20,67,077.37	....	....	....	....	....	....	....	20,67,077.37
1986	Muthucad 26,59,607.16	....	1,31,885.85	....	....	....	....	....	27,91,493.01
1988	18,31,445.05	4,20,748.66	6,95,218.57	....	....	....	....	....	29,47,412.28
1989	25,092.07	6,03,744.88	5,78,499.81	....	....	....	....	....	12,07,336.76
1990	(Pre planting)	....	....	....	....	....	18,800.46	....	18,800.46

	Balance as per last Balance Sheet	Nilambur Rs.	Perambra Rs.	Alakode Rs.	Vettilla- ppara Rs.	Kodumon Rs.	Adirappally Rs.	Disposal Rs.	Total Rs.
1967 Re-Planting	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 "	49,295.16	....	....	....	....	....	....	....	49,295.16
1983 "	6,00,903.57	....	....	....	....	....	....	....	6,00,903.57
1989 "	15,643.55	....	....	....	2,14,624.46	12,03,894.96	....	....	14,34,162.97
Coconut	795.36	....	....	....	....	....	....	....	795.36
Evicted Area	16,94,037.42	....	....	....	....	....	....	....	16,94,037.42
Survey	1,60,561.22	....	....	....	4,086.00	....	3,500.00	....	1,68,147.22
Eucalyptus	15,963.37	....	....	....	....	....	....	....	15,963.37
Cashew (Kasargode)	36,65,014.59	....	....	....	....	....	....	....	36,65,014.59
Cashew 1976	1,50,069.06	....	....	....	....	....	....	....	1,50,069.06
1977	20,06,054.00	....	....	....	....	....	....	....	20,06,054.00
1978	13,65,478.68	....	....	....	....	....	....	....	13,65,478.68
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	34,94,461.30	....	....	2,67,212.68	....	....	....	....	37,61,673.98
<b>Total</b>	<b>9,78,91,534.08</b>	<b>10,24,493.54</b>	<b>14,05,604.23</b>	<b>2,67,212.68</b>	<b>2,18,710.46</b>	<b>12,03,894.96</b>	<b>22,300.46</b>	<b>21,10,784.91</b>	<b>9,99,22,965.50</b>

Sd/-  
M. S. JOSEPH  
(Chairman)

Sd/-  
Dr. JACOB THOMAS  
(Managing Director)

(As per our report of even date)

Sd/-  
M. R. V. NAIR  
(Secretary)

For KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS

Sd/-  
V. K. KURYAN (Partner)

**SCHEDULE**

(Included in and forming part of  
SCHEDULE OF

ITEMS	ORIGINAL COST			DEPRECIATION		
	Cost at the end of previous year	Additions during the year	Total Cost	As at the end of previous year	For the Current Year	Total Depreciation
	Rs.	Rs.	Rs.	Rs	Rs.	Rs.
Freehold land	28,81,200.55		28,81,200.55			
Building	4,42,30,746.66	14,97,284.79	4,57,28,031.45	1,55,14,470.38	17,28,507.78	1,72,42,978.16
Vehicles	53,71,758.88	12,25,995.43	65,97,754.31	39,92,577.68	4,45,706.93	44,38,284.61
Plant & Machinery	91,83,312.72	4,62,090.95	96,45,403.67	69,05,982.08	4,57,632.83	73,63,614.91
Furniture	15,85,606.64	63,811.20	16,49,417.84	9,97,603.50	62,744.42	10,60,347.92
Office Equipment	4,89,774.58	941.55	4,90,716.13	3,53,957.48	20,502.81	3,74,460.29
Survey Instruments	10,999.92	—	10,999.92	10,515.32	73.22	10,588.54
Library	47,277.86	—	47,277.86	33,304.83	1,397.99	34,702.82
Roads	1,38,32,781.65	—	1,38,32,781.65	13,41,763.49	6,24,551.22	19,66,314.81
Fence & Kayyala	10,07,277.39	1,87,516.41	11,94,793.80	98,209.46	52,005.30	1,50,214.76
Electric Fittings	55,383.38	10,101.33	65,484.71	38,364.56	2,948.23	41,312.79
Electrical Appliances	67,993.33	1,220.00	69,213.33	52,411.46	3,267.75	55,679.21
Electrical Installation	48,25,934.63	46,842.74	48,72,777.37	32,72,991.74	2,38,005.22	35,10,996.96
Telephone	15,557.38	—	15,557.38	14,358.22	179.87	14,538.09
Wells	6,573.37	20,607.30	27,180.67	640.05	1,154.84	1,794.89
Water Supply Installation	43,83,072.17	24,173.37	44,07,245.54	30,09,861.08	2,09,200.21	32,91,061.29
Landing Pads	1,18,844.25	—	1,18,844.25	11,587.30	5,362.91	61,950.21
Jhankar and Boat	19,051.49	—	19,051.49	14,811.99	423.92	15,235.91
Ammonia Cylinder		2,46,578.00	2,46,578.00	—	1,57,810.00	1,57,810.00
<b>Total</b>	<b>8,81,33,146.85</b>	<b>37,87,163.07</b>	<b>9,19,20,309.92</b>	<b>3,56,63,410.72</b>	<b>40,11,475.45</b>	<b>3,96,74,886.17</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>8,59,49,608.71</b>	<b>24,15,517.12</b>	<b>8,83,65,125.83</b>	<b>31,8,06,394.03</b>	<b>40,55,599.93</b>	<b>3,58,61,993.96</b>

Sd/-  
M. S. JOSEPH  
Chairman)

S/d-  
DR. JACOB THOMAS  
(Managing Director)

the Balance Sheet as on 31-3-1990)

FIXED ASSETS

ITEMS	DISPOSAL AND ADJUSTMENTS			BALANCE		
	Original Cost	Depreciation Written off	Total cost at the end of the current year	Total Depreciation at the end of the current year	Net Block	Net Block as on 31-3-1989
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold land	—	—	28,81,200.55	—	28,81,200.55	28,81,200.55
Building	—	—	4,57,28,03.145	1,72,42,978.16	2,84,85,055.29	2,87,16,276.28
Vehicles	3,96,466.52	3,48,493.21	62,01,287.71	40,86,791.40	21,11,496.39	13,79,181.20
Plant & Machinery	1,441.90	736.20	96,43,961.77	73,62,878.71	22,81,083.06	22,77,330.64
Furniture	—	—	16,49,417.84	10,60,347.92	5,89,069.92	5,88,003.14
Office Equipment	—	—	4,90,716.13	3,74,460.29	1,16,255.84	1,35,817.10
Survey Instrument	—	—	10,999.92	10,588.54	411.38	484.60
Library	—	—	47,277.86	34,702.82	12,575.04	13,973.03
Roads	—	—	1,38,32,780.65	19,66,314.81	1,18,66,466.84	1,24,91,018.06
Fence & Kayyala	—	—	01,94,793.80	1,50,241.76	10,44,579.04	9,09,067.93
Electric Fittings	—	—	65,484.71	41,312.79	24,171.92	17,081.82
Electric Appliances	—	—	69,213.33	55,679.21	13,534.12	15,581.87
Electrical Instalation	—	—	48,72,777.37	35,10,996.96	13,61,780.41	15,52,942.89
Telephone	—	—	15,557.38	14,538.09	1,019.29	1,199.16
Wells	—	—	27,180.67	1,794.89	25,385.78	5,933.32
Water Supply Installation	—	—	44,07,245.54	32,19,061.29	11,88,184.25	13,73,211.09
Landing pads	—	—	1,18,844.25	16,950.21	1,01,894.04	1,07,256.95
Jhankar Boat	—	—	19,051.49	15,235.91	3,851.58	4,239.50
Ammonia Cylinder	—	—	2,46,578.00	1,57,810.00	38,768.00	—
<b>TOTAL</b>	<b>3,97,908.42</b>	<b>3,49,229.41</b>	<b>9,15,22,401.50</b>	<b>3,93,25,656.76</b>	<b>5,21,96,744.74</b>	<b>5,24,19,731.13</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>2,31,978.98</b>	<b>1,98,583.24</b>	<b>8,81,33,146.85</b>	<b>3,56,63,410.72</b>	<b>5,24,69,736.13</b>	

Sd/-  
M. R. V. NAIR  
(Secretary)

For KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS  
Sd/-  
V. K. KURYAN  
(Partner)

SCHEDULE-F

Previous year Rs	TRADE INVESTMENTS	Current year Rs
	Investment in shares	
1,000	a) 10 Equity shares of Rs. 100/-each fully paid up in Banana & Fruit Development Corporation Ltd., Madras (unquoted)	1,000
<u>100</u>	b) One A Class share of Rs. 100/-each fully paid up in Mannam Sugar Mills Co-op. Society No. 4324	<u>100</u>
<u>1,100</u>		<u>1,100</u>

Sd/-  
M S. JOSEPH  
(Chairman)

Sd/-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)  
Sd/-For Kuryan & Suseelan  
(Chartered Accountants)

Sd/-  
V. K. KURYAN  
(Partner)

**SCHEDULE G**

Previous year Rs	CURRENT ASSETS	Current year Rs. Ps.
	A. Inventories (As valued and certified by Management)	
1,08,52,374	1) Stores & spares at cost	78,50,228.14
6,94,731	2) Loose Tools at valuation	4,16,017.45
3,61,790	3) Agricultural & other equipments at valuation	6,41,131.28
	4) Stock of rubber, rubber in process (value fixed by Management less incidental expenses)	2,35,80,089.00
4,53,77,832	5) Stock of rubber wood	1,07,197.96
—	6) Nurseries:-	
	Rubber	42,48,372.23
32,77,824	Cashew	16,564.43
4,195	Arecanut	24,349.78
8,151	Others	<u>1,082.32</u>
36,204		3,68,85,032.59
	B. Sundry Debtors (Unsecured considered good)	
28,07,476	a) Exceeding six months	56,70,340.09
2,39,61,825	b) Less than six months	<u>1,18,01,637.99</u>
		1,74,71,978.08
	C. Cash & Bank balances:-	
10,150	a) Stamp & Stamp paper	4,997.55
	b) Bank balances:-	
65,33,388	1) with sch. banks in Current Account	1,18,42,840.57
2,76,858	2) with Treasury Saving bank	<u>21,07,847.00</u>
		1,39,50,687.57
	3) Income Tax Surcharge Deposit in State Bank of India	60,380
23,880		
<u>9,42,26,678</u>		<u>6,83,73,075.79</u>

Sd/-  
M. S. JOSEPH  
(Chairman)

Sd/-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)  
Sd/- For Kuryan & Suseelan  
(Chartered Accountants)  
V. K. KURYAN  
(Partner)

**SCHEDULE H**

Previous year Rs	LOANS AND ADVANCES	Current year Rs
	<b>I. SECURED (CONSIDERED GOOD)</b>	
	Staff Loans	
1,81,130	i) Motor Car Loan	1,72,160.00
2,25,686	ii) Motor Cycle Loan	<u>2,49,998.00</u>
		4,22,158.00
	<b>II. UNSECURED (CONSIDERED GOOD)</b>	
42,84,916	a) Oil Paim India Ltd.	28,42,783.22
40,89,620	b) Advances receivable in Cash or Kind or value to be recovered.	<u>85,59,144.43</u>
		1,14,01,927.65
19,12,565	c) Advance payment of Taxes:-	
3,91,44,643	i) Sales Tax	73,88,146.73
20,73,458	ii) Agrl. Income Tax	4,76,11,539.00
72,966	iii) Central Income tax	20,81,077.72
1,44,954	d) Prepaid expenses	19,404.51
	e) Income tax refund due	2,50,181.00
	f) Deposits:-	
6,11,870	i) With P & T, Ele. Board, Port Trust & other Govt. Depts.	6,16,870.00
...	ii) Kerala State Harijan Welfare Society	3,039.00
15,00,000	iii) Housing Development Finance Corpn.	35,00,000.00
59,000	iv) Housing Board	24,000.00
11,73,166	v) Other Deposits	10,98,231.00
60,00,000	vi) Treasury & Post Office	4,31,41,600.00
....	vii) Scheduled Banks	10,00,000.00
....	viii) With Suppliers	<u>51,163.00</u>
		11,81,87,179.61
<u>6,14,73,974</u>		<u>11,86,09,337.61</u>

Sd/-  
M.S.JOSEPH  
(Chairman)

Sd/-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M.R.V. NAIR  
(Secretary)

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 31st MARCH 1990

1. Estimated amount of Civil Contracts on capital assets to be executed on account and not provided for Rs. 16,25,629.00 (previous year Rs. 18,81,950/-)

2. The Government has revised Lease Rent Rs-1,300/-per annum vide G. O(MS) 11/89t F&WLD dated 20-1-1989 w. e. f. 18-12-1987. But the Corporation paid lease rent Rs. 125/- per annum/Hect. except for 1,519.75 hectares of land in Rajapuram Estate which is Rs 250/-p.H./ annum. The final accounts of the Corporation for the year 1989-90 have been prepared after providing for lease rent Rs 1,300/-p.h. for 11,425.83hectares.

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 states which has not been provided since the persons are deceased and the claimants have to produce succession or heirship certificate.

4. An amount of Rs. 13,759.94 (previous year Rs. 9,533.49) 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 claims due to parties are not finalised. As such they are not acknowledged as debts and are not provided for.

6. The subsidiary status of oil Palm India Limited 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 Limited 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. The balance amount of the said loan Rs. 32,61,222 (previous year 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.

7. Interest on Government loan under different accounts has been provided in accordance with the orders issued by the Government of Kerala from time to time.

8. The Corporation has received an amount of Rs. 7,92,665.90 (previous year 7,22,547.50) as Rubber Board subsidy so far; and the Corporation has contingent liability as the same has to be repaid to the Rubber Board in case the Plantations are destroyed or taken for any public purpose.

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9. 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. 3,65,975.10 (previous year Rs. 2,08,947.60) including special commission Rs. 1,98,996.60 (previous year Rs. 89,028) being commission to selling agents for the year 1989-90.

10. The total area of land handed over to the Corporation by the Govt. Departments as on 31-3-1990 is approximately 14,454 hectares. (Total area has not been surveyed).

	Hectares
Rubber Plantations	7,614
Cashew in Rubber Estates	1,059
Cashew Plantations	5,259
Submergible area	220
Handed over to PWD for Kallada Irrigation Project	3.3
Area under buildings, factories, roads, canals, marshy places, fire belt etc.	295
Area to be planted	3.7
	<u>14,454.00</u>

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

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

13. Lease deed for lands handed over to the Corporation since 1970 has yet to be executed except for the land handedover for the development of cashew plantation (Rajapuram Estate) under the World Bank Scheme.

14. 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.

15. The Corporation has given certain Rubber Plantation 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 & Loss Account.

16. The right of collection of Cashew nuts from the Corporation's estates has been given on contract under tender-cum-auction system. As the crop season is from February to June 40% of the auction price has been treated as the income for current year and the balance as income received in advance.

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

18. Under "Fixed Assets", item 'Buildings', 'Roads', 'Fence' and 'Landing Pad', the cost of Rs. 2,84,85,053.29, Rs. 1,18,66,466.84 and Rs. 10,44,579.04 and Rs. 1,01,894.04 include Rs. 2,29,71,410.33, Rs. 1,13,62,943.84, Rs. 8,20,722.71 & Rs. 1,01,894.04 respectively constructed on lease hold land.

19. Buildings and buildings under construction shown under 'Fixed Assets' include the cost of buildings put up with the loan and subsidy assistance from Govt. of Kerala under the rules for the subsidised housing scheme for plantation labour Keraia 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.

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

21. The market value/realisable value of investment shown under Schedule-F can not be assessed.

22. Closing stock of finished goods and work in process has been valued at the price fixed by the Corporation as on 31.3.1990 less incidental expenses as in the previous year.

23. 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 its saleable as a finished product, the valuation is made on an estimated basis by ascertaining the quantity of Dry Rubber Content in the respective items.

24. 'Sundry Debtors' include the following amounts due from Government Companies under the same management i. e. Government of Kerala.

	Less than 6 months Rs	More than 6 months. Rs	Total Rs
1. Trivandrum Rubber Works	....	9,43,390.97	943390.97
2. State Farming Corporation	....	350.00	350.00
3. Kerala State Electricity Board	....	107.20	107.20
4. Forest Development Corporation	....	7.62	7.62

25. Motor Car loan to Officers is fully secured by hypothecation of Motor Cars in favour of the Corporation. Balance outstanding as on 31. 3. 1990 is Rs. 1,72,160 (previous year Rs. 1,81,130) maximum amount of such loan during the year was Rs. 1,81,130/- (previous year Rs. 2,30,635).

26. Motor Cycle loan to officers are also secured by hypothecation of Motor Cycle in favour of the Corporation. Balance outstanding as on 31.3.1990 is Rs. 2,49,998 (previous year Rs. 2,25,686.00). Maximum amount of such loan during the year was Rs. 2,18,798 (previous year Rs. 2,57,030).

27. "Other advances recoverable in cash or kind or value to be recovered" under "Loans and Advances" include the following amounts due by officers of the Corporation.

	Previous year	Current year
1) T. A. advance	43,523	66,157.57
2) Salary Advance	1,06,043	2,08,615.23
3) Other advance	38,082	28,510.55
4) Interest on Motor Car Loan	31,566	19,558.42
5) Interest on Motor Cycle Loan	41,997	37,306.10
6) Stores recoverable	19,659	22,515.39
7) Fuel charges recoverable	978	2,358.19
8) I. B. charges recoverable	982	1,954.85
9) Postage recoverable	117	557.00

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28. "Loans and Advances" include Rs. 47,055.43 (previous year Rs. 1,71,891.00) on account of the insurance claims lodged by the company with the insurers which are yet to be admitted by the insurers. Hence the adjustments in the accounts thereof has to be made on admission and settlement of the claims by the insurers.

29. Under "Loans and Advances" in Schedule-H an amount of Rs. 6,16,870/- is shown as deposit with Govt. Depts. The details of this amount is as follows:

	<u>Previous year</u>	<u>Current year</u>
1. Cochin Port Trust	3,600	3,600
2. Post & Telegraph Department	30,366	30,366
3. Kerala State Electricity Board	5,82,904	5,82,904
	<u>6,16,870</u>	<u>6,16,870</u>

30. The Corporation has paid to its employees bonus at 13% and production incentive at 7% for the year 1989-90 as per G. O. (RT) 1364/90/AD dated 23.8.1990.

31. 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.

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

33. The expenditure on repairs and maintenance shown under Sch. J is the net expenditure after deducting tolls collected for using estate roads. The collection is only nominal for meeting the repair expenses.

34. Additional information pursuant to the provisions of paragraph 3, Part II of Sch. VI to the Companies Act, 1956.

	Current year		Previous year	
	Quantity	Value	Quantity	Value
	MT	Rs	MT	Rs
Sale by class of goods as per Sales Register:				
1. Rubber	6,178.1	16,73,16,627	6,300.8	14,74,73,405
2. Cashew	....	1,37,59,749	....	1,21,21,667

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

35. An adhoc provision of Rs. 15,00,000 has been made in the accounts towards payment of bonus pertaining to January to March 1990.

36. The following amounts are set aside towards reserves as shown below:

	Current year	Previous year
1. Replanting reserve	75,00,000	50,00,000
2. Rhabilitation reserve	1,81,134	1,38,110

37. Provision for rehabilitation reserve of Rs.1,81,134 is at 3% of the cost of replanting as is allowed under the agricultural Income-Tax Act.

38. Interest on loan amounting to Rs. 7,87,836 70 pertains to the interest on loan availed from the Government of Kerala.

39. Packing drums, tapping stores and other implements issued during the year have been charged to revenue. The Manufacturing and selling expenses include a sum of Rs. 96,46,082.50 being the cost of 36,775 drums consumed during the year (@ 262.80 per drum).

40. Managerial remuneration paid/payable to Managing Director.

	Current year	Previous year
1. Pay & Allowance	31,896.70	94,449.55
2. Festival Allowance	400.00	375.00
3. Leave salary & pension contribution	14,265.00	1,307.00
4. Expenses reimbursed	....	25,309.00

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 Kmrs. a month. Perquisite in this regard is Rs.1,074/-

The Managing Director has been provided with furnished accommodation charging 7.5% of the salary. Perquisite thereof is 1,415/-The expenses with regard to the medical treatment are also being paid by the Corporation.

41. Salary Rs. 31,896.70 under remuneration to Managing Director includes 4,015.30 being salary payable as charge allowance to the Managing Director in charge from 18.7.1989.

42. The Chairman Sri V. T. Thomas (from 27.10.1987) is being paid an honararium of Rs. 750 PM. He is also provided with a car for his official use and an amount of Rs.150 PM. is being deducted for non-official use of the car limiting to 500 Km. per month. Perquisite in this regard is Rs.3,600/-

43. Remuneration to other Directors:-

	Current year	Previous year
1. Sitting fee	4,900.00	5,200
2. T.A. to Directors	46,951.42	39,955.50

44. There was no employee in the Corporation drawing a remuneration in excess of Rs. 72,000/-per annum in the aggregate during 1989-90. No person was employed for any part of the year on a monthly remuneration exceeding Rs. 6,000/-PM.

45. Miscellaneous expenditure includes donations of Rs.1,250/- (previous year 5,000/-)

46. Information in regard to amounts paid to auditors.

	Current year	Previous year
1. Statutory Audit	15,000	15,000
2. Internal Audit	....	9,000
3. Expenses to Statutory Auditors	5,000	5,000

47. Additional information as per clause IV-D of part-II to Sch. VI

	Current year	Previous year
a) C. I. F. value of imports during the year	....	....
b) Exp. in foreign currency	....	....

c) Value of raw materials, stores, spare parts and components consumed during the year:—

	Current year		Previous year	
	Value	expenses as %age of consumption.	Value	expenses as %age of consumption.
1. Imported value	....	...	....	....
2. Indigenous (Stores & Spares) (including value of stores capitalised)	1,90,14,023	10%	1,36,06,844	100%
3. Particulars of dividend remitted in- foreign. exchange	....	....	....	....
4. Earnings in foreign exchange	....	....	....	....

48. 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) and 4 (c) of part II schedule Vi to the Companies Act, 1956, Manufacturing Companies are not applicable.

However the Corporation is maintaining a pilot plant at Kodumon for the treatment of rubber wood that fell from estate to make it into a saleable condition. The loss incurred for the project has been separately shown in Sch. M to the Profit and Loss Account.

**49. 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 get posted for such hearing by the Assessing Authority.

For the year 1984-85, the D. C. (Appeals) has reduced the CST and KGST Assessments made by the Asst. Commissioner. Accordingly 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 CST and KGST. 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 been taken up for assessment.

**50. Agricultural Income-Tax.**

a) Assessments upto the assessment year 1986-87 have been completed.

b) Appeals filed against the following assessment years have been disposed off and the orders giving effect to the appellate orders have not been received so far. Hence no adjustment has been made in the accounts in this regard.

Assessment year	Tax assessed	Tax paid
1977-78	39,93,453	39,93,453
1979-80	81,63,752	76,09,060
1980-81	84,85,192	84,85,192
1981-82	1,27,78,890	88,76,945
1982-83	1,28,20,234	1,15,00,945

c) Position as to other assessments:-

Asst. year	Tax assessed	Tax paid	Remarks
1978-79	13,84,189	10,54,392	Appeal pending balance collection stayed.
1983-84	1,15,63,643	87,81,820	Remanded for fresh assessment
1984-85	2,19,06,294	1,34,53,147	
1985-86	2,21,56,738	1,58,20,382	Appeal pending balance
1986-87	1,87,50,277	1,31,61,561	Collection stayed.

d) The Company has paid the following amounts towards assessments pending:-

Asst. year	Amount paid
1987-88	60,33,927
1988-89	40,32,221
1989-90	1,53,10,420
1990-91	86,35,645

51. Total wages paid during the year to workers (Tappers, Field Workers and Factory workers) in Rs.511.18 lakhs.

52. Previous year figures have been regrouped/restated wherever necessary to make them comparable with current year figures.

Sd/—  
M.S.JOSEPH  
(Chairman)

Sd/—  
DR.JACOB THOMAS  
(Managing Director)

Sd/—  
M.R.V. NAIR  
(Secretary)

For KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS

Sd/—  
V.K. KURYAN  
(Partner)

**SCHEDULE- J**

Previous year Rs	REPAIRS AND MAINTENANCE OF ASSETS	Current Year Rs
8,69,818	Building	18,39,716.33
9,89,149	Vehicles	11,93,463.57
6,66,790	Roads	9,54,129.21
2,09,665	Water supply installation	1,56,620.46
1,97,654	Electrification	4,83,963.43
4,43,683	Fence/Kayyala	17,398.39
77,600	Plant & Machinery	1,77,752.96
1,29,846	Tools & Equipments	1,19,892.05
1,30,478	Others	1,79,660.37
<u>37,14,683</u>	Total	<u>51,22,596.77</u>

**SCHEDULE-K**

Miscellaneous Expenses

3,46,910	Postage, Telephone & Telegram	3,42,805.51
2,68,168	Printing & Stationery	1,81,700.52
34,823	Office expenses & Misc.	31,171.32
23,217	Books & Periodicals	21,506.64
4,626	Bank charges	9,063.66
91,034	Storage expenses	52,733.47
61,720	I.B. expenses	80,108.68
43,457	Entertainment expenses	36,179.46
12,250	Staff training expenses	15,925.00
1,20,120	Ferry expenses	54,114.09
1,454	Gardening	2,288.06
44,526	Temporary shed	...
5,000	Management consultancy	...
5,000	Donation	1,250.00
7,500	Losses & write off	82,257.77
...	Awards & Incentives	4,026.00
<u>10,69,805</u>	Total	<u>9,15,130.18</u>

Sd/-  
M. S. JOSEPH  
(Chairman)

Sd/-  
DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)  
Sd/-For Kuryan & Suseelan  
(Chartered Accountants)  
V. K. KURYAN  
(Partner)

**SCHEDULE-L**

Previous Year Rs	WELFARE EXPENSES	Current Year Rs
13,10,438	Sickness Benefit	14,67,688.49
66,713	Maternity Benefit	46,465.77
21,14,540	Leave with wages	22,70,637.65
12,51,014	Holiday wages	11,87,176.50
3,15,726	Weather Protection	3,40,478.67
9,60,224	Drinking water supply	10,66,083.20
1,63,154	Sanitation	1,16,636.81
59,858	Recreation facilities	81,387.49
34,23,256	Medical & Hospital Expenses	33,61,361.37
43,298	Way expenses to workers	22,543.00
55,360	Running & Maintenance of School	47,111.31
1,33,201	Crèche expenses	1,06,704.67
59,732	Workmen's Compensation	45,159.00
16,997	Workers Education	2,794.45
10,48,029	Uniform to staff & workers	8,94,235.85
50,893	Subsistence allowance	50,512.07
27,791	Labour Welfare Fund	25,836.00
600	Others	530.00
<u>1,11,00,824</u>		<u>1,11,33,342.30</u>

Sd/-  
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Sd/-  
DR. JACOB TAOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)

For KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS

Sd/-  
V. K. KURYAN  
(Partner)

SCHEDULE M

RUBBER WOOD PROJECT

Expenses		Rs
	62,628.86	
Pay & Allowances to staff	30,024.38	
Wages to workers	4,020.70	
Provident Fund	7,698.77	
Welfare Expenses	5,672.05	
Repairs & Maintenance of assets	19,614.78	
Factory Chemicals	8,985.75	
Advertisement charges	4,236.91	
Factory expenses	839.35	
Office expenses	5,415.85	
Travelling expenses	25,636.00	
Cost of Rubber Trees	10,109.78	
Inauguration expenses	34,092.53	
Depreciation	<u>        </u>	
		2,18,975.71
Income		
	8,649.75	
Sale of treated rubber wood	12.00	
Miscellaneous income	1,07,197.96	
Closing stock of treated rubber wood	1,03,116.00	
Net loss	<u>        </u>	<u>2,18,975.71</u>

Sd/-  
M. S. JOSEPH  
(Chairman)

Sd/-  
(DR. JACOB THOMAS  
(Managing Director)

Sd/-  
M. R. V. NAIR  
(Secretary)

For KURYAN & SUSEELAN  
CHARTERED ACCOUNTANTS

Sd/-  
V. K. KURYAN  
(Partner)

## AUDITORS REPORT TO THE SHARE HOLDERS

We have audited the attached Balance Sheet of the Plantation Corporation of Kerala Limited, Kottayam as at 31st March 1990 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 277 (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 and 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 1990 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 upto the Assessment year 1986-87 and Central Income-Tax assessment upto the assessment year 1988-89 have been completed. Short provisions of tax in respect of completed assessments is estimated at Rs. 400.72 lakhs.
- 4) The Government has revised the lease rent vide G.O. MS-11/89 dated 2-1-1989 at Rs. 1,300/- per hectare per annum for the period 18-12-1987 to 17-12-1990. 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. 1,49,50,702/-. Short provision for the current year is Rs. 2,76,458/- Estimated amount of such short provision excluding interest if any for the financial year 1981-82 to 1984-85 is Rs. 102 lakhs and for the financial years 1985-86 to 1988-89 is Rs. 26,65,544/-
- 5) Selling agents commission of Rs. 3,65,975.10 (including special commission of Rs. 1,98,996.60) for the year has not been provided (See Note No. 9) such accumulated non-provision up to 31-3-1990 is Rs. 5,74,922.70.

- 6) The Corporation has deposited Rs. 5,00,000/- each on 31-8-1988 and 1-9-1988 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 for the year is Rs. 1,61,951/- This interest has not been taken in to account by the Corporation.
- 7) Registers showing the location, nature and extent of free-hold and lease-hold lands of the Corporation have not been produced for our verification.
- 8) 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.
- 9) Sundry Debtors for Rs. 16.64 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 the claims, we have not been able to form any definite opinion regarding bad and doubtful debts or liabilities which are not payable. Accordingly we decline to express any opinion thereon.
- 10) 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.
- 11) The details of the amounts due by the officers of the Corporation included under other advances recoverable in cash or kind or 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. 27).

Kottayam,  
22-7-1992

FOR KURIAN & SUSEELAN  
Chartered Accountants

Sd/-  
V. K. KURIYAN  
(Partner)

**ANNEXURE REFERRED TO IN PARA 1 OF THE  
AUDITORS' REPORT**

i) The Corporation has, except for those registers referred to in (Para 7) of our report concerning free-hold and lease-hold 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 10) 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 (IB) 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 Limited, 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 & 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 agreements 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 scraps 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 under Section 209 (1) (d) of the Companies Act is not applicable to the Corporation.

xv) According to the records of the Corporation, Provident fund and Employees' 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 Note Nos. 49 & 50 no undisputed amounts payable in respect of Income-Tax, wealth-tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March 1990, 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,  
22-7-1992.

For KURYAN & SUSEELAN  
Chartered Accounts

Sd/-  
V. K. KURYAN  
(Partner)

**REPLIES TO THE REPORT OF THE STATUTORY AUDITORS  
ON THE ACCOUNTS FOR THE YEAR ENDED 31-3-1990**

- 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 clearly disclosed in note No. 9 forming part of the accounts.
- 6 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.
- 7 All the records relating to free hold and lease hold lands have been shown to the auditors.
- 8 Noted.
- 9 The Company does not consider any debt as doubtful. Out of this the major amount of Rs. 9,43,390.97 is due from Trivandrum Rubber Works, a Government Company. As this is a Govt. Company we have not shown this as a doubtful debt.
- 10 The Corporation is maintaining proper registers in all its units showing the different items of stores received and issued sold or consumed.
- 11 Noted.

GOVERNMENT OF KERALA

No. 66892/PUB1/92/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 31-3-1990.

"There is an increase in net profit to Rs. 89.40 lakhs from Rs. 59.98 lakhs in the previous year. But the current years' profit is only 15.98 % of the capital employed and is too insufficient considering the high potential of the Rubber Plantation Industry. Short provision for lease rent, non provision for selling Agents' commission etc. also leads to over statement of profit to that extent. Observations of the auditors about internal control procedures for procurement of agricultural produce and their processing at factories, despatch etc. and non-follow up of internal audit reports deserve consideration and needs to be rectified"

Sd/-

**M. MOHANKUMAR**

Commissioner & Secretary (Finance)

Thiruvananthapuram,  
18-1-1993

REPLY TO COMMENTS OF THE COMMISSIONER AND  
SECRETARY (FINANCE) TO THE GOVERNMENT ON THE  
ACCOUNTS FOR THE YEAR ENDED 31.3.1990

"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 LIMITED for the year ended 31st March 1990.

"I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditor's Report under section 619 (4) of the Companies Act 1956 on the accounts of the Plantation Corporation of Kerala Limited, Kottayam for the year ended 31st March, 1990."

Sd/-

K. KRISHNA DAS

Principal Accountant General (Audit)

KERALA

Thiruvananthapuram,  
18-1-'93

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

"NOTED"