



THE PLANTATION CORPORATION OF KERALA LTD.
KOTTAYAM — 4



THIRTYSECOND ANNUAL REPORT
1993—'94

BOARD OF DIRECTORS

Shri N.P. Moideen

Chairman (from 18-10-1993)

Maj.Gen. (Rtd.) P.M. Menon

Chairman (from 4-9-1992 to 17-10-1993)

Managing Director (from 26-8-1992 to 18-8-1995)

Dr. Jacob Thomas I.P.S

Managing Director (from 1-10-1991 to 26-8-1992 and from 18-8-1995 to 20-12-95)

Shri. Amarnatha Shetty I.F.S.

Managing Director from 20.12.1995

Smt. Neela Gangadharan, I.A.S

Director (from 1-10-1993 to 16-3-1995)

Shri G.Mukundan, I.A.S

Director (from 25-7-1991 to 3-8-1995)

Shri P.P. Joseph

Director (from 16-3-1995)

Shri P.N. Surendran, I.F.S

Director (from 3-8-1995)

Shri M.S. Dharan

Director (from 26-9-1992)

SECRETARY

Shri M.R.V. Nair

AUDITORS

M/S. Cherian & Cherian

Chartered Accountants

Kottayam

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 32nd Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at Kottayam on Friday the 23rd September 1994 at 10.30 A.M. to transact the following business.

1. To Consider the adjournment of the consideration of accounts for 1993-94 to suitable date.
2. To record the appointment of Directors by the Governor of Kerala in the place of Directors retiring at the Annual General Meeting under the Article 63(2) of the Articles of Association. The following Directors retire and are eligible for re-appointment.
 1. Smt. Neela Gangadharan, I.A.S.
 2. Sri. G. Mukundan, I.F.S.
 3. Sri. M.S. Dharan

By Order of the Board

For The Plantation Corporation of Kerala Limited

MR.VNAIR

SECRETARY-CUM-MANAGER(F&A)

Kottayam

Date: 26-8-1994

Note: A member entitled to attend and vote is entitled to appoint a proxy and the 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 32nd (adjourned) Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at Kottayam at 2.30 p.m. on Monday the 13th November 1995 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 1994 and the Balance Sheet as on that date.

By order of the Board

For The Plantation Corporation of Kerala Limited

MR.V.NAIR

Secretary

Kottayam,
16-10-1995

Notes: 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.

DIRECTOR'S REPORT

Gentlemen,

Your Directors have pleasure in presenting the 32nd Annual Report of the Corporation for the year ended 31st March 1994.

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- 1993 continued unchanged during 1993-94.

The Corporation has made substantial remittances towards loan drawn from Government of Kerala for estate development and subsidised Housing Scheme and also interest due on the loan.

	Rs.
Payment of loan during 1993-94	: 5.87 lakhs
Payment of interest during 1993-94	: 31.76 lakhs

Subsequent Payments

Payment of loan during 1994-95	: 26.36 lakhs
Payment of interest during 1994-95	: 4.98 lakhs

Profit & Loss Account

The profit before making the provisions on interest on loans, depreciation and provision for gratuity was Rs. 848.55 lakhs which is the highest ever since the incorporation of P.C.K. Ltd.

After making the following provisions the profit is Rs. 631.08 lakhs.

	Rs.
Interest on loans	: 3.37 lakhs
Depreciation	: 46.73 lakhs
Provisions for gratuity	: 166.57 lakhs

The net profit after the following appropriations is Rs. 351.08 lakhs.

	Rs.
Provision for taxation	: 160.00 lakhs
Replanting reserve	: 120.00 Lakhs

THE PLANTATION CORPORATION OF KERALA LTD.

It is also significant to note that while the Corporation has earned only Rs. 696/- lakhs as net profit for a period of 19 years (1974-93), the net profit for 1993-94 alone is Rs. 351.88 lakhs. The increase from Rs. 17/- lakhs to Rs. 351.88 lakhs is also to be noted.

Agricultural Income Tax

The assessment of Agricultural Income Tax of the Corporation has been completed upto the financial year 1991-92. For the completed assessment the Company has filed appeals before the higher authorities which are pending for disposal.

Sale - Rubber

During 1993-94 the quantity of rubber sold was 4194 M.T. for Rs. 1481.20 lakhs against 3799 M.T.s. for Rs. 1254.39 lakhs in 1992-93. Average price realised in 1993-94 was Rs. 35.32 per kg. against Rs. 33.02 per kg. realised in 1992-93.

Cashew

In the year 1993-94 the amount received on sale of cashew nut was Rs. 318.52 lakhs against Rs. 236.55 lakhs received in 1992-93. With this, the cashew area which was incurring losses has made a turn around in 1993-94 with a profit of Rs. 96/- lakhs.

Rubber Estates

There are 8 rubber estates under the ownership of the Corporation which are located in the Districts of Pathanamthitta, Ernakulam, Trissur, Malappuram and Kozhikode.

Area under rubber	1992-93	1993-94	1994-95	1995-96
			(Area in ha.)	
Tapping area	4271	4257	3650	3674
Immature area	1605	2299	3059	3031
Area under Oil Palm	90	145	145	145
Vacant land and land under clearance for replanting	2212	1477	1324	828
Area under 1995 planting-Rubber				427
Oil Palm				73
Total	<u>8178</u>	<u>8178</u>	<u>8178</u>	<u>8178</u>

Cashew area

There are 4 cashew estates viz., Kasaragod, Rajapuram, Cheemeni and Mannarghat under the Corporation. These estates are maintained in satisfactory condition. The total area under cashew is about 6315 ha.

Engineering works - Kodumon Group

Thannithode Estate

Completed the construction work of collecting stations. 2 Nos., canteen 1 No. in Dvn. B&C, reconstructed the well of main water supply scheme damaged during the flood. The work of 'E' type quarters 2 sets in Dvn. C is progressing (since completed).

Remetalling and semigrouting work of ascends of road in Dvn. C is arranged.

Chandanappally & Kodumon Estates

Completed about 17.5 km. barbed wire fencing for the new planting areas of Kodumon and Chandanapally estates. Removed the silt from two weirs at Chandanappally and completed the construction of 1 No. masonry water tank and 1 No. acid storage tank of effluent treatment system. The work of reconstruction of culverts damaged during the flood in Chandanappally and Kodumon estates are in progress (since completed).

Arranged about 8 km. barbed wire fencing for replanting area in Kodumon and Chandanappally estates.

Kalady Group

Completed about 10 km. barbed wire fencing in Kallala and Adirappally estates. The work of 2.2 km. remetalling and semigrouting the road from Manager's office to Dvn. C, Adirappally estate is in progress. The work of reconstruction of culvert damaged during the flood is completed. Arranged the construction work of wells and pump houses for drip irrigation in Dvn. D, Vettilappara estate. Construction of latex storage tank in Kallala factory and repairs and maintenance of Kallala factory building are in progress. Arranged about 24 km. of barbed wire fencing in Kallala, Adirappally and Vettilappara estates for replanting area. Arranged drip irrigation for 145 ha. Oil Palm Plantations in Dvn. D, Vettilappara at a total cost of about Rs. 31.39 lakhs.

Malabar Group - Perambra Estate

Completed the work of road from factory junction to Muthukad. Repairs to tarred roads and construction of a 3 span 2.5 m. culvert in Muthukad area.

Alakode Estate

Completed the construction work of E type quarters 2 sets in Dvn. IV.

PERSONAL MANAGEMENT, INDUSTRIAL RELATIONS AND LABOUR WELFARE

The earlier set up of the Company continued unchanged during the year also. Labour Management relations in the Company atmosphere continued to be smooth and cordial. We

THE PLANTATION CORPORATION OF KERALA LTD.

have held conferences, discussions and negotiations at higher levels in various matters concerning staff and workers. These conferences and discussions have enabled us to maintain smooth relationship with the employees. Workers in the Estates are provided with all basic amenities such as free quarters with electricity and water supply, medical, educational and recreational facilities etc. The welfare fund scheme introduced to provide loan facility to workers and other employees of the Corporation in emergency requirements have been extended to more employees enhancing the allotment.

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 programmes, seminars etc. and conducting training programmes in the Estates and the knowledge gained by them has been made use of in the efficient functioning of the Corporation. Under the Scheme for providing employment to the dependants of employees who die in harness while in our service, we have given 32 appointments in various categories during the relevant period. 10 persons were promoted from the staff category to Officers category.

28 staff members and 13 officers were left the service of the Corporation due to retirement/resignation/death during the above period.

A pay revision to the Officers category on the principles of Vth Pay Commission has been finalised after discussions and sent to the Government for formal approval.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information required 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 the employees falls in that limit.

Board of Directors

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

Chairman

Maj. Gen. (Rtd.) P.M.Menon appointed as Chairman from 4-9-1992 held the office of the Chairman till 17-10-1993. Sri N.P.Moideen appointed as Chairman from 18-10-1993 continued to hold the office of the Chairman during the remaining period under report.

Managing Director

Maj. Gen. (Rtd.) P.M.Menon appointed as Managing Director from 26-8-1992 held the office of the Managing Director during the remaining period under report.

Highlights on Current Activities

Upto 1995 we have replanted an area of 3031.38 ha. with rubber and 145 ha. with oil palm.

The system of giving slaughter tapping on contract has been discontinued. By doing slaughter tapping directly considerable additional income has been generated.

We have introduced the system of intercultivation in the immature rubber area with Banana and Pineapple (for the initial two to three years) which also brings down the immature maintenance cost. In addition, we are receiving compensation from the intercultivation contractors which will also come to about Rs. 4,000/- to Rs. 5,000/- per ha.

Under the Voluntary Retirement Scheme 5 Officers, 7 Staff and 114 workers were voluntarily retired from the Corporation till date.

The proposal for the creation of post of General Manager for Malabar area have been approved by the Government.

Acknowledgement

Your Director's are grateful to the Government of Kerala, Rubber Board, Banks and others for the continued support during the year under review.

Your Director's 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

CHAIRMAN

Kottayam,
13-10-1995

ANNEXURE - I

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)

A) CONSERVATION OF ENERGY

- a) Energy conservation measures taken : Not significant
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : Nil
- 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. : Due to the efforts taken during the previous years in getting steady electric supply, the production cost is reduced.
- d) Total energy consumption per unit of production : Not applicable

FORM - B

(See Rule 2)

Form for disclosure of particulars with respect to absorption

- Research and Development (R&D) : Not significant
- e) 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 plants : Nil
- g) Total foreign exchange used and earned
- Used : Nil
- Earned : Nil

ANNEXURE - II

Details of Directors including changes taken place during the year ending 31st March 1994

Sl.no.	Name	Address	Date of appointment
1.	Sri. G. Mukundan, I.F.S.	Principal Chief Conservator of Forests Vazhuthacaud Thiruvananthapuram	From 25-7-1991
2.	Sri. M.S. Dharan	Additional Secretary to Government Finance Department Secretariat Thiruvananthapuram	From 25-7-1991
3.	Smt. Neela Gangadharan, IAS	Secretary to Government Agriculture Department Secretariat Thiruvananthapuram	From 1-10-1993

REVIEW OF ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM FOR THE YEAR ENDED 31ST MARCH 1994 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Financial Position

The table below summarises the financial position of the Company under broad headings for the three years upto 1993-94.

	1991-92	1992-93	1993-94
	(Rupees in lakhs)		
LIABILITIES			
1. Paid up capital	556.88	556.88	556.88
2. Reserves & Surplus	984.25	1016.25	1513.58
3. Borrowings	70.71	64.84	58.97
4. Total dues & Current Liabilities (including provisions)	2496.93	2903.55	3217.83
	<u>4108.77</u>	<u>4541.52</u>	<u>5347.26</u>
ASSETS			
1. Gross Block	1050.09	1140.86	1161.50
2. Less: Depreciation	477.65	525.27	574.57
3. Net Block	572.44	615.59	586.93
4. Development of Property	1145.84	1278.99	1432.03
5. Capital work-in-progress	53.21	12.18	20.99
6. Investments	0.01	0.01	0.01
7. Currents Assets, Loans and Advances	2337.27	2634.75	3307.30
	<u>4108.77</u>	<u>4541.52</u>	<u>5347.26</u>
Capital employed	2289.26	2466.29	5507.41
Net Worth	1541.13	1573.13	2070.46

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

2. Capital Structure

The debt equity ratio of the Company declined from 0.13:1 in 1991-92 to 0.12:1 in 1992-93 and to 0.11:1 in 1993-94. The borrowings have come down year by year.

3. Reserves and Surplus

The reserves and surplus accumulated as at the end of three years upto 1993-94 amounted to Rs. 984.25 lakhs, Rs. 1016.25 lakhs and Rs. 1513.58 lakhs respectively. The reserves and surplus worked out to 23.95 percent of total liabilities in 1991-92, 22.38 percent in 1992-93 and 28.31 percent in 1993-94 and 176.70 percent of equity capital in 1991-92, 182.49 percent in 1992-93 and 271.80 percent in 1993-94.

4. Liquidity and Solvency

- a) The percentage of current assets to total net assets increased from 56.88 in 1991-92 to 58.02 in 1992-93 and 61.85 in 1993-94.
- b) The percentage of current assets to current liabilities (including provisions) varied from 93.61 in 1991-92, 90.74 in 1992-93 and 102.78 in 1993-94.
- c) The percentage of quick assets (Sundry debtors) cash and bank balances, advances recoverable to current liabilities (excluding provisions) increased from 86.55 in 1991-92 to 92.95 in 1992-93 and 145.40 in 1993-94.

5. Sources and Uses of funds

Funds amounting to Rs. 842.75 lakhs from internal sources and Rs. 18.16 lakhs from other sources were utilised during the year as shown below.

	(Rs. in lakhs)
Gross Fixed Assets (including capital work-in-progress)	: 29.45
Development of property	: 153.04
Repayment of borrowings	: 5.87
Current Assets, Loans and Advances	: <u>672.55</u>
	<u>860.91</u>

6. Working Results

The working results of the company for the three years upto 1993-94 are tabulated below.

	1991-92	1992-93	1993-94
	(Rupees in lakhs)		
i. Profit for the year as per accounts (before tax)	(+) 194.33	100.78	631.08
Provision for taxation	85.00	81.00	160.00
ii. Profit after tax	109.33	19.78	471.08
iii. Percentage of Profit before tax to:			
a) Sales	12.96	6.44	34.73*

THE PLANTATION CORPORATION OF KERALA LTD.

b) Gross Fixed Assets	8.85	4.16	24.33*
c) Capital employed	8.49	4.09	11.46*
iv. Percentage of Profit after tax to:			
a) Net worth	7.09	1.26	22.75*
b) Equity Capital	19.63	3.55	84.59*
c) Capital employed	4.78	0.80	8.55*

* - The increase in percentages during the year was due to booking of Rs. 711.14 lakhs being sale of slaughtered rubber trees as revenue income.

7. Cost Trends

	1991-92	1992-93	1993-94
	(Rupees in lakhs)		
Sales	1499.93	1564.47	1817.22
Less: Profit for the year	279.36	100.78	631.08
Cost of sales	1220.57	1463.69	1186.14
Percentage of cost of sales to sales	81.38	93.56	65.27

8. Production Performance

The value of production for the three years upto 1993-94 is worked out as below:

	1991-92	1992-93	1993-94
	(Rupees in lakhs)		
a) Sales	1499.93	1564.47	1817.22
b) Closing stock and work in process	296.35	206.48	187.34
c) Opening stock of finished goods and work-in-process	254.25	296.35	206.48
d) Value of production (a + b - c)	1542.03	1474.60	1798.08

The percentage of value of production to net worth declined from 100.06 in 1991-92 to 93.74 in 1992-93 and 86.84 in 1993-94. The percentage of value of production to total net assets varied from 37.53 in 1991-92 to 32.47 in 1992-93 and 33.63 in 1993-94.

9. Inventory

The following table indicates the comparative position of inventory and its distribution at the close of the three years upto 1993-94.

THIRTY SECOND ANNUAL REPORT

	1991-92	1992-93	1993-94
	(Rupees in lakhs)		
a) Stores and Spares	145.18	124.95	94.28
b) Loose Tools	4.66	4.75	4.75
c) Stock-in-trade of finished goods (including work in process)	296.35	206.48	187.34
d) Agricultural equipments	5.56	5.26	5.47
	451.75	341.44	291.84

The stock-in-trade was equivalent to 2.37 months sales in 1991-92, 1.58 months in 1992-93 and 1.24 months in 1993-94.

10. Sundry Debtors and Turnover

The following table indicates the volume of book debts and sales for the three years upto 1993-94.

As on 31st March	Book Debts considered Good/Doubtful	Total	Sales during the year	Percentage of debts to sales
(Rs. in lakhs)				
1992	73.65	73.65	1499.93	4.91
1993	106.43	106.43	1564.47	6.80
1994	63.91	63.91	1817.22	3.52

The agewise break-up of the book debts as on 31.3.1994 is indicated below.

(Rs. in lakhs)	
i) Less than one year	22.07
ii) Between one year and three years	22.75
iii) Over three years	19.09
	63.91

Note : No effect of the qualifications in the Auditors Report has been given in the Review of Accounts.

Sd/-

(A.K.CHAKRABARTI)
PRINCIPAL ACCOUNTANT GENERAL
(AUDIT) KERALA

ANNUAL ACCOUNTS AND SCHEDULES

THE PLANTATION CORPORATION OF KERALA LTD.
BALANCE SHEET AS ON 31-3-94

PREVIOUS YEAR	LIABILITIES	CURRENT YEAR
	SHARE CAPITAL	
Rs.		Rs.
75,000,000	Authorised - 75000 equity shares of Rs. 1000 each	75,000,000
<u>55,688,000</u>	Issued - 55688 equity shares of Rs. 1000 each	<u>55,688,000</u>
	Subscribed, called up and paid up 55688 equity shares of Rs. 1000/- each. Of the above shares 12,182 shares are allotted as fully paid up pursuant to a contract without payments being received in cash.	
55,688,000		55,688,000
101,624,807	RESERVES AND SURPLUSES - SCHEDULE A	151,358,343
	UNSECURED LOANS	
	From Government of Kerala for	
5,478,397	i) Estate development	4,991,392
1,005,900	ii) Subsidised housing	905,900
12,155,412	iii) Interest accrued and due on above	9,328,624
		15,225,916
	CURRENT LIABILITIES & PROVISIONS	
176,837,289	(A) Current liabilities Sch B	181,479,356
101,363,286	(B) Provisions Schedule C	130,975,361
<u>454,153,091</u>	TOTAL	<u>534,726,976</u>

Sd/-
N.P. Moideen
Chairman

Sd/-
Maj.Gen. P.M.Menon AVSM VSM(Retd)
Managing Director

Sd/-
M.R.V.Nair
Secretary

Sd/-
for Cherian & Cherian
Anu Ipe John
Partner
Chartered Accountants
22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

BALANCE SHEET AS ON 31-3-94

PREVIOUS YEAR	ASSETS		CURRENT YEAR
	RS. FIXED ASSETS		RS.
127,899,203	a) Plantations Schedule D	143,203,022	
61,559,333	b) Plant & Machinery, Roads, buildings, etc Schedule E	58,694,038	
1,218,197	c) Capital Work in Progress	2,098,721	203,995,781
	INVESTMENTS		
1,100	In shares at cost - Schedule F		1,100
	CURRENT ASSETS, LOANS and ADVANCES		
59,318,470	a) Current assets - Schedule G	65,186,332	
204,156,788	b) Loans * Advances - Schedule H	265,543,763	330,730,095
<u>454,153,091</u>	TOTAL		<u>534,726,976</u>

Sd/-
N.P.Moideen
Chairman

Sd/-
Maj.Gen.P.M.Menon AVSM VSM(Retd)
Managing Director

Sd/-
M.R.V.Nair
Secretary

Sd/-
for Cherian & Cherian
Anu Ipe John
Partner
Chartered Accountants
22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-94

PREVIOUS YEAR	EXPENDITURE	CURRENT YEAR
RS.		RS.
29,634,663	To Opening Stock Finished Goods	20,648,025
28,260,927	To Salaries & Allowances	28,146,714
86,592	To Salaries & Allowances to MD	87,707
1,671,355	To Leave Encashment	2,013,652
8,729,408	To Employers Contribution PF	10,707,835
12,679,837	To Bonus & Production Incentive	14,242,008
0	To Honararium to Chairman	5,129
16,544	To T.A & Sitting fee to Directors	40,609
584,906	To T.A to Staff & Officers	589,571
28,996	To Rent	21,346
1,433,021	To Rates & Taxes	1,630,765
3,623,112	To Electricity Charges	4, 152,969
18,505,040	To Lease Rent	14,678,401
640,107	To Insurance Charges	402,509
-420,121	To Advertisement Charges	655,700
232,779	To Legal Expenses	152,510
27,000	To Remuneration to Auditors Including Expenses	42,000
152,788	To Security Expenses	330,491
385,570	To Interest on Loans	337,843
5,457,461	To Repairs & Maintenance Assets - Schedule I	6,191,718
1,502,844	To Miscellaneous Expenses - Schedule II	1,302,913
15,987,550	To Welfare Expenses - Schedule III	17,276,753
4,570,042	To Depreciation Including Loss on Revaluation	4,673,024
9,244,000	To Cultivation & Upkeep of Rubber	11,141,692
29,589,709	To Tapping & Collection of Rubber	32,266,893
25,480,633	To Manufacturing & Selling Expenses	24,693,547
7,450,340	To Cultivation Upkeep of Cashew	6,703,932
687,570	To Cultivation & Upkeep of other Crops	2,267,188
197,646	To Collection Charges - Cashew	481,209
0	To Purchase of Latex	7,433,040
106,556	To Net Loss on Rubber wood project - Schedule IV	300,637
17,922,978	To Provision - Gratuity	16,657,469
10,078,274	To Net Profit for the year	63,108,059
<u>235,388,369</u>		<u>293,383,858</u>

Sd/-
N.P.Moideen
Chairman

Sd/-
Maj.Gen.P.M.Menon AVSM VSM(Retd)
Managing Director

Sd/-
M.R.V.Nair
Secretary

Sd/-
for Cherian & Cherian
Anu Ipe John
Partner
Chartered Accountants
22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-94

PREVIOUS YEAR	INCOME	CURRENT YEAR
RS.	BY SALES	RS.
125,439,484	Rubber	148,120,555
23,655,209	Cashew	31,852,235
6,646,958	Slaughter Tapping	989,942
705,499	Agricultural Produce	758,787
37,808,632	Rubber Trees & Fire Wood	71,113,740
2,906,646	Casurina Trees	
127,217	Empties & Unservicebles	221,042
		253,056,301
	BY INTEREST INCOME	
1,546,587	From Contractors & Customers	1,939,113
112,590	Staff Loans	125,573
15,199,052	Treasury & Bank Deposits	18,493,083
		20,557,769
	BY OTHER INCOME	
65,384	Rent of Building	104,170
4,336	Profit on Sale of Assets	
522,750	Miscellaneous Income	931,830
		1,036,000
20,648,025	BY CLOSING STOCK FINISHED GOODS AND WIP	18,733,788
<u>235,388,369</u>	TOTAL	<u>293,383,858</u>

Sd/-
N.P.Moideen
Chairman

Sd/-
Maj.Gen. P.M.Menon AVSM VSM (Retd)
Managing Director

Sd/-
M.R.V.Nair
Secretary

Sd/-
for Cherian & Cherian
Anu Ipe John
Partner
Chartered Accountants
22.03.95

**THE PLANTATION CORPORATION OF KERALA LTD.
PROFIT & LOSS APPROPRIATION ACCOUNT FOR THE
YEAR ENDED 31.03.94**

Previous Year		Current Year	Previous Year		Current Year
312,431	To Prior period expenses	107,086	34,562,030	By Balance as per last balance sheet	36,227,871
--	To Replanting reserve	12,000,000	--	By Prior period income	54,719
8,100,000	To Tax provision (including Previous years)	16,000,000	10,078,274	By Net profit as per profit and loss account	63,108,059
36,227,873	To Net profit transferred to reserves and surpluses	71,283,563			
<u>44,640,304</u>		<u>99,390,649</u>	<u>44,640,304</u>		<u>99,390,649</u>

Sd/-
N.P.Moideen
Chairman

Sd/-
Maj.Gen.P.M.Menon AVSM VSM(Retd)
Managing Director

Sd/-
M.R.V.Nair
Secretary

Sd/-
For Cherian & Cherian
Anu Ipe John
Partner
Chartered Accountants
22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

SCHEDULE A

RESERVES AND SURPLUS AS ON 31-3-94

PREVIOUS YEAR		CURRENT YEAR
RS.		RS.
776,733	1. CAPITAL RESERVE	
	As per last Balance Sheet	776,733
	Additions this Year	<u>2,095,288</u>
		2,872,021
41,958,000	2. REPLANTING RESERVE	
	As per last Balance Sheet	41,958,000
	Additions this Year	<u>12,000,000</u>
		53,958,000
14,079,091	3. REHABILITATION RESERVE	
	As per last Balance Sheet	14,079,091
	Additions this Year	<u> -0</u>
		14,079,091
1,875,000	4. SUBSIDY RECEIVED FROM GOVT. OF KERALA-HOUSING SCHEME	
	As per last Balance Sheet	1,875,000
	Additions this Year	<u> 0</u>
		1,875,000
2,335,440	5. SUBSIDY RECEIVED FROM GOVT. OF KERALA-CASHEW PLANT UPKEEP	
	As per last Balance Sheet	2,335,440
	Additions this Year	<u>562,500</u>
		2,897,940
4,372,670	6. SUBSIDY RECEIVED FROM RUBBER BOARD - RUBBER CULTIVATION	
	As per last Balance Sheet	4,372,670
	Additions this Year	<u>20,058</u>
		4,392,728
36,227,871	7. PROFIT AND LOSS ACCOUNT	71,283,563
<u>161,624,805</u>		<u>151,358,343</u>

Sd/-
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Managing Director

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M.R.V.Nair
Secretary

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for Cherian & Cherian
Anu Ipe John
Partner
Chartered Accountants
22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

SCHEDULE B

CURRENT LIABILITIES AS ON 31-3-94

PREVIOUS YEAR

CURRENT YEAR

RS.		RS.
1,676,132	Sundry Creditors	3,452,361
131,420,725	Other Liabilities	129,002,171
3,317,901	E M D	3,376,788
7,446,692	Security Deposit	8,399,562
345,700	K G S T Payable	77,787
13,651,420	Income received in Advance	18,741,541
10,000	Housing Scheme Workers	10,000
286,935	Income Tax payable	—
18,755	Welfare Fund	26,211
641,000	Sale of Secondary Growth	641,000
17,701,942	Agricultural Income Tax due	17,701,943
45,789	Interest Accrued but not due - Govt Loan	34,059
274,298	Central Sales Tax payable	15,933
<u>176,837,289</u>	TOTAL	<u>181,479,356</u>

Sd/-	Sd/-	Sd/-	Sd/-
N.P.Moideen Chairman	Maj.Gen.P.M.Menon AVSM VSM(Retd) Managing Director	M.R.V.Nair Secretary	for Cherian & Cherian Anu Ipe John Partner Chartered Accountants 22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

SCHEDULE C PROVISIONS AS ON 31-3-94

PREVIOUS YEAR		CURRENT YEAR
RS.		RS.
84,051,950	1. GRATUITY As per last Balance Sheet 84,051,950 Add: Additions this Year 16,657,469 100,709,419 Less: Paid this Year 7,440,699	93,268,720
3,200,000	2. BONUS As per last Balance Sheet 3,200,000 Add: Additions this Year 3,200,000 6,400,000 Less: Adjusted this Year 3,200,000	3,200,000
14,111,336	3. TAXATION As per last Balance Sheet 14,111,336 Add: Additions this Year 16,000,000 Total 30,111,336 Add: Adjusted this Year 4,395,305	34,506,641
<u>101,363,286</u>		<u>130,975,361</u>

Sd/-
N.P.Moideen
Chairman

Sd/-
Maj.Gen.P.M.Menon AVSM VSM(Retd)
Managing Director

Sd/-
M.R.V.Nair
Secretary

Sd/-
for Cherian & Cherian
Anu Ipe John
Partner
Chartered Accountants
22.03.95

**THE PLANTATION CORPORATION OF KERALA LTD.
ASSET SCHEDULE AS ON 31-3-94**

THE PLANTATION CORPORATION OF KERALA LTD.
SCHEDULE - E

SCHEDULE OF FIXED ASSETS

[Included in and forming a part of the Balance Sheet as on 31-03-1994]

ITEMS	ORIGINAL COST			DEPRECIATION		
	At the end of previous year Rs	Additions during the year Rs	Total cost	At the end of previous year	For the current year Rs	Total Depreciation
Freehold Land	3163227	0	3163227	0	0	0
Buildings	52293608	606458	52900066	22321608	1731226	24052834
Vehicles	7380313	79976	7460289	5776473	443229	6219701
Plant & Machinery	13915173	598439	14513613	9705566	993158	10698724
Landing Pad	118844	0	118844	31483	4368	35851
Jankar & Boat	19051	0	19051	16270	278	16548
Ammonia Cylinders	257554	0	257554	236009	8618	244627
Water supply installation	4775738	0	4775738	3776252	149923	3926175
Furniture	1715530	37288	1752818	1230489	49319	1279808
Office Equipments	583777	158154	741932	431175	26575	457751
Survey Instruments	12485	0	12485	11161	199	11360
Library	51758	0	51758	38483	1328	39811
Roads	17151393	0	17151393	3888005	663169	4551174
Fence/Kayyala	6951210	398783	7349994	781823	639686	1421509
Electric Fittings	68901	0	68901	51204	3319	54522
Electric Appliances	77029	750	77779	64934	2545	67480
Electrical Installation	5490453	26242	5516695	4144502	204222	4348724
Telephone	15557	115362	130919	14931	5862	20793
Wells	44785	58267	103052	6686	3054	9740
Total	114086387	2079721	116166108	52527054	4930077	57457131

**THE PLANTATION CORPORATION OF KERALA LTD.
ASSET SCHEDULE AS ON 31-3-94**

Original Cost Rs.	DISPOSAL & ADJUSTMENT		BALANCE		
	Depreciation written off Rs.	Total cost at the end of current year Rs.	Total current year Depreciation	Net Block as on 31.03.1994	Net Block as on 31.03.1993 Rs.
14939		3148288	0	3148288	3163227
		52900066	24052834	28847232	29972000
		7460289	6219701	1240588	1603840
		14513613	10698724	3814889	4209608
		118844	35851	82993	87361
		19051	16548	2503	2781
		257554	244627	12927	21545
		4775738	3926175	849564	999487
		1752818	1279808	473010	485041
		741932	457751	284181	152602
		12485	11360	1125	1324
		51758	39811	11948	13275
		17151393	4551174	12600218	13263387
		7349994	1421509	5928485	6169387
		68901	54522	14379	17697
		77779	67480	10299	12094
		5516695	4348724	1167971	1345951
		130919	20793	110126	626
		103052	9740	93312	38098
14939		116151169	57457131	58694038	61559333

THE PLANTATION CORPORATION OF KERALA LTD.

**SCHEDULE F
INVESTMENTS AS ON 31-3-94**

PREVIOUS YEAR		CURRENT YEAR
RS.		RS.
	a) 10 Equity Shares of Rs 100/- each fully paid up in Banana & Fruit Development Corporation Limited, Madras (unquoted)	1,000
1,000	b) One A Class Share of Rs. 100 fully paid up in Mannam Sugar Mills Co-operative Society No. 4324	100
<u>1,100</u>		<u>1,100</u>

Sd/-
N.P.Moideen
Chairman

Sd/-
Maj.Gen.P.M.Menon AVSM VSM(Retd)
Managing Director

Sd/-
M.R.V.Nair
Secretary

Sd/-
for Cherian & Cherian
Anu Ipe John
Partner
Chartered Accountants
22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

SCHEDULE G

CURRENT ASSETS AS ON 31-3-94

PREVIOUS YEAR		CURRENT YEAR
RS.		RS.
	A. INVENTORIES (As taken, valued and certified by the management)	
12,495,325	1. Stores and Spares at Cost	9,428,429
474,806	2. Loose Tools	474,762
525,778	3. Agrl & other Equipments	547,066
20,648,024	4. Stock of Rubber and Rubber in process (Value fixed by management less incidental expenses)	18,733,788
586,297	5. Stock of Rubber Wood	772,697
7,521,718	6. Nurseries	
	Budwood	265,833
	Teak	64,027
	Arecanut	63,081
	Coffee	569
	Others	1,031,093
	Polybag	4,964,679
		36,346,024
	B. SUNDRY DEBTORS (Unsecured considered good)	
5,280,403	Exceeding six months	2,857,555
5,362,165	Other debts	3,533,469
		6,391,024
	C. CASH & BANK BALANCES	
1,126	a) Stamps & Stamp Papers	0
	b) Bank Balances:-	
445,011	1) With Scheduled Banks in Current Accounts	11,909,537
55,721	2) With Treasury savings Bank Account	344,030
5,922,096	3) Cash in Transit	10,195,717
59,318,470		65,186,332

Sd/-
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22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

**SCHEDULE H
LOANS AND ADVANCES**

PREVIOUS YEAR RS.		CURRENT YEAR RS.
	I. SECURED (Considered good)	
	STAFF LOAN	
522,820	1) Motor Car Loan	600,271
490,511	2) Motor Cycle Loan	456,464
		1,056,735
	II. UNSECURED (Considered good)	
1,292,289	a) Oil Palm India Ltd.	1,292,289
	b) Advances recoverable in cash or kind for value to be received	8,222,045
9,641,746	c) Advance payment of taxes	
4,105,196	1. Sales tax	3,862,083
32,417,985	2. Agrl Income tax	32,465,678
9,038,584	3. Central Income tax	24,045,216
0	d) Prepaid expenses	118,296
	e) Tax refund due	
619,625	1. Income tax	175,403
2,482,748	2. Agrl Income tax	2,482,748
61,668	f) Rebate receivable: Govt. Loan	61,668
	g) DEPOSITS	
	1. With Post & Telegraph, Electricity board, Port trust, and other Govt: Departments	889,190
724,900	2. With Housing Board	12,750
12,750	3. Other Deposits	2,094,036
1,095,231	4. With Court	3,450
3,450	5. With Treasury and Post Office	0
74,535,400	6. With scheduled Banks	162,868,600
174,272	7. With PCK Empl: Society	14,247, 773
58,403,740	8. Int. recoverable on FD	350,000
0	9. With Suppliers	11,236,640
8,490,710		59,163
43,163		
<u>204,156,788</u>		<u>264,487,028</u>
		<u>265,543,763</u>

Sd/-
N.P.Moideen
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Managing Director

Sd/-
M.R.V.Nair
Secretary

Sd/-
for Cherian & Cherian
Anu Ipe John
Partner
Chartered Accountants
22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.3.1994

REPAIRS & MAINTENANCE ASSETS - SCHEDULE I

PREVIOUS YEAR		CURRENT YEAR
RS		RS
192,807	Tools	192,693
130,652	Plant & Machinery	313,766
1,598,235	Building	1,399,674
971,220	Vehicles	2,209,454
1,536,226	Roads	1,251,305
421,348	Electrification	244,837
248,420	Water Supply	209,185
109,446	Temporary Shed	127,744
217,240	Fence/Kayyala	193,348
31,867	Others	49,712
<u>5,457,461</u>	TOTAL	<u>6,191,718</u>

MISCELLANEOUS EXPENSES - SCHEDULE II

330,763	Postage, Telephone, Telegram	322,306
296,602	Printing & Stationery	365,037
89,257	Office Expenses & Miscellaneous	52,818
	Survey Expenses	19,916
19,330	Books & Periodicals	24,741
56,076	Storage Expenses	29,792
49,005	I.B. Expenses	71,479
55,283	Entertainment Expenses	100,240
15,375	Staff Training Expenses	22,355
178,818	Ferry Expenses	261,717
6,733	Gardening	2,377
328,950	Donations	30,135
49,003	Losses and write offs	0
<u>1,475,195</u>		<u>1,302,913</u>

Sd/-

N.P.Moideen
Chairman

Sd/-

Maj.Gen.P.M.Menon AVSM VSM (Retd)
Managing Director

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M.R.V.Nair
Secretary

Sd/-

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Partner
Chartered Accountants
22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

WELFARE EXPENSES - SCHEDULE III

PREVIOUS YEAR

CURRENT YEAR

RS.		RS.
1,685,682	Sickness Benefit	1,844,960
129,612	Maternity Benefit	109,678
2,723,541	Leave with Wages	2,913,564
2,821,759	Holiday Wages	3,225,796
382,913	Weather Protection Expenses	607,881
1,212,818	Drinking Water Supply	1,177,494
222,586	Sanitation	168,901
72,727	Recreation Facilities	81,673
5,053,036	Medical & Hospital Facility	5,644,926
47,719	Way Expenses to Workers	38,695
50,817	Running & Maint. School	35,677
16,673	Creche Expenses	11,843
69,203	Workmen's Compensation	180,546
145,448	Group Insurance	145,575
1,039,486	Uniform to Staff & Workers	711,808
34,073	Subsistence Allowance	37,880
23,939	Labour Welfare Fund	23,690
255,518	Deposit linked Insurance	316,166
<u>15,987,550</u>		<u>17,276,753</u>

Sd/-

N.P.Moideen
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Sd/-

Maj.Gen. P.M.Menon AVSM VSM(Retd)
Managing Director

Sd/-

M.R.V.Nair
Secretary

Sd/-

for Cherian & Cherian
Anu Ipe John

Partner
Chartered Accounts
22.03.95

THE PLANTATION CORPORATION OF KERALA LTD.

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-94

RUBBER WOOD FACTORY

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-94 (SCHEDULE IV)

PREVIOUS YEAR		CURRENT YEAR	PREVIOUS YEAR		CURRENT YEAR
515,646	To Opening stock	586,297	1,442,293	By Sale of Processed Rubber Wood	1,207,340
615,986	To Purchase of Rubber Trees	659,825	343,940	By Sale of other Items of Wood	339,474
261,811	To Pay and Allowances	285,339	63,485	By Wood Issued to Other Units	
197,577	To Factory Wages	159,713	60	By House Rent	
38,500	To Bonus to Staff & Workers	33,552	37,737	By Interest on Deposits	90,397
32,598	To contribution to P.F.	49,612	854	By Interest on Staff Loan	
25,423	To Welfare expense	24,258	50,000	By Miscellaneous Income	2,905
8,390	To Travelling expenses	4,754	586,297	Closing stock	772,697
114,240	To Repairs and Maintenance of Assets	106,853			
45,431	To Advertisement and Selling expenses	11,043	106,556	By Net Loss Transferred to P&L a/c.	300,637
178,946	To Cutting and Transportation of Tree	150,947			
9,116	To Office expenses	4,382			
238,752	To Depreciation	257,516			
348,804	To Manufacturing expenses	379,359			
<u>2,631,220</u>	TOTAL	<u>2,713,450</u>	<u>2,631,222</u>	TOTAL	<u>2,713,450</u>

Sd/-
N.P.Moideen
Chairman

Sd/-
Maj.Gen. P.M.Menon AVSM VSM(Retd)
Managing Director

Sd/-
M.R.V.Nair
Secretary

Sd/-
for Cherian & Cherian
Anu Ipe John
Partner
Chartered Accountants
22.03.95

PLANTATION CORPORATION OF KERALA LTD.,

KOTTAYAM

Notes to Accounts forming part of the Balance
Sheet as at 31st March 1994

1. Reserves & Subsidies

a) The corporation has received Rs. 43,92,728/- as Rubber Board Subsidy up to 31-3-1994 (Previous year Rs. 43,72,670/-) and the corporation is contingently liable to the Board for the same in case the Plantation is destroyed or is used for any public purpose.

b) The following amount has been set aside as reserve:

	Current year	Previous year
Replanting Reserve.	Rs. 1,20,00,000	Nil

c) A sum of Rs. 21,42,000/- was received by the Corporation from LBS Centre for science and Technology (a Govt. of Kerala undertaking) as consideration for the transfer of 45 acres of land belonging to the Corporation in Muliya Village in Kasaragod. The registration of sale has not been completed due to dispute with regard to the value fixed but the possession of land has been handed over. The sum so received has been shown under the head capital reserve after deducting proportionate cost of land and development.

2. Unsecured loans:

a) Estate Development

This includes Rs. 32,61,222/- being a loan from the Govt. of Kerala for investment in a erst while subsidiary Oil Palm India Ltd. Following the termination of the subsidiary status vide Govt. order MS.238/93/AD dated 4-8-83 this balance is pending adjustment/repayment since the mode of such repayment/adjustment has not been confirmed by the Govt. as on 31-3-1994. No interest has been provided on the same.

b) Subsidised housing

This represents loans from the Govt. of Kerala for the construction of houses for employees under the rules of subsidised housing scheme for plantation Labour Kerala 1974. The Govt. of Kerala has lien on such buildings till the loan is repaid.

3. Other liabilities:

i) The corporation has made an estimated provision of Rs. 50 Lakhs towards D.A. arrears payable from 1-1-93 vide Govt. order (p) No. 331/94 Fin. dated 19-4-94 and from 1-7-93 vide Govt. order P.No. 825/94 Fin. 30-11-94 and against pay revision to officers approved by the Board.

ii) Labour welfare fund

An amount of Rs. 26,211/- (Previous year Rs.18755/-) payable to the labour welfare fund of the state Government represents fund created out of time barred advances.

4. Provisions

- 1) Gratuity has been provided for on the basis of actuarial valuation.
- 2) a) The company has paid to the employees bonus @ 8.33% and production incentive @ 11.67% for the year 1993-94 as per G.O. Rt No. 1252/94/AD dt. 12-9-94. Bonus is computed based on the calender year earnings of employees.
- b) A provision of Rs. 32 Lakhs has been made in the accounts towards bonus pertaining to January 1994 to March 1994.
- c) Taxation
The corporation has provided for agricultural income tax and central income tax liabilities based on the estimated tax liability from assessment year 1988-89 for agricultural income tax and from 1991-92 for Central Income tax. This has resulted in short provision of taxation to the tune of Rs. 171 lakhs.

5. Fixed assets

- a) The total area of land handed over to the company by the Govt. of Kerala as on 31-3-1994 is 14405.61 Hectares. (Previous year total area: 14454 hectares). Certain areas have been subjected to survey. Particulars of area are given below:

Rubber plantations	7,590.63	Hect.
Cashew in rubber estates	1,059.00	Hect.
Cashew plantations	5,237.68	Hect.
Submergible area	220.00	Hect.
Handed over to PWD for Kallada Irrigation project	3.30	Hect.
Area under buildings, factories, roads, canals, marshy places, fire belts etc.	295.00	Hect.
Total	<u>14,405.61</u>	Hect.
- b) The terms and conditions under which the company has taken 975 hectares of land covered by Cheemeni Estate is yet to be determined.
- c) Lease deed for lands handed over to the company since 1970 are pending execution except for the land handed over for development of Cashew Plantations (Rajapuram Estate) under the World Bank scheme.
- d) An area of 3.28 Hect. of 1961 plantations in Kodumon group of estates under survey No. 783/1 of Koodal village has been handed over to PWD for Kallada Irrigation project.
- e) The cost of buildings, roads, landing pads and fences is Rs. 474.59 Lakhs of which Rs.422.70 Lakhs are constructed on lease hold lands.

THE PLANTATION CORPORATION OF KERALA LTD.

16. Auditors' remuneration

	Current year	Previous year
	Rs.	Rs.
Statutory auditors fees	15,000	15,000
Expenses to statutory auditors	5,000	5,000
Other services. (income tax and sales tax audit fees)	22,000	7,000

17. Repairs and maintenance

The expenditure on repairs and maintenance of roads is net expenditure after deducting nominal tolls collected for usage of estate roads.

18. Manufacturing and selling expenses

This includes cost of 21488 packing drums (Rs. 91.68 Lakhs) utilised during the year.

19. Sales

- a) Additional information pursuant to the provisions of paragraph 3, part II of schedule VI to the Companies Act 1956.

	Current year		Previous year	
	Qty. MT	Value Rs. in Lakhs.	Qty MT	Value Rs. in Lakhs
Sale of goods as classified in Sales Register				
Rubber	4194	1481.21	3799	1254.39
Cashew			--	236.55

Quantitative particulars of cashew are not available as the sales were effected mainly by tender cum auction.

- b) The right of collection of cashew nuts from most of the company estates has been awarded under Tender-cum-auction system. As the crop season is from February to June, 40% of the auction price has been recognised as income of the current year and the balance as deferred income.
- c) The company has given certain portions of rubber plantations for slaughter tapping. As per the agreement the contractors are permitted to remit the amount agreed in instalments and only the amount received during the year is recognised as revenue in accordance with the practice consistent with previous year.

20. Rubber wood factory

The Corporation has a pilot plant at Kodumon for the treatment of rubber wood collected from the estates. The working result of the project has been separately shown in schedule IV to the Profit & Loss account as on 31-3-94.

21. Contingent liabilities

- a) Estimated amount of contracts remaining to be executed on capital-account and not provided for is Rs. 41,96,330/- (Previous year Rs. 32, 41, 755/-.)
 - b) The Corporation is liable to pay compensation o Rs. 5,353.75 (Pr. year Rs. 5353.75) to persons evicted from Kodumon group of estate, which has not been provided for since the persons are deceased and the claimants have to produced succession certificate.
 - c) Five cases are pending against the company for which the amounts payable are not ascertainable as claims of the parties have not been finalised. As such they are not acknowledged as creditors and have not been provided for.
22. Additional information as per clauses IV-D of part II to Schedule VI.

	Current year		Previous year	
a) CIF value of imports during the year	Nil		Nil	
b) Expenditure on foreign currency	Nil		Nil	
c) Value of raw materials, stores, spare parts and components during the year	Value consumption		Value consumption	
	Rs. (Lacs)		Rs.(Lacs)	
1. Imported value	Nil	Nil	Nil	Nil
2. Indigenous (Stores and spares)	148.51	100%	84.28	100%
3. Particulars of dividend remitted in foreign exchange.	Nil	Nil	Nil	Nil
4. Earnings in foreign exchange	Nil	Nil	Nil	Nil

23. Total wages paid during the year to workers, tappers, field workers and factory workers is Rs. 710.16 Lakhs.
24. From Kodumon estate some rubber trees were removed by a contractor without the knowledge of the corporation. The loss is estimated at Rs. 491,394/-. Legal proceeding have been initiated by the Corporation against the concerned persons for recovery of the estimated amount.

25. Events after the Balance sheet date

The Director of Agriculture vide its. letter dated 9-8-94 has requested repayment of Rs. 61,53,688 towards principal and Rs. 74,45,411 being interest up to 31-7-94 in respect of loans taken for investment in the erst while subsidiary Oil Palm India Ltd.,. However the Government of Kerala vide its letter dated 3-10-89 has confirmed that no interest be charged in respect of the above loans and has also by letter dated 4-8-83 confirmed that the above loans may be treated as cancelled. The matter is being persued by the company.

26. Previous year figures have been regrouped/recast wherever necessary.

AUDITORS REPORT TO THE MEMBERS OF THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM, KERALA.

We have audited the attached Balance Sheet of the Plantation Corporation of Kerala Limited as at 31st March 1994, and the relative profit & Loss account for the year ended on that date annexed here to, both signed by us under reference to this report.

We report that :-

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.

In our opinion proper books of account have been kept as required by law so far as appears from our examination of those books.

Returns adequate for the purpose of audit have been received from the estates of the Corporation. The Balance Sheet and Profit & Loss account are in agreement with the books of account.

1. Sundry debtors include Rs. 1892301.92 outstanding for over three years for which adequate information is not available to ascertain if these are realisable.
2. The accounting policy consistently followed by the Company is to account for revenue from slaughter tapping contracts on cash basis. This practice is not in conformity with accrual basis of accounting which the Company is required to follow as per Section 209 (3) (b) of the Companies Act, 1956. As the relevant records pertaining to amounts due from Contractors to whom slaughter tapping rights has been awarded, were not made available, we were unable to ascertain the extent to which this reflect on the Reserves & Surplus and the net current assets.
3. 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 confirm the correctness of these balances. Adequate information was not available for verification of Company accounts regarding the dues to sundry creditors. Hence we are unable to ascertain the status of their liability.
4. As required by Schedule VI of the Companies Act, 1956.
 - a) Company has not furnished a consolidated statement of reconciliation showing the quantitative particulars of agricultural produce and inputs.
 - b) The maximum amount due from Officers classified under Loans and advances has not been disclosed.

In our opinion, and to the best of our information and according to the explanation given to us, the said Balance Sheet and Profit & Loss account read together with the notes thereon, subject to the qualification in 1 to 4 above, give the information required by the Companies Act, 1956, and also give respectively, a TRUE AND FAIR view of the state of the Corporation's affairs as at 31st March 1994 and its profit for the year ended on that date.

As required by the Manufacturing and other Companies (Auditor's Report) order 1988, issued by the Company Law Board in terms of sec. 227 (4A) of the Companies Act 1956, we have attached an annexure in which we have set out our report on the matters specified in the above order.

For CHERIYAN & CHERIYAN
Sd/-

Kottayam
22-3-95

ANU TYPE JOHN
PARTNER
(CHARTERED ACCOUNTANTS)

ANNEXURE REFERRED TO IN LAST PARA. OF THE AUDITOR'S REPORT.

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified at the close of the financial year. We have observed that the discrepancies noticed were not significant.
2. None of the fixed assets have been revalued during the year.
3. Subject to our observation in para 4 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.
4. The procedures for physical verification of stock followed by the Management are reasonable and adequate in relation to the size of the Corporation and the nature of its business.
5. Material discrepancies noticed on physical verification of stock as compared to book records have been properly dealt with.
6. Valuation of stocks is fair and proper and is in accordance with normally accepted accounting principles and is on the same basis as adopted in the preceding years.
7. The Company has not availed any loans either secured or unsecured from Companies, firms or other parties listed in the registers, maintained under sec. 301 and 370 (I-B) from companies under the same management.
8. In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies, firms and 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.
9. In respect of loans and advances in the nature of loans given by the Company, except in the case of Oil Palm India Ltd. and in some cases in respect of employees, parties have repaid the principal amount and have also been regular in payment of interest wherever applicable in accordance with terms and conditions laid down by the company. The Management has confirmed that steps are being taken to recover the amount due from Oil Palm India Ltd.
10. 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 purchase 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
 - a) Collection and procurement of agricultural produce and its processing at factories and its despatch is not satisfactory.
 - b) Determination and accounting of dues payable to Sundry creditors for supplies needs improvement.

THE PLANTATION CORPORATION OF KERALA LTD.

- c) Determination and accounting of dues from Sundry Debtors call for considerable improvement.
11. In our opinion and according to the information and explanations given to us, the company has not purchased any goods, materials or services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956 as aggregating during the year to Rs. 50, 000 or more in respect of each party.
 12. 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.
 13. The Company has not accepted any deposits from the public.
 14. The company has maintained records for the sale and disposal of scrap and realisable by products.
 15. Based on our assessment of the extent of coverage of the internal audit department of the company, we are of the opinion that the internal audit system in its present form is not commensurate with the company's size and nature of activities.
 16. Maintenance of cost records under section 209 (1) (d) of the companies Act 1956, is not applicable to the company.
 17. According to the records of the company, Provident Fund and Employees State Insurance dues have been regularly deposited with appropriate authorities, though there has been delay in few cases.
 18. According to the information and explanations given to us and subject to what is stated in Accounting Notes, no undisputed amounts were payable in respect of Income tax, wealth tax, Sales tax, Customs Duty and Excise Duty were outstanding as at 31st March 1994, for a period of more than six months from the date they become payable.
 19. 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.
 20. The company do not fall within the ambit of a Sick company vide sec. 3 (1) of the Sick Industrial Companies (Special provisions) Act of 1985.

For CHERIYAN & CHERIYAN
Sd/-

ANU IYPE JOHN
PARTNER
(CHARTERED ACCOUNTANTS)

KOTTAYAM
22/3/95

**REPLY TO THE REPORT OF THE STATUTORY AUDITORS
FOR THE YEAR 1993-94**

1. Out of the amounts outstanding for more than 3 years, Rs. 9,44,390.97 is due from M/s. Trivandrum Rubber Works, Trivandrum, a Govt. Company. This amount is being remitted by them in instalments. During 94-95 and 95-96 so far they have remitted Rs.7,65,311/-

Balance amount represents dues from other parties for which suits have already been filed and followed up. Details of all outstanding amounts are available.

2. Accounting Policy with regard to slaughter tapping contracts have been disclosed in note No. 1 of Significant Accounting Policies.
3. Noted
4. a) The Corporation is maintaining proper registers in all its Units, showing the different items of Agricultural Produce and other inputs, received, manufactured and issued/sold or consumed. It is practically difficult to prepare a consolidated register. This has been explained to Auditors.
b) Noted

GOVERNMENT OF KERALA

NO.59816/PU.B1/95/FIN.

FINANCE (PU.B) DEPARTMENT

Comments off the Commissioner and 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 31-03-1994.

"The company has earned a profit of Rs. 6.32 crores during the year as against Rs. 1.00 crore in the previous year. this increase is only partially due to increase in income from sale of rubber and the major increase (Rs. 3.40 crores) is due to sale of rubber trees and fire wood. The quantity of rubber sold is also only marginally high at 4194.m.t. as against 3799.m.t. in the previous year. inspite of higher profits and balance under surpluses the company has neither taken steps to declare a dividend nor pay off the loan dues or interest dues amounting to Rs. 93.28 lakhs. at the same time steep increase is noticed under advertisement charges, vehicle maintenance charges, entertainment expenses etc. comments of the auditor also deserve special consideration. the practice of frequent changes in the form of presentation of accounts may also be avoided."

Sd/-

K.M.CHANDRASEKHAR,
COMMISSIONER & SECRETARY (FINANCE)

Thiruvananthapuram,
Dated: 6-10-95

**REPLY TO THE COMMENTS OF THE COMMISSIONER AND SECRETARY
(FINANCE) GOVERNMENT OF KERALA**

The profit earned by the Company during the period was generated mainly due to the sale of rubber trees, which is not an operational profit. The replanting programme envisaged by the Corporation is being implemented using the internal generated funds of the Corporation and at this stage it is not advisable to declare a dividend and deplete the parked funds. As regards the repayment of outstanding loans and interest it may be noted that the corporation is regular in the repayment of loan and interest due to the Government. During 1994-95 the Corporation has repayed the entire loan due to the Government of Kerala except a loan of Rs. 32.61 lakhs received from Govt. of Kerala for investing in the erst-while subsidiary Oil Palm India Ltd., following the termination of the subsidiary status, the balance is pending adjustment/repayment subject to the mode of such adjustment to be confirmed by the Govt. The amount of Rs. 93.28 lakhs represent penal interest for defaulted payment of loan & interest instalments in the earlier years when the Corporation was running in overdraft. We have already requested the Govt. for waivment of this penal interest vide our letter no. Accts/9047 dated 7.2.94 and this will followed up.

Increase in advertisement charges is mainly due to the advertisement given to different magazines and other publications as per the direction from the Govt. The abnormal increase in vehicle maintenance charges is due to regrouping of expenditure of vehicles attached to Factories and an investigation is being conducted now to find out the reasons.

Increase in entertainment charges Noted. The increase is due to frequent meetings, company guests and other visitors.

Change in the form of presentation of Accounts Noted.

THE PLANTATION CORPORATION OF KERALA LTD.

महालेखाकार (लेखा परीक्षा) का कार्यालय,
केरल, तिरुवनन्तपुरम

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

को समाप्त वर्ष के लिए के लेखे पर कम्पनी अधिनियम 1956
की धारा 619(4) के अधीन भारत के नियंत्रित महालेखा परीक्षक की टिप्पणियाँ

Comments of the Comptroller and Auditor General of India under section 619(4) of the
Companies Act, 1956 on the Account of THE PLANTATION CORPORATION OF KERALA
LTD., KOTTAYAM for the year ender 31ST MARCH 1994.

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 Ltd., Kottayam for the year ended
31st March 1994.

Sd/-

Thiruvananthapuram
Dated: 10-08-1995

(A.K.CHAKRABARTI)
PRINCIPAL ACCOUNTANT GENERAL
(AUDIT) KERALA

