

**THE PLANTATION CORPORATION OF KERALA LTD.
KOTTAYAM - 686 004**



Thirty Fifth
Annual Report
1996-97

THE PLANTATION CORPORATION OF KERALA LTD.

KOTTAYAM - 686 004

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**35TH
ANNUAL REPORT
1996-97**

Board of Directors

Sri. N.P. MOIDEEN

Chairman (from 18.10.1993 to 06.06.1996)

Sri. V. KRISHNAMURTHY I.A.S.

Chairman (from 06.06.1996 to 30.10.1996)

Adv. P.K.CHITHRABHANU

Chairman (from 30.10.1996)

Sri. AMARNATHA SHETTY I.F.S.

Managing Director (from 20.12.1995 to 03.04.1996)

Sri. K.K. SRIVASTAVA I.F.S.

Managing Director (from 03.04.1996 to 08.04.1997)

Sri. C.S. SACHITH

Managing Director (from 08.04.1997 to 24.11.1997)

Sri. K.P. OUSEPH I.F.S.

Managing Director (from 24.11.1997)

Sri. M.S. DHARAN

Director (from 26.09.1992 to 12.12.1997)

Dr. A.K. KRISHNAKUMAR

Director (from 09.11.1995)

Sri. K. BALACHANDRAN THAMPI, I.F.S.

Director (from 24.04.1997)

Sri. C.K. UNNIKRISHNAN

Director (from 22.03.1997)

Sri. R.V. RAMANKUTTY WARRIER

Director (from 22.03.1997)

Sri. JOSE PATHALIL

Director (from 22.03.1997)

Sri. SAJAN PETER, IAS

Director (from 13.05.1997)

Adv. P. SANKARAN M.P.

Director (from 04.07.1997)

Sri. D. KRISHNAN NAIR

Director (from 12.12.1997)

Secretary

Shri. M.R.V. NAIR

Auditors

M/s. KURIAN & SUSEELAN

Chartered Accountants, Kottayam

THE PLANTATION CORPORATION OF KERALA LIMITED

KOTTAYAM - 686 004

The Plantation Corporation of Kerala Limited, the leading industry in Public Sector was registered in 1962 with an authorised share capital of Rs.750 Lakhs. The paid up capital is Rs.556.88 lakhs. The main objectives are given below

1. To establish Rubber Plantations
2. To establish Cashew Plantations
3. To cultivate other Plantations Crops. Oil Seeds and Food Crops.
4. To Cultivate spices crops etc.

The company has established rubber Plantation in 7930 hectares and Cashew in 6315 hectares as on today. It has also a few hectares of Cardamom, Coffee and Arecanut in its Alakode Estate and Oil Palm Plantation in 248 hectares in the Vettilappara Estate. It has 13 Estates, three Rubber processing factories and one Rubber Wood Processing Unit as per the following tables.

Estates		(Area in Hectares)				
Name of the Estate	District	Total	Rubber	Cashew	Oil Palm	Others
1. Kodumon	Pathanamthitta	1202	1202	-	-	-
2. Chandanappally	do	1665	1613	52	-	-
3. Thannithode	do	668	606	62	-	-
4. Vettilappara	Ernakulam & Trissur	775	438	119	248	-
5. Adirappally	Ernakulam	1522	1330	192	-	-
6. Kallala	do	1478	1260	218	-	-
7. Nilambur	Malappuram	555	555	-	-	-
8. Mannarghat	Palakkad	544	-	544	-	-
9. Perambra	Kozhikode	1130	794	336	-	-
10. Alakode	Kannur	412	132	80	-	200
11. Rajapuram	Kasargode	1523	-	1523	-	-
12. Kasargode	do	2209	-	2209	-	-
13. Cheemeni	do	980	-	980	-	-
		14663	7930	6315	248	200

FACTORIES

Name of factory	District	Processing Capacity
1. Kodumon Group Latex Factory Nedumoncavu P.O.(Via Koodal) Phone: 0473-485228	Pathanamthitta	2500 M.T.annually
2. Kalady Group Latex Factory Kerala Estate Kalady Plantation P.O (Via Alluva) Phone: 0484-696662	Ernakulam	2300 M.T.annually
3. Vettilappara Crumb Rubber Factory Kalady Plantation P.O. (Via Aluva)	Ernakulam	1000 M.T.annually
4. Kodumon Rubber Wood Factory Nedumoncavu P.O.(Via Koodal)	Pathanamthitta	36000 cft. annually

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 35th Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation, Kottayam at 2.00 p.m. on Monday the 11th August 1997 to transact the following business.

1. To consider the adjournment of the consideration of the accounts for the year 1996-97 to a 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 Articles 63 (2) of the Articles of Association. The following Directors retire and are eligible for re-appointment.
 - (1) Sri. Sajan Peter IAS
 - (2) Dr. A.K. Krishnakumar
 - (3) Sri. K. Balachandran Thampi IFS
 - (4) Sri. M.S.Dharan
 - (5) Sri. C.K. Unnikrishnan
 - (6) Sri. R.V. Ramankutty Warriar
 - (7) Sri. Jose Pathalil

By Order of the Board
for The Plantation Corporation of Kerala Ltd.

Sd/-
M.R. Viswambharan Nair
Secretary

Kottayam
11-07-1997

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 35th (adjourned) Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at Kottayam on Friday the 22nd May 1998 at 3.00 p.m. to transact the following business.

To receive, consider and adopt the Directors' Report, Auditors' Report and the audited Profit & Loss Account for the year ended 31st March 1997 and the Balance Sheet as on that date.

By Order of the Board
for The Plantation Corporation of Kerala Ltd.

Sd/-
M.R. VISWAMBHARAN NAIR
Secretary

Kottayam
23.04.1998

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.

DIRECTORS' REPORT

Gentlemen,

Your Directors have pleasure in presenting the 35 th Annual Report of the Corporation for the year ended 31st March 1997.

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 31-3-1996 continued unchanged during 1996-97.

The Corporation has repaid all the loans payable to Government of Kerala except the loan drawn for investment in Oil Palm India Limited. The said loan has been cancelled by Government of Kerala when the Subsidiary status of Oil Palm India was terminated. The balance outstanding in the loan account of Rupees 32.61.222/- as on 31-3-1996 is transferred and treated as Capital Reserve Account. However, the penal interest for the delayed remittance of loan instalments and interests is due to Government of Kerala. In earlier years, when the Corporation was meeting its working capital requirements with overdraft facility, the loan instalments and interest could not be remitted in time.

Requests were made for waiver of penal interest. The request has been declined on the ground that the Corporation's financial position has been improved subsequently. The balance outstanding as on 31-3-1997 as payable on the above account amounted to Rs.60,13,792.51. An amount of Rs.34.76 lakhs was paid during 1996-97 towards this as per Government order.

PROFIT & LOSS ACCOUNT

The net profit for the year as per the profit & Loss Account is Rs.362.38 lakhs after making the following provisions.

Depreciation ..	Rs. 60.32 lakhs
Provision for Gratuity	Rs. 291.11 lakhs

From the above net profit, the following provision/appropriation have been made.

Provision for Taxation	Rs. 175/- lakhs
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AGRICULTURE INCOME TAX

The assessment of Agriculture Income Tax of the Corporation has been completed upto the financial year 1994-95. For the completed assessments, the Company has filed appeals before the higher authorities which are pending for disposal.

SALES - RUBBER

During 1996-97, the quantity of Rubber sold was 2695.803 MTs. for Rs.1450.39 lakhs against 2665.36 MTs. for Rs. 1737.09 lakhs. Average price realised in 1996-97 was Rs.53.80 per kg. against Rs.65.36 per kg realised in 1995-96.

CASHEW

In the year 1996-97, the amount received on sale of Cashew nut was Rs. 395.81 lakhs against Rs.379.16 lakhs received in 1995-96.

RUBBER ESTATES

There are 9 Rubber Estates under the ownership of Corporation which are located in the Districts of Pathanamthitta, Ernakulam, Trichur, Malappuram, Kasargode and Kannur.

AREA UNDER RUBBER & OIL PALM

	<u>94-95</u>	<u>95-96</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>
Tapping area (Rubber) ..	3650	3490	3622	3369	3504
Immature area (Rubber) ..	3059	3655	3658	3899	3764
Area under oil Palm ..	145	218	218	218	218
Vacant land and land under clearance for replanting ..	1324	388	680	692	692
Area under replanting					
Rubber ..	-	427	-	-	-
Oil palm ..	-	-	-	-	-
Total	8178	8178	8178	8178	8178

CASHEW AREA

There are 4 Cashew Estates Viz. Kasargode, Rajapuram, Cheemeni and Mannarghat under the Corporation. These Estates are maintained in satisfactory condition. There are Cashew areas in other Estates too. The total area under Cashew is about 6315 Hectares.

ENGINEERING WORKS

The following works were carried out/arranged during 1996-97.

<u>Sl.No.</u>	<u>Name of Work</u>	<u>Work done</u>
Kodumon Estate		
1.	Repairs and maintenance of buildings.	Completed.
2.	Chipping carpet the road from Theppupara to Kurisumukku (6 Kms)	Completed.
3.	Semi grouting and Chipping carpet to the road from Div.D to F(4 Kms.)	Metal Supply completed.
4.	Providing G.I. barbed wire fencing 3 kmr. for replanting area in Division D.	Completed.
Chandanappally Estate		
1.	Repairs and Maintenance of buildings	Completed.
2.	Construction of Managers Office	Completed.

3	Repairs and maintenance of Factory and Effluent Treatment Plant.	Completed.
4	Repairs and maintenance of buildings for next year.	Arranged the work.
5	Re-metalling and semigrouting road from puthussery to Division office (3 Kms)	Arranged the work.
6	Re-metalling and semigrouting the road from Managers Office to Division D (4 Kms)	Arranged the work.

Thannithode Estate

1	Construction of 2 sets labour lines. 1 No. Canteen and 1 No. Latex Collecting Station in Division C.	Completed.
2	Re-metalling and semigrouting the road from Div.B & C (2 Kms)	Completed
3	Repairs and maintenance of buildings	Completed.
4	Forming approach road to collecting station in Div.C and culvert.	Arranged the work.
5	Construction of 3 x 3 metre culvert in Division C.	Arranged the work.
6	Repairs and maintenance of buildings in the next year	Arranged the work.

Head Office, Kottayam

1	Construction of General Managers Quarter 1 No repairs & maintenance of Head Office building and staff quarters at Vadavathoor.	Arranged the work.
2	Construction of common car shed, retaining wall barbed wire fencing and street light at Vadavathoor.	Completed.

Kalady Group

1	Repairs and maintenance of buildings in Kallala, Adirappally & Vettilappara estates.	Completed.
2	Providing 4 Kmrs. barbed wire fencing for replanting area in Vettilappara estate.	Completed.
3	Semi grouting the road from Div.F to A and Chipping carpet the road in Div.C.in Adirappally estate.	Completed.
4	Construction of additional water tank in Adirappally estate.	Completed.
5	Chipping carpet to road from Div.B Junction to Check Post Kallala estate.	Completed.
6	Repairs and maintenance of buildings for next year	Arranged the work

- | | | |
|----|--|--------------------|
| 7. | Forming and metalling the road from Erumathadom to Kallala Estate | Arranged the |
| 8. | Re-metalling and semi grouting the road from Division office to 83 area. | Arranged the work. |

**Malabar Group:
Perambra Estate**

- | | | |
|----|--|--------------------|
| 1. | Repairs & maintenance of buildings | Completed |
| 2. | Chipping carpett to road in div.A, B & C. | Completed. |
| 3. | Re-metalling and semi grouting the road to 22 area (2 Kms) | Arranged the work. |
| 4. | Chipping carpet the road Muzhi to estate building. | Arranged the work. |
| 5. | Repairs and maintainence of buildings for the next year. | Arranged the work. |

Rajapuram Estate

- | | | |
|----|--|------------|
| 1. | Construction of suspension bridge to Panathoor Division. | Completed. |
|----|--|------------|

PERSONNEL MANAGEMENT, INDUSTRIAL RELATIONS AND LABOUR WELFARE

The earlier set up of the Company continued unchanged during the year under report. Industrial relations were smooth and cordial. This could be achieved by upholding the principles of Industrial democracy. Joint conferences, discussions and negotiations at various levels were held to sort out issues concerning staff and workers amicably.

The Corporation continued to have its faith in human resources and its development as a means of achieving individual and organisational effectiveness. Need based training was given to a good number of employees by sponsoring them to various professional bodies as well as by organising inhouse training course in the Estates. The knowledge and skill acquired by the employees from the training course were utilised to improve the efficiency of the Corporation.

Welfare orientation, an essential ingredient of the Corporation's management philosophy continued to have its supremacy during the year. In addition to provide basic amenities such as free quarters with electricity and water supply, medical, educational facilities, measures were taken to bring about improvement in the welfare amenities. The Welfare Fund loan which was introduced to help the workers and other employees to meet emergency requirements was extended to more number of employees by enhancing the fund amount. Towards the cost of the uniforms and its maintainence, the tappers are being paid an inclusive allowance at the rate of Rs.350/-per annum. In the event of death of a worker, an amount of Rs.1,000/- is being paid by Corporation towards funeral expenses. The welfare fund loan existing in the Corporation is extended in the case of marriage of men/women workers also. Earlier, it was only for daughter's marriage of the workers.

The Corporation could give recognition to its human assets. In accordance with the existing norms, timely promotions were given to employees in various statutes. In the matter of appointments, the Corporation

continued to conform to Rules and directions with respect to communal rotation and reservation to Scheduled Castes and Scheduled Tribes. Under the Compassionate Employment Scheme, 24 dependants were appointed in staff category.

During the year, 19 staff members and 8 Officers left the service of the Corporation by way of retirement/resignation/death etc. Due to the superannuation of employees, the Corporation has been facing acute shortage of manpower particularly in the supervisory cadre. As there has been undue delay in recruitment on the part of public Service Commission, the situation has become all the more difficult. Despite these constraints, the activities of the Estates could be carried out with substantial effectiveness.

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 the Annexure-I 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 is given in Annexure-II.

CHAIRMAN

Sri. N.P.Moideen appointed as Chairman from 16-10-1993 held the Office of Chairman till 6-6-1996. Sri.V.Krishnamurthy, IAS appointed as Chairman from 6-6-1996 held the Office of Chairman till 30-10-1996. Advocate Sri. P.K. Chithrabhanu appointed as Chairman from 30-10-1996 continued to hold the Office of Chairman during the remaining period under report.

MANAGING DIRECTOR

Sri. Amarnatha Shetty, IFS appointed as Managing Director from 20.12.1995 held the Office of Managing Director till 3.4.1996. Sri. K.K. Srivastava, IFS appointed as Managing Director from 3.4.1996 held the Office of the Managing Director during the remaining period under report.

HIGHLIGHTS OF CURRENT ACTIVITIES

As on 31-3-1998, an area about 4500 hectares were planted with high yielding varieties of Rubber. A Nursery of Oil Palm has been established for preparing seedlings for planting in about 250 hectares. There is a proposal to replant the old Cashew Plantations of Plantations Corporation. A detailed Project Report is under preparation. As per the present plan, an area of 90 hectares will be planted in 1999 season and 60 Ha. in 2000 season. From 2000 onwards 300 hectares will be planted every year. There is also a proposal to modernise the Rubber processing Factories. In order to utilise the idle capacity in the Centrifuging Factories, Natural Latex of the State Farming Corporation of Kerala Limited is processed on mutually agreed terms and conditions.

Government vide G.O.(MS) 220/97/AD dated 27-7-97 have sanctioned revised Pay Scales and Corresponding Higher Grades to Officers notionally with effect from 25-10-1991 and with monetary benefit

from 1-7-1993. The matter was pending with Government for few years. Government have also sanctioned Bonus more than 20% (including Production Incentive) i.e. Bonus 8.33% and Production Incentive 13.67% to all eligible employees of the Corporation. This is the first time Government sanctioned more than 20% Bonus (Bonus + Production Incentive). The Welfare Loan has also been enhanced from Rs.4000/- to Rs.6000/-. The Educational loan given to the workers for the higher studies of their children has been extended to the High School students and Pre-Degree students also as Rs.300/- and Rs.700/- respectively. A reward system has been introduced to appreciate exceptionally good performance of the employees of Plantation Corporation in various categories. A financial assistance at the rate of Rs.25/-per month per family was allowed to those who were not provided with electricity supply to the labour lines of workers in various Estates.

ACKNOWLEDGEMENT

Your Directors are grateful to the Government of Kerala, 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 a behalf of the Board of Directors

Sd/-

Adv. P.K. Chithrabhanu

Chairman

Kottayam.
22-4-1998.

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 Directory)

A. CONSERVATION OF ENERGY

(a)	Energy conservation measures taken	Not Significant
(b)	Additional Investment and proposals, if any, being implemented for reduction of energy.	Nil
(c)	Impact of the measures (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 of Disclosure of Particulars with Respect of Absorption

	Research and Development	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 new 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 31-3-1997

Sl.No.	Name	Address	Date of appointment
1.	Sri. M.S.Dharan	Additional Secretary, to Government Finance Department, Secretariat, Thiruvananthapuram.	From 25-7-1991.
2.	Sri. P.P.Joseph	Under Secretary to Government, Agriculture Department, Secretariat, Thiruvananthapuram.	From 16-3-1995
3.	Sri. P.N.Surendran, IFS	Principal Chief Conservator of Forests, (General), Vazhuthakad, Thiruvananthapuram.	From 3-8-1995
4.	Dr. A.K.Krishnakumar	Rubber Production Commissioner, Rubber Board, Kottayam.	From 9-11-1995.
5.	Sri. C.K. Unnikrishnan	President, Ayyampuzha Panchayat, Kalady Plantation P.O, Via Aluva.	From 22-3-1997.
6.	Sri. R.V. Ramankutty Warriar	Rappal Warriar, Thottipal P.O, Thrissur.	From 22-3-1997.
7.	Sri. Jose Pathalil	Kannivayal P.O, Cherupuzha, Kasargode.	

**Review of Accounts of the Plantation Corporation of Kerala Limited, Kottayam
for the Year Ended 31st March 1997 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 1996-97.

	1994-95	1995-96	(Rupees in lakhs) 1996-97
Liabilities			
1. Paid up Capital	556.88	556.88	556.88
2. Reserves and Surplus	1933.39	2808.51	3021.58
3. Borrowings	32.61	32.61	Nil.
4. Trade dues and Current Liabilities (including Provisions)	3820.16	4262.04	3977.60
Total	6343.04	7660.04	7556.06
Assets			
1. Gross Block	1211.49	1273.98	1301.94
2. Less. Depreciation	623.28	675.33	732.05
3. Net Block	588.21	598.65	569.89
4. Development of Property	1651.12	1861.81	2153.61
5. Capital Work in Progress	12.26	18.11	53.68
6. Investments	0.01	100.01	125.01
7. Current Assets, Loans & Advances	4091.44	5081.46	4653.87
Total	6343.04	7660.04	7556.06
Capital Employed	3709.71	4629.95	4897.92
Net worth	2490.27	3365.39	3578.46

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 remained at 0.058 : 1 in 1994-95 and in 1995-96. The borrowings during the year 1996-97 is nil due to repayment of all debts.

3. RESERVES AND SURPLUS

The reserves and surplus accumulated as at the end of three years upto 1996-97 amounted to Rs. 1933.39 lakhs, Rs. 2808.51 lakhs and Rs. 3021.58 lakhs respectively. The reserves and surplus worked out to 30.48% of total liabilities in 1994-95, 36.66% in 1995-96 and 39.99% in 1996-97 and 347.18% of equity capital in 1994-95, 504.33 % in 1995-96 and 542.59% in 1996-97.

4. LIQUIDITY AND SOLVENCY

- The percentage of current assets to total net assets increases from 64.50 in 1994-95 to 65.34 in 1995-96 and declined to 61.59 in 1996-97.
- The percentage of current assets to current liabilities (including provisions) varied from 107.10 in 1994-95, 119.23 in 1995-96 and 117.00 in 1996-97.
- The percentage of quick assets (Sundry debtors) cash and bank balances and advances recoverable to current liabilities (excluding provisions) increased from 145.08% in 1994-95 to 155.21% in 1995-96 and to 179.06% in 1996-97.

5. SOURCES AND USES OF FUNDS

Funds amounting to Rs.669.42 lakhs from internal sources were utilised during the year shown below:

	(Rs.in lakhs)
Development of Property	291.80
Capital work in Progress	35.57
Investments	25.00
Discharge of Borrowings	32.61
Repayment of current Liabilities	284.44
	669.42

6. WORKING RESULTS

The working results of the company for the three years upto 1996-97 are suitable below:

	(Rupees in lakhs)		
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
i) Profit for the year as per accounts (before tax)	599.10	1034.90	362.38
ii) Provision for taxation	200.00	160.00	175.00
profit after tax	399.10	874.90	187.38
iii) Percentage of Profit before tax to:			
a) Sales	29.80	48.80	19.50
b) Gross fixed Assets	20.93	33.00	10.49
c) Capital employed	16.15	22.35	7.40
iv) Percentage of Profit after tax to			
a) Net worth	16.03	26.00	5.23

b) Liquidity Capital	71.77	157.11	33.65
c) Capital employed	10.76	18.90	3.83

The decrease in percentage during the year 1996-97 is due to the marginal reduction in the market price of Rubber and in the sale of Slaughtered trees as compared to the previous year.

7. COST TRENDS

Sales	2010.37	2120.89	1858.04
Less: Profit for the year	599.10	1034.90	362.38
Cost of Sales	1411.27	1085.99	1495.66
Percentage of Cost of Sales to Sales	70.20	51.20	80.50

8. PRODUCTION PERFORMANCE

The value of Production for the three years upto 1996-97 is worked out as below:
(Rupees in lakhs)

	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
a) Sales	2010.37	2120.89	1858.04
b) Closing stock and Work in Progress	205.26	580.26	277.07
c) Opening Stock of finished goods and work-in-progress	187.34	205.26	580.26
d) Value of Production (a + b - c)	2028.29	2495.89	1554.85

The percentage of value of production to net worth declined from 81.45 in 1994-95 to 74.16 in 1995-96 and to 43.45 in 1996-97. The percentage of value of production to total net assets varied from 31.98 in 1994-95, 32.58 in 1995-96 and 20.58 in 1996-97.

9. INVENTORY

The following table indicates the comparative position of Inventory and its distribution at the close of the three years upto 1996-97.

	(Rupees in lakhs)		
	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
a) Stores and Spares	112.67	80.70	87.33
b) Loose Tools	4.64	8.39	8.79
c) Stock-in-trade of finished Goods (including work-in-progress)	205.26	580.26	277.07
d) Agricultural Equipments	7.79	5.08	5.59
	330.36	674.43	378.78

The stock-in-trade was equivalent to 1.23 month's sales in 1994-95, 3.28 months' in 1995-96 and 1.79 months' in 1996-97.

10. SUNDRY DEBTORS AND TURNOVER

The following table indicates the volume of book debts and sales for the three years upto 1996-97

THE PLANTATION CORPORATION OF KERALA LTD.

(Rs. in lakhs)

As on 31st March	Book Debts		Total	Sales during the year	Percentage to sales
	Considered good	Considered Doubtful			
1995	58.55	Nil	58.55	2010.37	2.91
1996	42.91	Nil	42.91	2120.89	2.02
1997	50.05	Nil	50.05	1858.04	2.69

The age-wise break-up of the book debts as on 31st March 1997 is indicated below:

	(Rs. in lakhs)
i) Less than one year	50.05
ii) Between one year and three years	Nil
iii) Over three years	Nil

Thiruvananthapuram,
Date: 16.03.1998

Sd/-
M.DEENA DAYALAN
Accountant General
(Audit), Kerala



**1996-'97
ANNUAL ACCOUNTS
&
SCHEDULES**

BALANCE SHEET

LIABILITIES

Previous Year Rs.Ps		Current Year Rs.Ps
	Share Capital	
<u>75,000,000.00</u>	Authorised -75,000/Equity Shares of Rs.1,000/each	<u>75,000,000.00</u>
<u>55,688,000.00</u>	Issued - 55688/-Equity Shares of Rs.1000/each	<u>55,688,000.00</u>
55,688,000.00	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.	55,688,000.00
280,851,138.95	Reserves & Surpluses (Schedule A)	302,158,315.66
	Unsecured Loans	
3,261,222.00	From Govt. of Kerala for	
	i. Estate Development	
9,055,301.51	ii. Interest accrued and due	6,013,792.51
		6,013,792.51
	Current Liabilities & Provisions	
227,970,475.03	a. Current Liabilities (Sch.B)	198,240,925.35
189,178,972.07	b. Provisions (Sch.C)	193,505,644.07
766,005,109.56	TOTAL	755,606,677.59

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

AS ON 31.03.1997.

ASSETS

Previous year Rs.Ps			Current year Rs.Ps
	Fixed Assets		
286,281,011.47	a. Plantations-Schedule D	215,360,827.36	
39,865,685.52	b. Plant & Machinery Roads, Buildings etc - Sch-E	56,988,931.78	
1,810,939.59	c. Capital work in Progress	5,367,993.95	277,717,753.09
	Investments		
32,001,100.00	In shares at cost - Sch.F		12,501,100.00
	Current Assets, Loans & Advances		
422,497,654.21	a. Current Assets - Sch.G	386,959,209.23	
35,648,718.57	b. Loans and advances - Sch.H	78,428,615.27	465,387,824.50
756,005,109.56	TOTAL		755,606,677.59

Sd/-
M.R.V.NAIR
Secretary

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

PROFIT & LOSS ACCOUNT

EXPENDITURE

Previous Year Rs.Ps.		Current Year Rs.Ps.
23,619,193.00	To opening Stock Finished Goods + WIP	59,105,472.27
31,556,549.38	To Salaries & Allowances	33,405,583.60
108,219.41	To Salaries & Allowances to MD	160,231.35
2,282,772.56	To Leave Encashment	2,710,941.88
11,046,805.01	To Employer's contribution P F	12,168,779.99
15,740,136.34	To Bonus & Production Incentive	22,307,115.14
3,822,173.75	To Voluntary Retirement	1,218,587.79
12,000.00	To Honararium To Chairman	11,548.40
29,291.88	To T A & Sitting Fee to Directors	23,557.75
728,411.47	To T A To Staff & Officers	869,286.89
23,666.00	To Rent	19,675.30
2,658,768.43	To Rates & Taxes	2,115,602.33
5,278,160.93	To Electricity Charges	5,110,026.21
15,219,737.00	To Lease Rent	15,189,871.00
556,102.35	To Insurance Charges	426,659.75
1,021,188.72	To Advertisement Charges	1,673,514.15
218,063.55	To Legal Expenses	220,275.35
45,500.00	To Remuneration to Auditors (including Expenses)	32,000.00
437,181.00	To Interest on Loans	—
7,971,763.09	To Repairs & maintenance Assets -Sch-I	13,849,355.92
2,286,770.70	To Miscellaneous Expenses Sch-II	2,932,693.58
18,601,957.98	To Welfare Expenses Sch -III	22,774,190.67
5,892,568.01	To Depreciation	6,031,937.70
12,139,745.67	To Cultivation upkeep of Rubber	12,750,285.79
34,526,721.69	To Tapping & Collection of Rubber	38,938,797.45
16,639,427.19	To Manufacturing & selling expenses	16,160,138.70
10,189,251.52	To Cultivation Upkeep of Cashew	12,866,807.01
—	To Cultivation & Upkeep of Cashew	12,773.18
815,243.66	To Cultivation & Upkeep Other Crops	584,393.55
469,663.30	To Collection Charges Cashew	262,414.18
30,869,410.31	To Purchase of Latex	104,637.00
37,089,458.87	To Provision Gratuity	29,211,454.88
103,490,348.20	To Net Profit C/D to P&L Appropriation A/C	36,237,846.21
395,386,250.97		349,486,454.97

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

FOR THE YEAR 31-03-97

INCOME

Previous Year Rs.Ps.			Current year Rs.Ps.
	By Sales		
73,709,328.29	Rubber	145,039,648.99	
37,915,645.55	Cashew	39,581,275.40	
—	Slaughter Tapping	248,787.75	
463,562.20	Agriculture Produce	934,181.23	
86,255,925.68	Rubber Trees & Firewood	89,159,476.98	
34,251.00	Sale of Tender Forms	30,750.00	
282,751.96	Empties & Unserviceables	104,173.22	
		275,098,293.57
	By Interest Income		
1,320,705.56	From Contractors & Customers	1,173,714.24	
194,646.50	Staff Loans	270,353.88	
31,018,753.90	Treasury & Bank Deposit	40,212,625.77	
272,616.00	Others	529,144.14	
		42,185,838.03
	By other Income		
120,803.14	Rent of Building	147,505.60	
877,519.30	Profit on sale of Assets	512,902.90	
840,628.44	Miscellaneous Income	1,906,501.03	
2,380,755.57	Inter Crops	1,063,568.00	
592,885.61	Net Profit R.W.Project	65,811.19	
		3,696,288.72
	By Closing Stock (Finished Goods & W I P)		
58,026,185.27	Rubber	27,706,731.65	
610,020.00	Cashew	375,863.00	
469,267.00	Other Agricultural Produces	423,440.00	
		28,506,034.65
395,386,250.97			349,486,454.97

Sd/-
M.R.V.NAIR
Secretary

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

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 11.03.1997

Previous Year Rs.Ps.		Current Year Rs.Ps	Previous year Rs.Ps		Current year Rs.Ps
	— To Prior period Expenses	1,289,586.50	97,168,610.47	By Balance as per last Balance Sheet	170,680,958.67
14,000,000.00	Replanting Reserve	22,000.00	22,000.00	By Prior Period Income	5,000.00
16,000,000.00	Tax Provision	17,500,000.00	103,490,348.20	By net profit as per P&L account	36,237,846.21
170,680,958.67	Net Profit transferred to reserves and surpluses	188,134,218.38			
200,680,958.67		206,923,804.88	200,680,958.67		206,923,804.88

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V.NAIR
Secretary

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

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.97**SCHEDULE I**

Repairs & maintenance of Assets

Previous year Rs. Ps		Current Year Rs. Ps
2,641,155.48	Repairs to Vehicles	2,964,066.49
1,283,661.90	Repairs to Building	4,444,796.45
605,404.45	Repairs to Plant & Machinery	1,103,577.37
1,864,361.80	Repairs to Roads	2,583,056.98
448,545.64	Repairs to Electrification	525,968.91
421,847.12	Repairs to Water supply	368,825.02
45,038.90	Repairs to Office Equipments	94,824.03
298,889.71	Repairs to Fence/Kayyala	1,062,247.19
212,938.35	Repairs to Tools	231,597.92
111,605.01	Repairs to Temporary Shed	130,800.07
0.00	Repairs to Jhankar & Boat	73,932.96
35,544.90	Repairs to Computer	225,513.96
20,769.83	Repairs to Furniture	40,148.57
7,971,763.09	Total	13,849,355.92

Sd/-
P.K. CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V. NAIR
Secretary

Sd/-
For KURYAN & SUSEELAN
Chartered Accountants

Sd/-
V.K. KURYAN
Partner

SCHEDULE OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.97

SCHEDULE II

Miscellaneous Expenses

Previous Year Rs.Ps.		Current Year Rs.Ps.
585,205.88	Postage, Telephone, Telegram	38,916.58
390,216.06	Printing & Stationery	483,015.27
147,714.30	Office Expenses & Others	168,877.97
425,709.33	Security Expenses	655,948.30
26,380.15	Storage Expenses	77,792.98
15,616.59	Survey Expenses	21,344.24
53,071.75	Books & Periodicals	48,337.45
148,510.51	IB Expenses	229,827.61
116,444.51	Entertainment Expenses	125,743.29
69,709.00	Staff Training Expenses	61,023.49
276,018.32	Ferry Expenses	278,159.54
4,589.00	Gardening	0.00
13,000.00	Donations	1,000.00
14,585.30	Bank Charges	42,706.86
2,286,770.70	Total	2,932,693.58

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V.NAIR
Secretary

Sd/-
For KURYAN & SUSEELAN
Chartered Accountants

Sd/-
V.K.KURYAN
Partner

SCHEDULE TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.97

SCHEDULE III

Welfare Expenses

Previous year Rs Ps		Current Year Rs.Ps
1,929,095.50	Sickness Benefit	2,845,586.86
97,265.21	Maternity Benefit	113,610.12
3,137,923.29	Leave with Wages	3,777,646.17
3,439,220.47	Holiday Wages	4,793,311.66
405,186.25	Weather protection Expenses	447,884.15
1,422,376.16	Drinking water Supply	2,015,256.49
220,760.45	Sanitation	372,737.13
99,280.56	Recreation Facility	123,413.43
6,164,092.86	Medical & Hospital Facility	6,306,217.32
50,206.08	Way Expenses to workers	53,946.48
44,851.96	Running & Maint. of School	57,652.54
30,653.94	Creche Expenses	33,868.41
60,915.63	Workmens compensation	109,327.59
157,584.00	Group Insurance	146,931.00
908,027.57	Uniform to staff & workers	914,768.27
90,395.65	Subsistance Allowance	190,926.70
93,378.25	Labour welfare fund	90,136.00
238,513.15	Deposit Linked insurance	374,269.35
6,493.50	Medical & Hospital MD	0.00
2,237.50	Awards & Incentives	1,201.00
3,500.00	Funeral Expenses	5,500.00
18,601,957.98	Total	22,774,190.67

Sd/-
P.K. CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V.NAIR
Secretary

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

RUBBER**PROFIT AND LOSS ACCOUNT**

Previous Year Rs.Ps		Current Year Rs.Ps
1,613,702.00	To Opening Stock	1,750,971.87
4,485,252.32	To Purchase of Rubber Trees	2,038,776.00
490,280.93	To Pay & Allowance	422,147.51
185,058.45	To Factory Wages	255,421.32
13,342.95	To Bonus To Staff And Workers	68,323.36
57,769.00	To Contribution to PF	60,639.00
55,165.80	To Welfare Expense	96,376.03
8,437.54	To Travelling Expenses	10,808.20
127,713.74	To Rep & Main of Assets	100,447.81
22,525.56	To Advertisement & Sale Promotion	14,102.25
443,401.00	To Cutting & Transportation of Tree	200,312.76
9,293.65	To Office Expenses	9,287.09
193,241.81	To Depreciation	166,040.97
1,135,250.93	To Manfg. & Selling	584,758.69
592,885.61	To Net Profit Transferred to P & L A/c	65,811.19
9,433,321.29	TOTAL	5,844,224.05

Sd/-
P.K. CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

WOOD FACTORY**FOR THE YEAR ENDED 31-03-97 (SCHEDULE IV)**

Previous Year Rs.Ps		Current Year Rs.Ps
5,717,609.52	By Sale of Processed Rubber Wood	2,874,086.67
1,723,764.62	By Sale of By-Products & Waste	716,103.66
183,770.00	By Interest on Deposits	19,925.00
4,076.95	By Interest on Staff Loan	2,990.05
53,128.33	By Miscellaneous Income	72,484.73
1,750,971.87	Closing Stock	2,158,633.94
9,433,321.29	TOTAL	5,844,224.05

Sd/-
M.R.V.NAIR
Secretary

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

SCHEDULE A

Reserves & Surplus As on 31-03-97

Previous Year Rs.Ps.		Current Year Rs.Ps.
2,872,021.30	1. CAPITAL RESERVE	
	As per last Balance Sheet	2,872,021.30
	Additions this year	<u>3,261,222.00</u>
		6,133,243.30
81,958,000.00	2. REPLANTING RESERVE	
	As per last Balance Sheet	81,958,000.00
	Additions this year	<u>—</u>
		81,958,000.00
14,079,091.48	3. REHABILITATION RESERVE	
	As per last Balance Sheet	14,079,091.48
	Additions this year	<u>0.00</u>
		14,079,091.48
1,875,000.00	4. SUBSIDY RECEIVED FROM GOVT. OF KERALA - HOUSING SCHEME	
	As per last Balance Sheet	1,875,000.00
	Additions this year	<u>0.00</u>
		1,875,000.00
2,897,940.00	5. SUBSIDY RECEIVED FROM GOVT OF KERALA-CASHEW PLANTATION UPKEEP	
	As per last Balance Sheet	2,897,940.00
	Additions this year	<u>0.00</u>
		2,897,940.00
6,488,127.50	6. SUBSIDY RECEIVED FROM RUBBER BOARD RUBBER CULTIVATION	
	As per last Balance Sheet	6,488,127.50
	Additions this year	<u>592,695.00</u>
		7,080,822.50
170,680,958.67	7. Profit & Loss Account	188,134,218.38
<u>280,851,138.95</u>		<u>302,158,315.66</u>

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V.NAIR
Secretary

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

SCHEDULE B**Current Liabilities As on 31-03-97**

Previous year Rs.Ps		Current Year Rs.Ps
1,535,079.19	Sundry Creditors	1,006,674.42
285,626,442.47	Other Liabilities	126,716,346.84
3,470,172.12	E M D	3,484,470.17
13,316,046.62	Security Deposit	15,631,073.02
106,800.00	Sale of Land To K W A	106,800.00
3,513,383.21	KGST payable	2,218,577.48
21,596,765.60	Income Received in Advance	23,555,135.00
10,000.00	Housing Scheme Workers	10,000.00
28,618.30	Welfare Fund	30,807.52
641,000.00	Sale of Secondary Growth	641,000.00
17,701,942.90	Agriculture Income Tax Due	24,530,062.90
424,224.62	Central Sales Tax Payable	309,978.00
227,970,475.03	Total	198,240,925.35

SCHEDULE C**Provisions As on 31-03-97**

Previous Year Rs.Ps.		Current Year Rs.Ps
135,006,263.00	1. Gratuity	
	As per last Balance Sheet	135,006,263.00
	Add additions this year	<u>29,211,454.88</u>
		164,217,717.88
	Less : paid this year	<u>14,402,558.88</u>
		149,815,159.00
4,500,000.00	2. Bonus	
	As per last Balance Sheet	4,500,000.00
	Add additions this year	<u>5,500,000.00</u>
		10,000,000.00
	Less: Adjusted this year (from 1-1-96 to 31-3-96)	<u>4,500,000.00</u>
		5,500,000.00
49,672,709.07	3. Taxation	
	As per last Balance Sheet	49,672,709.07
	Add additions this year	<u>17,500,000.00</u>
		67,172,709.07
	Less: Adjusted this year	<u>28,982,224.00</u>
		38,190,485.07
189,178,972.07		193,505,644.07

Sd/-
P.K. CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V.NAIR
Secretary

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

SCHEDULE D

Development of Property As on 31.03.1997

Item	Opening Balance Rs.	Additions Rs.	Disposals Rs.	Closing Balance Rs.
Rubber	163,997,114.52	31,226,595.87	3,689,563.76	191,534,146.63
Cashew Plantations	15,121,043.67	25,886.58	—	15,146,930.25
Coffee Plantations	478,684.94	—	—	478,684.94
Aracanut Plantations	403,452.92	66,973.22	—	470,426.14
Oil Palm Plantations	4,046,952.48	1,548,598.48	—	5,595,550.96
Teak Plantations	110,677.56	1,325.30	—	112,002.86
Coconut Plantations	795.36	—	—	795.36
Survey	225,195.53	—	—	225,195.53
Evicted Area Expenses	1,694,037.42	—	—	1,694,037.42
Eucalyptus	15,963.37	—	—	15,963.37
Cardomum Plantations	87,093.90	—	—	87,093.90
	186,181,011.67	32,869,379.45	3,689,563.76	215,360,827.36

rubb

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V.NAIR
Secretary

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

SCHEDULE F**Investments as on 31-03-97**

Previous Year Rs.Ps.		Current Year Rs.Ps.
1,000	a) 10 Equity shares of Rs.100/- each fully paid up in Banana & Fruit Development Corporation Ltd.	1,000.00
100	b) One A class share of Rs.100/-fully paid up in Mannam Sugar Mills Co-operative Society NO.4324	100.00
7,500,000	c) 1000 equity shares of Rs.10,000 each fully paid up in the Kerala Feeds Ltd, Trichur	10,000,000.00
2,500,000	d) 250,000 equity shares of Rs.10 each fully paid up in the Cochin International Air Port Ltd.	25,00,000.00
10,001,100		12,501,100.00

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V.NAIR
Secretary

Sd/-
For KURYAN & SUSEELAN
Chartered Accountants

Sd/-
V.K.KURYAN
Partner

FINAL CONSOLIDATED ASSET SCHEDULE

NAME	ORIGINAL COST			DEPRECIATION		
	AT the End of Pervious Year Rs. Ps	Additions During The Year Rs. Ps	Total Cost Year Rs. Ps	At the End of Previous Year Rs.Ps.	For the Current tion Rs.Ps	Total Deprecia Rs.Ps.
Furniture	1943511.97	222024.45	2165536.42	1466099.04	106510.86	1572609.90
Office Equipments	1345365.73	737453.30	2082819.03	875460.46	297008.34	1172468.80
Electric Appliances	94981.13	975.00	95956.13	74210.65	4258.19	78468.84
Electric Installation	5649176.31	172864.00	5822040.31	4672684.61	144130.60	4816815.21
Telephone	255124.38	3775.00	258899.38	55504.64	27942.60	83447.24
Survey Instruments	12484.92	0.00	12484.92	11669.97	120.85	11790.82
Library	51758.36	0.00	51758.36	42080.67	967.78	43048.45
Roads	17224851.52	622559.12	17847410.64	5785328.48	584853.29	6370181.77
Fence/Kayyala	7488946.55	0.00	7488946.55	2570827.18	491811.94	3062639.12
Electric Fittings	75515.78	12621.00	88136.78	60356.43	3957.44	64313.87
Plant & Machinery	15540458.08	605313.00	16145771.08	12134044.72	631765.23	12765810.0
Building	54100850.94	115500.00	54216350.94	27267639.59	1503400.11	28771039.7
Vehicles	12463636.72	23750.00	12487386.72	6874983.22	1546045.84	8421029.06
Water Supply Instal	7204864.97	811093.16	8015958.13	5202062.36	779673.87	5981736.23
Free Hold Land	3148635.65	0.00	3148635.65	0.00	0.00	0.00
Ammonia Cylinders	523639.00	0.00	523639.00	359334.35	65721.86	425056.21
Wells	136599.34	0.00	136599.34	19358.59	5862.04	25220.63
Landing Pad	118844.25	0.00	118844.25	43942.76	3745.07	47687.83
Jankar & Boat	19051.49	0.00	19051.49	17023.85	202.76	17226.61
Total	127398297.09	3327928.03	130726225.12	67532611.57	6197978.67	73730590.24

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

AS ON 31.03.97 - SCHEDULE E

DISPOSALS				BALANCE	
Original Cost	Depreciation Written off	Total Cost At End of 31.03.97	Total Depreciation As on 31.03.97	Net Block As on 31.03.97	Net Block As on 31.03.96
Rs.Ps	Rs.Ps	Rs.Ps.	Rs.Ps	Rs.Ps	Rs.Ps.
0.00	0.00	2165536.42	1572609.90	592926.52	477412.93
0.00	0.00	2082819.03	1172468.80	910350.23	469905.27
0.00	0.00	95956.13	78468.84	17487.29	20770.48
0.00	0.00	5822040.31	4816815.21	1005225.10	976491.70
0.00	0.00	258899.38	83447.24	175452.14	199619.74
0.00	0.00	12484.92	11790.82	694.10	814.95
0.00	0.00	51758.36	43048.45	8709.91	9677.69
0.00	0.00	17847410.64	6370181.77	11477228.87	11439523.04
0.00	0.00	7488946.55	3062639.12	4426307.43	4918119.37
0.00	0.00	88136.78	64313.87	23822.91	15159.35
0.00	0.00	16145771.08	12765809.95	3379961.13	3406413.36
0.00	0.00	54216350.94	28771039.70	25445311.24	26833211.35
531890.91	525187.81	11955495.81	7895841.25	4059654.56	5588653.50
0.00	0.00	8015958.13	5981736.23	2034221.90	2002802.61
0.00	0.00	3148635.65	0.00	3148635.65	3148635.65
0.00	0.00	523639.00	425056.21	98582.79	164304.65
0.00	0.00	136599.34	25220.63	111378.71	117240.75
0.00	0.00	118844.25	47687.83	71156.42	74901.49
0.00	0.00	19051.49	17226.61	1824.88	2027.64
531890.91	525187.81	130194334.21	73205402.43	56988931.78	59865685.52

Sd/-
M.R.V.NAIR
Secretary

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

SCHEDULE -G

Current Assets As on 31-03-97

Previous Year Rs.Ps.		Current Year Rs.Ps
	A. Inventories (As taken, Valued and Certified by the Management)	
8,069,794.06	1. Stores And Spares Atcost	8,733,084.12
839,396.61	2. Loose Tools	878,579.40
508,076.75	3. AGRL And Other Equipments	558,874.15
58,026,185.27	4. Stock of Rubber and Rubber in Process (Value Fixed by Management less Incl. Expenses)	27,706,731.65
1,750,971.87	5. Stock of Rubber wood	2,158,633.94
610,020.00	6. Stock of Cashew Nuts	375,863.00
469,267.00	7. Closing Stock - others	423,440.00
	Nurseries	
159,588.46	Cashew	269,839.65
107,749.89	Budwood - Rubber	123,881.71
3,549.80	Arecanut	3,549.80
2,281.55	Coconut	
—	Oil Palm	363,782.25
3,951,813.67	PolyBag (Rubber)	4,911,609.36
2,400,597.44	Rubber Seedlings	<u>1,749,221.81</u>
		48,257,090.84
	B. Sundry Debtors	
	(Unsecured Considered good)	
716,058.89	Exceeding Six months	
3,574,771.18	Other debts	5,005,497.12
	C. Cash & Bank Balances	
137.00	a. Stamps & Stamp Papers	223.00
	b. Cash Balance	1,099.14
	c. Bank Balances	
8,407,842.85	1) With Scheduled Banks in Current Accounts	6,575,916.84
176,011.00	2) With Treasury S.B	188,882.00
12,187,591.34	3) Cash in Transit	13,565,809.44
	d. Fixed Deposits	
212,776,900.00	1) With Treasury	258,396,600.00
90,795,245.58	2) With Scheduled Banks	31,798,346.00
14,763,804.00	3) Int. Recoverable on FD	20,669,744.85
200,000.00	4) With PCK Empl. Society	500,000.00
2,000,000.00	5) KSFC (Bhadraatha)	<u>2,000,000.00</u>
		333,696,621.27
<u>422,497,654.21</u>		<u>386,959,209.23</u>

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V.NAIR
Secretary

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

SCHEDULE H**Loans And Advances As On 31-03-7**

Previous Year Rs.Ps.		Current Year Rs.Ps
	I. Secured Staff Loan (Considered good)	
725,282.40	1) Motor car loan	500,499.60
371,577.89	2) Motor cycle loan	<u>270,396.50</u>
		770,896.10
	II. Unsecured (Considered good)	
772,523.28	a) 1. Oil Palm India Ltd.	772,523.28
14,098,847.11	b) Advances recoverable in cash or kind for value to be received	20,167,490.00
3,264,494.21	c) Advance payment of taxes	
	1. Sales tax	764,494.21
29,865,678.00	2. Agrl. Income tax	7,630,461.00
30,057,892.00	3. Central Income tax	41,795,219.00
179,055.00	d) Prepaid expenses	108,443.00
	e) Tax refund due	
109,312.00	1. Income tax	190,175.00
5,082,748.18	2. Agrl. Income tax	5,082,748.18
61,668.25	f) Rebate reveiv. Govt Loan	<u>61,668.25</u>
	g) Deposits	76,573,221.92
859,510.00	1. K.S.E.B.Port Trust and other Govt. Dept.	859,510.00
12,750.00	2. With Housing Board	12,750.00
96,231.00	3. Other Deposits	96,231.00
23,653.00	4. With Court	23,653.00
67,496.25	10. With suppliers	<u>92,353.25</u>
85,648,718.57		1,084,497.25
		<u>78,428,615.27</u>

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P. OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V.NAIR
Secretary

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

**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 31ST MARCH 1997.**

1. Basis of Accounting

The accounts are prepared under the historical cost convention using the accrual method.

2. Fixed Assets

The Fixed Assets are accounted for on historical cost basis which includes purchase price and all other cost attributable to bringing the assets into its working condition as reduced by depreciation upto 31st March 1997. There has been no revaluation of fixed assets during the period under audit.

3. Depreciation

Depreciation has been provided for in the accounts at the rates specified in Schedule XIV of the Companies Act 1956. The reducing balance method of depreciation has been consistently followed by the company.

4. Inventories

- a. Closing stock of finished goods and work in progress are valued at lower of costs or net realisable value as in previous years. Net realisable value of finished goods is selling price less associated selling cost.
- b. Serviceable tools and implements and other equipments are valued at cost less depreciation
- c. Nurseries comprising of saplings held for planting or sale have been valued at cost.
- d. Stores & Spares are valued at cost less provision if any for obsolescence.

5. Treatment of Expenses during construction period

Expenses during construction period is included under the capital work in progress and the same is allocated to the respective fixed assets on the completion of construction.

6. Development Expenditure.

Cost of development of plantation is capitalised until maturity. In the year of disposal of the depleted assets the sale proceeds are recognised as revenue after setting off the related development expenditure.

7. Investments

Investments are stated at cost.

8. Retirement Benefits

Gratuity and leave encashment benefits are provided for on the basis of actuarial valuation of an approved actuary.

9. Contingent Liabilities

The contingent Liabilities have been accounted and disclosed on the basis followed in previous years.

Sd/-
P.K.CHITHRABHANU
Chairman

Sd/-
K.P.OUSEPH I.F.S.
Managing Director

Sd/-
M.R.V NAIR
Secretary

NOTES OF ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 1997

1. Reserves & Surpluses

a. The Corporation has received Rs.70,80,823/- as Rubber Board Subsidy upto 31.03.1997 (Previous Year Rs.64,88,128/-) 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 Government of Kerala sanctioned the following amounts to the Corporation for investment in the shares of Oil Palm India Ltd. (earlier Subsidiary of the Corporation) as detailed below.

1. GO (MS) NO 361/99 DT 28.12.77Rs. 56,00,000.00	
2. GO (MS) NO 75/78 DT 13.03.78 Rs. 46,00,000.00	
3. GO (MS) NO 407/80 DT 11.02.80Rs. <u>10,00,000.00</u>	
Total	112,00,000.00

Out of this Rs.112 lakhs, the Corporation has repaid to Govt. of Kerala Rs. 17,33,338/-. As per Govt. order GO(MS) NO. 238/93 AD DT. 04.08.83 and GO(MS) NO 41/84 AD DT 02.02.84 the subsidiary status of Oil Palm India Ltd. was terminated and the three loans amounting to Rs.112 lakhs were cancelled.

With the loan amount the Corporation has invested in shares worth Rs.121.20 lakhs in Oil Palm India Ltd. For the termination of Subsidiary status of Oil Palm India Ltd. as per Govt. orders referred above the Government has fixed the intrinsic value of each share worth Rs 1000/- at Rs 512/- per share (GO(MS)NO. 294/85 AD DT 4.11.85). The Govt. has also ordered to adjust this amount against the loan. As such an amount of Rs.62,05,440/- has been adjusted against the loan. After such adjustment an amount of Rs. 32,61,222/- is lying as outstanding in the books of the Corporation towards the loan.

ie.	Total loan amount	Rs 112,00,000.00
	Less: Amount paid	Rs. 17,33,338.00
	Balance	Rs. 94,66,662.00
	Less: Amount adjusted	<u>Rs. 62,05,440.00</u>
	Balance transferred to Capital Reserve Account	32,61,222.00

Since the loans were cancelled by the Government the balance amount of Rs.32,61,222/-has been transferred to Capital Reserve Account.

c. The following amount has been set aside as reserve:

	Current year	Previous year
Replanting Reserve	Nil	Rs.1,40,00,000

2. Other Liabilities

Labour Welfare Fund

An amount of Rs.30,808/- (Previous year Rs.28,618)/- payable to the Labour Welfare Fund of the State Government represents fund created out of time-barred advances.

3. Provisions

i) Gratuity and Leave encashment benefit liability has been provided on the basis of Actuarial Valuation.

Liability for expenses includes an amount of Rs 10,87,820/- in respect of unencashed portion of earned leave of employees as on 31.03.97. Prior period expenses include an amount of Rs.9,73,675/- in respect of the said liability as on 31.03.96

ii) a. Based on the calendar year earnings, Bonus @ 8.33% and Production Incentive @ 13.67% have been paid to the employees for the year 1996-97 vide G.O. Rt.No. 2535/97 LBR dt.03.09.97. Those who are not eligible for Bonus, Production Incentive is paid @ Rs. 3300/- as per GO(RT) No 1514/97/AD dt. 8.9.97.

b. Provision of Rs.55 lakhs has been made in the accounts towards bonus pertaining to January 1997 to March 1997.

c. Taxation

Agricultural Income Tax and Central Income Tax assessments are completed upto the assessment year 1995-96 and 1994-95 respectively. Based on the completed assessment and return filed upto assmt. year 1996-97 there is a short provision of Rs.377.56 lakhs. Since most of the assessments are under appeal no provision has been made in this regard.

4.Fixed Assets:

a. The total area of land handed over to the Company by the Government of Kerala as on 31.03.97 is 14399.76 Hectares. (Previous year total area 14399.76 Hect). Certain areas have been subjected to survey. Particulars of area are given below:

Rubber Plantations	7590.63 Hect.
Cashew in Rubber Estates	1056.45 Hect
Cashew Plantations	5237.68 Hect
Submergible area	220.00 Hect.
Area under buildings, factories Roads, Canals, Marshy places, fire belts etc.	<u>295.00</u>
	<u>14399.76</u> Hect

b. The terms and conditions under which the Company has taken 975 hect. of land covered by Cheemeni Estate are yet to be determined. No provision for lease rent is made for the 975 hectares. The Company is paying land-tax for the land of Cheemeni. The entire revenue from the estate is treated as income.

c. Lease Deeds for lands handed over to 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 Hectares 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. An area of 56 Hect. of land in Cheemeni estate has been handed over to the Kayyoor-Cheemeni Panchayat and .4 Hect. in Rs No. 260/IAIC to Indian System of Medicines free of cost vide Govt. order (Rt) 77/95/RD dt 12.01.95.
- f. During the year 94-95, the Corporation received a sum of Rs. 106,800/- as advance towards consideration for the transfer of 2.15 Hect. of land in Cheemeni Village in Hosdurg Taluk to the Kerala Water Authority vide Government order No. 2392/pui/94/AD dt. 21.07.94. The amount so received has been shown under the head "Current liabilities" Since there is a dispute with regard to the value fixed. The matter is being pursued by the Corporation.
- g. The cost of Buildings, Roads, Landing pads and Fences is Rs.414.20 lakhs of which assets worth Rs.372.78 lakhs are constructed on lease hold lands.
- h. Buildings completed include cost of building constructed with loan and subsidy assistance from the Government of Kerala.

5. Sundry Debtors:

Sundry Debtors include Rs.235,956.41 due for more than six months from companies owned by the Government of Kerala and Government, of India, details of which are as under:-

Trivandrum Rubber Works, Tvm.	1,39,846.47
Hindustan Latex Ltd. Tvm	17,446.54
Hindustan Latex Ltd. Belgaum.	<u>78,663.40</u>
	<u>2,35,956.41</u>

6. Staff Loan

Motor Vehicle loans to officers and staff are fully secured by hypothecation of the vehicles in favour of the company. The maximum amount of such loan during the year works out to Rs.7,70,896.10 (Previous year Rs.14,28,434.30)

7. Advance Recoverable in Cash or in Kind:

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

	<u>Previous Year</u>	<u>Current Year</u>
	Rs.Ps	Rs.Ps
T.A. Advance	1,10,432	2,10,113
Salary advance	10,35,385	22,30,048
Other Advance	1,22,787	4,0,017
Interest on Vehicle Loan	2,33,119	4,16,575
Stores Recoverable	45,233	86,381

THE PLANTATION CORPORATION OF KERALA LTD.

Fuel charges Recoverable	4,486	6,707
IB Charges Recoverable	5,318	7,504
Postage Recoverable	628	3,095
Medical bills recoverable	—	12,676

8. Loans And Advances

Deposits with Government Departments

These comprise balances with:

	Rs.	Rs.
Cochin Port Trust	3,600	3,600
Civil Supplies Corporation	10,000	10,000
Post & Telegraph Department	40,317	40,317
Kerala State Electricity Board	8,05,593	8,05,593

9. Plantation Tax:

The payment of Plantation Tax has been effected on the basis of last assessment order of the Assessing Authority, except in the case of Nilambur Estate where Plantation tax has been provided on the basis of census of plantation. The plantation Tax calculated on the basis of yielding trees as shown in the return filed by the company is lower than the tax assessed by the assessing authority. The Company has shown in the accounts the difference between tax paid and tax admitted under the head "Plantation Tax Refundable". [Refer to item 19(d)]

10. Sales Tax:

K.G.S.T Assessments upto 1986-87 and C.S.T assessments upto 1987-88 are completed.

11. Lease Rent:

The Corporation has been paying lease rent @ Rs125/H except for Rajapuram estate. For Rajapuram estate the rate is Rs.250/H. The present rate of lease rent as per GO(MS) No 11/89 Dt. 20.01.89 is Rs. 1300/H payable to Forest Department from 18.12.87 onwards. Because of the repeated representations made by the Corporation against the huge increase in the rate of lease rent, the Government has ordered to (as per letter L2-62939/95 dt 22.02.97 accept remittance from the Corporation @ Rs. 475/H per annum from 01.01.81 onwards on a purely provisional basis pending decision on the rate. Corporation is providing in its books of account lease rent @ Rs.1300/H. Based on the letter we have made an arrear payment of Rs.551,45,431/-. The Forest Department has also claimed penal interest of Rs.848.19 lakhs for not remitting lease rent at the increased rate. However this has not been provided since the final decision has not been taken by the Government.

12. Managerial Rumuneration:

Managerial Remuneration paid/payable to Managing Director is as follows:

	Current year	Previous Year
	Rs.	Rs.
Pay & Allowances	160,231	107,567
Festival Allowances	1,000	850
Medical Reimbursement	—	6,494

The Managing Director is provided with car for his official purpose and is charged at Rs.1500/- per quarter vide Government order for private use limited to 1500 kms. per quarter. The Managing Director is also provided with furnished quarters for which 7.5% of the basic salary is recovered.

13. Remuneration to other Directors:

	Current Year Rs.	Previous year Rs.
Sitting Fees	—	400
T.A.to Directors	23,558	29,622
Honararium to Chairman	11,548	12,000

14. Auditors Remuneration:

	Current Year Rs	Previous year Rs.
Statutory auditors fees	18,000	15,000
Expenses to statutory Auditors	7,000	5,000
Other Services (Incl.Income tax and Sales tax audit fees)	7,000	25,450

15. Repairs And Maintenance:

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

16. Manufacturing and Selling Expenses:

This includes cost of 14371 Nos. Packing drums used worth Rs.57,12,732.18

17. Sales

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

	Current year		Pervious Year	
	Qty MT.	Value Rs. (in lakhs)	Qty MT.	Value Rs. (in lakhs)
Sales of goods (as classified in Sales Register):				
Rubber	2695.08	1450.39	26665.36	1737.09
Cashew		395.81		379.45

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 crops 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.

18. Rubber Wood Factory:

The Corporation has a pilot plant at Kodumon for the treatment of rubber wood collected from the estate. The working result of the project has been separately shown in Schedule IV of the Profit and Loss Account as on 31.03.97.

19. Contingent Liabilities:

a. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.13,184,404/- (Previous Year Rs.10,058,556/-)

b. The Corporation is liable to pay compensation of Rs. 5,353.75 (Previous year Rs.5,353.75) to persons evicted form Kodumon Estate of estate,which has not been provided for since the persons are deceased and the claimants have to produce succession certificate.

c. 26 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.

d. The Corporation has paid plantation tax based on the last assessment. Appeals are pending against the same and the corporation is contingently liable for the same to the extent of Rs.39,22,190.00 (Previous year 3125012.50) and the same has been provided in the accounts.

20. 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 (Rs.Lakhs)	Consumption (%)	Value (Rs. lakhs)	Consumption (%)
1. Imported value	Nil	Nil	Nil	Nil
2. Indigenous (Stores and Spares)	222.34	100%	194.62	100%
		Amount		Amount
d. Particulars of dividend remitted in foreign exchange		Nil		Nil
e. Earnings in foreign exchange		Nil		Nil

21. Total wages paid during the year to workers, tappers, field workers and factory workers is Rs. 858.78 lakhs. (Previous year 671.84 lakhs)

22. 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/- (Previous year 491,394/-).Legal proceedings have been initiated by the corporation against the concerned persons for recovery of the estimated amount.

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No : 01997 State Code : 09
 Balance Sheet Date : 31/03/97

2. Capital Raised during the year(Amount in Rs.Thousands)

Public Issue	Rights Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	Nil

3. Position Of Mobilisation and Development of Funds

(Amount in Rs.Thousands)

Total Liabilities	Total Assets
755606	755606

Sources of Funds

Paid up Capital	Reserves and Surplus
55688	302158
Secured Loans	Unsecured Loans
Nil	6014

Applications of Funds

Net Fixed Assets	Investments
277717	12501
Net Current Assets	Misc. Expenditure
73642	Nil
Accumulated Losses	
Nil	

4. Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure
349486	313248
Profit/Loss Before Tax	Profit Loss After Tax
+ 36238	-17453
Earning Per share	Dividend (percentage)
(Equity - Face value Rs. 1000/-each)	
Rs.313/-	Nil

5. Generic Names of Three Principal Products/Service of Company

(As per monetary terms)

1. Item Code No.	: Nil
(ITC code)	

THE PLANTATION CORPORATION OF KERALA LTD.

- Production Description : Centrifuged Latex
(A natural normal latex based product)
2. Item Code No. : Nil
(ITC Code)
- Product Description : ISNR Grades
(A natural rubber scrap based product)
3. Item Code No. : Nil
(ITC Code)
- Product Description : Cashew Nuts
(Cashew Plantation Crop)

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Managing Director

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

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, 1997 and the relative Profit & Loss Account for the Year ended on that date annexed hereto, both signed by us under reference to this report.

We report that:-

We have obtained all the information and explanations, save those referred to elsewhere in this report, 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. 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 and the realizability of long outstanding dues. 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 and the realizability of Sundry Debtors.
2. As required by schedule VI of the Companies Act, 1956.

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 and 2 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 1997 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.

Kottayam,
03-01-1998

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

ANNEXURE REFERRED TO IN LAST PARA, OF THE AUDITORS' REPORT

1. The corporation 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. 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 register, maintained under section 301 and 370 (1-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 Sec. 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

application 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 suppliers need improvement.
 - 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 arrangement entered in the register maintained under section 301 of the Companies Act 1956 as aggregating during the year to Rs. 50,000/= (Rupees Fifty thousand) 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 realizable 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

THE PLANTATION CORPORATION OF KERALA LTD.

not commensurate worth 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, Customs Duty and Excise Duty were outstanding as at 31st March 1997, for a period of more than six months form 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 does not fall within the ambit of a Sick Industrial Company vide sec. 3(1) (0) of the Sick Industrial Companies (Special Provisions) Act of 1985.

Kottayam,
03-01-1998

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

**REPLY TO THE REPORT OF THE STATUTORY AUDITORS
FOR THE YEAR 1996-97**

1. Noted. Proper Schedules, are maintained in the estates and Head Office for the balance of all receivable and payable accounts. In the case of Sundry Debtors, action has been taken to confirm the balances. However, since most of the balances are outstanding for a long time, proper confirmation has not been received. Further steps for confirming the balance of Sundry Debtors will be taken up when the accounts for the year 31.3.98 are finalised.

2. 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, Kottayam for the year ended 31st March 1997.

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 for the year ended 31st March 1997.

Thiruvanthapuram
Date : 16.03.1998

Sd/-
M. Deena Dayalan
Accountant General
(Audit), Kerala.

GOVERNMENT OF KERALA

No. 6401/PU.B1/98/Fin

FINANCE DEPARTMENT, THIRUVANTHANAPURAM

Dated : 6-2-1998.

Comments of Secretary (Finance Resources) on the Audited Accounts of the Plantation Corporation of Kerala Limited for the Year 1996-97.

The profit of the Company is decreased to one third that of the previous year. The Collection and procurement of agricultural produce and its processing and despatch is not satisfactory. Necessary urgent steps in this regard may be taken. The Board of Directors may take necessary measures to rectify the other defects pointed out in Audit also.

Sd/-
Secretary (Finance Resources)

**REPLY TO THE COMMENTS OF THE SECRETARY (FINANCE RESOURCES)
ON THE AUDITED ACCOUNTS FOR THE YEAR 1996-97**

The main reason for the shortfall in the profit is due to the sharp decline in the rubber production due to the massive replanting programme of the Company. Compared to the previous year rubber production has decreased by 417 M.T during 1996-97. Further the average price of rubber realised was decreased by Rs.11.56 per kg during the year 1996-97

For collection, procurement and processing & disposal of agricultural produce, proper registers are maintained in all estates and factories.