



**37<sup>th</sup>**  
**ANNUAL REPORT**  
**1998 - 99**

THE PLANTATION CORPORATION OF KERALA LTD.  
KOTTAYAM - 686 004



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

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578763, 570183, 578775



## Board of Directors

**Mr. P.K. CHITHRABHANU**

Chairman (from 30-10-1996)

**Mr. K.K. SRIVASTHAVA I.F.S**

Managing Director ( from 03-04-1996 to 08-04-1997)

**Mr. C.S SACHITH**

Managing Director (from 08-04-1997 to 24-11-1997)

**Mr. K.P OUSEPH I.F.S.**

Managing Director ( from 24-11-1997)

**Mr. M.S DHARAN**

Director (from 26-09-1992 to 12-12-1997)

**Mr. P.P JOSEPH**

Director (from 16-03-1995 to 13-05-1997)

**Dr. A.K.KRISHNAKUMAR**

Director (from 09-11-1995)

**Mr. K. BALACHANDRAN THAMPI I.F.S**

Director (from 24-04-1997)

**Mr. C.K UNNIKRISHNAN**

Director (from 22-03-1997)

**Mr. R.V RAMANKUTTY WARRIER**

Director (from 22-03-1997)

**Mr. JOSE PATHALIL**

Director (from 22-03-1997)

**Mr. SAJAN PETER I.A.S**

Director ( from 13-05-1997 to 27-04-1999)

**Adv. P. SANKARAN**

Director ( from 04--07-1997)

**Mr. D.KRISHNAN NAIR**

Director ( from 12-12-1997 to 20-09-1999)

**Smt.SHEELA THOMAS I.A.S**

Director ( from 27-04-1999)

**Mr. A. ABDUL SHUKOOR**

Director ( from 20-09-1999)

**Mr. P.K. MOHANTY IAS**

Director ( from 18-01-2000)

**Mr. K. JAYACHANDRAN**

Director ( from 18-08-2000)

Secretary

**Mr. M.R.V. NAIR**

Auditors:

**M/s KURYAN & SUSEELAN**

Chartered Accountants, Kottayam

## CROP FIELDS AT A GLANCE



KERALA STATE

## 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 7900 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. Thammithode	do	668	606	62	--	--
4. Vettilappara	Ernakulam & Trissur	775	408	119	248	--
5. Adirappally	Ernakulam	1522	1330	192	--	--
6. Kallala	do	1478	1260	218	--	--
7. Nilambur	Malappuram	555	555	--	--	--
8. Mannarghat	Palakad	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	7900	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 Kallala Estate Kalady Plantation P.O (Via Aluva) Phone : 0484-696662	Ernakulam	2300 M.T. annually
3. Vettilappara Crumb Rubber Factory Kalady Plantation .P.O ( Via Aluva) Phone : 0484- 696965	Ernakulam	1000 M.T. annually
4. Kodumon Rubber Wood Factory Kodumon Estate Nedumoncavu P.O.,(Via Koodal) Phone : 0473-446141	Pathanamthitta	36000 cft. annually

## NOTICE TO SHARE HOLDERS

Notice is hereby given that the 37th Annual General Meeting of the Corporation will be held at 2.30 p.m. on Wednesday the 11th August, 1999 at the Registered office of the Corporation, Kottayam - 4 to transact the following business.

1. To consider the adjournment of the consideration of accounts for the year 1998-99 to a suitable date.
2. To record the appointment of Directors by the Governor of Kerala in place of Directors retiring at the Annual General Meeting under Articles 63 (2) of the Articles of Association. The following Directors retire and are eligible for re-appointment.

1. Smt. Sheela Thomas, I.F.S.
2. Sri. K. Balachandran Thanpi I.F.S.
3. Dr. A.K. Krishnakumar
4. Sri. D.Krishnan Nair
5. Sri. C.K. Unnikrishnan
6. Sri. R.V. Ramankutty Wattier
7. Sri. Jose Pathalil
8. Adv. P. Sankaran

By order of the Board  
for THE PLANTATION CORPORATION OF KERALA LIMITED

Sd/-  
M.R. VISWAMBHARAN NAIR  
(SECRETARY)

Kottayam  
07-07-1999.

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 SHARE HOLDERS

Notice is hereby given that the 37th (Adjourned) Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at Kottayam on Friday the 23rd March 2001 at 2.30 p.m. to transact the following business.

To receive, consider and adopt the Directors' Report, Auditors' Report and the audited profit and Loss Account for the year ended 31<sup>st</sup> March, 1999 and the Balance Sheet as on that date.

By order of the Board  
for THE PLANTATION CORPORATION OF KERALA LIMITED

Sd/-  
M.R. VISWAMBHARAN NAIR  
(SECRETARY)

Kottayam  
27-02-2001.

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

### Comments

Your Directors present the 37th Annual Report of the Corporation for the year ended 31st March, 1999.

The sluggish market conditions for rubber and rubber trees prevalent in the previous year deteriorated further during 1998-99. As a result the average price realisation of rubber and rubber trees which were Rs. 46.44 per kg. and Rs. 746/- per tree respectively during 1997-98 declined to Rs. 34.08 per kg. of rubber and Rs. 424.81 per tree during 1998-99. Though the sales volume has shown an impressive increase of 23.75% due to various productivity enhancement measures such as Controlled Upward Tapping (CUT) there was no favourable impact on the same on the amount realised on sales due to the fall in prices.

### FINANCIAL POSITION

The Authorised capital of the Corporation in Rs. 750 lakhs and the paid up capital which stood at Rs. 556.88 lakhs as on 31.03.1998 continued unchanged during 1998-99.

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 the Government of Kerala when the subsidiary status of Oil Palm India was terminated. The balance outstanding in the loan account of Rs. 32,61,222/- as on 31-03-1996, is transferred and treated as Capital Reserve account. However, the penal interest for the delayed remittance of loan installments 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 installments 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 31-03-1999 as payable on the above account amounted to Rs. 48.21 lakhs.

### PROFIT & LOSS ACCOUNT

The net loss for the year as per the Profit & Loss Account is Rs. 869.11 lakhs after making the following provisions.

Depreciation	:	Rs. 52.64 lakhs
Provision for Gratuity	:	Rs. 257.92 lakhs

An amount of Rs. 75 lakhs has been provided for taxation (Central Income Tax)

### AGRICULTURAL INCOME TAX

The assessment of Agriculture Income Tax of the Corporation has been completed up to Financial Year 1996-97.

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

### SALES - RUBBER

During 1998-99, the quantity of rubber sold was 2,223.18 M.Ts. worth Rs. 757.760 lakhs against 1,796,560 M.Ts. worth Rs.834.50 lakhs of the previous year. Average price realised in 1998-99 was Rs. 34.08 per kg. against Rs. 46.44 per kg. in 1997-98.

### SALES - CASHEW

During 1998-99, the amount received on sale of cashew nut was Rs. 419.16 lakhs against Rs. 408.53 lakhs received in 1997-98.

### RUBBER ESTATES

There are nine Rubber estates under the ownership of the Corporation, which are located in the Districts of Pathanamthitta, Ernakulam, Trichur, Malappuram, Kozhikode and Kannur.

### AREA UNDER RUBBER AND OIL PALM

(i)	Tapping area (Rubber)	-	3,872 ha.
(ii)	Immature area (Rubber)	-	3,381 ha.
(iii)	Area under Oil Palm	-	248 ha.
(iv)	Land under clearance for replanting	-	677 ha.
			-----
			8,178 ha.
			=====

One of the major problems of the Corporation is poor stock of rubber trees in replanted areas. In all areas replanted up to the year 1996, the number of trees per hectare is between 250-300 whereas the required number is about 350 - 400 trees. This poor stock is mainly due to untimely planting, poor early maintenance and unscientific inter-cropping. The mistake already made is irreparable.

### CASHEW AREA

There are four cashew estates viz. Kasargode, Rajapuram, Cheemeni and Mannarghat under the Corporation. But for Rajapuram Estate all other estates are maintained in satisfactory condition.

Stock of plants in Rajapuram Estate is very poor, i.e. 103 trees/ha instead of the required 200 trees/ha. There was no proper accessibility to this estate as there was no bridge across Panathoor Puzha. This year it is proposed to construct a causeway to this estate. During previous years (1978 - 1995) most of the cashew plants in this estate had been damaged due to wilt life attack and poor maintenance. There are cashew area in other estates too. The total area under cashew is about 6315 hectares.

#### **ENGINEERING WORKS**

During the year an amount of Rs. 160 lakhs was spent for Engineering works which includes construction and maintenance of roads and buildings. The major works undertaken were Malabar Group Hospital and Farm Tourism Project in Vettilappara for which the expenditure were Rs. 5.56 lakhs and Rs. 9.12 lakhs respectively.

#### **PERSONNEL MANAGEMENT, INDUSTRIAL RELATIONS AND LABOUR WELFARE**

The organisational set up of the Company continued unchanged during this year. Labour management relation in the company were generally smooth and cordial except some cases of labour agitation in some units. As the Corporation was making hefty profit on account of good price for rubber and rubber trees for past 10 years or so, there was no financial crisis in the Corporation and as such all employees were very happy as they could secure most of their demands without much difficulty. But due to the production loss and the downward tendency in Rubber price, Corporation is now running on loss. Even though the Corporation is in loss, management have made all attempts to settle the issues among the Workers. In this regard joint conferences, discussions and negotiations at various levels were held to sort out issues concerning the employees amicably.

During the accounting year 'Mughamugham' programmes were conducted in various groups for creating awareness among the employees about the present position of the Corporation. The Corporation continued to have its faith in human resources and its development as a source of achieving individual and organisational effectiveness. Need based training was given to a good number of employees. The knowledge and skill acquired by the employees from the training courses were utilized to improve the efficiency of the Corporation.

As per the Plantation Labour Committee agreement, the wages to the Workers in Rubber and Cashew were revised during this year. Under the scheme for voluntary retirement due to old age and ill health 441 Nos. of dependants of the Workers were given employment in this institution.

The salary revision of Staff and Officers due on 25-10-1996 is still pending. Discussion with the Staff, Union and Officers Associations are going to settle the issue amicably.

## DIVERSIFICATION - FARM TOURISM PROJECT

In order to cope with the challenging economic scenario lying ahead in Plantation Industry on account of the alround crisis in this sector resulted on account of Globalisation nad Economic Liberalisation, the Plantaion Corporation felt the necessity of diversified business activities for the healthy existance and profitable growth of the organisation. In the circumstance, major diversifications to the area of its core competency was thought of with a view to minimise the Capital Expenditure and to maximise the profits by utilising all infrastructural facilities including land, buildings, raw materials besides the manpower.

In view of the above, the potential of Farm Tourism and Eco-Tourism which is emerging as a high potential commercial activity has been identified as the most suitable area for diversification by the Corporation. The Corporation has got plenty of areas in its estates in different parts of the State with all natural attractions like captive secondary jungles, rocky patches, rivers and rivulets, long stretches of river banks, minor and major water falls, vacant buildings etc. with high tourism potential lying close to the established tourism spots like Adirappaly, Peruvannamuzhy etc.

Considering the tourism potential, the established and developing spot of Adirappally, the Corporation has conceived the 'FARM TOURISM PROJECT' of the Corporation by name 'PLANTATION VALLEY' for implementation as Pilot Project in Division 'D' of Vettilappara Estate just about 2 Kms. behind Adirappally Water falls. The Project Report with a financial outlay of Rs. 2.68 crores prepared and vetted through M/s. Tourists Resorts Kerala Limited by the Consultants M/s. Kumar and Baiju Associates. When the project is completed, the annual income is projected as Rs. 255 lakhs and the net income as Rs. 66.39 lakhs.

The first phase of the project inaugurated on 07-01-2001 consists of three cottages (Conversion of the old buildings) with 12 A.C. rooms with 24 beds, parking place, herbal nursery, bathing facility, fish pond, toilets etc. The works of swimming pool, way side restaurant and vegetable gardens are progressing. In the second phase, Children Park, Ayurvedic and Yoga Centre, Office and Conference Hall, Tree Top Huts, Housing Boats etc. are envisaged. The expenditure incurred so far for the project comes to Rs. 1,20,93,026.36.

The Central and State Governments have in principle approved the Project and the sanctions are expected shortly.

## 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.

**DIRECTORS' RESPONSIBILITY STATEMENT (AS PER SECTION 217 (2AA) OF  
THE COMPANIES ACT 1956**

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures wherever applicable.
- (ii) We had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss of the Company for that period.
- (iii) We had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts are prepared on a going concern basis.

**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**

Adv. P.K. Chithrabhanu, appointed as Chairman from 30-10-1996, continued to hold the office of the Chairman during the remaining period under report.

**MANAGING DIRECTOR**

Sri. K.P. Ouseph, I.F.S. appointed as Managing Director from 24-11-1997 continued to hold the office of the Managing Director during the remaining period under report.

**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 on behalf of the Board of Directors,

Sd/-

Adv. P.K. Chithrabhanu  
(Chairman)

Kottayam,  
30-01-2001.

## ANNEXURE - 1

Statement under Section 217 (1) 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 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  
(to the extent applicable)

Research and Development	Nil
(e) Activities relating to export initiatives taken to increase exports development of new export market for new products and services and export plans	Nil
(f) Total foreign exchange used and earned.	
Used	- Rs. 178231/-
Earned	- Nil

## ANNEXURE-II

Details of directors including changes taken place during the year ending 31-03-1999.

<b>S.No.</b>	<b>Name</b>	<b>Address</b>	<b>Date of appointment</b>
1.	Dr. A.K. Krishnakumar	Rubber Production Commissioner	From 09-11-1995
2.	Sri. C.K. Unnikrishnan	President, Ayyampuzha panchayat, Kalady Plantation P.O., Via Aluva.	From 22-03-1997
3.	Sri. R.V. Ramankutty Wattier	Rappal Warriam, Thottipal P.O., Thrissur.	From 22-03-1997
4.	Sri. Jose Pathalil	Kannivayal P.O., Cherupuzha, Kasargode.	From 22-03-1997
5.	Sri. Balachandran- Thampi, I.F.S.	Cheif Conservator of Forests, World Bank Project, Thiruvananthapuram.	From 24-04-1997
6.	Sri. Sajan Peter, I.A.S.	Secretary to Government, Agriculture, Secretariat, Trivandrum.	From 13-05-1997
7.	Adv. P. Sankaran	Puthiyoottil House, Kadiyangad P.O., Via. Perambra, Kozhikode Dist.	From 04-07-1997
8.	Sri. D. Krishnan Nair	Joint Secretary to Govt., Finance Department, Secretariat, Trivandrum.	From 12-12-1997

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

**Review of accounts of plantation Corporation of Kerala Limited  
Kottayam for the Year ended 31st March 1999 by the comptroller and  
auditor general of India**

**1. FINANCIAL POSITION**

The table below summarises the financial position of the Company under Board Headings for the three years up to 1998-99

	1996-97	1997-98	1998-99
		Rs. in lakh	
<b>LIABILITIES</b>			
1. Paid up capital	556.88	556.88	556.88
2. Reserves and surplus	3021.58	2385.48	1446.13
3. Trade dues and Current liabilities (including provisions)	3977.60	4184.84	4440.41
<b>TOTAL</b>	<b>7556.06</b>	<b>7127.20</b>	<b>6443.42</b>
<b>ASSETS</b>			
1. Gross Block	1301.94	1332.38	1352.67
2. Less Depreciation	732.05	783.44	824.54
3. Net Block	569.89	548.94	528.13
4. Development of Property	2153.61	2480.50	2731.81
5. Capital work in progress	53.68	30.39	57.20
6. Investments	125.01	125.01	125.01
7. Current Assets, loans and advances	4653.87	3942.36	3001.27
<b>TOTAL</b>	<b>7556.06</b>	<b>7127.20</b>	<b>6443.42</b>
Capital employed	4897.92	4578.00	3735.07
Net Worth	3578.46	2942.36	2003.01

Note : 1. Capital employed represents net fixed assets including capital work in progress plus working capital.

2. Net worth represents paid up capital plus reserves and surplus.

## CAPITAL STRUCTURE

The borrowing during the years 1996-97, 1997-98 and 1998-99 were Nil and hence the debt equity ratio was 0:1 during all these three years.

## RESERVES AND SURPLUS

The reserves and surplus accumulated at the end of three years up to 1998-99 amounted Rs. 102.59 lakh, Rs. 2385.48 lakh and Rs. 1446.13 lakh respectively. The reserves and surplus worked out to 38.99% of the total liabilities in 1996-97, 33.47% in 1997-98 and 22.44% in 1998-99 and 182.99% of equity capital in 1996-97, 428.37% in 1997-98 and 259.68% in 1998-99.

## LIQUIDITY AND SOLVENCY

(i) The percentage of current assets to total net assets decreased from 61.59 in 1996-97 to 55.23 in 1997-98 and to 46.58 in 1998-99.

(ii) The percentage of current assets to current liabilities (including provisions) decreased from 117.00 in 1996-97 to 94.21 in 1997-98 and 67.59 in 1998-99.

(iii) The percentage of quick assets (sundry debtors, cash and bank balance and advances recoverable to current liabilities excluding provisions) varied from 179.06 in 1996-97 to 141.08 in 1997-98 and 92.56 in 1998-99.

## WORKING RESULTS

The working results of the Company for the three years up to 1998-99 are given below:

	1996-97	1997-98	1998-99
	(Rupees in Lakh)		
(i) Profit (+) / Loss (-) for the year as per accounts (before tax)	(+) 362.38	(-) 497.89	(-) 869.11
(ii) Provision for taxation	175.00	150.00	75.00
Profit (+)/Loss (-) after tax	(+) 187.38	(-) 647.89	(-) 944.11

## COST TRENDS

Sales	1858.04	1254.78	1201.90
Profit (+)/Loss (-) for the year	(+) 362.38	(-) 497.89	(-) 869.11
Cost of Sales	1495.66	1752.67	2071.01
Percentage of cost of Sales to sales	80.50	139.68	172.31

## PRODUCTION PERFORMANCE

The value of production for the three years up to 1998-99 is worked out below:

	(1996-97)	(1997-98)	(1998-99)
	(Rupees in lakh)		
a) Sales	1858.04	1254.78	1201.90
b) Closing stock of finished goods and work - in - progress	277.07	273.64	180.70
c) Opening stock of finished goods and work - in progress	580.26	277.07	273.64
d) Value of production (a+b-c)	1554.85	1251.35	1108.96

The percentage of value of production to net worth decreased from 43.45 in 1996-97 to 42.53 in 1997-98 and increased to 55.36 in 1998-99.

The percentage of value of production to total net asset decreased from 20.58 in 1996-97 to 17.56 in 1997-98 and to 17.2 in 1998-99.

## 8. INVENTORY

The following table indicates the comparative position of inventory and its distribution at the close of the three years up to 1998-99.

	1996-97	1997-98	1998-99
	(Rupees in Lakh)		
a) Stores & Spares	87.33	136.97	191.99
b) Loose Tools	8.79	11.18	12.62
c) Stock in trade of finished goods (including work in progress)	277.07	273.64	180.70
d) Agricultural equipments	5.59	5.74.	7.99
<b>Total</b>	<b>378.78</b>	<b>427.53</b>	<b>393.30</b>

The stock in trade was equivalent to 1.79 months' sales in 1996-97 and 2.6 months' in 1997 - 98 and 1.81 months' sales in 1998-99.

## 9. SUNDRY DEBTORS AND TURNOVER

The following table indicates the volume of book debts and sales for the three years up to 1998-99

As on 31st March	Book Debts		Total	Sales during the year	Percentage to sales
	Considered good	Considered doubtful			
1997	50.05	---	50.05	1858.04	2.69
1998	121.44	---	121.44	1254.78	9.7
1999	*46.62	---	46.62	1201.90	3.9

(\*This excludes credit balance of Rs. 31.64 lakh in Sundry debtors account)

Note:-

No effects of the comments of the Comptroller and Auditor General of India under Section +619(4) of the Companies' Act 1956 or the qualification in the statutory Auditor's Report has been given in the Review of Accounts.

Thiruvananthapuram,  
12-2-2001.

Sd/-  
ACCOUNTANT GENERAL (AUDIT)  
KERALA, THIRUVANANTHAPURAM

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

***Annual Accounts  
&  
Schedules***

**1998-99**

## THE PLANTATION CORPORATION

### BALANCE SHEET

Previous year Rs. Ps.	LIABILITIES	Current year Rs. Ps.
	<b>SHARE CAPITAL</b>	
75000000.00	Authorised- 75000 Equity Shares of Rs. 1000/- each	75000000.00
=====		=====
55688000.00	Issued- 55688 Equity Shares of Rs. 1000/- each	55688000.00
=====		=====
55688000.00	Subscribed, called up and paid up- 55688 Equity Shares of Rs. 1000/- each out of the above shares, 12182 shares are allotted as fully paid up pursuant to a contract without payments being received in cash.	55688000.00
238548253.81	<b>RESERVES &amp; SURPLUSES (Sch.A)</b>	144613371.00
	<b>UNSECURED LOANS</b>	
6013792.51	From Govt. of Kerala for Estate Development Interest accrued and due	4820960.51
	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	
209129051.17	a. Current Liabilities - Sch.B	227963956.20
203341971.07	b. Provisions - Sch.C	211255358.07
		-----
		439219314.27
-----		-----
712721068.56	<b>TOTAL</b>	644341645.78
=====		=====

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

## KERALA LTD. KOTTAYAM-4

AS AT 31ST MARCH 1999

	ASSETS	Current year
Previous year		Rs. Ps.
Rs. Ps.		
	<b>FIXED ASSETS</b>	
20864980.37	a) Plantations- Sch.D	273180675.71
5086448.29	b) Plant & Machinery, Roads, Buildings etc. (Sch-E)	52817866.80
3079464.14	c) Capital Work-in-progress	5719875.97
		331713418.48
	<b>INVESTMENTS</b>	
12501100.00	In shares (at cost)-Sch.F	12501100.00
	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	
306604705.19	a. Current Assets - Sch. G	207204195.64
87631670.57	b. Loans & Advances-Sch. H	92922931.66
		300127127.30
712721068.56	<b>TOTAL</b>	644341645.78

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

## THE PLANTATION CORPORATION

### Profit and Loss Account

Previous year	EXPENDITURE	Current year
Rs. Ps.		Rs. Ps.
28506034.65	To Opening Stock- Finished Goods	28087719.45
52691079.64	To Salaries & Allowances	38178753.51
169980.94	To Salaries & Allowances to MD	298878.05
2505054.76	To Leave Encashment	3128564.67
14890759.90	To Employer's Contribution - PF	16457612.92
12593305.77	To Bonus & Production incentive	10655480.37
95737.44	To Voluntary Retirement	5278.50
27645.15	To Honorarium to Chairman	24000.00
130801.72	To TA & Sitting Fee to Directors	245648.10
982328.99	To TA to Staff & Officers	1015352.89
32376.80	To Rent	60213.27
2177649.35	To Rates & Taxes	1848623.65
7365727.91	To Electricity Charges	9398524.85
15189870.60	To Lease Rent	15189871.00
496473.25	To Insurance Charges	381738.50
1998392.58	To Advertisement Charges	1817868.50
484558.11	To Legal Expenses	654823.63
42000.00	To Remuneration to Auditors	34300.00
31721.00	To Interest on Loan	74720.00
18591728.27	To Rep. & Maintenance of Assets- Sch.I	23343787.91
3163939.91	To Miscellaeous Expenses- Sch-II	3987503.78
23263992.90	To Welfare Expenses- Sch- III	24977396.18
5569633.90	To Depreciation	5264346.65
14158533.54	To Cultivation & Upkeep - Rubber	17748500.29
32893355.04	To Taping & Collection - Rubber	29475295.38
14322109.78	To Manufacturing & Selling Expenses	14611845.30
12462342.80	To Cultivation & Upkeep - Cashew	13426954.27
2159907.94	To Cultivation & Upkeep - Oil palm	1436920.45
654653.02	To Cultivation & Upkeep - Other Crops	1354952.30
568623.36	To Collection Charges - Cashew	102463.83
60879.39	To Harvesting - Oil Palm	278805.04
0.00	To Losses & Write off	130494.62
43118027.57	To Provision- Gratuity	25791671.57
<u>311399225.98</u>	<b>TOTAL</b>	<u>289488909.43</u>

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

**SHREEVA LTD. KOTTAYAM-4**  
 For the year ended 31st March 1999

INCOME	
<b>By Sales</b>	
Rubber	75776462.41
Cashew	41916048.95
Slaughter Tapping	380488.00
Agricultural Produce	2117952.63
Rubber Trees & Firewood	42574812.85
Tender Forms	31436.25
Empties & Unserviceables	172552.64
	-----
	162969753.73
<b>By Interest</b>	
From Contractors & Customers	421652.57
From Staff Loans	245789.43
From Treasury & Bank Deposits	16181413.05
From Others	25601.52
	-----
	16874456.57
<b>By Other Income</b>	
Rent of Building	155946.93
Profit on Sale of Assets	214484.72
Miscellaneous Income	420312.89
Inter Crops	306814.48
Net Profit- Rubber Wood Factory (Sch.IV)	194579.37
Processing Charge Received	2789306.00
	-----
	4081444.39
<b>By Closing Stock of Finished Goods &amp; W.I.P</b>	
Rubber	18070418.43
Cashew	0.00
Other Agricultural Produces	582209.00
	-----
	18652627.43
Net Loss c/d to P&L Appropriation A/c.	86910627.31
	-----
<b>TOTAL</b>	<b>289488909.43</b>

As per our report of even date  
 For Kuryan & Suseelan  
 Chartered Accountants

Sd/-  
 M.R.V. Nair  
 Secretary

Sd/-  
 V.K. Kuryan  
 Partner

**THE PLANTATION CORPORATION OF KERALA LTD.,  
KOTTAYAM - 4.**

**PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1999**

Previous Year Rs. P.		Current Year Rs. P.	Previous Year Rs. P.		Current Year Rs. P.
15000000.00	To Tax Provision	7500000.00	188134218.38	By Balance as per last Balance Sheet	123344772.53
0.00	To Prior Period Expenses	1193827.50	0.00	By Prior Period Income	2454059.00
49789445.85	To Net Loss as per P & L A/c.	86910627.31			
123344772.53	To Net Profit transferred to Reserves & Surpluses (Sch. A)	30194366.72			
----- 188134218.38 =====	<b>TOTAL</b>	----- 125798821.53 =====	----- 188134218.38 =====	<b>TOTAL</b>	----- 125798821.53 =====

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

**SCHEDULE-A**  
**RESERVES & SURPLUSES AS ON 31-03-1999**

Previous Year Rs. Ps.		Current Year Rs. Ps.
6241243.30	1. Capital Reserve	
	As per last Balance Sheet	6241243.30
81958000.00	2. Replanting Reserve	81958000.00
14079091.48	3. Rehabilitation Reserve	14079091.48
18753000.00	4. Subsidy from Govt. of Kerala - Housing Scheme	0.00
2897940.00	5. Subsidy from Govt. of Kerala - Cahew Plantation Upkeep	2897940.00
8152206.50	6. Subsidy from Rubber Board - Rubber Cultivation	
	As per last Balance Sheet	8152206.50
	Additions this year	1090523.00
		-----
102344772.53	7. Profit & Loss Account	9242729.50
		30194366.72
238548253.81	<b>TOTAL</b>	144613371.00

**SCHEDULE-B**  
**CURRENT LIABILITIES AS ON 31-03-1999**

Previous Year Rs. Ps.		Current Year Rs. Ps.
2170110.23	Sundry Creditors	1571963.98
142066864.27	Other Liabilities	151948066.81
4021769.17	EMD	4423487.17
12032943.02	Security Deposit	15854453.02
106800.00	Sale of land to K W A	0.00
1742287.00	K G S T Payable	0.00
21332639.70	Income Received in Advance	28574262.00
10000.00	Housing Scheme Workers	10721.00
37215.90	Welfare Fund	37641.32
641000.00	Sale of Secondary Growth	641000.00
24530062.90	Agricultural Income tax due	24530062.90
116828.98	Central Sales Tax payable	372298.00
320530.00	Central Income tax payable	0.00
209129051.17	<b>TOTAL</b>	227963956.20

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

**SCHEDULE-C**  
**PROVISIONS AS ON 31-03-1999**

Previous year Rs. Ps.		Current year Rs. Ps.
176065253.00	<b>1. Gratuity:</b>	
	As per last Balance Sheet	176065253.00
	Add : Additions this year	25791671.57
		-----
		201856924.57
	Less : Paid this year	16149367.57
		-----
		185707557.00
3500000.00	<b>2. Bonus:</b>	
	As per Last Balance Sheet	3500000.00
	Add : Additions this year	3500000.00
		-----
		7000000.00
	Less : Adjusted this year	3500000.00
	(From 1-1-98 to 31-3-98)	-----
		3500000.00
23776718.07	<b>3. Taxation :</b>	
	As per last Balance Sheet	23776718.07
	Add : Additions this year	7500000.00
		-----
		31276718.07
	Less : Adjusted this year	9228917.00
		-----
		22047801.07
----- 203341971.07 =====	<b>TOTAL</b>	----- 211255358.07 =====

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

## SCHEDULE - D

### DEVELOPMENT OF PROPERTY AS ON 31st MARCH 1999

Item	Opening Balance		Additions		Disposals		Closing Balance	
	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
Water	222142416.84		28921862.68		6432046.15		244632233.37	
Coffee Plantations	15146930.25		20790.47		644939.14		14522781.58	
Coffee Plantations	478684.94		0.00		0.00		478684.94	
Neem Plantations	470426.14		0.00		0.00		470426.14	
Oil Palm Plantations	7676133.76		3058346.93		0.00		10734480.69	
Teak Plantations	112002.86		206980.55		0.00		318983.41	
Coconut Plantations	795.36		0.00		0.00		795.36	
Survey	225195.53		0.00		0.00		225195.53	
Excised Area Expenses	1694037.42		0.00		0.00		1694037.42	
Eucalyptus Plantations	15963.37		0.00		0.00		15963.37	
Cardamom Plantations	87093.90		0.00		0.00		87093.90	
<b>Total</b>	<b>248049680.37</b>		<b>32207980.63</b>		<b>7076985.29</b>		<b>273180675.71</b>	

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

## SCHEDULE OF FIXED ASSETS AS ON 31st MARCH 1999

## SCHEDULE - E

ITEM	ORIGIN			DEPRECIATION			DISPOSALS / WRITE-OFF		BALANCE			
	At the end of Previous Year Rs. P.	Additions during current Year Rs. P.	Total Cost Rs. P.	At the end of Previous Year Rs. P.	For the current Year Rs. P.	Total Depreciation Rs. P.	Original Cost Rs. P.	Depreciation Written off Rs. P.	Total Cost as on 31-03-99 Rs. P.	Total Deprn. as on 31-03-99 Rs. P.	Net Block as on 31-03-99 Rs. P.	Net Block as on 31-03-98 Rs. P.
1. Furniture	2317026.88	241943.27	2558970.15	1693012.59	332599.75	2025612.34			2558970.15	2025612.34	533357.81	624014.29
2. Office Equipments	2477466.03	79122.00	2556588.03	1462145.67	219971.11	1682116.78			2556588.03	1682116.78	874471.25	1015320.36
3. Electrical Installation	5940535.51	493933.90	6434469.41	4962375.21	160624.98	5123000.19			6434469.41	5123000.19	1311469.22	978160.30
4. Survey Instruments	12484.92	0.00	12484.92	11893.41	87.20	11980.61			12484.92	11980.61	504.31	591.51
5. Library	51758.36	18335.00	70093.36	43919.44	783.90	44703.34			70093.36	44703.34	25390.02	7838.92
6. Roads	17847410.64	81611.27	17929021.91	6944043.21	547208.37	7491251.58			17929021.91	7491251.58	10437770.33	10903367.43
7. Fence / Kayyala	7756249.55	0.00	7756249.55	3516407.50	423984.21	3940391.71			7756249.55	3940391.71	3815857.84	4239842.05
8. Electric Fittings	128074.03	27325.00	155399.03	73711.47	10872.50	84583.97			155399.03	84583.97	70815.06	54362.56
9. Electric Appliances	95956.13	800.00	96756.13	81966.11	3597.85	85563.96			96756.13	85563.96	11192.17	13990.02
10. Plant & Machinery	17124708.02	789150.26	17913858.28	13474885.12	708039.95	14182925.07			17913858.28	14182925.07	3730933.21	3649822.90
11. Buildings	54917802.59	1287155.90	56204958.49	30222267.47	1348398.89	31570666.36	1875000.00	958810.00	54329958.49	30611856.36	23718102.13	24695535.12
12. Vehicles	12216194.22	1142011.42	13358205.64	8587038.73	1127603.52	9714642.25	350985.51	339469.23	13007220.13	9375173.02	3632047.11	3629155.49
13. Water Supply Installation	8104048.48	85435.68	8189484.16	6596850.38	467212.14	7064062.52			8189484.16	7064062.52	1125421.64	1507198.10
14. Landing pad	118844.25	0.00	118844.25	51245.64	3379.93	54625.57			118844.25	54625.57	64218.68	67598.61
15. Jhankar & Boat	19051.49	0.00	19051.49	17409.10	164.24	17573.34			19051.49	17573.34	1478.15	1642.39
16. Telephone	283872.38	7990.00	291862.38	108907.56	24337.59	133245.15			291862.38	133245.15	158617.23	174964.82
17. Freehold Land	3148635.65	0.00	3148635.65	0.00	0.00	0.00			3148635.65	0.00	3148635.65	3148635.65
18. Ammonia Cylinders	523639.00	0.00	523639.00	464489.33	23659.86	488149.19			523639.00	488149.19	35489.81	59149.67
19. Wells	154854.53	0.00	154854.53	31596.43	6162.92	37759.35			154854.53	37759.35	117095.18	123258.10
Total	133238612.66	4254813.70	137493426.36	78344164.37	5408688.91	83752853.28	2225985.51	1298279.23	135267440.85	82454574.05	52812866.80	54894448.29
Previous Year Total	130194334.21	3678171.85	133872506.06	73205402.43	5739008.34	78944410.77	633893.40	600246.40	133238612.66	78344164.37	54894448.29	56988931.78

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

**SCHEDULE-F**  
**INVESTMENTS AS ON 31-03-1999**

Previous year			Current year	
Rs.	Ps.		Rs.	Ps.
1000.00		a) 10 Equity shares of Rs.100/- each fully paid up in Banana & Fruit Development Corporation Ltd, Madras.	1000.00	
100.00		b) One A Class share of Rs. 100/- each fully paid up in Mannam Sugar Mills Co-operative Society No. 4324.	100.00	
10000000.00		c) 1000 Equity shares of Rs. 10,000/-each fully paid up in the Kerala Feeds Ltd., Kallettumkara, Trichur.	10000000.00	
2500000.00		d) 2,50,000 Equity shares of Rs. 10/- each fully paid up in Cochin International Airport Ltd. Nedumbassery.	2500000.00	
		TOTAL		
12501100.00			12501100.00	

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

**SCHEDULE-G**  
**CURRENT ASSETS AS ON 31-03-1999**

Previous year			Current year	
Rs.	Ps.		Rs.	Ps.
		<b>A. INVENTORIES (As taken, valued and certified by the Management)</b>		
13696982.24		1. Stores and Spares at cost	19199331.00	
1117649.54		2. Loose Tools	1262298.35	
573806.29		3. Agricultural and Other Equipments	798657.62	
27363730.10		4. Stock of Rubber and Rubber in process (Value fixed by management less incidental Expenses)	18070418.43	
2377337.80		5. Stock of Rubber Wood	1794542.00	
106400.35		6. Stock of Cashew Nuts	0.00	
617589.00		7. Closing Stock Others	582209.00	
		8. Nurseries :-		
82692.37		Cashew	508192.04	
131416.75		Budwood- Rubber	145104.49	
0.00		Arecanut	22128.68	
14449.21		Others	62501.80	
90000.00		Oil Palm	548099.61	
4670812.02		Polybag - Rubber	4861762.34	
1765822.76		Rubber Seedlings	2265864.42	
			-----	50121109.78
		<b>B. SUNDRY DEBTORS (Unsecured considered good):</b>		
		Exceeding six months	3017824.02	
12143994.28		Others	1644643.48	
			-----	
		Less Credits in Sundry Debtors A/c.	4662467.50	
			3163853.29	1498614.30
			-----	
		<b>C. CASH &amp; BANK BALANCES:</b>		
223.00		a. Stamp & Stamp Papers	223.00	
		b. Cash Balance	0.00	
		c. Bank Balances		
1637347.58		1) With Scheduled Banks in Current Accounts	3053527.72	
170641.00		2) With Treasury S.B A/c	87338.00	
14745228.95		3) Cash in Transit	13085629.04	
		d. Fixed Deposits:		
189183100.00		1) With Treasury	110729000.00	
21100000.00		2) With Scheduled Banks	23899950.00	
12715481.95		3) Interest Receivable on FD	4528803.80	
300000.00		4) With PCK Employee's Society	200000.00	
2000000.00		5) KSFE (Bhadraha)	0.00	0.00
			-----	155584471.56
306604705.19		<b>TOTAL</b>		207204195.64

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

**SCHEDULE-H**  
**LOANS & ADVANCES AS ON 31-03-1999**

Previous year Rs. Ps.		Current year Rs. Ps.
	<b>1. SECURED (Considered Good)</b>	
	STAFF LOAN:	
518300.60	1) Motor Car Loan	463770.00
349924.50	2) Motor Cycle Loan	148067.10
0.00	3) Housing Loan	172700.00
		-----
		784537.10
	<b>2. UNSECURED (Considered good)</b>	
715156.08	a) 1 Oil Palm India Ltd., Kottayam	693393.08
250000.00	2. K.S.C.H.D.C	2500000.00
1500000.00	3. K.S.H.D.C	1500000.00
2619442.50	b) Advances recoverable in cash or kind for value to be received.	34060641.62
	c) Advance payment of taxes :	
2177301.21	1. Sales Tax	550185.18
9834275.00	2. Agricultural Income Tax	9834275.00
24235338.00	3. Central Income Tax	22345006.00
80644.00	d) Prepaid Expenses	0.00
	e) Tax refund due:	
68259.00	1. Income tax	194089.00
5082748.18	2. Agricultural Income Tax	5082748.18
61668.25	f) Rebate receivable on Govt. Loan	61668.25
		-----
		90322006.31
	<b>3. DEPOSITS</b>	
590510.00	1. KSEB, Port Trust & Other Govt. Dept.	335378.00
12750.00	2. With Housing Board	12750.00
96231.00	3. Other Deposits	684813.00
23653.00	4. With Court	20203.00
65469.25	5. With Suppliers	63244.25
0.00	6. KSHB (Mythri Scheme)	700000.00
		-----
		1816388.25
57631670.57	<b>TOTAL</b>	-----
		92922931.66

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

**SCHEDULE-I**  
**REPAIRS & MAINTENANCE OF ASSETS**

Previous Year		Current Year
Rs. Ps.		Rs. Ps.
2896038.53	Repairs to Vehicles	3226788.40
5540051.72	Repairs to Buildings	4804506.76
1856730.36	Repairs to Plant & Machinery	1226582.16
5459720.73	Repairs to Roads	10536677.68
357523.14	Repairs to Electrification	833687.98
1012016.71	Repairs to Water Supply Installation	662026.68
128718.62	Repairs to Office Equipments	130626.50
821340.51	Repairs to Fence / Kayyala	1432400.45
232176.65	Repairs to Tools	173304.69
13430.50	Repairs to Jhankar & Boat	17413.80
54427.50	Repairs to Computer	69180.00
34042.84	Repairs to Furniture	13749.63
185510.46	Repairs to Temporary Shed	216843.18
18591726.27		23343787.91
	<b>TOTAL</b>	

**SCHEDULE-II**  
**MISCELLANEOUS EXPENSES**

Previous Year		Current Year
Rs. Ps.		Rs. Ps.
772055.48	Postage, Telephone & Telegram	909255.95
395131.77	Printing & Stationery	558174.70
184911.67	Office Expenses & Others	189377.57
648586.36	Security Expenses	643605.00
110186.94	Storage Expenses	135579.84
110866.19	Survey Expenses	25991.31
46433.10	Books & Periodicals	56456.10
201351.59	I B Expenses	262677.13
231305.12	Entertainment Expenses	237757.15
75183.28	Staff Training Expenses	470105.50
312788.41	Ferry Expenses	325853.84
26500.00	Donations	32000.00
48640.00	Bank Charges	140233.27
0.00	Gardening	436.42
3163939.91		3987503.78
	<b>TOTAL</b>	

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

**SCHEDULE-III  
WELFARE EXPENSES**

Previous year			Current year	
Rs.	Ps.		Rs.	Ps.
2365342.61		Sickness Benefit	2742775.49	
119104.31		Maternity Benefit	49866.83	
4334987.14		Leave with wages	3869449.43	
3843319.69		Holiday wages	3905708.03	
359819.62		Weather Protection Expenses	407267.10	
2031410.58		Drinking Water Supply	2580914.70	
387747.48		Sanitation	453525.85	
148379.97		Recreation Facility	202775.63	
7840605.35		Medical & Hospital Facility	8618957.48	
41772.86		Way Expenses- Workers	46630.26	
68739.49		Running and Maint. of School	56143.34	
27855.68		Creche Expenses	18757.65	
89986.68		Workmen's Compensation	102221.73	
150513.00		Group Insurance	153339.00	
789000.28		Uniform to Staff and Workers	921902.71	
206357.14		Subsistance Allowance	343482.43	
82344.37		Labour Welfare Fund	84509.00	
367130.65		DLI	376469.52	
1001.00		Awards & Incentives	29510.00	
8575.00		Funeral Expenses	13190.00	
-----			-----	
23263992.90		<b>TOTAL</b>	24977396.18	
=====			=====	

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

**SCHEDULE - IV**  
**RUBBERWOOD FACTORY**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1999**

Previous Year Rs. P.		Current Year Rs. P.	Previous Year Rs. P.		Current Year Rs. P.
21588633.94	To Opening Stock	2377337.80	3935221.90	By Sale of Processed Rubber Wood	3144572.05
2586562.50	To Purchase of Rubber Trees	1169350.00		By Sale of By-Products and Waste	747156.13
396536.60	To Pay & Allowances	302815.96	921596.58	By Interest on Deposits	0.00
214747.39	To Factory Wages	213974.78		By Interest on Staff Loans	486.23
45770.09	To Bonus to Staff & Workers	33276.00	21632.00	By Miscellaneous Income	7425.00
51680.00	To Contribution to PF	56653.55	1058.36	By Closing Stock	1794542.00
45931.84	To Welfare Expenses	44338.72	30975.20		
7967.55	To Travelling Expenses	8645.40	2377337.80		
142055.58	To Rep. & Maint. Of Assets	48721.48			
51430.75	To Advt. & Sales Promotion	62457.65			
411292.00	To Cutting & Transp. of Trees	344993.80			
9050.26	To Office Expenses	6576.37			
169374.44	To Depreciation	144342.26			
912375.06	To Mfg. & Selling Expenses	686118.27			
84413.84	To Net Profit transferred to P & L A/c.	194579.37			
-----		-----	-----		-----
7287821.84	<b>TOTAL</b>	5694181.41	7287821.84	<b>TOTAL</b>	5694181.41

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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

Sd/-  
M.R.V. Nair  
Secretary

Sd/-  
V.K. Kuryan  
Partner

## **SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1999**

### **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 on historical cost basis which includes purchase price and all other costs attributable to bringing the assets into its working condition as reduced by depreciation upto 31st March 1999. 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 disclosed on the basis followed in previous years.

**NOTES FORMING PART OF THE ACCOUNTS FOR THE  
YEAR ENDED 31st MARCH 1999**

**1. Reserves and Surplus.**

The Corporation has received Rs. 92,42,730/- as Rubber Board Subsidy upto 31.03.1999(Previous Year Rs. 81,52,207/-) 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.

**2. unsecured loans**

**a) Loan to K.S.H.D.C**

In pursuance of Govt. Order (Rt.) No.1546/96/ AD dated 01.11.1996 the Company sanctioned Rs.3 Crores to Kerala State Horticultural Products Development Corporation Ltd. Out of the above loan Rs. 1.5 crores was disbursed till date. Interest for the current year at 18% is Rs. 27 Lakhs.(Previous year Rs.23,95,973/-)

In spite of the repeated requests, the KSHDC has not paid any part of the loan or interest due to the Corporation. On their request the Govt. of Kerala has directed to convert the loan into share capital. As such the company has not recognised this interest income in accounts.

**b) Loan to K.S.C.D.C**

In pursuance of the Govt. Order GO.Rt.No.1828/97/AD dated 4.11.97 the Corporation sanctioned Rs.25 Lakhs to the Kerala State Coconut Development Corporation and the entire amount was disbursed during 1997-98. Interest for the current year at the agreed rate of 12% per annum amounts to Rs.3 Lakh(Previous year Rs. 1,34,958/-). The K S C D C has closed down its operations since April 1998. This fact makes the realisability of the interest doubtful. Hence it has not been recognised as income in the books.

**3. Other Liabilities**

**Labour Welfare Fund**

An amount of Rs.37,641/-(Previous year Rs.37,215/-) payable to the Labour Welfare Fund of the State Government represents fund created out of time barred advance.

**4. 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. 13,68,615/-(Previous year Rs.957904/-)in respect of unencashed portion of earned leave of employees as on 31.3.1999.

(ii) a) Based on the calendar year earnings, Bonus @ 8.33 % and production incentive @ 1.67% have been paid to the employees for the year 1998-99 vide G.O.Rt.No.1324/99/AD dated 18.8.99.

Those who are not eligible for Bonus, production incentive is paid @ Rs. 1800/- (Previous year Rs. 1800/-) as per the above Government Order.

b) A provision of Rs. 35lakhs has been made in the accounts towards bonus pertaining to January 1999 to March 1999.

## Taxation

Agricultural Income Tax and Central Income Tax assessments are completed upto the assessment year 1997 - 98. Based on the completed assessment and return filed upto assessment year 1999-2000 there is a short provision of Rs. 166.82 lakhs. (Previous year Rs. 155.09 Lakhs) Since most of the assessments are under appeal no additional provision has been made in this regard.

Proceedings under Sec.147 of the Income Tax Act 1961 has been initiated against the Company for the assessment year 1986-87 in respect of income from Cenex processing. Income Tax on this proposed additional income of Rs.115,65,036/- is Rs.60.70 lakhs. The Company has raised its objection to the proposal as the same income was already brought to tax under the Kerala Agri.Income Tax Act.

## 5. Fixed Assets

a) The total area of land handed over to the Company by the Government of Kerala as on 31.03.99 is 14399.76 Hectares (Previous year total area 14399.76 Hect.) Certain areas have been subjected to survey. Particulars 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.	295.00	Hect.
	-----	
	14399.76	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 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 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 0.56 Hect. of land in Cheemeni Estate has been handed over to the Kayyoor Cheemeni Panchayat and 0.4 Hect. in R.S.No. 260/IAIC to Indian System of Medicines free of cost vide Govt. Order (Rt.) 77/95/RD dated 12.01.95
- f) Compensation of Rs.3,83,330/- received from Kerala Water Authority in full settlement towards transfer of 2.15 Hectares of land in Cheemeni Village is adjusted from cost of Cashew Plantation. The above transfer was made in pursuance of G.O.No.2392/pui/94/AD dated 21.07.94.
- g) The cost of Buildings, Roads, Landing pads and Fences is Rs. 380.36 Lakhs of which assets worth Rs.339.99 lakhs are constructed on lease hold lands.

### 6. Sundry Debtors

Sundry Debtors include Rs. 2,18,509.87 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, Trivandrum	139,846.47
Hindustan Latex Ltd. Belgaum	78,663.40
	-----
TOTAL	218,509.87
	=====

### 7. Staff Loan

(i) 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 Rs. 611,837.10 (previous year Rs.695,478.70)

(ii) Housing loans to Staff and Officers are fully secured (Maximum amount during the year is Rs.1,72,700/- (Previous year Nil)

### 8. Advance Recoverable in cash or in kind

Advance Recoverable in cash or in kind for value to be received under "Loans and Advances" include the following amounts due by the employees of the Company.

	Previous Year	Current Year
	Rs. Ps.	Rs. Ps.
T.A. Advance	2,49,152.00	3,29,284.32
Salary Advance	31,46,638.00	35,10,319.00
Other Advances	65,29,731.00	31,21,222.98
Interest on Vehicle loan	4,35,507.00	3,38,065.00
Stores Recoverable	93,055.00	1,07,020.00
Fuel Charges recoverable	7,458.00	9,730.64
IB charges recoverable	19,722.00	16,281.30
Postage Recoverable	5,693.00	7,833.60
Medical Bills recoverable	14,458.00	24,478.53

### 9. Loans and Advances

Deposits with Government Departments  
These comprise balances with

	Previous Year	Current Year
	Rs.	Rs.
Cochin Port Trust	3,600.00	3,600.00
Civil Supplies Corporation	10,000.00	10,000.00
Post & Telegraph Dept.	40,317.00	40,427.00
Kerala State Electricity Board	8,36,593.00	8,35,483.00

### 10. Plantation Tax

As per revised assessment orders (Order No.B-5 5072/81 dated 04.07.98 and 22.07.98) an amount of Rs.51,64,422.35 is refundable to the Company by the Tahsildars of Adoor Taluk, Alwaye Taluk and Mukundapuram Taluk, as on 31.03.98. At the same time an amount of Rs. 10,77,327.50 is payable by the Company to the Tahsildars of Kozhenchery Taluk, Quilandy Taluk, Nilambur Taluk and Thaliparambu Taluk as on 31.03.98, which has been paid during the year 98/99 and taken as prior period expense. On the basis of returns filed by the Company the net amount refundable to the Company was Rs. 46,54,000.45. The appeal filed by the company was remanded by the District Collector, Pathanamthitta to make fresh assessment considering the objections raised by the Company. The case is re-heard and orders are awaited.

### 11. Sales Tax.

K.G.S.T Assessments and C.S.T assessments upto 1994-95 are completed.

### 12. Lease Rent

The rate of lease rent as per G.O(MS) No11/89 dated 20.01.89 is Rs. 1300/- per hect payable to Forest Department w.e.f 18.12.87. In view of the repeated representations made by the Corporation the Govt, has ordered (Vide letter L 2-62939/95 dated 22.02.97) to accept remittance from the Corporation @ Rs.475/- per hectare per annum w.e.f. 01.01.81 on a purely provisional basis. Corporation is providing in its books of account lease rent @ Rs.1300/- per Hect. and payment is made @ Rs. 475/- per Hect. The Forest Department has 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 made by the Government.

### 13. Managerial Remuneration.

Managerial remuneration paid/payable to Managing Director is as follows :-

	Current Year	Previous Year
	Rs. Ps.	Rs. Ps.
Pay & Allowance	2,98,878.05	169,981.00
Medical Reimbursement	NIL	1,862.00

The Managing Director is provided with a car for his official purpose. For limited purpose he is charged with Rs.2/- per KM

### 14. Remuneration to Other Directors

	Current Year	Previous Year
	Rs. Ps.	Rs. Ps.
TA and Sitting Fee to Directors	245,648.00	130,802.00
Honorarium to Chairman	24,000.00	27,645.00

### 15. Auditors' Remuneration.

	Current Year		Previous Year	
	Rs.	Ps.	Rs.	Ps.
Statutory Auditors fees	18,900.00		18,000.00	
Expenses to Statutory Auditors	7,000.00		7,000.00	
Other services (including Income Tax and Sales Tax audit)	8,400.00		17,000.00	

### 16. Repairs & Maintenance

The expenditure on repairs and maintenance of Roads is net expenditure after deducting nominal tolls collected for use of Estate roads.

### 17. Depreciation

The Company has charged depreciation at the rates prescribed in Schedule XIV to the Companies Act except in the case of Office Equipments and survey instruments @ 15% and Library @ 10% consistently.

### 18. Manufacturing and Selling Expenses

This includes cost of 7899 Nos. packing drums used worth Rs.30,49,330/-

### 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 the Sales Register)				
Rubber	2223.18	757.18	1796.56	834.50
Cashew		419.16		408.53

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 the 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.

## 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 for the year ended 31-03 1999.

## 21. Contingent Liabilities

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 47,07,350/- (Previous year Rs.28,730,533/-)
- b) The Corporation is liable to pay compensation of Rs.5,353.75 (Previous year Rs.5,353.75) to persons evicted from Kodumon Group of estates, which has not been provided for since the persons are deceased and the claimants have to produce succession certificate.
- c) 25 cases are pending against the Company for which the amounts 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) Rubber Board Subsidy-as per Note 1
- e) Lease Rent-as per Note 12

## 22. Additional information as per Clause 4 D of Part II to Schedule VI to the Companies Act.

	Current year		Previous year	
a) CIF value of Import during the year	NIL		NIL	
b) Expenditure in 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 & Spares)	222.59	100%	227.34	100%
d) Particulars of dividend remitted in foreign exchange	NIL		NIL	
c) Earning in Foreign Exchange	NIL		NIL	

23. Total wages paid during the year to workers, tappers, field workers and factory workers are Rs.890.30 Lakhs (Previous year Rs.869.28 Lakhs)

24. From Kodumon Estate some of the rubber trees were removed by a Contractor without the knowledge of the Corporation. The loss is estimated at Rs. 4,91,394/-(Previous year 491,394/-). Legal proceedings have been initiated by the Corporation against the concerned persons for recovery of the estimated amount.

25. Subsidy of Rs.18.75 Lakhs received from Govt. of Kerala prior to 1982 for Housing Scheme has been deducted from the cost of assets acquired. Depreciation has been re-calculated on the adjusted value since 1982. Excess depreciation charged till 31-3-98 amounting to Rs.9,58,810/- is taken as prior period income.

26. Prior Period Income :-

(i) Interest accrued but not due on deposits	14,95,239.00
(ii) Excess Depreciation charged for Building constructed by grants.	9,58,810.00
	-----
	24,54,049.00
	=====

27. Prior Period Expenses :-

(i) Plantation Tax not provided	10,77,327.00
(ii) Internal Audit Fee not provided	1,16,500.00
	-----
	11,93,827.00
	=====

28. Cash flow statement for the year ended 31st March 1999 has not been prepared and annexed to the accounts, since it is not a listed Company and it is not mandatory under the Accounting Standard issued by the ICAI.

29. 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 : 31.3.1999

### 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 Deployment of Funds (Amounts in Rs.Thousands)

Total Liabilities	Total Assets
644342	644342

#### Sources of Funds :-

Paid up Capital	Reserves and Surplus
55688	144613
Secured Loans	Unsecured Loans
Nil	4821

#### Application of Funds :-

Net Fixed Assets	Investments
331713	12501
Net Current Assets	Misc.expenditure
(-) 139092	Nil
Accumulated loss	

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

Turnover 202579	Total Expenditure 289489
Profit/Loss Before tax Loss Rs.86910	Profit/Loss After Tax Loss Rs.93150
Earning per Share Nil (Equity- Face value Rs. 1000/-)	Dividend (percentage) Nil

**5. Generic Names of Three Principal Products/Services of Company (As per monetary terms)**

1	Item Code No. (ITC Code) Product Description	Nil  Certifuged Latex (A natural normal latex based product)
2.	Item Code No. (ITC Code)  Product Description	  ISNR (A Natural Rubber Scrap based product)
3.	Item Code No. (ITC Code)  Product Description	  Nil  Cashew Nuts (Cashew Plantation Crop)

As per our report of even date  
For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
Adv. P.K. Chithrabhanu  
Chairman

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K.P.Ouseph I.F.S  
Managing Director

Sd/-  
M.R.V. Nair  
Secretary

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 1999 and the relative Profit & Loss Account for the year ended on that date annexed thereto, both signed by us under reference to this report.

We report that:-

1. 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.
2. In our opinion proper books of account as required by Law have been kept by the Corporation, so far as appears from our examination of those books. Returns adequate for the purpose of audit have been received from the estates of the Corporation.
3. The Balance Sheet and Profit & Loss Account are in agreement with the books of account.
4. In the absence of confirmation of balances of Advances and Deposits and interest outstanding on Government loans we are not able to confirm the correctness of the balances.
5. In our opinion, unsecured loans to Kerala State Horticultural Products Development Corporation Ltd. And Kerala State Coconut Development Corporation Ltd. referred to as Item No. (2) of Notes forming part of the Accounts are prejudicial to the interests of the Corporation.
6. a) The object clause of the Company as contained in the Memorandum of Association does not confer the Company with the Power to do business in Tourism.  
  
b) The Company has entered into a contract with Nirmithi Kendra for civil works of Farm Tourism amounting to Rs. 27,38,500/- and an amount of Rs. 9,12,833/- was given on 15/12/98 towards advance for the above work (included in advances recoverable in cash or kind for value to be received - Schedule - H). Article 115 (d) of the Company's Memorandum of Articles provides for prior permission of the Governor of Kerala for incurring any Capital Expenditure exceeding Rs. 25 lakhs. No such permission is obtained by the Company for the above contract. In addition to the above contract the Company directly spent Rs. 2,79,327/- during the year for Farm Tourism (included in Fixed Assets - Capital work in progress).  
  
c) The required sanction is not obtained from the Forest Department or Government of India for utilising the forest land for purpose other than plantation.

7. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956, in so far as they are applicable to the Company.
8. In our opinion and to the best of information and according to the explanation given to us, the said Balance Sheet and Profit & Loss Account read together with the notes thereon and subject to our qualification in paragraphs 4,5 & 6 above give the information required by the Companies Act, 1956 and also give a true and fair view:-
  - a) in the case of the Balance Sheet, of the state of affairs of the Corporation as at 31st March 1999 and
  - b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date.
9. 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 set out our report on the matters specified in the above order in an annexure.

Kottayam

For Kuryan & Suseelan, Chartered Accountants

29th July 2000

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 by the management at the close of the financial year. We have observed that the discrepancies noticed were not significant and they have been properly dealt with in the books of account.
2. None of the fixed assets has 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. 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 (1B) 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 parties, 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 save those referred to in item No. 5 of our report.
9. In respect of loans and advances in the nature of loans, given by the Company, the parties are generally repaying the principal amounts and have also been generally regular in payment of interest wherever applicable in accordance with the terms and conditions laid down by the company except in the following cases:-
  - (a) Kerala State Coconut Development Corporation Ltd.
  - (b) Kerala State Horticultural Products Development Corporation 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 collection and procurement of agricultural produce and its processing at factories needs significant 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. In our opinion the internal audit system does not commensurate with the size and nature of its business.
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.
18. According to the information and explanations given to us and subject to what has been stated in Notes forming part of Accounts, no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Customs Duty and Excise Duty were outstanding as at 31st March 1999 for a period of more than six months from the date they became 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,  
29th July 2000

For Kuryan & Suseelan  
Chartered Accountants

Sd/-  
V.K. Kuryan  
Partner

**REPLY TO THE STATUTORY AUDITORS' REPORT ON  
THE ACCOUNTS FOR THE YEAR 1998 - 99**

4. Noted
5. The loans were given as per the direction of the State Government.
6. (a) The object clause of the Company was amended subsequently, including Farm Tourism Business as one of the objective of the Company.  
(b) The Company has applied for sanction from State Government for the Farm Tourism Project. Sanction order is awaited.  
(c) Sanction from Forest Department is awaited.

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

*Comments of the Comptroller and Auditor General of India 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 1999.*

**Balance Sheet**

**Liabilities**

1. Unsecured Loans - Rs. 48.21 Lakh

This is under stated to the extent of Rs. 62.75 lakh being balance of loan (Rs. 32.61 lakh) interest (Rs. 28.67 lakh) and penal interest (Rs. 1.47 lakh) availed by the Company between 1977 and 1982, which stands adjusted against earlier capital loss, without the approval of Government.

**Assets-**

Current Assets - Shedule (G)

Sundry Debtors Rs. 14.99 lakh

(2) This has been understated by Rs. 31.64 lakh due to adjustment of credit balance to that extent.

(3) This is overstated by Rs. 4.90 lakh due to accounting of the invoice raised for the supplies made to Hindustan Rubber Trading Co. in August 1996 twice.

**Loans and Advances (Schedule II) Rs. 929.23 lakh.**

The Loans and Advances outstanding for a period exceeding six months and other loan and advances have not been shown separately as required under Part I Schedule VI to the Companies Act 1956.

**General**

(1) A reference is invited to Note No. 4C regarding short provision of Agricultural Income Tax and Central Income Tax amounting to Rs. 166.82 lakh. The note is incorrect as the tax liability not provided for, was Rs. 785.28 lakh.

The additional proposed income form cenex processing fixed by the Income Tax Department was actually Rs. 103.09 lakh and tax thereon is Rs. 54.12 lakh in place of Rs. 115.65 lakh and Rs. 60.70 lakh. Hence the note is incorrect.

(2) Tax liability of Rs. 181.09 lakh has neither been provided for nor suitably disclosed in Notes to accounts (Note No. 11)

(3) The fact that KGST and CST assessments from 1988-89 to 1991-92 have been reopened by sales Tax Department under Section 35 of the Act and appeal is pending has not been disclosed in the Notes to accounts.

(4) Out of seven Forest divisions, in two divisions covering an area of 1100.7882 Ha (Nilambur and Mannarghat) lease rent is being provided only at the rate of Rs. 125 / ha instead of Rs.1300/ha as mentioned in Note No. 2. The note is incorrect to that extent.

(5) The fact along with the terms and condition of providing car to the part - time Chairman of the Company has not been disclosed in the Notes forming part of the Accounts.

Thiruvananthapuram,  
12-02-2001.

Sd/-  
R.K. Verma  
Accountant General (Audit)  
Thiruvananthapuram.

**REPLY TO COMMENTS OF THE COMPTROLLER & 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 1999.**

**Balance Sheet**

**Liabilities**

**I. Unsecured loan Rs. 48.21 lakhs**

As Directed by Government vide letter No. 31625/PUI/99/AD dtd. 23-06-2000, the matter was held in the meeting of the Board of Directors of Plantation Corporation of Kerala held on 29-01-2001. The Board is of the view that Government may be pleased to withdraw the request for the remittance of Rs. 62, 75,140/- as per the letter of the Director of Agriculture No. L11 (1) 15099/84 dtd. 24-11-99 and that PCK may be compensated for the loss sustained on the investment made as per the Government direction. The matter is being taken up with the Government again.

**Assets**

**Current Assets - Schedule (G)**

**Sundry Debtors - Rs. 14.99 lakhs**

**(2) Noted**

**(3) Necessary adjustments have been made in the accounts for the year 1999-2000 as prior period expense.**

**Loans and Advances (Schedule H) - Rs. 929.23 lakhs**

**Noted**

**General**

1. The short provision is based on the completed assessments and returns filed. Since most of the assessments are under appeal the actual tax liability can be ascertained only after obtaining the final assessment orders.

2. The short provision is based on the completed assessments and returns filed. Since most of the assessments are under appeal the actual tax liability can be ascertained only after obtaining the final assessment order.

3. The notice Under Section 35 of the Sales Tax Act for 1988-89 to 1991-92 was received only on 19-6-2000 after finalisation of accounts and notes forming part of the accounts. Hence, it was not possible to disclose the same.

**4. Noted**

**5. Noted**

## GOVERNMENT OF KERALA

No. 73259 / PU-B1 / 2000 / Fin.

Finance (PU-B) Department

Dated : 2-12-2000.

**COMMENTS OF PRINCIPAL SECRETARY (FINANCE) ON THE AUDITED  
ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED  
FOR THE YEAR ENDED 31-3-1999.**

The income from sales has shown a steep fall of Rs. 3.69 Crore as compared to that of the previous year. The net loss during the year under review is Rs. 8.69 Crore as against Rs. 4.97 Crore of the previous year.

Eventhough the company is running on heavy loss, they have tread in to areas such as tourism, for which they have no authority. This amounts to misuse of public money. The Board of Directors should refrain from committing such excesses and should confine to their area of activity.

The overall perfomance of the company is very poor.

Sd/-

PRINCIPAL SECRETARY (FINANCE).

**REPLY TO THE COMMENTS OF THE PRINCIPAL SECRETARY (FINANCE) ON THE  
AUDITED ACCOUNTS OF THE COMPANY FOR THE YEAR 1998-99**

In the comment on the audited accounts of the Corporation for the year ended 31-3-99, the Principal Secretary (Finance) had commented that the income from Sales has shown a steep fall, and net loss during the year under review had increased, compared to the previous year. To this the Company has to state the following facts.

1. The income of the Corporation has shown a fall due to continuous heavy price crash of natural rubber and rubber trees which are beyond the control of the Management.

The average selling price of Rubber and Rubber Trees for the last 3 years are shown below:-

Year	Price of Rubber (Per Kg.)	% reduction in price from previous Year	Price of Rubber Trees (per Tree)	% reduction in price from previous year
1996-97	53.80	--	997	--
1997-98	46.44	13.70	746	25.17
1998-99	34.08	26.60	425	43.02

From the above it may be seen that the price of rubber has crashed by 36.7% and that of rubber trees by 57% between 1996 - 97 to 1998-99.

2. Further the Corporation has envisaged a massive replanting programme of rubber and so the major areas under rubber is immature, from where is no income.

3. During the period the production/income performance of Mannarghat, Alakode and Nilambur estates have shown substantial improvement as shown below:

Income (Rs. in Lakhs)	1996-97	1997-98	1998-99
Eatate			
Mannarghat	16.25	21.20	25.10
Nilambur	33.20	30.75	38.40
Alakode	17.50	13.50	21.00

The above three estates were considered as the most loss making units and all efforts were made to improve the condition of those estates inspite of the adverse external factors mentioned in para 1 above.

4. The total revenue expenditure is reduced year by year in spite of price escalation in all spheres and wage hike (by of increased DA) to the employees.

	Expenditure (Rs. Crores)
1996-97	29.04
1997-98	28.29
1998-99	26.14

5. The strength of employees have also reduced as follows:

Year	Total No. of employees
1996-97	5811
1997-98	5365
1998-99	5077

From the above it can be seen that the Management has taken effective steps in the management of the Corporation and in controlling expenditure and labour strength and decline in income is solely due to external factors which are beyond the control of the management.

6. Principal Secretary (Finance)'s second comment is that the Corporation is entering into a new area, Farm Tourism. Regarding this comment the Company wishes to submit the following:

Since the return from agricultural sector showed a heavy decline (as commented by the Principal Secretary (Finance) the Board of Directors of the Corporation thought of other alternate areas of operation and income which can be performed without affecting the Company's regular activity. Since tourism is an area where tremendous scope is there, the Board of Directors decided to start a pilot Farm Tourism Project near the famous Adirappilly Water Falls using the infrastructure facilities and beautiful landscape in our Vettilappara estate. Many experts on the economy of the Kerala have already opined that Tourism and IT Industry are the two areas where the future industrialisation of Kerala lies.

7. The Memorandum of Association of the Company was amended subsequently by incorporating Farm Tourism business as one of the objects of the Corporation. We are expecting good profit from the Project. The Farm Tourism Project was inaugurated on 7-1-2001. There is no misuse of funds in this regard rather a small portion of funds of the Corporation was diverted for a more profitable and more potential project.