



38<sup>th</sup> ANNUAL REPORT 1999-2000



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

*Regd. Office : Kottayam - 686 004*

*Grams : Plantcorp*

*Telex : PCK 0888 207*

*Fax : (0481) 578448*

*E-mail : pck kotym@md4.vsnl.net.in*

*Phone : 578301, 578302, 578303,  
(0481) 578304, 578164,  
578306, 578349, 578194,  
578294, 578254,  
578763, 570183,  
578775*

**38th  
Annual Report  
1999 - 2000**

## **BOARD OF DIRECTORS**

**ADV. P. K. CHITHRABHANU**

Chairman (From 30-10-1996)

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

Managing Director (From 24-11-1997)

**Dr. A. K. KRISHNAKUMAR**

Director (From 09-11-1995)

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

Director (From 24-04-1997)

**Sr. 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)

**Adv. P. SANKARAN**

Director (From 04-07-1997)

**Sri. SAJAN PETER I. A. S**

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

**Sri. D. KRISHNAN NAIR**

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

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

Director (From 27-04-1999 to 18-01-2000)

**Sri. A. ABDUL SHUKOOR**

Director (From 20-09-1999 to 18-08-2000)

**Sri. P. K. MOHANTY I. A. S**

Director (From 18-01-2000)

**Sri. K. JAYACHANDRAN**

Director (From 18-08-2000)

*Secretary*

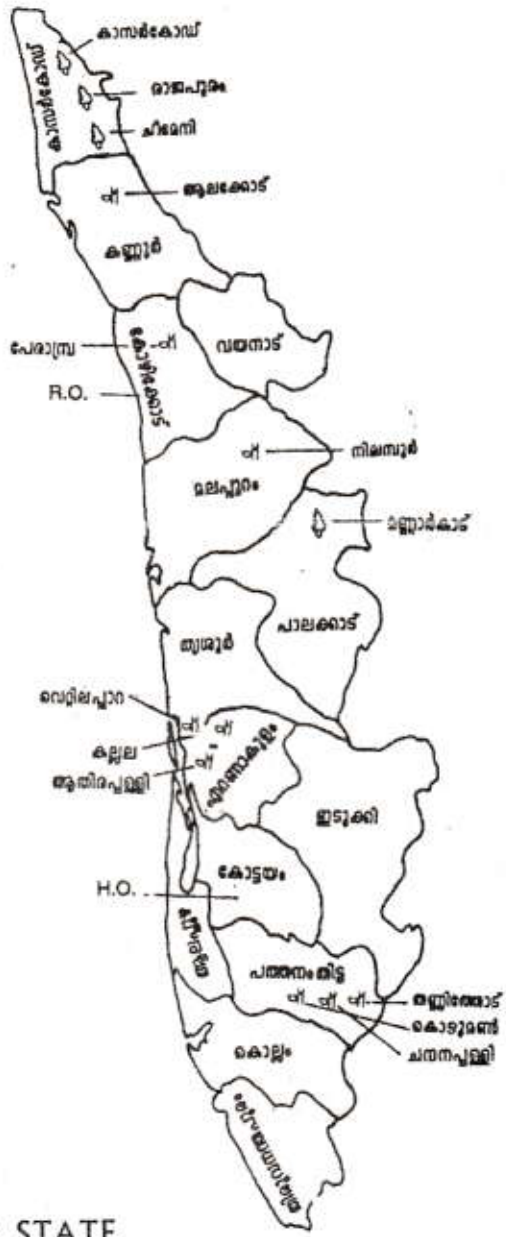
**Sri. M. R. V. NAIR**

*Auditors :*

**M/s. CHERIYAN & CHERIYAN**

Chartered Accountants, Kottayam

# CROP FIELDS AT A GLANCE



KERALA STATE

## NOTICE TO SHARE HOLDERS

Notice is hereby given that the 38<sup>th</sup> Annual General Meeting of the Corporation will be held at 2.30 p. m. on Friday the 29<sup>th</sup> September, 2000 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 1999 - 2000 to a suitable date.
2. Cancel/Modification of the Special/Ordinary Resolution taken in the Extra Ordinary General Meeting held on 31-5-2000 as advised by the Registrar of Companies, Kochi, in connection with the Amendment of the Memorandum & Articles of Association.

To consider and if thought fit to pass the following resolutions as ordinary/special resolution with or without modification.

### Special Resolution

“RESOLVED that pursuant to Section 17(1) (a) and (d) of the Companies Act, 1956 and subject to the approval of Registrar of Companies and Central Government, the objects clause of the Memorandum of Association of the company be altered by incorporating new sub-clauses (31) and (32) after sub-clause (30) and existing Clause (31) will be renumbered as Clause (33) in Clause III of the Memorandum.

### CLAUSE: 31

“To promote, develop, organize, run, manage or assist in the promotion of tourism by carrying on the business of Farm Tourism, Wild Tourism, Pilgrim Tourism, Festival Tourism, Seasonal Tourism and all other tourism activities and to acquire, establish, operate, maintain parks, hotels, motels, holiday resorts, refreshment room and lodging houses, licenced victuallers, cafe, tavern, amusement parks, health clubs, cottages, beauty parlour, beauty saloons, gymnasiums, swimming pools, physiotherapy centers, massage center, yoga centers, Botanical gardens, Vegetable Garden, Spices Garden, Herbal Gardens, beaches, Rope Ways, Boating Centre, Floriculture centers, wild and bird sanctuaries, arboreta's tramways, fish ponds, fountains, huts on tree tops, porters and brokers of food, live and dead stock and local and foreign produce of all description proprietors of dressing rooms, baths, laundries, places of recreation, sport entertainment, water parks, Indoor Stadium, center for games, playing areas, horse riding, elephant riding, fishing, rock climbing, site seeing, cinema, theatrical and opera box proprietors, bakers, confectioners, agents for railway, shipping and air-plane companies and carriers, proprietors of motor and other vehicles, package tour operators, transport operators, garage proprietors and to do all services, acts and things as may be consider necessary and expedient for promoting Tourism Industry.”

### CLAUSE : 32

“To enter into agreements and contracts with Indian and Foreign individuals, firms, companies or other organizations for sub-division, management right, technical, financial or any other assistance for carrying out all or any of the objects of the Company.”

**To cancel the Special Resolution passed in the Extra-ordinary General Meeting held on 31-05-2000.**

“RESOLVED that the resolutions passed at the Extra-ordinary General Meeting held on 31-05-2000 be and are hereby cancelled and the Managing Director Sri. K.P. Ouseph, be and is hereby authorised to submit various forms for intimating the same to the Registrar of Companies, Kerala.”

“RESOLVED further that the Managing Director be and is hereby authorised to sign, apply and agree to such variation, modification or changes in the aforesaid Clauses as may be suggested by the Registrar of Companies and the Managing Director thinks fit to accept.”

3. 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. Sri. P. K. Mohanthy, I. A. S.
2. Sri. K. Balachandran Thampy, I. F. S.
3. Dr. A. K. Krishnakumar
4. Sri. A. Abdul Shukkoor
5. Sri. C. K. Unnikrishnan
6. Sri. R. V. Ramankutty Warriar
7. Sri. Jose Pathalil
8. Adv. P. Sankaran

Kottayam  
23-08-2000

By Order of the Board,  
for THE PLANTATION CORPORATION OF KERALA LIMITED

Sd/-  
Managing Director

**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.

**EXPLANATORY STATEMENT U/S 173**

**ITEM NO. 2**

In order to expand the business activities and also to enter into the business of farm tourism, it was decided to amend the existing object clause of the Memorandum of Association by including more objects and hence this resolution. The proposed new activities can be more economically combined with the existing business activities and plantations of the Company and this will generate more income to the company. The company is also planning to have tie-ups and arrangements with international tourist centres for development of tourism.

None of the Directors are interested in this Resolution.

By Order of the Board

Kottayam  
23-05-2000

Sd/-  
Managing Director

## NOTICE TO SHARE HOLDERS

Notice is hereby given that the 38<sup>th</sup> (Adjourned) Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at Kottayam-4 on Tuesday the 16<sup>th</sup> July, 2002 at 2.30 p. m., to transact the following business.

To receive, consider and adopt the Director's Report, Auditor's Report and the audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2000 and the Balance Sheet as on that date.

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

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

Kottayam-4  
19-06-2002

**Note:** A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. A form of proxy is attached. This must be returned duly completed to reach the office not less than 48 hours before the meeting.

## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 38<sup>th</sup> (Adjourned) Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at Kottayam-4 on Tuesday the 16<sup>th</sup> July, 2002 at 2.30 p. m., to transact the following business.

To receive, consider and adopt the Director's Report, Auditor's Report and the audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2000 and the Balance Sheet as on that date.

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

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

Kottayam-4  
19-06-2002

**Note:** A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. A form of proxy is attached. This must be returned duly completed to reach the office not less than 48 hours before the meeting.

## DIRECTOR'S REPORT

Gentlemen,

Your Directors present the 38th Annual Report of the Corporation for the year ended 31<sup>st</sup> March, 2000.

The sluggish market conditions for rubber and rubber trees continued without much change during 1999-2000 also. The average price realised for rubber was Rs. 34.99 per kg. in 1999 - 2000 against Rs. 34.08 per kg. in 1998-99. The average price realised for rubber trees was Rs. 532.81 per tree in 1999 - 2000 and Rs. 424.81 per tree in 1998 - 99. The volume of sales was increased by 16.830 M. T. and sales realisation increased by Rs. 25,96,485.14.

### 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 31.03.1999 continued unchanged during 1999-2000.

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 .

Subsequently as per letter No. L11 (1) 15099/84 dated 24. 11. 1999 Director of Agriculture has requested to remit an amount of Rs. 62,75,140/- as shown below:-

|                |   |                         |
|----------------|---|-------------------------|
| Principal      | - | Rs. 32,61,222 /-        |
| Interest       | - | Rs. 28,67,382 /-        |
| Penal Interest | - | Rs. 1,46,536 /-         |
| Total          | - | <u>Rs. 62,75,140 /-</u> |

The Company has requested Government of Kerala for exemption from the above payment, considering the present serious financial crisis faced by the Company and also on the contention that the entire loan of Rs. 112 lakhs was already cancelled by the Government of Kerala as per G. O. (MS) No. 239/83 AD dated 04. 08. '83.

The penal interest for delayed remittance of some earlier loan instalments and interests is due to Government of Kerala. In earlier years, when the Corporation was meeting its Working Capital requirements with Overdraft facilities 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 31-03-2000 as payable on the above account amounts to Rs. 48.21 lakhs.

125 Ha. of land in Thurava II of the Cheemeni Estate was handed over to the Jail Department as per Government directions. Among other conditions the Corporation has claimed a compensation of Rs. 582.30 lakhs from the Government being the value of future production loss and the value of standing trees in the area. In spite of numerous requests from the Corporation no compensation has been paid or terms and conditions fixed.

### ENGINEERING WORKS

During the year an amount of 145 lakhs was spent for Engineering works which include construction and maintenance of roads and buildings. The major works undertaken were Farm Tourism Project in Vettilappara, road repairs and 'E' type quarters in Nilambur for which the expenditure were Rs. 22.24 lakhs and Rs. 60.49 lakhs respectively.

### PERSONNEL MANAGEMENT, INDUSTRIAL RELATIONS AND LABOUR WELFARE

The organizational set up of the Company was re-structured. The post of General Manager (Personnel & Administration), Chief Construction Engineer, General Manager (Malabar) and Public Relations Officer were abolished. General Manager (Finance & Accounts) is re-designated as General Manager (Finance & Administration) to head Accounts & Personnel Departments. General Manager (Sales) is re-designated as General Manager (Commercial & Projects) and is heading the Sales, Purchase and Engineering functions.

In connection with the re-structuring of the administrative set up of the Corporation and desiring better administration of the estates, the 13 estates of the Corporation were grouped into two viz. North Group and South Group as follows:

#### North Group

1. Kasargode
2. Rajapuram
3. Cheemeni
4. Mannarghat
5. Perambra
6. Nilambur
7. Alakode

#### South Group

1. Kodumon
2. Chandanappally
3. Thannithode

The above two groups were brought under the control of Senior Managers. Kallala, Adirappally & Vettilappara Estates are under the control of General Manager (P) l/c.

Since the period of recognition given to the Trade Unions of staff and workers expired, fresh referendum was conducted among staff and workers and those who have got 15% minimum votes have been declared as approved unions.

Registered Office of Plantation Corporation of Kerala Limited was provided with Internet and E-mail connections during this year.

A new hospital was constructed at PCK's Kasargode estate for the well being of employees in the cashew estates.

In order to reduce expenditure by cutting short the strength of employees, a new scheme titled 'Special Leave On Loss of Pay Scheme' to Officers, Staff and Workers was implemented.

The Kerala State Productivity Council was entrusted to conduct a man-power requirement study and they have completed the same. But their proposals were not implemented.

Medical facilities were extended to the dependants of Workers of Cashew Plantations. The salary revision of Staff and Officers due on 25-10-1996 is still pending for settlement.

Industrial relations were generally maintained smooth and cordial by upholding the principles of industrial democracy, joint conferences, discussions and negotiations at various levels for sorting out issues concerning Staff and Workers amicably.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN

#### EXCHANGE EARNINGS AND OUT GO

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.

**DIRECTOR'S 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. Chitrabhanu 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/-

C. S. Srinivasan I. A. S.,  
(Chairman)

Thiruvananthapuram  
07. 06. 2002

### ANNEXURE - I

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  | - Nil |
| Earned  | - Nil |

## ANNEXURE II

Details of Directors including changes taken place during the year ending 31. 03. 2000.

| S.No. | Name                              | Address  | Date of Appointment |
|-------|-----------------------------------|--|---------------------|
| 1.    | Dr. A. K. Krishnakumar            | Rubber Production Commissioner,<br>Rubber Board, Kottayam.   | From 09. 11. 1995   |
| 2.    | Sri. C. K. Unnikrishnan           | President,<br>Ayyampuzha Panchayat<br>Kalady Plantation P. O.,<br>Via, Aluva.                        | From 22. 03. 1997   |
| 3.    | Sri. R. V. Ramankutty Warriar     | Rappal Warriar,<br>Thottipal P. O.,<br>Thrissur.   | From 22. 03. 1997   |
| 4.    | Sri. Jose Pathalil                | Kannivayal P. O.,<br>Cherupuzha,<br>Kasargode.   | From 22. 03. 1997   |
| 5.    | Sri. Balachandran Thampy, I. F. S | Chief Conservator of<br>Forests,<br>World Bank Project,<br>Thiruvananthapuram.                       | From 24. 04. 1997   |
| 6.    | Sri. Sajan Peter, I. A. S.        | Secretary to Government<br>Agriculture Department,<br>Secretariat,<br>Thiruvananthapuram.            | From 13. 05. 1997   |
| 7.    | Adv. P. Sankaran                  | Puthiyootil House,<br>Kadiyangod P. O.,  | From 04. 07. 1997   |
| 8.    | Sri. D. Krishnan Nair             | Additional Secretary to<br>Government,<br>Finance Department,<br>Secretariat,<br>Thiruvananthapuram. | From 04. 07. 1997   |
| 9.    | Smt. Sheela Thomas, I. A. S.,     | Secretary to Government,<br>Agricultural Department,<br>Secretariat,<br>Thiruvananthapuram.          | From 27. 04. 1999   |
| 10.   | Sri. Abdul Shukkoor               | Joint Secretary to<br>Government<br>Finance Department,<br>Secretariat,<br>Thiruvananthapuram.       | From 20. 09. 1999   |
| 11.   | Sri. P. K. Mohanty, I. A. S.      | Secretary to Government,<br>Agriculture Department,<br>Secretariat,<br>Thiruvananthapuram.           | From 18. 01. 2000   |

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

REVIEW OF ACCOUNTS OF PLANTATION CORPORATION OF KERALA LIMITED  
KOTTAYAM FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2000  
BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

**1. FINANCIAL POSITION**

The table below summarised the financial position of the company under broad headings for the three years up to 1999-2000.

|   | 1997 - 98       | 1998-99<br>(Rs. in lakh) | 1999-2000       |
|---|-----------------|--------------------------|-----------------|
| <b>LIABILITIES</b>  |                 |                          |                 |
| 1. Paid up capital  | 556.88          | 556.88                   | 556.88          |
| 2. Reserves and surplus   | 2,385.48        | 1,446.13                 | 1,163.49        |
| 3. Trade dues and Current liabilities<br>(including provisions) | 4,184.84        | 4,440.41                 | 4,473.48        |
| <b>TOTAL</b>  | <b>7,127.20</b> | <b>6,443.42</b>          | <b>6,193.85</b> |
| <b>ASSETS</b>   |                 |                          |                 |
| 1. Gross Block  | 1,332.38        | 1,352.67                 | 1,454.84        |
| 2. Less : Depreciation  | 783.44          | 824.54                   | 870.44          |
| 3. Net Block  | 548.94          | 528.13                   | 584.40          |
| 4. Development of property                                      | 2,480.50        | 2,731.81                 | 3,122.68        |
| 5. Capital work in progress                                     | 30.39           | 57.20                    | 145.27          |
| 6. Investments  | 125.01          | 125.01                   | 125.01          |
| 7. Current Assets, loans and advances                           | 3,942.36        | 3,001.27                 | 2,004.28        |
| 8. Accumulated loss   | -               | -                        | 212.21          |
| <b>TOTAL</b>  | <b>7,127.20</b> | <b>6,443.42</b>          | <b>6,193.85</b> |
| Capital employed  | 4,578.00        | 3,735.07                 | 3,210.41        |
| Net worth   | 2,942.36        | 2,003.01                 | 1,508.16        |

- 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 minus accumulated loss.

## 2. CAPITAL STRUCTURE

The borrowing during the years 1997-98, 1998-99 and 1999-2000 were Nil and hence the debt equity ratio was 0:1 during all these three years.

## 3. RESERVES AND SURPLUS

The reserves and surplus accumulated at the end of three years up to 1999-2000 amounted to Rs. 2,385.48 lakh, Rs. 1,446.13 lakh and Rs. 1,163.49 lakh respectively. The reserves and surplus worked out to 33.47% of the total liabilities in 1997-98, 22.44% in 1998-99 and 18.78% in 1999-2000 and 428.37% of equity capital in 1997-98, 259.68% in 1998-99 and 208.93% in 1999-2000.

## 4. LIQUIDITY AND SOLVENCY

- The percentage of current assets to total net assets decreased from 55.31 in 1997-98 to 46.58 in 1998-99 and to 32.36 in 1999-2000.
- The percentage of current assets to current liabilities (including provisions) decreased from 94.21 in 1997-98 to 67.59 in 1998-99 and to 44.80 in 1999-2000.
- The percentage of quick assets (sundry debtors, cash and bank balance and advances recoverable to current liabilities excluding provisions) varied from 141.08 in 1997-98 to 92.56 in 1998-99 and 52.49 in 1999-2000.

## 5. WORKING RESULTS

The working results of the Company for the three years up to 1999-2000 are given below:

|  | 1997-98          | 1998-99    | 1999-2000  |
|--|------------------|------------|------------|
|  | (Rupees in lakh) |            |            |
| (i) Profit (+) / (-) for the year as per accounts (before tax) | (-) 497.89       | (-) 869.11 | (-) 464.18 |
| (ii) Provision for taxation                                    | 150.00           | 75.00      | 40.00      |
| Profit (+) / (-) (after tax)                                   | (-) 647.89       | (-) 944.11 | (-) 504.18 |

## 6. COST TRENDS

|                                      | 1997-98          | 1998-99    | 1999-2000  |
|--------------------------------------|------------------|------------|------------|
|                                      | (Rupees in lakh) |            |            |
| Sales                                | 1,254.78         | 1,201.90   | 1,313.17   |
| Profit (+) / Loss (-) for the year   | (-) 497.89       | (-) 869.11 | (-) 464.18 |
| Cost of sales                        | 1,752.67         | 2,071.01   | 1,777.35   |
| Percentage of cost of sales to sales | 139.68           | 172.31     | 135.35     |

## 7. PRODUCTION PERFORMANCE

The value of production for the three years up to 1999-2000 is worked out below:

|   | 1997-98          | 1998-99  | 1999-2000 |
|---|------------------|----------|-----------|
|   | (Rupees in lakh) |          |           |
| a) Sales  | 1,254.78         | 1,201.90 | 1,313.17  |
| b) Closing stock of finished goods and work-in-progress | 273.64           | 180.70   | 171.36    |
| c) Opening stock of finished goods and work-in-progress | 277.07           | 273.64   | 180.70    |
| d) Value of production (a+b-c)                          | 1,251.35         | 1,108.96 | 1,303.83  |

The percentage of value of production to net worth increased from 42.53 in 1997-98 to 55.36 in 1998-99 and to 86.45 in 1999-2000.

The percentage of value of production to total net asset decreased from 17.56 in 1997-98 to 17.2 in 1998-99 and increased to 21.05 in 1999-2000.

## 8. INVENTORY

The following table indicates the comparative position of inventory and its distribution at the close of three years up to 1999-2000.

|  | 1997-98          | 1998-99       | 1999-2000     |
|--|------------------|---------------|---------------|
|  | (Rupees in lakh) |               |               |
| a) Stores and spares   | 136.97           | 191.99        | 165.46        |
| b) Loose Tools   | 11.18            | 12.62         | 12.76         |
| c) Stock in Trade of finished goods (including work in progress) | 273.64           | 180.70        | 171.36        |
| d) Agricultural equipments                                       | 5.74             | 7.99          | 7.64          |
| <b>TOTAL</b>   | <b>427.53</b>    | <b>393.30</b> | <b>357.22</b> |

The stock in trade was equivalent to 2.6 months sales in 1997-98 and 1.8 months in 1998-99 and 1.6 months sales in 1999-2000.

## 9. SUNDRY DEBTORS & TURNOVER

The following table indicates the volume of book debts and sales for the three years up to 1999-2000.

| As on 31 March | Book Debts      |                     | Rupees in lakhs |                       | Percentage to sales |
|----------------|-----------------|---------------------|-----------------|-----------------------|---------------------|
|                | Considered good | Considered doubtful | Total           | Sales during the year |                     |
| 1998           | 121.44          | -                   | 121.44          | 1,254.78              | 9.7                 |
| 1999           | 46.62*          | -                   | 46.62           | 1,201.90              | 3.9                 |
| 2000           | 57.88*          | -                   | 57.88           | 1,313.17              | 4.4                 |

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

# This excludes credit balance of Rs. 28.72 lakh in sundry debtors account.)

Thiruvananthapuram  
07-03-2002

Sd/-  
P. J. MATHEW  
ACCOUNTANT GENERAL (AUDIT)  
KERALA

**THE PLANTATION CORPORATION OF KERALA LTD.,**

**(A Govt. of Kerala Undertaking)**

**Kottayam - 686 004.**

**ANNUAL ACCOUNTS**

**&**

**SCHEDULES**

**1999 - 2000**

# THE PLANTATION CORPORATION

## BALANCE SHEET

| Previous Year          | LIABILITIES  | Current Year           |
|------------------------|--|------------------------|
| Rs.    Ps.             |  | Rs.    Ps.             |
|                        | <b>SHARE CAPITAL</b>   |                        |
| <u>7,50,00,000.00</u>  | Authorised - 75,000 Equity Shares of Rs. 1,000/- each  | <u>7,50,00,000.00</u>  |
| <u>5,56,88,000.00</u>  | Issued - 55,688 Equity Shares of Rs. 1,000/-   | <u>5,56,88,000.00</u>  |
| 5,56,88,000.00         | Subscribed, called up and paid up -<br>55,688 Equity Shares of Rs. 1000/- each<br>(of the above shares, 12182 shares are allotted<br>as fully paid up pursuant to a contract without<br>payments being received in cash) | 5,56,88,000.00         |
| 14,46,13,371.00        | <b>RESERVES &amp; SURPLUS (Sch. A)</b>   | 11,63,49,485.28        |
| -                      | <b>SECURED LOANS</b>   | -                      |
|                        | <b>UNSECURED LOANS</b>   |                        |
|                        | From Govt. of Kerala for Estate Development  |                        |
| 48,20,960.51           | Interest accrued and due   | 48,20,960.51           |
|                        | <b>CURRENT LIABILITIES &amp; PROVISIONS</b>  |                        |
| 22,79,63,956.20        | a. Current Liabilities - Sch. B  | 24,35,14,979.58        |
| <u>21,12,55,358.07</u> | b. Provisions - Sch. C   | <u>19,90,11,668.07</u> |
| <u>64,43,41,645.78</u> | <b>TOTAL</b>   | <u>61,93,85,093.44</u> |

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director

Kottayam  
27-09-01

## OF KERALA LTD., KOTTAYAM - 4

**AS AT. 31<sup>ST</sup> MARCH 2000**

| Previous Year<br>Rs. Ps. | ASSETS  | Current Year<br>Rs. Ps.               |
|--------------------------|---|---------------------------------------|
|                          | <b>FIXED ASSETS</b>                                     |                                       |
| 27,31,80,675.71          | a. Plantations - Sch. D                                 | 31,22,68,123.27                       |
| 5,28,12,866.80           | b. Plant & Machinery, Roads,<br>Buildings etc. - Sch. E | 5,84,40,211.32                        |
| 57,19,875.97             | c. Capital Work in Progress                             | <u>1,45,26,665.39</u> 38,52,34,999.98 |
|                          | <b>INVESTMENTS</b>                                      |                                       |
| 1,25,01,100.00           | In Shares (at cost) - Sch. F                            | 1,25,01,000.00                        |
|                          | <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>             |                                       |
| 20,72,04,195.64          | a. Current Assets - Sch. G                              | 11,95,53,505.42                       |
| 9,29,22,931.66           | b. Loans & Advances - Sch. H                            | <u>8,08,74,698.09</u> 20,04,28,203.51 |
| -                        | <b>PROFIT &amp; LOSS ACCOUNT</b>                        | 2,12,20,889.95                        |
| <u>64,43,41,645.78</u>   | <b>TOTAL</b>  | <u>61,93,85,093.44</u>                |

Subject to our report of even date

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
R. Krishnamoorthy  
G. M. (F& A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu Iype John  
Partner

Kottayam  
27-09-01

## THE PLANTATION CORPORATION

### PROFIT & LOSS ACCOUNT

| Previous Year          |     | EXPENDITURE                                  | Current Year           |     |
|------------------------|-----|--|------------------------|-----|
| Rs.                    | Ps. |  | Rs.                    | Ps. |
| 2,80,87,719.45         |     | To Opening Stock - Rubber and Agrl. Products | 1,86,52,627.43         |     |
| 3,81,78,753.51         |     | " Salaries & Allowances                      | 3,79,97,043.61         |     |
| 2,98,878.05            |     | " Salaries & Allowances to MD                | 2,96,478.00            |     |
| 31,28,564.67           |     | " Leave Encashment                           | 29,38,239.35           |     |
| 1,64,57,612.92         |     | " Employer's Contribution - PF               | 1,67,61,392.70         |     |
| 1,06,55,480.37         |     | " Bonus & Production Incentive               | 68,13,859.28           |     |
| 5,278.50               |     | " Voluntary Retirement                       | -                      |     |
| 24,000.00              |     | " Honararium to Chairman                     | 24,000.00              |     |
| 2,45,648.10            |     | " TA & Sitting fee to Directors              | 1,77,970.94            |     |
| 10,15,352.89           |     | " TA to Staff & Officers                     | 12,22,748.65           |     |
| 60,213.27              |     | " Rent                                       | 55,774.05              |     |
| 18,48,623.65           |     | " Rates & Taxes                              | 16,89,629.50           |     |
| 93,98,524.85           |     | " Electricity Charges                        | 1,30,95,076.30         |     |
| 1,51,89,871.00         |     | " Lease Rent                                 | 1,51,89,871.00         |     |
| 3,81,738.50            |     | " Insurance Charges                          | 2,44,126.05            |     |
| 18,17,868.50           |     | " Advertisement Charges                      | 8,34,321.39            |     |
| 6,54,823.63            |     | " Legal Expenses                             | 6,11,264.80            |     |
| 34,300.00              |     | " Remuneration to Auditors                   | -                      |     |
| 74,720.00              |     | " Interest on Loan                           | -                      |     |
| 2,33,43,787.91         |     | " Rep. & Maintenance of Assets - Sch. I      | 1,31,00,021.92         |     |
| 39,87,503.78           |     | " Miscellaneous Expenses - Sch. II           | 37,83,304.46           |     |
| 2,49,77,396.18         |     | " Welfare Expenses - Sch. III                | 2,40,58,838.45         |     |
| 52,64,346.65           |     | " Depreciation                               | 51,02,118.55           |     |
| 1,77,48,500.29         |     | " Cultivation & Upkeep - Rubber              | 1,76,85,750.40         |     |
| 2,94,75,295.38         |     | " Tapping & Collection - Rubber              | 2,66,85,192.78         |     |
| 1,46,11,845.30         |     | " Manufacturing & Selling Expenses           | 1,55,29,292.69         |     |
| 1,34,26,954.27         |     | " Cultivation & Upkeep - Cashew              | 1,24,15,497.02         |     |
| 14,36,920.45           |     | " Cultivation & Upkeep - Oil Palm            | 11,77,739.30           |     |
| 13,54,952.30           |     | " Cultivation & Upkeep - Other Crops         | 5,63,412.45            |     |
| 1,02,463.83            |     | " Collection Charges - Cashew                | 39,274.34              |     |
| 2,78,805.04            |     | " Harvesting Expenses - Oil Palm             | 4,95,566.36            |     |
| 1,30,494.62            |     | " Losses & Write off                         | -                      |     |
| 2,57,91,671.57         |     | " Provision for Gratuity                     | 2,46,22,201.96         |     |
| -                      |     | " Net Loss - Rubber Wood Factory - Sch. IV   | 5,62,675.68            |     |
| <u>28,94,88,909.43</u> |     | <b>TOTAL</b>                                 | <u>26,24,66,959.41</u> |     |

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director



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

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2000**

| Previous Year   |              | Current Year  |                | Previous Year   |              | Current Year                          |                |
|-----------------|--------------|---|----------------|-----------------|--------------|---------------------------------------|----------------|
| Rs.             | Ps.          | Rs.   | Ps.            | Rs.             | Ps.          | Rs.                                   | Ps.            |
| 8,69,10,627.31  | To           | Net Loss as per P & L A/c.                              | 4,64,17,615.44 | 12,33,44,772.53 | By           | Balance as per last Balance Sheet     | 3,01,94,366.72 |
| 75,00,000.00    | "            | Tax Provision   | 40,00,000.00   | 24,54,049.00    | "            | Prior Period Income                   | 9,06,256.42    |
| 11,93,827.50    | "            | Prior Period Expenses                                   | 8,29,496.74    | -               | "            | Net loss transferred to Balance Sheet | 2,12,20,889.95 |
| -               | "            | Investments written off                                 | 100.00         |                 |              |                                       |                |
| -               | "            | Cost of Rubber Plantations Written off                  | 10,74,300.91   |                 |              |                                       |                |
| 3,01,94,366.72  | "            | Net Profit transferred to Reserves & Surpluses (Sch. A) | -              |                 |              |                                       |                |
| 12,57,98,821.53 | <b>TOTAL</b> |   | 5,23,21,513.09 | 12,57,98,821.53 | <b>TOTAL</b> |                                       | 5,23,21,513.09 |

Subject to our report of even date  
For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director

Sd/-  
R. Krishnamoorthy  
G. M. (F& A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu Iype John  
Partner

Kottayam  
27-09-01

**SCHEDULE - A**

**RESERVES & SURPLUS AS ON 31-03-2000**

| Previous Year          |     |  | Current Year           |     |
|------------------------|-----|--|------------------------|-----|
| Rs.                    | Ps. |  | Rs.                    | Ps. |
| 62,41,243.30           |     | 1. Capital Reserve<br>As per last Balance Sheet  | 62,41,243.30           |     |
| 8,19,58,000.00         |     | 2. Replanting Reserve<br>As per last Balance Sheet   | 8,19,58,000.00         |     |
| 1,40,79,091.48         |     | 3. Rehabilitation Reserve<br>As per last Balance Sheet                                     | 1,40,79,091.48         |     |
| 28,97,940.00           |     | 4. Subsidy from Govt. of Kerala<br>- Cashew Plantation Upkeep<br>As per last Balance Sheet | 28,97,940.00           |     |
|                        |     | Additions during the year  | 5,00,000.00            |     |
| 92,42,729.50           |     | 5. Subsidy from Rubber Board<br>- Rubber Cultivation<br>As per last Balance Sheet          | 92,42,729.50           |     |
|                        |     | Additions during the year  | 14,30,481.00           |     |
| 3,01,94,366.72         |     | 6. Profit & Loss Account   | -                      |     |
| <u>14,46,13,371.00</u> |     | <b>TOTAL</b>   | <u>11,63,49,485.28</u> |     |

**SCHEDULE - B**

**CURRENT LIABILITIES AS ON 31-03-2000**

| Previous Year          |     |                             | Current Year           |     |
|------------------------|-----|-----------------------------|------------------------|-----|
| Rs.                    | Ps. |                             | Rs.                    | Ps. |
| 15,71,963.98           |     | Sundry Creditors            | 17,80,392.71           |     |
| 15,19,48,066.81        |     | Other Liabilities           | 16,60,84,936.40        |     |
| 44,23,487.17           |     | E M D                       | 42,50,964.17           |     |
| 1,58,54,453.02         |     | Security Deposit            | 1,41,60,830.02         |     |
| 2,85,74,262.00         |     | Income Received in Advance  | 3,17,43,175.20         |     |
| 10,721.00              |     | Housing Scheme - Workers    | 10,000.00              |     |
| 37,641.32              |     | Welfare Fund                | 32,768.15              |     |
| 6,41,000.00            |     | Sale of Secondary Growth    | 6,41,000.00            |     |
| 2,45,30,062.90         |     | Agricultural Income tax due | 2,45,30,062.90         |     |
| 3,72,298.00            |     | Central Sales Tax payable   | 2,78,844.03            |     |
| -                      |     | Sainik Stamp                | 1,296.00               |     |
| -                      |     | Kargil Fund                 | 710.00                 |     |
| <u>22,79,63,956.20</u> |     | <b>TOTAL</b>                | <u>24,35,14,979.58</u> |     |

Subject to our report of even date

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Dr. A. K. Krishnakumar  
Director  
Kottayam  
27-09-01

Sd/-  
Mohankumar N.  
Managing Director

Sd/-  
R. Krishnamoorthy  
G. M. (F & A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu Iype John  
Partner

**SCHEDULE - C**  
**PROVISIONS AS ON 31-03-2000**

| Previous Year          |    |   | Current Year           |
|------------------------|----|---|------------------------|
| Rs. Ps.                |    |   | Rs. Ps.                |
| 18,57,07,557.00        | 1. | Gratuity :  |                        |
|                        |    | As per last Balance Sheet                               | 18,57,07,557.00        |
|                        |    | ADD additions this year                                 | 2,46,22,201.96         |
|                        |    |   | <u>21,03,29,758.96</u> |
|                        |    | LESS Paid this year                                     | <u>2,76,03,597.96</u>  |
|                        |    |   | 18,27,26,161.00        |
| 35,00,000.00           | 2. | Bonus :   |                        |
|                        |    | As per last Balance Sheet                               | 35,00,000.00           |
|                        |    | ADD Additions this year<br>(From 1-1-2000 to 31-3-2000) | 22,00,000.00           |
|                        |    |   | <u>57,00,000.00</u>    |
|                        |    | LESS Adjusted this Year<br>(From 1-1-'99 to 31-3-'99)   | <u>35,00,000.00</u>    |
|                        |    |   | 22,00,000.00           |
| 2,20,47,801.07         | 3. | Taxation :  |                        |
|                        |    | As per last Balance Sheet                               | 2,20,47,801.07         |
|                        |    | ADD Additions this year                                 | 40,00,000.00           |
|                        |    |   | <u>2,60,47,801.07</u>  |
|                        |    | LESS Adjusted this year                                 | <u>1,19,62,294.00</u>  |
|                        |    |   | 1,40,85,507.07         |
| <u>21,12,55,358.07</u> |    | <b>TOTAL</b>  | <u>19,90,11,668.07</u> |

Subject to our report of even date

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director

Sd/-  
R. Krishnamoorthy  
G. M. (F&A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu lype John  
Partner

Kottayam  
27-09-01

**SCHEDULE - D**

**DEVELOPMENT OF PROPERTY AS ON 31<sup>ST</sup> MARCH 2000**

| Item                  | Opening Balance        |     | Additions             |     | Disposals           |     | Closing Balance        |     |
|-----------------------|------------------------|-----|-----------------------|-----|---------------------|-----|------------------------|-----|
|                       | Rs.                    | Ps. | Rs.                   | Ps. | Rs.                 | Ps. | Rs.                    | Ps. |
| Water                 | 24,46,32,233.37        |     | 3,26,26,100.39        |     | 19,19,899.16        |     | 27,53,38,434.60        |     |
| Castew Plantations    | 1,45,22,781.58         |     | 5,88,963.93           |     | -                   |     | 1,51,11,745.51         |     |
| Coffee Plantations    | 4,78,684.94            |     | -                     |     | -                   |     | 4,78,684.94            |     |
| Almond Plantations    | 4,70,426.14            |     | 1,69,584.01           |     | -                   |     | 6,40,010.15            |     |
| Oil Palm Plantations  | 1,07,34,480.69         |     | 66,53,293.29          |     | -                   |     | 1,73,87,773.98         |     |
| Teak Plantations      | 3,18,983.41            |     | 2,28,098.93           |     | -                   |     | 5,47,082.34            |     |
| Cashew Plantations    | 795.36                 |     | 1,05,564.21           |     | -                   |     | 1,06,359.57            |     |
| Survey                | 2,25,195.53            |     | -                     |     | -                   |     | 2,25,195.53            |     |
| Evicted Area Expenses | 16,94,037.42           |     | -                     |     | -                   |     | 16,94,037.42           |     |
| Eucalyptus & Accasia  | 15,963.37              |     | 6,35,741.96           |     | -                   |     | 6,51,705.33            |     |
| Cardamom Plantations  | 87,093.90              |     | -                     |     | -                   |     | 87,093.90              |     |
| <b>Total</b>          | <b>27,31,80,675.71</b> |     | <b>4,10,07,346.72</b> |     | <b>19,19,899.16</b> |     | <b>31,22,68,123.27</b> |     |

Subject to our report of even date

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director

Sd/-  
R. Krishnamoorthy  
G. M. (F&A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu Iype John  
Partner

Kottayam  
27-09-01

**SCHEDULE - E**  
**SCHEDULE OF FIXED ASSETS AS ON 31st MARCH 2000**

| ITEM                          | ORIGINAL COST               |     |                               |     |                        |     | DEPRECIATION                |     |                      |     |                       |     | DISPOSALS/WRITE-OFF |     |                          |     | BALANCE                     |     |                               |     |                            |     |                            |     |                       |  |
|-------------------------------|-----------------------------|-----|-------------------------------|-----|------------------------|-----|-----------------------------|-----|----------------------|-----|-----------------------|-----|---------------------|-----|--------------------------|-----|-----------------------------|-----|-------------------------------|-----|----------------------------|-----|----------------------------|-----|-----------------------|--|
|                               | At the end of Previous Year |     | Additions during current Year |     | Total Cost             |     | At the end of Previous Year |     | For the current Year |     | Total Depreciation    |     | Original Cost       |     | Depreciation Written off |     | Total Cost as on 31-03-2000 |     | Total Deprn. as on 31-03-2000 |     | Net Block as on 31-03-2000 |     | Net Block as on 31-03-1999 |     |                       |  |
|                               | Rs.                         | Ps. | Rs.                           | Ps. | Rs.                    | Ps. | Rs.                         | Ps. | Rs.                  | Ps. | Rs.                   | Ps. | Rs.                 | Ps. | Rs.                      | Ps. | Rs.                         | Ps. | Rs.                           | Ps. | Rs.                        | Ps. | Rs.                        | Ps. |                       |  |
| 1. Furniture                  | 25,58,970.15                |     | 93,332.50                     |     | 26,52,302.65           |     | 20,25,612.34                |     | 1,77,567.36          |     | 22,03,179.70          |     |                     |     |                          |     | 26,52,302.65                |     | 22,03,179.70                  |     | 4,49,122.95                |     | 5,33,357.81                |     |                       |  |
| 2. Office Equipments          | 25,56,588.03                |     | 1,29,575.00                   |     | 26,86,163.03           |     | 16,82,116.78                |     | 1,44,955.68          |     | 18,27,072.46          |     |                     |     |                          |     | 26,86,163.03                |     | 18,27,072.46                  |     | 8,59,090.57                |     | 8,74,471.25                |     |                       |  |
| 3. Electrical Installation    | 64,34,469.41                |     | 2,11,633.75                   |     | 66,46,103.16           |     | 51,23,000.19                |     | 1,92,379.19          |     | 53,15,379.38          |     |                     |     |                          |     | 66,46,103.16                |     | 53,15,379.38                  |     | 13,30,723.78               |     | 13,11,469.22               |     |                       |  |
| 4. Survey Instruments         | 12,484.92                   |     | -                             |     | 12,484.92              |     | 11,980.61                   |     | 75.65                |     | 12,056.26             |     |                     |     |                          |     | 12,484.92                   |     | 12,056.26                     |     | 428.66                     |     | 504.31                     |     |                       |  |
| 5. Library                    | 70,993.36                   |     | 810.00                        |     | 70,993.36              |     | 44,703.34                   |     | 3,349.05             |     | 48,052.39             |     |                     |     |                          |     | 70,993.36                   |     | 48,052.39                     |     | 22,850.97                  |     | 25,390.02                  |     |                       |  |
| 6. Roads                      | 1,79,29,021.91              |     | -                             |     | 1,79,29,021.91         |     | 74,91,251.58                |     | 5,21,888.50          |     | 80,13,140.08          |     |                     |     |                          |     | 1,79,29,021.91              |     | 80,13,140.08                  |     | 99,15,881.83               |     | 1,04,37,770.33             |     |                       |  |
| 7. Fence / Karyala            | 77,56,249.55                |     | 19,35,588.14                  |     | 96,91,837.69           |     | 39,40,391.71                |     | 4,72,444.69          |     | 44,12,836.40          |     |                     |     |                          |     | 96,91,837.69                |     | 44,12,836.40                  |     | 52,79,001.29               |     | 38,15,857.84               |     |                       |  |
| 8. Electric Fittings          | 1,55,399.03                 |     | 27,407.00                     |     | 1,82,806.03            |     | 84,583.97                   |     | 19,233.38            |     | 1,03,817.35           |     |                     |     |                          |     | 1,82,806.03                 |     | 1,03,817.35                   |     | 78,988.68                  |     | 70,815.06                  |     |                       |  |
| 9. Electric Appliances        | 96,756.13                   |     | -                             |     | 96,756.13              |     | 85,563.96                   |     | 2,238.44             |     | 87,802.40             |     |                     |     |                          |     | 96,756.13                   |     | 87,802.40                     |     | 8,953.73                   |     | 11,192.17                  |     |                       |  |
| 10. Plant & Machinery         | 1,79,13,858.28              |     | 47,22,741.51                  |     | 2,26,36,599.79         |     | 1,41,82,925.07              |     | 10,29,117.69         |     | 1,52,12,042.76        |     | 4,605.60            |     | 4,604.60                 |     | 2,26,31,994.19              |     | 1,52,07,438.16                |     | 74,24,556.03               |     | 37,30,933.21               |     |                       |  |
| 11. Buildings                 | 5,43,29,958.49              |     | 30,92,322.00                  |     | 5,74,22,280.49         |     | 3,06,11,856.36              |     | 13,32,456.26         |     | 3,19,44,312.62        |     |                     |     |                          |     | 5,74,22,280.49              |     | 3,19,44,312.62                |     | 2,54,77,967.87             |     | 2,37,18,102.13             |     |                       |  |
| 12. Vehicles                  | 1,30,07,220.13              |     | 4,58,080.00                   |     | 1,34,65,300.13         |     | 93,75,173.02                |     | 10,60,162.14         |     | 1,04,35,335.16        |     | 7,90,765.48         |     | 7,72,657.11              |     | 1,26,74,534.65              |     | 96,62,678.05                  |     | 30,11,856.60               |     | 36,32,047.11               |     |                       |  |
| 13. Water Supply Installation | 81,89,484.16                |     | 1,63,822.85                   |     | 83,53,307.01           |     | 70,64,062.52                |     | 3,57,823.12          |     | 74,21,885.64          |     |                     |     |                          |     | 83,53,307.01                |     | 74,21,885.64                  |     | 9,31,421.37                |     | 11,25,421.64               |     |                       |  |
| 14. Landing Pad               | 1,18,844.25                 |     | -                             |     | 1,18,844.25            |     | 54,625.57                   |     | 3,210.94             |     | 57,836.51             |     |                     |     |                          |     | 1,18,844.25                 |     | 57,836.51                     |     | 61,007.74                  |     | 64,218.68                  |     |                       |  |
| 15. Banker & Boat             | 19,051.49                   |     | 43,990.00                     |     | 63,041.49              |     | 17,573.34                   |     | 1,980.71             |     | 19,554.05             |     |                     |     |                          |     | 63,041.49                   |     | 19,554.05                     |     | 43,487.44                  |     | 1,478.15                   |     |                       |  |
| 16. Telephone                 | 2,91,862.38                 |     | 3,690.00                      |     | 2,95,552.38            |     | 1,33,245.15                 |     | 25,753.60            |     | 1,58,998.75           |     |                     |     |                          |     | 2,95,552.38                 |     | 1,58,998.75                   |     | 1,36,553.63                |     | 1,58,617.23                |     |                       |  |
| 17. Freehold Land             | 31,48,635.65                |     | -                             |     | 31,48,635.65           |     | -                           |     | -                    |     | -                     |     |                     |     |                          |     | 31,48,635.65                |     | -                             |     | 31,48,635.65               |     | 31,48,635.65               |     |                       |  |
| 18. Ammonia Cylinders         | 5,23,639.00                 |     | -                             |     | 5,23,639.00            |     | 4,88,149.19                 |     | 14,195.93            |     | 5,02,345.12           |     |                     |     |                          |     | 5,23,639.00                 |     | 5,02,345.12                   |     | 21,293.88                  |     | 35,489.81                  |     |                       |  |
| 19. Wells                     | 1,54,854.53                 |     | 1,29,329.00                   |     | 2,84,183.53            |     | 37,759.35                   |     | 8,035.53             |     | 45,794.88             |     |                     |     |                          |     | 2,84,183.53                 |     | 45,794.88                     |     | 2,38,388.65                |     | 1,17,095.18                |     |                       |  |
| <b>Total</b>                  | <b>13,52,67,440.85</b>      |     | <b>1,10,12,321.75</b>         |     | <b>14,62,79,762.60</b> |     | <b>8,24,54,574.05</b>       |     | <b>53,66,867.86</b>  |     | <b>8,78,21,441.91</b> |     | <b>7,95,371.08</b>  |     | <b>7,77,261.71</b>       |     | <b>14,54,84,391.52</b>      |     | <b>8,70,44,180.20</b>         |     | <b>5,84,40,211.32</b>      |     | <b>5,28,12,866.80</b>      |     | <b>5,48,94,448.29</b> |  |
| Previous year Total           | 13,32,38,612.66             |     | 42,54,813.70                  |     | 13,74,93,426.36        |     | 7,83,44,164.37              |     | 54,08,688.91         |     | 8,37,52,853.28        |     | 22,25,985.51        |     | 12,98,279.23             |     | 13,52,67,440.85             |     | 8,24,54,574.05                |     | 5,28,12,866.80             |     | 5,48,94,448.29             |     |                       |  |

Subject to our report of even date

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director

Sd/-  
R. Krishnamoorthy  
G. M. (F& A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu Iype John  
Partner

SCHEDULE - F

**INVESTMENTS AS ON 31-03-2000**

| Previous Year                       |     |  | Current Year          |     |
|-------------------------------------|-----|--|-----------------------|-----|
| Rs.                                 | Ps. |  | Rs.                   | Ps. |
| In shares of companies (unquoted) : |     |  |                       |     |
| 1,000.00                            |     | a) 10 Equity shares of Rs. 100/- each fully paid up in Banana & Fruit Development Corporation Ltd., Madras   | 1,000.00              |     |
| 100.00                              |     | b) One A class share of Rs. 100/- only fully paid up in Mannam Sugar Mills Co-operative Society No. 4324     | -                     |     |
| 1,00,00,000.00                      |     | c) 1000 Equity Shares of Rs. 10,000/- each fully paid up in Kerala Feeds Ltd., Kallettumkara, Trichur.       | 1,00,00,000.00        |     |
| 25,00,000.00                        |     | d) 2,50,000 Equity shares of Rs. 10/- each fully paid up in Cochin International Airport Ltd., Nedumbassery. | 25,00,000.00          |     |
| <u>1,25,01,100.00</u>               |     | <b>TOTAL</b>   | <u>1,25,01,000.00</u> |     |

Subject to our report of even date

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director

Sd/-  
R. Krishnamoorthy  
G. M. (F & A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu Iype John  
Partner

**SCHEDULE - G**

**CURRENT ASSETS AS ON 31-03-2000**

| Previous Year   |     |  |                | Current Year           |     |
|-----------------|-----|--|----------------|------------------------|-----|
| Rs.             | Ps. |  |                | Rs.                    | Ps. |
|                 |     | <b>A. INVENTORIES (As taken, valued and certified by the management) :</b>                     |                |                        |     |
| 1,91,99,331.00  |     | 1. Stores and Spares at cost   | 1,65,45,915.04 |                        |     |
| 12,62,298.35    |     | 2. Loose Tools   | 12,76,408.06   |                        |     |
| 7,98,657.62     |     | 3. Agricultural and Other Equipments   | 7,64,337.00    |                        |     |
| 1,80,70,418.43  |     | 4. Stock of Rubber & Rubber in Process<br>(Value fixed by Management less incidental Expenses) | 1,71,35,692.17 |                        |     |
| 17,94,542.00    |     | 5. Stock of Rubber Wood  | 13,34,960.29   |                        |     |
| -               |     | 6. Stock of Cashew Nuts  | -              |                        |     |
| 5,82,209.00     |     | 7. Closing Stock - Others  | -              |                        |     |
| 5,08,192.04     |     | 8. Nurseries :-  |                |                        |     |
| 1,45,104.49     |     | Cashew   | 11,05,973.35   |                        |     |
| 22,128.68       |     | Budwood - Rubber   | 1,73,240.25    |                        |     |
| 62,501.80       |     | Areacanut  | 87,755.54      |                        |     |
| 5,48,099.61     |     | Others   | 1,29,253.67    |                        |     |
| 48,61,762.34    |     | Oil Palm   | 17,92,163.83   |                        |     |
| 22,65,864.42    |     | Polybag - Rubber   | 47,38,030.84   |                        |     |
|                 |     | Rubber Seedings  | 17,10,392.22   | 4,67,94,122.26         |     |
| 14,98,614.30    |     | <b>B. SUNDRY DEBTORS (Unsecured considered good):</b>  |                |                        |     |
|                 |     | Exceedings six months  | 26,70,205.93   |                        |     |
|                 |     | Others   | 31,18,070.40   |                        |     |
|                 |     |  | 57,88,276.33   |                        |     |
|                 |     | Less : Credits in Sundry Debtors A/c.  | 28,72,467.48   | 29,15,808.85           |     |
|                 |     | <b>C. CASH &amp; BANK BALANCES :</b>   |                |                        |     |
| 223.00          |     | a. Stamp & Stamp Papers  | 223.00         |                        |     |
| -               |     | b. Cash Balance  | -              |                        |     |
| 30,53,527.72    |     | c. Bank Balances   |                |                        |     |
|                 |     | 1) With Scheduled Banks  |                |                        |     |
|                 |     | in Current Accounts  | 18,70,645.38   |                        |     |
| 87,338.00       |     | 2) With Treasury S. B. A/c.  | 92,643.00      |                        |     |
| 1,30,85,629.04  |     | 3) Cash in Transit   | 31,64,646.93   |                        |     |
|                 |     | d) Fixed Deposits  |                |                        |     |
| 11,07,29,000.00 |     | 1) With Treasury S. B. A/c.  | 4,24,59,500.00 |                        |     |
| 2,38,99,950.00  |     | 2) With Scheduled Banks  | 2,10,10,000.00 |                        |     |
| 45,28,803.80    |     | 3) Interest Receivable on FD   | 11,20,916.00   |                        |     |
| 2,00,000.00     |     | 4) With PCK Employees Society  | 1,25,000.00    | 6,98,43,574.31         |     |
| 20,72,04,195.64 |     | <b>TOTAL</b>   |                | <b>11,95,53,505.42</b> |     |

Subject to our report of even date

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director

Sd/-  
R. Krishnamoorthy  
G. M. (F&A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu Iype John  
Partner

**SCHEDULE - H**  
**LOANS & ADVANCES AS ON 31-03-2000**

| Previous Year<br>Rs. Ps. |   |                     | Current Year<br>Rs. Ps. |
|--------------------------|---|---------------------|-------------------------|
|                          | <b>I. SECURED (Considered Good)</b>                                 |                     |                         |
|                          | <b>STAFF LOAN :</b>   |                     |                         |
| 4,62,770.00              | 1) Motor Car Loan   | 2,70,920.00         |                         |
| 1,48,967.10              | 2) Motor Cycle Loan   | 1,12,072.10         |                         |
| 1,72,700.00              | 3) Housing Loan   | <u>12,37,515.00</u> | 16,20,507.10            |
|                          | <b>2. UNSECURED (Considered Good)</b>                               |                     |                         |
| 6,93,393.08              | a) 1. Oil Palm India Ltd., Kottayam                                 | 6,93,393.08         |                         |
| 25,00,000.00             | 2. K.S.C.H.D.C.   | 25,00,000.00        |                         |
| 1,50,00,000.00           | 3. K.S.H.D.C.   | 1,50,00,000.00      |                         |
| 3,40,90,641.62           | b) Advances recoverable in cash or kind<br>for value to be received | 3,01,13,788.90      |                         |
|                          | c) Advance payment of taxes:  |                     |                         |
| 5,50,185.18              | 1. Sales tax  | 7,09,482.18         |                         |
| 98,34,275.00             | 2. Agricultural Income tax  | 98,34,275.00        |                         |
| 1,23,45,006.00           | 3. Central Income tax   | 1,11,72,552.00      |                         |
| -                        | d) Prepaid expenses   | 2,92,330.15         |                         |
| -                        | e) Tax refund due :   |                     |                         |
| 1,94,089.00              | 1. Income Tax   | 25,15,299.00        |                         |
| 50,82,748.18             | 2. Agricultural Income Tax  | 50,82,748.18 ✓      |                         |
| 61,668.25                | f) Rebate receivable on Govt. Loan                                  | <u>61,668.25</u>    | 7,79,75,536.74          |
|                          | <b>3. DEPOSITS</b>  |                     |                         |
| 9,20,510.00              | 1. KSEB, Port Trust & other Govt. Dept.                             | 10,82,776.00        |                         |
| 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           |                         |
| 63,244.25                | 5. With Suppliers   | 63,244.25           |                         |
| 7,00,000.00              | 6. KSHB (Mythri Scheme)   | -                   | 12,78,654.25            |
| <u>9,29,22,931.66</u>    | <b>TOTAL</b>  |                     | <u>8,08,74,698.09</u>   |

Subject to our report of even date

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director

Sd/-  
R. Krishnamoorthy  
G. M. (F&A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu Iype John  
Partner

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

| Previous Year         |     |                                      | Current Year          |     |
|-----------------------|-----|--------------------------------------|-----------------------|-----|
| Rs.                   | Ps. |                                      | Rs.                   | Ps. |
| 32,26,788.40          |     | Repairs to Vehicles                  | 32,53,989.26          |     |
| 48,04,506.76          |     | Repairs to Buildings                 | 21,67,196.15          |     |
| 12,26,582.16          |     | Repairs to Plant & Machinery         | 8,06,254.14           |     |
| 1,05,36,677.68        |     | Repairs to Roads                     | 43,77,485.16          |     |
| 8,33,687.98           |     | Repairs to Electrification           | 4,96,895.69           |     |
| 6,62,026.68           |     | Repairs to Water Supply Installation | 6,34,167.85           |     |
| 1,30,626.50           |     | Repairs to Office Equipments         | 1,10,681.00           |     |
| 14,32,400.45          |     | Repairs to Fence / Kayyala           | 7,74,433.67           |     |
| 1,73,304.69           |     | Repairs to Tools                     | 1,94,153.14           |     |
| 17,413.80             |     | Repairs to Jhankar & Boat            | 54,370.76             |     |
| 69,180.00             |     | Repairs to Computer                  | 30,299.70             |     |
| 13,749.63             |     | Repairs to Furniture                 | 9,150.38              |     |
| 2,16,843.18           |     | Repairs to Temporary Shed            | 1,45,775.20           |     |
| -                     |     | Repairs & Maint. To Assets           | 45,169.82             |     |
| <u>2,33,43,787.91</u> |     | <b>TOTAL</b>                         | <u>1,31,00,021.92</u> |     |

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

| Previous Year       |     |                               | Current Year        |     |
|---------------------|-----|-------------------------------|---------------------|-----|
| Rs.                 | Ps. |                               | Rs.                 | Ps. |
| 9,09,255.95         |     | Postage, Telephone & Telegram | 7,38,744.79         |     |
| 5,58,174.70         |     | Printing & Stationery         | 5,02,076.14         |     |
| 1,89,377.57         |     | Office Expenses & Others      | 3,42,161.27         |     |
| 6,43,605.00         |     | Security Expenses             | 7,23,508.92         |     |
| 1,35,579.84         |     | Storage Expenses              | 97,913.34           |     |
| 25,991.31           |     | Survey Expenses               | 60,486.17           |     |
| 56,456.10           |     | Books & Periodicals           | 45,104.40           |     |
| 2,62,677.13         |     | I B Expenses                  | 2,44,186.31         |     |
| 2,37,757.15         |     | Entertainment Expenses        | 1,45,637.53         |     |
| 4,70,105.50         |     | Staff Training Expenses       | 4,35,629.30         |     |
| 3,25,853.84         |     | Ferry Expenses                | 3,53,355.83         |     |
| 32,000.00           |     | Donations                     | -                   |     |
| 1,40,233.27         |     | Bank Charges                  | 94,500.46           |     |
| 436.42              |     | Gardening                     | -                   |     |
| <u>39,87,503.78</u> |     | <b>TOTAL</b>                  | <u>37,83,304.46</u> |     |

Subject to our report of even date  
For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director

Sd/-  
R. Krishnamoorthy  
G. M. (F&A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu lype John  
Partner

**SCHEDULE - III**  
**WELFARE EXPENSES**

| Previous Year<br>Rs. Ps. |                             | Current Year<br>Rs. Ps. |
|--------------------------|-----------------------------|-------------------------|
| 27,42,775.49             | Sickness Benefit            | 26,09,920.32            |
| 49,866.83                | Maternity Benefit           | 1,03,797.48             |
| 38,69,449.43             | Leave with wages            | 39,81,666.98            |
| 39,05,708.03             | Holiday Wages               | 42,83,845.92            |
| 4,07,267.10              | Weather Protection Expenses | 4,96,286.83             |
| 25,80,914.70             | Drinking Water Supply       | 21,54,612.01            |
| 4,53,525.85              | Sanitation                  | 4,68,245.15             |
| 2,02,775.63              | Recreation Facility         | 1,37,941.87             |
| 86,18,957.48             | Medical & Hospital Facility | 84,48,618.42            |
| 46,630.26                | Way Expenses - Workers      | 46,597.40               |
| 56,143.34                | Running & Manf. of School   | 65,349.58               |
| 18,757.65                | Creche Expenses             | 23,037.76               |
| 1,02,221.73              | Workmen's Compensation      | 51,949.36               |
| 1,53,339.00              | Group Insurance             | 1,55,555.07             |
| 9,21,902.71              | Uniform to Staff & Workers  | 4,66,628.33             |
| 3,43,482.43              | Subsistence Allowance       | 1,01,906.20             |
| 84,509.00                | Labour Welfare Fund         | 72,231.37               |
| 3,76,469.52              | D L I                       | 3,76,591.90             |
| 29,510.00                | Awards & Incentives         | -                       |
| 13,190.00                | Funeral Expenses            | 14,056.50               |
| <u>2,49,77,396.18</u>    | <b>TOTAL</b>                | <u>2,40,58,838.45</u>   |

Subject to our report of even date  
For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Dr. A. K. Krishnakumar  
Director

Sd/-  
Mohankumar N.  
Managing Director

Sd/-  
R. Krishnamoorthy  
G. M. (F & A)

Sd/-  
M. R. V. Nair  
Secretary

Sd/-  
Anu lype John  
Partner



## SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2000

### 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 31<sup>st</sup> March 2000. There has been no revaluation of fixed assets during the period under audit.

### 3. Depreciation :

Depreciation has been provided in for the accounts at the rates specified in Schedule XIV of the Companies Act 1956 subject to Note No. 17. 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 head 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 subject to Note No. 28

### 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  
31<sup>st</sup> MARCH 2000**

**1. Reserves & Surplus**

The Corporation has received Rs. 1,05,73,211/- as Rubber Board subsidy up-to 31-03-2000 (Previous year Rs. 92,42,730/-) 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 advanced**

**a) Loans to Kerala State Horticultural Products Development Corporation**

In pursuance of Government order (Rt) No. 1546/96/AD dated 01-11-1996, the company has paid Rs. 1.5 crores to Kerala State Horticultural products Development Corporation Limited.

In spite of repeated requests, the K.S.H.P.D.C. has not paid any part of the loan or interest due to the Corporation. The Govt. of Kerala has directed to convert the loan and interest into share capital. The Corporation's Board meeting held on 30-10-1999 has accorded sanction to convert the principal amount of loan to share capital and to request the Govt. to pay the interest to the Corporation rather than converting the same into share capital. However, the Govt. of Kerala vide letter No. 38402 /PU1/99/AD dated 10-1-2000 has not accepted the proposal of the Corporation and has affirmed that the Govt. adheres to the earlier Govt. direction.

Interest on the loan for the current year at 18% is Rs. 27 lakhs (Previous Year Rs. 27 lakhs). This has not been recognised as income in the accounts and no adjustments have been made in the accounts pursuant to the Govt. direction, as the matter is still pending.

**b) Loan to Kerala State Coconut Development Corporation Limited.**

In pursuance of the Government order (Rt) No. 1828/97/AD dated 01-11-1997, the Corporation has paid Rs. 25 lakhs to the Kerala State Coconut Development Corporation Limited during 1997-98. Interest for the current year at the agreed rate of 12% per annum amounts to Rs. 3 lakh. (Previous Year Rs. 3 lakhs) The K.S.C.D.C. has closed down its operation since April 1998. This fact makes the realization of interest doubtful. Hence it has not been recognized as income in the books.

**3. Other Liabilities**

**Labour Welfare Fund**

An amount of Rs. 31,914/- (Previous year Rs. 37,641/-) payable to the Labour Welfare Fund of the State Government represents funds credited 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. 14,54,317/- (Previous Year Rs. 13,68,615/-) in respect of unencashed portion of earned leave of the employees as on 31-03-2000.
- ii. a) Based on the calendar year earnings, Bonus at 8.33% has been paid to the employees for the calendar year 1999 vide G. O. (Rt) No. 2045/2000/AD dated 05-12-2000. Those who are not eligible for bonus, special festival allowance is paid @ Rs. 1000/- (Previous year Rs. 1800/-) as per the Government order.
- b) A provision of Rs. 22 lakhs has been made in the accounts towards bonus pertaining to January 2000 to March 2000 on estimated basis.

- c) Agricultural Income Tax and Central Income Tax assessments are completed up-to the assessment year 1998-99 and 1997-98 respectively. Based on the completed assessment and return filed up-to assessment year 2000-2001, there is a short provision of Rs. 746 Lakhs (Previous year Rs. 166.82 lakhs). Since most of the assessments are under appeal, no additional provision has been made in this regard.

The Income Tax department has reopened the income tax assessment for the year 1986-87 and 88-89 after including the profit on processing of normal latex in to Cenex as income subject to central income tax. The Company has disputed the same and appeals are pending as the income has already been subjected to Agricultural Income Tax.

### FIXED ASSETS

- a) The total area of land handed over to the company by the Government of Kerala as on 31-03-2000 is 14,272.91 hectares (Previous Year total area 14,399.76 Ha.) Certain areas have been subjected to survey. Particulars are given below:

|   |                  |            |
|---|------------------|------------|
| Rubber Plantation   | 7,590.63         | Ha.        |
| Cashew in rubber estates  | 1,056.15         | Ha.        |
| Cashew Plantation   | 5,111.13         | Ha.        |
| Submergible area  | 220.00           | Ha.        |
| Area under Buildings, factories, roads, canals, marshy places, fire belt etc. | 295.00           | Ha.        |
| <b>Total</b>  | <b>14,272.91</b> | <b>Ha.</b> |

- b) The terms and conditions under which the company has taken 975 hectares 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. The above 975 hectares includes 126.55 hectares transferred to the Prison Department as per Note 'g' hereto.
- c) Lease deeds for lands handed over to the company since 1970 are pending execution except for the land handed over for the development of cashew plantations (Rajapuram Estate) under World Bank Scheme.
- d) An area of 3.28 Ha., of 1961 plantation in Kodumon Group of Estates under Survey No. 783/1 of Koodal village has been handed over to PWD for Kallada Irrigation Project.
- e) An area of 0.56 Ha. of land in Cheemeni Estate has been handed over to the Kayyoor Grama Panchaayat and 0.4 Ha. in R. S. No. 260/IAIC to Indian System of Medicine free of cost, vide Govt. order (Rt) No. 77/95/RD dated 12-01-1995.
- 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/PU1/94/AD dated 21-07-1994.
- g) As per G. O. (MS) No. 95/99/RD dated 18-03-1999, an area of 126.55 Ha. in Thuravu II Division of Cheemeni Estate was transferred and possession is handed over to Prison Department invoking urgency claim subject to the condition that the terms and conditions of transfer will be decided later.

The P.C.K. has claimed an amount of Rs. 582.30 lakhs (by production loss and value of timber trees) as compensation. However no adjustment in this regard has been made in the accounts since the matter is still pending.

- h) The written down value of Buildings, Roads, Landing Pads and Fences is Rs. 407.34 Lakh of which assets worth Rs. 347.73 lakh are constructed on lease hold lands.

#### 6. Sundry Debtors :-

Sundry debtors include Rs. 13,51,117.12 from companies owned by the Government of Kerala and Government of India details of which are as under:-

|   | Rs.                        |
|---|----------------------------|
| Trivandrum Rubber Works Ltd. Trivandrum | 1,39,846.47                |
| Hindustan Latex Limited, Belgaum        | 78,663.40                  |
| Hindustan Latex Ltd., Trivandrum        | 17,446.54                  |
| Secretary, Rubber Board                 | 5,100.00                   |
| Oil Palm India Limited                  | 6,08,412.01                |
| State Farming Corpn. of Kerala Ltd.     | 5,01,648.70                |
| <b>TOTAL</b>                            | <b><u>13,51,117.12</u></b> |

#### 7. Staff Loan

- (i) Motor Vehicle loans to officers and staff are fully secured by hypothecation of vehicles in favour of the company. The amount of such loans outstanding as on the close of the year works out to Rs. 3,82,992.10 (Previous Year Rs. 6,11,837.10)
- (ii) Housing loan to staff and officers are fully secured. Amount outstanding as on the close of the year Rs. 12,37,515/- (Previous year Rs. 1,72,700/-)

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

Advance recoverable in cash or in kind for value to be received under 'Loans & Advances' include the following amounts due by the employees of the company.

| Details                   | Previous Year |     | Current Year |     |
|---------------------------|---------------|-----|--------------|-----|
|                           | Rs.           | Ps. | Rs.          | Ps. |
| T. A. Advance             | 3,29,284.32   |     | 1,78,735.83  |     |
| Salary Advance (Onam)     | 35,10,319.00  |     | 23,55,478.30 |     |
| Other Advance             | 31,21,222.98  |     | 9,01,995.75  |     |
| Interest or vehicle loan  | 3,38,065.00   |     | 2,83,209.74  |     |
| Stores recoverable        | 1,07,020.00   |     | 1,24,847.24  |     |
| Fuel charges recoverable  | 9,730.64      |     | 10,060.49    |     |
| IB charges recoverable    | 16,281.30     |     | 14,825.80    |     |
| Postage recoverable       | 7,833.60      |     | 10,831.00    |     |
| Medical bills recoverable | 24,478.53     |     | 20,644.23    |     |

#### 9. Loans & Advances

Deposits with Government Departments:

These comprises balances with

| Details                        | Previous Year             |     | Current Year               |     |
|--------------------------------|---------------------------|-----|----------------------------|-----|
|                                | Rs.                       | Ps. | Rs.                        | Ps. |
| Cochin Port Trust              | 3,600.00                  |     | 3,600.00                   |     |
| Civil Suppliers Corpn.         | 10,000.00                 |     | 10,000.00                  |     |
| Post & Telegraph Department    | 40,427.00                 |     | 40,317.00                  |     |
| Kerala State Electricity Board | 8,35,483.00               |     | 10,28,859.00               |     |
| <b>TOTAL</b>                   | <b><u>8,89,510.00</u></b> |     | <b><u>10,82,776.00</u></b> |     |

### 10. Mutation Tax

Revised assessment orders (Order No. B. 55072/81 dated 04-07-1998 and 22-07-1998) an amount of Rs. 51,64,422.35 is refundable to the company by the Tahsildar of Adoor, Taluk, Changanassery Taluk and Mukundapuram Taluk as on 31-03-1998. At the same time an amount of Rs. 10,77,327.50 is payable by the Company to the Tahsildar of Kozhencherry, Quilandy Taluk, Nilambur Taluk and Thaliparambu Taluk as on 31/3/98, which has been paid during the year 1998 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.

Based on the assessment for the year 97-98, an amount of Rs. 1,24,779/- and Rs. 1,73,459/- for Adoor Taluk and Aluva Taluk respectively has been adjusted in the accounts against the total amount refundable to the Company during financial years 98-99 and 99-2000.

### 11. Sales Tax

SGST assessments and CST assessments up to 1995-96 are completed.

### 12. Lease Rent

The rate of lease rent as per G. O. (MS) No. 11/89 dated 20-01-1989 is Rs. 1,300/- per Hect. Payable to Forest Department with effect from 18-12-1987. In view of the repeated representations made by the Corporation, the Government has ordered (vide letter L32/62939/95 dated 22-02-1997) to accept remittance from the Corporation at Rs. 475/- per hectare per annum w.e.f. 01-01-1981 on a purely provisional basis. Corporation is providing in its books of account lease rent at Rs. 1,300/- per Hect. and payment is made at Rs. 475/- per Ha. till 1998-99. Payment of Rs. 475/- from 1999-2000 onwards has not been made due to paucity of funds. 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 & Allowances      | 2,96,478.00  |     | 2,98,878.05   |     |
| Medical reimbursement | -            |     | -             |     |

The Managing Director is provided with a car for his official purpose. For private purpose above 500 Km, he is charged with Rs. 2/- per Km.

### 14. Remuneration to other Directors

|                               | Current Year |     | Previous Year |     |
|-------------------------------|--------------|-----|---------------|-----|
|                               | Rs.          | Ps. | Rs.           | Ps. |
| TA & Sitting fee to Directors | 1,77,970.94  |     | 2,45,648.00   |     |
| Honorarium to Chairman        | 24,000.00    |     | 24,000.00     |     |

### 15. Auditor's remuneration

|   | Current Year     |     | Previous Year    |     |
|---|------------------|-----|------------------|-----|
|   | Rs.              | Ps. | Rs.              | Ps. |
| Statutory auditors fee                        | 26,250.00        |     | 18,900.00        |     |
| Expenses to statutory auditors                | 7,000.00         |     | 7,000.00         |     |
| Other services<br>(including Sales Tax audit) | 8,400.00         |     | 8,400.00         |     |
|   | <u>41,650.00</u> |     | <u>34,300.00</u> |     |

### 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 at 5%, library at 10% and Water supply installation at 30% consistently.

### 18. Manufacturing & Selling expenses

This includes cost of 13529 Nos. packing drums worth Rs. 55,06,433.32.

### 19. Sales

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

| Item   | Current Year        |                      | Previous Year       |                      |
|--|---------------------|----------------------|---------------------|----------------------|
|  | Quantity<br>(M.Ts.) | Value<br>(Rs. lakhs) | Quantity<br>(M.Ts.) | Value<br>(Rs. lakhs) |
| Sale of goods<br>(as classified in<br>the Sales Register : |                     |                      |                     |                      |
| Rubber   | 2,240.01            | 783.73               | 2,223.18            | 757.18               |
| Cashew   |                     | 493.28               |                     | 419.16               |

Quantitative particulars of cashew are not available as the sales were effected 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 recognized as income of the current year and the balance as deferred income. However due to wrong apportionment of income in respect of cashew in the previous year, the current year loss is overstated to the extent of Rs. 4,07,442.60 (net)

### 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 31-03-2000.

### Contingent Liabilities

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 65,03,824.00 (Previous Year Rs. 47,07,350.00/-)
- 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) 29 cases are pending against the company for which 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.

### 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<br>Stores, spares and components<br>during the year |                      |               |                      |             |
|   | Value<br>(Rs. Lakhs) | Consumption   | Value<br>(Rs. Lakhs) | Consumption |
| 1. Imported value   | Nil                  | Nil           | Nil                  | Nil         |
| 2. Indigenous (Stores & spares)   | 228.74               | 100%          | 222.59               | 100%        |
| d) Particulars of dividend<br>remitted in foreign exchange                    | Nil                  |               | Nil                  |             |
| e) Earnings in Foreign exchange   | Nil                  |               | Nil                  |             |

23. Total wages paid during the year to tappers, field workers and factory workers are Rs. 843.86 Lakhs. (Previous year Rs. 890.30 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/-. Legal proceedings have been initiated by the Corporation against the concerned person for recovery of the estimated amount.

| 25. Prior period Income   | Rs.                  |
|---|----------------------|
| Rent of building  | 4,848.00             |
| Advance Recovered (School Teacher)  | 6,250.00             |
| Sale of Rubber Tree   | 5,51,987.00          |
| Cost of cashew plantation written off<br>in the previous year now capitalised   | 1,64,834.14          |
| Sundry Creditors written back   | 53,785.40            |
| Interest on staff loan  | 960.00               |
| Amount to be capitalised as work in<br>Progress wrongly treated as revenue in earlier<br>Years, now capitalised.      | 4,158.00             |
| Unclaimed salary written back   | 630.05               |
| Profit on sale of assets (sold in 1998-99)  | 67,392.84            |
| Advance written back  | Rs.                  |
| Tamil Nadu Cement Corporation   | 21,122.59            |
| Mahendra & Mahendra   | 234.00               |
| Birla Yamaha  | 0.40                 |
| TDS On interest (Interest accounted net of<br>TDS during 1998-99)   | 30,054.00            |
|   | <u>9,06,256.42</u>   |
| <br>  |                      |
| 26. Prior period expenses   |                      |
| Plantation Insurance  | 6,037.50             |
| Electricity charges   | 2,929.00             |
| Fire Insurance Premia   | 12,559.30            |
| Building Tax  | 4,294.00             |
| Medical & Hospital Expenses   | 51.00                |
| Employees Contribution to PF (March 99)   | 22,212.00            |
| Employer's Pension Scheme (March 99)  | 18,775.00            |
| Vehicle Tax   | 6,800.00             |
| Factory License   | 16,558.00            |
| Repairs to Vehicle  | 87,585.20            |
| Profession tax relating to 98-99 not recoverable  | 6,710.00             |
| T.A. to Directors   | 873.00               |
| Sales Tax (March 99)  | 7,64,690.50          |
| Sundry Debtors below Rs. 5000/- outstanding<br>For more than three years written off as per<br>AGS Audit note         | 1,01,256.95          |
| Sundry Debtors below Rs. 5000/-<br>Outstanding unclaimed for more than<br>Three years Written off as per<br>A.Gs Note | <u>(2,21,831.71)</u> |
|   | <u>(1,20,577.76)</u> |
|   | <u>8,29,496.74</u>   |

27. Cash flow statement for the year ended 31st March 2000 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 ICAI.

28. During the year, an amount of Rs. 10,74,300/- being development cost of rubber plantation has been written off based on a survey conducted by the Company since the trees in this area have already been cut and removed in earlier years.

20. An amount of Rs. 14,94,468/- being sale of rubber trees pertaining to the current year was recognized as income of the previous year. Hence the current year losses is overstated to that extent.

21. During the year an amount of Rs. 100/- has been written off being the value of none A Class Share (Rs. 100/-) fully Paid up in Mannam Sugar Mills Co-operative Society No. 4324 since the society is under liquidation.

22. The Company has entered into an agreement with Institute of Human Resources Development Tiruvandrum on 25th May 1999 for software development and complete computerisation activities of the Corporation for an amount of Rs. 13,20,000/-. As informed by IHRD Vide letter No. D3/5592/ IHRD dated 21.10.99 40% of the total volume of work for the Project has been completed and has claimed an amount of Rs. 3,52,000 towards first instalment. However, the Corporation has paid an amount of Rs. 1,00,000/- only as the Company has not admitted the same.

23. As per the sales agreement, rubber trees planted in the year 1963 has been sold in Perambra Estate during 99-2000. However, there is no plantation in the estate prior to 1966. Hence cost of 1967 rubber plantation is adjusted against the sale value.

24. 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. G. O (MS) No. 361/99 DT 28.12.77 | Rs. 56,00,000.00          |
| 2. G. O (MS) No. 75/78 DT 13.3.78   | Rs. 46,00,000.00          |
| 3. G. O (MS) No. 407/80 DT 11.02.80 | Rs. 10,00,000.00          |
| Total                               | Rs. <u>1,12,00,000.00</u> |

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 dated 4.8.83 and G.O (MS) No. 41/84/AD dated 2.2.84, 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 Govt. has fixed the intrinsic value of each share worth Rs. 1000 at Rs. 512 per share (G. O. (MS) No. 294/85/AD dated 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.

The balance amount of Rs. 32,61,222/- outstanding in the books of the Corporation towards the loan was transferred to Capital Reserve Account during financial year 1996-97.

During 1999-2000, the Corporation is directed to repay an amount of Rs. 62,75,140/- (Principal-Rs. 32,61,222/- interest-Rs. 28,67,382/- and penal interest Rs. 1,46,536/-) vide G.O. (MS) No. 238/99/AD dated 19.8.99 and letter No. L 11(I) 15099/84 dated 24.11.99 from the Director of Agriculture. However, no provision is made in the accounts for the same as the matter is still under correspondence.

24. Previous year figures have been re-grouped/recast wherever necessary.

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Anu Iype John  
Partner

Kottayam  
27.9.01.

**BALANCE SHEET ABSTRACT AND COMPANY'S  
GENERAL BUSINESS PROFILE**

**1. Registration details**

Registration No. : 01997 State Code : 09  
Balance Sheet date : 31.3.2000

**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 |
| 619385            | 619385       |

**Sources of Funds**

|                 |                      |
|-----------------|----------------------|
| Paid up Capital | Reserves and surplus |
| 55688           | 116350               |
| Secured Loans   | Unsecured Loans      |
| Nil             | 4821                 |

**Application of Funds:-**

|                    |                   |
|--------------------|-------------------|
| Net Fixed Assets   | Investments       |
| 385235             | 12501             |
| Net Current Assets | Misc. expenditure |
| (-) 242098         |                   |
| Accumulated loss   |                   |
| 21221              |                   |

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

|                        |                       |
|------------------------|-----------------------|
| Turnover               | Total expenditure     |
| 216049                 | 262467                |
| Profit/Loss Before tax | Profit/Loss After Tax |
| Loss 47415             | Loss 51415            |
| Earning per share      | Dividend (percentage) |
| Nil                    | Nil                   |

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

|                     |  |
|---------------------|--|
| 1. Item Code No.    | Nil  |
| (ITC Code)          | 400110.00  |
| Product Description | Centrifuged Latex<br>(Natural rubber latex pre vulcanised) |
| 2. Item Code No.    |  |
| (ITC Code)          | 400122.09  |
| Product Description | Technically specified natural rubber<br>(Others) ISNR      |
| 3. Item Code No.    |  |
| (ITC Code)          | 080131.00  |
|                     | Cashew Nuts in shell<br>(Cashew Plantation Crop)           |

|                                    |                                 |  |                             |
|------------------------------------|---------------------------------|--|-----------------------------|
| Sd/-                               | Sd/-                            | Sd/-                                       | Sd/-                        |
| N. Mohankumar<br>Managing Director | Dr. A. Krishnakumar<br>Director | R. Krishnamoorthy<br>General Manager (F&A) | M. R. V. Nair<br>Secretary. |

**AUDITOR'S 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, Kottayam, as at 31<sup>st</sup> March 2000, and also the annexed Profit & Loss account of the company for the year ended on that date and report that:-

1. In our opinion, the unsecured loans given to Kerala State Horticultural Products Development Corporation Ltd and Kerala State Coconut Development Corporation Ltd, referred to in Note no: 2 of the Notes forming part of the accounts are prejudicial to the interests of the Corporation. Interest in respect of the above loans amounting to Rs. 27 lakhs and in respect of the above loans amounting to Rs. 27 lakhs and Rs. 3 lakhs respectively have not been recognised as income in the accounts, so to this extent the loss is understated.
2. The company has undertaken the business of Farm Tourism which is ultra vires, the Memorandum of Association as on 31st March 2000. The Company has entered into capital contracts with Nirmithi Kendra for civil works of Farm Tourism for amounts exceeding Rs. 25 lakhs for which no prior permission has been obtained from the Governor of Kerala in accordance with clause 115 (d) of the Company's Memorandum of Association. The total amount advanced to Nirmithi Kendra as on 31-3-2000 and included under schedule H to the accounts is Rs. 36,48,499/-. In addition the company has directly spent Rs. 50,01,570.89 during the year for Farm Tourism (included in Fixed Assets - Capital work in progress). The Corporation collected an amount of Rs. 1,04,000/- towards advertisement charges from various parties in connection with the inauguration of the Farm Tourism Project, the amount so collected has been credited to Capital work in progress account. A further sum of Rs. 1,00,000/- advanced to M/s. Sum & Teresa and included under Schedule H is also towards Farm Tourism project, for which no document was made available for verification. Further no sanction has been obtained from the Forest Department or the Government of India for utilising the forest land for purposes other than plantation.
3. The Corporation has written off an amount of Rs. 10,74,300/- being the development cost of rubber plantation, based on a survey conducted by the company on the ground that the trees in the area have already been cut and removed. No documents were made available to verify the correctness of the same as also whether the income in respect of the trees cut and removed from the said area has been recognised in earlier years.
4. In the absence of confirmation of balances of sundry debtors, sundry creditors, government loans, other loans, advance and deposits, we are not able to confirm the correctness of these balances and the realisability of long outstanding dues.
5. As required by Schedule VI of the Companies Act, 1956
  - a) The maximum amount due from Officers classified under loans and advances has not been disclosed.

Subject to the above

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.
- c. The Balance sheet and the Profit & Loss account dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Profit and Loss Account and Balance Sheet comply with the requirements of the Accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e. In our opinion, the provisions of section 274 (1) (g) of the Companies Act, 1956 are not applicable as on 31-03-2000.
- f. In our opinion and to the best of our information and according to the explanation given to us, the accounts together with the notes thereon give the information required by the companies Act 1956, in the manner so required and give a true and fair view:
  - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2000, and
  - b) In the case of the Profit & Loss account of the Loss for the year ended on that date.
- g. As required by the Manufacturing and other Companies (Auditor's Report) order 1988 dated 7-9-1988 made by the Central Government under section 27 (4A) of the Companies Act 1956, we have set our report on the matters specified in the above order in an Annexure.

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Anu Iype John  
Partner

Kottayam  
27/9/01

## ANNEXURE REFERRED TO IN LAST PARA OF THE AUDITORS REPORT

- 1) The company has maintained proper records, to show full particulars including quantitative details and situation of fixed assets. The fixed assets of the company have been physically verified by the management during the year end and no serious discrepancies were noticed on such verification.
- 2) None of the fixed assets of the company have been revalued during the period.
- 3) Stock of finished goods, stores, spare parts, raw materials and other items have been physically verified by the management at the close of the year.
- 4) The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Corporation and 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 the normally accepted accounting principles and is on the same basis as in the previous year.
- 7) The company has not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained under section 301. The provisions of section 370 (1-B) of the Companies Act are not applicable on and from 31-01-98.
- 8) Save as mentioned in item no: 1 of our report, In our opinion the terms and conditions on which loans have been granted to Companies, firms, other parties listed in the register maintained under section 301 are not prejudicial to the interest of the Corporation. The provisions of section 370 (1-B) of the Companies Act are not applicable on and from 31-10-98.
- 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., Kerala State Coconut Development Corporation Ltd., and Kerala State Horticultural Product Development Corporation Ltd., parties have repaid the principle amount and also been regular in payment of interest where ever applicable in accordance with terms and conditions laid down by the Company.
- 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 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 needs improvements.
  - c) Determination and accounting of dues from sundry debtors call for considerable improvement.
- 11) In our opinion and according to the information and explanations given to us, the Company has not purchased any goods, materials or services in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 as aggregating during the year to Rs. 50,000/- (Rupees Fifty Thousand) for more, in respect of each party.
- 12) As explained to us, unserviceable or damaged stores and raw materials are determined by the Management and adequate provisions have been made in the accounts for loss so determined.
13. The Company has not accepted any deposits from the Public.
14. The Company has maintained records for the sale and disposal of scrap and realisable by-products.
15. Based on our assessment of the extent of coverage of the internal audit department of the Company, we are of the opinion that the internal audit system in its present form is not commensurate with the Company's size and nature of activities.
16. Maintenance of cost records under section 209 (1) (d) of the Companies Act 1956, is not applicable to the Company.
17. According to the records of the company, Provident Fund and Employees State Insurance dues have been regularly deposited with appropriate authorities, though there has been delay in few cases.
18. According to the information and explanations given to us and subject to what is stated in Notes forming part of the Accounts, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March 2000, for a period of more than six months from the date they become payable.
19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company does not fall within ambit of a Sick Industrial Company vide Section 391 (0) of the Sick Industrial Companies (Special Provisions) Act of 1985.

For Cheriyan & Cheriyan  
Chartered Accountants

Sd/-  
Anu Iype John  
Partner

Kottayam  
27/9/2001

## **REPLY TO THE STATUTORY AUDITORS REPORT ON THE ACCOUNTS FOR THE YEAR 1999-2000**

1. The two loans were given as per the direction of the State Government. Since the realisation of Interest on the above loans are uncertain this has not been recognised as Income in the accounts.
2. The Memorandum of Association in respect of its object clause was altered in a special resolution on 20-9-2000 by incorporating Farm Tourism as one of its objects and the same has been confirmed by Register of Companies vide letter No. Co. No. 09-01997 dated 27-10-2000. The Government of Kerala has approved the project vide G. O. (MS) No. 98/2001/AD dated 28/3/2001.

Corporation has submitted request for sanction from Forest Department for utilising the forest land and the same was approved (Stage I) by Government of India vide letter No. F@A/11.21-KER/Misc dated 27-12-2000, Government of India subject to certain conditions.

Steps are being taken by the Corporation to fulfil the conditions put forth by the Government of India. Final approval from the Government of India is awaited.

3. The cost of the plantation were written off during the year since the Income from the sale of trees from the respective plantations were recognised as income in earlier years.
4. Noted
5. Noted.

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

*COMMENTS OF THE CONTROLLER AND AUDITOR GENERAL OF INDIA, UNDER SECTION 619 (4) OF THE COMPANIES ACT 1956 ON THE ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LTD. KOTTAYAM FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2000.*

**1. BALANCE SHEET**

**1. Schedule B - Current Liabilities - Rs. 2435.15 lakh**

**Other Liabilities - Rs. 1660.85 lakh**

This does not include Rs 106.62 lakh due to non provision for payment of arrear wages to the workers (Rs. 69.21 lakh) and arrears of Dearness Allowance to the officers and staff (Rs. 37.41 lakh) for the period up to 31 March 2000. Consequently the loss for the year and Fixed Assets. Schedule - D - Plantations are under stated by Rs. 79.30 lakh and Rs. 27.32 lakh respectively.

**2. Current Assets, Loans and Advances**

**Schedule G - B Sundry Debtors Rs. 29.16 lakh**

This is understated by Rs. 23.82 lakh due to adjustment of credit balance (Rs. 28.72 lakh) and raising of invoices twice for the supplies made to Hindustan Rubber Co. (Rs. 4.90 lakh).

Sd/-  
P. J. Mathew  
Accountant General (Audit)  
Kerala

Thiruvananthapuram  
07-03-2002

**Reply to the comments of the Comptroller and Auditor General of India  
under section 619 (4) of the Companies act 1956 for the year ended 31<sup>st</sup>  
March 2000**

1. Balance Sheet
  1. Noted
  2. Noted

**GOVERNMENT OF KERALA**

No. 83354/PUB 1 /2001 Fin.

Finance (PUB) Department,  
Thiruvananthapuram,  
Dated 10-10-2001.

**COMMENTS OF PRINCIPAL SECRETARY (FINANCE) ON THE AUDITED  
ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED  
FOR THE YEAR 1999-2000 - REG.**

The net loss of the Company is Rs. 4.64 crores as against Rs. 6.69 crores of the previous year. The net loss when transferred to the Balance Sheet brings the accumulated loss to Rs. 2.12 crores from Nil position in the previous year.

The Company has entered into many dealings on behalf of 'Farm Tourism Project' which is ultra - vires the Memorandum of Association of the Company.

The short comings pointed out in the Auditors' Report and its annexure may be urgently rectified.

*Sd/-*

*Principal Secretary (Finance)*

**REPLY TO THE COMMENTS OF PRINCIPAL SECRETARY  
(FINANCE) ON THE AUDITED ACCOUNTS OF THE COMPANY  
FOR THE YEAR 1999-2000.**

Para I - Noted

II - The Memorandum of Association of the Company was amended subsequently by incorporating Farm Tourism Business as one of the objects of the Corporation.

III - Noted.