

ANNUAL REPORT 2000 - 2001



PLANTATION CORPORATION OF KERALA LTD





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

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**39th Annual Report
2000-2001**

BOARD OF DIRECTORS

Adv. P.K. Chitrabhanu

Chairman (From 30-10-1996 to 06-06-2001)

Dr. A.K. Krishnakumar

Director (From 09-11-1995)

Sri. C.K. Unnikrishnan

Director (From 22-03-1997 to 06-06-2001)

Sri. Jose Pathalil

Director (From 22-03-1997 to 06-06-2001)

Sri. A. Abdul Shukoor

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

Sri. P.K. Mohanthy, I.A.S

Director (From 18-01-2000 to 07-07-2001)

Chairman (From 06-06-2001 to 07-07-2001)

Smt. K.B. Valsalakumari, I.A.S.

Chairperson (From 07-07-2001 to 21-08-2001)

Sri. B. Sugadan,

Director (From 27-11-2001)

Sri. K. Sivaprasad

Managing Director (From 12-11-2001)

Sri. A.C. Mathew Edayadi

Chairman (From 29-11-2002)

Sri. M.R. Bhargavan

Director (From 16-05-2003)

Secretary

M.R.V. Nair

Auditors

M/s. Cheriyan & Cheriyan,
Chartered Accountants,
Kottayam.

Sri. K.P. Ouseph, I.F.S.

Managing Director (From 24-11-1997 to 06-06-2001)

Sri. K. Balachandran Thampi, I.F.S.

Director (From 24-04-1997)

Sri. Ramankutty Warriar

Director (From 22-03-1997 to 16-02-2001)

Adv. P. Sankaran

Director (From 04-07-1997 to 06-06-2001)

Sri. K. Jayachandran

Director (From 18-08-2000 to 27-11-2001)

Sri. N. Mohankumar

Managing Director in charge

(From 18-04-2001 to 12-11-2001)

Sri. Rajeev Sadanandan, I.A.S.

Chairman (From 21-08-2001 to 10-12-2001)

Sri. C.S. Srinivasan, I.A.S.

Chairman (From 10-12-2001 to 31-10-2002)

Smt. Neela Gangadharan, I.A.S.

Chairperson (From 31-10-2002 to 29-11-2002)

Sri. C. Ramachandran, I.A.S.

Director (From 16-05-2003)

Sri. S. Muraleedharan

Director (From 31-05-2003)

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 39th Annual General Meeting of the Corporation will be held at 2.30 P.M. on Tuesday, the 21st August, 2001 at the Registered Office of the Corporation, Kottayam-4 to transact the following business.

1. To consider the adjournment of the consideration of the accounts for the year 2000-01 to a suitable date.
2. To record the appointment of Directors by the Governor of Kerala in place of Directors retiring at the annual General Meeting under Article 63(2) of the Articles of Association. The following Directors retire and eligible for re-appointment.
 1. Sri. K. Balachandran Thampi, I.F.S.
 2. Dr. A.K. Krishna Kumar
 3. Sri. K. Jayachandran
3. To authorise the Board of Directors to fix the remuneration of the Auditors appointed by the Comptroller and Auditor General of India.

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

Kottayam-4
26-07-2001

Sd/-
M.R.V. Nair
Secretary

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 39th (adjourned) Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation, Kottayam-4 on Friday, the 22nd August, 2003 at 2.30 P.M. to transact the following business.

To receive, consider and adopt the Director's Report, Auditor's Report and audited Profit and Loss Account for the year ended 31st March, 2001 and the Balance Sheet as on that date.

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

Kottayam-4
25-07-2003

Sd/-
M.R.V. Nair
Secretary

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 39th Annual Report of the Corporation for the year ended 31st March, 2001.

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 31-03-2000 continued unchanged during 2000-2001.

The Corporation has repaid all the loans payable to Government of Kerala except the loans drawn for investment in Oil Palm India Limited. The said loans has been cancelled by the Government of Kerala when the subsidiary status of Oil Palm India Limited was terminated. The balance outstanding in the loan account is Rs. 32,61,222/- as on 31-03-1996 is transferred to Capital Reserve account.

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. 32,61,222.00
Interest	-	Rs. 28,67,382.00
Penal Interest	-	Rs. 1,46,536.00
Total		<u>Rs. 62,75,140.00</u>

The Company has requested Government of Kerala for exemption from the above payment considering the 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.239/83AD dated 04-08-1983.

The above request was not considered by the Government. Government has ordered to convert the amount of Rs. 62,75,140/- as Share Capital of Government.

The matter is again placed before the Board and the Board has authorised Managing Director to present the case again with the Government considering the present financial position of the Corporation.

The penal interest for delayed remittance of some earlier loan instalments and interest 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.

The Board of Directors in its 272nd meeting vide resolution No. 4350 have resolved that the Company may avail a loan of Rs. 30 crores from Banks/Financial institution subject to Government approval. As requested by PCK, Government have accorded sanction for availing Rs. 5 crores and Rs. 25 crores (Total Rs. 30 crores) from Canara Bank vide Government Order (MS) No. 289/2000/AD dt. 02-09-2000 and G.O. (MS) No. 14/2001/AD dt. 23-01-2001 respectively. Subsequently Government vide G.O. (MS) No. 171/2001/AD dated 23-08-2001 have modified the orders and limited the loan amount to Rs. 15 crores instead of Rs. 30 crores. Government Guarantee for Rs. 15 crores was also provided for one year. The said guarantee period expired on 23-08-2002.

In the meanwhile Corporation had availed a Kissan Credit Overdraft from Canara Bank for a period of three years after mortgaging the landed property at Kasaragode and Vadavathoor(Kottayam) and hypothecation of

standing crops. The rate of interest at the time of sanction in August 2001 was 15.75% and presently it is 14.75%. The overdraft limit is valid for a period of 3 years. The balance loan outstanding as on 31-03-2001 under Kissan Credit facility is Rs. 4,51,68,150.24.

Canara Bank vide letter No. CR/679/234/02 dated 07-05-2002 has also sanctioned a Term Loan of Rs. 14.78 crores at an interest rate of Rs. 14.75% in addition to Rs. 6.90 crores already availed under Kissan Credit Scheme.

Government vide G.O. (MS) No.21/2003/AD dated 27-01-2003 accorded sanction for availing a loan of Rs. 21.68 crores (Including Rs. 6.90 crores already taken and Rs. 15 crores for which Government sanction was already accorded) from Canara Bank. Government Guarantee has also been provided for the entire loan amount and its accruing interest till the repayment of the entire amount subject to payment of guarantee commission. Government has also declared moratorium on payment of Agricultural Income Tax, Plantation Tax and lease rent by Plantation Corporation of Kerala Limited till the completion of the repayment of entire loan amount.

Based on the Government Order the guarantee deed has been executed by Agricultural Production Commissioner on 15-03-2003. The steps for drawal of term loan is being taken and the rate of interest of the term loan presently is 13.5%.

PROFIT & LOSS ACCOUNT

The net loss for the year 2000-2001 as per Profit & Loss Account is Rs. 867.83 lakhs after making the following provisions.

Depreciation	-	Rs. 52.42 lakhs
Provision for gratuity	-	Rs. 207.30 lakhs

An amount of Rs. 8 lakhs is provided towards Central Income Tax in the appropriation account.

AGRICULTURAL INCOME TAX

The assessment of Agricultural Income Tax has been completed up to the financial year 1999-2000.

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

SALE OF RUBBER

During 2000-2001 the quantity of rubber sold was 2316.56 M.Ts. worth Rs. 853 lakhs as against 2240.01 M.Ts. with Rs. 783.73 lakhs in 1999-2000.

SALE OF CASHEW

During 2000-2001 the amount received on sale of cashew nuts was Rs. 483.05 lakhs as against Rs. 493.28 lakhs in 1999-2000.

I. RUBBER ESTATES

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

II. CASHEW ESTATES

There are four cashew estates viz. Kasaragode, Rajapuram and Cheemeni in Kasaragode District and Mannarghat Estate in Palakad District.

I. FACTORIES

P.C.K. has 3 major factories

- a. Kodumon Group Latex Factory at Pathanamthitta District
- b. Kallala Centrifuge Factory at Ernakulam District
- c. Vettilappara Crumb Rubber Factory at Ernakulam District

PRODUCTION

The production target was 2624 M.T.s. and the achievement was 2616 M.Ts. (99.69%).

During the period of 2000-01 the Estates were maintained satisfactorily and the industrial atmosphere was generally smooth and peaceful.

PERSONNEL MANAGEMENT, INDUSTRIAL RELATIONS AND LABOUR WELFARE

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.

As per P.L.C. Settlement, the wage rate of Workers was revised and the same was implemented in Rubber Estates. Based on the Joint Conference of Trade Unions of Cashew Plantations, increased wage rate was implemented in Cashew Estates also.

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 1 of this Report.

PARTICULARS OF EMPLOYEES

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

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

Kottayam,
25-07-2003,

Sd/-
A.C. MATHEW EDAYADI,
Chairman

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	Nil
Earned	Nil

ANNEXURE - II

Details of Directors including changes taken place during the year ending 31-03-2001

<u>Sl. No.</u>	<u>Name</u>	<u>Address</u>	<u>Date of Appointment</u>
1.	Dr. A.K. Krishnakumar	Rubber Production Commissioner, Rubber Board, Kottayam-2.	From 09-11-1995
2.	Sri. C.K. Unnikrishnan	President, Ayyampuzha Panchayat, Kalady Plantation P.O., Via. Aluva.	From 22-03-1997
3.	Sri. R.V. Ramankutty Warriar	Rappal Warriar, Thottipal P.O., Thrissur.	From 22-03-1997
4.	Sri. Jose Pathalil	Kannivayal P.O. Cherupuzha, Kasaragode.	From 22-03-1997
5.	Sri. K. Balachandran Thampy, I.F.S.	Chief Conservator of Forests, World Bank Project, Thiruvananthapuram.	From 24-04-1997
6.	Adv. P. Sankaran	Puthiyootil House, Kadiyangod P.O.	From 04-07-1997
7.	Sri. Abdul Shukkoor	Joint Secretary to Government, Finance Department, Secretariat, Thiruvananthapuram.	From 20-09-1999
8.	Sri. P.K. Mohanty, I.A.S.	Secretary to Government, Agricultural Department, Secretariat, Thiruvananthapuram.	From 18-01-2000
9.	Sri. K. Jayachandran	Under Secretary to Government, Finance Department, Secretariat, Thiruvananthapuram.	From 18-08-2000

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

REVIEW OF ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED KOTTAYAM FOR THE YEAR ENDED 31 MARCH 2001 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.

1. Financial position

The table below summarises the financial position of the company under broad headings for the three years up to 2000-2001

	1998-99	1999-2000 (Rs. in lakh)	2000-2001
Liabilities			
1. Paid up capital	556.88	556.88	556.88
2. Reserves and surplus	1446.13	1163.49	1175.82
3. Borrowings	-	-	451.68
3. Trade dues and Current liabilities (Including provisions)	4440.41	4473.48	4692.29
Total	6443.42	6193.85	6876.67
Assets			
1. Gross Block	1352.67	1454.84	1572.92
2. Less Depreciation	824.54	870.44	925.88
3. Net Block	528.13	584.40	647.01
4. Development of property	2731.81	3122.68	3555.86
5. Capital work in progress	57.20	145.27	207.83
6. Investments	125.01	125.01	125.01
7. Current Assets loans and advances	3001.27	2004.28	1247.18
8. Accumulated loss	-	212.21	1093.75
Total	6443.42	6193.85	6876.67
Capital employed	3735.07	3210.41	2751.07
Net worth	2003.01	1508.16	638.95

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 1998-99 and 1999-2000 were Nil and Rs.451.68 lakhs during 2000-01 and hence the debt equity ratio was 0:1 during 1998-99 and 1999-2000 and 0.8:1 during 2000-01

3. Reserves and surplus

The reserves and surplus accumulated at the end of three years up to 2000-01 amounted to Rs.1446.13 lakh Rs.1163.49 lakh and Rs 1175.82 lakh respectively. The reserves and surplus worked out to 22.44% of the total liabilities in 1998-99 18.78% in 1999-00 and 17.1% in 2000-01 and 259.68% of equity capital in 1998-99 in 1998-99 in 1998-99 and 208.93 % in 1999-2000 and 211.14% in 2000-01.

4. Liquidity and solvency

- (a) The Percentage of current assets to total net assets decreased from 46.58 in 1998-99 to 32.36 in 1999-00 and to 18.14 in 2000-01
- (b) The percentage of current assets to current liabilities (including provisions) decreased from 67.59 in 1998-99 to 44.80 in 1999-00 and to 26.58 in 2000-01.
- (c) The percentage of quick assets (sundry debtors, cash and bank balance and advance recoverable) to current liabilities excluding provisions decreased from 92.56 in 1998-99 to 52.49 in 1999-00 and 15.55 in 2000-01

5. Working results

The working results of the company for the three years up to 2000-2001 are given below:

	<u>1998-99</u>	<u>1999-2000</u> <u>(Rs. in lakh)</u>	<u>2000-2001</u>
(i) Profit (+) / Loss (-) for the year as per accounts (before tax)	(-) 869.11	(-)464.18	(-)867.83
(ii) Provision for taxation	75.00	40.00	8.00
Profit (+) / Loss (-) (after tax)	(-) 944.11	(-)504.18	(-)875.83

6. Cost trends

	<u>1998-99</u>	<u>1999-2000</u> <u>(Rs. in lakh)</u>	<u>2000-2001</u>
Sales	1201.90	1313.17	1353.53
Profit (+) / (Loss (-) for the year	(-)869.11	(-)464.18	(-)867.83
Cost of sales	2071.01	1777.35	2221.36
Percentage of cost of sales to Sales	172.31	135..35	164.12

7. Production performance

The value of production for the three year up to 2000-01 is worked out below

	<u>1998-99</u>	<u>1999-2000</u> <u>(Rs. in lakh)</u>	<u>2000-2001</u>
a) Sales	1201.90	1313.17	1353.53
b) Closing stock of finished good and work in progress	180.70	171.36	185.91
c) Opening stock of finished goods and work in progress	273.64	180.70	171.36
d) Value of production (a+b-c)	1108.96	1303.83	1368.08

The percentage of value of production to net worth increased from 55.36 in 1998-99 to 86.45 in 1999-00 and to 214.11 in 2000-01

The Percentage of value of production to total net asset increased from 17.2 in 1998-99 to 21.05 in 1999-00 and decreased to 19.89 in 2000-01

8. Inventory

The following table indicates the comparative position of inventory and its distribution at the close of three years up to 2000-01

	<u>1998-99</u>	<u>1999-2000</u> <u>(Rs. in lakh)</u>	<u>2000-2001</u>
a) Stores and spares	191.99	165.46	144.75
b) Loose Tools	12.62	12.76	13.55
c) Stock in Trade of finished goods (including work in progress)	180.70	171.36	185.91
d) Agricultural equipment	7.99	7.64	7.04
Total	393.30	357.22	351.25

The stock in trade was equivalent to 1.8 months sales in 1998-99 and 1.6 months in 1999-00 and 2000-01

9. Sundry Debtors and turnover

The following table indicates the volume of book debts and sales for the three years up to 2000-2001
(Rs. in lakhs)

As on 31 March	Book Debts			Sales during the year	Percentage to sales
	Considered good	Considered doubtful	Total		
1999	46.62*	-	46.62	1201.90	3.9
2000	57.88*	-	57.88	1313.17	4.4
2001	119.71	-	119.71	1353.53	8.8

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

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

Note:- No effect of comments of Comptroller and Auditor General of India under section 619(4) of the Companies Act 1956, or the qualifications in statutory audit report has been given in the accounts.

Sd/-

V. KURIAN

ACCOUNTANT GENERAL (AUDIT), KERALA

Thiruvananthapuram

Date: 23-05-2003

THE PLANTATION CORPORATION OF KERALA LTD.
(A Govt. of Kerala Undertaking)
Kottayam -686 004

**ANNUAL ACCOUNTS
&
SCHEDULES
2000-2001**

THE PLANTATION CORPORATION
PROFIT & LOSS ACCOUNT

Previous Year Rs. Ps	EXPENDITURE	Current Year Rs. Ps.
18652627.43	To Opening Stock- Rubber and Agrl.Products	17135692.17
37997043.61	To Salaries & Allowances	43509496.10
296478.00	To Salaries & Allowances to MD	309390.00
2938239.35	To Leave Encashment	2471406.64
16761392.70	To Employer's Contribution -PF	18527796.65
6813859.28	To Bonus & Production Incentive	8276932.09
24000.00	To Honorarium to chairman	24000.00
177970.94	To TA & Sitting fee to Directors	140413.81
1222748.65	To TA & staff & officers	1211257.24
55774.05	To Rent	57536.70
1689629.50	To Rates & taxes	1323603.00
13095076.30	To Electricity Charges	13236481.30
15189871.00	To Lease Rent	15189871.00
244126.05	To Insurance Charges	379006.05
834321.39	To Advertisement Charges	365442.32
611264.80	To Legal Expenses	1010807.50
41650.00	To Remuneration to Auditors	41650.00
0.00	To Interest on Loan	2874408.00
13100021.92	To Rep. & Maintenance of Assets - Sch.I	12349487.38
3783304.46	To Miscellaneous Expenses -Sch II	3440079.12
24058838.45	To Welfare expenses - Sch. III	22632202.93
5102118.55	To Depreciation	5242238.40
17685750.40	To Cultivation & Upkeep - Rubber	20461234.06
26685192.78	To Tapping & Collection - Rubber	34458495.21
15529292.69	To Manufacturing & Selling Expenses	14138607.02
12415497.02	To Cultivation & Upkeep - cashew	13341386.50
1177739.30	To Cultivation & Upkeep - Oil Palm	1360562.33
563412.45	To Cultivation & Upkeep - Other Crops	602994.62
39274.34	To Collection Charges - Cashew	292103.30
495566.36	To Harvesting Expenses - Oil Palm	433801.52
0.00	To Losses & Write off	13993.56
24622201.96	To Provision for Gratuity	20730164.00
562675.68	To Net Loss - Rubber Wood Factory Sch.IV	362844.95
262466959.41	TOTAL	275945385.47

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

Kottayam
21-12-02

OF KERALA LTD., KOTTAYAM- 4
FOR THE YEAR ENDED 31st MARCH 2001

Previous Year		INCOME		Current Year	
Rs.	Ps			Rs.	Ps.
By Sales					
78372947.55		Rubber	85300517.40		
49328386.55		Cashew	48305887.60		
875393.00		Slaughter Tapping	2000.00		
2741130.68		Agricultural Produce	1744849.32		
53835192.85		Rubber Trees & Firewood	25872971.29		
23300.00		Tender Forms	28985.00		
434486.02		Empties & Unserviceables	<u>219186.36</u>	161474396.97	
By Interest					
1080517.23		From Contractors & Customers	638908.15		
584200.28		From Staff Loans	340328.60		
7654666.38		From Treasury & Bank Deposits	1444238.00		
58824.00		From Others	<u>428886.00</u>	2852360.75	
By Other Income					
163387.21		Rent of Building	173895.00		
276359.79		Profit on Sale of Assets	0.00		
1208950.76		Miscellaneous Income	1475477.08		
53207.5		Inter Crops	1243961.00		
2222702.00		Processing Charge Received	<u>3350848.50</u>	6244181.58	
By Closing Stock of Finished Good & W.I.P					
17135692.17		Rubber	18493726.69		
0.00		Cashew	90425.00		
0.00		Other Agricultural Produces	<u>6965.00</u>	18591116.69	
46417615.44		Net Loss c/d to P & L Appropriation A/c		86783329.48	
<u>262466959.41</u>		TOTAL		<u>275945385.47</u>	

Sd/-

R. Krishnamoorthy
G.M. (F&A)

Sd/-

M.R.V. Nair
Secretary

Subject to our report of even date

For CHERIYAN & CHERIYAN
Chartered Accountants

Sd/-

ANU IYPE JOHN
Partner

Kottayam
21-12-02

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

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2001

Previous Year Rs. Ps.		Current year Rs. Ps.	Previous year Rs. Ps.		Current Year Rs. Ps.
0.00	To Balance as per last Balance sheet	21220889.95	30194366.72	By Balance as per last Balance Sheet	0.00
46417615.44	To Net Loss as per P & L A/c.	86783329.48	906256.42	By Prior Period Income	29912.43
4000000.00	To Tax Provision	800000.00	21220889.95	By Net Loss transferred to Balance sheet	109375057.38
829496.74	To Prior Period expense	600750.38			
100.00	To Investments written off	0.00			
1074300.91	To Cost of Ruber plantations written Off	0.00			
52321513.09	TOTAL	109404969.81	52321513.09	TOTAL	109404969.81

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M.R.V. Nair
Secretary

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

Sd/-
ANU IYPE JOHN
Partner

Kottayam
21-12-02

SCHEDULE A
RESERVES & SURPLUS AS ON 31-03-2001

Previous Year			Current Year	
Rs.	Ps		Rs.	Ps.
6241243.30		1. <u>Capital Reserve</u> As per last Balance Sheet	6241243.30	
81958000.00		2. <u>Replanting Reserve</u> As per last Balance Sheet	81958000.00	
14079091.48		3. <u>Rehabilitation Reserve</u> As per last Balance Sheet	14079091.48	
3397940.00		4. <u>Subsidy from Govt. of Kerala</u> <u>- Cashew Plantation Upkeep</u> As Per last Balance sheet	3397940.00	
		Additions during the Year	350000.00	3747940.00
10673210.50		5. <u>Subsidy from Rubber Board</u> <u>Rubber Cultivation:</u> As per last Balance Sheet	10673210.50	
		Additions during the year	882890.00	11556100.50
116349485.28		TOTAL		117582375.28

SCHEDULE - B
CURRENT LIABILITIES AS ON 31-03-01

Previous Year			Current Year	
Rs.	Ps		Rs.	Ps.
1780392.71		Sundry Creditors	7960005.70	
166084936.40		Other Liabilities	198973487.75	
4250964.17		EMD	4201049.17	
14160830.02		Security Deposit	12726538.02	
31743175.20		Income Received in Advance	21772639.00	
10000.00		Housing Scheme - Workers	10000.00	
32768.15		Welfare Fund	33392.29	
641000.00		Sale of Secondary Growth	641000.00	
24530062.90		Agricultural Income tax due	17737151.90	
278844.03		Central Sales Tax & KGST payable	531888.86	
1296.00		Sainik Stamp	374.00	
710.00		Kargil Fund	710.00	
243514979.58		TOTAL		264588236.69

Sd/-	Sd/-	Sd/-	Sd/-	Subject to our report of even date
A.C. Mathew Edayadi Chairman	K. Sivaprasad Managing Director	R. Krishnamoorthy G.M. (F&A)	M.R.V. Nair Seceretary	For CHERIYAN & CHERIYAN Chartered Accountants
				Sd/-
				ANU IYPE JOHN Partner

Kottayam
21-12-02

SCHEDULE -D
DEVELOPMENT OF PROPERTY AS ON 31ST MARCH 2001

Item	Opening Balance		Additions		Disposal		Closing Balance	
	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
Rubber	275338434.60		32319646.79		2058084.59		305599996.80	
Cashew Plantation	15111745.51		4812766.16		0.00		19924511.67	
Coffee Plantations	478684.94		0.00		0.00		478684.94	
Arecanut Plantations	640010.15		294963.49		0.00		934973.64	
Oil Palm Plantation	17387773.98		7358461.50		0.00		24746235.48	
Teak Plantations	547082.34		84639.67		0.00		631722.01	
Coconut Plantations	106359.57		71963.16		0.00		178322.73	
Survey	225195.53		0.00		0.00		225195.53	
Evicted Area Expenses	1694037.42		0.00		0.00		1694037.42	
Eucalyptus & Accasia	651705.33		433906.78		0.00		1085612.11	
Cardamom Plantations	87093.90		0.00		0.00		87093.90	
TOTAL	312268123.27		45376347.55		2058084.59		355586386.23	

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M.R.V. Nair
Secretary

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

Sd/-

ANUITYPE JOHN
Partner

Kottayam
21-12-02

THE PLANTATION CORPORATION OF KERALA LTD., KOTTAYAM - 4
SCHEDULE - E
SCHEDULE OF FIXED ASSETS AS ON 31st MARCH 2001

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 31-03-2001		Total Depn. as on 31-03-2001		Net Block as on 31-03-2001		Net Block as on 31-03-2000	
	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	2652302.65		21221.80		2673524.45		2203179.70		106902.26		2310081.96		0.00		0.00		2673524.45		2310081.96		363442.49		449122.95	
2. Office Equipments	2686183.03		1183180.00		3869363.03		1827072.46		253340.59		2080413.05		0.00		0.00		3869363.03		2080413.05		1788950.98		859090.57	
3. Electric appliances	96756.13		0.00		96756.13		87802.40		1790.75		89593.15		0.00		0.00		96756.13		89593.15		7162.98		8953.73	
4. Electrical Installation	6646103.16		28994.00		6675097.16		5315379.38		187464.41		5502843.79		0.00		0.00		6675097.16		5502843.79		1172253.37		1330723.78	
5. Telephone	295552.38		0.00		295552.38		158998.75		18994.61		177993.36		0.00		0.00		295552.38		177993.36		117569.02		136553.63	
6. Survey instruments	12484.92		0.00		12484.92		12056.26		63.98		12120.24		0.00		0.00		12484.92		12120.24		364.68		428.66	
7. Library	70903.36		0.00		70903.36		48052.39		2285.10		50337.49		0.00		0.00		70903.36		50337.49		20565.87		22850.97	
8. Roads	17929021.91		6590185.00		24519206.91		8013140.08		660549.33		8673689.41		0.00		0.00		24519206.91		8673689.41		15845517.50		9915881.83	
9. Fence/Kayyala	9691837.69		307422.40		9999260.09		4412836.40		489435.76		4902272.16		0.00		0.00		9999260.09		4902272.16		5096987.93		5279001.29	
10. Electric Fittings	182806.03		0.00		182806.03		103817.35		15797.73		119615.08		0.00		0.00		182806.03		119615.08		63190.95		78988.68	
11. Plant & Machinery	22631994.19		271370.60		22903364.79		15207438.16		1129740.30		16337178.46		0.00		0.00		22903364.79		16337178.46		6566186.33		7424556.03	
12. Buildings	57422280.49		3380128.85		60802409.34		31944312.62		1562295.37		33506607.99		0.00		0.00		60802409.34		33506607.99		27295801.35		25477967.87	
13. Vehicle	12674534.65		2000.00		12676534.65		9662678.05		806661.57		10469339.62		0.00		0.00		12676534.65		10469339.62		2207195.03		3011856.60	
14. water Supply Instn.	8353307.01		0.00		8353307.01		7421885.64		279426.40		7701312.04		0.00		0.00		8353307.01		7701312.04		651994.97		931421.37	
15. Ammonia cylinders	523639.00		0.00		523639.00		502345.12		8517.55		510862.67		0.00		0.00		523639.00		510862.67		12776.33		71293.88	
16. wells	284183.53		22772.00		306955.53		45794.88		13039.34		58834.22		0.00		0.00		306955.53		58834.22		2481721.31		238388.65	
17. Landing pad	118844.25		0.00		118844.25		57836.51		3050.39		60886.90		0.00		0.00		118844.25		60886.90		57957.35		61007.74	
18. Jhankar & boat	63041.49		0.00		63041.49		19554.05		4348.74		23902.79		0.00		0.00		63041.49		23902.79		39138.70		43487.44	
19. Freehold land	3148635.65		0.00		3148635.65		0.00		0.00		0.00		0.00		0.00		3148635.65		0.00		3148635.65		3148635.65	
TOTAL	145484391.52		11807274.65		157291666.17		87044180.20		5543704.18		92587884.38		0.00		0.00		157291666.17		92587884.38		64703781.79		58440211.32	
Previous Year Total	135267440.85		11012321.75		146279762.60		82454574.05		5366867.86		87821441.91		795371.08		777261.71		145484391.52		87044180.20		58440211.32		52812866.80	

Sd/-

A.C. Mathew Edayadi
ChairmanKottayam
21-12-02

Sd/-

K. Sivaprasad
Managing Director

Sd/-

R. Krishnamoorthy
G.M. (F&A)

Sd/-

M.R.V. Nair
Secretary

Subject to our report of even date

For CHERIYAN & CHERIYAN
Chartered Accountants

Sd/-

ANU IYPE JOHN
Partner

SCHEDULE - F
INVESTMENTS AS ON 31-03-01

Previous Year		Current Year	
Rs.	Ps.	Rs.	Ps.
1000.00	In shares of Companies (unquoted)		
	a) 10 Equity shares of Rs.100/- each fully paid up in Banana & Fruit Development Corporation Ltd., Madras		1000.00
10000000.00	b) 1000 Equity Shares of Rs. 10,000/- each fully paid up in kerala feeds Ltd., Kallettumakara, Trichur.		10000000.00
2500000.00	c) 2,50,000 Equity shares of Rs. 10/- each fully paid up in Cochin International Airport Ltd., Nedumbassery.		2500000.00
12501000.00	TOTAL		12501000.00

Sd/-	Sd/-	Sd/-	Sd/-	Subject to our report of even date
A.C. Mathew Edayadi Chairman	K. Sivaprasad Managing Director	R. Krishnamoorthy G.M. (F&A)	M.R.V. Nair Secretary	For CHERIYAN & CHERIYAN Chartered Accountants
				Sd/-
				ANU IYPE JOHN Partner

Kottayam
21-12-02

SCHEDULE - G
CURRENT ASSETS AS ON 31-03-01

Previous Year		Current Year
Rs.	Ps.	Rs. Ps.
A. INVENTORIES (As taken, Valued and certified by the management)		
16545915.04	1. Stores and Spares at cost	14474834.74
1276408.06	2. Loose Tools	1355450.90
764337.00	3. Agricultural and Other Equipments	703920.21
17135692.17	4. Stock of Rubber & Rubber in Process (Value fixed by management less incidental Expenses)	18493726.69
1334960.29	5. Stock of Rubber Wood	1101546.80
0.00	6. Stock of Cashew Nuts	90425.00
0.00	7. Closing Stock - Others	6965.00
	8. Nurseries:-	
1105973.35	Cashew	520638.57
173240.25	Budwood - Rubber	195047.02
87755.54	Arecanut	59844.97
129256.67	Others	825117.93
1792163.83	Oil Palm	1180228.08
4738030.84	Polybag -rubber	2219753.36
1710392.22	Rubber Seedings	1521352.68
		42748851.95
2915808.85	B.SUNDRY DEBTORS (unsecured considered good)	
	Exceeding six months	2620041.42
	Others	9351288.19
		11971329.61
C. CASH & BANK BALANCES;		
223.00	a. Stamp & Stamp Papers	223.00
0.00	b. Cash Balances;	---
	c. Bank Balances	
1870645.38	1. With Scheduled Banks in Current Accounts	98314.07
92643.00	2. With Treasury S.B.A/c.	5773.00
3164646.93	3. Cash in Transit	7233152.28
	d. Fixed Deposits:	
42459500	1. With Treasury	0.00
21010000.00	2. With scheduled Banks	625000.00
1120916.00	3. Interest Receivable on FD	6728.00
125000.00	4. With PCK Employees's Society -	50000.00
		8019190.35
119553505.42	TOTAL	62739371.91

Sd/-	Sd/-	Sd/-	Sd/-	Subject to our report of even date
A.C. Mathew Edayadi Chairman	K. Sivaprasad Managing Director	R. Krishnamoorthy G.M. (F&A)	M.R.V. Nair Secretary	For CHERIYAN & CHERIYAN Chartered Accountants
				Sd/- ANU IYPE JOHN Partner

Kottayam
21-12-02

SCHEDULE -H
LOANS & ADVANCES AS ON 31-03-01

Previous Year		Current Year	
Rs.	Ps	Rs.	Ps.
1. SECURED (Considered Good)			
STAFF LOAN			
270920.00	1. Motor car Loan	196584.50	
112072.10	2. Motor Cycle Loan	77913.00	
1237515.00	3. Housing Loan	1307302.00	1581799.50
2. UNSECURED (considered Good)			
693393.08	a) 1. Oil Palm India Ltd., Kottayam	693393.08	
2500000.00	2. K.S.C.H.D.C.	2500000.00	
15000000.00	3. K.S.H.D.C.	15000000.00	
30113788.90	b) Advances recoverable in cash or kind for value to be received.	1488044.70	
c) Advance payment of taxes			
709482.18	1. Sales tax	709482.18	
9834275.00	2. Agricultural income tax	7834275.00	
11172552.00	3. Central income tax	11838907.00	
292330.15	d) Prepaid expenses	157177.60	
e) Tax refund due:			
2515299.00	1. Income tax	286300.00	
5082748.18	2. Agricultural income tax	5082748.18	
61668.25	f) Rebate receivable on Govt.Loan	61668.25	59044375.99
3. DEPOSITS			
1082776.00	1.KSEB,Port Trust & other Govt. Dept.	1082776.00	
12750.00	2. With Housing Board	12750.00	
96231.00	3. Other Deposits	158231.00	
23653.00	4. With Court	23653.00	
63244.25	5. With Suppliers	75244.25	1352654.25
80874698.09 TOTAL		61978829.74	

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M.R.V. Nair
Secretary

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

Sd/-

ANU IYPE JOHN
Partner

Kottayam
21-12-02

SCHEDULE -1
REPAIRS & MAINTENANCE OF ASSETS

Previous Year		Current Year
Rs.	Ps.	Rs. Ps.
3253989.26	Repairs to Vehicles	3432579.85
2167196.15	Repairs to Buildings	1329518.60
806254.14	Repairs to Plant & Machinery	1937655.69
4377485.16	Repairs to Roads	3953535.49
496895.69	Repairs to Electrification	406079.41
634167.85	Repairs to Water Supply Installation	462214.14
110681.00	Repairs to Office Equipment	72093.10
774433.67	Repairs to Fence / Kayyala	337045.28
194153.14	Repairs to Tools	181429.94
54370.76	Repairs to Jhankar & Boat	45711.39
30299.70	Repairs to Computer	50641.00
9150.38	Repairs to Furniture	8677.34
145775.20	Repairs to Temporary shed	119431.18
45169.82	Repairs & Main. To Assets	12874.97
13100021.92	TOTAL	12349487.38

SCHEDULE II
MISCELLANEOUS EXPENSES

Previous Year		Current Year
Rs.	Ps.	Rs. Ps.
738744.79	Postage Telephone & Telegram	727725.29
502076.14	Printing & Stationery	189874.75
342161.27	Office Expenses & Others	111923.24
723508.92	Security Expenses	633131.18
97913.34	Storage Expenses	88659.24
60486.17	Survey Expenses	520408.62
45104.40	Books & Periodicals	15818.15
244186.31	IB Expenses	148236.27
145637.53	Entertainment Expenses	121267.91
435629.30	Staff Training Expenses	169809.61
353355.83	Ferry Expenses	352650.96
0.00	Donations	0.00
94500.46	Bank Charges	360773.90
0.00	Gardening	0.00
3783304.46	TOTAL	3440079.12

Sd/-	Sd/-	Sd/-	Sd/-	Subject to our report of even date
A.C. Mathew Edayadi Chairman	K. Sivaprasad Managing Director	R. Krishnamoorthy G.M. (F&A)	M.R.V. Nair Secretary	For CHERIYAN & CHERIYAN Chartered Accountants

Kottayam
21-12-02

Sd/-
ANU IYPE JOHN
Partner

SCHEDULE - IV

RUBBER WOOD FACTORY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2001

Previous Year		Current Year		Previous Year		Current Year	
Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
1794542.00		1334960.29		2504305.02		2457696.45	
	To opening Stock				By Sale of Processed Rubber Wood		
1655355.00		1337500.00		861562.11		347183.71	
	To Purchase of Rubber Trees				By Sale of By Products and Waste		
302610.60		364142.70		2880.00		9121.55	
	To Pay & Allowances				By Sale of furniture		
234866.16		238811.41		9983.50		780.00	
	To Factory Wages				By Interest of Staff Loans		
18261.35		24702.55		42729.00		44037.90	
	To Bonus to Staff & Workers				By Miscellaneous Income		
72251.70		71667.80		1334960.29		1101546.80	
	To Contribution to PF				By Closing Stock		
62409.1		48437.68		562675.68		362844.95	
	To Welfare Expenses				By Net Loss transferred To P & L A/c		
8975.30		9983.80					
	To Travelling Expenses						
77099.71		84202.29					
	To Rep. & Maint. of Assets						
55076.6		62097.00					
	To Advt. & Sales Promotion						
138986.00		222347.00					
	To Cutting & Transp. of Trees						
7282.38		17713.78					
	To Office Expenses						
264749.31		301465.78					
	To Depreciation						
626630.62		688949.28					
	To Mfg. & Selling Expenses						
0.00		10.00					
	To Bank Charges						
0.00		208.00					
	To Labour Welfare Fund						
0.00		16060.00					
	To Legal Expense						
5319095.83	TOTAL	4823211.36		5319095.83	TOTAL	4823211.36	

Sd/-

A.C. Mathew Edayadi
Chairman

Kottayam
21-12-02

Sd/-

K. Sivaprasad
Managing Director

Sd/-

R. Krishnamoorthy
G.M. (F&A)

Sd/-

M.R.V. Nair
Secretary

Subject to our report of even date

For CHERIYAN & CHERIYAN
Chartered Accountants

Sd/-

ANUYPE JOHN
Partner

SIGNIFICANT ACCOUNTING POLICIES FORMED FOR THE YEAR ENDED 31ST MARCH 2001

1. Basis of Accounting:

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

2. Fixed Assets:

The Fixed Assets are accounted on historical cost basis which includes purchase price and all other costs attributable to bringing the assets into its working condition as reduced by depreciation upto 31st March 2001. There has been no revaluation of fixed assets during the period under audit.

3. Depreciation:

Depreciation has been provided for in the accounts at the rates specified in Schedule XIV of the Companies Act 1956 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 the 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 and 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 the 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 of the related development expenditure.

7. Investments:

Investments are stated at cost.

8. Retirement Benefits:

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

9. Contingent Liabilities:

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

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED

31ST MARCH 2001

1) RESERVES AND SURPLUS

The Company's reserves and surplus as at the end of the year are as follows: The Company 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 the Government order (Rt) No. 1546/96/AD dated 1-11-96 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 corporation rather than converting the same into share capital. However, the Govt. of Kerala vide letter No. 38402/PU/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 1-11-1997, 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 lakhs. (Previous year Rs. 3 lakhs) The K.S.C.D.C has closed down its operation since April 1998. This fact makes the realisation of interest doubtful. Hence it has not been recognised as income in the books.

3) OTHER LIABILITIES

LABOUR WELFARE FUND

An amount of Rs.33392/- (Previous year Rs.32768/-) payable to the labour Welfare Fund of the State Government represents funds credited out of time barred advance.

4) PROVISIONS

1. Gratuity and leave encashment benefit liability has been provided on the basis of Actuarial valuation. Liability for expenses includes an amount of Rs. 6,88,263/- (Previous year Rs. 14,54,317) in respect of unencashed portion of earned leave of the employees as on 31-03-2001.

2. a) Based on the calendar year earnings, Bonus at 8.33% has been paid to the employees for the calendar year 2000 vide G.O.(Rt) No. 2547/2001/LBR dated 18-8-2001. Those who are not eligible for bonus, special festival allowance is paid @ Rs 1000/- (Previous year Rs. 1000/-) as per the Government Order.

b) A provision of Rs. 18 lakhs has been made in the accounts towards bonus pertaining to January 2001 to March 2001 on estimated basis.

c) Agricultural Income Tax and Central Income Tax assessments are completed up to the assessments year 1999-00 and 1998-99 respectively. Based on the completed assessment and return filed up to assessment year 2000-2001, there is a short provision of Rs. 723 lakhs (previous year Rs.746 lakhs). Since most of the assessments are under appeal, no additional provision has been made in this regard.

The Income Tax Department has re-opened the income tax assessment for the year 1986-87 and 88-89 after including the profit on processing of normal latex into Genex 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.

9 FIXED ASSETS - Land handed over to the company by the Government of a Kerala as on 31-03-2001 is 14,272.91 hectares (Previous Year total area 14,272.91 Ha.). Certain areas have been subjected to survey. Particulars are given below:

Rubber Plantation	:	6,856.02. Ha
Oil palm plantation	:	734.61, Ha
Cashew in Rubber Estates	:	1,056.15, Ha
Cashew Plantation	:	5,111.13, Ha
Submergible area	:	220.00 Ha
Are under Buildings factories, roads, canals, marshy places, fire belt etc.	:	295.00 Ha
Total	:	14,272.91 Ha

- 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 Panchayat 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. 383330/- received from Kerala Water Authority in full settlement towards transfer of 2.15 hectares of land in Cheemeni village is adjusted from cost of cashew plantation. The above transfer was made in pursuance of G.O.No .2392/PUI/94/AD dated 21-07-1994
- 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 PCK 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. 482.96 lakh of which assets worth Rs.412.45 lakh are constructed on lease hold lands.
- i) The Board of Directors Vide its meeting dated 29/1/01 has agreed to transfer 6 Hectares of land to the Forest Development as compensation for afforestation. No adjustment has been made in the accounts as the matter is still under negotiations.
- j) The company undertook construction of a causeway at Rajapuram Estate for an amount of Rs 29,32,145 /- which has been sanctioned by the Board of Directors on the condition that 50% of the cost will be met by the Karnataka Government. The entire amount spent by the company has been shown under Capital- WIP. Since the matter is under negotiation with the Karnataka Government, the amount when received from Karnataka Government will be accounted in the books of account of the company.
- k) The company has spent an amount of Rs. 1,38,24,706.12/- up to 31/3/01 on account of Farm Tourism Project. The Project was inaugurated on 7/1/01 but commercial operation has not been started for want of sanction from the Government of India under Forest Conservation Act. Hence the amount spent by the company is shown under the head Capital -WIP.

6) SUNDRY DEBTORS

Sundry debtors include Rs.9,33,030/32 from companies owned by the Government of Kerala and Government of India details of which are as under:

Trivandrum rubber Works Ltd, Trivandrum	:	Rs. 1,39,846.47
Hindustan Latex Limited, Belgaum	:	Rs. 78,663.40
Hindustan Latex Ltd, Trivandrum	:	Rs.17,446.54
Secretary, Rubber Board	:	Rs. 5,100.00
Oil Palm India Limited	:	Rs161538.21
State Farming Corporation of Kerala Ltd	:	Rs. 5,30,435.70
Total	:	<u>Rs 9,33,030.32</u>

7) STAFF LOAN

- 1) 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. 2,74,497.50 (Previous year Rs 3,82,992.10)
- 2) Housing loan to staff and officers are fully secured. Amount outstanding as on the close of the year Rs.13,07,302/- (Previous year Rs12,37,515/-)

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(Rs.)	Current Year (Rs.)
T.A. Advance	1,78,735.83	1,52,724.53
Salary Advance (Onam)	23,55,478.30	16,44,820.35
Other Advance	9,01,995.75	6,12,800.90
Interest on Vehicle Loan	2,83,209.74	2,77,419.99
Stores recoverable	1,24,847.24	1,46,593.05
Fuel charges recoverable	10,060.49	
IB Charges recoverable	14,825.80	14,518.80
Postage recoverable	10,831.00	5556.86
Medical bills recoverable	20644.23	43724.22

9) LOANS & ADVANCES

Deposits with Government Departments:-

These comprises balances with;

Details	Previous year(Rs.)	Current Year (Rs.)
Cochin Port Trust	3,600.00	3,600.00
Civil supplies Corporation	10,000.00	10,000.00
Post & Telegraph Department	40,317.00	40,317.00
Kerala State Electricity Board	10,28,859.00	10,28,859.00
TOTAL	10,82,776.00	10,82,776.00

10) PLANTATION TAX

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 1997-98, 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 year 1998-99,1999-2000 & 2000-01.

11) SALES TAX

KGST assessments and CST assessments up to 1996-97 are completed. A Demand of Rs.60,37,598/- has been raised against the company in respect of the reopened sales tax assessments for 1988-89 to 1990-91. No Provision has been made in the accounts as the company has disputed the same and appeals are pending.

12) LEASE RENT

The rate of lease rent as per G.O.(MS) No. 11/89dated 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 accounts 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

	<u>Current Year (Rs.)</u>	<u>Previous year(Rs.)</u>
Pay & Allowances	3,09,390.00	2,96,478.00
Medical Reimbursement	Nil	Nil

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

	<u>Current year(Rs.)</u>	<u>Previous Year (Rs.)</u>
TA & Sitting fee to Directors	1,40,413.81	1,77,970.94
Honorarium to chairman	24,000.00	24,000.00

15) AUDITOR'S REMUNERATION

	<u>Current year(Rs.)</u>	<u>Previous Year (Rs.)</u>
Statutory auditors fee	26,250.00	26,250.00
Expenses to statutory Auditors	7,000.00	7,000.00
Other services (including Sales Tax audit)	8,400.00	8,400.00
Total	41,650.00	41,650.00

16) REPAIRS & MAINTENANCE

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

17) DEPRECIATION

The company has charged depreciation at the rates prescribed in Schedule XIV to the companies Act except

a) CIF value of import during the year	Current Year	NII	Previous Year	NII
b) Expenditure in Foreign Currency	Current Year	NII	Previous Year	NII
c) Value of raw materials, stores, spares and components during the year	Value (Rs lakhs)	Consu- mption	Value (Rs lakhs)	Consu- mption
1. Imported Value	NII	NII	NII	NII
2. Indigenous (Stores & Spares)	217.76	100%	228.74	100%
d) Particulars of dividend remitted in foreign exchange	NII	NII	NII	NII
e) Earnings in Foreign Exchange	NII	NII	NII	NII

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

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs 38,17,505/-(Previous year Rs.65,03,824/-)
- 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.

21) CONTINGENT LIABILITIES

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 31-03-2001.

20) RUBBER WOOD FACTORY

The right of collection of cashew nuts from most of the company estates has been awarded under the tender-cum-auction system. As the crop season is from February to June, 40% of the auction price has been recognised as income of the current year and the balance as deferred income.

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

Item	Current Year		Previous Year	
	Quantity (M.Ts.)	Value (Rs. lakhs)	Quantity (M.Ts.)	Value (Rs. lakhs)
Rubber	2316.56	853.00	2240.01	783.73
Cashew		483.06		493.28

a) Additional information pursuant to the provisions of Paragraph 3, Part II of the Schedule VI to the companies Act, 1956.

19) SALES

This includes cost of 14374 Nos. packing drums worth Rs.57,94,779.15

18) MANUFACTURING AND SELLING EXPENSES

In the case of Office Equipment and survey instruments at 15%, library at 10% and Water supply installation at 30% consistently.

- 23) Total wages paid during the year to tappers, field workers and factory workers are Rs.857.48 lakhs. (Previous year Rs.843.86 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

	<u>Amount (Rs)</u>
Rent of building in Kallala Estate	4848.00
Unclaimed Salary	3380.43
Interest on Mythri Loan	750.00
PL Encashment paid to M.D. reimbursed from Govt;	20934.00
Total	<u>29912.43</u>

26) Prior Period Expenses

Pay & Allowance	6572.80
Legal Expenses	94,376.50
Building Tax	1877.00
Factory Expenses	3859.00
Sale of Rubber (Duplicate entry rectified)	4,90,373.08
TA to Chairman	3692.00
Total	<u>6,00,750.38</u>

- 27) Cash flow statement for the year ended 31st March 2001 has not been prepared and annexed to the accounts, since it is not a listed company and it is not mandatory under the Accounting Standards issued by ICAI
- 28) Company has entered in to an agreement with Institute of Human Resources Development Trivandrum 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.D3/5592/99/IHRD dated 21.10.1999, 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 Rs.1,00,000/- only as the company has not admitted the same.
- 29) As per sales agreements the following Plantation have been sold for which there is no cost in the books. Hence the entire sale consideration is accounted as profit.

1968 Plantation in Chandanapally Estate

1967 & 1969 Plantation in Adirapally Estate

1968 Plantation in Perambra

Further the cost of 1975 Plantation is adjusted against the sale value of 1976 Plantation in Perambra Estate.

- 30) 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:

	<u>Rs.</u>
G.O(MS) No.361/99dt 28.12.1977	56,00,000.00
G.O(MS) No.75/78 dt13.3.1978	46,00,000.00
G.O(MS) No.407/80 dt 11.02.1980	10,00,000.00
Total	<u>112,00,000.00</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 4.8.1983 and GO (MS) No.41/84 AD dated 2.2.1984, 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 on shares worth Rs121.20lakhs in Oil Palm India Ltd. For the termination of subsidiary status of Oil Palm Ltd., as per Government orders referred above, the Govt. has fixed the intrinsic value of each share worth Rs.1000 at Rs.512 per share GO(MS)No.294/85/AD dated 4.11.1985)

The Government has also ordered to adjust this amount against the loan. As such an amount of Rs.62,05,440/- 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 was directed to repay an amount of Rs62,75,140/- (Principal- Rs. 32,61,222/- interest Rs.28,67,382/-and penal interest Rs.146536/-) vide GO(MS) No. 238/99 AD dated 19.8.99 and letter No.L II(I)15099/84 dated 24.11.1999 from the Director of Agriculture. The Govt; of Kerala vide GO(MS) No; 34/2002/AD dated 15/3/02 has ordered that the amount of Rs. 62, 75,140/- be converted in to Share Capital & has directed the MD to issue Share Certificate for the said amount to the Government. However, no provision is made in the accounts for the same as the matter is still under correspondence.

- 31) The sum of Rs.69,21,509.46 representing the arrear wages for the period 1999-2000 as per the settlement reached in the Plantation Labour committee held on 6-03-2000 is shown in the various expense accounts, since sanction order was given by the Govt; only on 29-5-2000. Similarly the dearness allowance to Staff & Officers amounting to Rs.37,40,921.83 for the year 99-2000. is also not booked under prior period expenses as the liability crystallised only in the financial year 2000-01. Vide Government order dated 2/6/2000.
- 32) Previous year figures have been re-grouped /recast wherever necessary.

For CHERIYAN & CHERIYAN
Chartered Accountants

Sd/-

ANU IYPE JOHN
Partner

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

1. Registration details

Registration No. : 01997 State Code : 09
Balance Sheet date : 31-3-2001

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 (Amount in Rs. Thousands)

Total Liabilities	687667	Total Assets	687667
Sources of Funds		Reserves & Surplus	
paid up capital	55688		117582
Secured Loans	45168	Unsecured Loans	4821
Application of Funds:		Investments	
Net Fixed Assets	4414073		12501
Net Current Assets	(-) 339690	Misc. Expenditure	
Accumulated Loss	109375		

4. Performance of company (Amount in Rs. Thousand)

Turnover	189162	Total expenditure	275945
Profit / Loss before tax	Loss 87354	Profit / Loss after tax	Loss 88154
Earnings per share	Nil	Dividend(Percentage)	Nil

5. Genetic names of three Principle products/Services of company (As per Monetary terms)

1. Item code No (ITC Code)	Nil
Product Description (Natural Rubber latex pre vulcanised)	400110.00
2. Item code No (ITC code)	400122.09
Product description (Others) ISNR	Technically specified natural Rubber
3. Item Code no (ITC CODE)	080131.00
	Cashew nuts in shell (Cashew plantation Crop)

Sd/-	Sd/-	Sd/-	Sd/-	Subject to our report of even date
A.C. Mathew Edayadi Chairman	K. Sivaprasad Managing Director	R. Krishnamoorthy G.M. (F&A)	M.R.V. Nair Secretary	For CHERIYAN & CHERIYAN Chartered Accountants

Kottayam
21-12-02

Sd/-
ANU IYPE JOHN
Partner

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM, as at 31st March 2001 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 product 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 Rs. 3 lakhs respectively have not been recognised as income in the accounts, so to this extent the loss is understated.
2. The Corporation has spent a total amount of Rs. 1,38,24,706.12 upto 31-03-2001 on account of Farm Tourism project which includes Rs. 36,48,499/- advanced to Nirmithi Kendra for civil works. The project was inaugurated on 7-01-2002 but the amount spent has not been capitalised for want of sanction from the Government under Forest Conservation Act. Further the amount collected by the Corporation upto 31st March 2001 as advertisement charges Rs. 3,89,000/-, Rent Rs. 1,12,090/- and other collections Rs. 2,82,318.02 has been credited to the capital work in progress account.
3. As explained to us the company has contributed Rs. 5,000/- to AIYF which is the youth wing of CPI. No vouchers were available for verification, hence we are not able to report whether the contribution violates the provisions of the Companies Act 1956.
4. As per the rules of the Corporation the Managing Director is not eligible for reimbursement of lodging expenses within the state. However an amount of Rs. 7,875.85 is seen paid under this head. No explanation has been given for this reimbursement.
5. The Corporation is seen to have paid telephone bills of the Chairman in excess of the limits allowable as also Rs. 994/- as T.A. for private purpose. No recoveries and adjustments have been made in the account.
6. During the year the Company paid an amount Rs. 106.62 lakhs as Arrear wages and Dearness allowance to staff and officers relating to prior years. This amount has not been disclosed as prior period expense as the details of the accounts to which the payments have been debited were not made available.
7. In the absence of confirmation of balance of sundry debtors, sundry creditors, government loans, other loans, advances and deposits, we are not able to confirm the correctness of these balance and releasability of long outstanding dues.
8. 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. No details have been furnished to verify the disqualification of Directors u/s 274 (1) (g) of the companies Act 1956. However as informed by the company and based on Circular No: 8/2002 dated 22-03-2002, the provisions of section 274 (1) (g) are not applicable to the directors of the Company.
- 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 31st March 2001, 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 227 (4A) of the Companies Act 1956, we have set our report on the matters specified in the above order in an Annexure.

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 31-10-98.
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) or more, in respect of each party.
12. As explained to us, unserviceable or damaged stores and raw materials are determined by the Management and adequate provisions have been made in the accounts for loss so determined.
13. The Company has not accepted any deposits from the Public.
14. The Company has maintained records for the sale and disposal of scrap and realisable by-products.
15. Based on our assessment of the extent of coverage of the internal audit department of the Company, we are of the opinion that the internal audit system in its present form is not commensurate with the Company's size and nature of activities.
16. Maintenance of cost records under section 209 (1) (d) of the Companies Act 1956, is not applicable to the Company.
17. According to the records of the Company, Provident Fund and Employees State Insurance dues have been regularly deposited with appropriate authorities, though there has been delay in few cases.
18. According to the information and explanations given to us and subject to what is stated in 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 31st March 2001, for a period of more than six months from the date they become payable.
19. Subject to our report and according to the information and explanations given to us, and 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 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act of 1985.

Kottayam
21-12-2002

For CHERIYAN & CHERIYAN
Chartered Accountants

sd/-

ANU IPE JOHN
Partner

**REPLY TO THE REPORT OF THE STATUTORY AUDITORS
FOR THE YEAR 2000 - 2001**

1. The two loans were given as per the direction of the State Government. Since the realisation of Interest of the above loans are uncertain, this has not been recognised as Income in the accounts.
2. Since the final approval for operating the Farm Tourism Project is yet to be received from the Government, the net amount spent on Farm Tourism Project was shown as Capital Work Progress.
3. The payment is for quarter page advertisement in the Souvenir published by AIYF 15th State Conference which is properly supported by voucher and approval of the Board of Directors.
4. The amount is withheld from the dues payable to the Managing Director.
5. The Excess amount paid is adjusted against the honararium payable to the Chairman.
6. Noted.
7. Noted.
8. Noted.

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

Comments of the Comptroller and Auditor General of India under section 619 (4) of the Companies Act, 1956 on the Accounts of The Plantation Corporation of Kerala Limited for the year ended 31 March 2001.

**A. Profit and Loss Appropriation Account - Net loss transferred to Balance Sheet -
Rs. 10.94 crores**

This is understated by Rs.38.51 lakh on account of the following:

	Rupees in lakhs
(a) Non-creation of provision for debts pertaining to periods prior to 1994-95 and doubtful of recovery	15.27
(b) Non-charging the cost of 40 ha failed Oil Palm Plantation at Vettilappara Estate.	23.24
	38.51

3. General

The Alakode Estate which was handed over to the Company by Government of Kerala as per Order M.S N. 1343 dated 04.10.1978 was under its possession since 1974-75. The income and expenditure relating to this estate has been recognised in the accounts of Company since 1987-88. However, the transfer value of the asset is yet to be settled. This material fact has not been disclosed in the accounts.

sd/-
V. KURIAN

ACCOUNTANT GENERAL (AUDIT), KERALA

Thiruvananthapuram
Date: 23-05-2003

**REPLY TO THE COMMENTS OF THE COMPTROLLER AND
AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF
THE COMPANIES ACT, 1956**

- (a) Noted. The debts pertaining to periods prior to 1994-95 will be verified and provided as doubtful debts in the accounts for the year 2001-2002
- (b) The capital loss of Rs. 23.24 lakhs for the failed Oil Palm Plantation at Vettilappara Estate will be written off in the Accounts for the year 2001-02.
3. Noted. The Government has subsequently decided to transfer the Alakode Estate to the Tribal Welfare Department.



PLANTATION CORPORATION OF KERALA LTD.

(A Government of Kerala Undertaking)

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