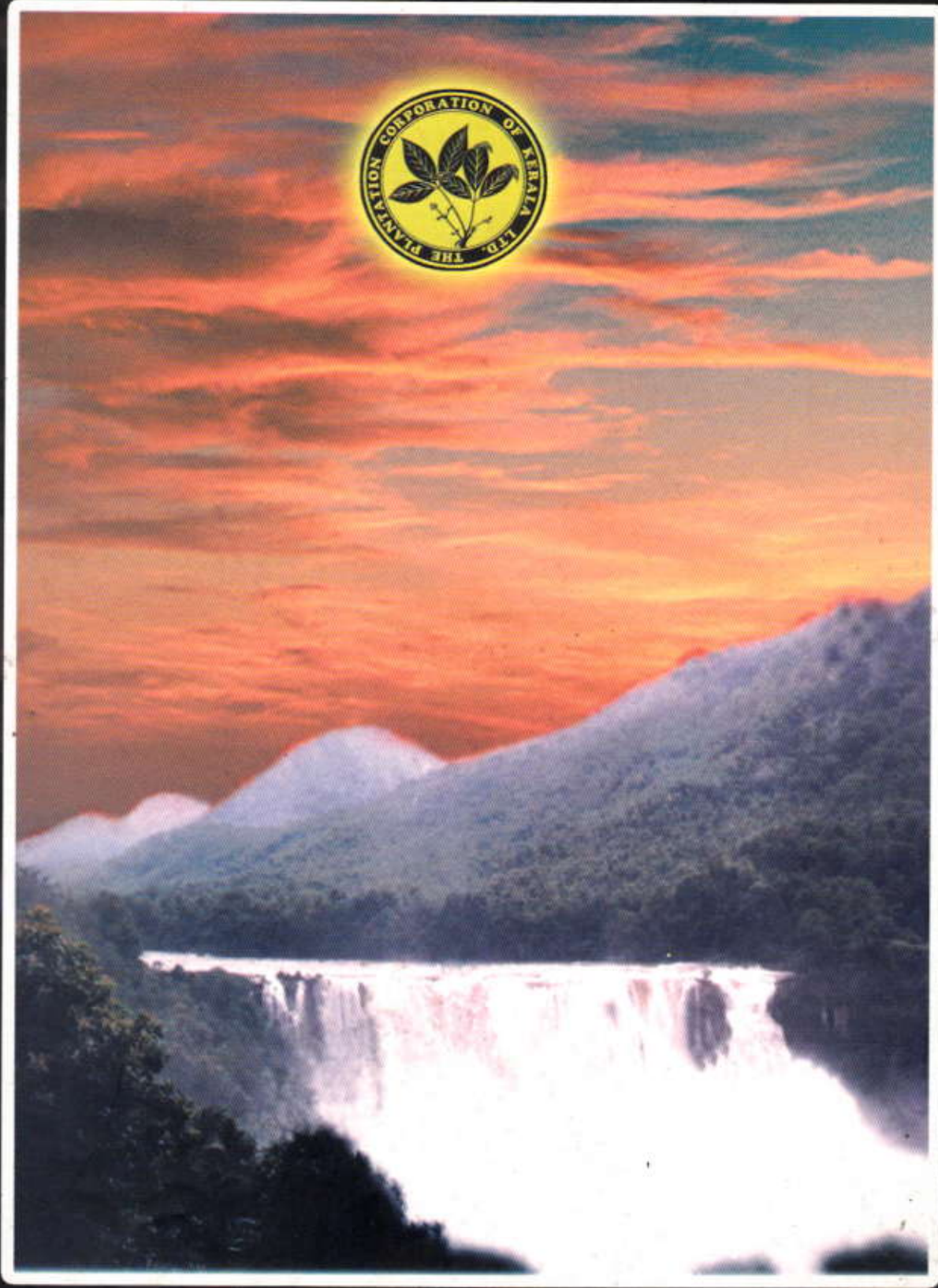


THE PLANTATION CORPORATION OF KERALA LTD



ANNUAL REPORT 2001-2002



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

*40th Annual Report
2001-2002*



Regd. Office : Kottayam - 686 004
Grams : Plantcorp
Telex : PCK 0888 207
Fax : 0481 - 2578448
Fax MD: 0481- 2575133
E-mail : plantcorpktm@sancharnet.in
Phone : (0481) 2578301, 2578302, (EPABX)
2578303, 2578304
2578164, 2578306, 2578349,
2578194, 2578763, 2578254

BOARD OF DIRECTORS

Adv. P.K. Chitrabhanu

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

Dr. A.K. Krishnakumar

Director (Form 09-11-1995)

Sri. C.K. Unnikrishnan

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

Adv. P. Sankaran

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

Sri. P.K. Mohanty, 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 (Form 07-07-2001 to 21-08-2001)

Sri. B. Sugadan,

Director (From 27-11-2001)

Sri.K. Sivaprasad

Managing Director (From 12-11-2001 to 01-03-2004)

Sr. A.C. Mathew Edayadi

Chairman (From 29-11-2002)

Adv. M.R. Bhargavan

Director (Form 16-05-2003)

Sri. V.P. Joy, I.A.S

Director (From 22-08-2003)

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 Jose Pathalil

Director (From 22-03-1997 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

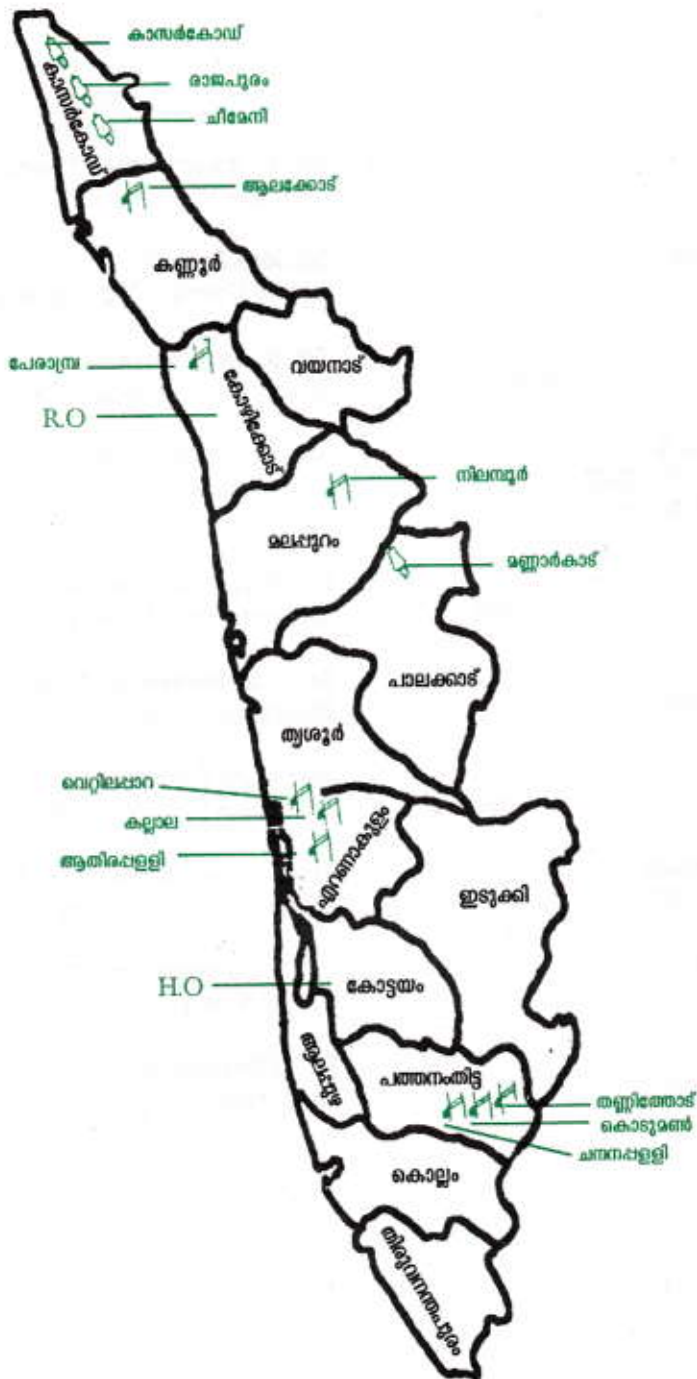
Director (From 16-05-2003 to 22-08-2003)

Sri. S Muraleedharan

Director (From 31-05-2003)

Sri. R.Krishnamoorthy B.Com, F.C.A

Managing Director incharge (From 01-03-2004)



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 40th Annual General Meeting of the Corporation will be held on Wednesday the 11th September, 2002, at 3.00 P.M 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 2001-2002 to a suitable date.
2. To record the appointment of Directors by the Governor of Kerala in place of Directors retiring at the annual General Meeting under Articles 63(2) of the Articles of Association. The following Directors retire and are eligible for reappointment.

1. Sri. K. Balachandran Thampi, I.F.S
2. Dr. A.K. Krishnakumar
3. Sr. B. Sugadan

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

12-08-2002

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 40th (adjourned)Annual General Meeting of the Corporation will be held on Tuesday , the 15th June, 2004 at 2.30 P.M at the Registered Office of the Corporation, Kottayam-4 to transact the following business.

To receive, consider and adopt the Director's Report and Auditor's Report and the audited Profit and Loss Account for the year ended 31st March, 2002 and the Balance Sheet as on that date

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

Kottayam
14-05-2004

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.

DIRECTORS' REPORT

Gentlemen,

Your Directors present the 40th Annual Report of the Corporation for the year ended 31st March, 2002

FINANCIAL POSITION

The Authorized Capital of the Corporation is Rs. 750 lakhs and the Paid up Capital which stood at Rs. 556.88 lakhs as on 31.03.2001 continued unchanged during 2001-2002 .

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 was terminated. The balance outstanding in the loan account was Rs. 32,61,222/- as on 31.03.1996 . This was transferred to Capital Reserve account.

Subsequently as per letter No L.11 (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.239/83 / AD dated 04.08.1983

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

The matter was 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 request made by the Managing Director is pending at Government level.

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 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 No. MS No. 289/2000/AD dt 02.09.2000 and G.O (MS) No 14/2001/ AD dt 23.01.2001 respectively. Subsequently Government have vide G.O (MS) No.171/2001/ AD dated 23.08.2001 have modified the orders and limited the loans 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 land and property at Kasargode 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 13%. The overdraft limit is valid for a period of 3 years . The balance loan outstanding as on 31.03.2002 under Kissan Credit facility is Rs7,09,30,755/55.

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 has also 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. We have so far availed an amount of Rs. 6 crores against the sanctioned Term Loan of Rs. 14.78 crores at an interest rate of 13.5%. The rate of interest for Term Loan has been now reduced to 10.75%. Nearly Rs. 2 crores has been remitted against Term Loan and the present balance is Rs. 4,00,89,690.84.

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. 49.03 lakhs |
| Provision for Gratuity | - | Rs. 218.56 lakhs |

AGRICULTURAL INCOME TAX

The assessment of Agricultural Income Tax has been completed upto the financial year 2000-2001.

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

SALE OF RUBBER

During 2001-2002 the quantity of rubber sold was 2987.66 M.Ts worth Rs.1092.30 lakhs as against 2316.56 M.Ts worth Rs. 853 lakhs in 2000-2001.

SALE OF CASHEW

During 2001-2002 the amount received on sale of cashew nuts was Rs.400.38 lakhs as against Rs. 483.05 lakhs in 2000 -2001.

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 Palghat District.

III FACTORIES

P.C.K has 3 major factories

- Kodumon Group Latex Factory situated in Pathanamthitta District
- Kallala Centrifuge Factory situated in Ernakulam District
- Vettilappara Crumb Rubber Factory situated in Ernakulam District

PRODUCTION

The production target was 3510 M. Ts and the achievement was 3221 M.Ts(91.76%)

During the period of 2001-02 the Estates were maintained satisfactorily, in spite of the acute financial

crisis. The industrial atmosphere was turbulent upto October 2001 due to the non payment of wages for a period 3 1/2 months. The percentage of absenteeism among the workers was very high which affected the production adversely. From November 2001 onwards regular payment of wages resumed and the atmosphere became calm.

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 issue concerning staff and workers amicably.

Due to the financial stringency of the Corporation, the payment of salary and wages to the employees were delayed. However, the employees were well aware of the situation and they fully co-operated with the management for the survival of the Corporation.

Fresh appointments were not done even in the retirement vacancies. Several employees were deployed to other Government organization with a view to reduce labour cost.

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 judgments 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 / CHAIRPERSON

Adv. P.K. Chitrabhanu appointed as Chairman from 30.10.1996 held the office of the Chairman till 06.06.2001

Sri. P.K. Mohanty, I.A.S. appointed as Chairman from 06.06.2001 held the office of the Chairman till 07.07.2001.

Smt. K.B. Valsala Kumari, IAS appointed as Chairperson on 07.07.2001 held the office of the Chair person till 21.08.2001

Sri Rajeev Sadanandhan, IAS appointed as Chairman with effect from 21.08.2001 held the office of the Chairman till 10-12-2001 .

Sri. C.S. Srinivasan, I.A.S appointed as Chairman on 10.12.2001 held 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 held the office of the Managing Director till 18.04.2001

Sri. N. Mohankumar held office of the Managing Director from 18.04.2001 to 12.11.2001

Sri. K. Sivaprasad appointed as Managing Director from 12.11.2001 held 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
07-05-2004

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 | Nil |
| (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 Earned | Nil Nil |

ANNEXURE -II

Details of Directors including changes taken place during the year ending 31.03.2002

| Sl. No | Name | Address | Date of Appointment |
|--------|--------------------------------|---|---------------------|
| 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 Jose Pathalil | Kannivayal P.O Cherpuzha, Kasaragode | From 22.03.1997 |
| 4. | Sri.K.Balachanran Thampy, I FS | Chief Conservator of Forests, World Bank Project, Thiruvananthapuram. | From 24.04.1997 |
| 5. | Adv. P. Sankaran | Puthiyootil House, Kadiyangod P.O | From 04.07.1997 |
| 6. | Sri. P.K Mohanty IAS | Secretary to Government Agriculture Department, Secretariat, Thiruvananthapuram | From 18.01.2000 |
| 7. | Sri. K. Jayachandran | Under Secretary to Government, Finance Department, Secretariat, Thiruvananthapuram | From 18.08.2000 |
| 8. | Sri. B. Sugadan | Joint Secretary, Finance Department Secretariat, Thiruvananthapuram | From 27.11.2001 |

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT) KERALA,
THIRUVANTHAPURAM**

**Review of accounts of Plantation Corporation of Kerala Limited, Kottayam for the year ended 31st
March 2002 by the Comptroller and Auditor General of India.**

1. Financial Position

The table below summarises the financial position of the Company under board headings for the three years up to 2001-2002.

| | 1999-00 | 2000-01 | 2001-02 |
|---|------------------|----------------|----------------|
| | (Rupees in lakh) | | |
| Liabilities | | | |
| 1. Paid up capital | 556.88 | 556.88 | 556.88 |
| 2. Reserves and surplus | 1163.49 | 1175.82 | 1178.85 |
| 3. Borrowings | - | 451.68 | 709.31 |
| 4. Trade dues and current liabilities (including provisions) | 4473.48 | 4692.29 | 5324.38 |
| Total | <u>6193.85</u> | <u>6876.67</u> | <u>7769.42</u> |
| Assets | | | |
| 1. Gross Block | 1454.84 | 1572.92 | 1586.87 |
| 2. Less depreciation | 870.44 | 925.88 | 972.00 |
| 3. Net Block | 584.40 | 647.04 | 614.87 |
| 4. Development of property | 3122.68 | 3555.86 | 3736.22 |
| 5. Capital Work in progress | 145.27 | 207.83 | 191.95 |
| 6. Investments | 125.01 | 125.01 | 125.01 |
| 7. Current assets, loans and advances | 2004.28 | 1247.18 | 1390.32 |
| 8. Accumulated loss | <u>212.21</u> | <u>1093.75</u> | <u>1711.05</u> |
| Total | <u>6193.85</u> | <u>6876.67</u> | <u>7769.42</u> |
| Capital employed | 3210.41 | 2751.07 | 2418.62 |
| Net worth | 1508.16 | 638.95 | 24.68 |

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 borrowings during the year 1999-2000 was Nil and Rs. 451.68 lakh during 2000-01 and Rs. 709.31 lakh during 2001-02. Hence the debt equity ratio was 0:1 during 1999-2000, 0.8:1 during 2000-2001 and 1.27:1 during 2001-02.

3. Reserves & Surplus

The Reserves and surplus accumulated at the end of the three years upto 2001-2002 amounted to Rs.1163.49 lakhs, Rs. 1175.82 lakhs and Rs. 1178. 85 lakhs respectively. The reserves and surplus worked out to 18.78 percent of the total liabilities in 1999-2000 and 17.1 percent in 2000-2001 and 15.17 percent in 2001-02. The percentage of reserves and surplus to equity capital was 208.93 in 1999-2000, 211. 14 in 2000-2001 and 211.69 in 2001-02

4. Liquidity and solvency

- (a) The percentage of current assets to total net assets decreased from 32.36 in 1999-2000 to 18.14 in 2000-01 and to 17.89 in 2001-02.
- (b) The percentage of current assets to current liabilities (including provisions) decreased from 44. 80 in 1999 - 2000 to 26.58 in 2000-01 and to 26.11 in 2001-02 .
- (c) The percentage of quick assets (sundry debtors, cash and bank balance and advances recoverable) to current liabilities excluding provisions decreased from 52. 49 in 1999-2000 to 15.55 in 2000-2001 and to 12.75 in 2001-02.

5. Sources and uses of funds.

Funds amounting to Rs. 49.15 lakh from internal sources and Rs. 905.60 lakh from external sources were utilized during the year 2001-02 as given below.

| | Rs in lakh |
|--|---------------|
| 1. Acquisition of fixed assets | 13.95 |
| 2. Acquisition of current assets | 180.36 |
| 3. Increase in Development of property | 143.14 |
| 4. Increase in accumulated loss | 617.30 |
| Total | <u>954.75</u> |

6. Working Results

The working results of the Company for the three years upto 2001-2002 are given below:-

| | 1999-00 | 2000-01 | 2001-02 |
|---|-------------|------------|------------|
| (i) Profit (+)/(-) for the year as per accounts (before tax) | (-) 464.18 | (-) 867.83 | (-) 616.39 |
| (ii) Provision for taxation | 40.00 | 8.00 | Nil |
| Profit (+) / (-) (after tax) | (-) 504 .18 | (-) 875.83 | (-) 616.39 |

7. Cost Trends

| | | | |
|--|------------|------------|------------|
| Sales | 1313.17 | 1353.53 | 1530.46 |
| Less Profit (+) / add loss (-) for the year | (-) 464.18 | (-) 867.83 | (-) 616.39 |
| Cost of sales | 1777.35 | 2221.36 | 2146.85 |
| Percentage of cost of sales to sales | 135.35 | 164.12 | 140.27 |

8. Production Performance

The value of production for the three years up to 2001-02 is worked out below:-

| | 1999-00 | 2000-01 (Rupees in lakh) | 2001-02 |
|---|---------|-----------------------------|---------|
| (a) Sales | 1313.17 | 1353.53 | 1530.46 |
| (b) Closing stock of finished goods and work in progress | 171.36 | 185.91 | 357.52 |
| (c) Opening stock of finished goods and work in progress | 180.70 | 171.36 | 185.84 |
| (d) Value of production (a+b-c) | 1303.83 | 1368.08 | 1702.14 |

The percentage of value of production to net worth increased from 86.45 in 1999-2000 to 214.11 in 2000-2001 and to 6896.84 in 2001-02

The percentage of value of production to total net assets decreased from 21.05 in 1999-2000 to 19.89 in 2000-2001 and increased to 21.91 in 2001-02

9. Inventory

The following table indicates the comparative position of inventory and its distribution at the close of three years up to 2001-02.

| | 1999-2000 | 2000-2001 | 2001-2002 |
|--|------------------|---------------|---------------|
| | (Rupees in lakh) | | |
| (a) Stores and Spares | 165.46 | 144.75 | 122.53 |
| (b) Loose Tools | 12.76 | 13.55 | 14.68 |
| (c) Stock in Trade of finished goods (including work in progress) | 171.36 | 185.91 | 357.52 |
| (d) Agricultural equipments | 7.64 | 7.04 | 6.55 |
| Total | <u>357.22</u> | <u>351.25</u> | <u>501.28</u> |

The stock in trade was equivalent to 1.6 months sales in 1999-2000 and 2000-2001 and 2.8 months in 2001-02

10. Sundry Debtors and Turnover

The following table indicates the volume of book debts and sales for the three years up to 2001-02

| As on 31 st March | Rupees in lakh | | | | Percentage of debts to sales |
|---------------------------------|--------------------|------------------------|--------|--------------------------|------------------------------------|
| | Book debts | | | Sales during the year | |
| | Considered good | Considered doubtful | Total | | |
| 2000 | 57.88 # | - | 57.88 | 1313.17 | 4.4 |
| 2001 | 119.71 | - | 119.71 | 1353.53 | 8.8 |
| 2002 | 37.04 | 13.88 | 50.92 | 1530.46 | 3.3 |

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

Note: No effect of qualification of Statutory Auditors in their report has been given in the Review of accounts.

Sd/-
ARVIND K. AWASTHI
PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
KERALA

Thiruvananthapuram

Date : 26-03-2004

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

ANNUAL ACCOUNTS
&
SCHEDULES
2001-2002

THE PLANTATION CORPORATION BALANCE SHEET

| Previous Year | LIABILITIES | Current Year |
|---------------------|--|---------------------|
| Rs. Ps. | | Rs. Ps |
| | SHARE CAPITAL | |
| 75000000.00 | Authorised - 75000 Equity Share of Rs. 1000/- each | 75000000.00 |
| 55688000.00 | Issued - 55688 Equity Shares of Rs. 1000/- each | 55688000.00 |
| 55688000.00 | Subscribed, called up and paid up- 55688 Equity Shares of Rs. 1000/- each (Of the above shares, 12182 shares are allotted as fully paid up pursuant to a contract without payments being received in cash) | 55688000.00 |
| 117582375.28 | RESERVES & SURPLUS (Sch. A) | 117885085.28 |
| 45168150.24 | SECURED LOANS (Sch. B 1) | 70930755.55 |
| | UNSECURED LOANS | |
| | From Govt. of Kerala for Estate Development | |
| 4820960.51 | Interest accrued and due | 4820960.51 |
| | CURRENT LIABILITIES & PROVISIONS | |
| 264588236.69 | a.Current Liabilities - Sch. B | 325378818.61 |
| 199819471.07 | b.Provisions-Sch. C | 202238671.07 |
| 687667193.79 | TOTAL | 776942291.02 |

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

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Anu Iype John
Partner

OF KERALA LTD. KOTTAYAM - 4 AS AT 31st MARCH 2002

| Previous Year | | ASSETS | Current Year | |
|---|-----|---|--------------------|---------------------|
| Rs. | Ps. | | Rs. | Ps. |
| FIXED ASSETS | | | | |
| 355586386.23 | | a) Plantations - Sch D | 373622292.86 | |
| 64703781.79 | | b) Plant & Machinery, Roads, Buildings etc. Sch. E | 61486580.17 | |
| 20782766.74 | | c) Capital Work in Progress | <u>19194605.37</u> | 454303478.40 |
| INVESTMENTS | | | | |
| 12501000.00 | | In Shares (at cost)- Sch F. | | 12501000.00 |
| CURRENT ASSETS, LOANS & ADVANCES | | | | |
| 62739371.91 | | a) Current Assets -Sch. G | 76513371.36 | |
| 61978829.74 | | b) Loans & Advances - Sch . H | <u>62518661.51</u> | 139032032.87 |
| <u>109375057.38</u> | | PROFIT & LOSS APPROPRIATION ACCOUNT | | <u>171105779.75</u> |
| <u>687667193.79</u> | | TOTAL | | <u>776942291.02</u> |

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

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Anu lype John
Partner

THE PLANTATION CORPORATION PROFIT & LOSS ACCOUNT

| Previous Year Rs. Ps. | EXPENDITURE | Current Year Rs. Ps |
|----------------------------|--|----------------------------|
| 17135692.17 | To Opening Stock - Rubber and Agri. Products | 18584151.69 |
| 43509496.10 | To Salaries & Allowances | 32424385.10 |
| 309390.00 | To Salaries & Allowance to MD | 124114.40 |
| 2471406.64 | To Leave Encashment | 2313174.24 |
| 18527796.65 | To Employer's Contribution - PF | 10187885.60 |
| 8276932.09 | To Bonus & Production Incentive | 7634497.05 |
| 24000.00 | To Honararium to Chairman | 4000.00 |
| 140413.81 | To TA & Sitting Fee to Directors | 14729.65 |
| 1211257.24 | To TA To Staff & Officers | 867172.10 |
| 57536.70 | To Rent | 37786.00 |
| 1323603.00 | To Rates & Taxes | 1440992.05 |
| 13236481.30 | To Electricity Charges | 11211424.70 |
| 15189871.00 | To Lease Rent | 15189871.00 |
| 379006.05 | To Insurance charges | 762397.60 |
| 365442.32 | To Advertisement Charges | 538463.80 |
| 1010807.50 | To Legal Expenses | 357059.05 |
| 41650.00 | To Remuneration to Auditors | 49000.00 |
| 2874408.00 | To Interest on loan | 9112774.20 |
| 12349487.38 | To Rep. & Maintenance of Assets- Sch. 1 | 8191769.35 |
| 3440079.12 | To Miscellaneous Expenses - Sch. II | 1989726.25 |
| 22632202.93 | To Welfare Expenses - Sch. III | 22014903.80 |
| 5242238.40 | To Depreciation | 4903448.78 |
| 20461234.06 | To Cultivation & Upkeep - Rubber | 16166449.35 |
| 34458495.21 | To Tapping & Collection - Rubber | 40825030.99 |
| 14138607.02 | To Manufacturing & Selling Expenses | 17809325.95 |
| 13341386.50 | To Cultivation & Upkeep - Cashew | 10139122.23 |
| 1360562.33 | To Cultivation & Upkeep - Oil Palm | 1319200.41 |
| 602994.62 | To Cultivation & Upkeep - Other Crops | 800936.66 |
| 292103.30 | To Collection Charges - Cashew | 1117737.80 |
| 433801.52 | To Harvesting Expenses- Oil Palm | 417473.27 |
| 13993.56 | To Losses & Write off | 2324000.00 |
| 0.00 | To Provision for Doubtful debts | 1387786.91 |
| 20730164.00 | To Provision for Gratuity | 21856432.01 |
| 362844.95 | To Net Loss - Rubber Wood Factory - Sch. IV | 649081.34 |
| <u>275945385.47</u> | TOTAL | <u>262766303.33</u> |

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

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Anu lype John
Partner

**OF KERALA LTD. KOTTAYAM - 4
FOR THE YEAR ENDED 31st MARCH 2002**

| Previous Year Rs. Ps. | INCOME | Current Year Rs. Ps |
|--------------------------|--------|------------------------|
|--------------------------|--------|------------------------|

By Sales

| | | | |
|-------------|-------------------------|------------------|--------------|
| 85300517.40 | Rubber | 109229299.94 | |
| 48305887.60 | Cashew | 40037859.80 | |
| 2000.00 | Slaughter Tapping | 0.00 | |
| 1744849.32 | Agricultural Produce | 3779494.00 | |
| 25872971.29 | Rubber Trees & Firewood | 6538725.28 | |
| 23985.00 | Tender Forms | 22405.00 | |
| 219186.36 | Empties & Unserviceable | <u>174092.90</u> | 159781876.92 |

By Interest

| | | | |
|------------|-------------------------------|-----------------|-----------|
| 638908.15 | From Contractors & Customers | 163238.67 | |
| 340328.60 | From Staff Loans | 256084.31 | |
| 1444238.00 | From Treasury & Bank Deposits | 119180.00 | |
| 428886.00 | From Others | <u>95232.50</u> | 633735.48 |

By Other Income

| | | | |
|------------|----------------------------|------------------|------------|
| 173895.00 | Rent of Building | 185018.50 | |
| 0.00 | Profit on Sale of Assets | 296215.20 | |
| 1475477.08 | Miscellaneous Income | 2961662.06 | |
| 1243961 | Inter Crops | 1097984.50 | |
| 3350848.50 | Processing Charge Received | <u>419501.00</u> | 4960381.26 |

By Closing Stock of Finished Goods & W.I.P

| | | | |
|--------------------|---------------------------------------|------------------|--------------------|
| 18493726.69 | Rubber | 33228067.00 | |
| 90425.00 | Cashew | 2187687.00 | |
| 6965.00 | Other Agricultural Produces | <u>335978.00</u> | 35751732.00 |
| <u>86783329.48</u> | Net Loss c/d to P&L Appropriation A/c | | <u>61638577.67</u> |

275945385.47

TOTAL

262766303.33

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

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Anu lype John
Partner

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

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2002

| Previous Year Rs. Ps | | Current Year Rs. Ps | Previous Year Rs. Ps | | Current Year Rs. Ps |
|-------------------------|---|------------------------|-------------------------|---|------------------------|
| 21220889.95 | To Balance as per last Balance Sheet | 109375057.38 | 0.00 | By Balance as per last Balance Sheet | 0.00 |
| 86783329.48 | To Net Loss as per P & L A/c. | 61638577.67 | | | |
| 800000.00 | To Tax Provision | | 29912.43 | By Prior Period Income | 0.00 |
| 600750.38 | To Prior Period Expenses | 92144.70 | | | |
| 0.00 | To Investments written off | 0.00 | 109375057.38 | By Net Loss transferred | |
| 0.00 | To Cost of Rubber Plantations Written off | 0.00 | | to Balance Sheet | 171105779.75 |
| 109404969.81 | TOTAL | 171105779.75 | 109404969.81 | TOTAL | 171105779.75 |

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

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R. V. Nair
Secretary

Sd/-
Anu lype John
Partner

SCHEDULE - A
RESERVES & SURPLUS AS ON 31-03-2002

| Previous Year Rs. Ps. | | Current Year 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 |
| 3747940.00 | 4. <u>Subsidy from Govt. of Kerala</u> <u>-Cashew Plantation Upkeep</u> As per last Balance Sheet | 3747940.00 |
| | Additions during the year | 0.00 |
| 11556100.50 | 5. <u>Subsidy from Rubber Board</u> <u>-Rubber Cultivation</u> Additions during the Year | 11556100.50 |
| | | 302710.00 |
| 117582375.28 | TOTAL | 117885085.28 |

SCHEDULE - B
CURRENT LIABILITIES AS ON 31-03-2002

| Previous year Rs. Ps | | Current Year Rs. Ps |
|-------------------------|----------------------------------|------------------------|
| 7960005.70 | Sundry Creditors | 6795741.69 |
| 198973487.75 | Other Liabilities | 265193967.01 |
| 4201049.17 | EMD | 4065201.17 |
| 12726538.02 | Security Deposit | 11687185.52 |
| 21772639.00 | Income Received in Advance | 18367931.00 |
| 10000.00 | Housing Scheme - workers | 10000.00 |
| 33392.29 | Welfare Fund | 34594.53 |
| 641000.00 | Sale of Secondary Growth | 641000.00 |
| 17737151.90 | Agricultural Income Tax due | 17737151.90 |
| 531888.86 | Central Sales Tax & KGST payable | 844961.79 |
| 374.00 | Sainik Stamp | 374.00 |
| 710.00 | Kargil Fund | 710.00 |
| 264588236.69 | TOTAL | 325378818.61 |

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Cheriyian & Cheriyian
Chartered Accountants

SCHEDULE - B1
SECURED LOAN AS ON 31-03-2002

| Previous Year | | | Current Year |
|-------------------|-----|---|--------------------|
| Rs. | Ps. | | Rs. Ps |
| From Banks | | | |
| 45168150.24 | | Secured by hypothecation of standing and future crops and equitable mortgage of Land and Buildings at Vadavathoor and Kasargode, guaranteed by Government of Kerala | 70930755.55 |
| 45168150.24 | | TOTAL | 70930755.55 |

SCHEDULE - C
PROVISIONS AS ON 31-03-2002

| Previous Year | | | Current Year |
|---------------------|----|------------------------------|---------------------|
| Rs. | Ps | | Rs. Ps |
| 178545150.00 | | 1. Gratuity: | |
| | | As per last Balance Sheet | 178545150.00 |
| | | ADD Additions this year | <u>21856432.01</u> |
| | | | 200401582.01 |
| | | LESS Paid this year | <u>19437232.01</u> |
| | | | 180964350.00 |
| 1800000.00 | | 2. Bonus: | |
| | | As per last Balance Sheet | 1800000.00 |
| | | ADD Additions this year | <u>1800000.00</u> |
| | | (From 1-1-2002 to 31-3-2002) | |
| | | | 3600000.00 |
| | | LESS Adjusted this year | <u>1800000.00</u> |
| | | (From 1-1-2001 to 31-3-2001) | 1800000.00 |
| 19474321.07 | | 3. Taxation: | |
| | | As per last Balance sheet | 19474321.07 |
| | | ADD Additions this year | <u>0.00</u> |
| | | | 19474321.07 |
| | | LESS Adjusted this year | <u>0.00</u> |
| | | | 19474321.07 |
| 199819471.07 | | TOTAL | 202238671.07 |

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Cheriyann & Cheriyann
Chartered Accountants

SCHEDULE-D
DEVELOPMENT OF PROPERTY AS on 31st MARCH 2002

| Item | Opening Balance | | Additions | | Disposals | | Closing Balance | |
|-----------------------|-------------------|-----------|------------------|-----------|-----------------|-----------|-------------------|-----------|
| | Rs. | Ps. | Rs. | Ps. | Rs. | Ps. | Rs. | Ps. |
| Rubber | 305599996. | 80 | 15890884. | 98 | 4579669. | 22 | 316911212. | 56 |
| Cashew Plantations | 19924511. | 67 | 3939834. | 07 | 0.00 | | 23864345. | 74 |
| Coffee Plantations | 478684. | 94 | 0.00 | | 0.00 | | 478684. | 94 |
| Arecanut Plantations | 934973. | 64 | 127768. | 66 | 0.00 | | 1062742. | 30 |
| Oil Palm Plantations | 24746235. | 48 | 4824972. | 64 | 2324000. | 00 | 27247208. | 12 |
| Teak Plantations | 631722. | 01 | 90071. | 99 | 0.00 | | 721794. | 00 |
| Coconut Plantations | 178322. | 73 | 26460. | 13 | 0.00 | | 204782. | 86 |
| Survey | 225195. | 53 | 0.00 | | 0.00 | | 225195. | 53 |
| Evicted Area Expenses | 1694037. | 42 | 0.00 | | 0.00 | | 1694037. | 42 |
| Eucalyptus & Accasia | 1085612. | 11 | 39583. | 38 | 0.00 | | 1125195. | 49 |
| Cardamom Plantations | 87093. | 90 | 0.00 | | 0.00 | | 87093. | 90 |
| Total | 355586386. | 23 | 24939575. | 85 | 6903669. | 22 | 373622292. | 86 |

Cost of 40 ha failed Oil Palm Plantation at Vettilappara Estate, written off.
(Refer Comment of Accountant General No. A(b) dated 23.5. 2003)

| | | | | |
|--|--|---|-----------------------------------|--|
| Sd/- A.C Mathew Edayadi Chairman | Sd/- K. Sivaprasad Managing Director | Sd/- R. Krishnamoorthy G.M. (F&A) | Sd/- M. R.V. Nair Secretary | Sd/- Cheriyian & Cheriyian Chartered Accountants |
|--|--|---|-----------------------------------|--|

THE PLANTATION CORPORATION OF KERALA LTD., KOTTAYAM- 4

SCHEDULE - E

SCHEDULE OF FIXED ASSETS AS ON 31st MARCH 2002

| ITEM | ORIGINAL COST | | | | | | DEPRECIATION | | | | | | DISPOSAL / WRITE-OFF | | | | BALANCE | | | | | | | |
|----------------------------|-----------------------------|-----|--------------------------------|-----|---------------------|-----|-----------------------------|-----|----------------------|-----|--------------------|-----|----------------------|-----|---------------------------|-----|-----------------------------|-----|-----------------------------|-----|----------------------------|-----|----------------------------|-----|
| | At the end Of Previous Year | | Additions Du-ring current Year | | Total cost | | At the end Of Previous Year | | For the current Year | | Total Depreciation | | Original Cost | | Depreciations Written off | | Total Cost as on 31-03-2002 | | Total Depm as on 31-03-2002 | | Net Block as on 31-03-2002 | | Net Block as on 31-03-2001 | |
| | 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 | 2673524.45 | | 0.00 | | 2673524.45 | | 2310081.96 | | 65792.49 | | 2375874.45 | | 0.00 | | 0.00 | | 2673524.45 | | 2375874.45 | | 297650.00 | | 363442.49 | |
| 2. Office Equipments | 3869343.03 | | 13600.00 | | 3882943.03 | | 2080413.05 | | 269451.98 | | 2349865.03 | | 0.00 | | 0.00 | | 3882943.03 | | 2349865.03 | | 1533078.00 | | 1788929.98 | |
| 3. Electric Appliances | 96756.13 | | 0.00 | | 96756.13 | | 89593.15 | | 1437.98 | | 91031.13 | | 0.00 | | 0.00 | | 96756.13 | | 91031.13 | | 5725.00 | | 7162.98 | |
| 4. Electrical Installation | 6675097.16 | | 0.00 | | 6675097.16 | | 5502843.79 | | 163066.37 | | 5665910.16 | | 0.00 | | 0.00 | | 6675097.16 | | 5665910.16 | | 1009187.00 | | 1172253.37 | |
| 5. Telephone | 295552.38 | | 0.00 | | 295552.38 | | 177993.36 | | 16354.02 | | 194347.38 | | 0.00 | | 0.00 | | 295552.38 | | 194347.38 | | 101205.00 | | 117559.02 | |
| 6. Survey Instruments | 12484.92 | | 0.00 | | 12484.92 | | 12120.24 | | 60.68 | | 12180.92 | | 0.00 | | 0.00 | | 12484.92 | | 12180.92 | | 304.00 | | 364.68 | |
| 7. Library | 70903.36 | | 0.00 | | 70903.36 | | 50337.49 | | 2059.87 | | 52397.36 | | 0.00 | | 0.00 | | 70903.36 | | 52397.36 | | 18506.00 | | 20565.87 | |
| 8. Roads | 24519206.91 | | 632913.00 | | 25152119.91 | | 8673689.41 | | 823926.50 | | 9497615.91 | | 0.00 | | 0.00 | | 25152119.91 | | 9497615.91 | | 15854504.00 | | 15845517.50 | |
| 9. Fence / Kayyala | 9999260.09 | | 0.00 | | 9999260.09 | | 4902272.16 | | 509703.93 | | 5411976.09 | | 0.00 | | 0.00 | | 9999260.09 | | 5411976.09 | | 4587284.00 | | 5096987.93 | |
| 10. Electric Fittings | 182806.03 | | 0.00 | | 182806.03 | | 119615.08 | | 12644.95 | | 132260.03 | | 0.00 | | 0.00 | | 182806.03 | | 132260.03 | | 50546.00 | | 63190.95 | |
| 11. Plant & Machinery | 22903364.79 | | 15288.00 | | 22918652.79 | | 16337178.46 | | 965776.90 | | 17302955.36 | | 0.00 | | 0.00 | | 22918652.79 | | 17302955.36 | | 5615697.43 | | 6566186.33 | |
| 12. Buildings | 60802409.34 | | 1292253.00 | | 62094662.34 | | 33506607.99 | | 1528657.71 | | 35035265.70 | | 0.00 | | 0.00 | | 62094662.34 | | 35035265.70 | | 27059396.64 | | 27295801.35 | |
| 13. Vehicles | 12676534.65 | | 0.00 | | 12676534.65 | | 10469339.62 | | 587591.13 | | 11056930.75 | | 558574.28 | | 553788.48 | | 12117960.37 | | 10503142.27 | | 1614818.10 | | 2207195.03 | |
| 14. Water Supply Instrn | 8353307.01 | | 0.00 | | 8353307.01 | | 7701312.04 | | 195606.97 | | 7896919.01 | | 0.00 | | 0.00 | | 8353307.01 | | 7896919.01 | | 456388.00 | | 651994.97 | |
| 15. Ammonia Cylinders | 523639.00 | | 0.00 | | 523639.00 | | 510862.67 | | 5111.33 | | 515974.00 | | 0.00 | | 0.00 | | 523639.00 | | 515974.00 | | 7665.00 | | 12776.33 | |
| 16. Wells | 306955.53 | | 0.00 | | 306955.53 | | 588834.22 | | 12411.31 | | 71245.53 | | 0.00 | | 0.00 | | 306955.53 | | 71245.53 | | 235710.00 | | 248121.31 | |
| 17. Landing Pad | 118844.25 | | 0.00 | | 118844.25 | | 60886.90 | | 2899.35 | | 63786.25 | | 0.00 | | 0.00 | | 118844.25 | | 63786.25 | | 55058.00 | | 57957.35 | |
| 18. Jhankar & Boat | 63041.49 | | 0.00 | | 63041.49 | | 23902.79 | | 3914.70 | | 27817.49 | | 0.00 | | 0.00 | | 63041.49 | | 27817.49 | | 35224.00 | | 39138.70 | |
| 19. Freehold Land | 3148635.65 | | 0.00 | | 3148635.65 | | 0.00 | | 1.65 | | 1.65 | | 0.00 | | 0.00 | | 3148635.65 | | 1.65 | | 3148634.00 | | 3148635.65 | |
| Total | 157291666.17 | | 1954054.00 | | 159245720.17 | | 92587884.38 | | 5166469.82 | | 97754354.20 | | 558574.28 | | 553788.48 | | 158687145.89 | | 97200565.72 | | 61486580.17 | | 64703781.79 | |
| Previous Year Total | 145484391.52 | | 11807274.7 | | 157291666.17 | | 87044180.2 | | 5543704.18 | | 92587884.38 | | 0.00 | | 0.00 | | 157291666.17 | | 92587884.38 | | 64703781.79 | | 58440211.32 | |

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Cheriyar & Cheriyar
Chartered Accountants

SCHEDULE -F
INVESTMENTS AS ON 31-03-2002

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

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Cheriyar & Cheriyar
Chartered Accountants

SCHEDULE -G
CURRENT ASSETS AS ON 31-03-2002

| Previous Year Rs. Ps. | | Current Year Rs. Ps | |
|--|---|------------------------|--------------------|
| A. INVENTORIES (As taken, valued and certified by the management) | | | |
| 14474834.74 | 1. Stores and Spares at cost | 12252830.20 | |
| 1355450.90 | 2. Loose Tools | 1468481.34 | |
| 703920.21 | 3. Agricultural and Other Equipments | 654660.44 | |
| 18493726.69 | 4. Stock of Rubber & Rubber in Process (Value fixed by Management less Incidental Expenses) | 33228067.00 | |
| 1101546.80 | 5. Stock of Rubber Wood | 964616.00 | |
| 90425.00 | 6. Stock of Cashew Nuts | 2187687.00 | |
| 6965.00 | 7. Closing Stock -Others | 335978.00 | |
| | 8. Nurseries : | | |
| 520638.57 | Cashew | 1218573.06 | |
| 195047.02 | Budwood -Rubber | 182955.86 | |
| 59844.97 | Arecanut | 88791.67 | |
| 825117.93 | Others | 65006.82 | |
| 1180228.08 | Oil Palm | 688837.37 | |
| 2219753.36 | Polybag-Rubber | 2237878.58 | |
| 1521352.68 | Rubber Seedlings | 1669339.38 | 57243702.72 |
| 11971329.61 | B. SUNDRY DEBTORS (Unsecured): | | |
| | Considered Good : | | |
| | Exceeding six months | 1510036.33 | |
| | Others | 2193917.71 | |
| | Doubtful Debts | 1387786.91 | |
| | | 5091740.95 | |
| | Less Provision for Doubtful Debts | 1387786.91 | 3703954.04 |
| | C. CASH & BANK BALANCES: | | |
| 223.00 | a. Stamp & Stamp Papers | 223.00 | |
| 0.00 | b. Cash Balance | | |
| | c. Bank Balances: | | |
| 98314.07 | 1) With Scheduled Banks in Current Accounts | 10919046.90 | |
| 5773.00 | 2) With Treasury S.B. A/c | 4620.00 | |
| 7233152.28 | 3) Cash in Transit | 4641824.70 | |
| | d. Fixed Deposits | | |
| 0.00 | 1) With Treasury | 0.00 | |
| 625000.00 | 2) With Scheduled Banks | 0.00 | |
| 6728.00 | 3) Interest Receivable on FD | 0.00 | |
| 50000.00 | 4) With PCK Employees' Society | 0.00 | 15565714.60 |
| 62739371.91 | TOTAL | | 76513371.36 |

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Cheriyen & Cheriyen
Chartered Accountants

SCHEDULE - H
LOANS & ADVANCES AS ON 31-03-2002

| Previous Year Rs. Ps. | | Current Year Rs. Ps |
|--------------------------|---|------------------------|
| | 1. SECURED (Considered Good) | |
| | STAFF LOAN | |
| 196584.50 | 1) Motor Car Loan | 179404.50 |
| 77913.00 | 2) Motor Cycle Loan | 60137.10 |
| 1307302.00 | 3) Housing Loan | <u>1122910.60</u> |
| | | 1362452.20 |
| | 2. UNSECURED (Considered Good) | |
| 693393.08 | a) 1. Oil Palm India Ltd., Kottayam | 276060.08 |
| 2500000.00 | 2. K.S.C.H.D.C | 2500000.00 |
| 15000000.00 | 3. K.S.H.D.C | 15000000.00 |
| 14880424.70 | b) Advances recoverable in cash or kind for value to be received | 16051193.37 |
| | c) Advance payment of taxes : | |
| 709482.18 | 1. Sales tax | 709482.18 |
| 7834275.00 | 2. Agricultural Income tax | 7860275.00 |
| 11838907.00 | 3. Central Income Tax | 11888907.00 |
| 157177.60 | d) Prepaid expenses | 47269.00 |
| | e) Tax refund due | |
| 286300.00 | 1. Income Tax | 286300.00 |
| 5082748.18 | 2. Agricultural income tax | 5082748.18 |
| 61668.25 | f) Rebate receivable on Govt Loan | <u>61668.25</u> |
| | | 59772903.06 |
| | 3. DEPOSITS | |
| 1082776.00 | 1. KSEB, Port Trust & other Govt. Dept. | 1082776.00 |
| 12750.00 | 2. With Housing Board | 12750.00 |
| 158231.00 | 3. Other Deposits | 175833.00 |
| 23653.00 | 4. With Court | 36703.00 |
| 75244.25 | 5. With Suppliers | <u>75244.25</u> |
| | | 1383306.25 |
| 61978829.74 | TOTAL | 62518661.51 |

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Cheriyian & Cheriyian
Chartered Accountants

SCHEDULE - I
REPAIRS & MAINTENANCE OF ASSETS

| Previous Year Rs. Ps. | | Current Year Rs. Ps. |
|--------------------------|--------------------------------------|-------------------------|
| 3432579.85 | Repairs to Vehicles | 3087747.35 |
| 1329518.6 | Repairs to Buildings | 745405.14 |
| 1937655.69 | Repairs to Plant & Machinery | 636812.03 |
| 3953535.49 | Repairs to Roads | 1660603.90 |
| 406079.41 | Repairs to Electrification | 289000.45 |
| 462214.14 | Repairs to water supply installation | 355280.94 |
| 72093.10 | Repairs to Office Equipments | 184927.13 |
| 337045.28 | Repairs to Fence / Kayyala | 735069.78 |
| 181429.94 | Repairs to Tools | 209488.59 |
| 45711.39 | Repairs Jhankar & Boat | 88565.16 |
| 50641.00 | Repairs to computer | 19679.50 |
| 8677.34 | Repairs to Furniture | 17278.84 |
| 119431.18 | Repairs to Temporary Shed | 146850.79 |
| 12874.97 | Repairs & Maint. to Assets | 15059.75 |
| 12349487.38 | TOTAL | 8191769.35 |

SCHEDULE - II
MISCELLANEOUS EXPENSES

| Previous Year Rs. Ps. | | Current Year Rs. Ps. |
|--------------------------|-------------------------------|-------------------------|
| 727725.29 | Postage, Telephone & Telegram | 537380.80 |
| 189874.75 | Printing & Stationery | 396000.00 |
| 111923.24 | Office Expenses & Others | 138342.82 |
| 633131.18 | Security Expenses | 385373.45 |
| 88659.24 | Storage Expenses | 3865.40 |
| 520408.62 | Survey Expenses | 34297.20 |
| 15818.15 | Books & Periodicals | 11639.50 |
| 148236.27 | I B Expenses | 68883.62 |
| 121267.91 | Entertainment Expenses | 43019.41 |
| 169609.61 | Staff Training Expenses | 2215.50 |
| 352650.96 | Ferry Expenses | 170005.98 |
| 360773.90 | Bank Charges | 198702.57 |
| 3440079.12 | TOTAL | 1989726.25 |

Sd/-
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Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Cheriyann & Cheriyann
Chartered Accountants

**SCHEDULE -III
WELFARE EXPENSES**

| Previous Year Rs. Ps | | Current Year Rs. Ps |
|-------------------------|-----------------------------|------------------------|
| 2771009.93 | Sickness Benefit | 2613532.81 |
| 105191.58 | Maternity benefit | 94786.96 |
| 4351516.35 | Leave with wages | 5991906.75 |
| 4400178.78 | Holiday wages | 4811257.27 |
| 436707.54 | Weather Protection Expenses | 298706.43 |
| 2308183.99 | Drinking Water Supply | 1622211.76 |
| 375546.72 | Sanitation | 192623.06 |
| 54380.80 | Recreation Facility | 48466.25 |
| 6275594.69 | Medical & Hospital Facility | 5168438.65 |
| 43050.70 | Way Expenses - workers | 13456.80 |
| 72366.07 | Running & Mant. of School | 62125.00 |
| 22029.27 | Creche Expenses | 23254.50 |
| 18728.41 | Workmen's Compensation | 32927.95 |
| 140706.00 | Group Insurance | 128575.40 |
| 592342.06 | Uniform to Staff & workers | 574132.31 |
| 114023.89 | Subsistance Allowance | 31769.85 |
| 74029.00 | Labour Welfare Fund | 59791.00 |
| 433733.15 | DLI | 243636.05 |
| 34534.00 | Awards & Incentives | 0.00 |
| 8350.00 | Funeral Expenses | 3305.00 |
| 22632202.93 | TOTAL | 22014903.80 |

Sd/-
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Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Cheriyar & Cheriyar
Chartered Accountants

SCHEDULE - IV
RUBBER WOOD FACTORY
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2002

| Previous Year Rs. Ps. | | Current Year Rs. Ps | Previous Year Rs. Ps | | Current Year Rs. Ps |
|--------------------------|-------------------------------|------------------------|-------------------------|---------------------------------------|------------------------|
| 1334960.29 | To Opening Stock | 1101546.80 | 2457696.45 | By Sale of processed Rubber wood | 1545452.75 |
| 1337500.00 | To Purchase of Rubber Trees | 861463.00 | | | |
| 364142.70 | To Pay & Allowances | 198558.20 | 847183.71 | By Sale of By Products and waste | 42522.70 |
| 238811.41 | To Factory Wages | 145965.93 | | By sale of furniture | 0.00 |
| 24702.55 | To Bonus to staff & Workers | 18091.33 | 9121.55 | By Interest on Staff Loans | 0.00 |
| 71667.80 | To Contribution to PF | 26528.15 | 780.00 | By Miscellaneous Income | 16841.00 |
| 48437.68 | To Welfare Expenses | 39820.77 | 44037.90 | By Closing Stock | 964616.00 |
| 9935.80 | To Travelling Expenses | 11679.25 | 1101546.80 | | |
| 84202.29 | To Rep& Maint . Assets | 15745.44 | | | |
| 62097.00 | To Advt. & Sales Promotion | 0.00 | 362844.95 | By Net Loss transferred to P&L A/c | 649081.34 |
| 222347.00 | To Cutting & Transp. of Trees | 0.00 | | | |
| 17713.78 | To Office Expenses | 11848.12 | | | |
| 301465.78 | To Depreciation | 263021.04 | | | |
| 688949.28 | To Mfg & Selling Expenses | 524245.76 | | | |
| 10.00 | To Bank Charges | 0.00 | | | |
| 208.00 | To Labour Welfare Fund | 0.00 | | | |
| 16060.00 | To Legal Expenses | 0.00 | | | |
| 4823211.36 | TOTAL | 3218513.79 | 4823211.36 | TOTAL | 3218513.79 |

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Cheriyen & Cheriyen
Chartered Accountants

**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR
THE YEAR ENDED 31st MARCH 2002**

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 2002. There has been no revaluation of fixed assets during the period under audit.
3. **Depreciation :**
Depreciation has been provided for in the Accounts on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 subject to Note No. 17.
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 years of disposal of the depleted assets the sale proceeds are recognised as revenue after setting off the related development expenditure.
7. **Investments:**
Investments are stated at cost
8. **Retirement Benefits:**
Gratuity and Leave Encashment Benefits are provided for on the basis of actuarial valuation of an approved actuary.
9. **Contingent Liabilities:**
The contingent liabilities have been disclosed on the basis followed in previous years.

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31st MARCH 2002**

1 RESERVES AND SURPLUS

The Corporation has been received Rs. 11858810.50 as Rubber Board subsidy up-to 31-03-2002 (Previous year Rs. 11556100.50) and the Corporation is contingently liable to the Board for the same in the case the plantation is destroyed or is used for any public purpose

2 UNSECURED LOANS ADVANCED

a) Loan To Kerala State Horticultural Products Development Corporation

In pursuance of the Government order (Rt.) No. 1546/96/AD dated 01-11-96, 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 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/PUI/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 Ltd.

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 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. 34594.53 (Previous year Rs 33992/-) 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. 7,51,810/- (Previous year Rs. 6,88,263/-) in respect of unencashed portion of earned leave of the employees as on 31-03-2002.

2 a) Based on the calendar year earnings, Bonus at 8.33 % has been paid to the employees for the calendar year 2001 vide G.O.(Rt) No.522/2002/ Fin dated 13/8/2002. 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 2002 to March 2002 on estimated basis.

c) Agricultural Income Tax and Income Tax assessments are completed up to the assessment year 2001-02. Based on the completed assessment and return filed up to assessment year 2001-2002, there is a short provision of Rs 770 lakhs (Previous year Rs. 723 lakhs). Since most of the assessments are under appeal, no additional provisions has been made in this regard.

5 FIXED ASSETS

- a) The total area of land handed over to the company by the Government of Kerala as on 31-03-2002 is 14, 663 hectares (Previous year area 14, 272. 91 Ha). Certain areas have been subjected to survey. Particulars are given below.

| Details | Mature Are (Ha) | Immature Area (Ha) |
|---------------------|-----------------|--------------------|
| Rubber Plantation | 4572.56 | 1946.29 |
| Cashew Plantation | 5871.62 | 466.00 |
| Oil Palm Plantation | 207.76 | 526.91 |
| Total | 10651.94 | 2939.20 |

| | | |
|------------------|---|-------------------|
| Other Crops | : | 143.20 Ha |
| Vacant and Rocky | : | 928.66 Ha |
| Total | | 1071.86 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 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. 473. 56 lakhs of which assets worth Rs. 401. 37 lakhs are constructed on lease hold lands.
- i) The company under took 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.
- J) (i) The company has spent an amount of Rs. 1,47,88, 230. 75 up to 31/3/2002 on account of Farm Tourism Project. The Project was inaugurated on 7/1/2001 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.

- (ii) The Board of Directors vide its meeting dated 29/1/01 has agreed to transfer 6 Hectares of land to the Forest Department as compensation for afforestation. No adjustment has been made in the accounts as the matter is still under negotiations. An amount of Rs. 285300/- has been paid on 10th December 2002.
- iii) No provision has been made in respect of Building Tax amounting to Rs. 48, 444/- per annum from 2000-01 onwards demanded by the Grama Panchayat Adirappally, as the Company has disputed the same and the matter is under correspondence.

k) Alakode Estate

As per G.O. (MS) No. 1343 dated 4-10-78, 1232 acres of land was handed over to Plantation Corporation of Kerala Ltd. For interim Management on 23-3-1974 on payment of a sum of Rs. 32. 85 lakhs & Separate orders were to be issued as to whether the amount is to be treated as Loan or Additional Share Capital. Since the Company has not agree to the value of Rs. 32. 85 lakhs fixed the government no adjustment has been made in the accounts in respect of the transfer value.

Further, as per G.O (Ms) No. 183/2003 / RD dated 10-6-2003 , sanction was accorded for the transfer of 1020.11 acres of land from Alakode Estate and 463.57 acres of land from Perambra Estate to Tribal Resettlement Development Mission on payment of compensation by the Government. Govt. vide Order No. (MS) No. 60 /2003 /AD dated 22/3/2003 further ordered that TRDM would give to PCK Ltd an amount of Rs. 2,40,57,040 /- towards VRS, Value of Buildings and loss of crops and Rs. 10,85,62,713/- in respect of Alakode Estate vide G O (MS) No 38/ 2003 / F& WLD dated 8 / 7 / 2003 to be adjusted in the lease rent to be paid by PCK before transfer land to TRDM.

- l) During the year the company has charged to its Profit & Loss Account the cost of 40 Hectares of failed Oil Palm Plantation (Rs. 2324000/-) based on direction by the Comptroller and Auditor General of India under Section 619 (4) of the companies Act 1956
- m) The Board has approved the handing over of 486. 49 cents of land for the improvement of Second Reach to Bevinja - Aloor - Iriyani Road subject to the payment compensation in advance by PWD. The amount of the compensation has been intimated to Govt. for approval. Sanction of Govt. is required for handing over the land to PWD . The same has not been received so far. Hence no adjustment been made in the accounts.

6 SUNDRY DEBTORS

Sundry Debtors include Rs. 2, 41, 692. 41 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, Kottayam | : | Rs. | 5, 100.00 |
| State Farming Corporation of kerala ltd. punalur. | : | Rs | . 636.00 |
| Total | | Rs. | 241692.41 |

As per the directions of the C & AG, the company was required to provide Rs. 1527633.38 as doubtful debts. Against this the company has provided Rs. 1387786. 91 as doubtful debts. No provision has been made in respect of Rs. 139846.47 being the amount due from Trivandrum Rubber Works as the same is a Government Enterprise.

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. 2,39,541. 60(Previous year Rs 2,74,497. 50)
- 2) Housing loan to staff and officers are fully secured. Amount outstanding as on the close of the year Rs. 11, 22, 910.60/- (Previous year Rs 13, 07, 302/-)

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 | 1,52,724. 53 | 1,60,435. 62 |
| Salary Advance (Onam) | 16,44,820. 35 | 5,41,141. 67 |
| Other Advance | 6,12,800. 90 | 6,91,970. 90 |
| Interest on Vehicle Loan | 2, 77,419.99 | 2,42,702. 09 |
| Stores recoverable | 1,46,593. 05 | 1,75,839. 05 |
| Fuel charges recoverable | | (-) 2,517. 61 |
| IB Charges recoverable | 14,518. 80 | 14,518. 80 |
| Postage recoverable | 5,556. 86 | 6,997. 06 |
| Medical Bills recoverable | 43,724.22 | 19,639.96 |

9 LOANS & ADVANCES

Deposits with Government Departments.

These comprise balances with.

| Details | Previous year (Rs.) | Current Year (Rs) |
|--------------------------------|----------------------|----------------------|
| Cochin Post Trust | 3,600/- | 3,600/- |
| Civil Supplies corporation | 10,000/- | 10,000/- |
| Post & Telegraph Department | 40,317/- | 40,317/- |
| Kerala State Electricity Board | 10,28,859/- | 10,28,859/- |
| TOTAL | 10, 82, 776/- | 10, 82, 776/- |

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 Thaluk respectively per year has been adjusted in the accounts against the total amount refundable to the Company during financial years 1998-99, 1999-2000, 2000-01 & 2001-02 The Government vide order No G.O / MS No. 21/ 2003/ AD dated 29-1-03 has deferred payment of plantation tax by the company till completion of repayment of entire loan & commission availed by the company from Canara Bank

11 SALES TAX

KGST assessments and CST assessments up-to 1998-99 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 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 L 32/ 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. The Government also vide G.O (MS) No 21/2003/AD dated 27-1-2003 has deferred the payment of lease rent by the company, till completion of repayment of the entire loan and interest availed by the company from Canara Bank. There has been a decision to fix the lease rent payable by the company upto the end of 1991 at Rs. 475/- hectare. No adjustment has been made in the accounts in respect of excess provision, if any, upto the end of 1991 as the decision is subsequent to the Balance Sheet date.

13 MANAGERIAL REMUNERATIONS

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

| | Current Year (Rs.) | Previous Year (Rs) |
|-----------------------|--------------------|--------------------|
| Pay & Allowances | 1,24, 114.40 | 3,09, 390.00 |
| Medical Reimbursement | Nil | Nil |

The Managing Director is provided with a car for his official purposes. For private use above 500 K.m he is charged @ Rs. 2/- per Km.

14 REMUNERATION TO OTHER DIRECTORS

| | Current Year (Rs) | Previous Year (Rs) |
|-------------------------------|-------------------|--------------------|
| TA & Sitting fee to Directors | 14,729. 65 | 1,40,413. 81 |
| Honorarium to Chairman | 4,000.00 | 24, 000.00 |

15 AUDITORS' REMUNERATION

| | Current Year (Rs.) | Previous Year (Rs.) |
|---|--------------------|---------------------|
| Statutory Auditor's fee | 26, 250/- | 26, 250/- |
| Expense to Statutory Auditors | 7,000/- | 7,000/- |
| Other services (including sales Tax Audit) | 15,750/- | 8,400/- |
| Total | 49,000/- | 41,650/- |

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 on the written down value method at the rates prescribed in Schedule XIV to the Companies Act except in the case of Office Equipment and survey instruments at 15%, library at 10% and Water supply installation at 30% consistently.

18 MANUFACTURING AND SELLING EXPENSES

This includes cost of 17325 Nos. packing drums worth Rs. 72, 39, 438/-

19 SALES

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

| Item | Current Year | | Previous Year | |
|--|---------------------|----------------------|---------------------|----------------------|
| | Quantity (M.Ts.) | Value (Rs. Lakhs) | Quantity (M.Ts.) | Value (Rs. Lakhs) |
| Sale of goods (as classified in the sales register) | | | | |
| Rubber | 2987.66 | 1, 092. 30 | 2316. 56 | 853. 00 |
| Cashew | | 400.38 | | 483 .06 |

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 recognised as income of the current year and the balance as deferred income.

20 RUBBER WOOD FACTORY

The Corporation has a pilot plant at Kodumon for the treatment of rubber wood collected from the estates. The working result of the projects has been separately shown in Schedule IV to the Profit & Loss Account for the year ended 31- 03- 2002.

21 CONTINGENT LIABILITIES

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 1,18,53,557 /- (Previous Year Rs. 38,17,505 /-)
- 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

22 ADDITIONAL INFORMATION AS PER CLAUSE 4D OF PART II SCHEDULE VI TO THE COMPANIES' ACT

| | Current Year | | Previous Year | |
|--|-------------------------|-------------|-------------------------|-------------|
| | Value (Rs. lakhs) | Consumption | Value (Rs. lakhs) | Consumption |
| a) CIF value of import during the year | Nil | | Nil | |
| b) Expenditure in Foreign Currency | Nil | | Nil | |
| c) Value of raw materials, stores, spares and components during the year | | | | |
| 1. Imported value | Nil | Nil | Nil | Nil |
| 2. Indigenous (Stores & spares) | 225.17 | 100% | 217.76 | 100% |
| d) Particulars of dividend 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. 840.17 lakhs (Previous year Rs. 857.48 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 EXPENSES

| | |
|-------|---------------|
| Bonus | Rs. 92,144.70 |
|-------|---------------|

- 26 Cash Flow statement for the year ended 31st March 2002 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.
- 27 The 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/HRD 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.
- 28 As per sales agreement 1970, 1976 & 1977 rubber plantations of Perambra Estate have been disposed off. Over and above the cost of plantation for the above years, the cost of plantation for 1978, 1979 & 1980 are also seen adjusted against the sale consideration.
- 29 The Government of Kerala sanctioned the following amounts to the corporation for investment in the shares of Oil Palm India Ltd. (Formerly subsidiary of Plantation Corporation) as detailed below.

| | Rs. |
|-------------------------------------|----------------------|
| G.O. (MS) No. 361/99 dt. 28.12.1977 | 56,00,000/- |
| G.O. (MS) No. 75/78 dt. 13.03.1978 | 46,00,000/- |
| G.O. (MS) No. 407/80 dt. 11.02.1980 | 10,00,000/- |
| Total | 1,12,00,000/- |

Out of this Rs. 112 lakhs, the Corporation has repaid to Govt. of Kerala Rs. 17,33,338/-. As per Govt. orders 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 in shares worth Rs.121.20 lakhs 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. 1,000/- 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/- 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 was directed to repay an amount of Rs. 62,75,140/- [Principal : Rs 32,61,222/-, interest Rs. 28,67,382/- and penal interest Rs. 146536/-] vide G.O.(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 G.O (MS) No. 34/2002 / AD dated 15/3 / 02 has ordered that the amount of

...has directed the Managing Director to issue ... 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 .

GUARANTEE COMMISSION

No provision has been made in the accounts in respect of Guarantee Commission at 0.75% payable to the Government in respect of Guarantee given on loan taken from Canara Bank as the matter is under negotiation and the Guarantee Deed executed on 3rd Nov 2001 does not contain a clause for payment of Guarantee Commission.

...figures have been re-grouped / recast wherever necessary.



For CHERIYAN & CHERIYAN
Chartered Accountants

Sd/-
A.C Mathew Edayadi
Chairman

Sd/-
K. Sivaprasad
Managing Director

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

Sd/-
M. R.V. Nair
Secretary

Sd/-
Anu Iype John
Partner

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

| | | | | | | |
|--|------------------------|---|------------|--------------------------------------|---|---------------------------------------|
| 1. Registration Details | Registration No. | : | 01997 | State code | : | 09 |
| 2. Capital Raised during the year (Amount in Rs. Thousands) | Public Issue | : | Nil | Rights Issue | : | Nil |
| | Private Placement | : | Nil | Bonus Issue | : | Nil |
| 3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) | Total Liabilities | : | 776942 | Total Assets | : | 776942 |
| | Paid up Capital | : | 55688 | Reserves & Surplus | : | 117885 |
| | Secured Loans | : | 70930 | Unsecured Loans | : | 4821 |
| | Net Fixed Assets | : | 454303 | Investments | : | 12501 |
| | Net Current Assets | : | (-) 451104 | Misc. Expenditure | : | |
| | Accumulated Loss | : | 171106 | | : | |
| 4. Performance of the Company (amount in Rs. Thousands) | Turnover | : | 201128 | Total Expenditure | : | 262766 |
| | Profit/Loss before tax | : | Loss 61731 | Profit/Loss after tax | : | Loss 61731 |
| | Earnings per share | : | Nil | Dividend (Percentage) | : | Nil |
| 5. Generic names of Three Principal Products / Services of Company (as per monetary terms) | 1. Item Code No. | : | 400110.00 | Centrifuged Latex | : | (Natural Rubber latex pre vulcanised) |
| | Product Description | : | | | : | |
| | Item Code No. | : | 400122.09 | Technically Specified natural rubber | : | (Others) ISNR |
| | Product Description | : | | | : | |
| | Item Code No. | : | 080131.00 | Cashew nuts in shell | : | (Cashew plantation crop) |
| | Product Description | : | | | : | |

Sd/- Chairman
A.C Mathew Edayadi

Sd/- Managing Director
K. Sivaprasad

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

Sd/- Secretary
M. R.V. Nair

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No. : 01997 State code : 09
 Balance Sheet Date : 31-3-2002

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 | Total Assets |
| 776942 | 776942 |
| Sources of Funds | |
| Paid up Capital | Reserves & Surplus |
| 55688 | 117885 |
| Secured Loans | Unsecured Loans |
| 70930 | 4821 |
| Application of Funds | |
| Net Fixed Assets | Investments |
| 454303 | 12501 |
| Net Current Assets | Misc. Expenditure |
| (-) 451104 | |
| Accumulated Loss | |
| 171106 | |

4. Performance of the Company (amount in Rs. Thousands)

| | |
|------------------------|-----------------------|
| Turnover | Total Expenditure |
| 201128 | 262766 |
| Profit/Loss before tax | Profit/Loss after tax |
| Loss 61731 | Loss 61731 |
| Earnings per share | Dividend (Percentage) |
| Nil | Nil |

5. Generic names of Three Principal Products / Services of Company (as per monetary terms)

1. Item Code No.
 (ITC Code) 400110.00
 Product Description Centrifuged Latex
 (Natural Rubber latex pre vulcanised)
2. Item Code No.
 (ITC Code) 400122.09
 Product Description Technically Specified natural rubber
 (Others) ISNR
3. Item Code No.
 (ITC Code) 080131.00
 Product Description Cashew nuts in shell
 (Cashew plantation crop)

Sd/-
 A.C Mathew Edayadi
 Chairman

Sd/-
 K. Sivaprasad
 Managing Director

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

Sd/-
 M. R.V. Nair
 Secretary

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 2002 and also the annexed Profit & Loss account of the company for the year ended on that date both signed by us under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India . Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and have to 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 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. 1,47,88,230.75 upto 31-03-2002 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 2002 as advertisement charges Rs. 3,89,000/-, Rent Rs. 2,23,268/- and other collections Rs. 3,08,660.02 has been credited to the capital work in progress account.
3. Provident Fund liability of the Corporation for the period July 2001 to October 2001 has not been quantified and paid by the Corporation and no provision has been made for the same, the matter is pending before the Provident Fund Employees Tribunal, New Delhi and no provision has been made in respect of the penalty if any payable.
4. As per books of accounts produced before us for verification the Total Turnover of the Company is Rs. 15,97,81,876.92 whereas the Total Turnover as per the return filed with the sales tax authorities is Rs. 11,46,22,947.90 the difference has not been reconciled and additional sales tax liability if any on account of the same has not been provided for.
5. The Corporation has written off the cost of plantation in Perambra Estate for the Years 1978,1979 and 1980 by including cost for the above years along with the cost of 1970, 1976 and 1977 plantations which have been sold vide agreements relating to the current year. No documents were made available to verify details of write off of 1978, 1979 and 1980 plantation as also whether the income in respect of the trees cut and removed from the said area has been recognised in the earlier years.
6. The Company undertook the construction of the Causeway at Rajapuram Estate on the condition that 50% of the amount would be met by the Karnataka Government . As explained to us the matter is under correspondence and the entire amount spend on this account is debited under the head Capital Work in progress. We are unable to certify the correctness of the same as the files are with the vigilance department and the same was not made available for our verification.
7. As per rules of the Corporation, 10% per month of the basic Pay is to be recovered as rent From the Managing Director for his stay in the Company's Quarters, but it is noticed that recovery is made only at the rate of 3% . The short recovery on this account for the above period is Rs. 4,032/-
8. Sundry debtors include Rs. 5,22,127.70 due from State Farming Corporation of Kerala Ltd a company owned by the Government of Kerala which is not included in Note No : 6 forming part of the accounts for the above year.

-
9. The details of bank balance of Alakode Estate and Rubber wood Factory has not been made available and the said balances are subject to confirmation.
 10. In the absence of confirmation of balances of sundry debtors, sundry creditors, government loans, other loans, advances and deposits, we are not able to confirm the correctness of these balances and the realisability of long outstanding dues.
 11. 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 purposes 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 2002, 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 (Auditors 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.

For CHERIYAN & CHERIYAN
Chartered Accountants
Sd/-
ANU IYPE JOHN
Partner
27-1-04

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 is 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.
 - d) Checking and disbursement of payments requires improvement
- 11) In our opinion and according to the information and explanations given to us, the company has not purchased any goods, materials or service 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, subject to item no:3 of our report. Certain delays are also noted.
 - 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 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
.....2004

For CHERIYAN & CHERIYAN
Chartered Accountants
Sd/-
ANU IYPE JOHN
Partner
27-01-04

REPLY TO THE REPORT OF THE STATUTORY AUDITORS
FOR THE YEAR 2001-2002

1. The two loans were given as per the direction of the State Government. Since the realisation 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 in progress.
3. The final decision regarding the payment of wages/ salaries from July 2001 to October 2001 has not been taken the P.F. liability has not been provided.
4. This has been reconciled subsequently.
5. Noted
6. Noted
7. Noted Rs. 4,032/- has been recovered from the Managing Director subsequently.
8. Noted
9. Noted. This has been finalised subsequently
10. Noted
11. Noted.

प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय , केरल, तिरुवनन्तपुरम

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

31 मार्च 2002 को समाप्त वर्ष के लिए दि प्लानटेशन कोरपोरेशन ऑफ केरल लिमिटेड, कोट्टयम के लेखाओं पर कम्पनी अधिनियम 1956 की धारा 619 (4) के अधीन भारत के नियंत्रक महालेखापरीक्षक की टिप्पणियाँ

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 2002

मझे यह कहना है कि 31 मार्च 2002 को समाप्त वर्ष के लिए दि प्लानटेशन कोरपोरेशन ऑफ केरल लिमिटेड कोट्टयम के लेखाओं पर कम्पनी अधिनियम, 1956 की धारा 619 (4) के अधीन भारत के निवेत्रक - महालेखापरीक्षक को लेखापरीक्षकों की रिपोर्ट पर कोई टिप्पणियाँ या परिशिष्ट नहीं है ।

I have to state that the Comptroller and Auditor general of India has no comments upon or supplement to the Auditor's Report under Section 619(4) of the companies Act, 1956 on the accounts of The Plantation Corporation of Kerala Limited for the year ended 31 March 2002

Sd/-

अरविन्द के अवस्थी

ARVIND K. AWASTHI

प्रधान महालेखाकार (लेखापरीक्ष) केरल

PRINCIPAL ACCOUNTANT GENERAL (AUDIT)

KERALA

तिरुवनन्तपुरम

Thiruvananthapuram

26-03-2004

**COMMENTS OF PRINCIPAL SECRETARY (FINANCE) ON THE
AUDITED ACCOUNTS OF PLANTATION CORPORATION KERALA LTD
FOR THE YEAR 2001-2002**

The net loss carried down to profit and loss account of the Company during the year under reference is Rs. 6.16 crore. Accumulated loss has therefore gone up to Rs. 17.11 crore. Miscellaneous expenses show unusual increase during the year under review. The Internal control procedure in respect of collection and procurement of agricultural produce and its processing, determination and accounting of dues payable to Sundry Creditors needs improvement. An Internal audit system commensurate with the Company's size and nature of its activities should be established .

No provision has been made for PF liability. Bank Balance shows that a huge amount is with Scheduled Banks keeping a meagre amount in the Treasury. This should be got rectified. Interest in respect of loans given to Kerala State Horticultural Products Development Corporation Ltd. have not been recognized as income in the accounts. So to this extent the loss is understated. The short recovery of Rs. 4032/- as rent from the Managing Director for his stay in the Company's Quarters has to be realized. Sundry Debtors include Rs. 2,41,692.41 from Companies owned by the Government of Kerala and Government of India. The Company has provided Rs. 13,87,786.91 as doubtful debts as against Rs. 15,27,633.38 required by Accountant General.

Sd/-

PRINCIPAL SECRETARY (FINANCE)

REPLY TO THE COMMENTS OF THE PRINCIPAL SECRETARY (FINANCE)
ON THE AUDITED ACCOUNTS OF PLANTATION CORPORATION OF
KERALA LIMITED FOR THE YEAR 2001-02

1. Noted
2. Since the dispute regarding the P.F liability for 4 months from July to October 2001 is pending before the P.F Tribunal, New Delhi, no provision was made in this regard.
3. The bank balance kept in scheduled bank for payments wages and other dues during the 1st week of April 2003. Since the estates are located in different places from Kasargod to Pathanamthitta Districts the funds is transferred through Banks .No such transfer facility is available with the Treasury.
4. Interest in respect of loan given to Kerala State Horticultural Products Development Corporation and Kerala State Coconut Development Corporation Ltd. have not been recognized as Income, since in both cases the interest is irrecoverable. Hence there is no under statement of income.
5. The short recovery Rs- 4032/- as rent from the Managing Director has since been recovered .
6. Out of Rs. 15,27,633.38, Rs. 1,39,846. 47, the dues from Trivandrum Rubber Works is not treated as doubtful debt, since TRW is a Government Undertaking and there are certain claims pending for settlement with the Company.



PLANTATION CORPORATION OF KERALA LTD.

(A Government of Kerala Undertaking)

Head Office, Muttambalam P.O, Kottayam- 686 004

Phone : 0481- 2578301-04, 2578164, 2578194, 2578254,2578294

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