

PLANTATION CORPORATION OF KERALA LTD



ANNUAL REPORT 2002-2003



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

Regd. Office : Kottayam - 686 004
Grams : Plantcorp
Telex : PCK 0888 207
Fax : 0481-2578448
Fax MD : 0481-2575133
E-mail : pckkotym@md4.vsnl.net.in
Phone : 2578301, 2578302, 2578303
(0481) 2578304, 2578164, 2578306
2578349,
2578194, 2578763
2578254

**41st Annual Report
2002-2003**

BOARD OF DIRECTORS

Sri. A.C. Mathew Edayadi

Chairman (From 29-11-2002)

Dr. A.K. Krishnakumar

Director (From 09-11-1995)

Adv. M.R. Bhargavan

Director (From 16-05-2003 to 12-08-2004)

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

Director (From 24-04-1997)

Smt. Neela Gangadharan, I.A.S.

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

Sri. S. Muraleedharan

Director (From 31-05-2003 to 12-08-2004)

Dr. V.K. Raju

Managing Director (From 22-07-2004)

Adv. P.S. Pradeep

Director (From 12-08-2004)

Sri. K. Sivaprasad

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

Sri. B. Sugadan

Director (From 27-11-2001)

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

Director (From 22-08-2003 to 23-06-2004)

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

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

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

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

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

*Managing Director in charge
(From 01-03-2004 to 22-07-2004)*

Sri. Mathew C. Kunnumkal, I.A.S.

Director (From 23-06-2004)

Sri. T.T. Soman

Director (From 12-08-2004)

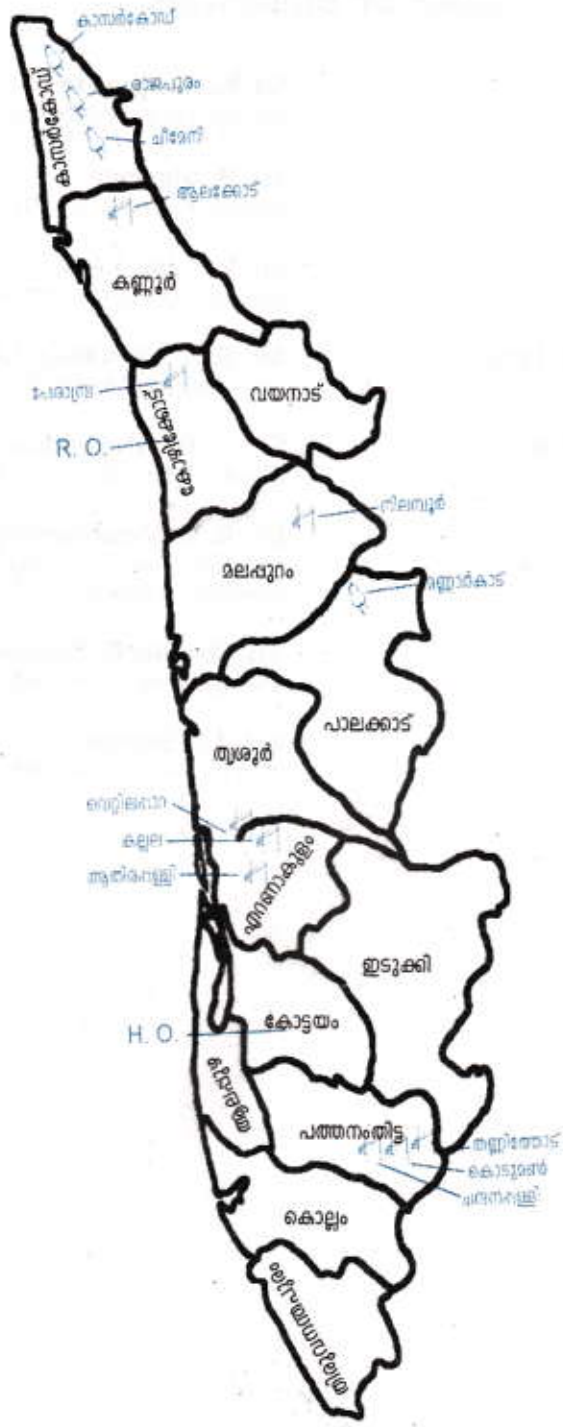
Secretary

M.R.V. Nair

Auditors

M/s. O. Thomas & Co.,

**Chartered Accountants,
Kottayam.**



NOTICE TO SHAREHOLDERS

Notice is hereby given that the 41st Annual General Meeting of the Corporation will be held on Friday, 22nd August, 2003 at 3.30 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 2002-03 to a suitable date.
2. To record the appointment of Directors by the Governor of Kerala in place of Directors retiring at the Annual General Meeting under Article 63(2) of the Articles of Association. The following Directors retire and eligible for re-appointment.
 1. Sri. C. Ramachandran, I.A.S.
 2. Sri. K. Balachandran Thampi, I.F.S.
 3. Dr. A.K. Krishna Kumar
 4. Sri. B. Sugadan
 5. Adv. M.R. Bhargavan
 6. Sri. S. Muraleedharan
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
25-07-2003

Sd/-
M.R.V. Nair
Secretary

Note:

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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 41st (adjourned) Annual General Meeting of the Corporation will be held on Thursday, the 28th July, 2005 at 3.00 P.M. at the Registered Office of the Corporation, Muttambalam, Kottayam-4 to transact the following business.

To receive, consider and adopt the Director's Report, Auditor's Report and the audited Profit and Loss Account for the year ended 31st March, 2003 and the Balance Sheet as on that date.

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

Kottayam-4
30-06-2005

Sd/-
M.R.V. Nair
Secretary

Note:

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

DIRECTOR'S REPORT

Gentlemen,

Your Directors have pleasure in presenting the 41st Annual Report of the Corporation for the year ended 31st March, 2003.

FINANCIAL POSITION

The Authorised capital of the Corporation is Rs. 750 lakhs and the Paid up Capital which stood at Rs. 556.88 lakhs as on 31-03-2002 continued unchanged during 2002-2003.

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

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

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

The Company has requested Government of Kerala for exemption from the above payment considering the serious financial crisis faced by the Company and also on the contention that the entire loan of Rs. 112 lakhs was already cancelled by the Government of Kerala as per G.O. (MS) No.239/83/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 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 10.75%. The overdraft limit was valid for a period of 3 years. The facility was renewed for a further period of 3 years at the rate of 10.75%. The balance loan outstanding as on 31-03-2003 under Kissan credit facility is Rs. 5,46,20,921.11.

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. 6 crores has been remitted against Term Loan and the present balance is only Rs. 19,653.02.

PROFIT & LOSS ACCOUNT

The net profit for the year 2002-2003 as per Profit & Loss Account is Rs. 10.06 lakhs after making the following provisions.

Depreciation	-	Rs. 43.43 lakhs
Provision for gratuity	-	Rs. 214.20 lakhs

AGRICULTURAL INCOME TAX

The assessment of Agricultural Income Tax has been completed up to the financial year 2001-02.

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

SALE OF RUBBER

During 2002-2003 the quantity of rubber sold was 4788.18 M.Ts. worth Rs. 2099.44 lakhs as against 2987.66 M.Ts. worth Rs. 1092.30 lakhs in 2001-02.

SALE OF CASHEW

During 2002-2003 the amount received on sale of cashew nuts was Rs. 411.75 lakhs as against Rs. 400.38 lakhs in 2001-02.

I. RUBBER ESTATES

There are seven 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 five cashew estates viz. Kasaragode, Rajapuram and Cheemeni in Kasaragode District, Alakode Estate in Kannur District and Mannarghat Estate in Palakad District.

III. FACTORIES

P.C.K. has 3 major Rubber Processing Factories and one Rubber Wood Factory.

- a. Kodumon Group Latex Factory situated in Pathanamthitta District.
- b. Kallala Centrifuge Factory situated in Ernakulam District.

- c. Vettilappara Crumb Rubber Factory situated in Ernakulam District.
- d. Rubber Wood Factory - Kodumon situated in Pathanamthitta District.

PRODUCTION

The production target was 4,035 M.T.s. and the achievement was 4,168.486 M.Ts. (103.31%).

Introduced D4 tapping system in the entire normal tapping area with cyclic application of stimulant as per Rubber Board direction and thus reduced the number of Tappers. Sunday tapping was also introduced.

PERSONNEL MANAGEMENT, INDUSTRIAL RELATIONS AND LABOUR WELFARE

Industrial Relations were generally maintained smooth and cordial by upholding the principles of Industrial Democracy, Joint Conferences, discussions and negotiations at various levels for sorting out issues concerning staff and workers amicably.

Employees who were deputed to various Government organizations were rejoined duty during the period.

We have appointed 25 workers, 5 dependents were posted under Compassionate Employment Scheme.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

The information required under Section 217(1)(e) of the Companies Act 1956 is given in the Annexure 1 of the 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 application of accounting standards have been followed along with proper explanation relating to material departures wherever applicable.
- (ii) We had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss of the Company for that period.
- (iii) We had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts are prepared on a going concern basis.

BOARD OF DIRECTORS

The details of Board of Directors including the change that have taken place during the period under report is given in Annexure II.

CHAIRMAN/CHAIRPERSON

Sri. C.S. Srinivasan, I.A.S. appointed as Chairman from 10-10-2001 held the office of the Chairman till 31-10-2002.

Smt. Neela Gangadharan, I.A.S. appointed as Chairperson from 31-10-2002 held the office of Chairperson till 29-11-2002.

Sri. A.C. Mathew Edayadi appointed as Chairman from 29-11-2002 held the office of Chairman during the remaining period under report.

MANAGING DIRECTOR

Sri. K. Sivaprasad appointed as Managing Director from 12-11-2001 held the office of Managing Director during the remaining period under report.

ACKNOWLEDGEMENT

Your Directors are grateful to the Government of Kerala, Rubber Board, Canara Bank, S.B.T., Corporation Bank, Syndicate Bank and North Malabar Gramin Bank 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,
28-06-2005

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	Nil
Earned	Nil

ANNEXURE - II

Details of Directors including changes taken place during the year ending 31-03-2003

<u>Sl. No.</u>	<u>Name</u>	<u>Address</u>	<u>Date of Appointment</u>
1.	Dr. A.K. Krishnakumar	Rubber Production Commissioner, Rubber Board, Kottayam-2.	From 09-11-1995
2.	Sri. K. Balachandran Thampy, I.F.S.	Additional Principal, Chief Conservator of Forests, Forest Headquarters, Vazhuthacadu, Thiruvananthapuram.	From 24-04-1997
3.	Sri. B. Sugadan	Additional Secretary, Establishment C-Section, Finance Department, Government of Kerala, Secretariate, Thiruvananthapuram.	27-11-2001

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

**REVIEW OF ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED KOTTAYAM FOR THE
YEAR ENDED 31st MARCH 2003 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA.**

1. Financial position

The table below summarises the financial position of the company under broad headings for the three years up to 2002-2003

	<u>2000-01</u>	<u>2001-02</u> (Rs. in lakh)	<u>2002-03</u>
Liabilities			
1. Paid up capital	556.88	556.88	556.88
2. Reserves and surplus	1175.82	1178.85	1179.30
3. Borrowings	451.68	709.31	546.21
4. Trade dues and Current liabilities (Including provisions)	4692.29	5324.38	5527.67
5. Deferred Tax liability	-	-	19.43
Total	<u>6876.67</u>	<u>7769.42</u>	<u>7829.49</u>
Assets			
1. Gross Block	1572.92	1586.87	1595.70
2. Less Depreciation	925.88	972.00	1003.02
3. Net Block	647.04	614.87	592.68
4. Development of property	3555.86	3736.22	3893.23
5. Capital work in progress	207.83	191.95	244.93
6. Investments	125.01	125.01	125.01
7. Current Assets, loans and advances	1247.18	1390.32	1254.16
8. Deferred Tax Assets	-	-	13.82
8. Accumulated loss	1093.75	1711.05	1705.66
Total	<u>6876.76</u>	<u>7769.42</u>	<u>7829.49</u>
Capital employed	2751.07	2418.62	2169.09
Net worth	638.95	24.68	30.52

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

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

2. Capital structure

The borrowing during the years 2000-01 was Rs. 451.68 lakhs and Rs. 709.31 lakhs during 2001-02 and Rs. 546.21 lakhs during 2002-03. Hence, the debt equity ratio was 0.8:1 during 2000-2001, 1.27:1 during 2001-02 and 0.98:1 during 2002-03.

3. Reserves & surplus

The reserves and surplus accumulated at the end of three years up to 2002-03 amounted to Rs. 1175.82

lakhs, Rs.1178.85 lakhs and Rs 1179.30 lakhs and respectively. The reserves and surplus worked out to 17.1% of the total liabilities in 2000-01 and 15.17% in 2001-02 and 15.06% in 2002-03. The percentage of reserve and surplus to equity capital was 211.14 in 2000-01, 211.69 in 2001-02 and 211.77 in 2002-03.

4. Liquidity and solvency

- The Percentage of current assets to total net assets decreased from 18.14 in 2000-01 to 17.89 in 2001-02 and 16.02 in 2002-03.
- The percentage of current assets to current liabilities (including provisions) decreased from 26.58 in 2000-01 to 26.11 in 2001-02 and to 22.69 in 2002-03.
- The percentage of quick assets (sundry debtors, cash and bank balance and advance recoverable) to current liabilities excluding provisions decreased from 15.55 in 2001-02 to 12.75 in 2001-02 and to 10.01 in 2002-03.

5. Sources and uses of funds

Funds amounting to Rs. 94.56 lakhs from internal sources and Rs. 301.18 lakhs from external sources were utilised during the year 2002-03 as given below.

	(Rupees in lakhs)
1. Repayment of Borrowings	163.10
2. Acquisition of Fixed Assets	8.83
3. Increase in Development of property	157.01
4. Increase in Capital Work in Progress	52.98
5. Increase in Deferred Tax Asset	13.82
Total	395.74

6. Working results

The working results of the company for the three years up to 2002-2003 are given below:

	<u>2000-01</u>	<u>2001-02</u> (Rs. in lakh)	<u>2002-03</u>
(i) Profit (+) / Loss (-) for the year as per accounts (before tax)	(-)867.83	(-)616.39	(+10.06
(ii) Provision for taxation	8.00	Nil	Nil
Profit (+) / Loss (-) (after tax)	(-)875.83	(-)616.39	(+10.06

7. Cost trends

	<u>2000-2001</u>	<u>2001-2002</u> (Rs. in lakh)	<u>2002-2003</u>
Sales	1353.53	1530.46	2581.85
Less Profit(+)/ add loss (-) for the year	(-)867.83	(-)616.39	(+10.06
Cost of sales	2221.36	2146.85	2571.79
Percentage of cost of sales to sales	164.12	140.27	99.61

8. Production Performance

The value of production for the years upto 2002-03 is worked out below:

	<u>2000-2001</u>	<u>2001-2002</u> <u>(Rs. in lakh)</u>	<u>2002-2003</u>
(a) Sales	1353.53	1530.46	2581.85
(b) Closing stock of finished goods and work in progress	185.91	357.52	256.41
(c) Opening stock of finished goods and work in progress	171.36	185.84	357.52
(d) Value of production (a+b-c)	1368.08	1702.14	2480.74

The percentage of value of production to net worth increased from 214.11 in 2000-2001 to 6896.84 in 2001-02 and to 8128.24 in 2002-03.

The percentage of value of production to total net assets increased from 19.89 in 2000-2001 to 21.91 in 2001-02 and to 31.68 in 2002-03.

Production performance

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

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

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

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

9. Inventory

The following table indicates the comparative position of inventory and its distribution at the close of three years up to 2002-2003

	<u>2000-2001</u>	<u>2001-2002</u> <u>(Rs. in lakh)</u>	<u>2002-2003</u>
a) Stores and spares	144.75	122.53	148.50
b) Loose Tools	13.55	14.68	15.62
c) Stock in Trade of finished goods (including work in progress)	185.91	357.52	256.41
d) Agricultural equipment	7.04	6.55	6.60
Total	<u>351.25</u>	<u>501.28</u>	<u>427.13</u>

The stock in trade was equivalent to 1.6 months sales in 2000-2001, 2.8 months in 2001-02 and 1.2 months in 2002-03.

10. Sundry Debtors and Turnover

The following table indicates the volume of book debts and sales for the three years up to 2002-2003

As on 31 st March	<i>(Rs. in lakhs)</i>			Sales during the year	Percentage of debts to sales
	Book Debts				
	Considered good	Considered doubtful	Total		
2001	119.71	-	119.71	1353.53	8.8
2002	37.04	13.88	50.92	1530.46	3.3
2003	41.61	13.88	55.49	2581.85	2.1

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: 13-06-2006

THE PLANTATION CORPORATION OF KERALA LTD.

(A Govt. of Kerala Undertaking)

Kottayam-686 004

ANNUAL ACCOUNTS

&

SCHEDULES

2002-2003

**THE PLANTATION CORPORATION
BALANCE SHEET**

Previous Year Rs. Ps	LIABILITIES	Current Year Rs. Ps.
	SHARE CAPITAL	
75000000.00	Authorised - 75000 Equity Shares of Rs.1000/- each	75000000.00
55688000.00	Issued - 55688 Equity Shares of Rs. 1000/- each	55688000.00
55688000.00	Subscribed, called up and paid up 55688 Equity shares of Rs. 1000/- each (of the above shares, 12182 shares are allotted as fully paid up pursuant to a contract without payments being received in cash)	55688000.00
117885085.28	RESERVES & SURPLUS (Sch. A)	117930344.28
70930755.55	SECURED LOANS (Sch.B1)	54620921.11
	UNSECURED LOANS From Govt.of Kerala for Estate Development	
4820960.51	Interest accrued and due	4820960.51
	DEFERRED TAX LIABILITIES	
0.00	a. On Account of Agricultural Income Tax 1748583.00	
0.00	b. On account of Central Income Tax 194420.00	1943003.00
	CURRENT LIABILITIES & PROVISIONS	
325378818.61	a. Current Liabilities - Sch. B 355496280.83	
202238671.07	b. Provisions - Sch.C 192449931.07	547946211.90
776942291.02	TOTAL	782949440.80

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
Dr. V.K. Raju
Managing Director

OF KERALA LTD., KOTTAYAM- 4
AS AT 31ST MARCH 2003

Previous Year Rs. Ps.	ASSETS		Current Year Rs. Ps.	
		FIXED ASSETS		
373622292.66	a) Plantations- Sch.D	389323787.04		
61486580.17	b) Plant & Machinery, Roads, Buildings etc. Sch.E	59267848.82		
19194605.37	c) Capital Work in Progress	<u>24492802.61</u>	473084438.47	
	INVESTMENTS			
12501000.00	In Shares (at cost) - Sch. F		12501000.00	
	DEFERRED TAX ASSETS			
0.00	a. On Account of Central Income Tax		1381856.00	
	CURRENT ASSETS, LOANS & ADVANCES			
76513371.36	a) Current Assets - Sch. G	56951451.17		
62518661.51	b) Loans & Advances - Sch.H	<u>68464163.36</u>	125415614.53	
171105779.75	PROFIT & LOSS APPROPRIATION ACCOUNT			170566531.80
776942291.02	TOTAL			782949440.80

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

Sd/-
M.R.V. Nair
Secretary

Subject to our report of even date

For O. THOMAS & Co.
Chartered Accountants

Sd/-
Partner
Abraham K. Thomas

THE PLANTATION CORPORATION
PROFIT & LOSS ACCOUNT

Previous Year Rs. Ps	EXPENDITURE	Current Year Rs. Ps.
18584151.69	To Opening Stock- Rubber and Agrl.Products	35751732.00
32424385.10	To Salaries & Allowances	37722532.17
124114.40	To Salaries & Allowances to MD	285122.00
2313174.24	To Leave Encashment	835899.92
10187885.60	To Employer's Contribution -PF	16046518.40
7634497.05	To Bonus & Production Incentive	7063514.02
4000.00	To Honorarium to chairman	5775.40
14729.65	To TA & Sitting fee to Directors	32798.00
867172.10	To TA to staff & officers	882651.70
37786.00	To Rent	47231.80
1440992.05	To Rates & taxes	1500020.77
11211424.70	To Electricity Charges	12438766.08
15189871.00	To Lease Rent	15189871.00
762397.60	To Insurance Charges	364690.00
538463.80	To Advertisement Charges	666460.00
357059.05	To Legal Expenses	443011.00
49000.00	To Remuneration to Auditors	65100.00
9112774.20	To Interest on Loan	8586173.78
8191769.35	To Rep. & Maintenance of Assets - Sch.I	7770259.32
1989726.25	To Miscellaneous Expenses -Sch II	3306323.67
22014903.80	To Welfare expenses - Sch. III	16564529.98
4903448.78	To Depreciation	4342946.42
16166449.35	To Cultivation & Upkeep - Rubber	10162862.78
40825030.99	To Tapping & Collection - Rubber	45485256.06
17809325.95	To Manufacturing & Selling Expenses	23382922.49
10139122.23	To Cultivation & Upkeep - cashew	10269041.05
1319200.41	To Cultivation & Upkeep - Oil Palm	1025721.51
800936.66	To Cultivation & Upkeep - Other Crops	667069.45
1117737.80	To Collection Charges - Cashew	1614674.32
417473.27	To Harvesting Expenses - Oil Palm	673368.32
2324000.00	To Losses & Write off	0.00
1387786.91	To Provision for Doubtful debts	0.00
21856432.01	To Provision for Gratuity	21419524.60
649081.34	To Net Loss - Rubber Wood Factory Sch.IV	985076.07
0.00	To Net Profit c/d to P & L Appropriation A/c	1005855.10
262766303.33	TOTAL	286603299.18

Sd/-

A.C. Mathew Edayadi
Chairman

Sd/-

Dr. V.K. Raju
Managing Director

OF KERALA LTD., KOTTAYAM-4
FOR THE YEAR ENDED 31st MARCH 2003

Previous Year Rs. Ps.	INCOME		Current Year Rs. Ps.
	By Sales		
108229299.90	Rubber	209943604.44	
40037859.80	Cashew	41175873.19	
0.00	Slaughter Tapping	255394.00	
3779494.00	Agricultural Produce	6809980.69	
6538725.28	Rubber Trees & Firewood	648780.50	
22405.00	Tender Forms	34250.00	
174092.90	Empties & Unserviceables	<u>67622.50</u>	258935505.32
	By Interest		
163238.67	From Contractors & Customers	116113.11	
256084.31	From Staff Loans	201224.17	
119180.00	From Treasury & Bank Deposits	0.00	
95232.50	From Others	<u>11809.00</u>	329146.28
	By Other Income		
185018.50	Rent of Building	251178.40	
296215.20	Profit on Sale of Assets	54872.17	
2961662.06	Miscellaneous Income	668118.78	
1097984.5	Inter Crops	723271.50	
419501.00	Processing Charge Received	<u>0.00</u>	1697440.85
	By Closing Stock of Finished Good & W.I.P		
33228067.00	Rubber	22909823.08	
2187687.00	Cashew	2486226.35	
335978.00	Other Agricultural Produces	<u>245157.30</u>	25641206.73
61638577.67	Net Loss c/d to P & L Appropriation A/c		0.00
262766303.33	TOTAL		286603299.18

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

Sd/-
M.R.V. Nair
Secretary

Subject to our report of even date

For O. THOMAS & Co.
Chartered Accountants

Sd/-
Partner
Abraham K. Thomas

SCHEDULE - A
RESERVES & SURPLUS AS ON 31-03-2003

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
11858810.50	5. <u>Subsidy from Rubber Board</u> <u>Rubber Cultivation:</u> As per last Balance Sheet	11858810.50
	Additions during the year	45259.00
117885085.28	TOTAL	117930344.28

SCHEDULE - B
CURRENT LIABILITIES AS ON 31-03-2003

Previous Year Rs. Ps.		Current Year Rs. Ps.
6795741.69	Sundry Creditors	2245822.79
265193967.01	Other Liabilities	299581167.61
4065201.17	EMD	4362092.17
11687185.52	Security Deposit	12026190.52
18367931.00	Income Received in Advance	18591722.00
10000.00	Housing Scheme - Workers	10000.00
34594.53	Welfare Fund	33991.41
641000.00	Sale of Secondary Growth	641000.00
17737151.90	Agricultural Income tax due	17737151.90
844961.79	Central Sales Tax & KGST payable	248242.43
374.00	Sainik Stamp	18900.00
710.00	Kargil Fund	0.00
325378818.61	TOTAL	355496280.83

Sd/-	Sd/-	Sd/-	Sd/-	Subject to our report of even date
A.C. Mathew Edayadi Chairman	Dr. V.K. Raju Managing Director	R. Krishnamoorthy G.M. (F&A)	M.R.V. Nair Secretary	For O. THOMAS & Co. Chartered Accountants
				Sd/-
				Partner Abraham K. Thomas

SCHEDULE - A
RESERVES & SURPLUS AS ON 31-03-2003

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
11858810.50	5. <u>Subsidy from Rubber Board</u> <u>Rubber Cultivation:</u> As per last Balance Sheet	11858810.50
	Additions during the year	45259.00
117985085.28	TOTAL	117930344.28

SCHEDULE - B
CURRENT LIABILITIES AS ON 31-03-2003

Previous Year Rs. Ps.		Current Year Rs. Ps.
6795741.69	Sundry Creditors	2245822.79
285193967.01	Other Liabilities	299581167.61
4065201.17	EMD	4362092.17
11687185.52	Security Deposit	12026190.52
18367931.00	Income Received in Advance	18591722.00
10000.00	Housing Scheme - Workers	10000.00
34594.53	Welfare Fund	33991.41
641000.00	Sale of Secondary Growth	641000.00
17737151.90	Agricultural Income tax due	17737151.90
844961.79	Central Sales Tax & KGST payable	248242.43
374.00	Sainik Stamp	18900.00
710.00	Kargil Fund	0.00
325378818.61	TOTAL	355496280.83

Sd/-	Sd/-	Sd/-	Sd/-	Subject to our report of even date
A.C. Mathew Edayadi Chairman	Dr. V.K. Raju Managing Director	R. Krishnamoorthy G.M. (F&A)	M.R.V. Nair Secretary	For O. THOMAS & Co. Chartered Accountants
				Sd/- Partner Abraham K. Thomas

SCHEDULE-B 1
SECURED LOAN AS ON 31-03-2003

Previous Year Rs. Ps		Current Year Rs. Ps.
70930755.55	Loan availed from Canara Bank, Main Branch, Kottayam based on the hypothecation of stock and mortgage of lands at Vadavathoor and Kasaragode.	54620921.11
70930755.55	TOTAL	54620921.11

SCHEDULE-C
PROVISIONS AS ON 31-03-2003

Previous Year Rs. Ps		Current Year Rs. Ps.
180964350.00	1. Gratuity: As per last Balance Sheet 180964350.00 ADD Additions this year 21419524.60 <u>202383874.60</u> LESS Paid this year 31208264.60 <u>171175610.00</u>	
1800000.00	2. Bonus: As per last Balance Sheet 1800000.00 ADD Additions this year (from 1-1-2003 to 31-3-2003) 1800000.00 <u>3600000.00</u> LESS Adjusted this year (from 1-1-2002 to 31-3-2002) 1800000.00 <u>1800000.00</u>	
19474321.07	3. Taxation: As per last Balance Sheet 19474321.07 ADD Additions this year 0.00 <u>19474321.07</u> LESS Adjusted this year 0.00 <u>19474321.07</u>	
202238671.07	TOTAL	192449931.07

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
Dr. V.K. Raju
Managing Director

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

Sd/-
M.R.V. Nair
Secretary

Subject to our report of even date

For O. THOMAS & Co.
Chartered Accountants

Sd/-

Partner
Abraham K. Thomas

SCHEDULE-D
DEVELOPMENT OF PROPERTY AS ON 31ST MARCH 2003

Item	Opening Balance		Additions		Disposal		Closing Balance	
	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
Rubber	316911212.56		12999262.83		2058084.59		327852390.80	
Cashew Plantations	23864345.74		1994623.71		0.00		25858969.45	
Coffee Plantations	478684.94		0.00		0.00		478684.94	
Arecanut Plantations	1062742.30		147988.27		0.00		1210730.57	
Oil Palm Plantation	27247208.12		2521557.54		0.00		29768765.66	
Teak Plantations	721794.00		13129.60		0.00		734923.60	
Coconut Plantations	204782.86		0.00		0.00		204782.86	
Survey	225195.53		0.00		0.00		225195.53	
Evicted Area Expenses	1694037.42		0.00		0.00		1694037.42	
Eucaliptus & Accasia	1125195.49		83016.82		0.00		1208212.31	
Cardamom Plantations	87093.90		0.00		0.00		87093.90	
TOTAL	373622292.86		17759578.77		2058084.59		389323787.04	

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
Dr. V.K. Raju
Managing Director

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

Sd/-
M.R.V. Nair
Secretary

Subject to our report of even date

For O. THOMAS & Co.
Chartered Accountants

Sd/-

Partner
Abraham K. Thomas

THE PLANTATION CORPORATION OF KERALA LTD., KOTTAYAM - 4
SCHEDULE - E
SCHEDULE OF FIXED ASSETS AS ON 31st MARCH 2003

ITEM	ORIGINAL COST						DEPRECIATION						DISPOSALS / WRITE-OFF				BALANCE							
	At the end of Previous Year		Additions during current Year		Total Cost		At the end of Previous Year		For the current Year		Total Depreciation		Original Cost		Depreciation Written off		Total Cost as on 31-03-2003		Total Depm. as on 31-03-2003		Net Block as on 31-03-2003		Net Block as on 31-03-2002	
	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		16612.40		2690136.85		2375874.45		70486.40		2446360.85		0.00		0.00		2690136.85		2446360.85		243776.00		297650.00	
2. Office Equipments	3882943.03		118000.00		4000943.03		2349665.03		225444.14		2575309.17		133567.38		96306.47		3867355.65		2477003.70		1390351.95		1533078.00	
3. Electric appliances	96756.13		0.00		96756.13		91031.13		1144.00		92175.13		0.00		0.00		96756.13		92175.13		4581.00		5725.00	
4. Electrical Installation	6675097.16		228962.40		6904059.56		5665910.16		164667.00		5830577.16		0.00		0.00		6904059.56		5830577.16		1073482.40		1009187.00	
5. Telephone	295552.38		0.00		295552.38		194347.38		14078.00		208425.38		0.00		0.00		295552.38		208425.38		87127.00		101205.00	
6. Survey instruments	12484.92		0.00		12484.92		12180.92		45.00		12225.92		0.00		0.00		12484.92		12225.92		259.00		304.00	
7. Library	70903.36		0.00		70903.36		52397.36		1850.00		54247.36		0.00		0.00		70903.36		54247.36		16656.00		18506.00	
8. Roads	25152119.91		0.00		25152119.91		9497615.91		782726.00		10280341.91		0.00		0.00		25152119.91		10280341.91		14871778.00		15654504.00	
9. Fence Kayyala	9999260.09		0.00		9999260.09		5411976.09		458727.00		5870703.09		0.00		0.00		9999260.09		5870703.09		4128557.00		4587284.00	
10. Electric Fittings	182806.03		0.00		182806.03		132260.03		10110.00		142370.03		0.00		0.00		182806.03		142370.03		40436.00		50546.00	
11. Plant & Machinery	22918652.79		112462.80		23031115.59		17302955.36		803337.23		18106292.59		0.00		0.00		23031115.59		18106292.59		4924823.00		5615697.43	
12. Buildings	62094662.34		0.00		62094662.34		35035265.70		1442299.64		36477565.34		0.00		0.00		62094662.34		36477565.34		25617097.00		27069396.64	
13. Vehicles	12117960.37		1067524.00		13185484.37		10503142.27		388342.71		10891484.98		1612479.10		1371833.18		11573005.27		9519651.80		2053353.47		1614818.10	
14. Water Supply Instr.	8353307.01		94988.00		8448295.01		7896919.01		162681.00		8059600.01		0.00		0.00		8448295.01		8059600.01		388695.00		456388.00	
15. Ammonia cylinders	523639.00		0.00		523639.00		515974.00		3066.00		519040.00		0.00		0.00		523639.00		519040.00		4599.00		7665.00	
16. Wells	306955.53		0.00		306955.53		71245.53		11785.00		83030.53		0.00		0.00		306955.53		83030.53		223925.00		235710.00	
17. Landing pad	118844.25		0.00		118844.25		63786.25		2753.00		66539.25		0.00		0.00		118844.25		66539.25		52305.00		55058.00	
18. Jhankar & Boat	63041.49		0.00		63041.49		27817.49		3522.00		31339.49		0.00		0.00		63041.49		31339.49		31702.00		35224.00	
19. Freehold land	3148635.65		0.00		3148635.65		1.65		0.00		1.65		0.00		0.00		3148635.65		1.65		3148634.00		3148634.00	
20. Computer	0.00		990260.00		990260.00		0.00		24549.00		24549.00		0.00		0.00		990260.00		24549.00		965711.00		0.00	
TOTAL	158687145.89		2628809.60		161315955.49		97200565.71		4571613.12		101772178.83		1746066.48		1470138.65		159569889.01		100302040.18		59267848.82		61486580.17	
Previous Year 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	

Subject to our report of even date

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
Dr. V.K. Raju
Managing Director

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

Sd/-
M.R.V. Nair
Secretary

For O. THOMAS & Co.
Chartered Accountants

Sd/-
Partner
Abraham K. Thomas

SCHEDULE - F
INVESTMENTS AS ON 31-03-2003

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	b) 1000 Equity Shares of Rs. 10,000/- each fully paid up in Kerala Feeds Ltd., Kallettumakara, Trichur.	10000000.00
2500000.00	c) 2,50,000 Equity shares of Rs. 10/- each fully paid up in Cochin International Airport Ltd., Nedumbassery.	2500000.00
12501000.00	TOTAL	12501000.00

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
Dr. V.K. Raju
Managing Director

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

Sd/-
M.R.V. Nair
Secretary

Subject to our report of even date

For O. THOMAS & Co.
Chartered Accountants

Sd/-
Partner
Abraham K. Thomas

SCHEDULE - G
CURRENT ASSETS AS ON 31-03-2003

Previous Year Rs. Ps		Current Year Rs. Ps.
	A. INVENTORIES (As taken, Valued and certified by the management)	
12252830.20	1. Stores and Spares at cost	14849621.01
1468481.34	2. Loose Tools	1562155.55
654660.44	3. Agricultural and Other Equipments	659583.31
33228067.00	4. Stock of Rubber & Rubber in Process (Value fixed by management less incidental Expenses)	22909823.08
964616.00	5. Stock of Rubber Wood	1026831.30
2187687.00	6. Stock of Cashew Nuts	2486226.35
335978.00	7. Closing Stock - Others	245157.30
	8. Nurseries:-	
1218573.06	Cashew	1083640.23
182955.86	Budwood - Rubber	182955.86
88791.67	Arecanut	6559.30
65006.82	Others	0.00
688837.37	Oil Palm	708453.37
2237878.58	Polybag -Rubber	2323425.06
1669339.38	Rubber Seedings	1281556.95
		49325988.67
3703954.04	B.SUNDRY DEBTORS (Unsecured considered good):	
	Exceeding six months	2472854.10
	Others	3076255.09
	Less : Provision for Doubtful Debts	1387786.91
		4161322.28
	C. CASH & BANK BALANCES;	
223.00	a. Stamp & Stamp Papers	223.00
0.00	b. Cash Balance;	---
	c. Bank Balances	
10919046.90	1. With Scheduled Banks in Current Accounts	68731.17
4620.00	2. With Treasury S.B.A/c.	4620.00
4641824.70	3. Cash in Transit	3390566.05
		3464140.22
76513371.36	TOTAL	56951451.17

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
Dr. V.K. Raju
Managing Director

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

Sd/-
M.R.V. Nair
Secretary

Subject to our report of even date
For O. THOMAS & Co,
Chartered Accountants
Sd/-
Partner
Abraham K. Thomas

SCHEDULE-H
LOANS & ADVANCES AS ON 31-03-2003

Previous Year Rs. Ps.		Current Year Rs. Ps.
	1. SECURED (Considered Good)	
	STAFF LOAN	
179404.50	1. Motor car Loan	77344.50
60137.10	2. Motor Cycle Loan	150715.10
1122910.60	3. Housing Loan	<u>960792.60</u>
		1188852.20
	2. UNSECURED (considered Good)	
276060.08	a) 1. Oil Palm India Ltd., Kottayam	0.00
2500000.00	2. K.S.C.H.D.C.	2500000.00
15000000.00	3. K.S.H.D.C.	15000000.00
16051193.37	b) Advances recoverable in cash or kind for value to be received.	21829409.67
	c) Advance payment of taxes	
709482.18	1. Sales tax	1043974.81
7869275.00	2. Agricultural income tax	7869275.00
11888907.00	3. Central income tax	11888907.00
47269.00	d) Prepaid expenses	37484.00
	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>
		65599766.91
	3. DEPOSITS	
1082776.00	1.KSEB,Port Trust & other Govt. Dept.	1102356.00
12750.00	2. With Housing Board	12750.00
175833.00	3. Other Deposits	186557.00
36703.00	4. With Court	298637.00
75244.25	5. With Suppliers	<u>75244.25</u>
		1675544.25
62518661.51	TOTAL	68464163.36

Sd/-	Sd/-	Sd/-	Sd/-	Subject to our report of even date
A.C. Mathew Edayadi Chairman	Dr. V.K. Raju Managing Director	R. Krishnamoorthy G.M. (F&A)	M.R.V. Nair Secretary	For O. THOMAS & Co. Chartered Accountants
				Sd/-
				Partner Abraham K. Thomas

SCHEDULE - I
REPAIRS & MAINTENANCE OF ASSETS

Previous Year Rs. Ps		Current Year Rs. Ps.
3087747.35	Repairs to Vehicles	3005053.39
745405.14	Repairs to Buildings	912585.00
636812.03	Repairs to Plant & Machinery	786503.10
1660603.90	Repairs to Roads	299273.24
289000.45	Repairs to Electrification	1353882.60
355280.94	Repairs to Water Supply Installation	578565.35
184927.13	Repairs to Office Equipment	74090.79
735069.78	Repairs to Fence / Kayyala	278100.45
209488.59	Repairs to Tools	306418.79
88565.16	Repairs to Jhankar & Boat	3650.00
19679.50	Repairs to Computer	35490.00
17278.84	Repairs to Furniture	38297.15
146850.79	Repairs to Temporary shed	92071.46
15059.75	Repairs & Main. To Assets	6278.00
8191769.35	TOTAL	7770259.32

SCHEDULE - II
MISCELLANEOUS EXPENSES

Previous Year Rs. Ps		Current Year Rs. Ps.
537380.80	Postage Telephone & Telegram	598311.33
396000.00	Printing & Stationery	296387.55
138342.82	Office Expenses & Others	238195.40
385373.45	Security Expenses	527347.01
3865.40	Storage Expenses	8751.93
34297.20	Survey Expenses	58294.68
11639.50	Books & Periodicals	14511.00
68883.62	IB Expenses	197424.82
43019.41	Entertainment Expenses	59554.86
2215.50	Staff Training Expenses	12999.00
170005.98	Ferry Expenses	139001.30
0.00	Donations	0.00
198702.57	Bank Charges	1142020.29
0.00	Gardening	13524.50
1989726.25	TOTAL	3306323.67

Sd/-
A.C. Mathew Edayadi
Chairman

Sd/-
Dr. V.K. Raju
Managing Director

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

Sd/-
M.R.V. Nair
Secretary

Subject to our report of even date
For O. THOMAS & Co.
Chartered Accountants

Sd/-
Partner
Abraham K. Thomas

**SCHEDULE - III
WELFARE EXPENSES**

Previous Year Rs. Ps.		Current Year Rs. Ps.
2513532.81	Sickness Benefit	2099030.26
94786.96	Maternity Benefit	51044.90
5991906.75	Leave with Wages	3094753.93
4811257.27	Holiday wages	3332386.15
298706.43	Weather Protection Expenses	287528.15
1622211.76	Drinking Water Supply	1475807.00
192623.06	Sanitation	257624.82
48466.25	Recreation Facility	56940.40
5168438.65	Medical & Hospital Facility	4515498.82
13456.80	Way Expenses -Workers	6997.00
62125.00	Running & Mant. of School	90036.25
23254.50	Creche Expenses	25399.00
32927.95	Workmen's Compensation	37506.00
128575.40	Group Insurance	149205.00
574132.31	Uniform to Staff & Workers	220091.67
31769.85	Subsistence Allowance	258192.03
59791.00	Labour Welfare fund	71725.00
243636.05	DLI	513923.60
3305.00	Funeral Expenses	20840.00
22014903.80	TOTAL	16564529.98

Sd/-	Sd/-	Sd/-	Sd/-	Subject to our report of even date
A.C. Mathew Edayadi Chairman	Dr. V.K. Raju Managing Director	R. Krishnamoorthy G.M. (F&A)	M.R.V. Nair Secretary	For O. THOMAS & Co. Chartered Accountants
				Sd/- Partner Abraham K. Thomas

SCHEDULE - IV**RUBBER WOOD FACTORY****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2003**

Previous Year Rs. Ps.		Current Year Rs. Ps.		Previous Year Rs. Ps.		Current Year Rs. Ps.
1101546.80	To opening Stock	959521.90		1545452.75	By Sale of Processed Rubber Wood	1349678.25
861463.00	To Purchase of Rubber Trees	1063101.00		42522.70	By Sale of By Products and Waste	49261.40
198558.20	To Pay & Allowances	306416.00		16841.00	By Miscellaneous Income	10237.50
145965.93	To Factory Wages	148517.79		964616.00	By Closing Stock	1026831.30
18091.33	To Bonus to Staff & Workers	12228.90		649081.34	By Net Loss transferred To P & L A/c	985076.07
26528.15	To Contribution to PF	52614.35				
39820.77	To Welfare Expenses	19742.92				
11679.25	To Travelling Expenses	8655.00				
15745.44	To Rep. & Maint. of Assets	55429.07				
0.00	To Advt. & Sales Promotion	3275.00				
11848.12	To Office Expenses	7489.00				
263021.04	To Depreciation	228666.70				
524245.76	To Mfg. & Selling Expenses	555344.89				
0.00	To Bank Charges	82.00				
3218513.79	TOTAL	3421084.52		3218513.79	TOTAL	3421084.52

Sd/-

A.C. Mathew Edayadi
Chairman

Sd/-

Dr. V.K. Raju
Managing Director

Sd/-

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

Sd/-

M.R.V. Nair
Secretary

Subject to our report of even date

For O. THOMAS & Co.
Chartered Accountants

Sd/-

Partner
Abraham K. Thomas

**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2003**

1. Basis of Accounting:

The financial Statement of the company are prepared under historical cost convention in accordance with generally accepted accounting principles (GAAP) applicable in India and the provisions of the Indian Companies Act, 1956.

2. Use of Estimates:

The preparation of the Financial Statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liability as at the date of the financial statement and the reported amounts of revenue and expenses during the reported year. Actual results could differ from these estimates.

3. 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 accumulated depreciation upto 31st March 2003. There has been no revaluation of fixed assets during the period under audit.

4. Taxes on Income:

Tax expenses for the year comprises of current tax and deferred tax. Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred Tax Assets and Deferred Tax Liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The effect on Deferred Tax Assets and Liabilities of a change in tax rates is recognised in the Profit and Loss a/c in the year of change. Deferred Tax Assets and Deferred Tax Liabilities are recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards.

5. Earning per Share:

The earnings considered in ascertaining company's EPS comprises the net profit after tax (and includes the post tax effect of any extraordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

6. 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. 18.

7. 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.

8. 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.

9. Development Expenditure:

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

10. Subsidies:

The Capital subsidy received from Rubber Board for replanting of Rubber are credited to Reserves & Subsidies.

11. Investments:

Investments are stated at cost.

12. Retirement Benefits:

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

13. Contingent Liabilities:

All liabilities have been provided for in the accounts except those of a contingent nature which have been disclosed at their estimated value.

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2003**

1) RESERVES AND SURPLUS

The Corporation has received Rs. 1,19,04,069.50 as Rubber Board subsidy up to 31-03-2003 (Previous year Rs. 1,18,58,810.50) and the corporation is contingently liable to the Board for the same in case the plantation is destroyed or is used for any public purpose.

2) UNSECURED LOANS ADVANCED

Loans 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 to the Corporation. The Govt., of Kerala has directed to convert the loan and interest into share capital. The Corporation's Board meeting held on 30.10.1999 has accorded sanction to convert the principal amount of loan to share capital and to request the Govt. to pay the interest to corporation rather than converting the same into share capital. However, the Govt. of Kerala vide letter No. 38402/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.

Loan To Kerala State Coconut Development Corporation Ltd.

In pursuance of the government order (Rt) No. 1828/97/AD dated 1-11-1997, the corporation has paid Rs.25 lakhs to the Kerala State Coconut Development Corporation Limited during 1997-98. Interest for the current year at the agreed rate of 12% per annum amounts to Rs. 3 lakhs. (Previous year Rs. 3 lakhs) The K.S.C.D.C has closed down its operation since April 1998. This fact makes the realisation of interest doubtful. Hence it has not been recognised as income in the books.

3) OTHER LIABILITIES

Labour Welfare Fund

An amount of Rs.33991.41/- (Previous year Rs.34,594.53/-) 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. 9,03,275/- (Previous year Rs. 7,51,810/-) in respect of unencashed portion of earned leave of the employees as on 31-03-2003.
2. a) Based on the calendar year earnings, Bonus at 8.33% has been paid to the employees for the calendar year 2002 vide G.O.(Rt) No. 1798/2003/LBR dated 1-7-2003. 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 2003 to March 2003 on estimated basis.
c) Agricultural Income Tax and Central 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.770 lakhs). Since most of the assessments are under appeal, no additional provision has been made in this regard.

5) FIXED ASSETS

- a) The total area of land handed over to the company by the Government of a Kerala as on 31-03-2003 is 14,020 hectares (Previous Year total area 14,663 Ha.). Certain areas have been subjected to survey. Particulars are given below:

Details	Mature Area (Ha)	Immature Area (Ha)
Rubber Plantation	4777.60	1639.76
Cashew Plantation	5912.23	463.80
Oil Plantation	460.08	264.59
Total	11149.91	2368.15

Other Crops	:	74.53 Ha
Vacant and Rocky	:	427.41 Ha
Total	:	501.94 Ha

- b) The terms and conditions under which the company has taken 975 hectares of land covered by Cheemeni Estate are yet to be determined. No provision for lease rent is made for the 975 hectares. The company is paying land tax for the land of Cheemeni. The entire revenue from the estate is treated as income. The above 975 hectares includes 126.55 hectares transferred to the Prison Department as per Note f 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) 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.
- g) The written down value of Buildings, Roads, Landing Pads and Fences is Rs. 446.69 lakh of which assets worth Rs.397.09 lakh are constructed on lease hold lands.
- h) The company undertook construction of a causeway at Rajapuram Estate for an amount of Rs 29,32,145 /- which has been sanctioned by the Board of Directors on the condition that 50% of the cost will be met by the Karnataka Government. The entire amount spent by the company has been shown under Capital- WIP. Since the matter is under negotiation with the Karnataka Government, the amount when received from Karnataka Government will be accounted in the books of account of the company.
- i) (i) The company has spent an amount of Rs. 172,19,060.99/- up to 31/3/2003 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 29-1-2001 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.
- j) **ALKODE 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 agreed to the value of Rs. 32.85 lakhs fixed by 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 of land to TRDM.

- k) The Board has approved the handing over of 486.49 cents of land for the improvement of Second Reach of 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 has been made in the accounts.

5) SUNDRY DEBTORS

Sundry debtors include Rs.7,63,820.11 from companies owned by the Government of Kerala and Government of India details of which are as under:

Trivandrum Rubber Works Ltd, Trivandrum	:	Rs. 1,39,846.47
Hindustan Latex Limited, Belgaum	:	Rs. 78,663.40
Hindustan Latex Ltd, Trivandrum	:	Rs.17,446.54
Secretary, Rubber Board	:	Rs. 5,100.00
State Farming Corporation of Kerala Ltd., Punalur	:	Rs. 5,22,763.70
Total	:	Rs. 7,63,820.11

As per the directions of the C & AG, the company was required to provide Rs. 1527633.38 as doubtful debts. Against this 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. 228059.60 (Previous year Rs 239541.60)
- 2) Housing loan to staff and officers are fully secured. Amount outstanding as on the close of the year Rs.9,60,792.60/- (Previous year Rs11,22,910.60/-)

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	Current Year (Rs.)	Previous Year (Rs.)
T.A. Advance	1,99,431.38	1,60,435.62
Salary Advance (Onam)	2,48,889.67	5,41,141.67
Other Advance	9,24,910.56	6,91,970.90
Interest on Vehicle Loan	2,25,003.14	2,42,702.09
Stores recoverable	1,68,501.95	1,75,839.05
Fuel charges recoverable	7,378.20	(-) 2,517.61
Postage recoverable	6,741.60	6,997.06
Medical bills recoverable	28,119.08	19,639.96

9) LOANS & ADVANCES

Deposits with Government Departments:

These comprises balances with:

Details	Current Year (Rs.)	Previous Year (Rs.)
Cochin Port Trust	3,600.00	3,600.00
Civil Supplies Corporation	10,000.00	10,000.00
Post & Telegraph Department	40,317.00	40,317.00
Kerala State Electricity Board	10,48,439.00	10,28,859.00
TOTAL	11,02,356.00	10,82,776.00

10) PLANTATION TAX

For the period from 1989-90 to 1997-98 on the basis of returns filed by the Corporation, the net amount refundable to the company was Rs. 46,54,000.45. But, as per the Assessment Orders No. B5. 5072/81 dt. 4-7-98 and 22-7-98 of RDO, Adoor, the net amount was only Rs. 40,87,094.85. The Company has filed appeal against this assessment before the District Collector, Pathanamthitta, who had remanded the same for fresh hearing. The case was re-heard and orders were passed by Sub-Collector, Adoor vide Assessment Order No.B 5 - 5072/81/KD dtd 11-3-2004. As this order is adverse, the Corporation has preferred a second appeal before the District Collector, Pathanamthitta against the order of Sub-Collector, Adoor. The same has been heard and orders are expected in favour. Hence no provision has been made on the basis of the above adverse order.

11) SALES TAX

KGST assessments and CST assessments up to 1999-2000 are completed. No provision has been made on the additional demand since the assessment orders are under appeal.

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

12) LEASE RENT

The rate of lease rent as per G.O.(MS) No. 11/89dated 20-01-1989 is Rs.1,300/- per Hect., payable to Forest Department with effect from 18-12-1987. In view of the repeated representations made by the Corporation, the Government has ordered (vide letter L32/62939/95 dated 22-02-1997) to accept remittance from the corporation at Rs.475/- per hectare per annum w.e.f. 01.01.1981 on a purely provisional basis. Corporation is providing in its books of accounts lease rent at Rs.1,300/-per Hect.and payment is made at Rs.475/- per Ha. till 1998-99 Payment of Rs.475/- from 1999-2000 onwards has not been made due to paucity of funds. The Forest department has claimed penal interest of Rs. 848.19 lakhs for not remitting lease rent at the increased rate. However this has not been provided since the final decision has not been made by the Government. 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 REMUNERATION

Managerial Remuneration paid/payable to Managing Director is as follows

	Current Year (Rs.)	Previous Year(Rs.)
Pay & Allowances	2,59,094.00	1,24,114.40
Medical Reimbursement	11,847.04	Nil
Interest subsidy on Housing loan	26,028.00	-

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

14) REMUNERATION TO OTHER DIRECTORS

	Current Year(Rs.)	Previous Year (Rs.)
TA & Sitting fee to Directors	15,560.00	14,729.65
Honorarium to chairman	5,775.40	4,000.00

15) AUDITOR'S REMUNERATION

	Current Year(Rs.)	Previous Year (Rs.)
Statutory auditors fee	38,570.00	26,250.00
Expenses to statutory Auditors	10,000.00	7,000.00
Other services	16,530.00	15,750.00
Total	65,100.00	49,000.00

16) D A ARREARS

As per G.O. (P) No. 226/2003 fin. dated 21-4-03 and G.O. No. 669/2003 fin. dated 2/12/03 the D A of staff revised for the period from 1-7-2000, 1-7-2001 and 1-1-2002. The total liability due to the above D.A. revision are Rs. 102.14 lakhs. The entire amount was subsequently paid.

17) REPAIRS & MAINTENANCE

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

18) 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.

19) MANUFACTURING AND SELLING EXPENSES

This includes cost of 22878 Nos. packing drums worth Rs.92,22,324.00

20) 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	4788.18	2099.44	2987.66	1092.30
Cashew	N.A.	411.76	N.A.	400.38

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.

21) RUBBER WOOD FACTORY

The corporation has a pilot plant at Kodumon for the treatment of rubber wood collected from the estates. The working result of the project has been separately shown in Schedule IV to the Profit & Loss Account for the year ended 31-03-2003.

22) CONTINGENT LIABILITIES

a) Estimated amount of contracts for which the company is contingently liable on capital account and not provided for is Rs 33,86,179/- (Previous year Rs.1,18,53,557/-)

- 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) 30 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.

23) ADDITIONAL INFORMATION AS PER CLAUSE 4D OF PART II SCHEDULE VI TO THE COMPANIES ACT.

	Current Year		Previous Year	
	a) CIF value of import during the year	Nil		Nil
b) Expenditure in Foreign Currency	Nil		Nil	
c) Value of raw materials, stores, spares and components during the year	Value (Rs lakhs)	Consumption	Value (Rs lakhs)	Consumption
1. Imported Value	Nil	Nil	Nil	Nil
2. Indigenous (Stores & Spares)	210.5%	100%	228.74	100%
d) Particulars of dividend remitted in foreign exchange	Nil		Nil	
e) Earnings in Foreign Exchange	Nil		Nil	

- 24) Total wages paid during the year to tappers, field workers and factory workers are Rs.816.34 lakhs. (Previous year Rs.840.17 lakhs)

25) PRIOR PERIOD INCOME AND EXPENSES

Prior Period Income

Cost of Cashew plantation wrongly written off during 2001-2002	Rs. 1,68,223.85
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Prior Period Expenses

Stock of other Items	Rs. 6,965.00
Bank Charges	Rs. 53,903.00
Group Insurance for the month of March 2002	Rs. 12,816.00
Total	Rs. 73,684.00

- 26) Cash flow statement for the year ended 31st March 2003 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) DEFERRED TAX ASSETS AND LIABILITIES

The Plantation Corporation of Kerala Ltd. is a plantation company. The income of the company is mainly from Rubber, Cashew and Oil Palm.

The income from Rubber depends on the Rubber production and Rubber price. The price of Rubber is highly fluctuating and hence not predictable. The price depends on the international trends, import policy of the Govt and the national production.

As regards Cashew, the income is based on the yield and the market prices. Since the pest control treatment using endosulphan is banned now, the risk of pest attack is high and hence the income from Cashew is not correctly predictable.

In the above circumstances, with reasonable certainty or virtual certainty (as the case may be) supported by convincing evidence, the company cannot predict that sufficient future taxable income will be available

against which deferred tax asset can be realised, so only to the extent of current year DTA [Rs 2182443 (CIT); Rs. 2552877(AIT)] is recognised.

Through the assessments are as stated above, the Company will reassess unrecognised deferred tax assets at the end of each financial year if conditions underlying reasonable certainty or virtual certainty are found to be valid and continuing.

CIT	31-3-2002(Rs.)	31-3-2003(Rs.)	Current Year (Rs.)
Gratuity	[12160804]	[11372091]	788713
Bonus	[145152]	[145152]	0
Depreciation	194420	206294	11874
Accumulated Loss	[6505028]	[8687471]	[2182443]
Total	[18616564]	[19998420]	[1381856]

AIT	31-3-2002(Rs.)	31-3-2003 (Rs.)	Current Year (Rs.)
Gratuity	[76765077]	[72809058]	3956019
Bonus	[727272]	[727272]	0
Depreciation	[772803]	[427362]	345441
Accumulated Loss	[152357759]	[154910636]	[2552877]
Total	[230322911]	[228874328]	1748583

28) 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/IHRD dated 21-10-1999, 40% of the total volume of work for the project has been completed and has claimed an amount of Rs. 3,52,000/- towards first instalment. However the Corporation has paid an amount Rs. 1,00,000/- only as the company has not admitted the same.

29) 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.361/99dt 28.12.1977	56,00,000.00
G.O(MS) No.75/78 dt13.3.1978	46,00,000.00
G.C(MS) No.407/80 dt 11.02.1980	10,00,000.00
Total	112,00,000.00

Out of this Rs.112 lakhs, the Corporation has repaid to Govt. of Kerala Rs.17,33,338/- As per Govt.order GO(MS) No.238/93 AD dated 4.8.1983 and GO (MS) No.41/84 AD dated 2.2.1984, the subsidiary status of Oil Palm India Ltd., was terminated and the three loans amounting to Rs.112 lakhs were cancelled.

With the loan amount, the Corporation has invested on shares worth Rs121.20lakhs in Oil Palm India Ltd. For the termination of subsidiary status of Oil Palm Ltd., as per Government orders referred above, the Govt. has fixed the intrinsic value of each share worth Rs.1000 at Rs.512 per share (GO(MS)No.294/85/AD dated 4.11.1985)

The Government has also ordered to adjust this amount against the loan. As such an amount of Rs.62,05,440/- been adjusted against the loan.

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

During 1999-2000, the Corporation was directed to repay an amount of Rs62,75,140/- (Principal- Rs. 32,61,222/-, interest Rs.28,67,382/-and penal interest Rs.146536/-) vide GO(MS) No. 238/99 AD dated 19.8.99 and letter No.L II(I)15099/84 dated 24.11.1999 from the Director of Agriculture. The Govt; of Kerala vide GO(MS) No; 34/2002/AD dated 15/3/02 has ordered that the amount of Rs. 62, 75,140/- be converted in to Share Capital and has directed the Managing Director to issue Share Certificate for the said amount to the Government. However, no provision is made in the accounts for the same as the matter is still under correspondence.

30) GUARANTEE COMMISSION

No Provision has been made in the accounts in respect of Gurantee Commssion 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.

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

Sd/- A.C. Mathew Edayadi Chairman	Sd/- Dr. V.K. Raju Managing Director	Sd/- R. Krishnamoorthy G.M. (F&A)	Sd/- M.R.V. Nair Secretary
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Rs. 115,00,000.00	
10,00,000.00	
40,00,000.00	
65,00,000.00	
115,00,000.00	
Total	

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

1. Registration details

Registration No. : 01997 State Code : 09
Balance Sheet date : 31-3-2003

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
782949	782949
Sources of Funds	
paid up capital	Reserves & Surplus
55688	117930
Secured Loans	Unsecured Loans
54621	4821
Application of Funds:	
Net Fixed Assets	Investments
473084	12501
Net Current Assets	Misc. Expenditure
(-) 490995	
Accumulated Loss	
170566	

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

Turnover	Total expenditure
286603	285597
Profit / Loss before tax	Profit / Loss after tax
Profit 1006	Profit 1006
Earnings per share	Dividend(Percentage)
18.06	Nil

5. Genetic 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/-
Dr. V.K. Raju
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 2003 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 in 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 Product Development Corporation Ltd. and Kerala State Coconut Development Corporation Ltd. referred to in Note no: 2 of the Notes forming part of the accounts are prejudicial to the interests of the Corporation. Interest in respect of the above loans amounting to Rs. 27 lakhs and Rs. 3 lakhs respectively have not been recognised as income in the accounts, so to this extent the loss is understated.
2. The Corporation has spent a total amount of Rs. 172,19,060.99 upto 31-03-2003 on account of Farm Tourism project which includes Rs. 36,48,499/- advanced to Nirmithi Kendra for civil works. The project was inaugurated on 7-01-2001 but the amount spent has not been capitalised for want of sanction from the Government under Forest Conservation Act. The amount collected by the Corporation upto 31st March 2003 as advertisement charges, rent and other collections on this account 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 the Profit & Loss Account, the total sales disclosed based on books of accounts produced for our verification is Rs. 25,89,35,505.32 under various items stated therein. Whereas the total sales disclosed as per the return filed with the Sales Tax authorities is only Rs. 21,16,15,635.16. The difference has not been reconciled. Additional sales tax liability, if any, on this account is not provided for.
5. 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 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.
6. As per rules of the Corporation 10% per month of the basic pay is to be recovered from the Managing Director as rent for the use of Company's quarters. As per the above rule, the amount to be recovered upto 31-03-2003 is Rs. 21,419/-. But it is noticed that recovery is made only to the extent of Rs. 1,536/-. The short recovery on this account is Rs. 19,883/-.

7. In the absence of confirmation of balance of sundry debtors, sundry creditors, government loans, other loans, advances and deposits, we are not able to confirm the correctness of these balance and releasability of long outstanding dues.
8. As required by Schedule VI of the Companies Act, 1956

a) The maximum amount due from Officers classified under loans and advances has not been disclosed.

Subject to the above

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books.
- c. The Balance sheet and the Profit & Loss account dealt with by this report are in agreement with the books of accounts.
- 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 2003, and
 - b. In the case of the Profit & Loss account of the Loss for the year ended on that date.
- g. As required by the Manufacturing and other Companies (Auditor's report) order 1988 dated 7-9-1988 made by the Central Government Under Section 227 (4A) of the Companies Act 1956, we have set our report on the matters specified in the above order in an Annexure.

Kottayam
7-03-2005

For O. Thomas & Co.
Chartered Accountants

Sd/-

Abraham .K. Thomas
Partner

ANNEXURE REFERRED TO IN LAST PARA OF THE AUDITORS REPORT

1. The company has maintained proper record to show full particulars including quantitative details and situation of fixed assets. The fixed assets of the company have been physically verified by the management during the year end and no serious discrepancies were noticed on such verification.
2. None of the fixed assets of the company have been revalued during the period.
3. Stock of finished goods, stores, spare parts, raw materials and other items have been physically verified by the management at the close of the year.
4. The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Corporation and nature of its business.
5. Discrepancies noticed on physical verification of stock as compared to book records have been properly dealt with.
6. Valuation of stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
7. The company has not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained under section 301. The provisions of section 370 (1-B) of the Companies Act are not applicable on and from 31-10-98.
8. Save as mentioned in item no: 1 of our report, in our opinion the terms and conditions on which loans have been granted to Companies, firms, other parties listed in the register maintained under section 301 are not prejudicial to the interest of the Corporation. The provisions of section 370 (1-B) of the Companies Act are not applicable on and from 31-10-98.
9. In respect of loans and advances in the nature of loans, given by the Company except in the case of Oil Palm India Ltd., Kerala State Coconut Development Corporation Ltd., and Kerala State Horticultural Product Development Corporation Ltd., parties have repaid the principle amount and also been regular in payment of interest where ever applicable in accordance with terms and conditions laid down by the Company.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and with regard to the sale of goods. However the internal control procedure in respect of:
 - a) Collection and procurement of agricultural produce and its processing at factories and its despatch is not satisfactory.
 - b) Determination and accounting of dues payable to sundry creditors for suppliers needs improvements.
 - c) Determination and accounting of dues from sundry debtors call for considerable improvement.
 - 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 services in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 as aggregating during the year to Rs.50,000/- (Rupees Fifty Thousand) or more, in respect of each party.
12. As explained to us, unserviceable or damaged stores and raw materials are determined by the Management and adequate provisions have been made in the accounts for loss so determined.

13. The Company has not accepted any deposits from the Public.
14. The Company has maintained records for the sale and disposal of scrap and realisable by-products.
15. Based on our assessment of the extent of coverage of the internal audit department of the Company, we are of the opinion that the internal audit system in its present form is not commensurate with the Company's size and nature of activities.
16. Maintenance of cost records under section 209 (1) (d) of the Companies Act 1956, is not applicable to the Company.
17. According to the records of the Company, Provident Fund and Employees State Insurance dues have been regularly deposited with appropriate authorities, subject to item no.3 of our report.
18. According to the information and explanations given to us and subject to what is stated in Notes forming part of the Accounts, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as 31st March 2003, 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
7-03-2005

For O. Thomas & Co.
Chartered Accountants

Sd/-

Abraham K. Thomas
Partner

REPLY TO THE REPORT OF THE STATUTORY AUDITORS FOR THE YEAR 2002 - 2003

1. The two loans were given as per the direction of the State Government. Since the relations of the above loans are uncertain, this has not been recognised as Income in the accounts.
2. Since the final approval for operating the Farm Tourism Project is yet to be received from the Government, the net amount spent on Farm Tourism Project was shown as Capital Work Progress.
3. The salary for the period from July 2001 to October 2001 was paid in January 2005 as per the sanction given by the Govt. of Kerala. The PF thereto was deducted and remitted to the Provident fund Commissioner.
4. This has been reconciled subsequently.
5. Noted.
6. Noted. The short recovery of Rs. 19,883/- has been recovered from the Managing Director subsequently.
7. Noted.
8. Noted.

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

Comments of the Comptroller and Auditor General of India under section 619 (4) of the Companies Act, 1956 on the Accounts of The Plantation Corporation of Kerala Limited for the year ended 31 March 2003.

Profit and Loss Account

Net profit carried to Profit and Loss Appropriation Account Rs. 10.06 lakh

This turned out to a net loss of Rs. 22.42 lakh due to

	Rs (in lakhs)
(i) Non provision of guarantee commission payable to Govt. of Kerala	Rs. 4.09
(ii) Non provision of DA arrears payable to employees for the period July 2000 to March 2002 which was sanctioned by Govt. before the approval of accounts	Rs. 33.82
(iii) Under valuation of closing stock due to adoption of incorrect figures	(-) Rs. 5.43

Thiruvananthapuram
Date: 13-06-2005

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

1. Noted.
The fact has been disclosed vide note No. 30 of notes forming part of the account for the year ended 31-3-2003.
2. The DA arrears pertain to the financial year prior to 2002-03. There was adequate unutilized provisions in the liability for expenses account to cover the arrear DA and hence no provision was made. On the basis of actual sale value realized subsequently, there is no under valuation of closing stock.
- 3.

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

**COMMENTS OF PRINCIPAL SECRETARY (FINANCE) ON THE
AUDITED ACCOUNTS OF PLANTATION CORPORATION OF
KERALA LIMITED FOR THE YEAR 2002-2003**

The company could add a net profit of Rs. 10.06 lakh to the Profit & Loss Account in 2002-03, when compared to the previous year, where the net loss carried down to Profit & Loss Account was Rs. 6.16 crores. Expenditure on various items shows only a marginal increase. Income from sales has increased appreciably. Miscellaneous expenses have also increased considerably. Fixed assets should be valued properly and promptly. The improvements pointed out by the Statutory Auditors should be implemented immediately.

sd/-

K. JOSE CYRIAC

PRINCIPAL SECRETARY (FINANCE)

**REPLY TO THE COMMENTS OF THE PRINCIPAL SECRETARY
(FINANCE) ON THE AUDITED ACCOUNTS OF THE COMPANY
FOR THE YEAR 2002-2003**

1. The increase in miscellaneous expenses is mainly due to the increase in Bank Charges.
2. The policy regarding valuation of fixed asset has been clearly stated in Note No. 3 of the Significant Accounting Policies forming part of the Accounts for the year ended 31st March 2003. The revaluation of fixed assets are done only in special circumstances like, reconstruction, re-organisation, amalgamation, sale etc.
3. The improvement pointed out by the Statutory Auditors are being implemented.



PLANTATION CORPORATION OF KERALA LTD.

(A Government of Kerala Undertaking)

Head Office, Muttambalam P.O., Kottayam-686004

Phone: 0481-2578301-04, 2578164, 2578306, 2578349, 2578194, 2578763, 2578254

Fax: 0481-2578448, 2575133 (MD)

[www: pcklimited.org](http://www.pcklimited.org) / [www: pcklimited.com](http://www.pcklimited.com)