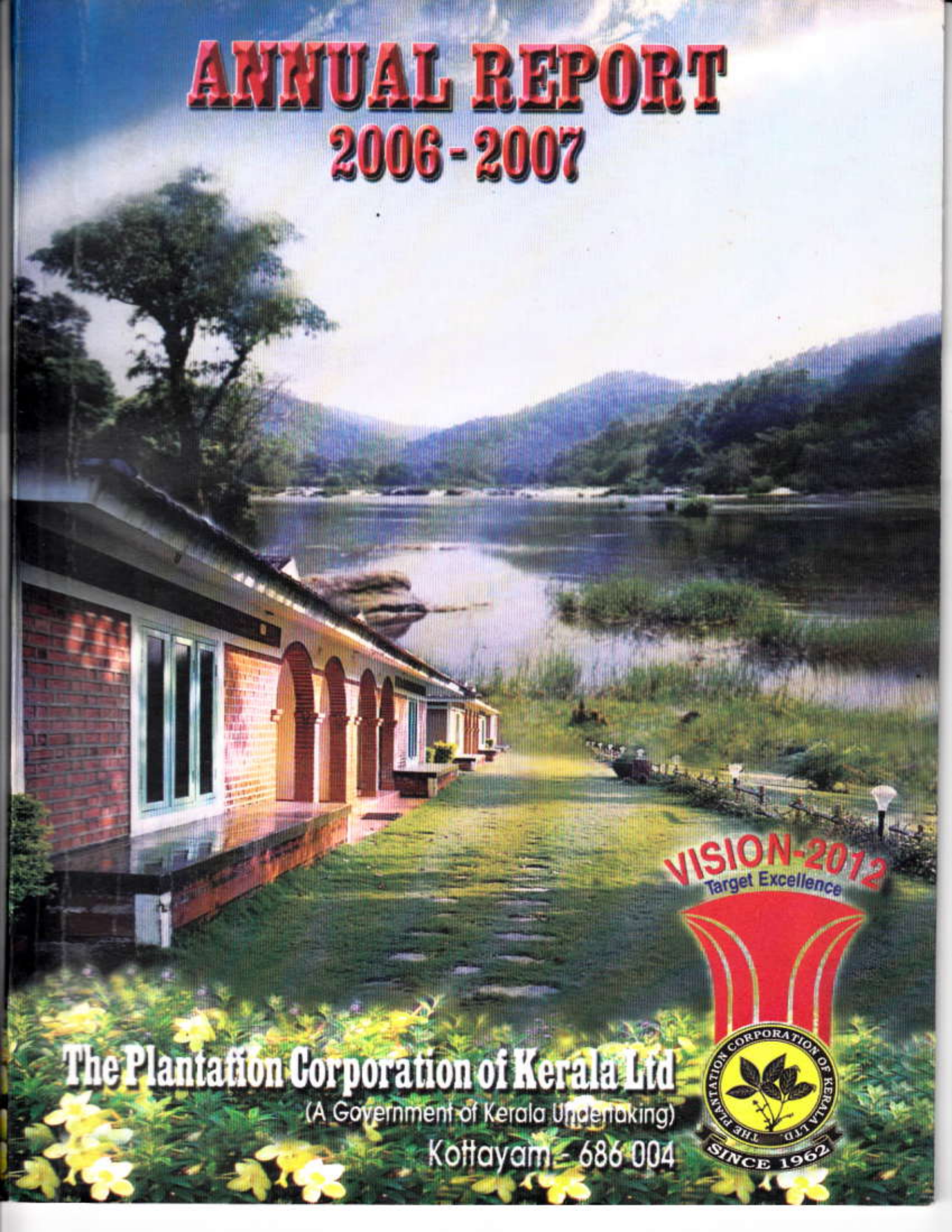


ANNUAL REPORT

2006 - 2007



VISION-2012
Target Excellence

The Plantation Corporation of Kerala Ltd

(A Government of Kerala Undertaking)

Kottayam - 686 004



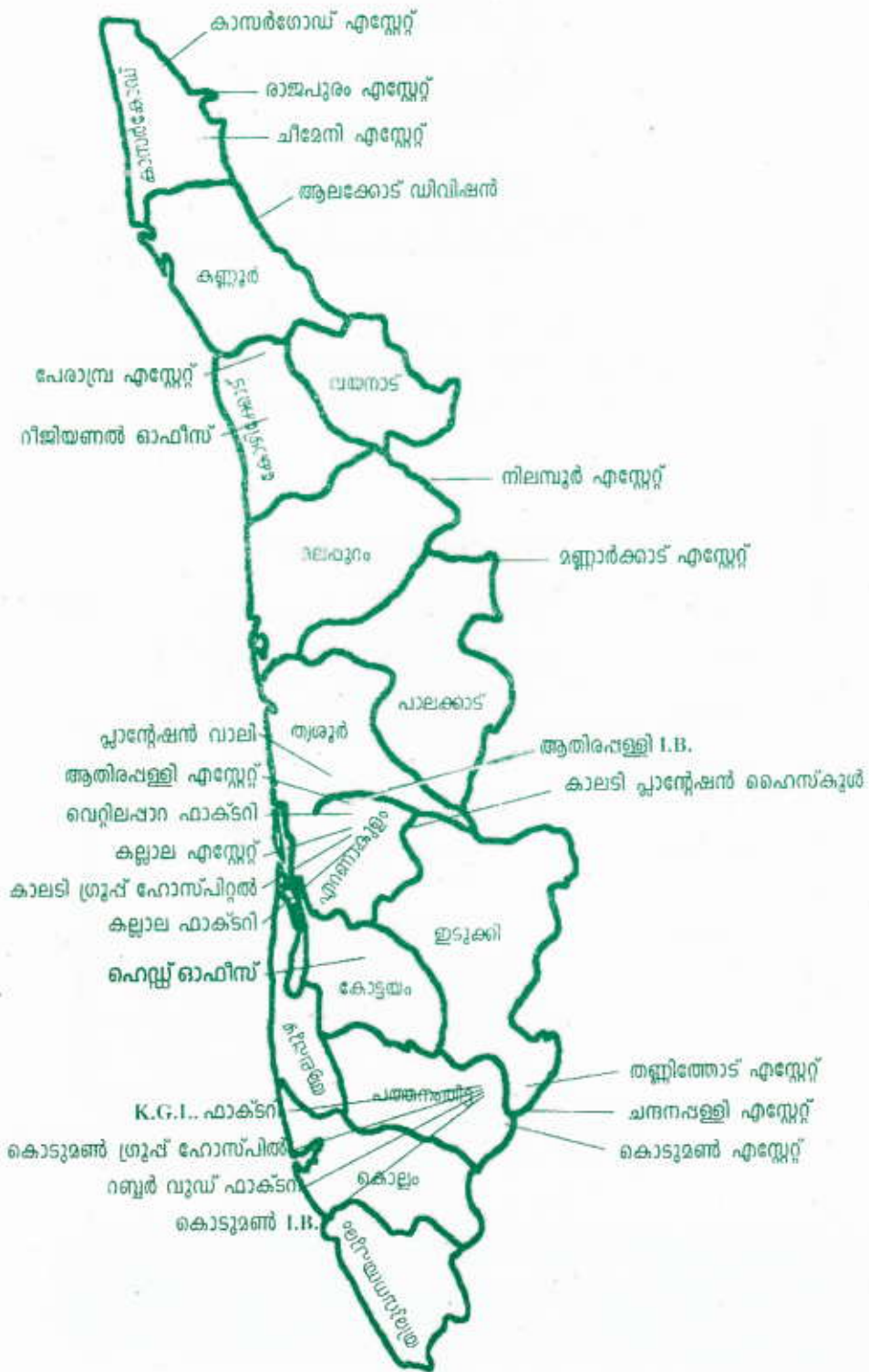


**THE PLANTATION
CORPORATION OF KERALA LTD.
KOTTAYAM - 686 004**

Regd. Office : Kottayam - 686 004
Grams : Plantcorp
Telex : PCK 0888207
Fax MD : 0481-2575133
Fax: 0481-2578448
E-mail : plantcorpktm@sancharnet.in
Website : www.pcklimited.com
www.pcklimited.org
Phone : 2578301, 2578302, 2578303
(0481) 2578304, (EPABX), 2578306
2578349, 2578194, 2578164
2578763, 2578254, 2578294

**45th Annual Report
2006-2007**

LOCATION OF VARIOUS UNITS OF PLANTATION CORPORATION



BOARD OF DIRECTORS

Sri.T.J.Anjalose, Ex.M.P.

Chairman (From 10-8-2006)

Sri.E.K.Prakash

Director (From 15.5.2007)

Sri.K.K.Raghavan

Director (From 12.6.2007)

Sri.K.V.Krishnan

Director (From 31.8.2006)

Sri.C.K.Unnikrishnan

Director (From 4.11.2006)

Sri.K.V.Babu

Director (From 25.6.2007)

Sri.K.Babu

Director (From 16.6.2006 to 3.11.2006)

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

*Managing Director in Charge
(From 16.8.2006 to 7.11.2006)*

Adv.P.S.Pradeep

Director (From 12.8.2004 to 10.10.2006)

Sri.K.Balachandran Thampi, I F S

Director (From 24.4.1997 to 10.10.2006)

Company Secretary

Ajith John

Auditors

M/s Vishnu Rajendran & Co.

Chartered Accountants

Kottayam

Sri.Babu Thomas

Managing Director (From 7.11.2006)

Sri.V.K.Sinha

Director (From 12.6.2007)

Smt.M.Albertin

Director (From 15.3.2007)

Sri.P.N.Prabhakaran

Director (From 4.11.2006)

Sri.Vijayan Kunissery

Director (From 25.6.2007)

Dr.V.K.Raju

Managing Director

(From 22.7.2004 to 16.8.2006)

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

Director (From 23.6.2004 to 15.3.2007)

Smt.M.G.Girija

Director (From 3.11.2006 to 15.05.2007)

Sri.P.J.Joy

Director (From 12.08.2004 to 10.10.2006)

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 45th Annual General Meeting of the Corporation will be held on Tuesday, the 18th September, 2007 at 10.30 AM at the Registered Office of the Corporation, Kottayam – 4 to transact the following business:

- (1) To consider the adjournment of the consideration of the accounts for the year 2006-07 to a suitable date.
- (2) To record the appointment of Directors by the Governor of Kerala in place of Directors retiring at the time of Annual General Meeting under Article 63(2) of the Articles of Association.

The following Directors retire and are eligible for re-appointment:

- (i) Sri.K.K.Raghavan
 - (ii) Sri.V.K.Sinha, I.F.S.
 - (iii) Sri.E.K.Prakash
 - (iv) Smt.M.Albertin
 - (v) Sri.K.V.Krishnan
 - (vi) Sri.P.N.Prabhakaran
 - (vii) Sri.C.K.Unnikrishnan
 - (viii) Sri.K.V.Babu
 - (ix) Sri.Vijayan Kunissery
- (3) To authorize the Board of Directors to fix the remuneration of the Auditors appointed by the Comptroller & Auditor General of India.

By Order of the Board,
For THE PLANTATION CORPORATION OF KERALA LTD

Kottayam
22-8-2007

Sd/-
AJITH JOHN
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 45th (adjourned) Annual General Meeting of the Corporation will be held on Friday, the 28th December, 2007 at 11.00 AM at the Registered Office of the Corporation, Muttambalam, Kottayam – 4 to transact the following business.

To receive, consider and adopt the Director's Report, Auditors' Report and the audited Profit and Loss Account for the year ended 31st March 2007 and the Balance Sheet as on that date.

By Order of the Board,
For THE PLANTATION CORPORATION OF KERALA LTD

Kottayam
04-12-2007

Sd/-
AJITH JOHN
Company Secretary

Note:

1. 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.
2. Director's report, Auditor's report, audited profit and loss account for the year ended 31st March 2007 and Balance sheet as on that date are also seen attached herewith.

DIRECTOR'S REPORT FOR THE YEAR 2006-07

Gentlemen,

Your Directors have pleasure in presenting the 45th Annual Report of the Corporation for the year ended 31st March, 2007.

OPERATING RESULTS

Particulars	2006-07 (Rs. in Lakhs)	2005-06 (Rs. in Lakhs)
Sales	5030.88	4470.53
Stock Differential	196.89	- 447.45
Other Income	58.83	40.84
Net Revenue after adjusting stock differential	5286.60	4063.92
Manufacturing and Operating Cost	3186.36	3186.01
Depreciation	59.06	42.83
Provision for Gratuity	900.23	573.5
Tax Provision	33.00	60.00
Net Profit before Taxation	1140.95	261.57

TERM LOAN

The Corporation had availed a loan from Government of Kerala for investment in Oil Palm India Limited. The said loan has been cancelled by the Government of Kerala when the subsidiary status of Oil Palm India Limited was terminated. The balance outstanding in the loan account was Rs.32,61,222.00 as on 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.62,75,140.00 as shown below:

Principal	-	Rs.32,61,222.00
Interest	-	Rs.28,67,382.00
Penal Interest	-	Rs. 1,46,536.00
		Rs.62,75,140.00
		=====

The Company had 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.112.00 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 ordered to convert the amount of Rs.62,75,140.00 as Share Capital of Government.

The matter was again placed before the Board and the Board has authorized 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 installments 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 installments 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 Kasaragode and Vadavathoor (Kottayam) and hypothecation of standing crops. The overdraft limit is valid till 28/11/2007 at an interest of 11.50%. As on 31-03-2007 there is no balance outstanding under Kissan Credit facility.

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

Government has also vide G.O.(MS) 21/2003/AD dated 27-01-03 accorded sanction for availing a loan of Rs.21.68 crores (including Rs.6.9 crores already taken and Rs.15 crores for which Government sanction was already accorded) from Canara Bank.

Government Guarantee had 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 had 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 15.3.2003. 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 has been reduced to 8.9% with effect from 1st October 2005. The balance in Term loan as on 31.03.2007 is Rs.9653.02.

AGRICULTURAL INCOME TAX

The assessment of Agricultural Income Tax has been completed upto the financial year 2003-04. For the completed assessment the company has filed appeals before the higher authorities which are pending for disposal.

SALES

Rubber

During the year 2006-07 the value of rubber sold was Rs.4372.77 lakhs as against value of Rs.3934.20 lakhs in 2005-06.

Cashew

During the year 2006-07 the amount received on sale of cashew nuts was Rs.423.89 lakhs as against Rs.393.01 lakhs in 2005-06.

PRODUCTION

Rubber Estates

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

CASHEW ESTATES

There are four cashew estates viz. Kasargode, Rajapuram and Cheemeni in Kasargode District and Mannarghat Estate in Palakkad District (Alakode Estate (Nadukani Division in Kannur Dist) merged to Cheemeni Estate on 01.04.2006).

FACTORIES

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

- (a) Kodumon Group Latex Factory in Pathanamthitta District (36000 liters per day)
- (b) Kallala Centrifuge Factory situated in Ernakulam District (27000 liters per day)
- (c) Vettilappara Crumb Rubber Factory situated in Ernakulam District (1800 MT per year)
- (d) Rubber Wood Factory – Kodumon situated in Pathanamthitta District.

RUBBER PRODUCTION

The production target was 6110 MTs and the achievement was 5077.260 MT (83.09%) during 2006-07.

The D4 tapping system is followed in the entire normal tapping area with cyclic application of stimulant as per Rubber Board direction.

Cenex

We have produced cenex 3247.002 MT (DRC) during the period of 2006-07 (KGL Factory – 1872.280 MTs and Kallala Factory – 1374.722 MTs)

Rubber Wood Factory

Reopening of the factory is in progress

Oil Palm Plantations

We have harvested 3975.390 MTs of Oil Palm F F B during the year 2006-07.

NEW ACTIVITIES

- a. Work has been started on new centrifuge latex factory at Kodumon
- b. Rubber Wood factory at Kodumon, which was closed for the last two years has been restarted
- c. ISO Certification process at Kallala Centrifuge factory is in the final stage.
- d. Renovation of Cinnamon extraction plant has started.
- e. Works on Cashew Apple processing unit has started
- f. Cashew Division has been formed.
- g. Commercial nurseries for rubber started in Kodumon, Chandanappally and Cheemeni estates.
- h. Commercial nurseries for cashew in Cheemeni, Rajapuram and Kasaragode are functioning well.

INDUSTRIAL RELATIONS

The industrial relations during the period 2006-07 remained cordial and peaceful.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES AND OUTGO

The information required under Section 217(1)(e) of the Companies Act 1956 is given in the Annexure – I 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 applicable accounting standards had 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.

DIRECTORS

The details of Board of Directors including changes that taken place during the period under report is given in Annexure – II

CORPORATE GOVERNANCE

The report on Corporate Governance is given in Annexure – III

AUDITORS

M/s Vishnu Rajendaran & Co., Chartered Accountants, Kottayam were appointed by Comptroller and Auditor General of India as the Auditors of the company for the year 2006-07.

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
Date:04/12/2007

Sd/-
T. J. ANJALOSE
(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) Rules, 1988.

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 subsequent impact on the cost of production of goods	Due to 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 31-03-2007

<u>Sl No.</u>	<u>Name</u>	<u>Address</u>	<u>Date of Appointment</u>
1.	Sri.T.J.Anjalose (Chairman)	Thyil House Pollathai PO., Alleppey 688 567	10/08/2006
2.	Sri.Babu Thomas (Managing Director)	TC VII/1069 Vattiyoorkavu PO Trivandrum 695 013	07/11/2006
3	Sri.P.N.Prabhakaran (Director)	508, Pullolil Kanjirappally - 686627	04/11/2006
4	Sri.C.K.Unnikrishnan (Director)	Leela Vilasam Chowara,Ernakulam 683571	04/11/2006
5	Sri.K.V.Krishnan (Director)	Kochunilayam Ravanewhwar Pallikkara, Kasaragode	31/08/2006
6	Smt.M.G.Girija (Director)	Addl.Secretary Finance Dept. Govt.of Kerala Secretariat Thiruvananthapuram	03/11/2006 to 15/05/2007
7	Sri.P.S.Pradeep (Director)	Prathibha, Madappally Mukundapura Chavara – 691 583	12/08/2004 to 10/10/2006
8	Sri.Mathew C. Kunnumkal (Director)	Agriculture Production Commissioner Agriculture (PU) Department Government of Kerala Secretariat, Thiruvananthapuram	23.6.2004 to 15.03.2007
9	Sri.K.Balachandran Thampi IFS (Director)	Additional Principal Chief Conservator of Forests Forest Headquarters Vazhuthacadu, Thiruvananthapuram	24/04/1997 to 10/10/2006
10	Sri.P.J.Joy (Director)	Puthussery House Angamaly – 683572	12.08.2004 to 10/10/2006
11	Sri.R.Krishnamoorthy (Managing Director)	Nalloomadom Puliyannoor Kottayam	16/08/2006 to 07/11/2006
12	Dr.V.K.Raju (Managing Director)	Valakadavil House Ettumuna Karuvannur P.O., Thrisshur	22/07/2004 to 16/08/2006

ANNEXURE - III

REPORT ON CORPORATE GOVERNANCE

During the period 2006-07, meetings of the Board of Directors were convened as per Section 285 of the Companies Act, 1956. The details regarding number of Board meetings held during the period 2005-06 and meeting attended by the Directors are as follows:

Year	Name/CategoryOf Director	Total number of Board meetings held in the year	Total number of meetings attended by the Directors	Total number of meetings required to be attended	Whether AGM attended by the Director
2006-07	A. Functional Directors	N.A	N.A	N.A	N.A
	B. Government Directors				
	1. Sri.Babu Thomas	8	4	4	Yes
	2. Sri.Mathew C.Kunnumkal, IAS	8	7	1	N.A
	3. Sri.R.Krishnamoorthy	8	3	3	N.A
	4. Sri.K.Babu	8	2	2	N.A
	5. Smt.M.G.Girija	8	4	4	N.A
	6. Smt.M.Albertin	8	1	1	Yes
	7. Dr.V.K.Raju	8	1	1	N.A
	8. K.Balachandran Thampi	8	3	-	
	C. Political Directors				
	1. Sri.T.J.Anjalose	8	7	7	Yes
	2. Sri.K.V.Krishnan	8	6	6	
	3. Sri.C.K.Unnikrishnan	8	5	5	Yes
	4. Sri.P.N.Prabhakaran	8	5	5	Yes
	5. Sri.P.S.Pradeep	8	3	-	N.A
	6. Sri.P.J.Joy	8	3	-	N.A

THE PLANTATION CORPORATION OF KERALA LTD.,
KOTTAYAM - 4.
BALANCE SHEET AS AT 31st MARCH 2007

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
232484297.88	RESERVES & SURPLUS (Sch. A)	302573712.60
7424807.73	SECURED LOANS (Sch. B1)	-548084.22
	UNSECURED LOANS	
4820960.51	From Govt. of Kerala for Estate Development Interest accrued and due	4820960.51
	CURRENT LIABILITIES & PROVISIONS	
	a. Current Liabilities - Sch. B 246243099.29	
482019705.36	b. Provisions - Sch. C <u>282092616.07</u>	528335715.36
	ACCOUNTING POLICIES & NOTES TO ACCOUNTS	
	a. Accounting Policies - Sch.J	
	b. Notes forming Part of Accounts - Sch. K	
782437771.48	TOTAL	890870304.25

For and on behalf of Board of Directors

As per our report of even date
 For VISHNU RAJENDRAN & CO.
 Chartered Accountants

Sd/-
 T.J Anjalose
 Chairman

Sd/-
 Babu Thomas
 Managing Director

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

Sd/-
 Ajith John
 Secretary

Sd/-
 M.P. JOSE B.Com., F.C.A. (Partner)
 M.No.204255

Kottayam
 19.10.2007

THE PLANTATION CORPORATION OF KERALA LTD.,
KOTTAYAM - 4.
BALANCE SHEET AS AT 31st MARCH 2007

Previous Year Rs. Ps.	ASSETS	Current Year Rs. Ps.
	FIXED ASSETS	
418295318.09	a) Plantations - Sch. D	428367497.04
	b) Plant & Machinery, Roads, Buildings etc. - Sch. E	
78577442.28	c) Capital Work in Progress	77420766.60
	INVESTMENTS	
12501000.00	In Shares (at cost) - Sch. F	15001000.00
	CURRENT ASSETS, LOANS & ADVANCES	
	a. Current Assets - Sch. G	
221275208.47	b. Loans & Advances - Sch. H	370081040.61
51788802.64	PROFIT & LOSS APPROPRIATION ACCOUNT	0.00
782437771.48	TOTAL	890870304.25

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

As per our report of even date
For VISHNU RAJENDRAN & CO.
Chartered Accountants

Sd/-
M.P. JOSE B.Com., F.C.A. (Partner)
M.No.204255

Kottayam
19.10.2007

THE PLANTATION CORPORATION OF KERALA LTD.,
KOTTAYAM - 4.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2007

Previous Year Rs. Ps.	EXPENDITURE	Current Year Rs. Ps.
77373134.48	To Opening Stock - Rubber and Agrl. Products	32628353.00
96252.00	To Purchase of Latex from Union	159069.00
58864296.03	To Salaries & Allowances	55233743.93
383159.00	To Salaries & Allowances to MD	369120.00
3391456.00	To Leave Encashment	3867679.10
22278297.00	To Employer's Contribution - PF	20349745.64
15343736.58	To Bonus & Production Incentive	21834411.78
24000.00	To Honararium to Chairman	17355.00
125679.50	To TA & Sitting Fee to Directors	128480.00
1337037.60	To TA to Staff & Officers	1461659.73
105849.25	To Rent	138338.00
1369014.75	To Rates & Taxes	1877905.93
4142248.00	To Rates & Taxes - Fringe Benefit	239364.00
15475116.77	To Electricity Charges	15353898.50
16292856.00	To Lease Rent	17068526.00
612059.00	To Insurance Charges	643940.00
1531750.50	To Advertisement Charges	1387457.90
476177.62	To Legal Expenses	1130302.00
309681.00	To Remuneration to Auditors	394400.00
1209658.00	To Interest on Loan	0.00
55685.00	To Guarantee Commission	42707.00
12606846.40	To Rep. & Maintenance of Assets - Sch. I	15027319.39
5171759.50	To Miscellaneous Expenses - Sch. II	6723619.23
20101350.63	To Welfare Expenses - Sch. III	20474737.46
4283048.79	To Depreciation	5905749.93
18892503.35	To Cultivation & Upkeep - Rubber	20700150.54
70595151.45	To Tapping & Collection - Rubber	62137696.85
29737558.05	To Manufacturing & Selling Expenses	28037840.67
9124596.49	To Cultivation & Upkeep - Cashew	13037201.94
4416220.00	To Cultivation & Upkeep - Oil Palm	3411531.00
219419.90	To Cultivation & Upkeep - Other Crops	385010.00
1363081.18	To Collection Charges - Cashew	2533804.72
558017.00	To Harvesting Expenses - Oil Palm	2046416.00
57350378.78	To Provision for Gratuity & Leave Encashment	90023392.00
627740.74	To Net Loss - Rubber Wood Factory - Schedule - IV	631649.94
1763063.01	To Net Loss - Plantation Valley - Schedule - V	1790548.26
26157441.18	To Net Profit c/d to P & L Appropriation A/c.	114095556.47
	E P S : 1990	.
483765320.53	TOTAL	561288680.91

For and on behalf of Board of Directors

As per our report of even date
 For VISHNU RAJENDRAN & CO.
 Chartered Accountants

Sd/-
 T.J Anjalose
 Chairman

Sd/-
 Babu Thomas
 Managing Director

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

Sd/-
 Ajith John
 Secretary

Sd/-
 M.P. JOSE B.Com., F.C.A. (Partner)
 M.No.204255

Kottayam
 19-10-2007

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

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2007

Previous Year		INCOME		Current Year	
Rs.	Ps.			Rs.	Ps.
		By Sales			
393420324.53		Rubber	437277460.34		
39301343.88		Cashew	42389543.06		
11901045.00		Oil Palm	18934235.00		
704810.83		Agricultural Produce	1844638.39		
1164212.70		Trees & Firewood	2106709.00		
39200.00		Tender Forms	89810.00		
522203.41		Empties & Unserviceables	<u>445185.00</u>	503087580.79	
		By Interest			
798135.76		From Contractors & Customers	555867.03		
119951.00		From Banks & Treasury	3284112.00		
44934.92		From Staff Loans	<u>52237.60</u>	3892216.63	
		By Other Income			
349676.00		Rent of Building	210326.00		
174335.32		Profit on Sale of Assets	27802.00		
500000.00		Dividend Received	500000.00		
1772665.68		Miscellaneous Income	1216798.15		
298238.50		Plantation Refund Adjustment	0.00		
25890.00		Inter Crops	<u>36110.00</u>	1991036.15	
		By Closing Stock of Finished Goods & W.I.P.			
29797194.00		Rubber	48370698.00		
2552841.00		Cashew	3803942.94		
278318.00		Other Agricultural Produces	<u>143206.40</u>	52317847.34	
483765320.53		TOTAL		561288680.91	

For and on behalf of Board of Directors

Sd/-
T.J Anjilose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

As per our report of even date
For VISHNU RAJENDRAN & CO.
Chartered Accountants

Sd/-
M.P. JOSE B.Com., F.C.A. (Partner)
M.No.204255

Kottayam
19-10-2007

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

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2007

Previous Year Rs. Ps.		Current Year Rs. Ps.	Previous Year Rs. Ps.		Current Year Rs. Ps.
68167953.97	To Balance as per last Balance Sheet	51788802.64	26157441.18	By Net Profit as per P & L A/c.	114095556.47
3778289.85	To Prior Period Expenses	5201162.05	0.00	By Prior Period Income	12981691.94
2000000.00	To Tax Provision - C I T	3300000.00	51788802.64	By Balance as per last Balance Sheet	0.00
4000000.00	To Tax Provision - F B T	0.00			
	To Net Profit transferred to Balance Sheet	66787283.72			
77946243.82	TOTAL	127077248.41	77946243.82	TOTAL	127077248.41

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

As per our report of even date
For VISHNU RAJENDRAN & CO.
Chartered Accountants

Sd/-
M.P. JOSE B.Com., F.C.A. (Partner)
M.No.204255

SCHEDULE - A
RESERVES & SURPLUS AS ON 31-03-2007

Previous Year Rs. Ps.		Current Year Rs. Ps.
	RESERVES & SURPLUS	
118989520.90	1. <u>Capital Reserve</u> As per last Balance Sheet 118989520.90 Additions during the year <u>799530.00</u>	119789050.90
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
	SUBSIDY FROM GOVERNMENT	
12032745.50	1. <u>Subsidy from Rubber Board</u> - Rubber Cultivation As per last Balance Sheet 12032745.50 Additions during the year <u>679926.00</u>	12712671.50
5424940.00	2. <u>Subsidy from Govt. of Kerala</u> - Cashew Plantation As per last Balance Sheet 5424940.00 Additions during the year <u>1822675.00</u>	7247615.00
	Profit & Loss Appropriation Account	66787283.72
232484297.88	TOTAL	302573712.60

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

SCHEDULE - B
CURRENT LIABILITIES AS ON 31-03-2007

Previous Year Rs. Ps.		Current Year Rs. Ps.
2084343.50	Sundry Creditors	
	Due to Small Scale Industrial Undertakings 475154.00	
	Due to other than S S I Undertakings <u>4081917.33</u>	4557071.33
186713403.68	Other Liabilities	187155946.61
4924599.17	E M D	6844692.17
12840043.02	Security Deposit	10701067.52
17828579.00	Advance against Sales	16313490.00
43613.56	Welfare Fund	43350.45
17737151.90	Agricultural Income tax due	17737151.90
0.00	Fringe Benefit Tax due	468012.00
744894.96	Central Sales Tax Payable	632160.80
2625.00	Value Added Tax Payable	215477.33
0.00	Plantation Tax Payable	1557924.18
4077129.50	Plantation Tax Payable Adjustment	0.00
0.00	Luxury Tax Payable	16755.00
246996383.29	TOTAL	246243099.29

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

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Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

SCHEDULE - B1
SECURED LOAN AS ON 31-03-2007

Previous Year Rs. Ps.		Current Year Rs. Ps.
	LOANS AND ADVANCES FROM BANKS	
	1. Kissan Credit OverDraft from Canara Bank	
7415154.71	Kissan Credit Overdraft availed from Canara Bank, Main Branch, Kottayam, secured by the hypothecation of stock and mortgage of lands at Vadavathoor and Kasaragode and guaranteed by the Govt. of Kerala vide GO (MS)No.21/2003/AD dtd. 27/01/2003	-557737.24
	2. Term Loan from Canara Bank	
9653.02	Term Loan availed from Canara Bank, Main Branch, Kottayam, secured by the hypothecation of stock and mortgage of lands at Vadavathoor and Kasaragode and guaranteed by the Govt. of Kerala vide GO (MS) No.21/2003/AD dtd. 27/01/2003	9653.02
7424807.73	TOTAL	- 548084.22

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

SCHEDULE - C

PROVISIONS AS ON 31-03-2007

Previous Year Rs. Ps.		Current Year Rs. Ps.
205245706.00	1. Gratuity: As per last Balance Sheet 205245706.00 ADD Additions this year <u>90023392.00</u> 295269098.00 LESS Paid this year <u>43254098.00</u>	252015000.00
4000000.00	2. Bonus: As per last Balance Sheet 4000000.00 ADD Additions this year <u>5000000.00</u> (From 1-1-2007 to 31-3-2007) 9000000.00 LESS Adjusted this year <u>4000000.00</u> (From 1-1-2006 to 31-3-2006)	5000000.00
25777616.07	3. Taxation: As per last Balance Sheet 25777616.07 ADD Additions this year <u>3300000.00</u> 29077616.07 LESS Adjusted this year <u>4000000.00</u>	25077616.07
235023322.07	TOTAL	282092616.07

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

SCHEDULE - D
DEVELOPMENT OF PROPERTY AS ON 31st MARCH 2007

Item	Opening Balance		Additions		Disposals		Closing Balance	
	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
Rubber	347254145.98		5026074.69		0.00		352280220.67	
Cashew Plantations	33085526.80		5190969.30		257062.00		38019434.10	
Arecanut Plantations	1070367.18		0.00		0.00		1070367.18	
Oil Palm Plantation	32844061.18		74372.00		0.00		32918433.18	
Teak Plantations	754364.50		0.00		0.00		754364.50	
Cocoa Plantation	12797.00		0.00		0.00		12797.00	
Coconut Plantations	204782.86		33339.96		0.00		238122.82	
Survey	229734.53		0.00		0.00		229734.53	
Evicted Area Expenses	1694037.42		0.00		0.00		1694037.42	
Eucaliptus & Accasia	611243.64		0.00		0.00		611243.64	
Vanilla Plantations	522819.00		0.00		0.00		522819.00	
Pathimugham Plantation	11438.00		4485.00		0.00		15923.00	
Total	418295318.09		10329240.95		257062.00		428367497.04	

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

SCHEDULE - E
SCHEDULE OF FIXED ASSETS AS ON 31-3-2007

ITEM	ORIGINAL COST						DEPRECIATION						DISPOSALS				BALANCE							
	At the end of Previ. Year		Additions during the Year		Total Cost		At the end of Previ. Year		For the Year		Total Depreciation		Original Cost		Depn Writtern off		Total Cost as on 31/03/2007		Total Depn as on 31/03/2007		Net Block as on 31/03/2007		Net Block as on 31/03/2006	
	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	3424065.66		189591.00		3613656.66		2660426.66		176757.96		2837184.62		0.00		0.00		3613656.66		2837184.62		776472.04		763639.00	
2. Office Equipments	3879954.65		57247.00		3937201.65		3020293.65		141002.62		3161296.27		0.00		0.00		3937201.65		3161296.27		775905.38		859661.00	
3. Electrical Appliances	396107.74		154195.62		550303.36		130418.74		59190.49		189609.23		0.00		0.00		550303.36		189609.23		360694.13		265689.00	
4. Electrical Fittings	7661160.34		52821.35		7713981.69		6067657.26		232145.51		6299802.77		0.00		0.00		7713981.69		6299802.77		1414178.92		1593503.08	
5. Telephone	298952.38		29881.29		328833.67		240206.38		11235.99		251442.37		0.00		0.00		328833.67		251442.37		77391.30		58746.00	
6. Survey Instruments	12484.92		0.00		12484.92		12322.92		24.00		12346.92		0.00		0.00		12484.92		12346.92		138.00		162.00	
7. Library	70903.36		0.00		70903.36		58762.36		1214.30		59976.66		0.00		0.00		70903.36		59976.66		10926.70		12141.00	
8. Roads	27376759.04		2501594.00		29878353.04		12365014.04		875667.25		13240681.29		0.00		0.00		29878353.04		13240681.29		16637671.75		15011745.00	
9. Fence/Kayala	10006309.03		644674.00		10650983.03		6989911.09		331914.01		7321825.09		0.00		0.00		10650983.03		7321825.09		3329157.94		3016397.94	
10. Electric Fittings	210249.03		4136.00		214385.03		167517.03		10475.80		177992.83		0.00		0.00		214385.03		177992.83		36392.20		42732.00	
11. Plant & Machinery	28690058.38		692475.25		29382533.63		20539977.50		1203745.45		21743722.95		0.00		0.00		29382533.63		21743722.95		7638810.68		8150080.88	
12. Buildings	75257342.87		876996.68		76760723.67		39922895.52		1880737.84		41803633.36		0.00		0.00		76760723.67		41803633.36		34957090.31		35334447.35	
13. Vehicles	15608836.21		2397434.88		18004271.09		10659456.20		1537847.99		12197304.19		458080.00		396924.02		17546191.09		11800380.17		5745810.92		5186033.78	
14. Water supply installations	8703616.33		1739.00		8705355.33		8337790.33		111486.40		8449276.73		0.00		0.00		8705355.33		8449276.73		256078.60		365826.00	
15. Amonium Cylinders	523639.00		0.00		523639.00		522646.00		397.00		523043.00		0.00		0.00		523639.00		523043.00		596.00		993.00	
16. Wells	301822.95		0.00		301822.95		95886.95		10295.85		106182.80		0.00		0.00		301822.95		106182.80		195640.15		205936.00	
17. Landing Pad	118844.25		0.00		118844.25		73999.25		2242.50		76241.75		0.00		0.00		118844.25		76241.75		42602.50		44845.00	
18. Ghankar boat	63041.49		0.00		63041.49		39930.49		2311.00		42241.49		0.00		0.00		63041.49		42241.49		20800.00		23111.00	
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	1949410.00		644418.18		2593828.18		963365.00		604061.72		1567426.72		0.00		0.00		2593828.18		1567426.72		1026401.46		986045.00	
Total	187700193.28		8247204.25		196573781.65		112868479.01		7192753.67		120061232.69		458080.00		396924.02		196115701.65		119664308.67		76451392.98		75070368.03	
Previous Year Total	160275636.35		28116971.83		188392608.18		108270867.67		5048848.79		113319516.46		692414.90		689691.22		187700193.28		112629825.24		75070368.03		52004968.67	

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

SCHEDULE - F
INVESTMENTS AS ON 31-03-2007

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., Kallettumkara, Trichur.	10000000.00
2500000.00	c) 5,00,000 Equity shares of Rs. 10/- each fully paid up in Cochin International Airport Ltd., Nedumbassery.	5000000.00
12501000.00	TOTAL	15001000.00

For and on behalf of Board of Directors

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Managing Director

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G.M. (F&A)

Sd/-
Ajith John
Secretary

Sd/-
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Secretary

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

Sd/-
Babu Thomas
Managing Director

Sd/-
T.J Anjalose
Chairman

SCHEDULE - G
CURRENT ASSETS AS ON 31-03-2007

Previous Year Rs. Ps.		Current Year Rs. Ps.
	A. INVENTORIES	
18319254.13	1. Stores and Spares at cost	13969807.68
2550636.83	2. Loose Tools	3308231.16
925562.02	3. Agricultural and Other Equipments	541213.07
29797194.00	4. Stock of Rubber & Rubber in Process	48370698.00
147450.00	5. Stock of Rubber Wood	0.00
2552841.00	6. Stock of Cashew Nuts	3803942.94
278318.00	7. Closing Stock - Others	143206.40
	8. Nurseries :	
320083.83	Cashew	1350361.94
103874.63	Budwood - Rubber	171857.64
239194.00	Oil Palm	410110.00
1111480.08	Polybag - Rubber	1671635.93
139818.00	Rubber Seedlings	205739.00
0.00	Other Nurseries	<u>9824.20</u>
		73956627.96
7819777.05	B. SUNDRY DEBTORS (Unsecured considered good):	
	Exceeding six months	609607.70
	Others	<u>7671586.04</u>
		8281193.74
	Less: Provision for Doubtful Debts	<u>0.00</u>
		8281193.74
	C. CASH & BANK BALANCES:	
223.00	a. Stamp & Stamp Papers	0.00
0.00	b. Cash Balance	0.00
	c. Bank Balances:	
	1) With Scheduled Banks	
6152387.79	in Current Accounts	9203028.60
5911.00	2) With Treasury S.B. A/c.	5911.00
0.00	3) F.D with Bank	40000000.00
81000000.00	4) F.D with Treasury	<u>163188400.00</u>
		212397339.60
151964005.36	TOTAL	294635161.30

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

SCHEDULE - H
LOANS & ADVANCES AS ON 31-03-2007

Previous Year Rs. Ps.		Current Year Rs. Ps.
	1. SECURED (Considered Good)	
	STAFF LOAN:	
43575.00	1) Motor Car Loan	54700.00
124922.10	2) Motor Cycle Loan	131774.10
431083.60	3) Housing Loan	<u>391689.60</u>
		578163.70
	2. UNSECURED (Considered Good)	
2500000.00	a) 1. K.S.C.H.D.C.	2500000.00
15000000.00	2. K.S.H.D.C.	15000000.00
13696989.06	b) Advances recoverable in cash or kind for value to be received.	14674917.82
	c) Advance payment of taxes:	
2243454.17	1. Sales tax	2153027.90
7869275.00	2. Agricultural Income tax	7869275.00
14393648.00	3. Central Income tax	22485014.00
416777.00	d) Prepaid expenses	191356.84
	e) Tax refund due :	
286300.00	1. Income tax	36353.00
5082748.18	2. Agricultural Income tax	5082748.18
4077129.50	3. Plantation tax	1385583.37
61668.25	f) Rebate receivable on Govt. Loan (Inclusive of Guarantee Commn. Refund due)	<u>258205.25</u>
		71636481.36
	3. DEPOSITS	
2412502.00	1. KSEB, Port Trust & other Govt. Dept.	2295808.00
319652.00	2. Other Deposits	584031.00
296092.00	3. With Court	296092.00
55387.25	4. With Suppliers	<u>55303.25</u>
		3231234.25
69311203.11	TOTAL	75445879.31

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

SCHEDULE - I
REPAIRS & MAINTENANCE OF ASSETS AS ON 31.03.2007

Previous Year Rs. Ps.		Current Year Rs. Ps.
5090131.91	Repairs to Vehicles	5570110.41
1670211.32	Repairs to Buildings	1586141.34
1950206.22	Repairs to Plant & Machinery	1622572.38
738080.74	Repairs to Roads	2471621.50
1021491.77	Repairs to Electrification	1114143.41
952807.00	Repairs to Water Supply Installation	1273685.98
48391.00	Repairs to Office Equipments	42897.00
512972.11	Repairs to Fence / Kayyala	631751.70
420671.91	Repairs to Tools	384758.88
22875.00	Repairs to Jhankar & Boat	100769.00
78003.20	Repairs to Computer	107189.00
22793.00	Repairs to Furniture	17192.00
56745.22	Repairs to Temporary Shed	78448.79
21466.00	Repairs & Maint. To Assets	26038.00
12606846.40	TOTAL	15027319.39

SCHEDULE - II
MISCELLANEOUS EXPENSES AS ON 31.03.2007

Previous Year Rs. Ps.		Current Year Rs. Ps.
876440.34	Postage, Telephone & Telegram	856590.82
963641.60	Printing & Stationery	586117.97
418113.67	Office Expenses & Others	701726.62
1302400.92	Security Expenses	2606329.47
35294.99	Storage Expenses	16803.00
106042.68	Survey Expenses	158582.20
15648.00	Books & Periodicals	26875.00
389962.38	I B Expenses	315874.72
102171.65	Entertainment Expenses	113280.51
195187.00	Staff Training Expenses	127746.00
105953.00	Ferry Expenses	133859.00
2926.00	Donations	0.00
654714.87	Bank Charges	1073837.67
3262.40	Gardening	5996.25
5171759.50	TOTAL	6723619.23

For and on behalf of Board of Directors

Sd/-
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Chairman

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Managing Director

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R Krishnamoorthy
G.M. (F&A)

Sd/-
Ajith John
Secretary

SCHEDULE - III
WELFARE EXPENSES AS ON 31.03.2007

Previous Year			Current Year
	Rs.	Ps.	
1792086.97		Sickness Benefit	2495715.99
73060.00		Maternity Benefit	71560.00
3157716.97		Leave with wages	3495541.38
4353513.35		Holiday Wages	4159268.92
221483.47		Weather Protection Expenses	193165.57
1024353.44		Drinking Water Supply	1004282.63
417604.92		Sanitation	327882.30
77612.00		Recreation Facility	75103.00
6875843.22		Medical & Hospital Facility	7096164.22
34031.00		Way Expenses - Workers	31550.00
164815.00		Running & Maint. of School	219974.80
13800.00		Creche Expenses	32648.00
321648.00		Workmen's Compensation	77207.00
151266.00		Group Insurance	196794.00
744302.17		Uniform to Staff & Workers	545735.15
45966.32		Subsistence Allowance	87998.50
49366.00		Labour Welfare Fund	46882.00
571770.80		D L I	299889.00
11111.00		Funeral Expenses	14375.00
0.00		Awards & Incentives	3000.00
20101350.63		TOTAL	20474737.46

For and on behalf of Board of Directors

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T.J Anjalose
Chairman

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Babu Thomas
Managing Director

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R Krishnamoorthy
G.M. (F&A)

Sd/-
Ajith John
Secretary

SCHEDULE - IV
RUBBER WOOD FACTORY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2007

Previous Year Rs. Ps.		Current Year Rs. Ps.	Previous Year Rs. Ps.		Current Year Rs. Ps.
1268910.00	To Opening Stock	147450.00	1643058.50	By Sale of Processed	
0.00	To Purchase of Rubber Trees	0.00		By Rubber Wood	176505.00
327680.00	To Pay & Allowances	30363.00	0.00	By Sale of By-Products	
208361.36	To Factory Wages	72913.08		By and Waste	0.00
41636.00	To Bonus to Staff & Workers	0.00	0.00	By Interest on Staff Loans	0.00
68494.00	To Contribution to PF	12107.00	4464.00	By Interest from Customers	7490.00
25018.16	To Welfare Expenses	230330.90	104303.98	By Miscellaneous Income	3.00
7346.00	To Travelling Expenses	3037.00	147450.00	By Closing Stock	0.00
43362.50	To Rep. & Maint. of Assets	409.00	627740.74	By Net Loss Transferred to P&L A/c	631649.94
67985.00	To Advt. & Sales Promotion	0.00			
14527.50	To Office Expenses	2814.00			
151874.00	To Depreciation	132952.70			
301455.70	To Mfg. & Selling Expenses	183271.26			
275.00	To Bank Charges	0.00			
92.00	To Labour Welfare Fund	0.00			
0.00	To Net Profit transferred to P & L A/c	0.00			
2527017.22	TOTAL	815647.94	-2527017.22	TOTAL	815647.94

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

SCHEDULE - V
PLANTATION VALLEY**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2007**

Previous Year Rs. Ps.			Current Year Rs. Ps.			Current Year Rs. Ps.		
326990.00		To Salaries & Allowances	590947.00		398046.00		By Rental Income from Rooms	1011700.00
0.00		To Bonus & Production Incentive	23000.00		0.00		By Income from Restaurant	468185.00
0.00		To Welfare Expenses	2764.80		0.00		By Miscellaneous Income	42505.00
127484.00		To Electricity Charges	321649.00		1763063.01		By Net Loss Transferred to P&L A/c	1790548.26
48944.00		To Rates & Taxes	49019.00					
108690.25		To Restaurant Expenses	324510.50					
613926.00		To Depreciation	1154051.05					
9614.00		To Postage, Telephone & Telegram	29304.00					
2850.00		To Rep. & Maint. of Assets	358269.01					
922610.76		To Office Expenses & Others	459423.90					
2161109.01		TOTAL	3312938.26		2161109.01		TOTAL	3312938.26

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
ChairmanSd/-
Babu Thomas
Managing DirectorSd/-
R Krishnamoorthy
G.M. (F&A)Sd/-
Ajith John
Secretary

SCHEDULE-J

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2007

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 up to other end of the financial year.

4. Taxes on Income:

This includes taxes under the Central Income Tax Act and the Kerala State Agricultural Income Tax Act accumulated as per the requirement of the Accounting Standard 22-Accounting for Taxes. Tax expense 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 recognized in the Profit and Loss a/c in the year of change. Deferred Tax Assets and Deferred Tax Liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards.

5. Earning per Share:

The earning 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.

7. Inventories:

- a) Closing stock of finished goods and work-in-progress are valued at lower of costs or net realizable value as in the previous years using weighted average method. Net realizable value of finished goods is selling price less associated selling cost.
- b) Agricultural produces are valued at market value.
- c) Serviceable tools and implements and other equipments are valued at cost less depreciation.
- d) Nurseries comprising of saplings held for planting or sale have been valued at cost.
- e) 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:

Expenditure incurred for the development of plantation is capitalized and is shown in the Balance Sheet as Fixed Assets – Plantation. At the time of disposal of the plantation, the proceeds are treated as profit or loss after setting off the related development expenditure less subsidy, if any, received.

10. Subsidies:

Subsidy received is shown as a separate liability and is disclosed as a separate item under Reserves & Surplus. The obligation to Rubber Board with respect to Subsidy is fulfilled only on disposal of the related property.

11. Investments:

Investments are stated at cost.

12. Retirement Benefits:

The Company provided for Gratuity and Leave encashment benefits only, to its employees as retirement benefits. These are provided for based on actuarial valuation from an approved actuary. The amount of these benefits are provided on the basis of the earnings of the employees and the payment to the retired employees are made out of the same.

13. Contingent Liabilities:

All liabilities of a contingent nature are disclosed at their expected cost.

SCHEDULE-K
NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2007

1. RESERVES AND SURPLUS

The Reserves and Surplus includes Capital Reserve, Replanting Reserve and Rehabilitation Reserve. The balance in Capital Reserve account is Rs.11,97,89,050.90/- (Previous year Rs. 11,89,89,520.90/-)

2. SUBSIDY FROM GOVERNMENT

The Subsidy from Government includes Capital Subsidy received for Rubber and Cashew Cultivation from Government. The subsidy received from Govt. of Kerala for Cashew cultivation up to 31.03.2007 is Rs. 72,47,615 (Previous year Rs. 54,24,940). The Corporation has received Rs. 1,27,12,671.50 as Rubber Board subsidy up to 31.03.2007 (Previous year Rs. 1,20,32,745.50) and the Corporation is contingently liable to the Government for the same in case the plantation is destroyed or is used for any public purpose.

3. UNSECURED LOANS GRANTED

Loan To Kerala State Horticultural Products Development Corporation Ltd.

In pursuance of the Government order (Rt) No. 1546/96/AD dated 01.11.1996, the company has paid Rs. 1.5 crores to Kerala State Horticultural Products Development Corporation Limited.

In spite of repeated requests, the K.S.H.P.D.C. has not paid any part of the loan or interest due to the Corporation. The Govt. of Kerala has directed to convert the loan and interest into share capital. The Corporation's Board meeting held on 30.10.1999 has accorded sanction to convert the principal amount of loan to share capital and to request the Govt. to pay the interest to the Corporation rather than converting the same into share capital. However, the Govt. of Kerala vide letter no. 38402/PU1/99/AD dated 10.01.2000 has not accepted the proposal of the Corporation and has affirmed that the Govt. adheres to the earlier Govt. direction and hence interest of Rs. 27 Lakhs at the rate of 18% has not been provided.

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 and is under liquidation. It is expected to realize the amount on disposal of the immovable property of the company. Hence no provision for loss is made in the accounts.

4. OTHER LIABILITIES

Labour Welfare Fund

An amount of Rs. 43,350.45/- (Previous year Rs.43, 613.56/-) payable to the Labour Welfare Fund of the State Government represents funds credited out of time barred wages and bonus unclaimed for a period of more than three years.

5. SUNDRY CREDITORS

Sundry Creditors includes an amount of Rs. 4,75,154.00 (Previous year Rs.15, 18,092/-) due to Small Scale Industrial Undertakings during the current year and details of which are as under:

Manali Bitumen, Chennai	:	Rs. 2,65,599.00
Pala Marketing Co-operative Society	:	Rs. 86,827.00
Steel Industries	:	Rs. 18,525.00
Zimi Industries	:	Rs. 62,100.00
Gears Engineering Co.	:	Rs. 42,103.00
Total	:	Rs. 4,75,154.00

6. PROVISIONS

- Gratuity and leave encashment benefit liability have been provided on the basis of actuarial valuation by an approved actuary.
- Based on the calendar year earnings, Bonus at 20% (Previous year @ 20%) has been paid to the employees for the calendar year 2006 vide G.O. (Rt.) No. 1590/07/AD dated 22.08.2007. Those who are not eligible for bonus, special festival allowance is paid @ Rs. 5,000/- (Previous year Rs.5, 000/-) as per the Government Order. The bonus debited to Profit and loss account for the current year amounts to Rs. 2,18,34,411.78 (Previous year Rs.1, 53,43,736.58/-).
 - Agricultural Income Tax and Income Tax assessments are completed up to the assessment year 2003-04. Based on the completed assessment and return filed up-to assessment year 2004-05, there is a short provision of Rs. 595.33 Lakhs (Previous year Rs.620.66 Lakhs). Since most of the assessments are under appeal, no additional provision has been made in this regard. The short provision relates to the assessment years from 1977-78 to 2006-07.

7. FIXED ASSETS

- The total area of land handed over to the company by the Government of Kerala as on 31-03-2007 is 14,168.27 hectares (Previous year total area 14,168.27 Ha.). Certain areas have been subjected to survey. Particulars are given below:

Details	Mature Area (Ha)	Immature Area (Ha)
Rubber Plantation	5555.30	968.11
Cashew Plantation	6459.75	18.22
Oil Palm Plantation	704.73	0.00
Total	12719.78	986.33

Area under Cultivation	:	13706.11 Ha
Other Crops	:	61.90 Ha
Vacant and Rocky	:	400.26 Ha
Gross Total	:	14168.27 Ha

- Even though the terms and conditions for the transfer of 3714.62 acres of land in Cheemeni Estate has determined by the Government vide GO (MS) No. 227/2004/RD dated 30.06.2004, the Corporation has requested to reconsider the whole matter and to make a fair and proper arrangement with regard to the land vide letter dated 27.01.2006 with Revenue Department as this property is entrusted to PCK as excess land under the provisions of the Kerala Land reforms Act. The actual area handed over to the Corporation as per our records is only 975 hectares. The Corporation was paying Land tax for the said property till 2003-04. Therefore the whole issue relating to the fixation of lease rent at Rs. 1300/- per hectare for the land is under reconsideration of the Government. However

pending settlement of the dispute, provision for lease rent of Rs. 1300/- per hectare is made for 848.45 hectare (excluding 126.55 hectares of land handed over to Prison department) in the accounts for the year-ended 31.03.2006 for the years 2004-05 and 2005-06. Provision for lease rent of Rs. 1,300/- is made in the accounts for the year 2006-07 also.

The 975 hectares in Cheemeni Estate includes 126.55 hectares transferred to the Prison Department as per G.O (MS) No. 95/99/RD dated 18.03.1999. An area of 126.55 Ha in Thuravu II division 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 company has claimed an amount of Rs. 582.30 Lakhs from the Prison Department (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. At the time of final decision in this matter, the amount receivable will be provided in the accounts.

- 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) The written down value of Buildings, Roads, Landing pads and Fences is Rs. 549.66 Lakhs of which assets worth Rs. 509.16 Lakhs are constructed on lease hold lands.

8. SUNDRY DEBTORS:

Sundry Debtors include Rs. 7,63,820.11 (Previous year 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, Kottayam	:	Rs. 5,100.00
State Farming Corporation of Kerala Ltd, Punalur	:	Rs. 5,22,763.70
Total	:	Rs. 7,63,820.11

9. STAFF LOAN & ADVANCES

Secured Loan

- 1) Motor Vehicle loans to officers and staff are fully secured by hypothecation of vehicles in favour of the company.
- 2) Housing loan to staff and officers are fully secured.

10. DEPOSITS WITH GOVERNMENT DEPARTMENTS:

These comprise balances with:

Details	Current Year (Rs.)	Previous Year (Rs.)
Cochin Port Trust	3,600/-	3,600/-
Civil Supplies Corporation	10,000/-	10,000/-
Post & Telegraph Department	41,317/-	40,317/-
Kerala State Electricity Board	22,40,891/-	23,58,585/-
Total	22,95,808/-	24,12,502/-

11. PLANTATION TAX

The Plantation Tax Assessments up to 2004-05 have been completed. On the basis of the latest Assessment Order No.B5-5072/81 dated 10-9-07, necessary adjustments and provisions have been made during the current year. On the basis of the same the Net amount payable against Plantation Tax is Rs.1,72,340.81.(Previous year :Refundable Rs.40,77,129.50)

12. Fringe Benefit Tax (F B T)

Rs.41, 42,248/- had been remitted as F B T during the previous year 2005-2006 and the same had been charged to P/L A/C now transferred to prior period income . The provision for F B T Rs 40 Lakhs in addition to the above in the P/L Appropriation of 2005-06 also has been charged to prior period income.

13. SALES TAX

KGST assessments and CST assessments are completed only up-to 2004-05. 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.

14. LEASE RENT

The rate of lease rent as per G.O. (MS) No. 11/89 dated 20/01/1989 is Rs. 1,300/- per Ha., 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 Ha. 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. The lease rent claimed by the Government is against the lease deed. Since the rate of lease rent is appealable, the question of penal interest does not arise at present. 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 27-01-2003 has deferred the payment of lease rent by the company, till completion of repayment of the entire loan and interest available by the company from Canara Bank. There has been a decision to fix the lease rent payable by the company up to the end of 1991 at Rs. 475/- per Ha. No adjustment has been made in the accounts in respect of excess provision if any up to the end of 1991 as the decision is not finalized at Government level.

15. MANAGERIAL REMUNERATION

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

	<i>Current Year (Rs.)</i>	<i>Previous Year (Rs.)</i>
Pay & Allowances	3,69,120.00	3,83,159.00
Medical reimbursement	Nil	Nil

16. MANAGERIAL REMUNERATION

	Current Year (Rs.)	Previous Year (Rs.)
TA & Sitting fee to Directors	1,28,480.00	1,25,679.50
Honorarium to Chairman	17,355.00	24,000.00

17. AUDITOR'S REMUNERATION

	Current Year (Rs.)	Previous Year (Rs.)
Statutory Auditor's fee	58,365.00	51,794.00
Expenses to Statutory Auditors	10,000.00	10,000.00
Internal Auditor's Fee	2,23,261.00	2,13,788.00
Other services	1,02,774.00	28,652.00
Total	3,94,400.00	3,09,234.00

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 14483 Nos. packing drums worth Rs. 72,62,466.00

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	4563.59	4,372.77	5,165.16	3,934.20
Cashew	N.A.	423.89	N.A.	393.01

Quantitative particulars of cashew are not available as the sales were affected by tender – cum – auction.

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

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 31.03.2007.

22. PLANTATION VALLEY

The Corporation has a Farm Tourism project at Adirappally. The working result of the project has been separately shown in Schedule V of the Profit & Loss Account for the year ended 31.3.2007.

23. CONTINGENT LIABILITIES

- a) Estimated amount of contractors for which the company is contingently liable on capital account and not provided for is Rs. 18, 61,005/- (Previous year Rs. 27,22,800/-).
- b) 50 cases (Previous year 21 cases) are pending, including one appeal before the tax authorities against the company for which amounts are not ascertainable, as claims of the parties have not been finalized. As such they are not acknowledged as creditors and have not been provided for.
- c) Lease rent – As per Note 13.

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

Particulars	Current Year		Previous Year	
	Value (Rs. lakhs)	Consumption	Value (Rs. lakhs)	Consumption
a) CIF vale 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)	383.22	100%	262.32	100%
d) Particulars of dividend remitted in foreign exchange.	Nil		Nil	
e) Earnings in Foreign Exchange	Nil		Nil	

25. Total wages paid during the year to tappers, field worker and factory workers are Rs. 721.83 lakhs (Previous year 969.87 lakhs)

26. PRIOR PERIOD EXPENSE

Plantation Tax	4307571.99
Pureria expenses not written off in previous year	6000.00
Short provision depreciation previous year (Chandanapally Factory)	241372.00
Previous years remittance as per court order.	236518.06
Guarantee Commission not charged in previous year.	409700.00
Total	5201162.05

27. Cash flow statement for the year ended 31st March 2007 has not been prepared and annexed to the accounts, since it is not a listed company and it is not mandatory under the Accounting Standards issued by ICAI.

28. DEFERRED TAX ASSETS AND LIABILITIES

Eventhough the company has achieved a net profit of Rs. 11.41 Crores during the current year, the company has not recognized the corresponding Deferred tax liability/Deferred tax assets, because the DTA relating to the accumulated loss of the previous years was not recognized during the earlier period at that time because of the uncertainty with regard to the realization of enough future profits.

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. order G.O. (MS) No. 238/93 AD dated 04.08.1983 and G.O. (MS) No. 41/84 AD dated 02.02.1984, 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 04.11.0985.]

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

The balance amount of Rs. 32,16,222/- 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. 1,46,536/-] vide GO (MS) No. 238/99/AD dated 19.08.1999 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 15.03.2002 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

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, secured by the hypothecation of stock and mortgage of lands at Vadavathoor and Kasargode Estate and guarantee Commission amounts to Rs. 42,707/- for the current year (Previous year Rs. 55,685/-).

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No.	: 01997	State Code : 09
Balance Sheet Date	: 31.03.2007	

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)

<u>Total Liabilities</u>	<u>Total Assets</u>
890870	890870

Sources of Funds

Paid up Capital
55688

Reserves & Surplus
302573

Accumulated Profit
66787

Secured Loans
-548

Unsecured Loans
4821

Application of Funds

Net Fixed Assets
76451

Investments
15001

Net Current Assets
48392

Misc. expenditure
Nil

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

Turnover
498601

Total Expenditure
446350

Profit/Loss before tax
114095

Profit/Loss after tax
110795

Dividend (Percentage)
Nil

Earning Per Share
1990

5. Genetic names of Three Principal Products/services of Company (As per Monetary terms)

- | | |
|--|--|
| 1. Item Code No.
(ITC Code)
Product Description | 400110.00
Centrifuged Latex
(Natural Rubber latex prevulcanized) |
| 2. Item Code No.
(ITC Code)
Production Description | 400122.09
Technically Specified Natural Rubber
(Others) ISNR |
| 3. Item Code No.
(ITC Code)
Production Description | 080131.00
Cashew Nuts in shell
(Cashew plantation crop) |

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

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

Sd/-
Ajith John
Secretary

AUDITOR'S REPORT

To The Share Holders of The Plantation Corporation Of Kerala Ltd., Kottayam, Kerala

We have audited the attached Balance Sheet of The Plantation Corporation of Kerala Limited, Kottayam as at 31st March 2007 and the Profit and Loss Account of the company for the year ended on that date annexed thereto, together with the notes thereon. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the 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 mis-statements. 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 overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, and subsequent amendments thereto, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order. Further to our comments in the Annexure referred to above, we report that: -

The balance of each item under Current liabilities-Schedule B, Sundry Debtors-Schedule G, Loans and Advances (Debit) -Schedule H, due to non availability of confirmations or complete reconciliations and so the consequential impact thereof, if any, on the financial statements is presently unascertainable.

Though Loans amounting to Rs. 150 Lakhs given to Kerala State Horticultural Products Development Corporation Ltd. and Rs. 25 Lakhs given to Kerala State Coconut Development Corporation Ltd are still outstanding, no provision has been made with regard to the said unsecured loans. The consequential financial impact is unascertainable since the quantum of recovery possible is unknown, according to the information provided.

Subject to the above;

- (1) 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;
- (2) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of these books;
- (3) The balance sheet, and the profit and loss account dealt with by this report are in agreement with the books of account

- (4) In our opinion, the balance sheet and the profit and loss account dealt with by this report, comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
- (5) Without considering the effect of our qualifications above, the effect of which are not quantifiable now, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of balance sheet, of the state of affairs of the Company as at 31st March 2007 and
 - (b) in the case of profit and loss account, of the **profit** for the year ended on that date

Place : Kottayam
Date : 19-10-2007

For Vishnu Rajendran & Co.
Chartered Accountants

Sd/-
M.P. Jose FCA
Partner
M.No.204255

ANNEXURE TO AUDITOR'S REPORT

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets for all major assets.
- (b) According to the information provided there is a regular programme for the physical verification of these assets at reasonable intervals. No material discrepancies are reported to have been noticed on such verification.
- (c) The Company has not disposed off any substantial part of the fixed assets during the year.
- (ii) (a) Physical verification of Inventories has been conducted by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventory, and no material discrepancies were noticed on physical verification as per the information provided to us.
- (iii) (a) During the year the Company has not granted any loans secured or unsecured from/to companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.
- (b) No comment is required under this clause in the light of (a) above,
- (c) In respect of loans and advances in the nature of loans given by the company during the earlier periods to Kerala State Coconut Development Corporation Ltd (Rs. 25 Lakhs) and Kerala State Horticulture Products Development Corporation Ltd (Rs. 150 Lakhs), payment of the principal amount and interest are not regular.
- (d) According to the information provided the Company has taken reasonable steps for the recovery of the principal and interest, but no material evidence was available.
- (e) The Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Act, and so no comment is required under clauses (e), (f) and (g).
- (iv) According to the information provided, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. No continuing failure to correct major weaknesses in Internal Control System has been noticed,
- (v) (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and
- (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public and so no comment is required to be made.

- (vii) In our opinion the company has an Internal Audit system commensurate with the size and nature of its business.
- (viii) According to the information provided to us the company has maintained such accounts and other records prescribed by the Central Government to be maintained under Section 209 (1)(d) of the companies Act, 1956.
- (ix) (a) According to the information provided and the records made available for our verification the company is regular in depositing to the appropriate authorities undisputed statutory dues referred to in this clause;
- (b) Particulars of dues of income tax/sales tax/ wealth tax/ service tax/ customs duty/ excise duty/ cess etc. which have not been deposited on account of any dispute, the amounts involved and the forum where dispute is pending are mentioned as per the schedule attached.
- (x) The accumulated loss of the company at the end of the financial year is nil and so no comment is required at this point. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to banks during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society.
- (xiv) The Company is not dealing or trading in shares, securities, debentures or other investments.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has applied the term loans for the purpose for which they were obtained.
- (xvii) The Company has not raised any fund on short-term basis to be used for long-term investment or vice versa.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The company has not issued any debentures.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place : Kottayam
Date : 19-10-2007

For Vishnu Rajendran & Co.
Chartered Accountants

Sd/-
M.P. Jose FCA
Partner
M.No.204255

**REPLIES TO THE COMMENTS OF
THE STATUTORY AUDITORS ON THE ACCOUNTS FOR THE
YEAR ENDED 31ST MARCH 2007**

The report on the balance of each item under Current Liabilities-Schedule B, Sundry Debtors-Schedule G, Loans and Advances - schedule H is only a General Statement and not specific. Regarding Sundry Debtors separate action is being taken for detailed verification of each customers account. The loan amounting to Rs. 150 lakhs and Rs.25 lakhs are given to Kerala State Horticultural Products Development Corporation Ltd and Kerala State Development Corporation Ltd as per Government order GO (Rt) No 1546/96/AD dated 1/11/1996 and GO (Rt) No1828/97/AD dated 1/11/1997 and the same are fully Government owned Public Sector Undertakings. To the report in the Annexure to Auditors report (iii) (C) the payment of Principal amount and interest are not regular, it may be noted that the matter will be taken up with the Government as the loan has been paid as per Government direction.



सत्यमेव जयते

प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय, केरल, तिरुवनन्तपुरम

**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 THE KERALA LIMITED, KOTTAYAM FOR THE YEAR ENDED 31 MARCH 2007

The preparation of financial statements of **The Plantation Corporation of Kerala Limited**, Kottayam for the year ended 31 March 2007 in accordance with the financial reporting framework prescribed under the Companies act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 19th October 2007

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of **The Plantation Corporation of Kerala Limited, Kottayam** for the year ended **31 March 2007**. This Supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619 (4) of the Companies Act, 1956.

*For and on behalf of the
Comptroller and Auditor General of India*

Sd/-

जयन्त चटर्जे

JAYANTA CHATTERJEE

प्रधान महालेखाकार (लेखापरीक्षा) केरल,

PRINCIPAL ACCOUNTANT GENERAL (AUDIT), KERALA

तिरुवनन्तपुरम

Thiruvananthapuram

Date : 4-12-2007



GOVERNMENT OF KERALA

No.68461/PU-B1/07/Fin

Finance (PU-B) Department

**COMMENTS OF ADDITIONAL CHIEF SECRETARY (FINANCE) ON THE AUDITED
ANNUAL ACCOUNTS OF PLANTATION CORPORATION OF KERALA LIMITED FOR THE
YEAR 2006-2007**

Action should be taken for timely remittance of the Guarantee Commission dues under the KCG Act 2003

Sd/-

K. JOSE CYRIAC
ADDITIONAL CHIEF SECRETARY (FINANCE)

Thiruvananthapuram,
Dated : 12.11.2007

Reply to the comments of Additional Chief Secretary (Finance)
on the Audited Annual accounts of Plantation Corporation
of Kerala Limited for the year 2006-07

The plantation Corporation of Kerala Limited is regular in the timely remittance of Guarantee Commission dues.

