



# THE PLANTATION CORPORATION OF KERALA LTD.

**KOTTAYAM - 686 004**

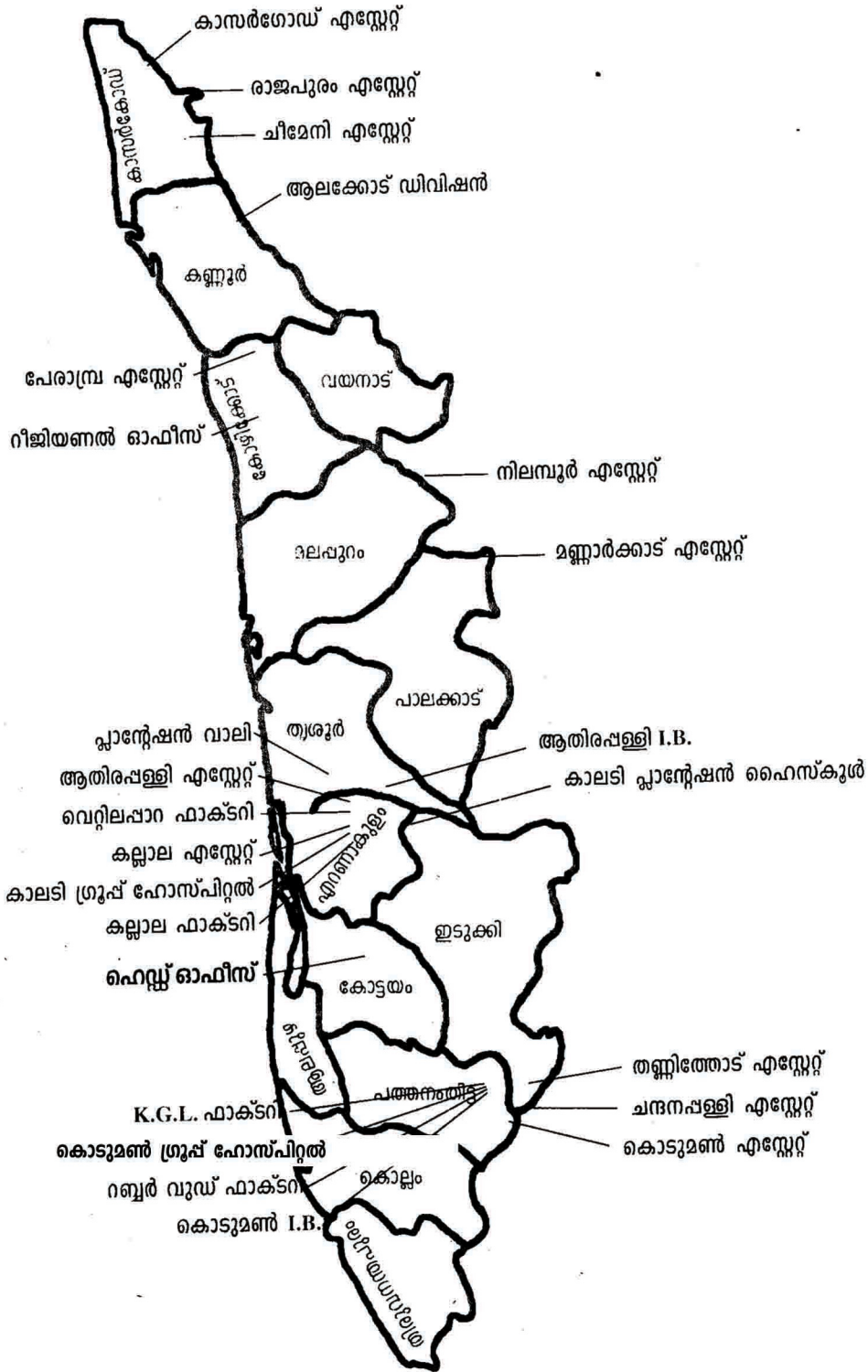
**(An ISO 9001-2008 Certified Company)**



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## 49th Annual Report 2010-11

## LOCATION OF VARIOUS UNITS OF PLANTATION CORPORATION



## BOARD OF DIRECTORS

**Sri T.J.Anjalose, Ex-M.P.**  
Chairman (From 10.08.2006 to 18.05.2011)

**Dr.Davendra Kumar Dhodawat, I.A.S.**  
Chairman (From 05.07.2011)

**Sri N.K.Manoj**  
Managing Director (From 10.02.2010 to 14.12.2010)

**Sri K.Subair Khan**  
Managing Director (From 14.12.2010)

**Sri V.K.Sinha, I.F.S. I.A.S.**  
Director (From 12.06.2007)

**Dr.A.Jayathilak, I.A.S.,**  
Director (From 23.09.2010)

**Sri K.Ajith Kumar**  
Director (From 30.06.2010)

**Sri M.L.Raveendranatha Hegden**  
Director (From 10.06.2010)

**Dr.Davendra Kumar Dhodawat, I.A.S.**  
Director (From 30.10.2009 to 23.09.2010)

**Sri V.Presenan**  
Director (From 11.12.2008 to 30.06.2010)

**Sri K.Venugopal**  
Director (From 17.06.2009 to 10.06.2010)

**Sri K.V.Krishnan**  
Director (From 31.08.2006 to 23.06.2011)

**Sri C.K.Unnikrishnan**  
Director (From 04.11.2006 – 27.06.2011)

**Sri Vijayan Kunissery**  
Director (From 25.06.2007 to 14.05.2011)

**Sri P.N.Prabhakaran**  
Director (From 04.11.2006 to 06.05.2011)

**Sri K.V.Babu**  
Director (From 25.06.2007 to 04.07.2011)

*Auditors*

**M/s.Koshi & Mani**  
Chartered Accountants  
Kottayam.

*Internal Auditors*

**M/s.Kolath & Co.**  
Chartered Accountants  
Ernakulam.

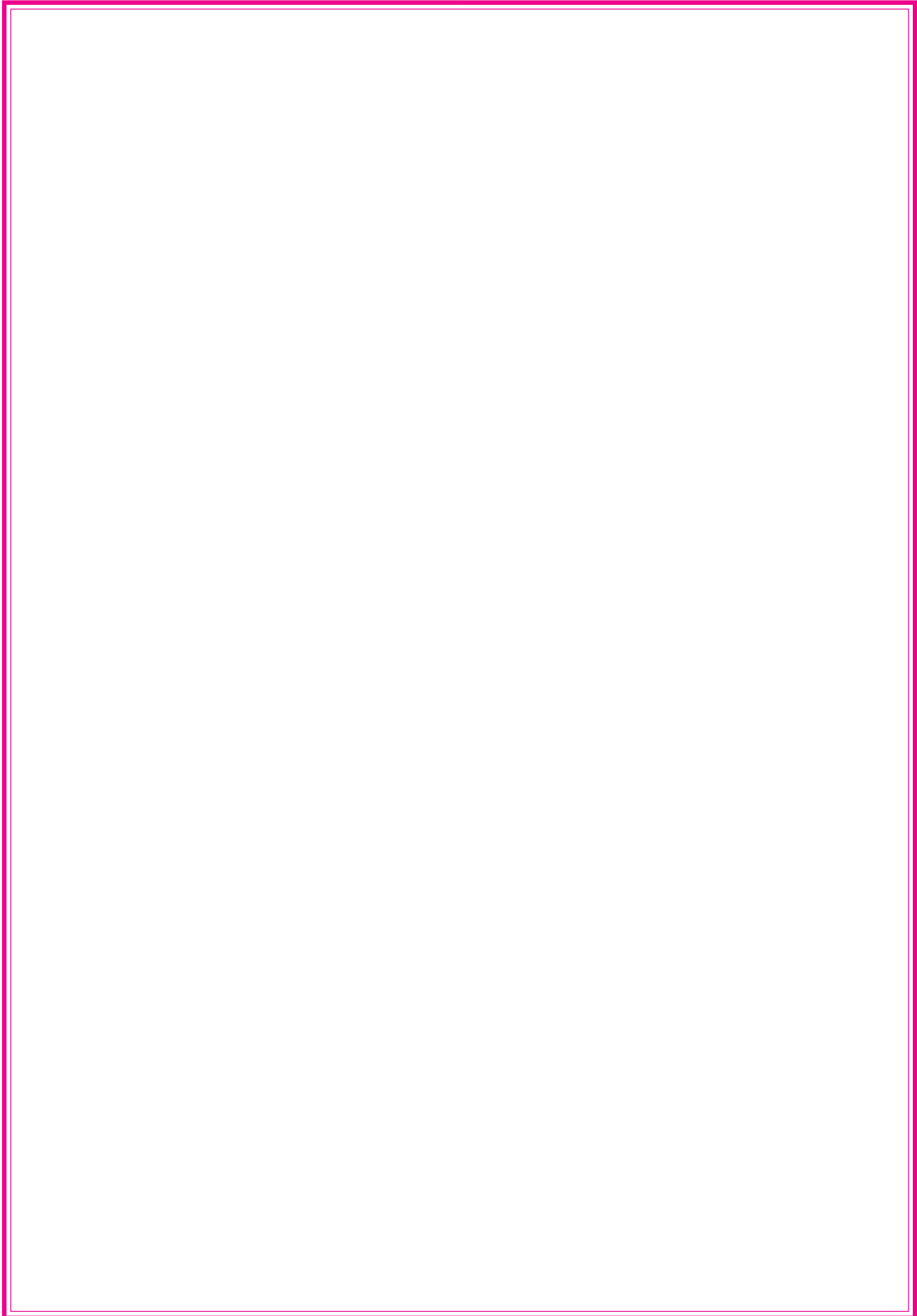
*Company Secretary*

**Harish K**



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## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 49<sup>th</sup> Annual General Meeting of the Corporation will be held on Wednesday, the 28<sup>th</sup> September, 2011 at 11.00 A.M. at the Registered Office of the Corporation at Muttambalam P.O., Kottayam-4, to transact the following business;

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit and Loss Account for the year ended on that date, the reports of Directors and Auditors thereon.
2. To consider declaration of dividend on equity shares.
3. 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 are eligible for re-appointment.
  1. Sri. V.K.Sinha, I.F.S.
  2. Sri. K.Ajith Kumar
  3. Sri. M.L.Raveendranatha Hegden
  4. Dr. A.Jayathilak, I.A.S.
4. To authorize 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

Sd/-

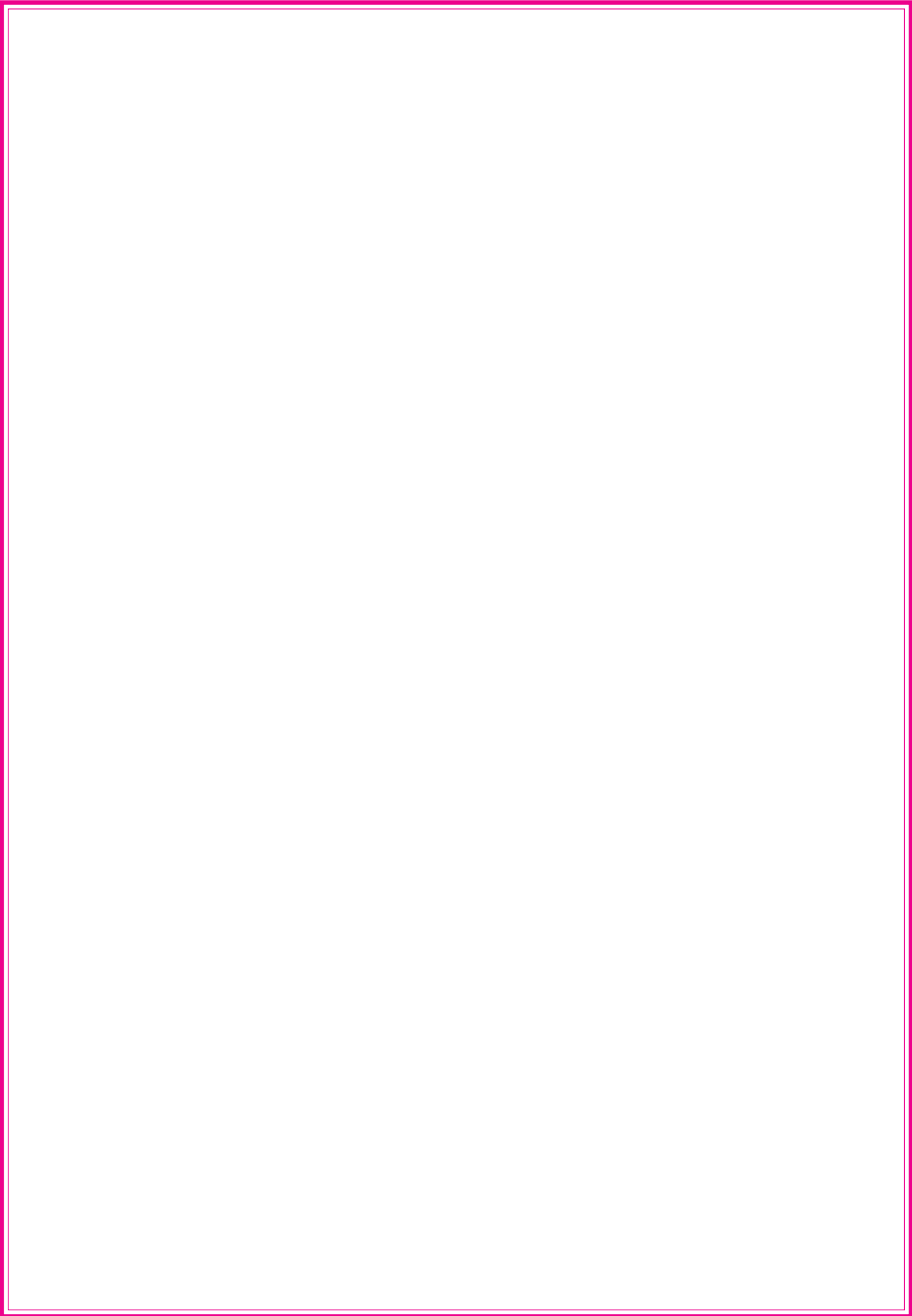
**Harish K.**

(Company Secretary )

Kottayam,  
31.08.2011.

#### 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. A proxy Form must be returned duly completed to reach the office not less than 48 hours before the meeting.
2. Directors' Report, Auditors' Report, audited Profit and Loss account for the year ended 31<sup>st</sup> March, 2011 and Balance Sheet as on that date are also seen attached herewith.



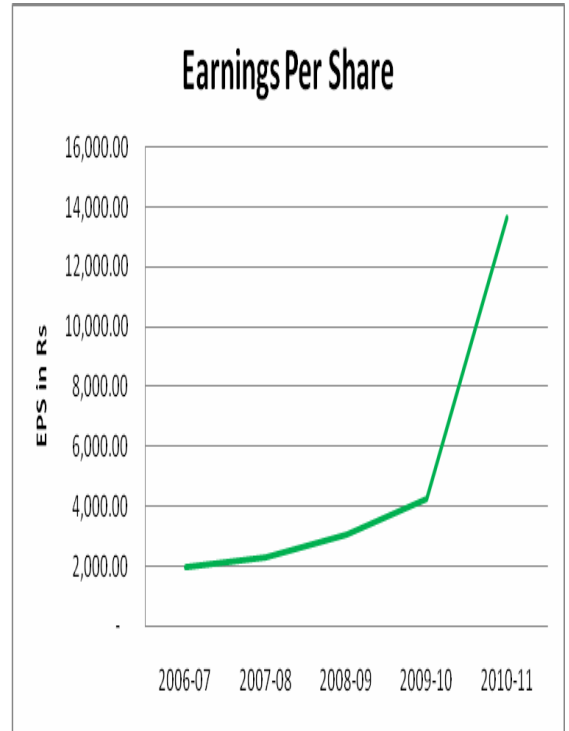
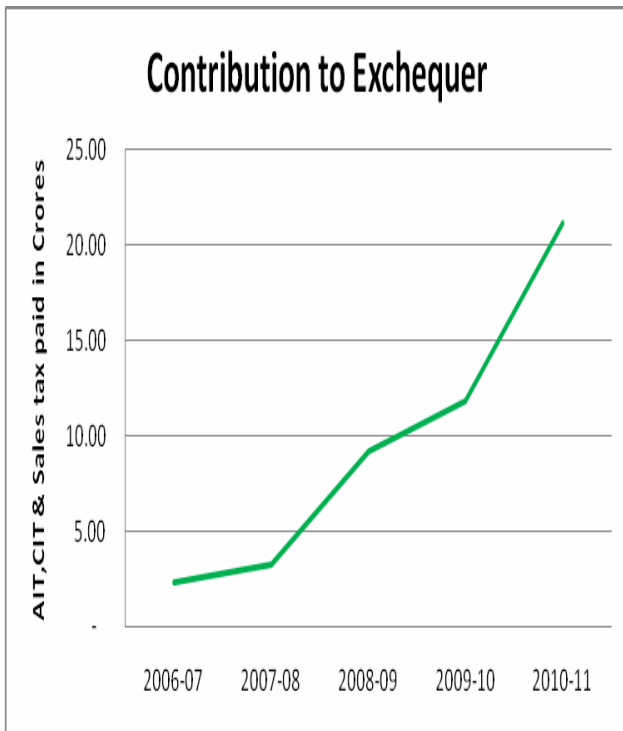
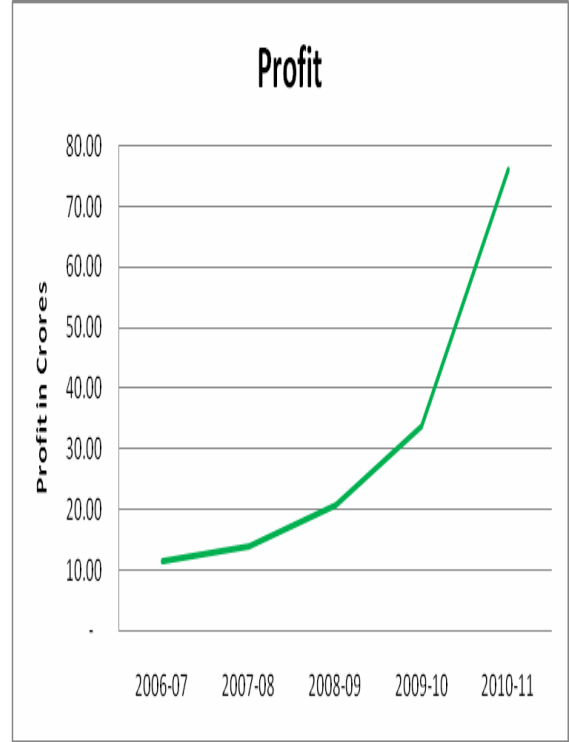
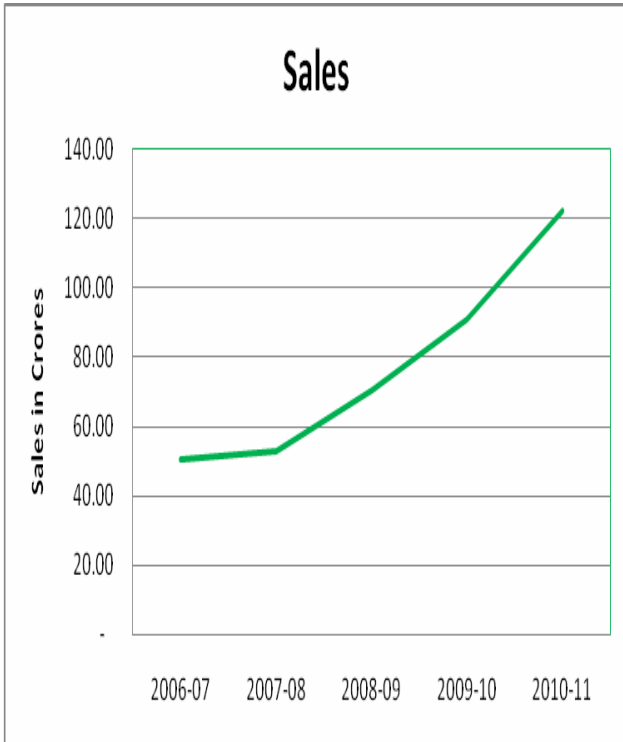
## DIRECTORS' REPORT FOR THE YEAR 2010-'11

Gentlemen,

Your Directors have pleasure in presenting the 49<sup>th</sup> Annual Report of the Corporation for the year ended 31<sup>st</sup> March, 2011.

### FINANCIALS AT A GLANCE

| Particulars                                                                                             | Rs in lakhs |           |          |
|---------------------------------------------------------------------------------------------------------|-------------|-----------|----------|
|                                                                                                         | 2010-11     | 2009-10   | 2008-09  |
| Sales                                                                                                   | 12,242.55   | 9,111.91  | 7,022.88 |
| Stock differential                                                                                      | 150.20      | 73.95     | (85.12)  |
| Other income                                                                                            | 1,174.57    | 1,125.78  | 1,065.61 |
| Net revenue after adjusting stock differential                                                          | 13,567.32   | 10,311.64 | 8,003.37 |
| Manufacturing and operating cost                                                                        | 5,790.49    | 5,420.85  | 4,911.57 |
| Depreciation                                                                                            | 160.74      | 114.20    | 88.73    |
| Provision for Gratuity                                                                                  | -           | 1,410.45  | 924.97   |
| Tax provision                                                                                           | 2,347.30    | 1,004.73  | 408.54   |
| Net profit before tax                                                                                   | 7,616.09    | 3,366.14  | 2,078.10 |
| Earnings Per Share                                                                                      | *13636.00   | 4,249.00  | 3,098.00 |
| Capital                                                                                                 | 556.88      | 556.88    | 556.88   |
| Reserves                                                                                                | 16,063.12   | 8,477.32  | 6,060.56 |
| Net worth                                                                                               | 16,620.00   | 9,034.20  | 6,617.44 |
| * EPS calculated after taking into consideration release of excess gratuity provision of Rs 2,339 lakhs |             |           |          |



**DIVIDEND**

Your Directors are pleased to recommend a dividend of 5% on the paid up equity capital of the company. The outgo on dividend would be Rs. 27, 84,400.00.

**TRANSFER TO RESERVES**

Your company has transferred a sum of Rs. 5, 27, 33,038.00 to General Reserves.

**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 |
|                |   | <hr/>            |
|                |   | 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.

**AGRICULTURAL INCOME TAX**

The assessment of Agricultural Income Tax has been completed up to the financial year 2007-08. For

most of the completed assessments the company has filed appeals before the higher authorities which are pending for disposal.

## **SALES**

### **Rubber**

During the year 2010 – 2011 the value of rubber sold was Rs.10641.26 lakhs as against value of Rs.7589.43 lakhs in 2009-'10.

### **Cashew**

During the year 2010-'11 the amount received on sale of Cashew was Rs.297.24 lakhs as against Rs.344.05 lakhs in 2009-'10.

## **PRODUCTION**

### **1. Rubber Estates**

There are seven Rubber estates owned by the Corporation, which are located in the Districts of Pathanamthitta (Kodumon, Chandanappally & Thannithode Estates), Ernakulam, Thrissur (Kallala & Adirappally Estates), Kozhikode (Perambra Estate) and Malappuram (Nilambur Estates). These estates are raised in the lands leased out to P.C.K. Ltd., by the State Forest Department. In Kallala & Adirappally Estate, the Corporation has also raised Oil Palm Plantations. Further the Corporation is in the process of planting rubber in the suitable areas of Kasaragode Estate where about 300 Ha, have already been planted with rubber.

### **2. Cashew Estates**

There are four cashew estates: Kasaragode, Cheemeni and Rajapuram Estates in Kasaragode District and Mannarghat Estate in Palakkad District. Out of these Estates, Rajapuram and Mannarghat Estates are raised in the leased out Forest Lands. Cheemeni Estate is surplus revenue land. The Kasaragode Estate is fully owned by the P.C.K. Ltd.

### **3. Factories**

P C K has 3 major Rubber Processing Factories and one Rubber Wood Factory, the locations of which are given below:

1. Kodumon Group Latex Factory in Pathanamthitta District
2. Kallala Centrifuge Factory situated in Ernakulam District
3. Vettilappara T.S.R. Factory in Ernakulam District
4. Rubber Wood Factory in Pathanamthitta District.

The construction of new Centrifuge Factory at Kodumon Estate has been completed and it will be commissioned shortly.

#### 4. Production

##### 1. Rubber

The production target was 6398 MTs and the achievement was 5915.448 MTs (92.46%) during the period 2010 -2011.

##### 2. Cenex

The production of cenex during the period 2010 - 2011 was 4050.028 MTs (DRC) [KGL Factory – 2353.748 MTs & Kallala Factory – 1696.280 MTs).

##### 3. Rubber Wood Factory

During the period 2010-2011, the quantity of 13915.65 cft. of treated rubber wood was sold and the value realized was Rs.67,47,828.00. The Rubber Wood Factory has earned revenue of Rs 98.58 lakhs and a net profit of Rs 33.12 lakhs.

##### 4. Oil Palm Plantations

The FFB harvested during the year 2010 - 2011 was 5496.510 MTs.

##### 5. Plantation Valley

The Plantation Valley, farm tourism project of PCK in Athirappally has earned revenue of Rs37.68 lakhs and a net profit of Rs 7.78 lakhs during the year.

### NEW ACTIVITIES

#### 2010 - 2011

- a. Completed the construction of new Cenex Factory at Kodumon Estate
- b. Installed a Mini-hydral project at Rajapuram Estate

#### 2011 – 2012

- a. Construction of Office cum Complex at Regional Office, Calicut
- b. Replacement of the existing old Drier with a new energy efficient Drier at TSR Factory
- c. Setting up of cashew apple processing unit at Kasaragode estate.
- d. Construction of Green House for medicinal plant nursery at Kasaragode estate.

### INDUSTRIAL RELATIONS

The industrial relations during the period 2010-11 remained cordial and peaceful. PCK has introduced a

new vehicle loan scheme and welfare loan (Kudumba Suraksha Nidhi) for workers, staff and officers during 2010-11, since PCK has declared 2010-11 as Labour Welfare Year.

### **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 not provided 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 had 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 Koshi & Mani, Chartered Accountants, Kottayam were appointed by Comptroller and Auditor General of India as the Auditors of the company for the year .

**ACKNOWLEDGEMENT**

Your Directors are grateful to the Government of Kerala, Rubber Board, The Directorate of Cashew nut & Cocoa Development, Horticulture Mission, 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

Sd/-

Kottayam

**Dr.Davendra Kumar Dhodawat, I.A.S.**

27.09.11

**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 previous years in getting steady subsequent impact on the cost of production of goods | Nil            |
| (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                                                                                                              | Nil |

**ANNEXURE – II**

Details of Directors including changes taken place during the year ending 31-03-2011

| SI No. | Name                                            | Address                                                                                                                    | Date of Appointment      |
|--------|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1.     | Sri.T.J.Anjalose<br>Chairman                    | Thyil House<br>Pollathai PO<br>Alleppey 688 567                                                                            | 10.08.2006 to 18.05.2011 |
| 2.     | Sri N.K.Manoj<br>Managing Director              | TC 41/2522Thottam<br>Manacaud P.O.<br>Thiruvananthapuram                                                                   | 10.02.2010 to 14.12.2010 |
| 3.     | Dr.Davendra Kumar -<br>Dhodawat, I.A.S.Director | Secretary to Government,<br>Agriculture Dept.<br>Govt. of Kerala                                                           | 30.10.2009 to 23.09.2010 |
| 4.     | Sri.V.K.Sinha, IFS<br>Director                  | Additional Principal Chief -<br>Conservator of Forests (Plg.)<br>Forest Headquarters<br>Vazhuthacaud<br>Thiruvananthapuram | 12.6.2007                |
| 5.     | Sri.V.Presenan<br>Director                      | Additional Secretary<br>Finance Dept.<br>Govt. of Kerala                                                                   | 11.12.2008 to 30.06.2010 |
| 6.     | Sri.K.Venugoal<br>Director                      | Joint Rubber Production<br>Commissioner (Extn),<br>Rubber Board, Kottayam                                                  | 17.6.2009 to 10.06. 2010 |
| 7.     | Sri.K.V.Krishnan<br>Director                    | Kochunilayam<br>Ravaneeswaram<br>Pallikkara<br>Kasaragode                                                                  | 31.08.2006 to 23.06.2011 |
| 8.     | Sri.P.N.Prabhakaran<br>Director                 | Pullolil<br>Kanjirappally - 686627                                                                                         | 04.11.2006 to 06.05.2011 |
| 9.     | Sri.C.K.Unnikrishnan<br>Director                | Leela Vilasom<br>Chowara<br>Ernakulam 683571                                                                               | 04.11.2006 to 27.06.2011 |
| 10.    | Sri.Vijayan Kunissery<br>Director               | Pranamam<br>Pooja Nagar<br>Puthur Palakkad – 678 001                                                                       | 25.6.2007 to 14.05.2011  |
| 11.    | Sri.K.V.Babu<br>Director                        | Kundu Valappil<br>Vellore PO, Payyannur, Kannur                                                                            | 25.6.2007 to 04.07.2011  |
| 12.    | Sri M.L.Raveendranatha<br>Hegden, Director      | Joint Rubber Production<br>Commissioner (Extn.), Rubber<br>Board,Kottayam-2                                                | 10.6.2010 to 15.09.2011  |
| 13.    | Sri K.Ajith Kumar<br>Director                   | Joint Secretary,<br>Finance Dept., Govt. of Kerala.                                                                        | 30.6.2010                |
| 14.    | Dr.A.Jayathilak I.A.S.<br>Director              | Secretary to Government<br>Agriculture Dept.,Govt.of Kerala                                                                | 23.09.2010               |
| 15.    | Sri K.Subair Khan<br>Managing Director          | Minar, Kalarikonam,<br>Arkkannur P.O, Ayoor                                                                                | 14.12.2010               |

## ANNEXURE III

### REPORT ON CORPORATE GOVERNANCE

During the period 2010-'11, 13 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 2010-'11 and meetings attended by the Directors are as follows:

| Sl. No | Name of the Director               | Total No. of Board meetings held in the year 2010-'11 | Total number of meetings attended by the Director | Total number of meetings required to be attended | Whether AGM attended by the Director |
|--------|------------------------------------|-------------------------------------------------------|---------------------------------------------------|--------------------------------------------------|--------------------------------------|
| 1      | Sri T.J.Anjalose                   | 13                                                    | 13                                                | 13                                               | Yes                                  |
| 2      | Sri N.K.Manoj                      | 13                                                    | 8                                                 | 8                                                | Yes                                  |
| 3      | Dr.Davendra Kumar Dhodawat, I.A.S. | 13                                                    | 0                                                 | 6                                                | N.A.                                 |
| 4      | Sri V.K.Sinha, I.F.S.              | 13                                                    | 5                                                 | 13                                               | N.A.                                 |
| 5      | Sri V.Presenan                     | 13                                                    | 3                                                 | 3                                                | Yes                                  |
| 6      | Sri K.Venugopal                    | 13                                                    | 0                                                 | 3                                                | N.A.                                 |
| 7      | Sri K.V.Krishnan                   | 13                                                    | 11                                                | 13                                               | N.A.                                 |
| 8      | Sri C.K.Unnikrishnan               | 13                                                    | 12                                                | 13                                               | N.A.                                 |
| 9      | Sri P.N.Prabhakaran                | 13                                                    | 12                                                | 13                                               | N.A.                                 |
| 10     | Sri Vijayan Kunissery              | 13                                                    | 9                                                 | 13                                               | N.A.                                 |
| 11     | Sri K.V.Babu                       | 13                                                    | 12                                                | 13                                               | N.A.                                 |
| 12     | Sri K.Ajith Kumar                  | 13                                                    | 5                                                 | 10                                               | N.A.                                 |
| 13     | Sri M.L. Raveendranatha Hegden     | 13                                                    | 6                                                 | 10                                               | N.A.                                 |
| 14     | Dr.A.Jayathilak, I.A.S.            | 13                                                    | 2                                                 | 7                                                | N.A.                                 |
| 15     | Sri K.Subair Khan                  | 13                                                    | 5                                                 | 5                                                | N.A.                                 |

## AUDITORS' REPORT

### To the Members of The Plantation Corporation of Kerala Ltd.,

1. We have audited the attached Balance Sheet of The Plantation Corporation of Kerala Ltd. as at 31<sup>st</sup> March, 2011 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:-
  - i) *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 outstanding for a long period, 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.*
  - ii) *Rs 48.21 lakhs due under unsecured loans from Government of Kerala for Estate Development being interest accrued and due is subject to confirmation/adjustment by the concerned Government departments.*
  - iii) *The balance of each item under current liabilities–Schedule B, Sundry Debtors–Schedule G, and Loans and Advances (Dr)–Schedule H are subject to confirmation, reconciliation and consequential adjustment. We have relied only on the books of accounts maintained and information and explanations furnished by the Company. The impact, if any, on the financial statements is not ascertainable.*

- iv) The Company has not charged depreciation on development of property for various cultivation viz. Rs 39.48 crores for Rubber Plantation, Rs 5.95 crores for Cashew, Rs 3.21 crores for Oil Palm and ' 0.53 crores under other heads. This is not in accordance with "Accounting Standard 6, - Depreciation Accounting". The Company should have amortised the plantations development assets on a systematic basis over their useful lives. As the amount of such non provision of depreciation pertaining to the current year and prior periods is not furnished, the consequential impact on the financial statement is not ascertainable.
- v) The Company has not recognized impairment of development of property with respect to vanilla cultivation of Rs 5.23 lakhs and Rubber Plantation in Rajapuram Estate of ' 10.95 lakhs in accordance with Accounting Standard - 28 ( AS-28). As a result we are of the opinion that the profit was overstated to the extent of Rs 16.18 lakhs and plantation development expenditure in Schedule D under Fixed Assets is overstated to that extent. In Addition to above, the impairment with respect to development of property due to natural calamities like wind fall, fire etc... has not been quantified and recognized in Profit & Loss Account
- vi) The Company has shown subsidy of Rs 24.64 lakhs received from Government of Kerala during the year under the head "Subsidy from Government under Schedule A – Reserves and Surplus". The total subsidy from Rubber Board till 31.03.2011 is Rs 1.30 crores and from Government of Kerala against Cashew Plantation is Rs 2.68 crores. These Government grants related to specific assets should have been deducted from the gross value of the assets in arriving at their book value. Alternately it could have been credited in the Profit and Loss Account in a systematic and rational manner over the useful life of the asset in the proportion in which depreciation on those assets is charged. The above method of treatment as prescribed in "Accounting Standard 12- Accounting for Government Grant" has not been complied by the Company. The impact as a result of the departure on the financial statement is not ascertainable in the absence of relevant details.
- vii) The Company has not complied with the matters specified in Notification No. GSR 719(E) dated 16<sup>th</sup> November, 2007 on changes in Schedule VI disclosures.
- viii) We are unable to quantify the amounts mentioned in paragraph (iv) & (vi) for want of full information and as and when the quantification is made by the Company, the overstatement of the profit will further increase to that extent. Therefore without considering items mentioned in paragraph (iv) & (vi) the effect of which could not be determined, had the observations made by us in paragraphs (v) above been considered, the profit for the year would have been Rs 76.00 crores (as against the reported figure of Rs 76.16 crores), reserves & surplus would have been Rs 160.47 crores (as against the reported figure of Rs 160.63 crores), and plantation development

*in Fixed Asset would have been Rs 49.01 crores (as against the reported figure of Rs 49.17 crores).*

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 accounts as required by law have been kept by the Company so far as appears from our examination of these books;
- (c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report, comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- (e) As per notification No.G.S.R.829(E) dated 21.10.2003, the Central Government has directed that clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, shall not apply to a Government Company. Hence declaration from directors in terms of section 274(1)(g) of the Companies Act, 1956, have not been obtained.
- (f) Without considering the effect of our qualifications above, 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;
  - i) In the case of balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011 and
  - ii) In the case of profit and loss account, of the **profit** for the year ended on that date.
  - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For Koshy & Mani  
Chartered Accountants  
FRN-001430S

Sd/-

Kottayam

04<sup>th</sup> August, 2011

**CA. Thomas Mani**  
M. No. 20015 (Partner)

## ANNEXURE TO AUDITORS' REPORT

### **Referred to in Paragraph 3 of our report of even date**

1. (a) Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) According to the information and explanations given to us, fixed assets other than land both under freehold and leasehold were physically verified by the management in accordance with program of verification, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Discrepancies noticed on physical verification of fixed assets other than land and development expenditure with respect to vanilla plantations of Rs 5.23 lakhs and Rubber plantation of Rs 10.95 lakhs were not material and have been properly dealt with in the books of accounts. In the case of freehold land and leasehold land the Company has not produced title deeds for our verification and thus we are unable to ascertain the correctness of land holdings as stated in the title deeds with the record of land holdings.  
(c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
2. (a) The inventories have been physically verified by the management during the year at reasonable intervals.  
(b) In our opinion, the procedure of physical verification of inventory needs to be strengthened to be made the same adequate in relation to the size of the Company and nature of business.  
(c) The Company is maintaining proper records of inventory. Discrepancies noticed on verification between the physical stocks and the records during the course of the year, which after updation of book records are not material have been appropriately dealt with in the books of account.
3. (a) During the year the Company has not granted any loans secured or unsecured 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), receipt of the principal amount and interest are outstanding for a long time.  
(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).
4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods.

5. (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.
6. The Company has not accepted any deposits from the public.
7. In our opinion the Company has an Internal Audit system commensurate with the size and nature of its business.
8. The Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie the prescribed accounts and records have been maintained. We have not, however carried out a detailed examination of the same.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, except for Provident Fund dues in which there have been slight delay in a few cases, the Company has been regular in depositing in respect of undisputed statutory dues including Sales Tax, Income Tax and other material statutory dues with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date of becoming payable.
- (b) The disputed statutory dues aggregating to Rs 3,402.32 lakhs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

| Sl. No. | Name of Statute                       | Nature of dues         | Amount in Lakhs | Period to which the Amount related | From where dispute is pending |
|---------|---------------------------------------|------------------------|-----------------|------------------------------------|-------------------------------|
| 1.      | The Kerala General Sales Tax Act 1963 | Tax demanded in appeal | 74.71           | 2011 – 2002                        | Deatils not Furnished         |
| 2.      | “ “                                   | “ “                    | 158.89          | 2002 – 2003                        | Remanded to DC Appeals        |
| 3.      | “ “                                   | “ “                    | 8.79            | 2003 – 2004                        | Tribunal order pending for    |
| 4.      | “ “                                   | “ “                    | 55.55           | 2004 – 2005                        | “ “                           |
| 5.      | Central Sales Tax Act                 |                        | 27.15           | 2002 – 2003                        | “ “                           |
| 6.      | “ “                                   | “ “                    | 35.06           | 2003 – 2004                        | “ “                           |
| 7.      | “ “                                   | “ “                    | 6.49            | 2004 – 2005                        | Details not furnished         |
| 8.      | Income Tax Act, 1961                  | “ “                    | 0.36            | 1976 – 1977                        | “ “                           |
| 9.      | “ “                                   | “ “                    | 2.18            | 1977 – 1978                        | “ “                           |
| 10.     | “ “                                   | “ “                    | 0.98            | 1978 – 1979                        | “ “                           |

| Sl. No. | Name of Statute  | Nature of dues | Amount in Lakhs | Period to which the Amount related | From where dispute is pending           |
|---------|------------------|----------------|-----------------|------------------------------------|-----------------------------------------|
| 11      | " "              | " "            | 2.89            | 1979 – 1980                        | " "                                     |
| 12      | " "              | " "            | 0.20            | 1980 – 1981                        | " "                                     |
| 13      | " "              | " "            | 0.81            | 1981 – 1982                        | " "                                     |
| 14      | " "              | " "            | 0.11            | 1982 – 1983                        | " "                                     |
| 15      | " "              | " "            | 7.95            | 1983 – 1984                        | Appellate Tribunal                      |
| 16      | " "              | " "            | 8.38            | 1984 – 1985                        | " "                                     |
| 17      | " "              | " "            | 94.30           | 1985 – 1986                        | " "                                     |
| 18      | " "              | " "            | 5.71            | 1986 – 1987                        | Details not furnished                   |
| 19      | " "              | " "            | 8.36            | 1987 – 1988                        | Appellate Tribunal                      |
| 20      | " "              | " "            | 54.50           | 1988 – 1989                        | Details not furnished                   |
| 21      | " "              | " "            | 17.67           | 1989 – 1990                        | " "                                     |
| 22      | " "              | " "            | 31.76           | 1990 – 1991                        | Commissioner Appeals                    |
| 23      | " "              | " "            | 40.26           | 1991 – 1992                        | Details not furnished                   |
| 24      | " "              | " "            | 77.47           | 1992 – 1993                        | " "                                     |
| 25      | " "              | " "            | 95.18           | 1993 – 1994                        | " "                                     |
| 26      | " "              | " "            | 97.70           | 1994 – 1995                        | " "                                     |
| 27      | " "              | " "            | 163.01          | 1996 – 1997                        | " "                                     |
| 28      | Agri. Income Tax | " "            | 39.93           | 1976 – 1977                        | Tribunal order pending for modification |
| 29      | " "              | " "            | 8.96            | 1977 – 1978                        | " "                                     |
| 30      | " "              | " "            | 81.64           | 1978 - 1979                        | " "                                     |
| 31      | " "              | " "            | 84.85           | 1979 – 1980                        | " "                                     |
| 32      | " "              | " "            | 137.54          | 1980 – 1981                        | " "                                     |
| 33      | " "              | " "            | 131.29          | 1981 – 1982                        | " "                                     |
| 34      | " "              | " "            | 63.81           | 1982 – 1983                        | " "                                     |
| 35      | " "              | " "            | 178.89          | 1983 – 1984                        | " "                                     |
| 36      | " "              | " "            | 227.62          | 1984 – 1985                        | " "                                     |
| 37      | " "              | " "            | 183.46          | 1985 – 1986                        | " "                                     |
| 38      | " "              | " "            | 38.09           | 1986 – 1987                        | " "                                     |
| 39      | " "              | " "            | 172.17          | 1987 – 1988                        | " "                                     |
| 40      | " "              | " "            | 214.11          | 1988 – 1989                        | " "                                     |
| 41      | " "              | " "            | 149.22          | 1989 – 1990                        | " "                                     |
| 42      | " "              | " "            | 193.35          | 1990 – 1991                        | " "                                     |
| 43      | " "              | " "            | 124.10          | 1994 – 1995                        | " "                                     |
| 44      | " "              | " "            | 200.79          | 1995 – 1996                        | " "                                     |
| 45      | " "              | " "            | 30.68           | 1999 – 2000                        | Details not furnished                   |
| 46      | " "              | " "            | 65.40           | 2004 – 2005                        | DC Appeals                              |

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks and financial institutions during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society.
14. The Company is not dealing or trading in shares, securities, debentures or other investments.
15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not availed any term loan during the year.
17. The Company has not raised funds on short term basis during the year.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Koshy & Mani  
Chartered Accountants  
FRN-001430S

Kottayam,  
04<sup>th</sup> August, 2011

Sd/-  
CA.Thomas Mani  
M. No. 20015 (Partner)

**REPLIES TO THE COMMENTS OF STATUTORY AUDITORS ON THE ACCOUNTS  
OF PLANTATION CORPORATION OF KERALA LTD.**

**FOR THE YEAR ENDED 31.03.11.**

- i) The loan amounting to Rs. 150 Lakhs and Rs. 25 Lakhs are given to Kerala State Horticultural Products Development Corporation Ltd. and Kerala State Coconut Development Corporation Ltd. as per Government order GO (Rt) No 1546/96/AD dated 1/11/1996 and GO (Rt) No 1828/97/AD dated 1/11/1997 and the same are fully Government owned Public Sector Undertakings. As the payment of principal amount and interest are not regular, it may be noted that the matter was again placed before with the Government as the loan has been paid as per Government direction and the details for the same is shown in Note No. 3 of Schedule K forming part of accounts.
- ii) This figure remains in the Balance sheet for the last several years and relates to the penal interest provided for the Government loan granted to Plantation Corporation of Kerala Ltd. The Corporation has fully repaid the principal amount due and interest amounts on Government loan.
- iii) 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 and also relevant provision has been made for doubtful debts in case of State Public sector Undertakings.
- iv) The treatment of development expenditure for Plantation followed by the Corporation is shown in Note No. 10 of Schedule J as significant accounting policies followed by the Corporation as on 31.03.11. This practice has been consistently followed and for the amortization of development of Plantation assets the Company has provided Rs 98 lakhs towards replanting reserve.
- v) As per Note No.10 of the schedule J, the policy of the company in treatment of development of Plantations is clearly disclosed. The policy is that 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. Here there is no such disposal of plantation, in the case of vanilla cultivation and rubber plantation in Rajapuram estate. Regarding Rs.10.95 Lakhs in Rubber Plantation in Rajapuram Estate, it is clearly disclosed in Note No.24 of Note forming part of Balance Sheet that there is an initial investment of Rs.10,94,524.20/- in Rajapuram estate for rubber plantation in 100 hectares which is pending for completions due to technical reasons to be cleared from forest department.

Regarding Vanilla Cultivation it is legally disputed in different Courts including Hon'ble High Court of Kerala, therefore the write off of both these plantations has not been done during this year.

- vi) The treatment of subsidies is shown in Accounting Policy Note 11 (Schedule J) and Note No. 2 (Schedule K) forming part of accounts. The company is following capital accounting method as per AS-12. As the subsidy is not meant for the purpose of procurement of capital asset and moreover the development of property is not depreciable, the subsidy amount is not credited as development of property, but shown as separate head under Reserve & Surplus.
- vii) Noted for future improvement.
- viii) Noted



## THE PLANTATION CORPORATION OF KERALA LTD.

### BALANCE SHEET AS AT 31st MARCH 2011

| Previous Year<br>Rs. Ps. | LIABILITIES                                                                                                                                                                                                            | Current Year<br>Rs. Ps.  |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
|                          | <b>SHARE CAPITAL</b>                                                                                                                                                                                                   |                          |
| 7,50,00,000.00           | Authorised - 75000 Equity Shares of Rs. 1000/- each                                                                                                                                                                    | 7,50,00,000.00           |
| 5,56,88,000.00           | Issued - 55688 Equity Shares of Rs. 1000/- each                                                                                                                                                                        | 5,56,88,000.00           |
| 5,56,88,000.00           | Subscribed, called up and paid up -<br><br>55688 Equity Shares of Rs. 1000/- each<br>(Of the above shares, 12182 shares are allotted as fully paid up pursuant to a contract without payments being received in cash ) | 5,56,88,000.00           |
| 84,77,31,983.11          | <b>RESERVES &amp; SURPLUS (Sch. A)</b>                                                                                                                                                                                 | 1,60,63,12,157.78        |
|                          | <b>UNSECURED LOANS</b>                                                                                                                                                                                                 |                          |
|                          | From Govt. of Kerala for Estate Development                                                                                                                                                                            |                          |
| 48,20,960.51             | Interest accrued and due                                                                                                                                                                                               | 48,20,960.51             |
|                          | <b>CURRENT LIABILITIES &amp; PROVISIONS</b>                                                                                                                                                                            |                          |
|                          | a. Current Liabilities - Sch. B <span style="float: right;">27,34,91,249.93</span>                                                                                                                                     |                          |
| 1,01,80,24,567.16        | b. Provisions - Sch. C <span style="float: right;"><u>62,38,92,113.07</u></span>                                                                                                                                       | 89,73,83,363.00          |
|                          | <b>ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>                                                                                                                                                                     |                          |
|                          | a. Accounting Policies - Sch.J                                                                                                                                                                                         |                          |
|                          | b. Notes forming Part of Accounts - Sch. K                                                                                                                                                                             |                          |
| <b>1,92,62,65,510.78</b> | <b>TOTAL</b>                                                                                                                                                                                                           | <b>2,56,42,04,481.29</b> |

For and on behalf of Board of Directors

Sd/-  
Davendra Kumar Dhodawat  
Chairman

Sd/-  
K.Subairkhan  
Managing Director

Sd/-  
Sreelakumar.S.  
G.M. (F&A)

Sd/-  
Harish.K  
Secretary

Kottayam  
04-08-2011

As per report of Even date  
For KOSHY & MANI  
Chartered Accountants

Sd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

## THE PLANTATION CORPORATION OF KERALA LTD.



### BALANCE SHEET AS AT 31st MARCH 2011

| Previous Year<br>Rs. Ps. | ASSETS                                      | Current Year<br>Rs. Ps.  |
|--------------------------|---------------------------------------------|--------------------------|
|                          | <b>FIXED ASSETS</b>                         |                          |
| 44,59,84,569.16          | a) Development of Property - Sch. D         | 49,17,11,155.67          |
|                          | b) Plant & Machinery, Roads, Buildings etc. |                          |
|                          | - Sch. E                                    | 11,12,19,635.91          |
|                          | c) Capital Work in Progress                 |                          |
|                          | As per last Balance Sheet                   | 3,57,53,179.51           |
|                          | Additions this year                         | 1,67,97,637.64           |
| 14,01,34,110.47          | Less : Capitalized                          | 3316941.50               |
|                          |                                             | <u>4,92,33,875.65</u>    |
| 93,21,14,882.00          |                                             | 16,04,53,511.56          |
|                          | <b>INVESTMENTS ( Sch.F )</b>                | 1,31,12,59,310.00        |
|                          | <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b> |                          |
|                          | a. Current Assets - Sch. G                  | 19,01,14,708.59          |
| 40,80,31,949.15          | b. Loans & Advances - Sch. H                | <u>41,06,65,795.47</u>   |
|                          |                                             | 60,07,80,504.06          |
| <b>1,92,62,65,510.78</b> | <b>TOTAL</b>                                | <b>2,56,42,04,481.29</b> |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered AccountantsSd/-  
Davendra Kumar Dhodawat  
ChairmanSd/-  
K.Subairkhan  
Managing DirectorSd/-  
Sreelakumar.S.  
G.M. (F&A)Sd/-  
Harish.K  
SecretarySd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015Kottayam  
04-08-2011



## THE PLANTATION CORPORATION OF KERALA LTD.

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

| Previous Year            | EXPENDITURE                                  | Current Year             |
|--------------------------|----------------------------------------------|--------------------------|
| Rs. Ps.                  |                                              | Rs. Ps.                  |
| 4,75,31,034.35           | To Opening Stock - Rubber and Agrl. Products | 5,46,99,889.00           |
| 42,41,893.00             | To Purchase of Union Latex & Rubber Logs     | 12,94,308.94             |
| 3,61,87,211.27           | To Manufacturing Expenses                    | 3,55,11,381.43           |
| 2,03,70,353.00           | To Electricity Charges                       | 2,18,76,256.00           |
| 1,70,43,894.56           | To Lease Rent                                | 1,71,27,832.79           |
| 10,97,12,676.87          | To Tapping & Collection - Rubber             | 11,58,30,670.59          |
| 10,21,007.29             | To Collection Charges - Cashew               | 3,24,525.00              |
| 23,22,673.00             | To Harvesting Expenses - Oil Palm            | 29,31,111.00             |
| 7,79,34,429.32           | To Salaries & Allowances                     | 9,27,91,858.60           |
| 6,21,922.80              | To Salaries & Allowances to MD               | 1,76,439.00              |
| 1,20,000.00              | To Honararium to Chairman                    | 1,20,000.00              |
| 3,95,120.00              | To TA & Sitting Fee to Directors             | 5,38,203.00              |
| 1,20,78,088.94           | To Leave Encashment                          | 1,23,35,517.50           |
| 3,11,39,873.00           | To Employer's Contribution - PF              | 3,48,58,320.00           |
| 20,15,020.67             | To TA to Staff & Officers                    | 21,68,567.95             |
| 4,00,00,000.00           | To L I C - Group Gratuity                    | 0.00                     |
| 4,49,399.00              | To L I C - Group Gratuity Premium            | 5,00,000.00              |
| 2,77,79,096.63           | To Welfare Expenses - Sch. III               | 3,50,33,105.29           |
| 26,481,113.44            | To Bonus & Production Incentive              | 4,06,11,776.00           |
| 2,89,69,650.82           | To Cultivation & Upkeep - Rubber             | 3,76,21,522.81           |
| 1,47,22,611.04           | To Cultivation & Upkeep - Cashew             | 1,66,69,808.28           |
| 49,95,264.00             | To Cultivation & Upkeep - Oil Palm           | 35,48,038.00             |
| 12,29,897.31             | To Cultivation & Upkeep - Other Crops        | 6,18,134.00              |
| 2,59,21,936.25           | To Rep. & Maintenance of Assets - Sch. I     | 2,93,63,017.63           |
| 16,44,134.00             | To Insurance Charges                         | 46,36,324.00             |
| 74,804.00                | To Selling Expenses                          | 1,25,615.00              |
| 1,72,904.50              | To Rent                                      | 3,47,957.00              |
| 31,51,257.73             | To Advertisement Charges                     | 37,92,875.10             |
| 2,33,153.08              | To Interest & Bank Charges                   | 1,10,160.75              |
| 29,73,576.16             | To Rates & Taxes                             | 30,31,252.69             |
| 13,26,367.00             | To Legal Expenses                            | 17,88,799.00             |
| 44,94,769.45             | To Security Expenses                         | 50,20,335.86             |
| 6,89,588.00              | To Professional Fees                         | 8,24,260.00              |
| 50,96,938.12             | To Miscellaneous Expenses - Sch. II          | 75,22,491.27             |
| 14,10,45,431.00          | To Provision for Gratuity                    | 0.00                     |
| 57,84,560.00             | To Bad Debts Written Off                     | 0.00                     |
| 4,00,00,000.00           | To Provision for Sales Tax                   | 0.00                     |
| 0.00                     | To Provision for Donation to CM's DRF        | 5,00,00,000.00           |
| 1,25,12,089.48           | To Depreciation                              | 1,60,73,502.64           |
| 33,66,14,187.02          | Net Profit c/d to P & L Appropriation A/c.   | 76,16,08,576.67          |
|                          | <b>4,249.00</b>                              | <b>EPS :</b>             |
|                          |                                              | <b>13,636.00</b>         |
|                          | <b>Nominal Value : 1,000.00</b>              |                          |
| <b>1,08,90,97,926.10</b> | <b>TOTAL</b>                                 | <b>1,41,14,32,432.79</b> |

For and on behalf of Board of Directors

Sd/-  
Davendra Kumar Dhodawat  
Chairman

Sd/-  
K.Subairkhan  
Managing Director

Sd/-  
Sreelakumar.S.  
G.M. (F&A)

Sd/-  
Harish.K  
Secretary

Kottayam  
04-08-2011

As per report of Even date  
For KOSHY & MANI  
Chartered Accountants

Sd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015



## THE PLANTATION CORPORATION OF KERALA LTD.

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

| Previous Year<br>Rs. Ps. | INCOME                                                 | Current Year<br>Rs. Ps.  |
|--------------------------|--------------------------------------------------------|--------------------------|
|                          | <b>By Sales</b>                                        |                          |
| 75,89,43,083.05          | Rubber 1,06,41,26,202.43                               |                          |
| 3,44,05,929.20           | Cashew 2,97,24,882.20                                  |                          |
| 1,53,01,355.00           | Oil Palm 2,55,51,182.00                                |                          |
| 32,31,084.40             | Agricultural Produce 64,33,415.19                      |                          |
| 9,86,30,659.56           | Trees & Firewood 8,74,89,965.00                        |                          |
| 31,69,778.00             | Processed Rubber Wood 65,22,144.00                     |                          |
| 39,14,200.00             | Income from Plantation Valley 37,68,489.00             |                          |
| 6,84,666.80              | Tender Forms 4,60,762.66                               |                          |
| 12,37,583.00             | Empties & Unserviceables 1,78,241.00                   | 1,22,42,55,283.48        |
|                          | <b>By Interest</b>                                     |                          |
| 34,68,736.72             | From Long Term Investments 24,91,976.00                |                          |
| 5,93,34,339.15           | From Short Term Investments 8,02,80,146.70             |                          |
| 47,19,54.72              | From Contractors & Customers 5,83,276.07               |                          |
| 8,784.00                 | From Staff Loans 5,65,902.45                           | 8,39,21,301.22           |
|                          | <b>By Other Income</b>                                 |                          |
| 4,69,046.00              | Rent of Building 1,76,157.00                           |                          |
| 15,93,627.96             | Profit on Sale of Assets 11,24,406.11                  |                          |
| 5,00,000.00              | Dividend From Long Term Investments 8,50,000.00        |                          |
| 1,43,39,662.40           | Miscellaneous Income 1,50,35,255.64                    |                          |
| 27,59,633.00             | Prior Period Income 0.00                               |                          |
| 3,01,58,583.14           | Slaughter Tapping 1,63,49,897.34                       | 3,35,35,716.09           |
|                          | <b>By Closing Stock of Finished Goods &amp; W.I.P.</b> |                          |
| 5,11,94,486.00           | Rubber 6,47,13,274.00                                  |                          |
| 2,54,722.00              | Cashew 9,74,050.00                                     |                          |
| 7,29,093.00              | Other Agricultural Produces 7,94,346.00                |                          |
| 42,96,919.00             | Treated Rubber Wood 32,38,462.00                       | 6,97,20,132.00           |
| <b>1,08,90,97,926.10</b> | <b>TOTAL</b>                                           | <b>1,41,14,32,432.79</b> |

For and on behalf of Board of Directors

Sd/-  
Davendra Kumar Dhodawat  
Chairman  
Kottayam  
04-08-2011

Sd/-  
K.Subairkhan  
Managing Director

Sd/-  
Sreelakumar.S.  
G.M. (F&A)

Sd/-  
Harish.K  
Secretary

As per report of Even date  
For KOSHY & MANI  
Chartered Accountants

Sd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015



**CASH FLOW STATEMENT AS PER AS-3  
FOR THE YEAR ENDED 31st MARCH 2011**

| 2009-10           | <b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>        | 2010-11           |                   |
|-------------------|------------------------------------------------------|-------------------|-------------------|
| 33,66,14,187.02   | Net Profit before Taxation                           |                   | 76,16,08,576.67   |
|                   | Adjustments for:                                     |                   |                   |
| 1,25,12,089.48    | Depreciation                                         | 1,60,73,502.64    |                   |
| 59,28,562.97      | Write off                                            | 7,19,158.31       |                   |
| (6,28,03,075.87)  | Interest on Investments                              | (8,27,72,122.70)  |                   |
| (9,73,87,040.56)  | Profit on sale of Trees                              | (8,74,89,965.00)  |                   |
| (15,93,627.96)    | Profit on Sale of Assets                             | (11,24,406.11)    |                   |
| (50,00,00.00)     | Divident Received                                    | (8,50,000.00)     |                   |
| 0.00              | Provision for Donation to CM's DRF                   |                   |                   |
| (4,78,821.72)     | Interest Income on Loans & Advances                  | (11,49,178.52)    |                   |
|                   |                                                      |                   | (15,65,93,011.38) |
| 19,22,92,273.36   | Operating Profit before Working Capital Changes      |                   | 60,50,15,565.29   |
|                   | Adjustments for:                                     |                   |                   |
| 2,01,87,13,55.00  | Increase /(Decrease) in Gratuity and Bonus provision | (11,11,88,219.73) |                   |
| 74,71,176.62      | Increase/Decrease in Current Liabilites              | 29,37,646.84      |                   |
| (1,62,62,333.64)  | Increase/Decrease in Inventories                     | (1,41,36,515.75)  |                   |
| 69,80,012.84      | Increase/Decrease in Debtors                         | (55,42,101.00)    |                   |
| (11,27,78,112.42) | Advance & Deposits                                   | 26,38,080.05      |                   |
|                   |                                                      |                   | (12,52,91,109.59) |
| 8,72,82,098.40    | Cash Generated from Operations                       |                   | 47,97,24,455.70   |
| (8,20,56,353.00)  | Income Tax Paid                                      |                   | (19,58,32,919.00) |
| 19,75,18,018.76   | Net Cash from Operating Activites                    |                   | 28,38,91,536.70   |
|                   | <b>B CASH FLOWS FROM INVESTING ACTIVITES</b>         |                   |                   |
| (4,17,26,265.25)  | Purchase of Fixed Assets                             | (3,66,43,754.90)  |                   |
| (1,70,97,058.83)  | Development Property                                 | (4,57,26,586.51)  |                   |
| (30,96,55,250.00) | Investments                                          | (37,91,44,428.00) |                   |
| 16,26,116.00      | Sale of Fixed Assets                                 | 13,75,258.01      |                   |
| 11,36,90,501.00   | Sale of Trees                                        | 8,74,89,965.00    |                   |
| 5,88,32,365.52    | Interest Received on Investments                     | 7,55,66,913.97    |                   |
| 4,78,821.72       | Interest Received on Loans & Advances                | 11,49,178.52      |                   |
| 5,00,000.00       | Dividend Received                                    | 8,50,000.00       |                   |
| 83,19,500.00      | Subsidy Received                                     | 24,64,000.00      |                   |
|                   |                                                      |                   | (29,26,19,453.91) |
| (18,50,31,269.84) | Net Cash Available from Investing Activites          |                   |                   |
|                   | <b>C CASH FLOWS FROM FINANCING ACTIVITES</b>         |                   |                   |
| (27,84,400.00)    | Dividend Paid                                        | (27,84,400.00)    |                   |
| (4,73,209.00)     | Dividend Distribution Tax Paid                       | (4,51,700.00)     |                   |
| (32,57,609.00)    | Net Cash Available from Financing Activites          |                   | (32,36,100.00)    |
| 92,29,139.92      | Net Increase/(Decrease) in Cash and Cash Equivalents |                   | (1,19,64,017.21)  |
| 1,57,99,745.00    | Opening Cash & Cash Equivalents                      |                   | 2,50,28,884.92    |
| 2,50,28,884.92    | Closing Cash & Cash Equivalents                      |                   | 1,30,64,867.71    |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered AccountantsSd/-  
Davendra Kumar Dhodawat  
ChairmanSd/-  
K.Subairkhan  
Managing DirectorSd/-  
Sreelakumar.S.  
G.M. (F&A)Sd/-  
Harish.K  
SecretarySd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

**SCHEDULE - A**  
**RESERVES & SURPLUS AS ON 31-03-2011**

| Previous Year<br>Rs. Ps. |                                                                                                                            | Current Year<br>Rs. Ps.  |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------|
|                          | <b>RESERVES &amp; SURPLUS</b>                                                                                              |                          |
| 5,32,43,130.44           | 1. <u>General Reserve</u><br>As per last Balance Sheet 5,32,43,130.44<br>Additions during the year <u>5,27,33,038.00</u>   | 10,59,76,168.44          |
| 11,97,89,050.90          | 2. <u>Capital Reserve</u>                                                                                                  | 11,97,89,050.90          |
| 10,84,58,000.00          | 3. <u>Replanting Reserve</u><br>As per last Balance Sheet 10,84,58,000.00<br>Additions during the year <u>98,00,000.00</u> | 11,82,58,000.00          |
| 1,40,79,091.48           | 4. <u>Rehabilitation Reserve</u><br>As per last Balance Sheet                                                              | 1,40,79,091.48           |
|                          | <b>SUBSIDY FROM GOVERNMENT</b>                                                                                             |                          |
|                          | <u>1. Subsidy from Rubber Board</u>                                                                                        |                          |
|                          | - Rubber Cultivation                                                                                                       |                          |
| 1,29,84,491.50           | As per last Balance Sheet 1,29,84,491.50<br>Additions during the year <u>0.00</u>                                          | 1,29,84,491.50           |
|                          | <u>2. Subsidy from Govt. of Kerala</u>                                                                                     |                          |
|                          | - Cashew Plantation                                                                                                        |                          |
| 2,43,70,190.00           | As per last Balance Sheet 2,43,70,190.00<br>Additions during the year <u>24,64,000.00</u>                                  | 2,68,34,190.00           |
| 51,48,08,028.79          | <b>Profit &amp; Loss Appropriation Account</b>                                                                             | 1,20,83,91,165.46        |
| <b>84,77,31,983.11</b>   | <b>TOTAL</b>                                                                                                               | <b>1,60,63,12,157.78</b> |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered Accountants

Sd/-  
Davendra Kumar Dhodawat  
Chairman

Sd/-  
K.Subairkhan  
Managing Director

Sd/-  
Sreelakumar.S.  
G.M. (F&A)

Sd/-  
Harish.K  
Secretary

Sd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

**SCHEDULE - B****CURRENT LIABILITIES AS ON 31-03-2011**

| Previous Year<br>Rs. Ps. |  |                                            | Current Year<br>Rs. Ps. |  |
|--------------------------|--|--------------------------------------------|-------------------------|--|
| 96,80,124.66             |  | Sundry Creditors                           |                         |  |
|                          |  | Due to Small Scale Industrial Undertakings | 43,28,545.32            |  |
|                          |  | Due to other than S S I Undertakings       | 12,25,79.00             |  |
| 9,96,30,976.59           |  | Other Liabilities                          | 5,34,46,444.05          |  |
| 12,52,32,300.60          |  | Lease Rent Payable                         | 12,21,66,971.34         |  |
| 91,61,199.17             |  | E M D                                      | 86,96,362.17            |  |
| 3,29,30,816.72           |  | Security Deposit                           | 3,86,47,087.72          |  |
| 1,92,79,872.80           |  | Advance against Sales                      | 2,07,14,381.60          |  |
| 53,656.35                |  | Welfare Fund                               | 37,445.35               |  |
| 1,77,37,151.90           |  | Agricultural Income tax due                | 1,77,37,151.90          |  |
| 4,68,012.00              |  | Fringe Benefit Tax due                     | 4,68,012.00             |  |
| 2,73,897.04              |  | Central Sales Tax Payable                  | 4,46,691.91             |  |
| 60,90,557.26             |  | Value Added Tax Payable                    | 66,63,698.57            |  |
| 15,038.00                |  | Luxury Tax Payable                         | 15,879.00               |  |
| <b>32,05,53,603.09</b>   |  | <b>TOTAL</b>                               | <b>27,34,91,249.93</b>  |  |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered AccountantsSd/-  
Davendra Kumar Dhodawat  
ChairmanSd/-  
K.Subairkhan  
Managing DirectorSd/-  
Sreelakumar.S.  
G.M. (F&A)Sd/-  
Harish.K  
SecretarySd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

## SCHEDULE - C

### PROVISIONS AS ON 31-03-2011

| Previous Year<br>Rs. Ps. |                                              | Current Year<br>Rs. Ps. |
|--------------------------|----------------------------------------------|-------------------------|
| 45,89,92,142.00          | <b>1. Gratuity:</b>                          |                         |
|                          | As per last Balance Sheet                    | 45,89,92,142.00         |
|                          | Less: Prior Period Adjustments               | 23,39,23,237.00         |
|                          | Paid this year                               | <u>12,03,74,858.00</u>  |
|                          |                                              | 10,46,94,047.00         |
| 2,50,00,000.00           | <b>2. Bonus :</b>                            | 3,05,00,000.00          |
| 59,38,437.00             | <b>3. Leave Encashment :</b>                 | 1,24,59,833.00          |
| 76,65,490.00             | <b>4. Provident Fund &amp; Other Charges</b> | 76,65,490.00            |
| 15,70,90,495.07          | <b>5. Taxation:</b>                          |                         |
|                          | As per last Balance Sheet                    | 15,70,90,495.07         |
|                          | Add : Current Year Provision                 | <u>24,04,51,700.00</u>  |
|                          | Less : Adjusted this year                    | <u>2,08,54,709.00</u>   |
|                          |                                              | 37,66,87,486.07         |
| 4,00,00,000.00           | <b>6. Provision for Sales Tax :</b>          |                         |
|                          | As per last Balance Sheet                    | 4,00,00,000.00          |
|                          | Less Adjusted this year                      | 8,99,143.00             |
|                          |                                              | 3,91,00,857.00          |
|                          | <b>7. Provision for Donation to CM's DRF</b> | 5,00,00,000.00          |
| 27,84,400.00             | <b>8. Proposed Dividend for the year :</b>   | 27,84,400.00            |
| <b>69,74,70,964.07</b>   | <b>TOTAL</b>                                 | <b>62,38,92,113.07</b>  |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered Accountants

Sd/-  
Davendra Kumar Dhodawat  
Chairman

Sd/-  
K.Subairkhan  
Managing Director

Sd/-  
Sreelakumar.S.  
G.M. (F&A)

Sd/-  
Harish.K  
Secretary

Sd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

**SCHEDULE - D****DEVELOPMENT OF PROPERTY AS ON 31<sup>st</sup> MARCH 2011**

| Item                   | Opening Balance        |     | Additions             |     | Disposals      |     | Closing Balance        |     |
|------------------------|------------------------|-----|-----------------------|-----|----------------|-----|------------------------|-----|
|                        | Rs.                    | Ps. | Rs.                   | Ps. | Rs.            | Ps. | Rs.                    | Ps. |
| Rubber                 | 35,70,88,702.58        |     | 3,77,44,738.09        |     |                |     | 39,48,33,440.67        |     |
| Cashew Plantations     | 5,15,93,926.83         |     | 78,96,742.42          |     |                |     | 5,94,90,669.25         |     |
| Arecanut Plantations   | 10,70,367.18           |     | 85,106.00             |     |                |     | 11,55,473.18           |     |
| Oil Palm Plantation    | 3,21,43,207.66         |     |                       |     |                |     | 3,21,43,207.66         |     |
| Teak Plantations       | 7,54,364.50            |     |                       |     |                |     | 7,54,364.50            |     |
| Cocoa Plantation       | 12,797.00              |     |                       |     |                |     | 12,797.00              |     |
| Coconut Plantations    | 2,47,445.82            |     |                       |     |                |     | 2,47,445.82            |     |
| Survey                 | 2,29,734.53            |     |                       |     |                |     | 2,29,734.53            |     |
| Evicted Area Expenses  | 16,94,037.42           |     |                       |     |                |     | 16,94,037.42           |     |
| Eucaliptus & Accasia   | 6,11,243.64            |     |                       |     |                |     | 6,11,243.64            |     |
| Vanilla Plantations    | 5,22,819.00            |     |                       |     |                |     | 5,22,819.00            |     |
| Pathimugham Plantation |                        |     | 15,923.00             |     |                |     | 15,923.00              |     |
| <b>Total</b>           | <b>44,59,84,569.16</b> |     | <b>4,57,26,586.51</b> |     | <b>0.00</b>    |     | <b>49,17,11,155.67</b> |     |
| Previous Year          | 44,51,90,970.77        |     | 1,70,97,058.83        |     | 1,63,03,460.44 |     | 44,59,84,569.16        |     |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered AccountantsSd/-  
Davendra Kumar Dhodawat  
ChairmanSd/-  
K.Subairkhan  
Managing DirectorSd/-  
Sreelakumar.S.  
G.M. (F&A)Sd/-  
Harish.K  
SecretarySd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

**SCHEDULE - E**  
**PLANT & MACHINERY, ROADS, BUILDINGS ETC AS ON 31-03-2011**

| ITEM                           | ORIGINAL COST             |                    |                     | DEPRECIATION              |                    |                     | DISPOSALS            |                   |                     | BALANCE             |                             |                     |                               |                     |                            |     |                            |     |
|--------------------------------|---------------------------|--------------------|---------------------|---------------------------|--------------------|---------------------|----------------------|-------------------|---------------------|---------------------|-----------------------------|---------------------|-------------------------------|---------------------|----------------------------|-----|----------------------------|-----|
|                                | At the end of Previ. Year |                    | Total Cost          | At the end of Previ. Year |                    | For the Year        | Total Depre- ciation |                   | Original Cost       | Deprn. Written off  | Total Cost as on 31-03-2011 |                     | Total Deprn. as on 31-03-2011 |                     | Net Block as on 31-03-2011 |     | Net Block as on 31-03-2010 |     |
|                                | Rs.                       | Ps.                |                     | Rs.                       | Ps.                |                     | Rs.                  | Ps.               |                     |                     | Rs.                         | Ps.                 | Rs.                           | Ps.                 | Rs.                        | Ps. | Rs.                        | Ps. |
| 1.Furniture                    | 4066864.66                | 225960.00          | 4292824.66          | 3416048.08                | 170433.88          | 3586481.96          | 0.00                 | 0.00              | 4292824.66          | 3586481.96          | 706342.71                   | 650816.58           | 706342.71                     | 650816.58           |                            |     |                            |     |
| 2.Office equipments            | 4206872.65                | 42827.00           | 4249699.65          | 3553696.72                | 120260.92          | 3673957.64          | 0.00                 | 0.00              | 4249699.65          | 3673957.64          | 575742.04                   | 653175.93           | 575742.04                     | 653175.93           |                            |     |                            |     |
| 3.Electrical appliances        | 921274.79                 | 5809.00            | 927083.79           | 501281.42                 | 89807.68           | 591089.10           | 0.00                 | 0.00              | 927083.79           | 591089.10           | 335994.70                   | 419993.37           | 335994.70                     | 419993.37           |                            |     |                            |     |
| 4. Electrical Installation     | 7839742.69                | 0.00               | 7839742.69          | 6831482.67                | 140248.97          | 6971731.64          | 0.00                 | 0.00              | 7839742.69          | 6971731.64          | 868011.13                   | 1008280.02          | 868011.13                     | 1008280.02          |                            |     |                            |     |
| 5.Telephone                    | 450791.67                 | 7873.00            | 458664.67           | 316823.04                 | 26508.04           | 343331.08           | 0.00                 | 0.00              | 458664.67           | 343331.08           | 115334.33                   | 133968.63           | 115334.33                     | 133968.63           |                            |     |                            |     |
| 6.Survey instruments           | 10517.54                  | 0.00               | 10517.54            | 10432.35                  | 12.48              | 10446.83            | 0.00                 | 0.00              | 10517.54            | 10446.83            | 70.71                       | 83.19               | 70.71                         | 83.19               |                            |     |                            |     |
| 7.Library                      | 70903.36                  | 0.00               | 70903.36            | 62937.36                  | 796.60             | 63733.96            | 0.00                 | 0.00              | 70903.36            | 63733.96            | 7169.40                     | 7966.00             | 7169.40                       | 7966.00             |                            |     |                            |     |
| 8.Roads                        | 32814875.29               | 4001663.50         | 36816538.79         | 15748929.27               | 1053380.48         | 16802309.74         | 0.00                 | 0.00              | 36816538.79         | 16802309.74         | 20014229.02                 | 17065946.02         | 20014229.02                   | 17065946.02         |                            |     |                            |     |
| 9.Fence/Kayala                 | 16463785.95               | 7102141.26         | 23565927.21         | 8747258.92                | 1268226.37         | 10015485.29         | 0.00                 | 0.00              | 23565927.21         | 10015485.29         | 1355044.188                 | 7716527.03          | 1355044.188                   | 7716527.03          |                            |     |                            |     |
| 10.Electric Fittings           | 237960.03                 | 61946.00           | 299906.03           | 206572.64                 | 14469.06           | 221041.70           | 0.00                 | 0.00              | 299906.03           | 221041.70           | 78864.32                    | 31387.39            | 78864.32                      | 31387.39            |                            |     |                            |     |
| 11.Plant & machinery           | 56589259.49               | 3135658.00         | 59724917.49         | 29883990.91               | 6725062.79         | 36609053.71         | 0.00                 | 0.00              | 59724917.49         | 36609053.71         | 23115863.78                 | 32626108.08         | 23115863.78                   | 32626108.08         |                            |     |                            |     |
| 12. Buildings                  | 81649873.67               | 2334389.00         | 83984262.67         | 47528372.08               | 1807020.54         | 49335392.62         | 0.00                 | 0.00              | 83984262.67         | 49335392.62         | 34648870.04                 | 34121501.59         | 34648870.04                   | 34121501.59         |                            |     |                            |     |
| 13. Vehicles                   | 26565297.93               | 5633427.00         | 32198724.93         | 15303001.77               | 4076019.72         | 19379021.49         | 3112513.69           | 2861661.79        | 29086211.24         | 16517359.70         | 12568852.41                 | 11262296.99         | 12568852.41                   | 11262296.99         |                            |     |                            |     |
| 14. Water supply installations | 9077304.33                | 133295.00          | 9210599.33          | 8795916.96                | 100138.31          | 8896055.27          | 0.00                 | 0.00              | 9210599.33          | 8896055.27          | 314544.06                   | 281387.37           | 314544.06                     | 281387.37           |                            |     |                            |     |
| 15.Amonium cylinders           | 523639.00                 | 0.00               | 523639.00           | 523510.00                 | 51.60              | 523561.60           | 0.00                 | 0.00              | 523639.00           | 523561.60           | 77.40                       | 129.00              | 77.40                         | 129.00              |                            |     |                            |     |
| 16.Wells                       | 371407.95                 | 89842.00           | 461249.95           | 137117.20                 | 13453.94           | 150571.14           | 0.00                 | 0.00              | 461249.95           | 150571.14           | 310678.81                   | 234290.75           | 310678.81                     | 234290.75           |                            |     |                            |     |
| 17.Landing pad                 | 118844.25                 | 0.00               | 118844.25           | 82317.94                  | 1826.32            | 84144.26            | 0.00                 | 0.00              | 118844.25           | 84144.26            | 34700.00                    | 36526.32            | 34700.00                      | 36526.32            |                            |     |                            |     |
| 18.Jhankar boat                | 32650.00                  | 0.00               | 32650.00            | 6373.04                   | 2627.70            | 9000.74             | 0.00                 | 0.00              | 32650.00            | 9000.74             | 23649.26                    | 26276.96            | 23649.26                      | 26276.96            |                            |     |                            |     |
| 19.Freehold land               | 3148635.65                | 0.00               | 3148635.65          | 1.65                      | 0.00               | 1.65                | 0.00                 | 0.00              | 3148635.65          | 1.65                | 3148634                     | 3148634.00          | 3148634                       | 3148634.00          |                            |     |                            |     |
| 20.Computer                    | 3976396.20                | 38828.00           | 4364624.20          | 3099900.96                | 463157.24          | 3563058.20          | 0.00                 | 0.00              | 4364624.20          | 3563058.20          | 801565.92                   | 876495.24           | 801565.92                     | 876495.24           |                            |     |                            |     |
| <b>Total</b>                   | <b>249136897.10</b>       | <b>23163058.76</b> | <b>272299955.86</b> | <b>144755964.98</b>       | <b>16073502.64</b> | <b>160829469.63</b> | <b>3112513.69</b>    | <b>2861661.79</b> | <b>269187442.17</b> | <b>157967807.84</b> | <b>11219635.91</b>          | <b>110301770.45</b> | <b>157967807.84</b>           | <b>110301770.45</b> |                            |     |                            |     |
| Previous Year Total            | 231621561.84              | 25877706.27        | 257499268.11        | 134644312.75              | 12512089.50        | 147165007.56        | 2441531.51           | 2409042.58        | 255057736.60        | 144755964.98        | 110301770.45                | 96977249.09         | 144755964.98                  | 110301770.45        |                            |     |                            |     |

For and on behalf of Board of Directors

As per report of Even date

For KOSHY & MANI Chartered Accountants

Sd/-  
Davendra Kumar Dhodawat  
Chairman

Sd/-  
K.Subairkhan  
Managing Director

Sd/-  
Sreelakumar.S.  
G.M. (F&A)

Sd/-  
Harish.K  
Secretary

Sd/-  
C.A. Thomas Mani (Partner) M.No. 20015

## SCHEDULE - F

### INVESTMENTS AS ON 31-03-2011

| Previous Year<br>Rs. Ps. |                                                                                                              | Current Year<br>Rs. Ps.  |
|--------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------|
|                          | <b>A. Long Term Investments :</b>                                                                            |                          |
|                          | Shares of companies (unquoted)                                                                               |                          |
| 1,000.00                 | a) 10 Equity shares of Rs. 100/- each fully paid up in Banana & Fruit Development Corporation Ltd., Madras   | 1,000.00                 |
| 1,00,00,000.00           | c) 1000 Equity Shares of Rs. 10,000/- each fully paid up in Kerala Feeds Ltd., Kallettumkara, Trichur.       | 1,00,00,000.00           |
| 50,00,000.00             | d) 5,00,000 Equity shares of Rs. 10/- each fully paid up in Cochin International Airport Ltd., Nedumbassery. | 50,00,000.00             |
| 6,50,00,000.00           | e) Investment Deposit Scheme - Treasury                                                                      | 7,50,47,187.00           |
|                          | <b><u>B. Short Term Investments :</u></b>                                                                    |                          |
| 32,69,96,082.00          | a) Fixed Deposit with Banks                                                                                  | 62,48,26,924.00          |
| 52,51,17,800.00          | b) Fixed Deposit with Treasury                                                                               | 59,63,84,199.00          |
|                          |                                                                                                              | 1,22,12,11,123.00        |
| <b>93,21,14,882.00</b>   | <b>TOTAL</b>                                                                                                 | <b>1,31,12,59,310.00</b> |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered AccountantsSd/-  
Davendra Kumar Dhodawat  
ChairmanSd/-  
K.Subairkhan  
Managing DirectorSd/-  
Sreelakumar.S.  
G.M. (F&A)Sd/-  
Harish.K  
SecretarySd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

## SCHEDULE - G

### CURRENT ASSETS AS ON 31-03-2011

| Previous Year<br>Rs. Ps. |                                                       | Current Year<br>Rs. Ps. |
|--------------------------|-------------------------------------------------------|-------------------------|
|                          | <b>A. INTEREST ACCRUED ON INVESTMENTS</b>             |                         |
| 3,72,64,177.05           | Interest Receivable on Fixed Deposit                  | 4,44,69,385.78          |
|                          | <b>B. INVENTORIES</b>                                 |                         |
| 2,94,36,739.86           | 1. Stores and Spares at cost                          | 3,50,22,065.29          |
| 51,34,603.48             | 2. Loose Tools                                        | 57,28,748.89            |
| 7,09,133.08              | 3. Agricultural and Other Equipments                  | 7,43,675.88             |
| 5,11,94,486.00           | 4. Stock of Rubber & Rubber in Process                | 6,47,13,274.00          |
| 42,96,919.00             | 5. Stock of Rubber Wood                               | 32,38,462.00            |
| 2,54,722.00              | 6. Stock of Cashew Nuts                               | 9,74,050.00             |
| 7,29,093.00              | 7. Closing Stock - Others                             | 7,94,346.00             |
|                          | 8. <u>Nurseries :</u>                                 |                         |
| 14,29,469.37             | Budwood - Rubber                                      | 15,94,748.07            |
| 72,62,712.77             | Polybag - Rubber                                      | 50,58,914.11            |
| 69,94,325.54             | Seedlings - Rubber                                    | 38,63,942.32            |
| 2,91,604.00              | Oil Palm Nursery                                      | 2,91,604.00             |
| 21,68,433.08             | Cashew Nursery                                        | 12,95,768.06            |
| 27,423.28                | Other Nurseries                                       | 27,423.28               |
|                          |                                                       | 12,33,47,021.90         |
| 36,91,332.20             | <b>C. SUNDRY DEBTORS (Unsecured considered good):</b> |                         |
|                          | Exceeding six months                                  | 5,96,217.70             |
|                          | Others                                                | 86,37,215.50            |
|                          |                                                       | 92,33,433.20            |
|                          | <b>D. CASH &amp; BANK BALANCES:</b>                   |                         |
|                          | <b>Bank Balances:</b>                                 |                         |
| 2,50,17,779.92           | 1) With Scheduled Banks<br>in Current Accounts        | 1,30,62,161.71          |
| 11,105.00                | 2) With Treasury S.B. A/c.                            | 2,706.00                |
|                          |                                                       | 1,30,64,867.71          |
| <b>17,59,14,058.63</b>   | <b>TOTAL</b>                                          | <b>19,01,14,708.59</b>  |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered Accountants

Sd/-  
Davendra Kumar Dhodawat  
Chairman

Sd/-  
K.Subairkhan  
Managing Director

Sd/-  
Sreelakumar.S.  
G.M. (F&A)

Sd/-  
Harish.K  
Secretary

Sd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

## SCHEDULE - H

### LOANS & ADVANCES AS ON 31-03-2011

| Previous Year<br>Rs. Ps. |                                                                                    | Current Year<br>Rs. Ps. |
|--------------------------|------------------------------------------------------------------------------------|-------------------------|
|                          | <b>1. SECURED (Considered Good)</b>                                                |                         |
|                          | STAFF LOAN:                                                                        |                         |
| 54,700.00                | 1) Motor Car Loan                                                                  | 54,700.00               |
| 34,474.10                | 2) Motor Cycle Loan                                                                | 1,61,084.10             |
| 1,10,711.60              | 3) Housing Loan                                                                    | 75,378.60               |
|                          |                                                                                    | 2,91,162.70             |
|                          | <b>2. UNSECURED (Considered Good)</b>                                              |                         |
| 25,00,000.00             | 2. K.S.C.D.C.                                                                      | 25,00,000.00            |
| 1,50,00,000.00           | 3. K.S.H.D.C.                                                                      | 1,50,00,000.00          |
| 3,44,83,177.67           | b) Advances recoverable in cash or kind<br>for value to be received.               | 3,11,01,698.82          |
| 1,29,22,812.18           | c) Advance payment of taxes:                                                       |                         |
| 9,22,25,628.00           | 1. Sales tax                                                                       | 1,29,19,683.18          |
| 5,75,06,149.00           | 2. Agricultural Income tax                                                         | 23,02,82,658.00         |
|                          | 3. Central Income tax                                                              | 9,66,33,584.00          |
|                          | d) Prepaid expenses                                                                |                         |
| 66,94,668.00             | e) Tax refund due :                                                                |                         |
| 50,82,748.18             | 1. Income tax                                                                      | 1,06,96,188.00          |
| 6,80,190.29              | 2. Agricultural Income tax                                                         | 50,82,748.18            |
| 2,58,205.25              | 3. Plantation tax                                                                  | 6,45,330.29             |
|                          | f) Rebate receivable on Govt. Loan<br>( Inclusive of Guarantee Commn. Refund due ) | <u>2,58,205.25</u>      |
|                          |                                                                                    | 40,51,20,095.72         |
|                          | <b>3. DEPOSITS</b>                                                                 |                         |
| 32,13,650.00             | 1. KSEB, Port Trust & other Govt. Dept.                                            | 32,32,326.80            |
| 10,04,509.00             | 2. Other Deposits                                                                  | 10,44,309.00            |
| 2,90,880.00              | 3. With Court                                                                      | 9,32,714.00             |
| 55,387.25                | 4. With Suppliers                                                                  | 45,187.25               |
|                          |                                                                                    | 52,54,537.05            |
| <b>23,21,17,890.52</b>   | <b>TOTAL</b>                                                                       | <b>41,06,65,795.47</b>  |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered AccountantsSd/-  
Davendra Kumar Dhodawat  
ChairmanSd/-  
K.Subairkhan  
Managing DirectorSd/-  
Sreelakumar.S.  
G.M. (F&A)Sd/-  
Harish.K  
SecretarySd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

## SCHEDULE - I

### REPAIRS & MAINTENANCE OF ASSETS AS ON 31.03.2011

| Previous Year<br>Rs. Ps. |                                      | Current Year<br>Rs. Ps. |
|--------------------------|--------------------------------------|-------------------------|
| 89,77,643.19             | Repairs to Vehicles                  | 1,10,29,182.71          |
| 52,29,574.66             | Repairs to Buildings                 | 19,32,273.00            |
| 41,58,864.80             | Repairs to Plant & Machinery         | 61,86,611.35            |
| 9,88,928.57              | Repairs to Roads                     | 31,79,038.19            |
| 16,41,989.48             | Repairs to Electrification           | 31,16,477.90            |
| 16,26,053.50             | Repairs to Water Supply Installation | 11,20,657.96            |
| 97,208.80                | Repairs to Office Equipments         | 1,41,523.00             |
| 18,80,377.50             | Repairs to Fence / Kayyala           | 12,87,856.00            |
| 8,68,900.67              | Repairs to Tools                     | 9,44,334.52             |
| 0.00                     | Repairs to Jhankar & Boat            | 900.00                  |
| 2,09,259.00              | Repairs to Computer                  | 1,99,550.00             |
| 39,940.50                | Repairs to Furniture                 | 35,682.00               |
| 1,08,015.00              | Repairs to Temporary Shed            | 49,646.00               |
| 95,180.58                | Repairs & Maint. To Assets           | 1,39,285.00             |
| <b>2,59,21,936.25</b>    | <b>TOTAL</b>                         | <b>2,93,63,017.63</b>   |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered Accountants

Sd/-  
Davendra Kumar Dhodawat  
Chairman

Sd/-  
K.Subairkhan  
Managing Director

Sd/-  
Sreelakumar.S.  
G.M. (F&A)

Sd/-  
Harish.K  
Secretary

Sd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

## SCHEDULE - II

### MISCELLANEOUS EXPENSES AS ON 31.03.2011

| Previous Year<br>Rs. Ps. |                                       | Current Year<br>Rs. Ps. |
|--------------------------|---------------------------------------|-------------------------|
| 9,55,649.99              | Postage, Telephone & Telegram         | 11,23,483.31            |
| 10,37,396.70             | Printing & Stationery                 | 8,27,239.80             |
| 14,79,599.67             | Office Expenses & Others              | 28,35,292.13            |
| 1,40,230.00              | Storage Expenses                      | 2,10,140.00             |
| 1,57,317.00              | Survey Expenses                       | 80,574.00               |
| 68,051.50                | Books & Periodicals                   | 89,697.00               |
| 5,77,490.69              | I B Expenses                          | 6,38,030.03             |
| 2,22,008.00              | Meeting Expenses                      | 4,16,834.00             |
| 61,023.00                | Staff Training Expenses               | 33,558.00               |
| 2,37,910.00              | Ferry Expenses                        | 2,12,756.00             |
| 0.00                     | Donations                             | 5,19,250.00             |
| 16,258.60                | Gardening                             | 13,789.00               |
| 1,44,002.97              | Losses & Write Off                    | 0.00                    |
| 0.00                     | Loss on Sale of Unserviceable Barrels | 5,21,848.00             |
| <b>50,96,938.12</b>      | <b>TOTAL</b>                          | <b>75,22,491.27</b>     |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered Accountants

Sd/-  
Davendra Kumar Dhodawat  
Chairman

Sd/-  
K.Subairkhan  
Managing Director

Sd/-  
Sreelakumar.S.  
G.M. (F&A)

Sd/-  
Harish.K  
Secretary

Sd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

**SCHEDULE - III**

**WELFARE EXPENSES AS ON 31.03.2011**

| Previous Year<br>Rs. Ps. |  |                             | Current Year<br>Rs. Ps. |  |
|--------------------------|--|-----------------------------|-------------------------|--|
| 35,35,593.75             |  | Sickness Benefit            | 36,01,685.20            |  |
| 1,93,955.00              |  | Maternity Benefit           | 3,54,326.00             |  |
| 48,77,460.86             |  | Leave with wages            | 48,62,305.66            |  |
| 55,45,284.29             |  | Holiday Wages               | 64,49,450.08            |  |
| 2,37,265.06              |  | Weather Protection Expenses | 2,21,020.35             |  |
| 16,55,528.23             |  | Drinking Water Supply       | 18,44,202.00            |  |
| 8,06,134.74              |  | Sanitation                  | 7,56,042.12             |  |
| 81,569.00                |  | Recreation Facility         | 57,706.00               |  |
| 73,10,372.80             |  | Medical & Hospital Facility | 76,99,276.74            |  |
| 39,825.00                |  | Way Expenses - Workers      | 24,595.00               |  |
| 2,29,183.00              |  | Running & Maint. of School  | 2,10,849.00             |  |
| 27,624.00                |  | Creche Expenses             | 41,824.00               |  |
| 1,06,532.00              |  | Workmen's Compensation      | 93,867.00               |  |
| 40,790.00                |  | Group Insurance             | 1,86,811.00             |  |
| 2,94,049.90              |  | Uniform to Staff & Workers  | 17,92,467.14            |  |
| 97,548.00                |  | Subsistence Allowance       | 72,181.00               |  |
| 41,559.00                |  | Labour Welfare Fund         | 39,995.00               |  |
| 8,27,305.00              |  | D L I                       | 7,92,804.00             |  |
| 10,585.00                |  | Funeral Expenses            | 22,295.00               |  |
| 18,20,932.00             |  | Awards & Incentives         | 59,09,403.00            |  |
| <b>2,77,79,096.63</b>    |  | <b>TOTAL</b>                | <b>3,50,33,105.29</b>   |  |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered Accountants

Sd/-  
Davendra Kumar Dhodawat  
Chairman

Sd/-  
K.Subairkhan  
Managing Director

Sd/-  
Sreelakumar.S.  
G.M. (F&A)

Sd/-  
Harish.K  
Secretary

Sd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015

## **SCHEDULE- J**

### **SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011**

#### **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 comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956, to the extend applicable.

#### **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. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### **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 and are accounted 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 of change in tax on Deferred Tax Assets and Liabilities 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 prior period adjustments (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 share outstanding during the year.

#### **6. 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% ,Fence & Kayyala at 10% and Water Supply Installation at 30% consistently. There is no impairable loss to the depreciable assets. Loose Tools, Electronic Equipments, Lab Equipments, Manager's Bungalow equipments, I.B. Equipments etc were revalued at 10% below its book value and charged to repairs and Maintenance.

#### **7. Sales:**

Sales are accounted at the time of preparation of invoices in the case of all products except Cashew. 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.

#### **8. Inventories:**

- a) Closing stock of finished goods and work-in-progress are valued at lower of costs or net realizable value 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 equipment 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.

#### **9. 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.

**10. Developments expenditure:**

Expenditure incurred for the development of plantation is capitalized and is shown in the Balance Sheet as Fixed Assets – Development of Property. 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.

**11. 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.

**12. Investments:**

Investments include Long Term and Short Term investments and are stated at cost. Dividends are from Long Term Investments in shares of companies. The Company has made an investment of Rs. 11.5 Crores in Investment Deposit Scheme 1993 of State Government up to the Financial Year 2010-11. (Up to last year Rs 6.5 Crores). Also withdrawn Rs 4 Crores from the said fund for the current financial year 2010 – 11. For the investment we are getting interest @ 10% per annum.

**13. Employee Benefits:****(a) Short term Employee Benefits:**

Employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits and are recognized in the period in which the employee renders the related service.

**(b) Post employment benefits (defined benefit Plans)**

The employees' gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined as on 31.03.2011, the balance sheet date, based on an independent actuarial valuation by Life Insurance Corporation of India.

**(c) Post employment benefit (defined contribution plan)**

Contribution to the provident fund which is a defined contribution scheme is recognized in the Profit and Loss account in the period in which the contribution is made.

**(d) Long Term Employee Benefits**

Long Term employee benefit comprises of compensated absences and other employee incentives. These are measured on actuarial valuation carried out by an independent actuary LIC of India, as on the balance sheet date. Actual liability is recognized in the Profit and Loss account.

**14. Contingent Liabilities:**

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

**15. Income Taxes:**

**(a) Agricultural Income:**

For the current year also the company has provided for Agricultural Income Tax.

**(b) Income Tax:**

Income Tax comprises of current tax (ie. amount of tax for the period determined in accordance with the Income tax law) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax liability/asset with respect to fixed assets are not recognized as there are no separate records for machinery used for earning central income compared to written down value as stated in the fixed assets and depreciation statement prepared for Income tax purpose. As regards deferred tax asset with respect to gratuity and leave encashment provided in the accounts, the same has not been recognized in the absence of reasonable certainty of realization of such assets on prudent basis.

## SCHEDULE- K

### NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR

**ENDED 31<sup>ST</sup> MARCH 2011**

#### **1. RESERVES AND SURPLUS**

The Reserves and Surplus includes Capital Reserve, Replanting Reserve and Rehabilitation Reserve and General Reserve. The balance in Capital Reserve account is Rs.11,97,89,050.90/- (Previous year Rs. 11,97,89,050.90). For the current year an amount of Rs 5,27,33,038/- is transferred to general reserve and an amount of Rs.98,00,000/- is transferred to Replanting Reserve.

#### **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 31.03.2011 is Rs. 2,68,34,190/- (Previous year Rs. 2,43,70,190/-). The Corporation has received Rs. 1,29,84,491.50 as Rubber Board subsidy up to 31.03.2011 (Previous year Rs.1,29,84,491.50/-) 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 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. 3840/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. The matter was again taken up before the Board of Directors and the board decided to stick on the earlier decision on 30/10/1999 and the decision of the Board was informed to the Government and pending at high power committee.

##### **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.37,445.35 (Previous year Rs. 53,656.35) payable to the Labour Welfare Fund of the State Government includes 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.1, 22,579/- (Previous year Rs. 1, 45,149.00/-) due to Small Scale Industrial Undertakings during the current year. The Company has not received any intimation from its creditors regarding the status under the Micro, Small & Medium Enterprises Development Act 2006; hence disclosure, if any, required under the said act has not been made.

#### **6. PROVISIONS**

1.The Corporation has set up a fund called Employees Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation of India, Pension & Group Scheme Department for providing gratuity benefits to the employees of the Corporation. A trust is formed to manage all the transactions related to the Gratuity Fund invested in LIC's Group Gratuity Scheme. The Trust has separate books of accounts and the accounts are audited by independent auditors. The Group Gratuity liability has been provided as per the actuarial valuation given by LIC, Pension & Group Scheme. As per the valuation the present value of past service benefit as on 31.03.2011 is Rs. 31,64,45,094 /- and the fund value as on 31.03.2011 is Rs. 21,17,51,047/- and the net liability is Rs. 10,46,94,047-. The excess provision in previous year is released .For the current year we have remitted Rs 8 Crores in LIC Gratuity Fund Also paid Rs 5 lakh as premium for the current year. The PL encashment liability is also provided as per the valuation of LIC, Pension & Group Scheme Department.

2. a) Provision for bonus is made at 26% of eligible earnings.

b) The assessment order of Central Income tax was received up to the Assessment Year 2010-11 and the assessment order of Agricultural Income Tax was received up to Assessment Year 2008-09. Since most of the assessments are under appeal no additional provision has been made in this

regard. For the current year Rs 15 Crores is provided for Agricultural Income Tax and Rs 9 Crores is provided for Central Income Tax.

## 7. EARNING PER SHARE

Earning per Share is calculated as; Net profit after provision for taxation and prior period adjustments / No. of shares.

## 8. FIXED ASSETS

a) The total area of land handed over to the company by the Government of Kerala as on 31- 03- 2011 is 14,135.27 hectares (Previous year total area 14,135.27 Ha.). Certain areas have been subjected to survey. Particulars are given below:

| Details             | Mature Area (Ha) | Immature Area (Ha) |
|---------------------|------------------|--------------------|
| Rubber Plantation   | 5,635.85         | 871.53             |
| Cashew Plantation   | 5,110.33         | 852.37             |
| Oil Palm Plantation | 704.73           | 0.00               |
| <b>Total</b>        | <b>11,450.91</b> | <b>1,723.90</b>    |

|                                |                            |
|--------------------------------|----------------------------|
| Area under Cultivation         | 13,174.81 Ha               |
| Other Crops                    | 61.90 Ha                   |
| Replanting & Slaughter Tapping | 498.30 Ha                  |
| Vacant and Rocky               | <u>400.26 Ha</u>           |
| <b>Gross Total</b>             | <b><u>14,135.27 Ha</u></b> |

b) 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/-per hectare is made in the accounts for the year 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 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.

Government have vide order No G.O.(MS)NO.19/2009/ID dated 07-02-09, directed the corporation to hand over 2000 acres of land from Cheemeni Estate for its proposed Thermal Power Project.

Further the Govt. vide its letter No. 25376/PUI/08/AD dated. 05-01-2009 directed to handover 100 acres of land from Cheemeni Estate for its proposed IT Park.

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. 682.48 Lakhs of which assets worth Rs.590.58 Lakhs are constructed on lease hold lands.

e) Previous Year's classification error in Fixed Assets – Plant & Machinery, Roads, Buildings etc and Capital Work in Progress has been corrected in current year opening balances.

#### 9. SUNDRY DEBTORS:

Sundry Debtors include Rs.57,93,209.11 (Previous year Rs.7,70,176.48)from companies owned by the Government of Kerala and Government of India details of which are as under:

|                                     |   |     |              |
|-------------------------------------|---|-----|--------------|
| Oil Palm India Ltd, Kottayam        | : | Rs. | 51,97,591.41 |
| Trivandrum Rubber Works Ltd.        | : | Rs. | 1,53,236.47  |
| Hindustan Latex Limited, Belgaum    | : | Rs. | 78,663.40    |
| Hindustan Latex Limited, Trivandrum | : | Rs. | 17,446.54    |

|                                                  |   |            |                     |
|--------------------------------------------------|---|------------|---------------------|
| Secretary, Rubber Board                          | : | Rs.        | 5,100.00            |
| State Farming Corporation of Kerala Ltd, Punalur | : | Rs.        | 5,21,527.70         |
| Handicraft Development Corporation               | : | Rs         | 74,090.00           |
| <b>Total</b>                                     | : | <b>Rs.</b> | <b>57,93,209.11</b> |
|                                                  |   |            | =====               |

Regarding the other sundry debtors follow up action is being taken for realization.

## 10. 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

## 11. DEPOSITS WITH GOVERNMENT DEPARTMENTS:

These comprise balances with:

| Details                                   | Current Year (Rs.)  | Previous Year (Rs.) |
|-------------------------------------------|---------------------|---------------------|
| BSNL                                      | 500.00              | 500.00              |
| Cochin Port Trust                         | 3600.00             | 3600.00             |
| Water Authority                           | 18,370.00           | 18,370.00           |
| Civil Supplies Corporation                | 10,000.00           | 10,000.00           |
| Post & Telegraph Department               | 41,317.00           | 41,317.00           |
| Kerala State Electricity Board and Others | 31,58,539.80        | 31,39,863.00        |
| <b>Total</b>                              | <b>32,32,326.80</b> | <b>32,13,650.00</b> |

## 12. 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 10-09-2007, necessary adjustments and payments have been made during the current year. On the basis of the same the Net refundable Plantation Tax is Rs.6, 45,330.29. (Previous year tax refundable was Rs. 6,80,190.29)

## 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. 2,97,94,209/- has been raised against the Company in respect of KGST assessment and Rs. 68,69,645 has been raised in respect of CST assessment for 1998-99 to 2003-04. For the Financial Year 2009-10 Rs 4 Crores has been provided for the same. For the current year 2010-11 Rs 8,99,143/- was paid against demand and the balance provision as on 31.03.2011 is Rs 3,91,00,857/-. Regarding other demands follow up action has been taken.

## 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 was made at Rs. 475/- per Ha. till 1998-99. Payment of Rs. 475/- per Ha 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 relevant provisions of the lease deed. Since the rate of lease rent remaining to be settled is appealable, the question of penal interest does not arise at present. As such this has not been provided since the final decision has not been taken 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 availed 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 final decision is pending with the Government. As per G.O. (MS) No. 128/U8/AD dated 07/ 08/ 2008 the Government has directed to remit Rs 7 Crores as lease rent and the Corporation has remitted Rs 5 Crore in the Financial Year 2009-10 and the balance 2 Crores during the year 2010-11.

**15. RELATED PARTY DISCLOSURE (AS -18)****Remuneration to Key Managerial Personnel**

Related Party : Managing Director.

|                       | Current Year (Rs.)        | Previous Year (Rs.)     |
|-----------------------|---------------------------|-------------------------|
| Name of Related Party | Sri K. Subair Khan        | Sri Babu Thomas         |
| Period of Service     | December 2010- March 2011 | April 2009– August 2010 |
| Rendering of Services | 1,76,439.00               | 6,21,922.80             |
| <b>Total</b>          | <b>1,76,439.00</b>        | <b>6,21,922.80</b>      |

**16. MANAGERIAL REMUNERATION**

|                               | Current Year (Rs.) | Previous Year (Rs.) |
|-------------------------------|--------------------|---------------------|
| TA & Sitting fee to Directors | 5,38,203.00        | 3,95,120.00         |
| Honorarium to Chairman        | 1,20,000.00        | 1,20,000.00         |

**17. AUDITOR'S REMUNERATION**

|                                | Current Year (Rs.) | Previous Year (Rs.) |
|--------------------------------|--------------------|---------------------|
| Statutory Auditor's fee        | 1,10,300.00        | 99,270.00           |
| Expenses to Statutory Auditors | 11,030.00          | 11,030.00           |
| Internal Auditor's Fee         | 3,19,870.00        | 3,03,325.00         |
| Tax Audit fee                  | 44,120.00          | 44,120.00           |
| <b>Total</b>                   | <b>4,85,320.00</b> | <b>4,57,745.00</b>  |

**18. MANUFACTURING EXPENSES**

This include cost of packing drums worth Rs.1,13,86,690.00

**19. SALES**

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

| Item                                                | Current Year   |                   | Previous Year |                   |
|-----------------------------------------------------|----------------|-------------------|---------------|-------------------|
|                                                     | Quantity       | Value (Rs. Lakhs) | Quantity      | Value (Rs. Lakhs) |
| Sale of goods (As classified in the sales register) |                |                   |               |                   |
| Rubber                                              | 5625.52 (MTs.) | 1,06,41.26        | 6654.28(MTs.) | 7589.43           |
| Cashew                                              | NA             | 297.25            | NA            | 344.06            |
| Oil palm                                            | 5399.00(MTs.)  | 2,55.51           | 4230.88(MTs.) | 153.01            |
| Treated Rubber Wood                                 | 13916.96 CFt.  | 65.22             | 7028.60 CFt.  | 31.68             |

Quantitative particulars of cashew are not available as most of the sales affected through 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.

## **20. DEPRECIATION**

Depreciation was charged on Plant and Machinery from the date on which asset was put to use and in case of other assets from the date of purchase or on completion of construction.

The factories are operated in single, double and triple shift basis. So for the current year the extra shift depreciation on plant and machinery has been provided in proportion with the number of days for which the concern worked double shift or triple shift bears to the number of working days during the year

## **21. SEGMENT REPORTING**

The primary business activity of the Company is to produce sell and deal in products of rubber and other agricultural crops of every description. The Company has two other business interests which are not directly related to the production and sale of agricultural crops viz. Plantation Valley (a resort) and Rubber Wood Factory (processing of rubber wood). The businesses are the basis on which the company reports its segment information.

The agriculture segment deals in production and sale of agricultural crops. Plantation Valley is a resort which provides accommodation and restaurant facilities to guests. Rubber Wood Factory deals with processing and sale of rubber woods. Each segment maintains separate books of accounts. Segment accounting policies are in line with the accounting policies of the company. Financial information about business segments is presented in the table below.

| Particulars                      | Agriculture Business |           | Plantation Valley |          | Rubber Wood Factory |          | Total     |           |
|----------------------------------|----------------------|-----------|-------------------|----------|---------------------|----------|-----------|-----------|
|                                  | Prev.Yr.             | Curr.Yr.  | Prev.Yr.          | Curr.Yr. | Prev.Yr.            | Curr.Yr. | Prev.Yr.  | Curr.Yr.  |
| Segment Revenue                  | 10,126.44            | 13,159.59 | 39.39             | 37.68    | 92.12               | 80.83    | 10,257.95 | 13,278.10 |
| Segment Results                  | 4,742.72             | 8,064.58  | 7.18              | 7.78     | 1.58                | 15.37    | 4,751.48  | 8,087.73  |
| Dividend & Interest Income       | 0.00                 | 0.00      | 0.00              | 0.00     | 0.00                | 0.00     | 633.03    | 836.22    |
| Unallocated H.O Expenses         | 0.00                 | 0.00      | 0.00              | 0.00     | 0.00                | 0.00     | -2,018.37 | -1,307.87 |
| Net Profit / (Loss)              | 0.00                 | 0.00      | 0.00              | 0.00     | 0.00                | 0.00     | 3,366.14  | 7,616.09  |
| <b><u>Other Informations</u></b> |                      |           |                   |          |                     |          |           |           |
| Fixed Assets                     | 5,356.72             | 5,890.82  | 139.33            | 130.97   | 7.60                | 7.52     | 5,503.66  | 6,029.31  |
| Depreciation                     | 114.20               | 150.94    | 9.40              | 8.65     | 1.53                | 1.15     | 125.12    | 160.74    |
| Other Assets                     | 13,758.84            | 19,603.53 | 0.00              | 2.88     | 0.16                | 6.33     | 13,759.00 | 19,612.74 |
| Liabilities                      | 10,224.55            | 9,016.92  | 0.73              | 1.32     | 3.18                | 3.81     | 10,228.46 | 9,022.04  |
| Write Off                        | 1.44                 | 5.22      | 0.00              | 0.00     | 0.00                | 0.00     | 1.44      | 5.22      |

For the current year separate Profit & Loss A/c for Rubber Wood Factory and Plantation Valley (which was given up to the previous year) is not presented as we have complied with AS 17 (Segment Reporting).

## 22. RUBBER WOOD FACTORY - CLOSING STOCK

For the Previous Year the closing stock of Rubber Wood Factory was valued considering the inter unit transfer price fixed by the management. For the Current Year closing stock is valued at cost or net realizable value whichever is less. As per qualification of statutory auditors for the financial year 2009- 10 the closing stock of Rubber Wood Factory as on 31.03.2010 is corrected in the current year and difference of Rs. 17,75,331/-was transferred to prior period expenses.

## 23. NEW FACTORY

The company has engaged in the construction of new Cenex Factory at Kodumon. The construction started on 19.08.2007 and the expenses were accounted under the head Capital Work -in- Progress.

## 24. DEVELOPMENT OF PROPERTY

There is an initial investment of Rs.10,94,524.20 in Rajapuram estate for rubber plantation in 100 hectares which is pending for completions due to technical reasons to be cleared from forest department.

## 25. CONTINGENT LIABILITIES

a) Estimated amount of contractors for which the Company is contingently liable on Capital Account is Rs.74,47,333/- (Previous year: Rs. 2,43,00,000/-)

- b) 150 cases (Previous year 108 cases) are pending 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 14

**26. ADDITIONAL INFORMATION AS PER CLAUSE 4D OF PART II SCHEDULE VI OF THE COMPANIES' ACT**

| Particulars                                                              | Current Year     |             | Previous Year     |             |
|--------------------------------------------------------------------------|------------------|-------------|-------------------|-------------|
|                                                                          | Value (Rs.lakhs) | Consumption | Value (Rs. lakhs) | Consumption |
| a) CIF value of import during the year                                   | Nil              |             | Nil               |             |
| b) Expenditure in Foreign Currency                                       | Nil              |             | Nil               |             |
| c) Value of raw materials, stores, spares and components during the year | Value (Rs.lakhs) | Consumption | Value (Rs. lakhs) | Consumption |
| i). Imported value                                                       | Nil              | Nil         | Nil               | Nil         |
| ii). Indigenous (Stores & spares)                                        | 592.29           | 100%        | 516.73            | 100%        |
| d) Particulars of dividend remitted in foreign exchange.                 | Nil              |             | Nil               |             |
| e) Earnings in Foreign Exchange                                          | Nil              |             | Nil               |             |

27. Total wages paid during the year to tappers, field worker and factory workers are Rs.1462.39 lakhs (Previous year: Rs. 1122.14 lakhs)

**28. PRIOR PERIOD ADJUSTMENTS**

| Particulars                                            | Debit               | Credit                 |
|--------------------------------------------------------|---------------------|------------------------|
| Correction in valuation of stock – Rubber Wood Factory | 17,75,331.00        | —                      |
| Omission of previous years expenses now accounted-     |                     |                        |
| Head Office - Agency Commission; Ambattu Rubbers       | 14,483.00           | —                      |
| -Plantation Tax                                        | 17,430.00           | —                      |
| Chandanappally Estate – Building Tax                   | 55,952.00           | —                      |
| Mannarghat Estate – Profession Tax Employees           | 11,250.00           | —                      |
| T S R factory – Contribution to Provident Fund.        | 26,898.00           | —                      |
| Excess Gratuity Provision released                     | —                   | 23,39,23,237.00        |
| <b>Total</b>                                           | <b>19,01,344.00</b> | <b>23,39,23,237.00</b> |

## 29. DEFERRED TAX ASSETS AND LIABILITIES

Even though the company has achieved a net profit of Rs. 76.16 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 as the assessment for AIT from 1976-77 are not yet completed. Depreciation as per IT Act has been taken only for Rubber Estates and Factories as only the Cenex Profit comes under the purview of Income Tax.

## 30. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

As per the Government directions and the decision of Board of Directors, Rs 5 Crores was donated to the Chief Minister's D.R.F. on 7<sup>th</sup> May 2011.

31. 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/-          |
| <b>Total</b>                       | <b>1,12,00,000/-</b> |

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) 5099 / 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 into Government.

### **32. AWARD OF SLAUGHTER TAPPING CONTRACTS**

The income received from Slaughter tapping contract is accounted on accrual basis of accounting, and previous year provisions were reversed now.

### **33. DISPOSAL OF PLANTATION**

Expenditure incurred for the development of plantation is capitalized and is shown in the Balance Sheet as Fixed Assets. 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.

### **34. Dividend**

Rs.27,84,400/- is provided for proposed dividend for the financial year 2010-11 and dividend distribution tax @ 16.22% is also provided .

**35.** Previous year's figures have been re-grouped/recasted, reworked, rearranged and reclassified wherever necessary to make them comparable with current year figures.

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

**1. Registration Details**

Registration No. : 01997 State Code : 09  
Balance Sheet Date : 31.03.2011

**2. Capital Raised during the year (Amount in Rs. Thousands)**

| <u>Public Issue</u> | <u>Rights Issue</u> | <u>Bonus Issue</u> | <u>Private Placement</u> |
|---------------------|---------------------|--------------------|--------------------------|
| Nil                 | Nil                 | Nil                | Nil                      |

**3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

|                          |                     |
|--------------------------|---------------------|
| <u>Total Liabilities</u> | <u>Total Assets</u> |
| 25,64,204                | 25,64,204           |

**Sources of Funds**

|                        |                               |
|------------------------|-------------------------------|
| <u>Paid up Capital</u> | <u>Reserves &amp; Surplus</u> |
| 55,688                 | 16,06,312                     |
| <u>Secured Loans</u>   | <u>Unsecured Loans</u>        |
| Nil                    | 4,821                         |

**Application of Funds**

|                           |                          |
|---------------------------|--------------------------|
| <u>Net Fixed Assets</u>   | <u>Investments</u>       |
| 6,52,165                  | 13,11,259                |
| <u>Net Current Assets</u> | <u>Misc. expenditure</u> |
| (2,96,603)                | Nil                      |

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

|                               |                                                               |
|-------------------------------|---------------------------------------------------------------|
| <u>Turnover</u>               | <u>Total Expenditure</u>                                      |
| 13,41,712                     | 5,95,124                                                      |
| <u>Profit/Loss before tax</u> | <u>Profit/Loss after tax and Prior<br/>period adjustments</u> |
| 7,61,609                      | 7,59,353                                                      |
| <u>Dividend (Percentage.)</u> | <u>Earning Per Share</u>                                      |
| 5%                            | 13,636                                                        |

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

|                                |                                                            |
|--------------------------------|------------------------------------------------------------|
| 1. Item Code No.<br>(ITC Code) | 400110.00                                                  |
| Product Description            | Centrifuged Latex<br>(Natural Rubber latex pre vulcanized) |
| 2. Item Code No.<br>(ITC Code) | 40012200                                                   |
| Production Description         | Technically specified natural rubber<br>(TSNR)             |
| 3. Item Code No.<br>(ITC Code) | 080131.00                                                  |
| Production Description         | Cashew nuts in shell<br>(Cashew plantation crop)           |

For and on behalf of Board of Directors

As per report of Even date  
For KOSHY & MANI  
Chartered AccountantsSd/-  
Davendra Kumar Dhodawat  
ChairmanSd/-  
K.Subairkhan  
Managing DirectorSd/-  
Sreelakumar.S.  
G.M. (F&A)Sd/-  
Harish.K  
SecretarySd/-  
C.A. Thomas Mani (Partner)  
M.No. 20015Kottayam  
4-08-2011



प्रधान महालेखाकार (सिविल और वाणिज्यिक लेखापरीक्षा) का कार्यालय, केरल,  
तिरुवनन्तपुरम

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (Civil & Commercial Audit)  
KERALA, THIRUVANANTHAPURAM

31 मार्च 2011 को समाप्त वर्ष के लिए दि प्लान्टेशन कॉरपोरेशन ऑफ केरला लिमिटेड  
कोट्टयम के लेखाओं पर कम्पनी अधिनियम 1956 की धारा 619(4) के अधीन  
भारत के नियंत्रक महालेखापरीक्षक की टिप्पणियाँ

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER  
SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE  
PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM FOR THE YEAR  
ENDED 31 MARCH 2011.

The preparation of financial statements of **The Plantation Corporation of Kerala Limited, Kottayam** for the year ended **31 March 2011** 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 04 August 2011.

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 2011**. 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 Auditors' report under section 619 (4) of the Companies Act, 1956.

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

जी.एन. सुंदर राजा

G.N. SUNDER RAJA

तिरुवनन्तपुरम

Thiruvananthapuram

Dated: 26.09.2011.

प्रधान महालेखाकार (नागर और वाणिज्य लेखा परीक्षा) केरल  
PRINCIPAL ACCOUNTANT GENERAL (C & CA), KERALA



## GOVERNMENT OF KERALA

No. 63991/PU-B1/2011/Fin

Finance (PU-B) Department

**COMMENTS OF PRINCIPAL SECRETARY (FINANCE) ON THE ANNUAL  
AUDITED ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA  
LIMITED FOR THE YEAR ENDED ON 31.03.2011**

- (i) During the year under audit net profit of the Corporation Rs.76.16 crore. With this the cumulative profit has come to Rs.120.84 crore
- (ii) Though the loans amounting Rs.150 lakh to Kerala Horticultural Products Development Corporation Ltd and Rs. 25 lakh to Kerala State Coconut Development Corporation been outstanding for a long period, no provision in this regard has been made in the accounts. Effective steps should be taken to realize the principal and interest of the loan amounts.
- (iii) Balances under current liabilities, sundry debtors and loans & advances should be confirmed and duly reconciled.
- (iv) The Corporation should have charged depreciation under other heads on account of the development of property for various cultivations in accordance with Accounting Standard 6.
- (v) Due to the non-recognition of the impairment of property for vanilla cultivation and rubber plantation in Rajapuram Estate, the profit of the Corporation has been overstated to the extent of Rs.16.18 lakh. The impairment due to natural calamities was not quantified and recognized in Profit & Loss Account

- (vi) The Corporation should have deducted the subsidy amounts received as Government grants from the gross value of the accounts of the Corporation. Alternatively, it could have been credited in the Profit & Loss Account in compliance with the Accounting Standard 12
- (vii) The Corporation should take steps to obtain the title deeds of both the free hold land and lease hold land in favour of the Corporation
- (viii) The procedure of physical verification of inventories should be strengthened adequately in accordance with the size and business of the Corporation.
- (ix) The Corporation should take effective steps to settle 46 pending cases of disputed dues for an aggregate amount of Rs.3402.32 lakh in consultation with the respective authorities.

*Anjuby*  
*12/9/11*

**PRINCIPAL SECRETARY (FINANCE).**

Thiruvananthapuram  
Dated:12/09/2011.

**REPLY TO THE COMMENTS OF PRINCIPAL SECRETARY (FINANCE) ON THE  
AUDITED ANNUAL ACCOUNTS OF THE PLANTATION CORPORATION OF  
KERALA LTD. FOR THE YEAR ENDED ON 31ST MARCH 2011.**

- i) During the year 2010-11 net profit of the Corporation was Rs.76.16 Crores and cumulative has come up to Rs. 120.84 Crores.
- ii) The loan amounting to Rs. 150 Lakhs and Rs. 25 Lakhs are given to Kerala State Horticultural Products Development Corporation Ltd. and Kerala State Coconut Development Corporation Ltd. as per Government order GO (Rt) No 1546/96/AD dated 1/11/1996 and GO (Rt) No 1828/97/AD dated 1/11/1997 and the same are fully Government owned Public Sector Undertakings. As the payment of principal amount and interest are not regular, it may be noted that the matter was again placed before the Government as the loan has been paid as per Government direction and the details for the same is shown in Note No. 3 of Schedule K .
- iii) Regarding the balance of each item under Current Liabilities-Schedule B, Sundry Debtors - Schedule G, Loans and Advances-Schedule H separate action is being taken for detailed verification of each customers account and also relevant provision has been made for doubtful debts in case of State Public sector Undertakings.
- iv) The treatment of development expenditure for Plantation followed by the Corporation is shown in Note No. 10 of Schedule J as significant accounting policies followed by the Corporation as on 31.03.11. This practice has been consistently followed and for the amortization of development of Plantation assets the Company has provided Rs 98 Lakhs towards replanting reserve.
- v) As per Note No.10 of the schedule J, the policy of the company in treatment of development of Plantations is clearly disclosed. The policy is that 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. Here there is no such disposal of plantation, in the case of vanilla cultivation and rubber plantation in Rajapuram estate. Regarding Rs.10.95 Lakhs in Rubber Plantation in Rajapuram Estate, it is clearly disclosed in Note No.24 of Note forming part of Balance Sheet that there is an initial investment of Rs.10,94,524.20/- in Rajapuram estate for rubber plantation in 100 hectares which is pending for completions due to technical reasons to be cleared from forest department. Regarding Vanilla Cultivation it is legally disputed in different Courts including Hon'ble High Court of Kerala, therefore the written off of both these plantations has not been done during this year.

- vi) The treatment of subsidies is shown in Accounting Policy Note 11 (Schedule J) and Note No. 2 (Schedule K) forming part of accounts. The company is following capital accounting method as per AS-12. As the subsidy is not meant for the purpose of procurement of capital asset and moreover the development of property is not depreciable, the subsidy amount is not credited as development of property, but shown as separate head under Reserve & Surplus.
- vii) Corporation has already taken necessary steps to obtain title deeds for the lands and the matter is pending before the Government.
- viii) Noted for future improvement.
- ix) Noted