



THE PLANTATION CORPORATION OF KERALA LTD.

KOTTAYAM- 686 004

(An ISO 9001-2008 Certified Company)



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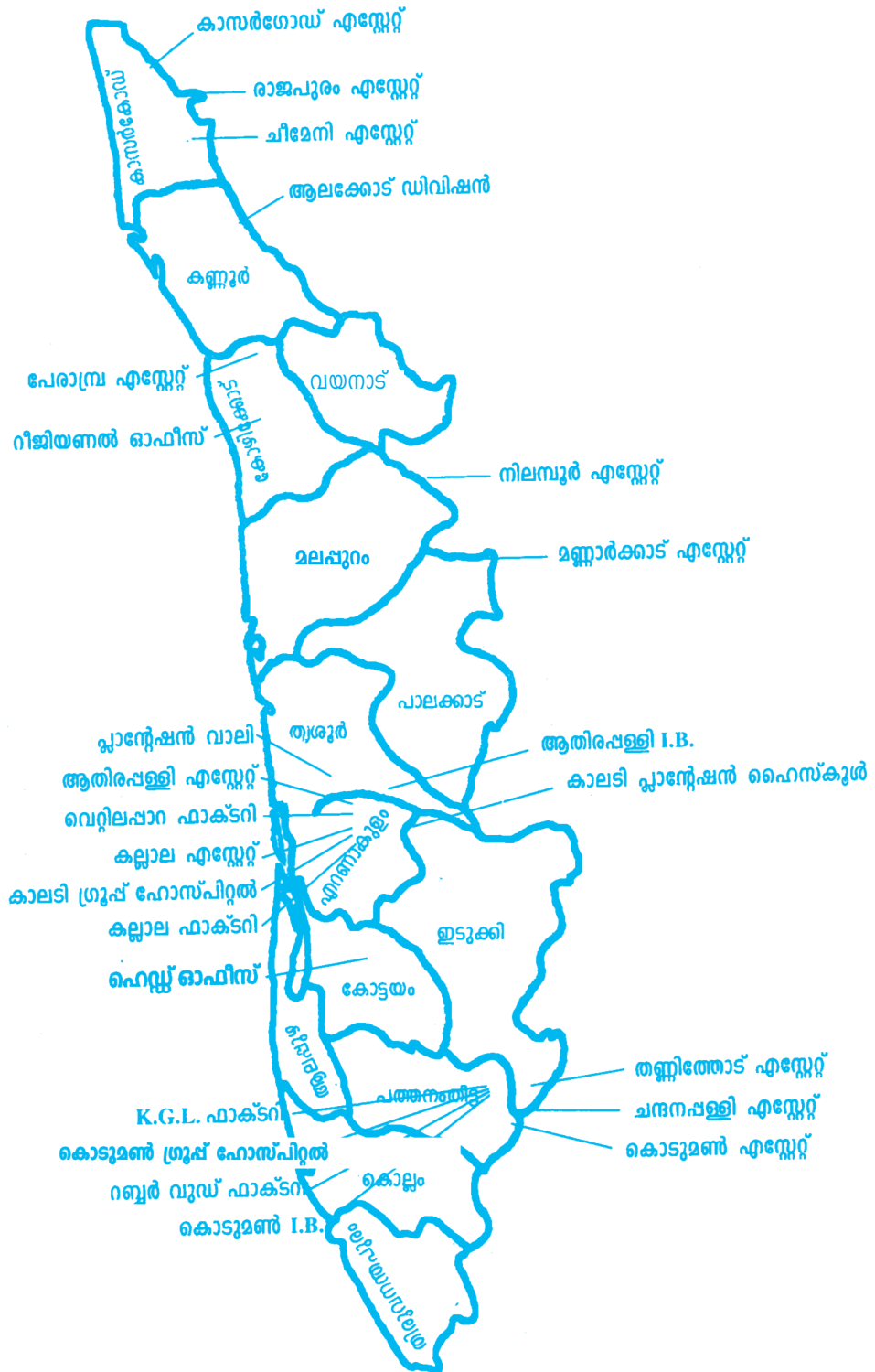
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2578304, (EPABX), 2578306,
2578254, 2578294

56th
Annual Report

2017 - 2018

LOCATION OF VARIOUS UNITS OF PLANTATION CORPORATION



BOARD OF DIRECTORS

Sri. J. Udayabhanu
Chairman

Sri. S. K. Suresh
Managing Director

Smt. P. Jaya Kumari
Director

Sri. K. Babu
Director

Sri. P. K. Kesavan IFS
Director

Sri. Sabu P. Idicula
Director

Company Secretary
Agate Joseph Easow

Sri. A. K. Chandran (Ex MLA)
Director

Sri. Chamunni
Director

Sri. T. R. Reghunathan
Director

Sri. U. Thampan Nair
Director

Sri. B. V. Rajan
Director

Auditors
M/s. Thomas & Associates
Chartered Accountants
Opp. RMS, Railway Station Road
Kottayam- 686 001

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SEC/F-4/2617

01.09.2018

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 56th Annual General Meeting of The Plantation Corporation of Kerala Limited will be held on Friday, the 28th September, 2018 at 11.30 AM at the Registered Office of the Corporation at Muttambalam (P.O), Kottayam-686004 to transact the following business;

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2018 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, if any.
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.
 - i. Smt. K. Mini
 - ii. Sri. P. K. Kesavan IFS
 - iii. Sri. K Babu
 - iv. Sri. V. Mohanan
 - v. Sri. A. K. Chandran
 - vi. Sri. V. Chamunni
 - vii. Sri. T. R. Reghunathan
 - viii. Sri. U. Thamban Nair
 - ix. Sri. B. V. Rajan
4. To authorise the Board of Directors to fix the remuneration of the Auditors appointed by the Comptroller and Auditor General of India.

By Order of the Board,

For The Plantation Corporation of Kerala Ltd

Sd/-

Kottayam

01.09.2018

Agate Joseph Easow

Company Secretary

Note:-

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

SEC/F-4/6500

01.03.2019

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 56th Adjourned Annual General Meeting of The Plantation Corporation of Kerala Limited will be held on Thursday, the 04th April, 2019 at 11.00 AM at the Registered Office of the Company at Muttambalam (P.O), Kottayam-686004 to transact the following business;

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2018 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, if any.

By Order of the Board,
For The Plantation Corporation of Kerala Ltd

Sd/-

Kottayam
01.03.2019

Agate Joseph Easow
Company Secretary

Note:-

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

DIRECTORS' REPORT FOR THE YEAR 2017-'18

To

The Members,

The Plantation Corporation of Kerala Limited,

Your Directors have pleasure in submitting their 56th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

1)

A. FINANCIAL SUMMARY

(In Lakhs)

Particulars	2017-18	2016-17
Sales	9,486.62	7,388.41
Stock differential	(969.73)	821.53
Other income	459.71	604.46
Total Revenue	8,976.60	8,814.40
Manufacturing and other cost	8,928.77	9,557.36
Depreciation	196.00	260.95
Tax provision	0	(235.99)
Net profit before tax	(148.83)	(1,003.92)
Earnings Per Share*	(267.26)	(1,378.97)
Capital	556.88	556.88
Reserves	15,978.08	16,126.91
Net worth	16,534.96	16,683.79

B. PRODUCTION DETAILS

a) Rubber

Production target was 6,210 MT (PY 5,612 MT) and the achievement was 4,834 MT (PY 5,179 MT) during the period 2017-18. In terms of target achievement percentage of the year 2017-18 is 70.84%.

b) Cenex

Production of Cenex during the period of 2017-18 is 3,214 MTs (PY 3,498 MTs).(Kallala Factory – 1,801 MTs & KGL – 1,413MTs.)

c) Rubber Wood Factory

During the period under review, the rubber wood factory did not function.

d) Oil Palm Plantations Oil Palm FFB harvested during the year 2017-18 is 5,128 MTs (PY 5,283MTs).

C. SALES DETAILS

a) Rubber

During the year 2017-18 the value of Rubber sold is Rs.7,657.76 lakhs as against value of Rs.5,993.18 lakhs in 2016-17.

b) Cashew

During the year 2017-18 the value of Cashew sold is Rs. 1,100.99 lakhs as against Rs.689.58 lakhs in 2016-17.

2. DIVIDEND & RESERVE

Since the Company has reported loss for the financial year under review, your Directors does not recommend dividend.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors are optimistic about company's business and hopeful of better performance with increased revenue in next year. There was no change in the nature of business of company.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statements relate on the date of this report.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Plantation Corporation of Kerala Limited has taken all necessary steps to conserve energy. Suitable technologies have been adopted in the Corporation from time to time. There was no foreign exchange inflow or Outflow during the year under review.

7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The business risk relating to production and market prices are reviewed by core committee periodically and remedial measures are decided and other measures are proposed to the Managing Director/ Board of Directors for matter beyond their power. The Company has a system of making business plan regarding planting, replanting, production and sales price fixation which is reviewed periodically. Apart from the above, the Company is preparing annual Budgets and the same is compared with actual and reviewed periodically.

8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Plantation Corporation of Kerala Limited has a policy for Corporate Social Responsibility. Since, the Company is running on loss, no amount is earmarked for CSR activities.

9. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

10. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted Nine (9) Board meetings during the financial year under review.

11. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;

- e) the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under review.

13. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

14. DIRECTORS

The Board of Directors of the Company as on 31.March.2018 include the following Directors:

- i. Sri. J. Udayabhanu (Chairman)
- ii. Sri. R. Sivadasan Nair (Managing Director)
- iii. Smt. K. Mini
- iv. Sri. K. Babu
- v. Sri. P. K. Kesavan IFS
- vi. Sri. V. Mohanan
- vii. Sri. P. Raju Ex-MLA
- viii. Sri. V Chamunni
- ix. Sri. T. R. Reghunathan
- x. Sri. U. Thamban Nair
- xi. Sri. B. V. Rajan

15. DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 for appointment of Independent Directors do not apply to the company.

16. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review no reportable material weakness in the design or operation were observed.

17. STATUTORY AUDITORS

M/s. Thomas & Associates, Chartered Accountants, Kottayam were appointed as Statutory Auditors for the year 2017-18 by The Comptroller and Auditor General of India, New Delhi vide letter No./CA.V/COY/KERALA,PLACOR(1)/1576 Dated 24-08-2017.

18 SHARES

During the year under review, the company has not undertaken any transaction in connection with share capital. Schedule given below:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
Nil	Nil	Nil	Nil	Nil

19 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

20. ANTI- SEXUAL HARASSMENT POLICY

An 'Internal Complaints Committee' is being constituted as per the provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, at every administrative units of the Company for dealing with the complaints of Sexual Harassment at Workplace.

21. MAINTENANCE OF COST RECORDS

Company has included in its books of accounts, details regarding utilization of materials, labour and other items of cost with regard to rubber products, complying with the provisions of Section 148 of the Companies Act, 2013.

22. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to customers, bankers, business associates, consultants, various Government authorities, auditors and employees of the Company for their continued support extended to your Companies activities during the year under review.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

Sri. J. Udayabhanu

Chairman

DIN: 07751884

Sd/-

Sri. R. Sivadasan Nair

Managing Director

DIN: 08056433

Date: 26.10.2018

ANNEXURE - I

Details of Directors including changes taken place during the financial year 2017-18.

Sl No.	Name	Address	Date of Appointment
1.	Sri. J. Udayabhanu (Chairman)	KuttiyilNediyazhikathu,Murunthal, Perinad PO,Kollam	21.12.2016
2.	Sri. N. Ravikumar (Managing Director)	19152, 36, Perumthanni, Thiruvananthapuram	01.02.2017 to 04.01.2018
3.	Sri. R. Sivadasan Nair (Managing Director)	Velayudhamangalam,Njarackal,Perinad, Kollam	04.01.2018
4.	Sri. Viju Chacko	Director (Finance)Rubber Board, Kottayam.	19.12.2015 to 08.05.2017
5.	Sri. V. Mohanan	Jt. RPCRubber Board,Kottayam.	08.05.2017
6.	Sri. K. Babu	Additional Secretary Finance Department, Government of Kerala, Secretariat Thiruvananthapuram.	09.01.2015
7.	Sri. K. S. Anilkumar	Additional Secretary, Agriculture Department, Government of Kerala, Secretariat Thiruvananthapuram.	26.03.2015 to 10.04.2017
8.	Smt. V. S. Ushakumari	Additional Secretary Agriculture Department, Government of Kerala, Secretariat Thiruvananthapuram.	0.04.2017 to 118.07.2017
9.	Smt. K. Mini	Additional Secretary Agriculture Department, Government of Kerala, Secretariat Thiruvananthapuram.	18.07.2017
10.	Sri. P. K. Kesavan IFS	Principal Chief Conservator of Forests, Forest Headquarters, Vazhuthacaud, Thiruvananthapuram	06.03.2017
11.	Sri. P. Raju Ex-MLA	Meppillil House, Kedamangalam, North Paravoor, Ernakulam.	05.07.2017
12.	Sri. V. Chamunni	Pranavam, Lux Gardens, Koppam, Palakkad	05.07.2017
13.	Sri. T. R. Reghunathan	Tharayil House, Arumanur PO, Kottayam	05.07.2017
14.	Sri. U. Thamban Nair	VadakkekkaraveduThaayannoor PO, Kasaragod	05.07.2017
15.	Sri. B. V. Rajan	Remya Nivas, Bengara Manjeshwaram PO, Manjeshwaram, Kasargod	05.07.2017

ANNEXURE - II**REPORT ON CORPORATE GOVERNANCE**

During the period 2017-18, Nine (9) meetings of the Board of Directors were convened. The details regarding number of Board meetings held during the period 2017-18 and meetings attended by the Directors are as follows:

Sl.No	Name of the Director	Total number of meetings attended by the Director	Total number of meetings required to be attended	Whether AGM attended by the Director
1	Sri. J. Udayabhanu	9	9	Yes
2	Sri. N. Ravikumar	8	8	Yes
3	Sri. R. Sivadasan Nair	1	1	N/A
4	Sri.K.S.Anilkumar	1	2	No
5	Smt. V. S. Ushakumari	1	1	N/A
6	Smt. K. Mini	3	6	Yes
7	Sri.K.Babu	1	9	No
8	Sri. Viju Chacko	0	2	N/A
9	Sri. V. Mohanan	4	7	Yes
10	Sri. P. K. Kesavan IFS	3	9	No
11	Sri. P. Raju Ex-MLA	5	6	Yes
12	Sri. V. Chamunni	5	6	Yes
13	Sri. T. R. Reghunathan	6	6	Yes
14	Sri. U. Thamban Nair	5	6	Yes
15	Sri. B. V. Rajan	2	6	Yes

INDEPENDENT AUDITOR'S REPORT

To

MEMBERS

THE PLANTATION CORPORATION OF KERALA LIMITED

MUTTAMBALAM P.O, KOTTAYAM

Report on the Audit of the standalone Financial Statements

We have audited the accompanying Standalone financial statements of The Plantation Corporation Of Kerala Limited which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, and cash flows in accordance with the accounting of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

Basis for Qualified Opinion.

- I. The basis of qualified opinion as per previous year's Audit Report pending resolution and hence repeating in the current year report also:
 - 1) 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 under Note No. 11(1) & 11(2) are outstanding for a long period. It is further mentioned in the notes to accounts that Kerala State Coconut Development Corporation Ltd is under liquidation. The company has not created any provision for loss against the same. According to the information provided, the consequential financial impact is unascertainable since the quantum of possible recovery is unknown.
 - 2) Rs.48.21 lakhs shown under long term borrowing under Note. No: 4 is due to the Government of Kerala for estate development being interest accrued and due which is subject to confirmation /adjustment by the concerned government department.
 - 3) The company has not recognized impairment of development of property with respect to Vanilla cultivation of Rs.5.23 lakhs in accordance with Accounting Standard 28. As a result we are of the opinion that the accumulated profit is overestimated to the extent of Rs.5.23 lakhs and development of property (Note: 9) under fixed assets is overstated to that extent.
 - 4) The company has shown subsidy received under the head of "Subsidy from Government" under Note.3 "Reserve & Surplus". The total subsidy from Rubber Board outstanding as on 31.03.2018 is Rs.150.48 lakhs and against cashew plantation is Rs.316.82 lakhs. These government grants related to specific assets should have been deducted from the gross value of the assets in arriving at their book value. Alternatively it could have been credited in the Statement of Profit & Loss on a systematic and rational manner over the useful life of assets in proportion in which depreciation on those assets charged. The above method of treatment as prescribed in "Accounting Standard 12 - Accounting for Government Grants" 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.
 - 5) In the absence of records relating to sundry debtors against which provision for doubtful debts is created, we are unable to verify the correctness of the amount shown as provision for doubtful debts of Rs.13.88 lakhs. The impact of the above, if any, on the financial statement is not ascertainable.

- 6) The company has not reversed the excess provision for income tax created for the years prior to 2013-14. We are unable to quantify the impact of the same, if any on the financial statement.
- 7) The company has not charged depreciation on Development of Property for various cultivation viz Rs 77.08 crores for rubber plantation, Rs 9.81 crores cashew plantation , Rs 4.89 crores for oil palm plantation and Rs 0.48 crores for other plantation. The company should have amortised the development of property on a systematic basis over their useful lives. The amount of such non provision of depreciation pertaining to current and prior years is not furnished, the consequential impact on the financial statement is not ascertainable.

II. Additional basis of qualified opinion for the current year are as follows:

1) Bank Balance

The balances of the following bank accounts do not show a true and fair balance in the books of accounts as on 31.03.2018.

Sl. No	Name of Bank	Branch / Head Office	Balance as per Pass book	Balance as per Bank book	Amount of items that require adjustment but not given in books of accounts	Remarks	Impact on Financials
	State Bank of India	Head Office, Kottayam	1,09,57,283.69 Cr.	3,31,225.31 Cr.	4,04,637 (Items from the year 2014 till 2018 exist)	Amount credited in pass book. Payer not identified	Bank balance understated in the books of accounts.

2) Investment

The Company has an investment in Banana & Fruit Development Corporation Ltd. (BFDC), Chennai for Rs 1000/- as per Notes 10(a) forming part of the Financial Statement. It is learned that BFDC was liquidated way back in the year 1982. As per information provided by the management, no amount was received from BFDC at the time of winding up of the company. In our opinion, this investment should be completely written off as per AS 13 - 'Accounting of Investment'.

3) Fixed Asset

The Livestock (Cows) presently valued at Rs 10,05,500/- is currently classified under Inventories. The same needs to be classified as Fixed Asset under the Category of Biological Assets, since the cow is being used by the company to produce milk and not for sale as cow itself. The company is not recording the birth of calf and not capitalizing the cost incurred for it till its intended use. Further, the company is also not reducing the cost of the cow(s) sold from its book value. Hence, the account balance of 'Livestock – Cow' remains unchanged in the FY 2017-18 and do not reflect the actual value of cow as on 31.3.2018.

4) Non-moving Ledgers of Nurseries

According to the explanations given to us it is learned that no Nurseries are operational now and all these nurseries became defunct couple of years back and no stock is available

right now. In our opinion, the following amounts outstanding under defunct Nurseries should be written off completely. As such currently the asset side of the balance sheet is overstated and the loss of the Corporation is understated to that extent.

Non-Moving Ledgers of Nurseries	Estates	Closing balance as on 31.03.2018
Cashew Seedling Nursery	Rajapuram Estate	Rs. 7,26,701.37
Rubber Budwood Nursery	Kodumon Estate and Perambra Estate	Rs. 5,10,489.10
Rubber Poly Bag Nursery	Kodumon Estate, Perambra Estate, Kasargode Estate and Cheemeni Estate	Rs. 36,57,969.79
Rubber Seedling Nursery	Kodumon Estate and Perambra Estate	Rs. 11,73,197.29
Other Nurseries	Kasargode Estate	Rs. 1,18,215.00
Total		Rs. 61,86,572.55

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2018 and its loss and its cash flows for the year ended on that date except for the effects stated in Basis for Qualified Opinion.

Emphasis of matters

- 1) Without qualifying, we would like to bring to your attention to Note No 28 on Deferred Tax Asset and Liabilities, the company has not created any Deferred Tax Assets/Liability in the books of Accounts. The company has virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Due to lack of information, we are unable to quantify the impact on the financial statements.
- 2) Without qualifying, we would like to bring to your attention to Note No.37 (B) on Contingent Liability the company has not provided provision for pending 218 cases. The financial impact of these 218 cases is not quantifiable.
- 3) Without qualifying, we would like to bring to your attention to Note No. 6 on Trade Payables, the company has not considered the disclosure requirements of transactions with the parties which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 for Trade Payables.
- 4) Without qualifying, we would like to bring your attention to Note No 14 on Cash and Cash equivalents. During the year under audit, an amount of Rs 10,15,00,000 ,deposited with

Treasury, was wrongly withdrawn by Treasury without intimating the same to the Company. The Company retrieved the amount only on 14.08.2018 as evidenced by verification of treasury pass book. As such confirmation of the above mentioned balance as on 31.03.2018 is not available for verification.

Other Matters

- 1) As per AS -10, the addition of fixed asset shall be taken from the date on which the same is put to use. It is observed that in most of the cases, the company is taking the date of payment for such asset as put to use. As a result, depreciation on the same is not correctly calculated as per Companies Act, 2013. Due to such practice, variations between physical verification and account balance may occur.

- 2) **Unconfirmed Creditors and Debtors Balances**

The account balances of creditors and debtors are subject to confirmation. The details of Suppliers and Customers are mainly kept at branch offices, though the purchases and sales and its payments are made centrally at HO. The company does not have systematic way of preparing party wise balances with details of each bills, amount payable, ageing of the balance outstanding, category of creditor i.e. MSME etc. Actual balances w.r.t. to creditors and debtors are difficult to identify due to the practice followed by the Company. In our opinion, the best practice is to account and keep party wise details at HO itself and branches need not be bothered with these details. Estates have to be concerned only with the entries with respect to the receipt and issue of store items in Stock only. This ensures better control and monitoring of payables and receivables and this is the practice followed in all other similar organizations.

Report on other legal and other regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. **As required by section 143(3) of the Act, we report that:**
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit except for the matters described in the basis for qualified opinion paragraph.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company except for the ,matters described in the internal financial control Annexure B, so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statements dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the effects stated in Basis for Qualified Opinion Paragraph.

- e. In pursuance of the notification No1/2/2014-CL.V dated 05.06.2015, issued by the Department of Company Affairs relating to sub section (2) of Section 164 of the Companies Act, 2013 pertaining to the disqualification of directors is not applicable to the company.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, our separate report in Annexure-B may be referred.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The financial impact if any on the 218 cases which are pending against the company is not quantifiable and the provision for the same if any has not been provided in the financial statements.
 - II. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by the Directions issued by the Indian Audit and Accounts Department, in terms of sub-section(5) of Section 143 of the Act, we give in the Annexure 3, a statement on the matters specified in the said directions, to the extent applicable.

For **THOMAS & ASSOCIATES**

Chartered Accountants

Sd/-

C.A THOMAS K. GEORGE BSc, FCA

Membership No. 210875 (Partner)

FRN: 009509S

Place: Kottayam

Date: 26/10/2018

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

The Annexure 1 referred to in our Independent Auditor's Report to the members of The Plantation Corporation Of Kerala Limited on the standalone financial statements for the year ended 31.03.2018, we report that:

- i. In respect of fixed assets
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except in the case of assets coming under the head "Development of property". It is explained that in case of assets under 'development of property', only annual census is done.
 - b) As per the information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals.
 - c) The date of addition of fixed assets in the asset register is taken on the basis of date of payment for such assets, not on the basis of the date on which the asset is actually put to use.
 - d) According to the information and explanations given to us, the title deeds of immovable properties of the Company are held in the name of the company except for 581 h.a of land in Kasargod from the Revenue Department. The company is yet to receive patta for the said land. Vide Government Order GO(MS) No.1491/78 /RD dated 05.12.1978, 2293.6 H.a land was transferred to the Corporation. It may be noted that the High Court directed the Secretary, Department of Revenue, Kasargod District Collector etc. to issue patta within 6 months from the date of receipt of the Order dated 13.08.1999. The 422nd Board held on 10.02.2016 had decided to approach High Power Committee to obtain patta for the 581 h.a. The matter is still pending.
- ii. In respect of inventories
 - a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - b) The practice followed by the Company is to record the receipt of inventory items mainly on payment basis rather than on receipt basis. Due to such practice, variations between physical verification reports and inventory records do occur.
- iii. The company has granted loan to Kerala State Coconut Development Corporation Ltd for Rs.25 lakhs and Kerala State Horticultural Products Development Corporation Ltd for Rs.150 lakhs in earlier years which are still outstanding.
 - a) Receipt of both the principal amount and the interest was outstanding for a long time in case of these loans. But in the case of Kerala State Horticultural Products Development Corporation Ltd, the Department of Agriculture vide letter No.6571/ PU2/13/ AD dated 19-07-2013 directed the Company to waive the interest portion of the above loan. But the Company has requested AD to reconsider the waiver and the matter is still pending.
 - b) There was a schedule of repayment of principal and payment of interest stipulated at the time of disbursement of both loans. However the repayments did not taken place as per the approved schedule.

- c) According to the information provided, the Company has taken reasonable steps for the recovery of the principal and interest, but no material evidence regarding this was made available to us.
- iv. In our opinion and according to the information and explanations given to us, the company has not received any loans covered under Section 185 and 186 of the Companies Act.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. We have broadly reviewed the books of accounts relating to material, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for maintenance of cost records Section 148(1) of the Companies Act 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the same.
- vii.
 - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
 - b) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under: Central Income Tax of 1181.70 lakhs, Agriculture Income Tax of 5,584.49 lakhs and Sales Tax of 624.13 lakhs as given in Note No. 35(A), (B), & (C) respectively in the forums where the disputes are pending.
- viii. Based on our audit procedures and according to the information and explanations given to us, the company has not availed any loans from banks or financial institutions or through debentures.
- ix. According to the information and explanations given to us the company has not availed any term loan or raised money by way of initial public offer or other public offer during the year.
- x. We have placed reliance on the explanations given by the management of the company that during the year, no fraud on or by the company that caused the financial statements to be materially misstated has been noticed or reported.
- xi. In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013
- xii. In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the company.
- xiii. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with the directors.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **THOMAS & ASSOCIATES**

Chartered Accountants

Sd/-

C. A THOMAS K. GEORGE BSc, FCA

Membership No. 210875 (Partner)

FRN: 009509S

Place : Kottayam

Date : 26.10.2018

**“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF THE PLANTATION CORPORATION OF KERALA
LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Plantation Corporation Of Kerala Limited as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

BASIS OF QUALIFIED OPINION

- 1) Inadequate internal control for inventories:
 - a) The practice followed by the Company is to record the receipt of inventory items in the books of accounts mainly on payment basis rather than on physical receipt basis.
 - b) The company is not reviewing the actual existence of inventories as on the balance sheet date for items like cashew seedling nursery, cashew scion nursery, rubber polybag nursery, rubber seedling nursery, etc and assets like vanilla plantation.
 - c) There is unusual variation between the quantity of latex send from Nilambur and Perambra estates and the same received at Kallala Factory. The variation is particularly very high for Perambra Estate. No satisfactory reason stating the variation in quantity is received till date.
- 2) In the case of purchase process, the details of Suppliers is mainly kept at branch offices, though the purchases and its payments are made centrally at HO. Due to this, the Company does not have full details of its creditors like bill details, amount payable, ageing of the balance outstanding, category of creditor i.e. MSME etc In our opinion, the best practice is to account and keep party wise details of Sundry Creditors at HO itself and branches need not be bothered with these details. Estates have to be concerned only with the entries with respect to the receipt of store items in Stock only. This ensures better control and monitoring of payables and this is the practice followed in all other similar organisations.

- 3) Currently the monthly payroll processing of each Estate is done at Estate level itself. Monthly payslips are prepared in excel; input for the same like basic pay, increments, advance taken, various deductions are taken from previous month payslips and from various manual registers (if there is any) maintained at Office. No payroll software is used for payroll processing. This results in high risk of errors in calculation of monthly salary. Payroll can be processed centrally for all Estates by use of a payroll software system. This ensures uniformity of procedures followed and better control over payroll processing.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting **except for the effects stated in Basis for Qualified Opinion Paragraph** and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **THOMAS & ASSOCIATES**

Chartered Accountants

Sd/-

C. A THOMAS K. GEORGE BSc, FCA

Membership No. 210875 (Partner)

FRN: 009509S

Place : Kottayam

Date : 26.10.2018

The Annexure 3 referred to in our Independent Auditor's Report to the members of The Plantation Corporation Of Kerala Limited on the standalone financial statements for the year ended 31.03.2018 on the directions u/s 143(5) of the Companies Act, 2013, we report that:

Sl.No		
(I)	Directions under sub-section (5) of section 143 of the Companies Act, 2013	
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined, including the mode and present stage of disinvestment process.	Not Applicable
2	To report whether there are any cases of waiver/write off of debts/ loans/ interest etc; if yes, the reasons thereof, and the amount involved.	No such cases noticed.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	Not Applicable since there are no inventories lying with third parties.
4	A report on age-wise analysis of pending legal/ arbitration cases, including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	Details are attached in Annexure-4 of the report. Expenditure relating to various legal cases is first approved by the department concerned and further sanction is obtained from Managing Director before effecting payments in case of amounts beyond Rs.3 lakhs.
	Sector Specific Sub-directions under Section 143(5) of the Companies Act, 2013	
(II)	Agriculture and Allied Sector	
1	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided	As reported by the Management, no instance of encroachment of land has been noticed unless otherwise mentioned in the notes to accounts.

2	Whether physical verification and valuation of standing crops/ trees was done at the end of the Financial Year in accordance with the standard industry practices?	The management has a policy of Physical verification every year and the Valuation for same are done as a part of such verification. However we would like to bring your attention to Qualification No I (7) of the Basis for Qualified Opinion Paragraph on non amortization of the plantations over the useful life of the assets.
3	Whether the stock of seeds packing/ certification materials and other items has been taken on the basis of stock records after adjustment of shortage/ excess found on physical verification and whether due consideration has been given for deterioration in the quality of old stocks which may result into overvaluation of stock?	Except for the stock in respect of Endosulfan held under the custody of respective District Collector, all other items have been physically verified and due adjustments for deterioration in the quality of the same has been done in the books of accounts.
4	Whether all the agriculture produce procured are properly stored and adequately insured. If any insurance claims are rejected, the details may be reported.	Agriculture produces owned and procured by the Corporation are stored properly. The Corporation does not have a policy of taking Insurance of its products.
5	Whether the Company has an effective mechanism for disbursement of loans/ subsidies/ agro inputs and agriculture machineries to beneficiaries and recovery thereof (loans) along with interest, if any, from beneficiaries?	As per the information and explanation given to us by the Management no such loans/ subsidies/ agro inputs were disbursed to beneficiaries.
6	That grants/ subsidies received for implementing various schemes are accounted for as per the accounting standards and utilized for intended purpose.	The Company has not received any subsidies during the year under audit. The exceptions noted in respect of previous years are mentioned in Qualification I (4) of the Auditor's Report.
7	Whether the cost incurred on abandoned projects has been written off?	As informed by the management and on the basis of observations in the course of audit, there are no abandoned projects as on date.

(III)	Agricultural Procurement	NA
(IV)	Forest Plantation	
1.	Whether requisite permission for clearing of forest, existing plants, etc have been obtained under the prevailing rules and regulations in compliance of Forest Conservation Act so as to protect/preserve forest cover. Has the Company taken adequate steps to stop unauthorized felling of trees for conservation and spread of forest cover.	The company has not engaged itself in any of the activities mentioned in the query under the period of audit; but as declared by the management, after the implementations of Conservation of Forest Act, all the necessary rules has been complied with. Unauthorised felling is not noticed till date. The Corporation have employed adequate security personnel in each estate.
2.	Whether management has monitored that by-product/ scrap is produced within the norms.	As per the information and explanation given to us by the Management and on the basis of our observation in the course of audit, the production of by-product/ scrap is within the norms set by Rubber Board.
3.	Whether the policy of accounting for trees felled after economic life of rubber plantation is in accordance with the standard practices followed in similar industries?	Accounting for trees felled after economic life of rubber plantation is in accordance with the standard practices followed in similar industry.
4.	Whether re-plantation reserve has been utilized for the intended purposes and meets the requirement of compensatory afforestation under respective legislation.	As informed by the management, the rate of transfer of income to replantation reserve is in accordance with the respective legislation as applicable. The company is maintaining an Investment Deposit Scheme for meeting the Re-plantation expenses. The re-plantation expenses have been met from the said scheme.
(V)	Extraction/utilization of Forest Produce (Timber)	NA
(VI)	Agro Based Industries	NA
(VII)	Livestock and Poultry Companies	NA

(VIII)	Other	NA
1.	Examine the system of effective utilization of Loans/Grant-in-Aid / Subsidy. List the cases of diversion of funds.	During the financial year 2017-18, the Company has not received any such loans, grants in aid or subsidies. In case of subsidies received in earlier years, which is shown in Balance Sheet of the Company, the management has informed us that it will be adjusted once the assets created out of these funds are scrapped.
2.	Examine the cost benefit analysis of major capital expenditure/ expansion including IRR and payback period.	As informed by the management, the company follows a system to analyze the cost benefit relationships for the major capital expenditure/expenses.
3.	If the audited entity has computerized its operations or part of it, assess and report, how much of the data in the Company is in electronic format, which of the area such as accounting, sales personnel information, pay roll , inventory etc. have been computerized and the company has evolved proper security policy for data/ software/ hardware?	Financial accounting is made through Integrated Tally Software. But inventory management and payroll processing are maintained manually.

ANNEXURE 4 TO THE INDEPENDENT AUDITORS REPORT
DETAILS OF SUITS PENDING BEFORE THE VARIOUS COURTS
AS ON 01/ 04 / 2018

2003 - High Court of Kerala

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	A.S No.169/ 2003	Roy Varghese	Civil

2003- Other Courts-Nil**2004 -High Court of Kerala**

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	R.F.A 34/ 2004	K.U Abbas Haji	Civil

2004- Other Courts-Nil**2005- High Court of Kerala -Vanilla Cases**

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	RFA 222/05	1) Ady Spices. 2) MC Raju Piravam. 3) Johny Joy Veliyannor.	Civil Vanilla
2	RFA 220/2005	Kasthoori Agro Rep. by Umesh Sanan	Civil Vanilla
3	RFA 221/2005	Syriac Jacob	Civil Vanilla

2005- Other Courts-Nil**2006- High Court of Kerala**

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	R.F.A 329/ 2006	C.T.Zakkir	Civil
2	R.F.A 347/ 2006	C.T.Zakkir	Civil
3	R.F.A 362/ 2006	PCK Vs N.V.Thomas &Another	Civil
4	R.F.A1159/ 2006	M.Madhusudhana Kedilaya	Land
5	R.F.A1183/ 2006	Y.Sadasiva Bhat & Others	Land

Case filed by Contractors

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1.	RSA 699/2006	Natural Vanilla	Civil-vanilla
2	RSA 695/2006	Natural Vanilla	Civil-vanilla
3	RSA 693/2006	Natural Vanilla	Civil-vanilla
4	RSA 694/2006	Natural Vanilla	Civil-vanilla

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
5	RSA 741/2006	R.V. RaviKumar	Civil-vanilla
6	RSA 740/2006	R.V. RaviKumar	Civil-vanilla
7	RSA 738/2006	R.V. RaviKumar	Civil-vanilla
8	RSA 742/2006	R.V. RaviKumar	Civil-vanilla
9	RSA 660/2006	Synthite Industrial Chemicals	Civil-Vanilla
10	RSA 663/2006	Synthite Industrial Chemicals	Civil-vanilla
11	RSA 664/2006	Synthite Industrial Chemicals	Civil
12	RSA 661/2006	Synthite Industrial Chemicals	Civil

2006-Other Courts -Nil**2007-High Court of Kerala**

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	RFA 375/ 2007	M.Ahammad	Civil
2	RFA 625/ 2007	K.P.Sunny	Civil
3	RFA 910/ 2007	Madhusoodhana Kedilaya	Land
4	RFA 228	K.U.Abbas Haji	Civil
5	RFA 96/ 2007	M.Madhusudhana Kedilaya	Land

2007-Other Courts Nil**2008-High Court of Kerala**

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	RSA 1309	Enmakaje Panchayath & Another	Land
2	RFA 588 / 08	PCK Vs Syriac Jacob	Civil vanilla

2008- Other Courts- Nil.**2009- High Court of Kerala**

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	W.P (C) 19260	N. Sivadasan Nair	Service
2	W.P (C) 22365/ 2009	V.C. Thulaseedharan	Service
3	R.F.A 508/ 2009	PCK VsPaulose A Areeckal	Civil
4	R.F.A 500/ 2009	M/s.Manakassery Rubber Trading Corpn.& Another	Civil

2009-Other Courts

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	O.S 56/2009	Joseph John, Soma Enterprises	Civil
2	O.P (MV) 1428/2009	Arun	Civil
3	A.S No.57	Madhusudana etc.	Land

2010-High Court of Kerala

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	C.C.C 232/10	C. Sasikumar	Service
2	W.P (C) 28093/10	Geordie John	Service
3	RFA 178/ 2010	G.V.Jolly	Civil
4	RFA 234/ 2010	PCK Vs Beutex Industries	Civil
5	RFA 266/ 2010	PCK Vs Agrotech Traders (P) Ltd	Civil
6	WP© 30308	Jacob P.P	Service

2010 Vanila Cases - High Court of Kerala

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	RFA 594/2010	PCK Vs Synthite Industrial Chemicals	Civil
2	RFA 542/2010	Natural Vanilla	Civil
3	RFA 549/2010	R.V. RaviKumar	Civil

2010-Other Courts

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	41 Nos of slaughter tapping cases	Sub Court and Munsiff's Court, Kottayam	Civil

2011-High Court of Kerala

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	W.P(C)18847/11	K.N.Sudhabai	Service
2	W.P (C) 22908/11	T.R.vijayan & Others	Service
3	Contempt (Civil)1107/11	C.M. Venugopal	Service
4	W.P (C) 32213/11	Shaju K.Francis	Service
5	O.P (L.C) 258/11	General Sec. Pathanamthitta Jilla Plantation Workers Union	Service

2011-Other Courts

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	AIT 437/2011	PCK Vs. Reg. PF Commissioner, Kochi	Civil
2	MISC 1/11	M/s.Bhadravathi Balaji, Oil Palms Ltd	Civil

2012-High Court of Kerala

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	W.P (C) 3266/2012	Babu. V.V	Service
2	W.P (C) 5044/2012	Anoop. K.A	Service
3	W.P (C) 5781/2012	P.X. Vincy	Service
4	R.S.A 1443 /2012	PCK V/s Enmakaje Grama Panchayat	Land
5	W.P (C) 22018/2012	Justus Karuna Rajan	Service

2012-Other Courts

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	I.D No.23/2012	N.K Prasanna	Service
2	RSA 1443/12	Enmakje Grama Pnachayath	Land
3	AS 46/2012	PCK vs Baduan kunhi	Land

2013-High Court of Kerala

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	O.P. (LC) 1963/2013 in ID 32/11	K.J.Jose	Service
2	O.P(LC) 1487/2013	T.K .Vijayan	Service
3	W.P(C) 10220/2013	V.V. Joseph	Service
4	O.P.(LC)...../13 in ID 15/11	Adv.pk babu K.P. Varghese	Service
5	RFA 373/2013	Harrisons Malayalam Ltd	Civil
6	W.P.(C) 21407/2013	AITUC	Service

2013- Other Courts

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	AS 17/13	PCK Vs Krishna Bhatt	Land
2	O.S 356/2013	Kamala	Land

2014-High Court Of Kerala

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	W.P.(C) 6144/14	Kailas & 4 others	Service
2	W.P.(C) 17787 /14	R.S Rajeev	Service
3	R.S. 17892 /14	M.P.Shaji	Service
4	W.P.(C) 15561/14	Jissa Sebastian	Service
5	W.P.(C) 21818/14	Asharaj	Service
6	WP(c) 8843/14	K.G. Sivan	Service
7	RFA 493/14	PCK Vs Gowri	Land
8	RSA 1196/14	PCK Vs Muhammed kunhi	Land

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
9	OPC 2652/14	PCK Vs Atheesh Mathew	Civil
10	WPC 8919/14	C.M Sarangatharan	Service
11	WPC 12357/14	K.A SURESH	Service

2014-Other Courts

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	O.S. 96/14	Koraga Naik.	Land
2	O.S 366 /14	Ginny Mon V. Thomas	Civil
3	O.S 410 /14	Ginny Mon V. Thomas	Civil
4	O.S 414 /14	V.K. Suresh	Civil
5	O.S 412 /14	Ginny Mon V. Thomas	Civil
6	O.S.874/14 (Aluva)	Damodharan	Civil
7	AS 284/14	K.M.Shaji (Kochadam Rubbers)	Civil
8	AS40/14	Muhammad junaid	Civil
9	ATA 1145/14	PCK Vs EPF commr.	Civil

2015-High Court of Kerala

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	WP(c) 2844/15	PCK/vs. EPF Kannur	Civil
2	WP(c) 4027/15	KL Mathew	Service
3	WP(c) 10965/15	V.O.Raju	Service
4	WP(c)13406/15	Asharaj	Service
5	WP(c)16246/15	P.K.Santhosh	Service
6	668/15 LokAyuktha	Shaiju Varghese	Civil
7	CCC 785/15	Linoj Paul	Service
8	WA 1144/15	C.Shaji & Another	Service
9	WA 185/15	C.P. Vidhyadharan	Service
10	CCC 829/15	K.T.Babu	Service
11	WA 379/15	E.A.Shibu	Service
12	WP(c) 20639/15	Thampi Abraham	Service
13	WP(c) 22083/15	Shaiju B. & other.	Service
14	WP(c) 22117/15	E.S.Suresh	Service
15	WP(c) 19803/15	K.P.Varghese & others	Service
16	WP(c) 27068/15	Deepak	Service
17	WP(c)38056/15	T.V.Joy& 103 others	Service
18	RSA 220/2015	PCK Vs Ramachandra Bhatt & others	Land
19	RSA 238/2015	PCK Vs Ramachandra Bhatt & others	Land
20	WP(C) 24156/2015	Linoj Paul	Service
21	WP(C)23324/2015	Sarangadharan	service

2015-Other Courts

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	AS 41/2015	Usha Rai	Land
2	CC 1325/15 JFCM	A2 K.V.Manoj	Service
3	O.S 68/15	Snuff Basheer	Civil

2016-High Court of Kerala

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	WP(c) 4826/16	Sajeera C. Chathoth.	Service
2	RFA 631 /16 in O.S.55/14	Narayan Naika	Land
3	WP(c) 11965	Aniyamma Mathai	Service
4	WP(c) 13491	Joshy V.C.	Service
5	WP(c) 19973/16	Rajesh M. & Others	Service
6	RSA 746 /16 in AS 72/14	PCK V/s K.Madhavi & others	Land
7	RSA 841/ 2016	PCK V/s B.K.Shafi	Land
8	RSA 566/ 2016	PCK V/s Sharada	Land
9	RSA 711/ 2016	PCK V/s Safiya & another	Land
10	WP(C) 24952	C.K. Suresh	Service
11	WP(c) 24961	P.K. Santhosh	Service
12	WP(c) 28118/16	Prasannan	Civil
13	WP(C) 28790/16	C.M.Thomas	Service
14	WP(c) 31929/16	Shaiju B. & another	Service
15	WP(c) 34175/2016	Sangeetha K.P.	Service
16	WP(c) 34919 /2016	PCK Vs Dist. Collector PTA & Others	Land
17	WP(c) 41399/16	D.Devapalan	Service
18	WP(C) 36159/ 2016	PCK Vs Dist. Collector PTA & others	Land
19	WP(C) 37914/ 2016	Satheesan K.S. and 12 others	Service

2016-Other Courts

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	EP 20/16	Travancore Ammonia	Civil
2	EP 21/16	Travancore Ammonia	Civil
3	O.S. 139/16	Kunhapu Maniyani	Land
4	CC 149/16	Sheela Kathinummal	Service
5	ID 13/2016	V.O.Raju	Service
6	O.S. 444/16	PCK V/sM.K.Madhavan & others (Plantation Valley Fence Issue)	Civil

Sl. No.	Case No	Name of Party	Type of case
7	O.S. 15/16	PCK V/s A.D.Baiju	Civil
8	CC 149/2016 Consumer KSD	Sheela K. & 3 others	Civil
9	MP 118/2 016	Sudhakaran P	Service
10	AS 16/2016 in O.S.209/10	P.C.Thomas	Land
11	O.S. 260/16	KT GOVINDAN (Thekkepurrrayil Chiri)	Land
12	O.S 18/16	Kudukkan Janardanan	Land
13	AS 5/16	PCKVs Ammini	Land
14	EP 247/16 in O.S. 133/13	Andru & Asyamma	Land
15	HRMP 9860/2016	P.K.Babu	Civil
16	AS 242 / 16 in O.S. 70/2015	PCK vs.Ajumal Khan	Civil
17	AS 64/2016 in OS 216/2015	Mahmood	Land
18	HRMP 10208/16	Sangeetha K.P.	Service
19	O.S. 856 /16	Basil Rubbers	Civil
20	AS 71/ 2016	PCK Vs Andru	Land

2017- High Court of Kerala

Sl. No.	Case No	Name of Party	Type of case
1	WP(C) 2430/17	S. Sreelakumar	Service
2	WP(C) 2431/17	K.Harish	Service
3	WP(C) 4570/17	H.Rajeevan	Civil
4	RSA 991/17	PCK Vs Aithappan Naik	Land
5	WP(C) 20541/17	Rajasekharan Nair	Civil
6	CCC 1671/17	Benny Perunilam Vs Chief Secretary	Civil
7	WP(C) 32366/17	S.S Premanand	Service
8	WP(C)33289	Gangadharan Nair	Civil
9	RSA 111/17 in As 15/14&O.S 16/11	PCK Vs K.T Govindan	Civil

2017- Other Courts

Sl. No.	Case No	Name of Party	Type of case
1	O.S.63/2017	PCK V/s Trade Links	Civil
2	O.S.306/2017	PCK V/s Majestic Traders	Civil
3	O.S. 305/2017	PCK V/s Asian Traders	Civil
4	GC 16/2017	K.A.Soman	Service
5	HRMP 1689/2017	Ajesh Mohan	Service
6	G.C. 8/2017	Rugminiamma	Service

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
7	EP 16/2017	T.N.Somarajan	Civil
8	EP 26/2017	Travancore Ammonia V/Spck	Civil
9	HRMP 8294/17/KK D	Ravi Ulliyery V/sPCK	Civil
10	GC 29/2017	ML Thomas V/s MD and Manager RJM	Service
11	No.1008/17A Lok Ayukta	T.P Prakashan	Civil
12	No.930/16A Lok Ayukta	Shyju Varghese V/s M.D & Devapalan	Civil

2018- High Court of Kerala

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of case</i>
1	R.S.A 63/18	M/s Travancore Ammonia/ PCK	Civil
2	O.T.C /18	PCK v/s Tax Commissioner	Civil
3	O.T.C /18	PCK v/s Tax Commissioner	Civil
4	WP(C) 5794/18	Al-Ameen	Service
5	WP(C)5853/18	Roshin Jose	Service

No of Cases before various courts as on 31-03-2018

<i>Name of the Court</i>	<i>No of cases</i>
Other Courts (H.R.C,Civil Courts, Gratuity Controlling Authority etc)	97
High Court of Kerala	121
Total	218

For **THOMAS & ASSOCIATES**

Chartered Accountants

Sd/-

C. A THOMAS K. GEORGE BSc, FCA

Membership No. 210875 (Partner)

FRN: 009509S

Place : Kottayam

Date : 26.10.2018

**REPLY TO THE COMMENTS OF STATUTORY AUDITORS
ON THE ACCOUNTS OF THE PLANTATION CORPORATION
OF KERALA LTD. FOR THE YEAR ENDED 31.03.2018**

- I. Reply to the previous year's Audit Report repeating in the current year.
 - 1) 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.11(1)&11(2) forming part of financial statements.
 - 2) 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. Details are given in Note No.4 forming part of the Financial Statements.
 - 3) As per clause j of Note No.1, 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. Vanilla Cultivation is legally disputed in different Courts including Hon'ble High Court of Kerala. Therefore the writing off of this plantation has not been done during this year.
 - 4) The treatment of subsidies is shown in clause k of Note No.1 Significant Accounting policies of Notes forming part of financial statements. 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 in development of property, but shown as separate head under Reserve & Surplus.
 - 5) We are in the process of verification of "advance from customers", Sundry Debtors and other liabilities.
 - 6) The company has not adjusted the provision of earlier years because the appeal has been preferred for the Assessment Years 2004-05, 2005-06, 2007-08, 2009-10, 2010-11, 2011-12 and 2012-13. So this excess provision may have to be utilized if there is any change in tax liability for those years.
 - 7) The treatment of development expenditure for Plantation followed by the Corporation is shown in clause j of Note No. 1 significant accounting policies followed by the Corporation as on 31.03.2018. This practice has been consistently followed.

- II. Reply to the additional comments of the statutory auditors for the year ended 31.03.2018.
- 1) We had enquired with SBI regarding the details of the party who had made the remittance to our account and got sufficient details for accounting purpose. The same would be accounted in the Financial Year 2018-19.
 - 2) Noted.
 - 3) Noted.
 - 4) All the nurseries which are mentioned by the Audit are not defunct during the year 2017-18. Illustratively, Rubber Budwood Nursery, is used for cutting the stump as and when required. In the case of other nurseries, we would make necessary enquiries regarding the existence and entries accordingly would be made.

Kottayam
26.10.2018

THE PLANTATION CORPORATION OF KERALA LIMITED

KOTTAYAM - 686 004

(CIN - U01119KL1962SGC001997)

BALANCE SHEET AS AT 31ST MARCH, 2018

(All amounts in Rupees, unless otherwise mentioned)

Particulars	Note No.	Current Year Rs	Previous Year Rs
EQUITY AND LIABILITIES			
I) Shareholder's Funds			
a) Share Capital	2	5,56,88,000.00	5,56,88,000.00
b) Reserves and Surplus	3	159,78,07,687.68	161,26,90,686.43
II) Non-Current Liabilities			
a) Long-term borrowings	4	48,20,960.51	48,20,960.51
b) Long-term provisions	5	3,17,67,501.00	3,07,50,019.00
III) Current Liabilities			
a) Trade payables	6	1,09,62,701.80	63,18,302.80
b) Other current liabilities	7	33,95,16,035.14	29,32,83,192.71
c) Short-term provisions	8	99,27,18,387.45	112,20,15,866.95
Total		303,32,81,273.58	312,55,67,028.40
Assets			
IV) Non-current assets			
a) Fixed assets			
i) Tangible assets	9	106,41,79,187.30	102,85,03,335.68
ii) Intangible assets	9	-	66,225.00
ii) Capital work-in-progress	9	6,40,85,088.15	6,58,25,828.15
b) Non-current investments	10	2,14,23,100.00	2,14,23,100.00
c) Long term loans and advances	11	6,04,53,504.89	6,48,29,043.89
V) Current assets			
a) Inventories	12	29,59,90,507.59	39,41,37,189.46
b) Trade receivables	13	1,98,87,750.20	46,34,340.20
c) Cash and cash equivalents	14	53,01,03,522.48	50,74,41,529.72
d) Short term loans and advances	15	96,05,81,707.97	99,83,56,184.32
e) Other current assets	16	1,65,76,905.00	4,03,50,251.98
Total		303,32,81,273.58	312,55,67,028.40

Significant Accounting Policies and notes on financial statements 1 to 42

For and on behalf of Board of Directors

As per our report of even date attached

S/d
J. Udayabhanu
Chairman
DIN - 07751884

S/d
R.Sivadasan Nair
Managing Director
DIN -08056433

S/d
Sreelakumar S
G.M. (F&A) i/c

S/d
Agate Joseph Easow
Company Secretary

S/d
Thomas & Associates
Chartered Accountants
(FRN : 009509S)

Kottayam
26.10.2018

C.A Thomas K. George
(Partner)
Membership No. 210875

THE PLANTATION CORPORATION OF KERALA LIMITED
KOTTAYAM - 686 004
(CIN - U01119KL1962SGC001997)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018

(All amounts in Rupees, unless otherwise mentioned)

Particulars	Note No.	Current Year Rs	Previous Year Rs
I. Revenue from operations	17	94,86,61,622.58	73,88,40,685.71
II. Other Income	18	4,43,65,589.95	6,03,24,699.63
III Prior Period Income	19	16,05,607.00	1,21,200.00
Total Revenue		99,46,32,819.53	79,92,86,585.34
IV. Expenses:			
Cost of materials consumed and Direct Expenses	20	40,96,90,426.47	42,91,29,217.25
Changes in inventories	21	9,69,72,569.00	(8,21,53,221.00)
Employee benefit expense	22	38,51,22,789.05	41,29,34,031.06
Depreciation and amortization expense	9	1,96,66,105.00	2,60,95,191.95
Administrative and Other expenses	23	9,79,94,967.76	11,36,65,118.91
Prior Period Expense	24	68,961.00	7,800.00
Total Expenses		100,95,15,818.28	89,96,78,138.17
V. Profit before tax		(1,48,82,998.75)	(10,03,91,552.83)
VI. Tax expense: Current tax		-	-
(Excess) / Short provision for Current Tax for earlier years		-	(2,35,99,363.00)
Total		-	(2,35,99,363.00)
VII. Profit/(Loss) for the period (V-VI)		(1,48,82,998.75)	(7,67,92,189.83)
VIII. Earning per equity share:			
Basic and Diluted	30	(267.26)	(1,378.97)

Significant Accounting Policies and notes on financial statements 1 to 42

For and on behalf of Board of Directors

As per our report of even date attached

S/d	S/d	S/d	S/d	S/d
J. Udayabhanu	R.Sivadasan Nair	Sreelakumar S	Agate Joseph Easow	Thomas & Associates
Chairman	Managing Director	G.M. (F&A) i/c	Company Secretary	Chartered Accountants
DIN - 07751884	DIN -08056433			(FRN : 009509S)

Kottayam
26.10.2018

C.A Thomas K. George
(Partner)
Membership No. 210875

THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM
(CIN - U01119KL1962SGC001997)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

Particulars	For year ended March 31, 2018 (In Rs.)	For year ended March 31, 2017 (In Rs.)
I. Cash flows from operating activities		
Profit before tax and exceptional item	(1,48,82,999)	(10,03,91,553)
Non- cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense including amount charged to Reserves	1,96,66,105	2,60,95,192
Dividend on Investments	(15,71,105)	(14,10,553)
Interest on Investments	(3,86,54,451)	(4,68,10,016)
Interest on Loans and Advances	(23,36,945)	(29,12,048)
Profit on sale of Assets	-	-
Subsidy written back	-	-
Operating profit before working capital changes	(3,77,79,395)	(12,54,28,978)
Movements in working capital:		
Increase/(decrease) in other liabilities	4,62,32,842	3,73,02,171
Increase/(decrease) in provisions	(12,82,79,998)	(1,04,82,422)
Increase/(decrease) in trade payables	46,44,399	12,90,764
Decrease/(increase) in loans and advances	6,25,10,200	1,90,76,162
Decrease/(increase) in Inventories	9,81,46,682	(8,31,22,708)
Decrease/(increase) in trade receivables	(1,52,53,410)	27,66,152
Cash generated from/(used in) operations	3,02,21,322	(15,85,98,858)
Direct tax paid (net of refunds)	(2,03,60,185)	(64,14,060)
Net cash flow from/(used in) operating activities (I)	98,61,137	(16,50,12,919)
II. Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(75,98,667)	(4,42,65,003)
Development of Property	(4,59,67,419)	(5,91,34,017)
Investment in shares	-	-
Disposal of Fixed Assets	31,094	-

Receipt of Subsidy	-	5,08,252
Dividend on Investment	15,71,105	14,10,553
Interest received on Loans & Advances	23,36,945	29,12,048
Net (Deposits)/ Withdrawals on Fixed Deposits	15,47,64,522	18,64,64,320
Investment in NABARD	-	2,98,00,000
Interest received on Investments	6,24,27,798	8,48,80,852
Net cash flow from/(used in) investing activities (II)	16,75,65,379	20,25,77,005
III. Cash flows from investing activities		
Payment of Dividend	-	-
Dividend Distribution Tax	-	-
Net cash flow from/(used in) financing activities (III)	-	-
Net increase /(decrease) in cash and cash equivalents (I+II+III)	17,74,26,515	3,75,64,087
Cash and cash equivalents at the beginning of the year	12,89,10,450	9,13,46,363
Cash and cash equivalents at the end of the year	30,63,36,965	12,89,10,450
Notes:		
1) Cash and Cash Equivalents include		
- Balances with Scheduled banks in Current Account	4,97,36,964	70,28,242
- Balances with Treasury SB Account	-	6,208
- Balance with fixed deposits with a maturity of less than 3 months	25,66,00,000	12,18,76,000
Cash and bank balances at the end of the year	30,63,36,964	12,89,10,450

For and on behalf of Board of Directors

As per our report of even dated attached

S/d	S/d	S/d	S/d
J. Udayabhanu	R.Sivadasan Nair	Sreelakumar S	Agate Joseph Easow
Chairman	Managing Director	G.M. (F&A) i/c	Company Secretary
DIN - 07751884	DIN -08056433		

S/d
Thomas & Associates
Chartered Accountants
(FRN : 009509S)

C.A Thomas K. George
(Partner)
Membership No. 210875

Kottayam
26.10.2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
31.03.2018

1. (1) Corporate information

The Plantation Corporation of Kerala Limited ("the Corporation") was incorporated in the State of Kerala as a Public Sector Undertaking. The Corporation is mainly engaged in the business of Processing Centrifuged Latex, Crumb Rubber (ISNR), Oil palm, Cashew Kernels and other allied agricultural activities.

(2) Significant accounting policies

A. Basis of Preparation and Presentation:

These financial Statements of The Plantation Corporation of Kerala Ltd. (The Corporation) are prepared in accordance with Indian Generally Accepted Accounting Principles (IGAAP) under the historical cost convention on the accrual basis. IGAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the relevant rules of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted for revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

B. Use of Estimates:

The preparation of the financial statements in conformity with the IGAAP 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.

C. Tangible Assets (Property, Plant and Equipment):

As per Revised Accounting Standard 10-Property, Plant and Equipment, all tangible assets including capitalization of bearer plants are accounted on historical cost basis, which includes purchase price, and all other costs attributable to bringing the assets into its working condition. The said cost is reduced by accumulated depreciation up to the end of the financial year, except for bearer plants. (refer Note no.J)

D. 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 at the Balance Sheet date.

E. Earnings per Share:

The earning considered in ascertaining Corporation'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 shares outstanding during the year.

F. Depreciation:

- i) The Corporation has charged depreciation on the "Written Down Value Method" on the basis of useful life prescribed in Part "C" of Schedule II of The Companies Act 2013.
- ii) Loose Tools, Electronic Equipments, Lab Equipments, Manager's Bungalow equipments and I.B. Equipments are revalued at 10% below its book value and charged to repairs and maintenance.

G. Revenue recognition:

Sales are accounted at the time of preparation of invoices in the case of all products. Interest income is recognized on time proportion basis. The revenue from operations of the company also includes sale of services like toll charges and rental income in addition to the sale of products. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured.

H. Inventories:

- i. Closing stock of finished goods and work-in-progress are valued at lower of costs or net realizable value using weighted average method for Rubber products. Net realizable value of finished goods is selling price less associated selling cost.
- ii. Agricultural produces are valued at market value.
- iii. Serviceable tools and implements and other equipments are valued at cost less depreciation.
- iv. Nurseries comprising of saplings held for planting or sale have been valued at cost.
- v. Stores and spares are valued at cost less provision, if any, for obsolescence.
- vi. The cost of livestock is separately disclosed under the head inventories. The corresponding value of the asset is charged off to Statement of Profit and Loss at the time of disposal of such Livestock.

I. 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.

J. Development expenditure:

Expenditure incurred for the development of plantation (bearer plants) is capitalized and is shown in the Balance Sheet as tangible assets - Development of Property as per Revised Accounting Standard 10. 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.

K. 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.

L. Investments:

Investments are stated at cost less provision for decline in value, if any, other than temporary. Dividends from Long Term Investments in shares of companies are grouped under Other Income.

M. Employee Benefits:

(i) 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.

(ii) 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 31.03.2018, the balance sheet date, based on an independent actuarial valuation by Life Insurance Corporation of India. The valuation is determined using projected unit credit method.

(iii) Post employment benefit (defined contribution plan)

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

(iv) 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 Statement of Profit and Loss.

(v) Awards and incentives

Awards and incentives such as production based incentive are accounted only after a decision regarding the same is taken by the Board. The Corporation does not follow a policy of providing for such expenses since these matters are purely a policy based decision from time to time.

N. Cash and Cash equivalents (for the purpose of Cashflow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

O. Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis.

P. Impairment of Assets:

The corporation assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

Q. Intangible Assets:

Intangible assets are recorded at the cost of acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

R. Provisions and Contingencies:

The Corporation creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

2. Share Capital**A. Authorised issued and paid up capital**

Particulars	As on 31 st March 2018		As on 31 st March 2017	
	Numbers	Amount	Numbers	Amount
Authorised				
Equity shares of Rs 1000 each	75,000	7,50,00,000.00	75,000	7,50,00,000.00
Issued, Subscribed and Paid up				
Equity Share Capital				
Equity shares of Rs 1000 each	55,688	5,56,88,000.00	55,688	5,56,88,000.00
Total	55,688	5,56,88,000.00	55,688	5,56,88,000.00

B Reconciliation of the number of Equity shares and amount outstanding at the beginning and end of the year

Particulars	2017-18		2016-17	
	Numbers	Amount	Numbers	Amount
Number of shares outstanding as at the beginning of the year	55,688	5,56,88,000.00	55,688	5,56,88,000.00
Number of shares brought back during the year	-	-	-	-
Number of shares redeemed during the year	-	-	-	-
Number of shares reconverted into equity shares during the year	-	-	-	-
Number of shares outstanding at the end of the year	55,688	5,56,88,000.00	55,688	5,56,88,000.00

C. Of the above shares, 12,182 shares are allotted as fully paid up pursuant to a contract without payments being received in cash. Hon'ble Governor of Kerala holds 55,686 shares (99.99%) of the Corporation.

D. Right, preference and restriction attached to shares

The company has only one class of equity shares having face value of Rs. 1,000 each. Every share holder is eligible for one vote per share held.

3. Reserves and Surplus:

Particulars	2017-18 Rs	2016-17 Rs
1) Capital Reserve		
Balance as at the beginning of the Year	11,97,89,050.90	11,97,89,050.90
Add : Additions made during the Year	-	-
Less : Transferred during the year	-	-
Balance as at the end of the Year	11,97,89,050.90	11,97,89,050.90
2) General Reserve		
Balance as at the beginning of the Year	17,85,25,341.08	17,85,25,341.08
Add : Additions made during the Year	-	-
- Profit & Loss Statement	-	-
- Transferred from Rehabilitation Reserve	-	-
- Transferred from Replanting Reserve	-	-
Balance as at the end of the Year	17,85,25,341.08	17,85,25,341.08

Particulars	2017-18 Rs	2016-17 Rs
3) Other Reserves		
Replanting Reserve		
Balance as at the beginning of the Year	11,50,00,000.00	11,50,00,000.00
Add : Additions made during the Year	-	-
Less : Transferred to General Reserve	-	-
Balance as at the end of the Year	11,50,00,000.00	11,50,00,000.00
4) Surplus/(Deficit) in the Statement of Profit and Loss)		
Balance as at the beginning of the Year	115,26,46,053.45	122,94,38,243.28
Add : Profit during the Year	(1,48,82,998.75)	(7,67,92,189.83)
Transfer to General reserve	-	-
Balance as at the end of the Year	113,77,63,054.70	115,26,46,053.45
5) Subsidy From Government		
i) Subsidy from Rubber Board (Rubber Cultivation)		
Balance as at the beginning of the Year	1,50,48,248.50	1,50,48,248.50
Add : Additions made during the Year	-	-
Less : Adjusted this year	-	-
Balance as at the end of the Year	1,50,48,248.50	1,50,48,248.50
ii) Subsidy from Government of Kerala (Cashew Cultivation)		
Balance as at the beginning of the Year	3,16,81,992.00	3,16,81,992.00
Add : Additions made during the Year	-	-
Balance as at the end of the Year	3,16,81,992.00	3,16,81,992.00
Balance as at the end of the Year (i)+(ii)	4,67,30,240.50	4,67,30,240.50
Total	159,78,07,687.68	161,26,90,686.43

- a. The Reserves and Surplus consists of General Reserve, Replanting Reserve, Capital Reserve and capital subsidy from Govt.No amount has been transferred to Replanting, Capital, Rehabilitation Reserves and General Reserve during the year.
- b. Replanting Reserve is maintained for meeting the future expenses in connection with replanting activities. Based on estimate made for future replanting program an amount of Rs.11,50,00,000/- is required for this purpose. The same amount is kept as deposited

with Treasury amounting to Rs.7,25,00,000/- as deposit with Investment Deposit Scheme and Rs.4,25,00,000/- is included in Fixed Deposit maintained in various banks.

- c. The Subsidy from Government includes Capital Subsidy received for Rubber and Cashew Cultivation from Government. The Corporation is contingently liable to the Government for the same in case the plantation is destroyed or is used for any public purpose. The corresponding assets created out of these subsidies are reflected in Note No.9(a) under Development of Property. At the time of disposal of such assets, the corresponding value of the Capital Subsidies are charged off against the assets and the balance is reflected in the Statement of Profit and Loss.

4. Long Term Borrowings

Particulars	2017-18 Rs	2016-17 Rs
1) Other Loans and Advances (i) Unsecured From Govt of Kerala for Estate Development Interest accrued and Due (There is no change in the amount since 31.03.1999)	48,20,960.51	48,20,960.51
Total	48,20,960.51	48,20,960.51

The Corporation had availed a loan from Government of Kerala Government in 1975. The loan was fully repaid with interest. A rebate for prompt repayment was announced by the Government. The Corporation is continuously following up with the Government to consider the rebate on repayment (Ref:- Letter no F&A-F/4359 dated 15.02.2018). An adjustment regarding the same in the accounts would be made once we receive a confirmation from the Government.

5. Long Term Provisions

Particulars	2017-18 Rs	2016-17 Rs
1) Provision for Employee Benefit (i) Provision for Leave encashment (Refer Note No.26(B))	3,17,67,501.00	3,07,50,019.00
Total	3,17,67,501.00	3,07,50,019.00

6. Trade Payables

Particulars	2017-18 Rs	2016-17 Rs
Trade Payables (*)	1,09,62,701.80	63,18,302.80
Total	1,09,62,701.80	63,18,302.80

* The management has initiated the process of identifying enterprises which have provided goods and services to the Corporation and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Further, in view of the management, the impact of interest, if any that may be payable in accordance with the provisions of the Act is not expected to be material.

7. Other Current Liabilities

Particulars	2017-18 Rs	2016-17 Rs
1) Other Payables		
(i) Statutory Remittances	1,63,75,237.50	1,17,68,531.62
(ii) Contractually Reimbursable expenses		
a) Retention Account	79,71,951.50	79,04,015.50
b) Withheld Contractors	41,33,134.44	42,22,778.44
(iii) Trade / Security Deposit received		
a) EMD	1,32,87,303.27	1,36,33,214.17
b) Security Deposit	3,56,86,596.72	2,51,18,500.72
(iv) Advance from Customers	6,19,59,830.44	3,90,47,860.80
(v) Others		
a) Other Liabilities	1,03,03,434.30	1,09,95,272.40
b) Lease rent Payable	12,66,79,852.76	12,18,55,175.28
c) Labour welfare fund	37,315.35	37,315.35
d) Agricultural Income Tax Due	1,53,54,356.90	1,53,54,356.90
e) Liability for Expenses	2,41,06,840.76	2,13,16,676.38
f) Advance from Contractors	31,54,198.00	20,17,856.00
g) Wages Payable Account	1,75,34,983.20	1,70,80,639.15
h) Advance Received for Sale of Land	29,31,000.00	29,31,000.00
Total	33,95,16,035.14	29,32,83,192.71

The Corporation has received an amount of Rs.29,31,000/- as consideration for 2.50 Acres land handed over to Kerala Water Authority which was treated as advance received for the sale of land. The patta of the land can be transferred to KWA only on receipt of G.O in this regard. The possession of the land is with Kerala Water Authority.

The balance outstanding in the Labour welfare fund that mainly includes funds credited out of time - barred wages and bonus unclaimed for a period of more than three years. Balance in the same as on 31/03/2018 is Rs37,315.35 (PY Rs.37,315.35)

8. Short Term Provisions

Particulars	2017-18 Rs	2016-17 Rs
1) Provision for Employee Benefits		
a) Gratuity 1		
Balance as at the beginning of the Year	(3,59,85,182.00)	(1,42,35,977.00)
Add : Current Year Provision	(8,58,06,111.00)	(2,17,49,205.00)
Less : Paid this Year	3,48,30,391.00	2,17,18,552.00
Add : Recoverable from LIC transferred to Advance recoverable other (15 1.i.c)	3,48,30,391.00	2,17,18,552.00
Balance as at the end of the Year	(12,17,91,293.00)	(3,59,85,182.00)
b) Gratuity 2		
Balance as at the beginning of the Year	2,86,17,632.38	63.44,534.38
Add : Current Year Provision	4,68,17,940.00	2,22,73,098.00
Less : Paid this Year	-	-
Balance as at the end of the Year	7,54,35,572.38	2,86,17,632.38
c) Bonus	2,10,00,000.00	11,13,09,308.50
d) Leave Encashment		
Balance as at the beginning of the Year	33,56,245.00	31,72,176.00
Add : Current Year Provision	33,56,245.00	33,56,245.00
Less Adjusted this Year	33,56,245.00	31,72,176.00
Balance as at the end of the Year	33,56,245.00	33,56,245.00
e) Provision for Provident Fund (Refer Note No.36)	1,55,55,106.00	1,55,55,106.00
2) Others		
a) Provision for Taxation		
Balance as at the beginning of the Year	61,85,11,900.07	64,21,11,263.07
Add : Current Year Provision	-	-
Less Adjusted this Year	-	2,35,99,363.00
Balance as at the end of the Year	61,85,11,900.07	61,85,11,900.07
b) Provision for sales Tax	3,91,00,857.00	3,91,00,857.00
c) Provision for Endosulfan victims	34,15,50,000.00	34,15,50,000.00
Total	99,27,18,387.45	112,20,15,866.95

9. Fixed Assets

a) Development of Property

Item	Opening Balance (Rs.)	Additions (Rs.)	Disposals (Rs.)	Closing Balance (Rs.)
Rubber	73,01,66,348.49	4,06,66,440.65		77,08,32,789.14
Cashew Plantations	9,79,40,459.33	1,73,638.00	-	9,81,14,097.33
Areca nut Plantations	12,07,017.03	1,17,528.00	-	13,24,545.03
Oil Palm Plantation	4,39,04,941.66	49,61,865.00	-	4,88,66,806.66
Teak Plantations	7,60,498.50	-	-	7,60,498.50
Cocoa Plantation	12,797.00	-	-	12,797.00
Coconut Plantations	2,74,140.82	37,629.00	-	3,11,769.82
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
Ramboottan Plantation	4,72,231.00	8,421.00	-	4,80,652.00
Vegetables	6,95,564.00	1,897.00	-	6,97,461.00
Total	87,65,83,983.47	4,59,67,418.65	-	92,25,51,402.12
Previous Year	81,74,49,966.10	5,91,48,013.37	13,996.00	87,65,83,983.47

b) We have a total area of 14,821.5757 Ha as on 31-03-2018. The total area has not been surveyed.

Details	Mature Area (Ha)	Immature Area (Ha)
Rubber Plantation	5332.13	1644.25
Cashew Plantation	5149.12	70.60
Slaughter Tapping	310.46	-
Oil Palm Plantation	686.70	231.20
Total	11,478.41	1,946.05

Total mature and immature area	:	13,424.46 Ha
Other Crops	:	48.20 Ha
Vacant and Rocky	:	576.837 Ha
Total	:	14,049.497 Ha
Non Planted Area		
i) Secondary Forest Growth	:	772.0787 Ha
Gross Total	:	14,821.5757 Ha

NOTE 9 - PLANT & MACHINERY, ROADS, BUILDING ETC AS ON 31-03-2018

(Amount in Rs.)

SL NO	NAME OF ASSET	ORIGINAL COST				DEPRECIATION			NET CARRYING AMOUNT		
		GROSS BLOCK AS ON 31.03.2017	ADDITION DURING THE YEAR	DELETION DURING THE YEAR	GROSS BLOCK AS ON 31.03.2018	UPTO 31.03.2017	FOR THE YEAR	CHARGE TO RESERVE	AS ON 31.03.2018	NET BLOCK AS ON 31.03.2018	NET BLOCK AS ON 31.03.2017
TANGIBLE ASSETS											
1	Furniture	56,70,681.29	85,558.40	-	57,56,239.69	49,36,997.21	1,80,928.96	-	51,17,926.17	6,38,313.52	7,33,684.12
2	Office Equipments	48,03,758.65	70,440.94	-	48,74,199.59	44,87,097.06	5,8,118.74	-	45,45,215.80	3,28,983.79	3,16,661.85
3	Electric Appliances	50,40,878.79	27,458.47	8,323.35	50,60,013.91	18,94,947.23	8,15,398.83	-	27,10,346.06	23,49,667.85	31,45,932.38
4	Electrical Installation	1,92,87,079.69	1,02,630.00	-	1,93,89,709.69	1,48,93,897.66	11,68,032.18	-	1,60,61,929.83	33,27,779.86	43,93,181.86
5	Telephone	8,87,687.67	5,705.00	-	8,93,392.67	7,95,764.63	3,2,689.91	-	8,28,454.55	64,938.12	91,923.12
6	Survey Instruments	10,517.54	-	-	10,517.54	10,474.13	-	-	10,474.13	43.41	43.41
7	Library	84,795.36	-	-	84,795.36	81,394.85	-	-	81,394.85	3,400.51	3,400.51
8	Roads	5,10,92,316.79	-	-	5,10,92,316.79	4,57,80,415.54	15,31,825.77	-	4,73,12,241.31	37,80,075.48	53,11,900.48
9	Fence / Kayyala	4,57,68,199.96	6,31,917.00	-	4,64,00,116.96	3,91,33,994.74	25,09,332.69	-	4,16,43,327.43	47,56,789.53	66,34,205.53
10	Electric Fittings	3,44,645.03	965.00	-	3,45,610.03	3,18,359.70	6,075.00	-	3,24,434.70	21,175.33	26,285.33
11	Plant & Machinery	11,08,76,462.99	27,21,146.54	22,771.00	11,35,74,838.53	8,86,93,534.56	53,07,390.56	-	9,40,00,925.12	1,95,73,913.41	2,21,82,927.87
12	Buildings	17,45,87,042.39	54,20,434.00	-	18,00,07,476.39	7,92,95,206.83	62,77,993.78	-	8,55,73,200.61	9,44,34,275.78	9,52,91,836.78
13	Vehicles	3,44,02,178.36	-	-	3,44,02,178.36	3,03,76,542.19	10,10,905.55	-	3,13,87,447.75	30,14,730.61	40,25,635.61
14	Water Supply Instrn.	1,12,43,118.33	2,603.00	-	1,12,45,721.33	1,05,12,484.47	1,15,303.99	-	1,06,27,788.46	6,17,932.87	7,30,633.87
15	Ammonia Cylinders	5,23,639.00	-	-	5,23,639.00	523,622.28	-	-	5,23,622.28	16.72	16.72
16	Wells	14,63,534.95	53,898.62	-	15,17,433.57	11,09,974.16	1,49,740.01	-	12,59,714.17	2,57,719.40	3,53,560.78
17	Landing Pad	1,18,844.25	-	-	1,18,844.25	1,12,902.33	-	-	1,12,902.33	5,941.93	5,941.92
18	Jhankar & Boat	1,17,650.00	-	-	1,17,650.00	52,288.13	6,612.00	-	58,900.13	58,749.87	65,361.87
19	Freehold Land	79,61,898.00	-	-	79,61,898.00	-	-	-	-	79,61,898.00	79,61,899.25
20	Computer	87,98,011.20	2,16,650.00	-	90,14,661.20	81,53,689.91	4,29,532.09	-	85,83,222.00	4,31,439.20	6,44,320.20
21	Development of Property (Refer Note No 9 a.)	87,65,83,983.47	4,59,67,418.65	-	92,25,51,402.12	-	-	-	-	92,25,51,402.12	87,65,83,983.47
TOTAL		135,96,66,923.71	5,53,06,825.62	31,094.35	141,49,42,654.98	33,11,63,587.61	1,95,99,880.00	-	35,07,63,467.69	106,41,79,187.30	102,85,03,336.93
INTANGIBLE ASSET											
1	Computer Software	5,35,106.00	-	-	5,35,106.00	4,68,881.00	66,225.00	-	5,35,106.00	-	66,225.00
TOTAL		5,35,106.00	-	-	5,35,106.00	4,68,881.00	66,225.00	-	5,35,106.00	-	66,225.00
CAPITAL WORK IN PROGRESS											
1	Capital work in progress	6,58,25,828.15	4,35,743.00	21,76,483.00	6,40,85,088.15	-	-	-	-	6,40,85,088.15	6,58,25,828.15
GRAND TOTAL		142,60,27,857.86	5,57,42,568.62	22,07,577.35	147,95,62,849.13	33,16,32,468.61	1,96,66,105.00	-	35,12,98,573.69	112,82,64,275.45	109,43,95,390.08

A. LEASED LAND

SI No.	Estate	Area (H.a)
1	Kodumon Group	2,866.6880
2	Kalady Group*	3,776.4993
3	Thannithode	699.3500
4	Perambra**	943.0000
5	Rajapuram	1,522.9100
6	Mannarghat	513.0300
7	Nilambur	435.9380
8	Cheemeni***	1102.1100

B. OWN LAND

SI No.	Particulars	Area
1	Kasargode ****	2065 H.a
2	Cheemeni	125 H.a
3	Head Office - Kottayam	20 Cents
4	Vadavathoor Staff Quarters	6.1589 Acres
5	Regional Office - Kozhikode	42 Cents
6	Nilambur Office	44 Cents

* In Kalady Group, there is plantation only in 3,776.4993 Ha. of land. The land allotted to the Corporation in Kalady Group was 4,261.048 Ha. But, could not take possession of the entire area due to secondary forest growth.

** The land held by the Corporation in Perambra was 1,230.5300 h.a. But there is plantation only in 943 H.a of land. The secondary forest growth is identified and the sketch of Perambra Estate was prepared to that effect and the same is confirmed by DFO Kozhikode.

*** The 1102.1100 H.a of land of Cheemeni includes the 104 H.a land in Nadukani Division. The total area of Cheemeni Estate was ascertained by Kasaragod District Collector and Managing Director of PCK in a meeting held on 28.02.2018.

**** The land in Kasargode Estate 2065.0000 H.a includes the 2.50 Acres land handed over to Kerala Water Authority. The Corporation has received an amount of Rs.29,31,000/- as consideration. It is treated as advance towards consideration. The patta of the land can be transferred to KWA only on receipt of G.O in this regard.

- c) Even though the terms and conditions for the transfer of 3714.62 (1503.89 Ha) acres of land in Cheemeni Estate as 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 Corporation was paying Land Tax for the said property till 2003-04. The whole issue relating to the fixation of lease rent at Rs. 1300 per hectare for the land is under reconsideration of the Government. Provision for lease rent of Rs. 1,300/-per hectare is made in the accounts from the year 2006-07 onwards. In the current year also we have provided lease rent provision @ Rs.1300 per hectare.
- d) An area of 308.75 acres 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 Corporation 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. Lease rent for the same has not been provided in the Books of Accounts.
- e) Government has 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. The Project has not taken off until date. The Corporation is still in possession of the said land and enjoying the benefits of agriculture from the land. No adjustment has been made in the books in this regard. Thereafter, vide GO(Rt) No.365/2017/PD dated 31.10.2017 Government constituted a committee to inspect 3,400 acres of land in Cheemeni Estate to ascertain how much land is to be given to KSEBL. The latest meeting regarding the same was conducted on 28.02.2018 and no further intimation/ correspondence is received.
- f) Lease deeds for lands handed over to the Corporation since 1970 are pending execution except for the land handed over for the development of cashew plantations (Rajapuram Estate) under World Bank Scheme. The lease deed relating to Rajapuram Estate expired on September 30, 2012. An application for renewal of the same was filed on September 25, 2012. The matter is now pending with Forest Department.
- g) The Lease Deed of Kodumon Group, Kalady Group & Perambra Estate expired on 11/12/2016. The application was submitted on vide letter SEC/Land/F-5/3973 dated 05.12.2016 and uploaded on the portal of Ministry of Environment and Forests, with reference number

FP/KL/Others/25004/2017 for the renewal of lease deed of forest land taken on lease by the Corporation. The Corporation has already paid the Lease Rent for the year 2017-18.

- h) Government vide its order GO (MS) No. 96/2012/RD dated 5.03.2012 has asked the Corporation to hand over 51 acres of land to Central University from Kasaragod Revenue land. As per the Board decision, Corporation has asked for a compensatory land equivalent to the value of 51 acres of land at Kasaragod. The matter is pending at the Govt. level, no adjustments has been made in the books in this regard.
- i) Government vide its order No. GO (MS)No.77/2011/RD dated 16.02.2011 asked the Corporation to hand over 310 acres of land to Central University from Kasargod revenue land. The transfer formalities were completed during the financial year 2012-13. Corporation has claimed Rs.2.10 crores as additional compensation vide letter No. SEC/23 dated 30.03.2011.This matter is pending at Government level. Hence no adjustment has been made in the books during the current year.
- j) A machinery damaged completely in PCK Latex Factory in the year 2012-13 with a written down value of Rs.10,16,735/- has been written off. An insurance claim of Rs. 20 lakhs has been made in this regard.On the principle of conservatism, no accounting entry has been made in the books for the claim made by the Corporation.
- k) The WDV of buildings, roads, landing pads and fences is Rs.1,029.77 lakhs of which assets worth Rs.717.66 lakhs are constructed on lease hold land.
- l) Plant and Machinery at factories has been considered as continuous process assets and depreciation has been provided on the assumption that they have been continuously put to use from the date of commissioning.
- m) As the split up value of each individual asset acquired prior to the financial year 2007-08 was not available with the Corporation, the depreciation working has been done assuming that the each block of assets as on 1.4.2007 of each estate has been considered as a single block of asset and useful life has been determined accordingly.
- n) Planting cost of all agricultural product, which are not perennial in nature are charged to revenue account in the year in which it is incurred and income is recognized as and when it bears crops.

10. Non current Investments

Particulars	2017-18 Rs	2016-17 Rs
1) Other Investment		
i) Investment in equity instrument (Fully Paid up)		
a) 10 Equity shares of Rs. 100/- each fully paid up in Banana & Fruit Development Corporation Ltd., Chennai	1,000.00	1,000.00
b) 1000 Equity Shares of Rs. 10,000/- each fully paid up in Kerala Feeds Ltd., Kallettumkara, Trichur.	1,00,00,000.00	1,00,00,000.00
c) 5,00,000 Equity shares of Rs. 10/- each & 1,28,442 Equity shares of Rs.10 each at a premium of Rs.40 per share. fully paid up in Cochin International Airport Ltd., Nedumbassery.	1,14,22,100.00	1,14,22,100.00
Total	2,14,23,100.00	2,14,23,100.00

The Government of Kerala vide its order No. GO (MS) 97/12/AD dated 13.4.2012 has accorded sanction to invest Rs 50 Lakhs for the proposed Kannur International Airport project in consideration of the share of the Kannur International Airport Ltd. The above amount has not been remitted till date as there is no further direction regarding the same. As such no adjustment has been made in this regard during the current year.

The Company has subscribed 1,28,442 shares of face value of Rs.10/- each on the right issue of Cochin International Airport Ltd., Nedumbassery at a premium of Rs.40/- per share. The allotment was made on 15.10.2015.

11. Long term Loans and advances

Particulars	2017-18 Rs	2016-17 Rs
1) Capital Advances		
i) Unsecured and Considered Good		
a) Advance for Land	11,60,000.00	11,60,000.00
2) Loans and Advances to employees		
i) Secured and Considered Good		
a) Motor Car Loan	1,13,10,153.00	1,35,80,366.00
b) Motor Cycle Loan	87,43,734.10	1,03,28,787.10

3) Deposits		
i) Unsecured and Considered Good		
1. KSEB, Port Trust & other Govt. Dept.	80,51,150.00	80,20,481.00
2. Other Deposits	55,78,020.00	56,30,743.00
3. With Court	17,66,525.00	17,66,525.00
4) Other Loans and Advances		
i) Unsecured and Considered Good		
a) K.S.C.D.C.	25,00,000.00	25,00,000.00
b) K.S.H.P.D.C.	1,50,00,000.00	1,50,00,000.00
c) Advances recoverable in cash or kind for value to be received.	60,85,717.54	65,83,936.54
d) Rebate receivable on Govt. Loan (Inclusive of Guarantee Commission Refund due)	2,58,205.25	2,58,205.25
Total	6,04,53,504.89	6,48,29,043.89

1. 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 Corporation has paid Rs. 1.5 crores to Kerala State Horticultural Products Development Corporation Limited. The K.S.H.P.D.C. has not paid principal portion of the loan or interest due to the Corporation. Vide Government letter 43999/PU1/97/Ad dated 09-07-1998 the Government requested Corporation's view on converting the loan given to KSHPDC into share capital. This was placed before the Board on 05-11-98 and considering the financial position of the Company, the Board of Directors have decided that the loan need not be treated as share capital and the Government was informed accordingly. But the same has been rejected by the Government vide letter number 43999/PU1/97 dated 13-04-1999. Considering the precarious financial position the Board has decided to bring the matter before the Government and requested to reconsider the decision of the Government so as to allow the Corporation to treat the loan amount and interest on the loan paid to KSHPDC as loan. However the Government has not accepted the request and directed to proceed with the matter as already instructed ie., to convert the loan and interest into share capital (Government letter No.28177 dated 01/10/99).

The Corporation's Board meeting held on 30.10.1999 has accorded sanction to convert the principal amount of loan to share capital. However, the Govt. of Kerala vide letter no. 3840/PU1/99/AD dated 10.01.2000 did not accept the proposal of the Corporation and has affirmed that the Govt., adheres to the earlier Govt. direction (letter No. 28177 dated 01-10-1999) to convert the principal amount of loan to share capital. The matter was again taken up before the Board of Directors and the board decided 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 and the same was informed to the Government and high power committee, but the sanction was not yet received and the case is still pending at high power committee.

Meanwhile Agriculture (PU) Department vide letter No.6571/PU2/13/AD dated 19-07-2013 directed to waive the interest portion of the above loan. A letter, requesting to reconsider the issue considering the present financial condition of the Corporation and to take necessary steps for repayment of the amount due to the Corporation was sent to the Managing Director Kerala State Horticultural Products Development Corporation Ltd (F&A/F 2770 dated 07-09-2018) and Government (F&A-F/2777 dated 07-09-2018) and we are not in receipt of any reply either from the Government or KSHPDC till date.

2. 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 Corporation. Hence no provision for loss or interest income is made in the accounts. A letter was sent to the Managing Director Kerala State Coconut Development Corporation Ltd vide F&A/F-2769 dated 07-09-2018 and to Government vide F&A-F-2778 dated 07-09-2018, requesting to reconsider the issue considering the present financial condition of the Corporation and to take necessary steps for repayment of the amount due to the Corporation.

3. Payment of Net Present Value for Land at Plantation Valley:

As per the direction from the office of the Divisional Forest Officer, Chalakkudy vide CA4/1270-2000 dated 15-11-2013, we have remitted the Net Present Value of 2 Ha. Forest land Rs.11,60,000 to ADHOC CAMPA in CAF Kerala on 23-12-2013. We are yet to receive any confirmation regarding the right on the land. So the amount paid is treated as advance. As per the provisions of Forests (Conservation) Act, 1980 the application for renewal of lease deed is submitted before Additional Principal Chief Conservator of Forests (Special Afforestation) & Nodal Officer, Forest Headquarters, Vazhuthacaud, Trivandrum on 05.12.2016 vide letter SEC/Land/F-5/3973 dated 05.12.2016. The application was uploaded on the portal of Ministry of Environment and Forests, with reference number FP/KL/Others/25004/2017.

4. Others.

- a) Motor Vehicle loans to officers and staff are fully secured by hypothecation of vehicles in favour of the Corporation.
- b) Housing loan to staff and officers are fully secured.
- c) Motor Cycle Loan given to staff and employees are also fully secured by hypothecation in favour of the Corporation.

d) Deposit with Govt. Departments, comprises balances with:

Details	Current Year (Rs.)	Previous Year (Rs.)
BSNL	500.00	500.00
Cochin Port Trust	3,600.00	3,600.00
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
KSEB and Others	79,77,363.00	79,46,694.00
Total	80,51,150.00	80,20,481.00

12. Inventories

Particulars	2017-18 Rs	2016-17 Rs
i) Stock of Rubber & Rubber in Process	22,27,33,198.00	32,24,17,786.00
ii) Stock of Rubber Wood	16,53,744.00	17,57,093.00
iii) Stock of Cashew Nuts	72,26,588.00	44,93,890.00
iv) Closing Stock - Others	45,61,427.00	36,99,064.00
v) Stores and Spares at cost	3,80,75,398.11	3,99,20,256.70
vi) Loose Tools	1,14,16,055.83	1,10,85,948.31
vii) Agricultural and Other Equipments	11,06,100.51	11,29,781.07
viii) Stock of Oil Palm	-	7,79,693.00
ix) Livestock (Cow)	10,05,500.00	10,05,500.00
x) Nurseries :		
Budwood - Rubber	12,13,641.94	12,01,875.94
Polybag - Rubber	37,38,854.79	37,38,854.79
Seedlings - Rubber	11,73,197.29	11,73,197.29
Oil Palm Nursery	-	1,71,077.00
Cashew Nursery	18,71,081.12	13,03,895.36
Other Nurseries	2,15,721.00	2,59,277.00
Total	29,59,90,507.59	39,41,37,189.46

13. Trade Receivables

Particulars	2017-18 Rs	2016-17 Rs
1) Secured considered good	Nil	Nil
2) Unsecured considered good:		
Exceeding six months	1,86,72,684.70	5,96,217.70
Others	26,02,852.41	54,25,909.41
	2,12,75,537.11	60,22,127.11
Less Provision for doubtful Debts	13,87,786.91	13,87,786.91
Total	1,98,87,750.20	46,34,340.20

Sundry Debtors include Rs.2,12,75,537.11 (Previous year Rs.60,22,127.11) from companies owned by the Government of Kerala and Government of India details of which are as under:

Oil Palm India Ltd, Kottayam	: Rs.	26,02,852.41
State Farming Corporation of Kerala Ltd, Punalur	: Rs.	5,22,127.70
Handicraft Development Corporation	: Rs	74,090.00
The Kerala State Cashew Development Corporation	: Rs.	1,80,76,467.00
Total	: Rs.	<u>2,12,75,537.11</u>

14. Cash and Cash Equivalents

Particulars	2017-18 Rs	2016-17 Rs
1) Cash in hand		
2) Bank Balances:		
i) With Scheduled Banks		
a) In Current Accounts	4,97,36,964.48	69,59,280.72
b) In Fixed Deposits less than 12 months	37,77,35,393.00	25,93,00,000.00
c) In Fixed Deposits more than 12 months	11,31,165.00	15,11,07,080.00
ii) With Treasury		
a) SB A/c		6,208.00
b) In Fixed Deposits less than 12 months	2,90,00,000.00	-
c) In Investment Deposit Scheme	7,25,00,000.00	9,00,00,000.00
iii) With Other Banks		
a) Deposit with Banks Estates	-	68,961.00
Total	53,01,03,522.48	50,74,41,529.72

Of the above deposits, total amount deposited in Treasury is Rs.10,15,00,000/- which includes Rs.7,25,00,000/- deposited under Investment Deposit Scheme. But as per the Pass Book, an amount of Rs.4,50,00,000/- and Rs.2,47,50,000/- had been withdrawn by the Government on 31-01-2018 and 29-03-2018 respectively, as per GO (P) 2/2018 Fin dated 01-01-2018 and GO (P) No.51/2018/Fin dated 28-03-2018 without any intimation to us. Based on our letter No. F&A/F-1285 dated 02-06-2018 to the Principal Secretary, Finance (Streamlining) Department, Government has issued orders vide GO. (Rt) No.6928/2018/ FIN dated 14-08-2018 sanctioning the transfer credit of resumed fund and we have got Rs.6,97,50,000/- in our Treasury Account on 20-08-2018.

Of the above bank deposit, an FD for Rs. 11,31,165.00 with Canara Bank is kept as bank guarantee. Out of other FDs Rs.45,64,72,357.48 maintained with Scheduled Banks, Rs.4,25,00,000.00 is kept for replantation activities along with the Investment Deposit Scheme of Rs.7,25,00,000.00 maintained with Treasury.

Investment Deposit Scheme with Treasury

The Corporation is maintaining a deposit with Treasury under Investment Deposit Scheme 1993, for the purpose of availing tax benefits under the Kerala Agricultural Income Tax Act, 1991. There is a balance of Rs. 7,25,00,000/- on this fund as on 31-03-2018.

As per Rule 7 of the Investment Deposit Scheme, a depositor shall be entitled to withdraw the amount or such part thereof as may be appropriate at any time after the expiry of twelve months from the date of deposit .

The Corporation can withdraw the whole or any part of the deposit made by making an application in Form D, but not more than one withdrawal shall be made in any one month and such withdrawal can be used only for any of the following purposes mentioned in Rule 7 of the Investment Deposit Scheme.

- a) for extension of planting, replanting, replacement or inter-planting of planted areas including preparation of land, care and maintenance of such areas during the immaturity period of the crop and provision of nurseries and shade trees;
- b) for construction or extension of roads, culverts, bridges and fencing within the estate;
- c) for construction and extension of factories and godowns;
- d) for purchase of tractors, road rollers, trucks, trailers, power tillers, powered trollies, trolley tracks and conveyor systems, forklift trucks, ambulances, jeeps and motor cycles, for use in plantations within the State;
- e) for measures of controlling soil erosion and water logging including drainage;
- f) for provision of irrigation equipment, dams reservoirs, sluices, wells, water spraying equipment, pumps, engines, electrical connections ,piping and canals;
- g) for spraying equipment for weed control and plant protection measures for use in plantations in this State;
- h) for the purchase of plant and machinery, weighbridges, electrical motors, power generation equipments, electric and gas grid connections, electrification of factories and labour quarters, process control equipments and acquisition of energy saving devices

- i) for repayment of principal amount of term loans, deferred payment credits, hire purchase, lease rental and equipment finance taken after 31st March 1992 for a period of three years or more from a public financial institution, Housing Development Finance Corporation, any State Housing Board, Scheduled Bank, the Tea Board, Rubber Board, coffee Board, Spices Board or from any other institution as the state Government may, by notification, specify in this behalf;
- j) for purchase of computers and ancillary or related equipment for use in this state in connection with the plantation as may be notified by the Government;
- k) setting up of any agro based manufacturing unit in the state of Kerala.

15. Short Term Loans and Advances

Particulars	2017-18 Rs	2016-17 Rs
1) Advances recoverable in cash or kind		
i) Unsecured and considered good		
a) Employees	3,68,42,895.29	13,08,95,200.73
b) Advance to Contractors	1,75,26,888.75	1,66,82,814.75
c) Others	8,47,20,966.21	4,96,47,396.21
2) Balance with Government Authorities		
i) Unsecured and considered good		
a) Advance payment of taxes:		
1. Sales tax	1,39,16,118.18	1,39,16,118.18
2. Agricultural Income tax	40,68,60,587.00	40,68,60,587.00
3. Central Income tax	23,61,23,086.93	24,33,53,452.23
4. Goods and Services Tax	62,48,867.09	-
b) Tax refund due :		
1. Income tax	15,28,61,532.30	13,15,19,849.00
2. Agricultural Income tax	50,82,748.18	50,82,748.18
3. Plantation tax	3,42,630.79	3,42,630.79
3) Others		
i) Unsecured and considered good		
a) Deposit with supplier	55,387.25	55,387.25
Total	96,05,81,707.97	99,83,56,184.32

16. Other Current Assets

Particulars	2017-18 Rs	2016-17 Rs
Interest Receivable on Fixed Deposit	1,65,76,905.00	4,03,50,251.98
Total	1,65,76,905.00	4,03,50,251.98

17. Revenue from Operations.

Particulars	2017-18 Rs	2016-17 Rs
1) Sale of Product	93,88,77,192.99	72,63,97,529.21
2) Sale of Services	52,14,102.00	54,99,010.00
3) Other Operating Revenue	45,70,327.59	69,44,146.50
Total	94,86,61,622.58	73,88,40,685.71
i) Sale of Product comprises		
a) Rubber	76,57,76,019.09	59,93,18,492.11
b) Cashew	11,00,98,564.95	6,89,57,892.00
c) Oil Palm	3,89,71,932.00	3,36,68,336.00
d) Agriculture Produce	1,86,57,457.79	1,71,12,666.10
e) Trees and Firewood	31,23,806.00	44,17,083.00
f) Processed Rubber wood	32,413.16	16,084.00
g) Income from Restaurant	22,17,000.00	29,06,976.00
Total	93,88,77,192.99	72,63,97,529.21
ii) Sale of Services comprises		
a) Toll Charges	5,59,912.00	6,47,445.00
b) Rental Income - Plantation Valley	46,54,190.00	48,51,565.00
Total	52,14,102.00	54,99,010.00
iii) Other Non-operating Income		
a) Slaughter Tapping	32,44,099.00	58,85,103.00
b) Tender Forms	5,55,883.59	7,03,549.50
c) Empties and Unserviceables	7,70,345.00	3,55,494.00
Total	45,70,327.59	69,44,146.50
Total	94,86,61,622.58	73,88,40,685.71

18. Other Income

Particulars	2017-18 Rs	2016-17 Rs
1) Interest Income		
i) From Banks & Treasury	3,86,54,451.02	4,68,10,016.01
ii) From the employees	17,94,176.00	20,86,587.00
iii) Contractors and Customers	5,42,768.78	8,25,461.44
iv) From Income Tax Department	-	67,53,319.00
2) Other Income		
i) Rent of Building	5,27,400.00	2,18,828.00
ii) Dividend from Long Term Investments	15,71,105.00	14,10,553.00
iii) Miscellaneous Income	12,75,689.15	22,19,935.18
Total	4,43,65,589.95	6,03,24,699.63

19. Prior Period Income

Particulars	2017-18 Rs	2016-17 Rs
Subsidy Cashew Plantation	-	1,21,200.00
Interest Income	16,05,607.00	-
Total	16,05,607.00	1,21,200.00

20. Cost of Materials Consumed and Direct Expenses

Particulars	2017-18 Rs	2016-17 Rs
Purchase Latex	1,2,076.00	1,31,878.00
Manufacturing Expenses	5,01,33,362.15	4,78,08,048.44
Tapping & Collection - Rubber	23,82,86,811.37	25,21,81,361.14
Collection Charges - Cashew	3,96,789.00	29,15,188.00
Harvesting Expenses - Oil Palm	1,25,48,059.00	72,49,735.00
Cultivation & Upkeep - Rubber	4,35,65,173.40	4,01,41,576.92
Cultivation & Upkeep - Cashew	3,07,47,241.41	3,49,41,210.90
Cultivation & Upkeep - Oil Palm	95,95,486.30	1,25,39,642.00
Cultivation & Upkeep - Other Crops	1,26,38,160.93	1,69,03,704.85
Collection Charges - Pepper	1,96,298.22	6,540.00
Dairy Farm Expenses	31,56,923.69	57,61,087.00
Electricity Charges	71,44,205.00	71,99,678.00
Restaurant Expenses Plantation Valley	12,69,840.00	13,49,567.00
Total	40,96,90,426.47	42,91,29,217.25

21. Changes in Inventory

Particulars	2017-18 Rs	2016-17 Rs
Opening Stock - Rubber and Agrl. Products	33,31,47,526.00	25,09,94,305.00
Less : Closing Stock		
Rubber	22,27,33,198.00	32,24,17,786.00
Cashew	72,26,588.00	44,93,890.00
Oil Palm	-	7,79,693.00
Other Agricultural Produces	45,61,427.00	36,99,064.00
Treated Rubber Wood	16,53,744.00	17,57,093.00
Total	9,69,72,569.00	(8,21,53,221.00)

22. Employee Benefit Expense

Particulars	2017-18 Rs	2016-17 Rs
Salaries & Allowances	16,54,67,701.35	16,41,64,415.80
Salaries & Allowances to MD	11,50,150.00	10,45,938.00
Honorarium to Chairman	2,40,000.00	98,709.00
TA & Sitting Fee to Directors	2,08,633.00	2,32,024.00
Leave Encashment	1,40,82,604.00	1,29,87,015.00
Employer's Contribution - PF	6,35,39,755.00	6,73,39,731.00
TA to Staff & Officers	27,23,684.00	27,41,299.00
L I C - Group Gratuity Premium	16,37,000.00	13,81,220.00
Bonus & Production Incentive	9,13,01,355.94	8,81,12,654.50
Welfare Expenses	8,37,60,076.76	7,43,07,131.76
Provision for Gratuity	(3,89,88,171.00)	5,23,893.00
Total	38,51,22,789.05	41,29,34,031.06

23. Administrative and Other Expense

Particulars	2017-18 Rs	2016-17 Rs
Rep. & Maintenance of Assets	2,99,07,296.23	4,15,79,141.81
Insurance Charges	7,48,590.00	15,60,864.00
Selling Expenses	5,53,972.76	4,62,974.00
Rent	8,99,390.44	6,77,649.00
Advertisement Charges	46,94,964.92	59,66,920.00
Corporate Social Responsibility	-	-
Rates & Taxes	26,46,596.00	40,78,340.06
Commission and Rebate	30,06,056.89	21,16,228.00
Legal Expenses	8,54,694.00	5,56,941.00
Security Expenses	1,01,39,423.97	1,15,56,374.95
Professional Fees	12,43,719.00	12,05,306.00
Miscellaneous Expenses	74,10,187.89	65,70,716.30
Electricity Charges	1,88,93,144.00	2,03,87,203.00
Lease Rent	1,66,17,704.48	1,66,17,704.48
Bank Charges	1,20,505.18	97,891.31
Interest paid	2,58,722.00	2,30,865.00
Total	9,79,94,967.76	11,36,65,118.91

A) CSR Expenditure

(a) Gross amount required to be spent by the company during the year:- Nil.

(b) Amount spent during the year: Nil.(PY - Nil.)

24. Prior Period Expense

Particulars	2017-18 Rs	2016-17 Rs
Golden Jubilee Celebration Expenses		7,800.00
Cultivation & Upkeep - Mature Rubber area	68,961.00	
Total	68,961.00	7,800.00

25. Disclosure as per AS 29

Disclosure for each class of provision

Particulars	Gratuity(Rs.) Plan I	Gratuity(Rs.) Plan II	Bonus (Rs.)	Leave Encashment (Rs.)
Opening Balance	(3,59,85,182.00)	2,86,17,632.38	11,13,09,308.50	3,41,06,264.00
Add : Additions during the year	(8,58,06,111.00)	4,68,17,940.00	2,10,00,000.00	14,082,604.00
Less : Utilization during the period	-	-	11,13,09,308.50	13,065,122.00
Add : Recoverable from LIC during 2017-18	8,11,85,629.00	-		
Closing Balance	(20,29,76,922.00)	7,54,35,572.38	2,10,00,000.00	3,51,23,746.00

26. Disclosure as per AS 15

- A) A fund called Employees Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation of India, Pension & Group Scheme Department has been established by the Corporation for the purpose of providing gratuity benefits to the employees of the Corporation. All the transactions related to the Gratuity Fund invested in LIC's Group Gratuity Scheme are managed by a trust which is also responsible for maintaining separate books of accounts in respect of the above. The accounts for the same are audited by independent auditors. The Group Gratuity liability has been provided as per the actuarial valuation given by LIC, Pension & Group Scheme. The valuation method used is 'Project Unit Credit Method'. The assumptions and details of gratuity and leave encashment are as follows:

Defined Benefit Plan

**Gratuity Report Under AS - 15 (Revised 2005) for the year ended 31.03.2018 -
Policy No :420273**

1	Assumption	As on 31.03.2018	As on 31.03.2017
	Discount rate	8.00%	8.00%
	Salary Escalation	16.00%	16.00%
2.	Table Showing changes in present value of obligation as on 31.03.2018		
	Present value of obligations as at beginning of year	50,75,68,288	56,23,73,356
	Interest cost	4,01,26,762	4,49,89,868

	Current Service Cost	1,57,46,057	2,76,26,931
	Benefits Paid	-	(3,63,82,116)
	Benefits to be Paid	-	(4,63,55,238)
	Actuarial (gain) / loss on obligations	(8,22,93,453)	(4,46,84,513)
	Present value of obligations as at end of year	48,11,47,654	50,75,68,288
3.	Table Showing changes in the fair value of plan assets as on 31.03.2018		
	Fair value of plan asset at beginning of year	54,35,53,470	57,66,09,333
	Expected return on plan asset	5,93,85,477	4,96,81,491
	Contributions	8,11,85,629	-
	Benefits Paid	-	(3,63,82,116)
	Benefits to be Paid	-	(4,63,55,238)
	Actuarial (gain) / loss on plan assets	-	-
	Fair value of plan asset at the end of the year	68,41,24,576	54,35,53,470
4.	Table Showing fair value of plan assets		
	Fair value of plan asset at beginning of year	54,35,53,470	57,66,09,333
	Actual return on plan assets	5,93,85,477	4,96,81,491
	Contributions	8,11,85,629	NIL
	Benefits Paid	-	(3,63,82,116)
	Benefits to be Paid	-	(4,63,55,238)
	Fair value of plan assets at the end of the year	68,41,24,576	54,35,53,470
	Funded status	20,29,76,922	3,59,85,182
	Excess of actual over estimated return on plan assets	NIL	NIL
	(Actual rate of return = Estimated rate of return as ARD falls on 31 st March)		
5.	Actuarial gain/ loss recognized as on 31/03/2018		
	Actuarial(gain)/ loss on obligations	8,22,93,453	4,46,84,513
	Actuarial gain/ loss for the year - plan assets	Nil	Nil
	Total (gain)/ loss for the year	(8,22,93,453)	(4,46,84,513)
	Actuarial (gain) /loss recognized in the year	(8,22,93,453)	(4,46,84,513)

6. The amount to be recognized in the balance sheet and statement of profit and loss		
Present value of obligations as at the end of year	48,11,47,654	50,75,68,288
Fair value of plan assets at the end of the year	68,41,24,576	54,35,53,470
Funded status	20,29,76,922	3,59,85,182
Net asset/ (liability) recognized in the balance sheet	20,29,76,922	3,59,85,182
7. Expense recognized in statement of Profit and Loss		
Current Service Cost	1,57,46,057	2,76,26,931
Interest cost	4,01,26,762	4,49,89,868
Expected return on plan asset	(5,93,85,477)	(4,96,81,491)
Net Actuarial (gain) /loss recognized in the year	(8,22,93,453)	(4,46,84,513)
Expense/(Income) recognized in statement of Profit and Loss	(8,58,06,111)	(2,17,49,205)

**Gratuity Report Under AS - 15 (Revised 2005) for the year ended 31.03.2018 -
Policy No :603000464**

1	Assumption	As on 31.03.2018	As on 31.03.2017
	Discount rate	8.00%	8.00%
	Salary Escalation	16.00%	16.00%
2	Table Showing changes in present value of obligation as on 31.03.2018		
	Present value of obligations as at beginning of year	3,17,63,282	90,88,029
	Interest cost	29,24,002	7,27,042
	Current Service Cost	86,27,072	1,65,10,769
	Benefits Paid	(21,50,060.90)	NIL
	Actuarial (gain) / loss on obligations	3,50,07,110.90	54,37,442
	Present value of obligations as at end of year	7,61,71,406.00	3,17,63,282
3	Table Showing changes in the fair value of plan assets as on 31.03.2018		
	Fair value of plan asset at beginning of year	31,45,649.42	27,43,494.62
	Expected return on plan asset	(2,59,754.70)	4,02,154.80

	Contributions		
	Benefits Paid	(21,50,060.90)	NIL
	Actuarial (gain) / loss on plan assets	Nil	Nil
	Fair value of plan asset at the end of the year	7,35,833.82	31,45,649.42
4	Table Showing fair value of plan assets		
	Fair value of plan asset at beginning of year	31,45,649.42	27,43,494.62
	Actual return on plan assets	(2,59,754.70)	4,02,154.80
	Contributions	NIL	NIL
	Benefits Paid	(21,50,060.90)	NIL
	Fair value of plan assets at the end of the year	7,35,833.82	31,45,649.42
	Funded status	(7,54,35,572.18)	(2,86,17,632.58)
	Excess of actual over estimated return on plan assets	Nil	Nil
	(Actual rate of return = Estimated rate of return as ARD falls on 31 st March)		
5	Actuarial gain/ loss recognized as on 31/03/2018		
	Actuarial(gain)/ loss on obligations	(3,50,07,110.90)	(54,37,442.00)
	Actuarial gain/ loss for the year - plan assets	Nil	Nil
	Total (gain)/ loss for the year	35,007,110.90	54,37,442.00
	Actuarial (gain) /loss recognized in the year	35,007,110.90	54,37,442.00
6	The amount to be recognized in the balance sheet and statement of profit and loss		
	Present value of obligations as at the end of year	76,171,406.00	3,17,63,282.00
	Fair value of plan assets at the end of the year	7,35,833.82	31,45,649.42
	Funded status	(7,54,35,572.18)	(2,86,17,632.58)
	Net asset/ (liability) recognized in the balance sheet	(7,54,35,572.18)	(2,86,17,632.58)
7	Expense recognized in statement of Profit and Loss		
	Current Service Cost	86,27,072.00	1,65,10,769.00
	Interest cost	29,24,002.00	7,27,042.00
	Expected return on plan asset	2,59,754.70	(4,02,154.80)
	Net Actuarial (gain) /loss recognized in the year	3,50,07,110.90	54,37,442.00
	Expense/(Income) recognized in statement of Profit and Loss	4,68,17,939.60	2,22,73,098.20

B) Group Leave Encashment Scheme of Employees

			Current year	Previous year
1	Proposal No/Quot.No	:	5920	3021/4
	Date of Commencement	:	31/03/2018	01/04/2017
2	Membership Data			
	No. of Members	:	378	378
	Average age	:	48	48
	Average Monthly Salary	:	30621	29540
3	VALUATION METHOD	:	Projected unit credit method	
4	ACTUARIAL ASSUMPTIONS			
	Mortality Rate	:	LIC(2006-08) ultimate	LIC(2006-08) ultimate
	Withdrawal Rate	:	1% to 3% depending on age	
	Discount rate	:		
	Salary Escalation	:	8%	8%
5	RESULTS OF VALUATION			
	a. PV PSG	:	2,92,68,632	2,82,97,655
	b. Short term Liability (With in 1 Year)	:	33,56,245	33,56,245
	c. Current Service Cost		58,31,172	57,85,276
	d. LCSA	:	37,80,000	37,80,000
	e. LC Premium	:	20,290	20,290
	f. Service Tax	:	3,652	3,043
6	RECOMMENDED CONTRIBUTION RATE			
	a. Initial Contribution	:	2,92,68,632	2,82,97,655
	b. Additional Contribution for existing fund	:	0	0
	c. Current Service Cost	:	58,31,172	57,85,276
7	Total Amount Payable (Rs) (6.a +6.c + 5.e + 5.f)		3,51,23,746	3,41,06,264

27. Segment Reporting as per AS 17

The primary business activity of the Corporation is to produce, sell and deal in products of rubber and other agricultural crops of every description. The Corporation 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 agriculture segment deals in production and sale of agricultural crops. Plantation Valley is a resort which provides accommodation and restaurant facilities to customers. Rubber Wood Factory deals with processing and sale of rubber woods. Each segment maintains separate books of accounts. Accounting policies of each segment are

in line with the accounting policies of the Corporation. Financial information about business segments is presented in the table below.

Particulars	Agriculture Business		Plantation Valley		Rubber Wood Factory		Total	
	Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.	Curr.Yr.	Prev.Yr.
Segment Revenue	9,417.07	7,310.16	69.23	78.01	0.32	0.24	9,486.62	7,388.41
Segment Results	(597.40)	(1,582.77)	(9.33)	(16.32)	(1.81)	(9.28)	(608.54)	(1,608.37)
Depreciation	190.64	253.43	5.62	6.88	0.41	0.64	196.66	260.95
Dividend & Interest Income		-		-		-	443.66	603.25
Prior Period Income		-		-		-	16.06	1.21
Prior Period Expenses		-		-		-	0.69	0.08
Unallocated H.O Expenses		-		-		-	979.95	1,136.65
Extra Ordinary Items		-		-		-	-	-
Current Tax		-		-		-	-	(235.99)
Net Profit / (Loss)	(137.69)	(742.32)	(9.33)	(16.32)	(1.81)	(9.28)	(148.83)	(767.92)
Other Informations								
Tangible Assets	10,548.94	10,186.38	90.70	96.09	2.16	2.57	10,641.79	10,285.03
Other Assets	19,676.88	20,956.49	12.35	12.35	1.79	1.79	19,691.02	20,970.64
Liabilities	13,791.59	14,569.23	5.23	1.62	1.04	1.04	13,797.86	14,571.88
Write Off	-	-	-	-	-	-	-	-

28. Deferred Tax Assets and Liabilities

Even though the company has incurred a loss of Rs.1.49 Crore (P.Y. Loss - Rs.7.68 crores) during the current year, the Corporation 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.

29. Claim for Endosulphan Victims

The Government of Kerala vide order no. GO (MS) 147/12/H&FW dated 26.05.2012 has directed the Corporation to pay compensation to endosulphan victims as recommended by the National Human Rights Commission. The total amount computed as per a further letter no 50073/GI/2010/H&FW dated 31.05.2012 is Rs 87.26 crores. As first installment, an amount of Rs 27.04 crores was remitted to the Government on 4.06.2012. As such the liability for an amount of Rs 27.04 crores is recognized as on 31.03.2012. Balance Rs 60.22 crores has been made as provision for Endosulfan victims during the year 2012-13. Out of this an amount of Rs. 26.06 crores was remitted to the Government on 20.02.2014.

30. Disclosure as per AS-20- Earnings per Share-(EPS)

Particulars	2017-18 Rs	2016-17 Rs
(a) Net Profit after tax but before considering Extra ordinary items (Rs. in Lakhs)	(148.83)	(767.92)
(b) Profit attributable to equity shareholders (Rs. in Lakhs)	(148.83)	(767.92)
(c) Weighted average number of Equity shares	55,688.00	55,688.00
(d) Basic/ Diluted EPS (a)/(c)	(267.26)	(1,378.97)
(e) Basic/ Diluted EPS (b)/(c)	(267.26)	(1,378.97)
(f) Face Value of Equity share	1,000.00	1,000.00

31. Related Party Disclosure**Remuneration to Key Managerial Personnel****Related Party : Managing Director**

Particulars	2017-18	2016-17
Name of Related Party	Sri. N Ravikumar	Sri. A Unnikrishnan
Period of service	1st April 2017 - 8th January 2018	1st April 2016 - 14th December 16
Rendering of services (Rs.)	11,50,150.00	7,59,714.00
Name of Related Party	Sri. R Sivadasan Nair	Sri. M.A. Francis
Period of service	8th January 2018 - 31st March 2018	20th December 16 - 12th January 2017
Rendering of services (Rs.)	Nil	Nil
Name of Related Party		Sri. N Ravikumar
Period of service		1st February 2017 - 31st March 2017
Rendering of services (Rs.)		2,86,224.00
Total	11,50,150.00	10,45,938.00

The former Managing Director Sri. N. Ravikumar is also provided with a rent free furnished residential accommodation by taking a flat on rent by the Corporation. The perquisite enjoyed in this regard during the year is Rs 3,18,000/- (1st April 2017-08th January 2018.) Sri. R. Sivadasan Nair, who is the current Managing Director is also provided with a rent free furnished residential accommodation by taking a flat on rent by the Corporation. The perquisite enjoyed in this regard during the year is Rs 43,000/- (9th January 2018 - 31st March 2018.) The perquisite enjoyed during the Previous Year by the then Managing

Directors Sri. A. Unnikrishnan and Sri. N. Ravikumar was Rs. 1,22,560/- (1st April 2016 - 14th December 2016.) and Rs. 62,000/- (1st February 2017 - 31st March 2017.) respectively.

Sri. R. Sivadasan Nair, who is the current Managing Director, has not received any remuneration for his rendering of services during 2017-18 since Government Order regarding his remuneration is yet to be received from Government. Hence no amount is paid or provided in the accounts.

32. Managerial Remuneration

Particulars	Current Year (Rs.)	Previous Year (Rs.)
TA & Sitting fee to Directors	2,08,633.00	2,32,024.00
Honorarium to Chairman	2,40,000.00	98,709.00

33. Auditor's Remuneration

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Statutory Auditor's fee	2,32,200.00	2,73,996.00
Expenses to Statutory Auditors	50,000.00	50,000.00
Internal Auditor's Fee	3,30,000.00	3,85,688.00
Tax Audit fee	50,000.00	47,200.00
GST/VAT Audit	25,000.00	25,652.00
Total	6,87,200.00	7,82,536.00

* Excluding Taxes.

34. Additional Information as per Schedule VI of the Companies Act

a) Value of goods consumed during the year

Particulars	Current Year		Previous Year	
	Value	Consumption	Value	Consumption
a) CIF Value of Imports - Capital Goods	Nil		Nil	
b) Value of raw materials, stores, spares and components during the year.				
i). Imported value	Nil	Nil	Nil	Nil
ii). Indigenous (Stores & spares)	839.95	100%	857.88	100%

b) Total wages paid during the year to tappers, field worker and factory workers are Rs.3220.28lakhs (P. Y: Rs.3586.04 lakhs.)

c) Total Sales commission paid during the year to selling agents is Rs. 30.06 lakhs. (P.Y: Rs. 21.16 lakhs)

d) Manufacturing expense include cost of packing drums worth Rs. 162.38 lakhs (P.Y: Rs. 155.41 lakhs).

e) Sales

Item	Current Year		Previous Year	
	Quantity(M.Ts.)	Value(Rs. Lakhs)	Quantity(M.Ts.)	Value(Rs. Lakhs)
Sale of goods (As classified in the sales register)				
Rubber	5846.82	7657.76	4390.74	5993.18
Cashew	NA	1100.99	NA	689.58
Oil palm	5035.97	389.72	5005.26	336.68
Treated Rubber Wood	48.54 cft.	0.31	21.66 cft	0.16

Quantitative particulars of cashew are not available as most of the sales were effected through tender - cum - auction.

- f) There is no earning and expenditure in foreign currency during the year as well previous year.

35. Taxation Matters

A) Central Income Tax

The assessment order of **Central Income Tax** (CIT) has been received up to the financial year 2013-14 (AY 2014-15). We have filed an appeal to the Commissioner of Income Tax (Appeals) against the assessment order on 13-01-2017 relating to the financial year 2013-14 (AY2014-15). For the current financial year 2017-18, no amount has been provided for Central Income Tax as the company is in loss. The following is the list of Central Income Tax cases pending at various forums. No additional provision has been made for these cases as all are pending litigation and the Corporation is pursuing cases for favorable orders.

Nature of Statute	Amt (In lakhs)	Finacial year	Forum where dispute is pending
Central Income tax	4.01	1987-88(AY 1988-89)	Hon'ble High Court order pending for modification
Central Income tax	1.19	1989-90(AY 1990-91)	CIT (A) order pending for modification
Central Income tax	16.87	2003-04(AY 2004-05)	CIT Appeal
Central Income tax	12.25	2004-05(AY 2005-06)	CIT Appeal
Central Income tax	76.57	2006-07(AY 2007-08)	IT Appellate Tribunal
Central Income tax	35.30	2008-09(AY 2009-10)*	IT Appellate Tribunal/ Hon'ble High Court
Central Income tax	87.84	2009-10(AY 2010-11)*	IT Appellate Tribunal
Central Income tax	479.26	2010-11(AY 2011-12)	CIT Appeal
Central Income tax	**234.95	2011-12(AY 2012-13)	CIT Appeal
Central Income tax	106.76	2012-13(AY 2013-14)	CIT Appeal
Central Income tax	126.70	2013-14(AY 2014-15)	IT Appellate Tribunal

** Amount represents the disputed income

* Since the appeal filed with the Commissioner of Income Tax (Appeals), Kottayam have been dismissed for the Financial Years 2008-09 (AY 2009-10) and 2009-10 (AY 2010-11), Corporation has filed appeal to the Income Tax Appellate Tribunal for the respective years.

The Income Tax Appellate Tribunal vide order ITA No.56/Cochin/2016 dated 13/05/2016 has allowed the appeal for the Financial Years 2008-09 (AY 2009-10). However the department has filed an appeal before the Hon'ble High Court and the same has been allowed.

A) Agricultural Income Tax

The assessment order of Agricultural Income Tax was received up to financial year 2014-15 (AY 2015-16).

The Agriculture Income computed for the current financial year 2017-18 is a loss. Hence no provision has been made for the current year under Agricultural Income Tax.

The following is the list of Agricultural Income Tax cases pending at various forums. No additional provision has been made for these cases as all are pending litigations and the Corporation is pursuing cases for favorable orders.

Name of Statue	Amt (in lakhs)	Financial year	Forum where dispute is pending
Agricultural Income Tax	39.93	1976-1977	Tribunal orders pending for modification for all the years.
Agricultural Income Tax	8.96	1977-1978	
Agricultural Income Tax	81.64	1978-1979	
Agricultural Income Tax	84.85	1979-1980	
Agricultural Income Tax	137.54	1980-1981	
Agricultural Income Tax	131.29	1981-1982	
Agricultural Income Tax	55.63	1982-1983	
Agricultural Income Tax	158.41	1984-1985	
Agricultural Income Tax	187.50	1985-1986	
Agricultural Income Tax	38.09	1986-1987	
Agricultural Income Tax	62.86	1989-1990	
Agricultural Income Tax	144.21	1990-1991	
Agricultural Income Tax	124.10	1994-1995	
Agricultural Income Tax	200.99	1995-1996	
Agricultural Income Tax	65.40	2004-2005	D.C (Appeals)
Agricultural Income Tax	92.65	2005-2006	D.C (Appeals)
Agricultural Income Tax	57.27	2007-2008	D.C (Appeals)

Agricultural Income Tax	88.11	2008-2009	D.C (Appeals)
Agricultural Income Tax	184.55	2009-2010	D.C (Appeals)
Agricultural Income Tax	*53.10	2009-2010	D.C (Appeals)
Agricultural Income Tax	***730.81	2010-2011	KVAT/AIT&ST Appellate Tribunal/Hon'ble High Court
Agricultural Income Tax	132.19	2011-2012	D.C (Appeals)
Agricultural Income Tax	**1403.04	2012-2013	D.C (Appeals)
Agricultural Income Tax	**1321.44	2013-2014	D.C (Appeals)

* The Inspecting Assistant Commissioner re opened the assessment for the financial year 2009-10 (AY 2010-11) vide order No.23900028/10-11 dated 05-12-2016 with a tax demand of Rs.53,09,930/-. We have filed an appeal before the D.C (Appeals) against the above order and the same is pending for disposal.

** Amount represents the disputed tax on disallowed income.

*** For the financial year 2010-11 (AY 2011-12) two appeals have been filed before the Hon'ble High Court. The first one is related to the disallowance regarding the purchase of latex, slaughter tapping income and the second one is related to the disallowance of the donation made to the Chief Ministers Distress Relief Fund. Moreover we have also filed an appeal before the DC (Appeal) relating to the disallowance of replantation allowance

C) Sales Tax (KGST/KVAT/CST)

KGST assessments and CST assessments were completed only up-to 2009-10. No provision has been made on the additional demand since the assessment orders are under appeal. In the Financial Year 2009-10 Rs 4 Crores has been provided for the same. Since there is, enough provision in the accounts no further provision is created for these demands. Follow up action is being taken in all cases. The details are furnished below.

Name of the statute	Name of the dues	Amount (Rs.Lakh)	Period to which the amount relates	The forum where dispute is pending
Kerala General Sales Tax Act, 1963	Tax demanded in appeal	74.71	2001-02	Tribunal order pending for modification
Kerala General Sales Tax Act, 1963	Tax demanded in appeal	158.89	2002-03	Remanded to DC (A)
Kerala General Sales Tax Act, 1963	Tax demanded in appeal	8.79	2003-04	Tribunal order pending for modification
Kerala General Sales Tax Act, 1963	Tax demanded in appeal	55.55	2004-05	Tribunal order pending for modification
CST Act, 1956	Tax demanded in appeal	27.15	2002-03	Tribunal order pending for modification

CST Act , 1956	Tax demanded in appeal	35.06	2003-04	Tribunal order pending for modification
CST Act , 1956	Tax demanded in appeal	6.49	2004-05	Tribunal order pending for modification
KVAT	Tax demanded in appeal	14.96	2005-06	Remanded by DC(Appeals)
CST Act , 1956	Tax demanded in appeal	3.85	2006-07	Remanded by DC (Appeals)
KVAT & CST Act 1956	Tax demanded in appeal	12.18(KVAT)	2009-10	Completed
KVAT & CST Act 1956	Tax demanded in appeal	185.09(KVAT)	2010-11	CST completed. KVAT remanded by DC(Appeals)
KVAT & CST Act 1956	Tax demanded in appeal	41.41(KVAT)	2011-12	CST completed. KVAT remanded by DC(Appeals)
KVAT & CST Act 1956			2012-13	Not completed
KVAT & CST Act 1956			2013-14	Not completed
KVAT & CST Act 1956			2014-15	Not completed
KVAT & CST Act 1956			2015-16	Not completed
KVAT & CST Act 1956			2016-17	Not completed

Based on the information of the Act and various pronouncement in relation to similar matters, the company is of the view that these demands are likely to be deleted or it may be substantially reduced.

D) Plantation Tax

The Plantation Tax Assessments up to 2007-08 has been completed. On the basis of the latest Assessment Order No.B5-5072/81 dated 21-02-2012, necessary adjustments and payments have been made during the current year. The Net refundable Plantation Tax after the above adjustments amounts to Rs. 3,42,630.79/-.

E) Based on the interpretation of the Act and various pronouncements in relation to the similar matters company is of the view that these demands are likely to be deleted or it may be substantially reduced.

36. PF and Other charges

Corporation has a disputed liability on account of Provident Fund due to non-payment of wages/salary to workers and employees. A provision amounting to Rs1,56,10,090.00 was created by the Corporation against the said liability. Out of which an amount of Rs.54,984.00 settled on 2015-16. Now the balance is Rs.1,55,55,106.00. Since the dispute is pending with appropriate forum, no further provision was created with regard to this. Payment has not been made due to non receipt of appropriate modified order/demand.

37. Contingent liability

- a) Estimated amount of contractors for which the Corporation is contingently liable on Capital Account is Rs. 1.5 crores (P.Y Rs 1.5 crores)
- b) 218 cases (Previous year 233 cases) are pending against the Corporation 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.

38. 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 Corporation till completion of repayment of the entire loan and interest availed by the Corporation from Canara Bank. There has been a decision to fix the lease rent payable by the Corporation 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 Rs. 2 Crores during the year 2010-11. The issue was again discussed at a high level meeting of Minister concerned on 19.03.2012. Another meeting in the presence of Hon'ble Chief Minister was convened on 28.05.2013 and the matter is pending at Govt. level.

It was decided in the High Level meeting held on 06.12.2006 to pay lease rent for cashew plantations @ 150/- per h.a. from 1999 onwards. It was also decided in the meeting convened by Hon'ble Chief Minister on 28.05.2013 to pay lease rent for rubber plantations @ 1300/- per h.a. from 2009 onwards. But no Government Orders are received. Meanwhile,

the Corporation has already paid the lease rent at the above agreed rates from the FY 2009-10.

39. Oil Palm India Ltd.

The Government of Kerala sanctioned the following amounts to the Corporation for investment in the shares of Oil Palm India Ltd. (Formerly subsidiary of Corporation) as detailed below:

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

Out of this Rs. 112 Lakhs, the Corporation has repaid to Govt. of Kerala Rs. 17,33,338/- As per Govt. order G.O. (MS) No. 238/93 AD dated 04.08.1983 and G.O. (MS) No. 41/84 AD dated 02.02.1984, the subsidiary status of Oil Palm India Ltd. was terminated and the three loans amounting to Rs. 112 Lakhs were cancelled.

With the loan amount, the Corporation has invested in shares worth Rs. 121.20 Lakhs in Oil Palm India Ltd. For the termination of subsidiary status of Oil Palm Ltd., as per Government orders referred above, the Govt. has fixed the intrinsic value of each share worth Rs. 1,000/- at Rs. 512/- per share [GO (MS) No. 294/85/AD dated 04.11.1985]. 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 with Government.

40. As on the balance sheet date company has reviewed carrying amount of assets except development of property and found that there is no indication that those assets has suffered any impairment loss.

41. Dividend

Since the company has incurred loss during the current accounting year, no amount has been provided for proposed dividend for the financial year 2017-18.

42. Regrouping

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

S/d
J. Udayabhanu
 Chairman
 DIN - 07751884

S/d
R.Sivadasan Nair
 Managing Director
 DIN -08056433

S/d
Sreelakumar S
 G.M. (F&A) i/c

S/d
Agate Joseph Easow
 Company Secretary

S/d
Thomas & Associates
 Chartered Accountants
 (FRN : 009509S)

Kottayam
 26.10.2018

C.A Thomas K. George
 (Partner)
 Membership No. 210875



महालेखाकार (आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा) का कार्यालय,
केरल, तिरुवनन्तपुरम

**OFFICE OF THE ACCOUNTANT GENERAL (ECONOMIC AND
REVENUE SECTOR AUDIT) KERALA, THIRUVANANTHAPURAM**

31 मार्च 2018 को समाप्त वर्ष के लिए दि प्लान्टेशन कारपोरेशन ऑफ केरला लिमिटेड, कोट्टयम के वित्तीय विवरणों पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अधीन भारत के नियंत्रक - महालेखापरीक्षक की टिप्पणियाँ।

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER
SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF THE PLANTATION CORPORATION OF KERALA LIMITED,
KOTTAYAM FOR THE YEAR ENDED 31 MARCH 2018.**

The preparation of financial statements of The Plantation Corporation of Kerala Limited, Kottayam for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are 'responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 October 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of The Plantation Corporation of Kerala Limited, Kottayam for the year ended 31 March 2018 under Section 143(6) (a) of the Act. 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.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.


A. COMMENTS ON PROFITABILITY

Statement of Profit and Loss for the year ended 31.03.2018 Profit (loss) for the period - ₹ (148.83) lakh.

This is understated by ₹ 14.53 lakh on account of the following.

- i. Non creation of provision for advocate fees payable by the Company for the period 2012-16 amounting to ₹ 12.15 lakh. This has resulted in corresponding understatement of Reserves and Surplus.
- ii. Non creation of provision for arrears of dearness allowance payable to employees for the period from July 2017 to March 2018 amounting to ₹ 2.38 lakh. This has resulted in corresponding understatement of Reserves and Surplus.

**For and on behalf of
The Comptroller & Auditor General of India**


को. प. आनंद

K.P. ANAND

तिरुवनंतपुरम/Thiruvananthapuram

दिनांक /Dated: 13.02.2018

महालेखाकार (आ.एवं.रा.क्षे.ले.प.) केरल
ACCOUNTANT GENERAL (E&RSA), KERALA



DR. SHARMILA MARY JOSEPH IAS
SECRETARY TO GOVERNMENT

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No: PU-B1/172/2018/Fin(E: 1004579)

Finance (PU-B) Department

**COMMENTS OF SECRETARY (FINANCE-EXPENDITURE) ON THE AUDITED
ACCOUNTS OF PLANTATION CORPORATION OF KERALA LIMITED FOR
THE FINANCIAL YEAR 2012-18**

1. As compared to the previous year the total revenue of the company has increased to Rs. 99.64 crores from Rs. 79.92 crores; thereby the total loss of the company has reduced to Rs. 1.488 crores from Rs. 10.039 crores.
2. The assets coming under the head 'Development Property' of the company should also be entered into the records properly. -
3. The company should take steps for the recovery of principal and interest of the loan amount sanctioned to Kerala State Horticultural Products Development Corporation and Kerala State Coconut Development Corporation.
4. The undisputed statutory dues have been paid by the company in time But in the case of disputed statutory dues like Income Tax, Agricultural Income Tax and Sales Tax, earnest efforts should be taken for settlement.
5. Payroll software should be adopted in the company so as to avoid errors in disbursement of salary.
6. The EPS is negative for 2017-18 also.
7. Balance fund in bank account should be reconciled properly.
8. Remedial measures as suggested by Auditors should be implemented and recurrence of such instances is to be avoided in future.

Dr. SHARMILA MARY JOSEPH
Secretary (Finance-Expenditure)

Thiruvananthapuram
Date: 31/12/2018

**REPLY TO THE COMMENTS OF ACCOUNTANT GENERAL (E&RSA), KERALA,
ON THE AUDITED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2017-18.**

1. The bills raised by Advocate Raju Sebastian Vadakkekara Rs.12,14,659/- relates to the period of 2012 to 2016. As it is not pertaining to the financial year 2017-18, we had not included the same in the accounts for the year 2017-18. The payment of the bills were in dispute and we made a payment of Rs.7,00,150/- on 09-10-2018. The same will be transferred to Prior period expenses during the financial year 2018-19.
2. DA arrear for the period of July 2017 to July 2018 Rs.3,43,881/- has been disbursed as per proceedings P&A/F 2292 dated 03-08-2018, of which Rs. 2,38,071/- pertains to the financial year 2017-18. The same will be transferred to Prior period expenses during the financial year 2018-19.

**REPLY TO THE COMMENTS OF SECRETARY, FINANCE (EXPENDITURE) ON THE
AUDITED ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR 2017-18.**

1. The loss for the previous financial year (2016-17) is Rs. 7.67 crores. The loss for the current year (2017-18) is Rs. 1.48 crores. In absolute terms there is a reduction in loss amounting to Rs. 6.19 crores in the current year.
2. In the comments of respected Secretary to Finance, it is mentioned that "The assets coming under the head 'Development of Property' of the company should be entered into the records properly" We have shown development of property as "assets" in the financial statements. Please refer to Note 9 of the financial statements. The developments of assets is shown at cost in the financial statement and the method of accounting followed constantly till date is as follows.

Expenditure incurred for the development of plantation (bearer plants) is capitalized and is shown in the Balance Sheet as tangible assets - "Development of Property as per Revised Accounting Standard 10". 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. (Refer note 1 (J) of notes forming part of financial statements).

3. The Corporation has taken all the steps and have been closely following the two corporation for recovery of the amounts given to them. The Corporation has also approached the High Power Committee of the state for reconciliation/ settlement of the referred dues.
4. The Company is regular in paying statutory dues and there has not been any penal charges or interest reported for non-remittance of the dues. The Corporation is up to date in filing tax returns and replies to assessment notices. There is delay in posting the cases and issuance of assessment orders from departments concerned.
5. Noted.
6. The Corporation is under loss for the current financial year thereby resulting in a negative EPS.
7. Noted.
8. Noted.