



# THE PLANTATION CORPORATION OF KERALA LTD

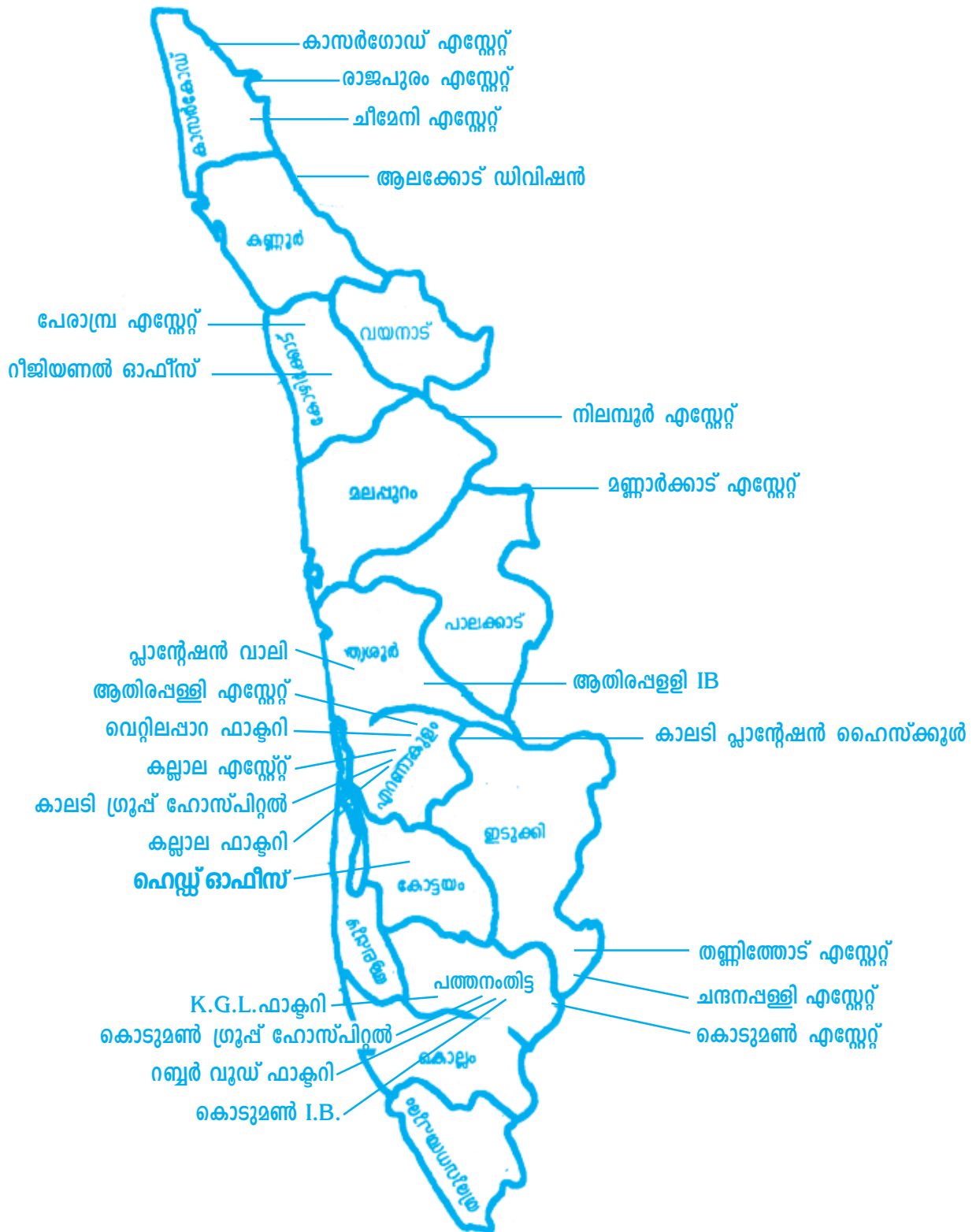
KOTTAYAM - 686 004  
(An ISO 9001-2015 Certified Company)



## 58<sup>th</sup> ANNUAL REPORT AND ACCOUNTS 2019-20

Regd. Office : Kottayam-686 004  
Grams : Plantcorp  
Fax : 0481-2575133 (M.D)  
0481-2578448  
E-mail : mdpckltd@gmail.com  
Website : www.pcklimited.in  
www.plantationvalley.com  
Phone : 2578301, 2578302, 2578303  
(0481) 2578304, (EPABX), 2578306, 2578254, 2578294

## LOCATION OF VARIOUS UNITS OF PLANTATION CORPORATION



# THE PLANTATION CORPORATION OF KERALA LTD.

(A GOVERNMENT OF KERALA UNDERTAKING)  
REGISTERED OFFICE: KOTTAYAM - 686 004, KERALA

AN ISO 9001 : 2015 CERTIFIED COMPANY



25/01/2022

SEC/F-4/ 3314

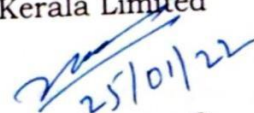
## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 58<sup>th</sup> Adjourned Annual General Meeting of The Plantation Corporation of Kerala Limited will be held on Friday, the 25<sup>th</sup> February 2022 at 11.30 AM at the Registered office of the Corporation at Muttambalam P.O, Kottayam, Kerala-686004 through Video Conferencing/Other Audio Visual Means (VC/OAVM)facility, to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2020 and Profit and Loss Account for the year ended on that date, the reports of Directors and Auditors thereon.

By Order of the Board  
For The Plantation Corporation of Kerala Limited

  
25/01/22  
Varun Kumar C  
(Company Secretary)



Phone: 0481-2578301, 2578302, 2578303, 2578304, FAX: 0481-2578448, 2575133 (MD)  
CIN:UO1119KL1962SGC001997

Web: [www.pcklimited.in](http://www.pcklimited.in) E-mail: [pckltd@bsnl.in](mailto:pckltd@bsnl.in)



# The Plantation Corporation of Kerala Ltd

(A Government of Kerala Undertaking)

REGISTERED OFFICE: KOTTAYAM-686 004, INDIA

AN ISO 9001:2008 CERTIFIED COMPANY



SEC/F-4/ 1571

11.08.2020

## Notice to Shareholders

Notice is hereby given that the 58<sup>th</sup> Annual General Meeting of The Plantation Corporation of Kerala Limited will be held on Monday, the 28<sup>th</sup> September, 2020 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 31<sup>st</sup> March 2020 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. P Jayakumari
- ii. Sri. Bennichen Thomas IFS
- iii. Sri. D Sreekumar
- iv. Sri. Ajith Kumar
- v. Sri. A. K. Chandran
- vi. Sri. V. Chamunni
- vii. Sri. T. R. Reghunathan
- viii. Sri. U. Thamban Nair
- ix. Sri. B. V. Rajan

DESPATCHED

Date 27/8

4. To authorize the Board of Directors to fix the remuneration of the Auditors appointed by the Comptroller and Auditor General of India.

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

Varun Kumar C  
Company Secretary

Kottayam  
11.08.2020



### 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.



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## **DIRECTORS' REPORT FOR THE YEAR 2019-20**

To  
The Members,  
The Plantation Corporation of Kerala Limited,

Your Directors have pleasure in submitting their 58<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2020.

1.

### **A. FINANCIAL SUMMARY**

(In Lakhs)

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Sales	7,642.80	<b>6,447.89</b>
Stock differential	(925.70)	<b>141.14</b>
Other income	174.64	<b>322.08</b>
Total Revenue	6,891.74	<b>6,911.11</b>
Manufacturing and other cost	9,387.90	<b>7,583.95</b>
Depreciation	119.91	<b>151.01</b>
Tax provision	-	<b>0</b>
Net profit before tax	(2,616.06)	<b>-845.94</b>
Earnings Per Share*	(4,697.71)	<b>-1,519.07</b>
Capital	556.88	<b>556.88</b>
Reserves	12,516.07	<b>15,132.14</b>
Net worth	13,072.95	<b>15,689.02</b>

### **B. PRODUCTION DETAILS**

#### **a) Rubber**

Production target was 6000 MT (PY 5512 MT) and the achievement was 3976.893 MT (PY 3884.44 MT) during the period 2019-20. In terms of target achievement percentage of the year 2019-20 is 66.28 %.

#### **b) Cenex**

Production of cenex during the period of 2019-20 was 2708.511 MTs (PY 2556.425 MTs) (Kallala Factory – 1214.302 MTs & KGL - 1494.209 MTs.)

#### **c) Rubber Wood Factory**

During the period of 2019-20, the quantity of treated rubber wood produced nil.

#### **d) Oil Palm Plantations**

Oil Palm FFB harvested during the year 2019-20 was 2925.692 MTs (PY 4312.381MTs).

#### **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 Seven 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 A) DEPOSITS**

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

## **B) LOANS GIVEN, INVESTMENT MADE OR GUARANTEE OR SECURITY PROVIDED BY THE COMPANY DURING THE FINANCIAL YEAR U/S 186 OF COMPANIES ACT 2013**

Nil.

## **C) CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Details of related party transaction provided in Note No.31 of Financial Statements.

## **14 DIRECTORS**

The Board of Directors of the Company as on 31.March.2020 include the following Directors:

- i. Adv. H Rajeevan (Chairman)
- ii. Sri. B Promod (Managing Director)
- iii. Smt. P Jayakumari
- iv. Sri. Ajith Kumar A
- v. Sri. Bennichen Thomas IFS
- vi. Sri. D Sreekumar
- vii. Sri. A K Chandran
- 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 COMMENTS ON STATUTORY AUDIT REPORT AND SECRETARIAL AUDIT REPORT**

Explanation to the comments made by Statutory Auditor is attached along with Financial Statements and Auditors Report. Provisions regarding secretarial audit as per Companies Act, 2013 is not applicable to the company.

**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

Date: \_\_\_\_/10/2021

Chairman  
B PROMOD  
Managing Director

## ANNEXURE – I

### Details of Directors (including changes taken place) during the financial year 2019-20

SI No.	Name	Address	Date of Appointment & Cessation
1	Shri S K Suresh	TC 12/1735/3 Sreemangalam MPRA 110(2) Madankovil Lane Muttada Thiruvananthapuram 695 025	07.01.2019 to 02/11/2019
2	Smt P Jayakumari	Under Secretary, Agriculture Department, Government of Kerala, Secretariat Thiruvananthapuram-695001	08/02/2019.
3	Shri K Babu	Additional Secretary Finance Department, Government of Kerala, Secretariat Thiruvananthapuram.	09/01/2015 to 16/09/2019
4	Shri P K Kesavan IFS	Principal Chief Conservator of Forests, Forest Headquarters, Vazhuthacaud, Thiruvananthapuram- 695014	06/03/2017 to 24/06/2019
5	Shri Sabu P Idicula	Rubber Production Commissioner Rubber Board, Kottayam – 686 002	13/02/2019 to 17/10/2019
6	Shri A K Chandran	Annanattukkar House, Chalakkudy, Thrissur, Kerala-680307	10/08/2018.
7	Shri V Chamunni	Pranavam, Lux Gardens, Koppam, Palakkad	05/07/2017.
8	Shri T R Reghunathan	Tharayil House, Arumanur PO, Kottayam	05/07/2017.
9	Shri U Tamban Nair	Vadakkemkaravedu Thaayannoor PO, Kasaragod	05/07/2017.
10	Shri B V Rajan	RemyaNivas, BengaraManjeshwaram PO, Manjeshwaram, Kasargod	05/07/2017.
11	Shri Bennichen Thomas IFS	Principal Chief Conservator of Forests, Forest Headquarters, Vazhuthacaud, Thiruvananthapuram- 695014	24/06/2019.
12	Advocate H Rajeevan	Chithira, Vilakudy P.O, Kinnikkode, Kollam-691508	06/08/2019.

13	Shri B Promod	Prathyaksha, Anamukku, KurichyP.O, Kurichy, Kottayam- 686532	02/11/2019.
14	Shri Ajith Kumar	Additional Secretary Finance Department, Government of Kerala, Secretariat Thiruvananthapuram.	16/09/2019.
15	Shri D Sreekumar	Deputy Rubber Production Commissioner, Rubber Board, Kottayam-686002	17/10/2019.

**ANNEXURE - II****REPORT ON CORPORATE GOVERNANCE**

During the period 2019-20, Seven (7) meetings of the Board of Directors were convened. The details regarding number of Board meetings held during the period 2019-20 and meetings attended by the Directors are as follows:

<b>Sl.No</b>	<b>Name of the Director</b>	<b>Total number of meetings attended by the Director</b>	<b>Total number of meetings required to be attended for the Financial Year 2019-20</b>	<b>Whether AGM/Adj AGM attended by the Director</b>
1	Shri S K Suresh	4	4	Yes
2	Smt P Jayakumari	2	7	Yes
3	Shri K Babu	1	3	Yes
4	Shri P K Kesavan IFS	-	1	
5	Shri Sabu P Idicula	1	2	
6	Shri A K Chandran	6	7	Yes
7	Shri V Chamunni	4	7	Yes
8	Shri T R Reghunathan	5	7	
9	Shri U Tamban Nair	7	7	Yes
10	Shri B V Rajan	3	7	Yes
11	Shri Bennichen Thomas IFS	1	6	
12	Advocate H Rajeevan	5	5	
13	Shri B Promod	3	3	Yes
14	Shri Ajith Kumar	2	4	
15	Shri D Sreekumar	5	5	

# Form No. MGT - 9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON  
31.MARCH.2020

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the  
Companies (Management and Administration) Rules, 2014]

## **I. REGISTRATION AND OTHER DETAILS:**

<b>i.</b>	CIN	<b>U01119KL1962SGC001997</b>
<b>ii.</b>	Registration Date	12/11/1962
<b>iii.</b>	Name of the Company	THE PLANTATION CORPORATION OF KERALA LIMITED
<b>iv.</b>	Category / Sub-Category of the Company	Company Limited by Shares State Government Company
<b>v.</b>	Address of the Registered office and contact details	THE PLANTATION CORPORATION OF KERALA LIMITED, MUTTAMBALAM PO, KOTTAYAM - 686004 Phone: 0481 - 2578301
<b>vi.</b>	Whether listed company	No
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

## **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

<b>Sr. No.</b>	<b>Name and Description of main products/ services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
1	Rubber	013 0129 01291	74.98%

## **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Sr. No.</b>	<b>Name and Address of The Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary /Associate</b>	<b>%of shares held</b>	<b>Applicable Section</b>
1.	NA	NA	NA	NA	NA

## **IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

### ***i. Category-wise Share Holding***

<b>Category of Shareholders</b>	<b>No. of Shares held at the beginning of the year</b>		<b>No. of Shares held at the end of the year</b>		<b>% Change during Theyear</b>
	<b>Physical</b>	<b>% of Total Shares</b>	<b>Physical</b>	<b>% of Total Shares</b>	

<b>A. Promoter</b>					
<b>1) Indian</b>					
a) Individual/ HUF	-	-	-	-	-
b) Central Govt	-	-	-	-	-
c) State Govt (s)	55,688	100%	55,688	100%	0%
d) Bodies Corp	-	-	-	-	-
e) Banks / FI	-	-	-	-	-
f) Any Other	-	-	-	-	-
Sub- total(A)(1):-	55,688	100%	55,688	100%	0%
<b>2) Foreign</b>					
<b>B. Public Shareholding</b>					
<b>1. Institutions</b>	-	-	-	-	-
<b>2. Non Institutions</b>	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs&amp;ADRs</b>	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	55,688	100%	55,688	100%	0%

**ii.Shareholding of Promoters**

Sr No	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in share holding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1.	Gov. of Kerala	55,688	100%	55,688	100%	0%
	<b>Total</b>	55,688	<b>100%</b>	55,688	<b>100%</b>	<b>0%</b>

**iii.Change in Promoters' Shareholding  
NIL**

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
<b>i)</b> Principal Amount				
<b>ii)</b> Interest due but not paid				
<b>iii)</b> Interest accrued but not		48,20,960.51		
Total(i+ii+iii)		48,20,960.51		

Change in Indebtedness during the financial year		-		
- Addition				
- Reduction				
Net Change		-		
Indebtedness at the end of the financial year				
<b>i)</b> Principal Amount				
<b>ii)</b> Interest due but not paid		48,20,960.51		
<b>iii)</b> Interest accrued but not due				
Total (i+ii+iii)		48,20,960.51		

## **VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **A. Remuneration to Managing Director, Whole-time Directors and / or Manager / Other Directors:**

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			
		Managing Director(s)			
1.	Gross salary	4,05,517.00			

	(a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961				
	(b)Value of perquisites u/s 17(2)Income-tax Act, 1961				
	(c)Profits in lieu of salary undersection17(3)Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as%ofprofit - others,specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total(A)	4,05,517.00			

**B. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		3,25,731.00		
			-		-
			-		-
2.	Stock Option		-		-
3.	Sweat Equity		-		-
4.	Commission - as% of profit - others, specify...		-		-

5.	Others, please specify		-		-
6.	Total		3,25,731.00		

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

NIL

# INDEPENDENT AUDITOR'S REPORT

To,

The Members,  
The Plantation Corporation of Kerala Limited,  
Muttambalam P.O., Kottayam.

## Report on Audit of the Standalone Financial Statements

We have audited the standalone financial statements of **The Plantation Corporation of Kerala Limited**, ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, statement of change in equity and the 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements, subject to matters discussed in Basis For Qualified Opinion paragraph below, the consequential impact ,if any, whereof is not quantifiable, give a true and fair view in conformity with the accounting principles generally accepted in India of state of affairs of the Company as at March 31, 2020 and Loss, Changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("The Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical

responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**I. The basis of qualified opinion as per previous year's Audit Report, pending resolution and hence repeating in current year's report also:**

- 1) Loans amounting to Rs. 150 Lakhs granted to Kerala State Horticultural Products Development Corporation Ltd and Rs. 25 Lakhs granted to Kerala State Coconut Development Corporation Ltd., as noted under Note No. 11(1) & 11(2), are outstanding for 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 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 shown subsidy received under the head of "Subsidy from Government" under Note.3 "Reserve & Surplus". The total subsidy from Rubber Board outstanding as on 31.03.2020 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 of non-compliance of AS 12 in financial statements is not ascertainable due to absence of relevant details.
- 4) 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.

5) The company has not reversed the excess provision for income tax created for the years prior to 2013-14.

<b>STATEMENT OF PROVISION - CIT FROM FY 2006-07 TO FY 2017-18</b>			
<b>(Figures are in Lakhs)</b>			
<b>Financial Year</b>	<b>Gross Tax Liability as per Income Tax Return (A)</b>	<b>Net Provision Created during the period (B)</b>	<b>Short/(Excess)((A)-(B))</b>
2006-07	33.15	33.00	00.15
2007-08	107.51	108.15	(00.64)
2008-09	142.78	208.55	(65.77)
2009-10	324.17	404.73	(80.56)
2010-11	480.83	847.30	(366.47)
2011-12	757.84	1000.00	(242.16)
2012-13	676.76	1000.00	(323.24)
2013-14	488.83	1000.00	(511.17)
2014-15	414.01	(111.17)	525.18
2015-16	NIL	235.99	(235.99)
2016-17	NIL	(235.99)	235.99
2017-18	NIL	NIL	NIL
<b>Total Short/ (Excess) Provision Created</b>			<b>(1064.68)</b>

STATEMENT OF PROVISION - AIT FROM FY 2008-09 TO FY 2011-12			
(Figures are in Lakhs)			
Financial Year	Gross Tax Liability as per Tax Return (A)	Net Provision Created during the period (B)	Short/(Excess)((A)-(B))
2008-09	224.42	200.00	24.42
2009-10	420.02	600.00	(179.98)
2010-11	970.55	1500.00	(529.45)
2011-12	873.63	1000.00	(126.37)
<b>Total Short/ (Excess) Provision Created</b>			<b>(811.38)</b>

6) The company has not charged depreciation on Development of Property for various cultivation viz Rs. 83.58 Crores for rubber plantation, Rs. 10.65 Crores cashew plantation, Rs. 5.18 Crores for oil palm plantation and Rs. 0.58 Crores for other plantation. The company should have amortized 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 opinions for the current year are as follows:

- 1) During the year, in KGL factory, there is an addition to Building Rs 14,22,288 being the completion of new labour quarter on Sep 2019. An Input GST credit of Rs 256012 is wrongly taken in respect of this transaction. This is an ineligible transaction for claiming GST.
- 2) In Kodumon Estate , Store Control E.W ledger constitutes Rs 11,41,028 ,a balance outstanding from the year 2001. No such stock is currently available and should have been written off.
- 3) Total Turnover as per GST Returns is Rs 75.36 crores . But as per Financials total turnover of the Company for the year is Rs 76.59 resulting in a difference of Rs 1.23 Crores
- 4) It is observed that variance is noted from deductions made towards PF and LIC from Salary/wages of Employees/Workers and the remittances made to the respective statutory authorities. The main reason for such variance is lack of

control over payroll processing. Currently the monthly payroll processing of each Estate is done at Estate level itself. Monthly pay slips are prepared in excel; input for the same like basic pay, increments, advance taken, various deductions are taken from previous month pay slips 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 will ensure uniformity of procedures followed and better control over payroll processing.

### **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, 2020 and its loss and its cash flows for the year ended on that date **except for the effects of matter described in the Basis for Qualified Opinion section of our report.**

### **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 realized. 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 244 cases. The financial impact of these 244 cases is not quantifiable. A list of the pending cases is given as Annexure 4
- 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.

## **Other Matters**

### **1) 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.

### **2) EMD & Security Deposit**

During the course of audit, it was observed that amounts pertaining to EMD & Security Deposit accepted in respect of tender and other contracts, are outstanding for payment / refund to the bidders for more than 3 years in the books of accounts. The company is advised to take urgent steps to refund the EMD amounts to the unsuccessful bidders and the security amounts to the respective parties, wherever the works have been successfully completed to the satisfaction of the Company.

The EMDs and Security Deposits which are outstanding for more than 3 years and could not be refunded after the best efforts should be recognized as income. As per Limitation Act, 1963 (point 22 of The Schedule), the period of limitation for money deposited under an agreement payable on demand is 3 years and the period begins from the date on which the demand is made or on completion of contract.

After recognition of Income by the company, if any party claims for his portion of EMD / Security Deposit with sufficient proof, then the refund can be initiated only after getting approval of higher authority at Head Office Level. No refund should be sanctioned by Manager / officers at Branch Level in such cases.

The Company should ensure that necessary guidelines regarding acceptance / refund of EMD / Security Deposit should be incorporated in company's Policy on Awarding of Contract Works.

## **Responsibility of Management 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Report on Other Legal and 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 Section 143(11) of the

Act, we give in the **Annexure 1**, a statement on the matters specified in paragraphs 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 purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under 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. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**".
  - 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 37 B to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There were no such amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by Section 143(5) of the Act, we give in the **Annexure 3** a statement on the compliance to the Directions issued by the Comptroller and Auditor General of India".

Place: Kottayam

Date: 15.12.2021

UDIN: **21220752AAAACR7387**

## **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 31.03.2020, 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. 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 Hectares 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 Hectares of 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 Hectares of Land. 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.

**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 1383.05 Lakhs, Agriculture Income Tax of 5584.56 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.

Place: Kottayam  
Date: 15.12.2021

UDIN: **21220752AAAACR7387**

## **Annexure 2 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, 2020 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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:**

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.

### **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 organizations.

3. Currently the monthly payroll processing of each Estate is done at Estate level itself. Monthly pay slips are prepared in excel; input for the same like basic pay, increments, advance taken, various deductions are taken from previous month pays lips 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.
4. There is significant mismatch in figures of turnover and tax liability in month wise GST returns and books of accounts. These differences occur as the accounts are maintained in Tally and the monthly GST return details are prepared manually in excel sheets. In our opinion, the use of Tally ERP features for both the maintenance of books of accounts and furnishing of GST returns simultaneously can avoid such mismatches and would be useful in monthly reconciliation too.

### 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, 2020, 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.

Place: Kottayam

Date: 15.12.2021

UDIN: [21220752AAAACR7387](#)

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 31.03.2020 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.	The company has granted loan to Kerala State Coconut Development Corporation Ltd for Rs. 25.00 Lakhs and Kerala State Horticultural Products Development Corporation Ltd for Rs. 150.00 Lakhs in earlier years which are still outstanding. 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 and to convert the principal amount of loan to share capital. But the Company has

		requested Agricultural Department to reconsider the issue and the matter is still pending. 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. 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.
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.
	<b>Sector Specific Sub-directions under Section 143(5) of the Companies Act, 2013</b>	
<b>II</b>	<b>Agriculture and Allied Sector</b>	
1.	Whether the land owned by the Company is encroached, under litigation, not put to use or declared surplus. Details may be provided.	Refer Annexure 3A.
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, the company has not charged depreciation on Development of Property for various cultivation viz Rs. 83.58

		<p>Crores for rubber plantation, Rs. 10.65 Crores cashew plantation, Rs. 5.18 Crores for oil palm plantation and Rs. 0.58 Crores for other plantation. The company should have amortized 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.</p>
3.	<p>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?</p>	<p>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.</p>
4.	<p>Whether all the agriculture produce procured are properly stored and adequately insured. If any insurance claims are rejected, the details may be reported.</p>	<p>Agriculture produces owned and procured by the Company are stored properly. The Company does not have a policy of taking Insurance on its products.</p>
5.	<p>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?</p>	<p>As per the information and explanation given to us by the Management no such loans/ subsidies/ agro inputs were disbursed to beneficiaries.</p>
6.	<p>That grants/ subsidies received for implementing various schemes are accounted for as per the accounting</p>	<p>The Company has not received any subsidies during the year under audit. The exceptions noted in</p>

	standards and utilized for intended purpose.	respect of previous years are mentioned in Qualification I (3) 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.
<b>III</b>	<b>Agriculture Procurement</b>	Not Applicable
<b>IV</b>	<b>Forest Plantation</b>	
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 implementation of Conservation of Forest Act, all the necessary rules has been complied with. Unauthorized felling is not noticed till date. The Company has 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 the 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	As informed by the management, the rate of transfer of income to

	meets the requirement of compensatory afforestation under respective legislation.	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 and additional contributions for future expenses are also made to the scheme.
V	<b>Extraction/Utilization of Forest Produce (Timber)</b>	Not Applicable.
VI	<b>Agro Based Industries</b>	Not Applicable.
VII	<b>Livestock and Poultry Companies</b>	Not Applicable.
VIII	<b>Other</b>	
1.	Examine the system of effective utilization of Loans/Grant-in-Aid / Subsidy. List the cases of diversion of funds.	During the financial year, 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 has not incurred any major capital expenditures during the year.
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	Financial accounting is made through Integrated Tally Software. But inventory management and payroll processing

	personnel information, pay roll , inventory etc. have been computerized and the company has evolved proper security policy for data/ software/ hardware?	are maintained manually.
4.	Whether the company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Financial accounting is made through Integrated Tally Software. But inventory management and payroll processing are maintained manually.
5.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to repay the loan? If yes, the financial impact may be stated.	No such cases were noticed.
6.	Whether the fund received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	No such funds received during the period under audit.

### Annexure 3A

1. In Kalady Group, there is plantation only in 3,776.50 hectares of land. The land allotted to the Company in Kalady Group was 4,261.05 hectares. But, could not take possession of the entire area due to secondary forest growth.
2. The land held by the Company in Perambra was 1,230.53 hectares. But there is plantation only in 943 hectares 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.
3. The land in Kasargode Estate 2065 hectares includes the 2.50 Acres land handed over to Kerala Water Authority. The Company has received an amount of

Rs. 29,31,000.00 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.

4. Even though the terms and conditions for the transfer of 3714.62 (1503.89 hectares) 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 Company 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.
5. 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 Company has claimed an amount of Rs. 582.30 Lakhs from the Prison Department (by production loss and value of timber trees) as compensation. However, no adjustment in this regard has been made in the accounts since the matter is still pending. At the time of final decision in this matter, the amount receivable will be provided in the accounts. Lease rent for the same has not been provided in the Books of Accounts.
6. Government has vide order No G.O. (MS)NO.19/2009/ID dated 07.02.2009, directed the company 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.
7. Lease deeds for lands handed over to the Company since 1970 are pending execution except for the land handed over for the development of cashew plantations (Rajapuram Estate) under World Bank Scheme. 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.

8. 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 Company. The Company has already paid the Lease Rent up to 2017-18.
9. Government vide its order GO (MS) No. 96/2012/RD dated 5.03.2012 has asked the Company to hand over 51 acres of land to Central University from Kasargode Revenue land. As per the Board decision, Company has asked for a compensatory land equivalent to the value of 51 acres of land at Kasargode. The matter is pending at the Govt. level, no adjustments has been made in the books in this regard.
10. Government vide its order No. GO (MS)No.77/2011/RD dated 16.02.2011 asked the Company to hand over 310 acres of land to Central University from Kasargode revenue land. The transfer formalities were completed during the financial year 2012-13. Company 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.

Place: Kottayam  
Date: 15.12.2021

UDIN: [21220752AAAACR7387](#)

**Annexure 4- Details of Suits pending before the Various Courts as on 31-03-2020 as referred in emphasis of matter point no2**

<i>Sl. No.</i>	<i>Case No</i>	<i>Name of Party</i>	<i>Type of Case</i>
<b><u>2003 --High Court of Kerala</u></b>			
1	A.S No.169/ 2003	Roy Varghese	Civil
<b><u>2004 -High Court of Kerala</u></b>			
2	R.F.A 34/ 2004	K.U Abbas Haji	Civil
<b><u>2005-High Court of Kerala -Vanilla Cases</u></b>			
3	RFA 222/05	1) Ady Spices. 2) MC Raju Piravam. 3) Johny Joy Veliyannor.	Civil, Vanilla
4	RFA 220/2005	Kasthoori Agro Rep. by Umesh Sanan	Civil, Vanilla
5	RFA 221/2005	Syriac Jacob	Civil ,Vanilla
<b><u>2006 -High Court of Kerala</u></b>			
6	R.F.A 329/ 2006	C.T.Zakkir	Civil
7	R.F.A 347/ 2006	C.T.Zakkir	Civil
8	R.F.A 362/ 2006	PCK Vs N.V.Thomas &Another	Civil
9	R.F.A1159/ 2006	M.Madhusudhana Kedilaya	Land
10	R.F.A1183/ 2006	Y.Sadasiva Bhat & Others	Land
<b><u>Case filed by Contractors</u></b>			
11	RSA 699/2006	Natural Vanilla	Civil-vanilla
12	RSA 695/2006	Natural Vanilla	Civil-vanilla
13	RSA 693/2006	Natural Vanilla	Civil-vanilla
14	RSA 694/2006	Natural Vanilla	Civil-vanilla
15	RSA 741/2006	R.V. RaviKumar	Civil-vanilla
16	RSA 740/2006	R.V. RaviKumar	Civil-vanilla
17	RSA 738/2006	R.V. RaviKumar	Civil-vanilla

18	RSA 742/2006	R.V. RaviKumar	Civil-vanilla
19	RSA 660/2006	Synthite Industrial Chemicals	Civil-Vanilla
20	RSA 663/2006	Synthite Industrial Chemicals	Civil-vanilla
21	RSA 664/2006	Synthite Industrial Chemicals	Civil
22	RSA 661/2006	Synthite Industrial Chemicals	Civil
<b><u>2007-High Court of Kerala</u></b>			
23	RFA 375/ 2007	M. Ahammad	Civil
24	RFA 625/ 2007	K.P.Sunny	Civil
25	RFA 910/ 2007	Madhusoodhana Kedilaya	Land
26	RFA 228	K.U.Abbas Haji	Civil
27	RFA 96/ 2007	M.Madhusudhana Kedilaya	Land
<b><u>2008-High Court of Kerala</u></b>			
28	RSA 1309	Enmakaje Panchayath & Another	Land
29	RFA 588/08	PCK Vs	Civil
		Syriac Jacob	Vanilla
<b><u>2009- High Court of Kerala</u></b>			
30	W.P (C) 22365/ 2009	V.C. Thulaseedharan	Service
31	R.F.A 508/ 2009	PCK Vs Paulose A Areeckal	Civil
32	R.F.A 500/ 2009	M/s.ManakasseryRubberTrading Corpn.& Another	Civil
<b><u>2009-Other Courts</u></b>			
33	O.S 56/2009	Joseph John, Soma Enterprises	Civil
34	A.S No.57	Madhusudana etc.	Land
<b><u>2010-High Court of Kerala</u></b>			
35	W.P ( C ) 28093/10	Geordie John	Service
36	RFA 178/ 2010	G.V.Jolly	Civil
37	RFA 234/ 2010	PCK Vs Beutex Industries	Civil

38	RFA 266/ 2010	PCK Vs Agrotech Traders (P) Ltd	Civil
39	WP© 30308	Jacob P.P	Service
<b><u>2010 Vanila Cases - High Court of Kerala</u></b>			
40	RFA 594/2010	PCK Vs Synthite Industrial Chemicals	Civil
41	RFA 542/2010	Natural Vanilla	Civil
42	RFA 549/2010	R.V. RaviKumar	Civil
<b><u>2010-Other Courts</u></b>			
83*	41 Nos of slaughter tapping cases	Sub Court and Munsiff's Court, Kottayam	Civil
<b><u>2011-High Court of Kerala</u></b>			
84	W.P(C)18847/11	K.N.Sudhabai	Service
85	Contempt (Civil) 1107/11	C.M. Venugopal	Service
			Service
86	O.P (L.C) 258/11	General Sec. Pathanamthitta Jilla Plantation Workers Union	Service
<b><u>2011-Other Courts</u></b>			
87	AIT 437/2011	PCK Vs. Reg. PF Commissioner, Kochi	Civil
<b><u>2012-High Court of Kerala</u></b>			
88	W.P (C) 3266/2012	Babu. V.V	Service
89	R.S.A 1443 /2012	PCK V/s Enmakaje GramaPanchayat	Land
90	W.P (C) 22018/2012	Justus Karuna Rajan	Service
91	RSA 1443/12	Enmakje Grama Panchayath	Land
<b><u>2012-Other Courts</u></b>			
92	I.D No.23/2012	N.K Prasanna	Service
<b><u>2013-High Court of Kerala</u></b>			
93	O.P. (LC) 1963/13 in ID 32/11	K.J.Jose	Service
94	O.P(LC) 1487/2013	T.K .Vijayan	Service

95	W.P.(C) 10220/13	V.V. Joseph	Service
96	O.P.(LC)...../13 in ID 15/11	PCK V/s. K.P Varghese (Adv. P.K Babu)	Service
97	RFA 373/13	Harrisons Malayalam Ltd	Civil
98	W.P.(C) 21407/13	AITUC	Service
<b>2013- Other Courts</b>			
99	O.S 356/2013	Kamala	Land
<b>2014-High Court Of Kerala</b>			
100	W.P.(C) 6144/14	Kailas & 4 others	Service
101	WP (C). 17892 /14	M.P.Shaji	Service
102	W.P.(C) 15561/14	Jissa Sebastian	Service
103	W.P.(C) 21818/14	Asharaj	Service
104	RFA 493/14	PCK Vs Gowri	Land
105	RSA 1196/14	PCK Vs Muhammed kunhi	Land
106	OPC 2652/14	PCK Vs Atheesh Mathew	Civil
107	WPC 8919/14	C.M Sarangadharan	Service
108	WPC 12357/14	K.A SURESH	Service
<b>2014-Other Courts.</b>			
109	O.S. 96/14	Koraga Naik.	Land
110	O.S 366 /14	Ginny Mon V. Thomas	Civil
111	O.S 410 /14	Ginny Mon V. Thomas	Civil
112	O.S 414 /14	V.K. Suresh	Civil
113	O.S 412 /14	Ginny Mon V. Thomas	Civil
114	O.S .874/14 (Aluva)	Damodharan	Civil
115	AS 284/14	K.M.Shaji (Kochadam Rubbers)	Civil
116	AS 40/14	Muhammad junaid	Civil
117	ATA 1145/14	PCK Vs EPF commr.	Civil

<b><u>2015 High court of Kerala</u></b>			
118	WP(c) 2844/15	PCK/vs. EPF Kannur	Civil
119	668/15 LokAyuktha	Shaiju Varghese	Civil
120	CCC 785/15	Linoj Paul	Service
121	WA 185/15	C.P. Vidhyadharan	Service
122	CCC 829/15	K.T.Babu	Service
123	WA 379/15	E.A.Shibu	Service
124	WP(c) 20639/15	Thampi Abraham	Service
125	WP(c) 19803/15	K.P.Varghese & others	Service
126	WP(C) 38056/15	T.V.Joy& 103 others	Service
127	RSA 220/2015	PCK Vs Ramachandra Bhatt & others	Land
128	RSA 238/2015	PCK Vs Ramachandra Bhatt & others	Land
129	WP( C) 24156/2015	Linoj Paul	Service
<b><u>2015-Other Courts</u></b>			
130	AS 41/2015	Usha Rai	Land
131	CC 1325/15 JFCM	A2 K.V.Manoj (Forest Kallala)	Criminal
132	O.S 68/15	Snuff Basheer	Civil
<b><u>2016-High Court of Kerala</u></b>			
133	WP(C) 4826/16	Sajeera C. Chathoth.	Service
134	RFA 631 /16 in O.S.55/14	Narayan Naika	Land
135	WP(C) 11965/	Aniyamma Mathai	Service
136	WP(C) 13491	Joshy V.C.	Service
137	WP(C) 19973/16	Rajesh M. & Others	Service
138	RSA 746 /16 in AS 72/14	PCK V/s K.Madhavi & others	Land
139	RSA 841/ 2016	PCK V/s B.K.Shafi	Land
140	RSA 566/ 2016	PCK V/s Sharada	Land

141	RSA 711/ 2016	PCK V/s Safiya & another	Land
142	WP(C) 24961	P.K.Santhosh	Service
143	WP(C) 28118/16	Prasannan	Civil
144	WP(C) 34175/2016	Sangeetha K.P.	Service
145	WP(C) 34919 /2016	PCK Vs Dist. Collector PTA & Others	Land
146	WP(C) 41399/16	D.Devapalan	Service
147	WP( C ) 36159/ 2016	PCK Vs Dist. Collector PTA & others	Land
<b><u>2016-Other Courts</u></b>			
148	EP 20/16	Travancore Ammonia	Civil
149	EP 21/16	Travancore Ammonia	Civil
150	O.S. 139/16	Kunhapu Maniyani	Land
151	ID 13/2016	V.O.Raju	Service
152	O.S. 15/16	PCK V/s A.D.Baiju	Civil
153	MP 118/2016	Sudhakaran P	Service
154	AS 16/2016 in O.S.209/10	P.C.Thomas	Land
155	O.S. 260/16	KT GOVINDAN (Thekkepurayyil Chiri)	Land
156	O.S 18/16	Kudukkan Janardanan	Land
157	AS 5/16	PCKVs Ammini	Land
158	EP 247/16 in O.S. 133/13	Andru & Asyamma	Land
159	AS 242 / 16 in O.S. 70/2015	PCK vs.Ajumal Khan	Civil
160	O.S. 856 /16	Basil Rubbers	Civil
161	AS 71/ 2016	PCK Vs Andru	Land
<b>2017- High Court of Kerala</b>			
162	WP(C) 2430/17	S. Sreelakumar	Service
163	WP(C) 2431/17	K.Harish	Service

164	WP(C) 4570/17	H.Rajeevan	Civil
165	RSA 991/17	PCK Vs Aithappan Naik	Land
166	WP( C) 20541/17	Rajasekharan Nair	Civil
167	CCC 1671/17	Benny Perunilam Vs Chief Secretary	Civil
168	WP( C) 32366/17	S.S Premanand	Service
169	WP( C)33289/17	Gangadharan Nair	Civil
170	RSA 1177/17 in A.S 15/14	PCK Vs K.T Govindan	Civil

**2017- Other Courts**

171	O.S.63/2017	PCK V/s Trade Links	Civil
172	O.S.306/2017	PCK V/s Majestic Traders	Civil
173	O.S. 305/2017	PCK V/s Asian Traders	Civil
174	HRMP 1689/2017	Ajesh Mohan	Service
175	EP 16/2017	T.N.Somarajan	Civil
176	EP 26/2017	Travancore Ammonia V/Spck	Civil
177	HRMP 8294/17/Kkd	Ravi Ulliyery V/Spck	Civil
178	G.C 29/2017	ML Thomas V/s MD and Manager RJM	Service
179	No.1008/17A	T.P PRAKASHAN (Lok Ayukta)	Civil
180	No.930/16A	Shyju Varghese V/s M.D & Devapalan (Lok Ayukta)	Civil

**2018- High Court of Kerala**

181	WP( C) 34726/18	M.A Binoy	Civil
182	CCC 879/2018	Raju Vadakkekara	Civil
183	WP( C) 5794/18	Mr Al.Ameen	Service
184	WP( C) 36724/18	K.K Joy and 6 Others.	Service
185	WP( C) 41474/18	Mr.K.S Polly	Service
186	CC 743/18	P.M-Ismail	Criminal
187	SLP 32309/18	C.K Suresh & Others	Service

188	RSA 63/18	Travancore Ammonia Vs PCK	Civil
189	CCC 796/18	T.B Saseendran	Service
190	WP( C) 25701/18	Gangadharan	Service
191	RSA 1170/2018	PCK Vs Krishna Bhatt	Land
<b>2018 Other courts.</b>			
192	C.No 633/2018	RIJU M.B ( Lok Ayukta)	Civil
193	O,S 348/18	PCK Vs Shajahan	Civil
194	O.S 643/2018	M/s The New Powertech engineering KSD	Civil
195	Appeal 371/18	PCK Vs EPF Commissioner	Civil.
<b>2019 High Court of Kerala</b>			
196	WP( C) 2660/19	Mr.K.K Mohanan & Others	
197	WP( C) 2834/19	PCK Vs Mahmood and another	Service
198	CC349/19 in WP( C) 22117/15	Mr.Anil Kumar	Civil
199	WP( C) 7345/19	Mr. Sunil George	Civil
200	WP( C) 3901/19	Mr.Jomy V.C	Service
201	WP( C) 3509/19	Joshy Joseph P and another	Service
202	WA115/19	K.U Sreeni	Service
203	WP( C) 1550/19	K.K Mohanan	Civil
204	WP( C) 2660/19	Jaison V.A	Service
205	WP( C) 14801/19	CITU	Service
206	WP( C) 17293/2019	Molecules Enviro Care	Service`
207	WP( C) 19649/19		Service
208	WP( C) 19524/19	K.P Naijo	Service
209	Perambra -Forest Case		Criminal

210	Case .4128/11/3/2019 EKM	T.B Bineesh Kumar	Service
211	MACA 2967/19	Arun	Civil
212	Appeal No.237/19	Regional Provident fund Commissioner	Civil
213	CCC-1587/19 WP( C) in 28790/16	C.M Thomas	Service
214	CCC 1010/2019	Shaiju B and Another	Service
215	WP( C) 22540/19	Thulaseedaran & Ors Vs EPFCommissioner	Service
216	WPC 23911/19	Prasanna Rtd A.O	Service
217	WPC 24218/19	S.Madhu Rtd.	Service
218	WPC 27298/19	P.M Khalid	Service
219	WP( C) 23493/19	Mr.G Prasad Kumarar & Others	Service
220	WP( C) 23374/19	Thottam Thozhilali Vikasana Samithy	Service
221	WPC 32922/19	Thottam thozhilali vikasana samithi	Service
222	CCC 2231/19	Thottam samithy	Civil
223	WPC 26497/19	C.M Thomas	Service
224	WPC 27287/19	R. Suresh	Service
225	WPC 34914/19	Sunil George	Civil
226	RP 53486/19	Abdul Latheef	Service
227	CCC 31/19	K.K Joy &Ors	Service
228	WPC 3577/19	K.N.Soman	Service
229	WPC 26722/19	K.P.Biju &Anr.	Service
230	WPC 1165/19	A.P Shiju & 2 Ors.	Service

<b>2019-Other Courts -</b>			
231	O.S 2/19	DIST COLLECTOR TVM Vs ENDOSULFAN DEALERS D-16 PCK	CIVIL
<b>2020 High court of Kerala.</b>			
232	WPC 1822/20	Linoj Paul	Service
233	WPC6832/20	PCK Vs Revenue Secretary	Civil
234	CCC /20	K.L Mathew	
235	WA 32/20	Joshi Joseph &Ors.	
236	WPC 4286/20	Sajesh. K.M	
237	WPC 3815/20	M.M. Subbair	
238	WPC 3203/20	M.J .Anto	
239	WPC 6422/20	P.M Khalid	
240	WPC 7556/20	Joseph &markos	
241	WPC 7845/20	Abdul Latheef	
242	WPC 8560/20	Baiju.M.V	
243	WPC 9101/20	Sarasu.P.A	
<b>2020 Other Courts- SUPREME COURT OF INDIA</b>			
244	SLP /20	PCK Vs Baduvan kunhi	Land

Place: Kottayam

UDIN: [21220752AAAACR7387](#)

Date: 15.12.2021

REPLY TO THE COMMENTS OF STATUTORY AUDITORS ON  
THE ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA  
LTD. FOR THE YEAR ENDED 31.03.2019

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) 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.
- 4) We are in the process of verification of "advance from customers", Sundry Debtors and other liabilities.
- 5) Noted. We are in the process of identifying actual provisions against demand and advance tax for years prior to 2006-07. We shall make necessary adjustment after ascertaining the actual liability.
- 6) 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 31.03.2019. This practice has been consistently followed.

II. Reply to the additional comments of the statutory auditors for the year ended 31.03.2019.

- 1) Noted, we have taken steps to remit the ineligible amount, which was taken as input credit inadvertently.
- 2) The balances were carried forward from earlier years when the Corporation was following manual system of accounting. We will verify the same and take appropriate action.
- 3) Noted. This will be reconciled while filing GST annual return.
- 4) Noted.

Kottayam

Date:

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**THE PLANTATION CORPORATION OF KERALA LIMITED**  
**KOTTAYAM - 686 004**  
**(CIN - U01119KL1962SGC001997)**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(All amounts in Rupees, unless otherwise mentioned)

Particulars	Note No.	Current Year Rs	Previous Year Rs
<b>EQUITY AND LIABILITIES</b>			
<b>I) Shareholder's Funds</b>			
a) Share Capital	2	556,88,000.00	556,88,000.00
b) Reserves and Surplus	3	12516,07,496.76	15132,13,513.78
<b>II) Non-Current Liabilities</b>			
a) Long-term borrowings	4	48,20,960.51	48,20,960.51
b) Long-term provisions	5	233,99,840.00	256,02,258.00
<b>III) Current Liabilities</b>			
a) Trade payables	6	119,61,761.98	171,57,265.78
b) Other current liabilities	7	3930,14,105.21	3090,08,159.99
c) Short-term provisions	8	8439,80,574.45	8154,97,328.45
<b>Total</b>		<b>25844,72,738.91</b>	<b>27409,87,486.51</b>
<b>Assets</b>			
<b>IV) Non-current assets</b>			
a) Fixed assets			
i) Tangible assets	9	11234,37,872.06	10943,95,470.94
ii) Intangible assets	9	-	-
ii) Capital work-in-progress	9	599,90,599.15	637,54,872.15
b) Non-current investments	10	264,22,100.00	264,22,100.00
c) Long term loans and advances	11	493,67,541.89	540,11,285.89
<b>V) Current assets</b>			
a) Inventories	12	2116,04,721.61	3053,64,542.27
b) Trade receivables	13	223,12,598.35	202,69,937.16
c) Cash and cash equivalents	14	1009,73,359.67	1817,09,657.43
d) Short term loans and advances	15	9810,45,039.18	9751,62,488.67
e) Other current assets	16	93,18,907.00	198,97,132.00
<b>Total</b>		<b>25844,72,738.91</b>	<b>27409,87,486.51</b>

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

**J. Sajeev**  
Managing Director

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

**Varun Kumar.C**  
Company Secretary

**THOMAS & ASSOCIATES**  
Chartered Accountants (FRN : 009509S)  
C.A Binu Sankar K (Partner)  
Membership No. 220752

Kottayam  
17.11.2021

**THE PLANTATION CORPORATION OF KERALA LIMITED**  
**KOTTAYAM - 686 004**  
**(CIN - U01119KL1962SGC001997)**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2020**

(All amounts in Rupees, unless otherwise mentioned)

Particulars	Note No.	Current Year Rs	Previous Year Rs
I. Revenue from operations	17	7642,79,992.46	6447,88,690.65
II. Other Income	18	163,36,496.32	322,08,215.86
III Prior Period Income	19	11,27,345.00	-
<b>Total Revenue</b>		<b>7817,43,833.78</b>	<b>6769,96,906.51</b>
<b>IV. Expenses:</b>			
Cost of materials consumed and Direct Expenses	20	4471,65,763.50	4332,06,923.19
Changes in inventories	21	925,69,595.28	(141,14,327.00)
Employee benefit expense	22	3921,66,701.98	2284,55,736.15
Depreciation and amortization expense	9	119,90,733.00	151,01,335.00
Administrative and Other expenses	23	989,66,091.54	967,32,368.07
Prior Period Expense	24	4,90,965.00	22,09,045.00
<b>Total Expenses</b>		<b>10433,49,850.30</b>	<b>7615,91,080.41</b>
V. Profit before tax		<b>(2616,06,016.52)</b>	<b>(845,94,173.90)</b>
VI. Tax expense:			
Current tax		-	-
(Excess) / Short provision for Current Tax for earlier years		-	-
Total		-	-
VII. Profit/(Loss) for the period (V-VI)		<b>(2616,06,016.52)</b>	<b>(845,94,173.90)</b>
VIII. Earning per equity share:			
Basic and Diluted	30	<b>(4,697.71)</b>	<b>(1,519.07)</b>

Significant Accounting Policies and notes on financial statements

1 to 42

Profit and Loss subject to actuarial valuation from LIC of India

For and on behalf of Board of Directors

As per our report of even date attached

**J. Sajeev**  
Managing Director

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

**Varun Kumar.C**  
Company Secretary

**THOMAS & ASSOCIATES**  
Chartered Accountants (FRN : 009509S)  
C.A Binu Sankar K (Partner)  
Membership No. 220752

Kottayam  
17.11.2021

**THE PLANTATION CORPORATION OF KERALA LIMITED**  
**KOTTAYAM**  
**(CIN - U01119KL1962SGC001997)**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020**

Particulars	Note	For year ended March 31, 2020 ( In Rs )	For year ended March 31, 2019 ( In Rs )
<b>I Cash flows from operating activities</b>			
<b>Profit before tax and exceptional item</b>		(2616,06,017)	(845,94,174)
Non- cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortization expense including amount charged to Reserves		119,90,733	151,01,335
Dividend on Investments		(16,96,793)	(15,71,105)
Interest on Investments		(114,16,434)	(260,85,166)
Interest on Loans and Advances		(14,72,673)	(12,10,709)
Profit on sale of Assets		-	-
Subsidy written back		-	-
<b>Operating profit before working capital changes</b>		<u>(2642,01,184)</u>	<u>(983,59,819)</u>
<b>Movements in working capital:</b>			
Increase/(decrease) in other liabilities		840,05,945	(305,07,875)
Increase/(decrease) in provisions		262,80,828	(1833,86,302)
Increase/(decrease) in trade payables		(51,95,504)	61,94,564
Decrease/(increase) in loans and advances		(235,07,352)	(17,32,608)
Decrease/(increase) in Inventories		937,59,821	(93,74,035)
Decrease/(increase) in trade receivables		(20,42,661)	(3,82,187)
<b>Cash generated from/(used in) operations</b>		<u>(909,00,107)</u>	<u>(3175,48,262)</u>
Direct tax paid (net of refunds)		222,68,545	(64,05,954)
<b>Net cash flow from/(used in) operating activities (I)</b>		<u><u>(686,31,561)</u></u>	<u><u>(3239,54,216)</u></u>
<b>II Cash flows from investing activities</b>			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		(29,65,698)	(22,13,748)
Development of Property		(343,49,903)	(430,47,863)
Investment in shares		-	(49,99,000)
Disposal of Fixed Assets		46,739	2,74,208
Receipt of Subsidy		-	-
Dividend on Investment		16,96,793	15,71,105
Interest received on Loans & Advances		14,72,673	12,10,709
Net (Deposits)/ Withdrawals on Fixed Deposits		108,71,687	1603,94,871
Investment in NABARD		-	-
Interest received on Investments		219,94,659	227,64,939
<b>Net cash flow from/(used in) investing activities (II)</b>		<u><u>(12,33,050)</u></u>	<u><u>1359,55,222</u></u>
<b>III Cash flows from financing activities</b>			
Payment of Dividend		-	-
Dividend Distribution Tax		-	-
<b>Net cash flow from/(used in) financing activities (III)</b>		<u><u>-</u></u>	<u><u>-</u></u>

<b>Net increase /(decrease) in cash and cash equivalents (I+II+III)</b>	(698,64,611)	(1879,98,994)
Cash and cash equivalents at the beginning of the year	1183,37,970	3063,36,964
<b>Cash and cash equivalents at the end of the year</b>	<u>484,73,360</u>	<u>1183,37,970</u>

**Notes:**

1) Cash and Cash Equivalents include

- Balances with Scheduled banks in Current Account	25,92,938	78,43,099
- Balances with Treasury SB Account	350,00,000	-
- Balance with fixed deposits with a maturity of less than 3 months	108,80,422	1104,94,871
Cash and bank balances at the end of the year	<u>484,73,360</u>	<u>1183,37,970</u>

**For and on behalf of Board of Directors**

**As per our report of even date attached**

**J Sajeev**  
Managing Director

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

**Varun Kumar.C**  
Company Secretary

**THOMAS & ASSOCIATES**  
Chartered Accountants (FRN : 009509S)  
C.A Binu Sankar K (Partner)  
Membership No. 220752

Kottayam  
17.11.2021

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS 31.03.2020

### 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.

### 1. (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 equipment 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 Property, Plant and Equipment 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 31.03.2020, 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 Cash flow 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 31st March 2020		As on 31st March 2019	
	Numbers	Amount	Numbers	Amount
<u>Authorised</u>				
Equity shares of Rs 1000 each <u>Issued, Subscribed and Paid up</u> <u>Equity Share Capital</u>	75,000	75,000,000.00	75,000	75,000,000.00
Equity shares of Rs 1000 each	55,688	55,688,000.00	55,688	55,688,000.00
<b>Total</b>	55,688	55,688,000.00	55,688	55,688,000.00

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

Particulars	2019-20		2018-19	
	Nos.	Amount	Nos.	Amount
Number of shares outstanding as at the beginning of the year	55,688	55,688,000.00	55,688	55,688,000.00
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	55,688,000.00	55,688	55,688,000.00

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 shareholder is eligible for one vote per share held.

**3. Reserves and Surplus:**

Particulars	2019-20 Rs	2018-19 Rs
<u>1) Capital Reserve</u>		
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
<u>2) General Reserve</u>		
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	0.00	0.00
- Transferred from Rehabilitation Reserve	0.00	0.00
- Transferred from Replanting Reserve	0.00	0.00
Balance as at the end of the Year	17,85,25,341.08	17,85,25,341.08
<u>3) Other Reserves</u>		
<u>Replanting Reserve</u>		

Balance as at the beginning of the Year Add : Additions made during the Year Less : Transferred to General Reserve	11,50,00,000.00	11,50,00,000.00
Balance as at the end of the Year	11,50,00,000.00	11,50,00,000.00
<b>4) Surplus/(Deficit) in the Statement of Profit and Loss)</b>		
Balance as at the beginning of the Year	1,05,31,68,880.80	1,13,77,63,054.70
Add : Profit during the Year	(26,16,06,016.52)	(8,45,94,173.90)
Less :Depreciation charged over Reserves & Surplus	0.00	0.00
Less :Dividend Proposed to be Distributed to the Equity Share holders Rs.0 per share.(Previous year- @ Rs. 0 per share)	0.00	0.00
Less :Tax on Dividend	0.00	0.00
Transfer to General reserve	0.00	0.00
Balance as at the end of the Year	79,15,62,864.28	1,05,31,68,880.80
<b>5)Subsidy From Government</b>		
<b>i) Subsidy from Rubber Board (Rubber Cultivation)</b>		
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
<b>ii) Subsidy from Government of Kerala (Cashew Cultivation)</b>		
Balance as at the beginning of the Year	3,16,81,992.00	3,16,81,992.00
Add : Additions made during the Year		0.00
Less : Transferred to prior period income		0.00
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
<b>Total</b>	<b>1,25,16,07,496.76</b>	<b>1,51,32,13,513.78</b>

- 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.
- 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 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	2019-20 Rs	2018-19 Rs
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1) Other Loans and Advances (i) Unsecured		
From Govt of Kerala for Estate Development Interest accrued and Due (since 31.03.1999)	4,820,960.51	4,820,960.51
<b>Total</b>	<b>4,820,960.51</b>	<b>4,820,960.51</b>

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	2019-20 Rs	2018-19 Rs
1) Provision for Employee Benefit (i) Provision for Leave encashment (Refer Note No.26(B))	2,33,99,840.00	25,602,258.00
<b>Total</b>	<b>2,33,99,840.00</b>	<b>25,602,258.00</b>

#### 6. Trade Payables

Particulars	2019-20 Rs	2018-19 Rs
Trade Payables (*)	1,19,61,761.98	1,71,57,265.78
<b>Total</b>	<b>1,19,61,761.98</b>	<b>1,71,57,265.78</b>

\*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	2019-20 Rs	2018-19 Rs
1) Other Payables		
(i) Statutory Remittances	1,70,59,120.26	1,50,23,590.61
(ii) Contractually Reimbursable expenses		
a) Retention Account	76,59,357.50	76,82,145.50
b) With held Contractors	40,97,798.44	41,20,433.44
(iii) Trade / Security Deposit received		
a) EMD	1,40,48,937.27	1,26,64,167.27
b) Security Deposit	2,91,69,885.72	2,34,02,081.72
(iv) Advance from Customers	82,04,277.42	1,73,20,228.80
(v) Others		
a) Other Liabilities	9,85,19,599.10	1,02,04,000.60

b) Lease rent Payable	16,48,24,711.72	14,82,07,007.24
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	2,25,03,613.83	2,85,46,907.56
f) Advance from Contractors	26,52,766.50	26,44,952.00
g) Wages Payable Account	59,51,365.20	2,08,69,973.00
h) Advance Received for Sale of Land	29,31,000.00	29,31,000.00
<b>Total</b>	<b>39,30,14,105.21</b>	<b>30,90,08,159.99</b>

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 31/03/2020 is Rs.37,315.35 (PY Rs.37,315.35)

#### 8. Short term provisions

Particulars	2019-20 Rs	2018-19 Rs
<b>1) Provision for Employee Benefits</b>		
a) Gratuity 1		
Balance as at the beginning of the Year	(31,82,45,655.78)	(12,17,91,293.00)
Add : Current Year Provision	3,35,38,671.00	(13,33,07,256.78)
Less: : Paid this Year	(5,04,27,955.00)	13,00,637.00
Add : Recoverable from LIC transferred to Advance recoverable other (15 1.i.c)	-	-
Add: Recoverable from LIC transferred to fund A/C as Contribution	-	(6,18,46,469.00)
Balance as at the end of the Year	(23,42,79,029.78)	(31,82,45,655.78)
a) Gratuity 2		
Balance as at the beginning of the Year	8,50,39,298.16	7,54,35,572.38
Add : Current Year Provision	1,14,96,600.00	96,03,725.78
Less : Paid this Year	(6,73,36,154.00)	-
Balance as at the end of the Year	2,91,99,744.16	8,50,39,298.16
b) Bonus	1,94,50,000.00	1,77,00,000.00
c) Leave Encashment		
Balance as at the beginning of the Year	1,62,85,823.00	33,56,245.00
Add : Current Year Provision	9,32,909.00	1,62,85,823.00
Less Adjusted this Year	23,26,735.00	33,56,245.00
Balance as at the end of the Year	1,48,91,997.00	1,62,85,823.00

d) Provision for Provident Fund (Refer Note No.37)	1,55,55,106.00	1,55,55,106.00
<b>2) Others</b>		
a) Provision for Taxation		
Balance as at the beginning of the Year	61,85,11,900.07	61,85,11,900.07
Add : Current Year Provision	-	-
Less Adjusted this Year	-	-
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
d) Provision for Proposed Equity Dividend	-	-
e) Provision for Tax on Proposed Dividend	-	-
<b>Total</b>	<b>84,39,80,574.45</b>	<b>81,54,97,328.45</b>

\*..For the past five years the Company is under loss and for the past three years there is no allocable surplus as per Act. Therefore, in the current and previous year we have provided only for minimum bonus as stipulated in the Act.

## 9. Property, Plant and Equipments

### a) Development of Property

Item	Opening Balance (Rs.)	Additions (Rs.)	Disposals (Rs.)	Closing Balance (Rs.)
Rubber	80,90,90,015.53	2,67,16,663.61	-	83,58,06,679.14
Cashew Plantations	10,07,37,601.34	57,63,313.80	-	10,65,00,915.14
Arecanut Plantations	14,55,815.17	2,14,867.61	-	16,70,682.78
Oil Palm Plantation	5,05,37,896.66	12,82,976.00	-	5,18,20,872.66
Teak Plantations	7,60,498.50	30.00	-	7,60,528.50
Cocoa Plantation	12,797.00	-	-	12,797.00
Coconut Plantations	3,94,501.82	68,659.00	-	4,63,160.82
Eucaliptus & Accasia	6,11,243.64	36,649.00	-	6,47,892.64
Vanilla Plantations	5,22,819.00	-	-	5,22,819.00
Pathimugham Plantation	29,853.00	(13,930.00)	-	15,923.00
Ramboottan Plantation	5,20,511.00	83,774.00	-	6,04,285.00
Hitech Farm Vadavathoor	-	-	-	-
Vegetables	9,25,712.00	1,96,898.58	-	11,22,610.58
<b>Total</b>	<b>96,55,99,264.66</b>	<b>3,43,49,901.60</b>	<b>-</b>	<b>99,99,49,166.26</b>

Previous Year	92,25,51,402.12	4,30,47,862.54	-	96,55,99,264.66
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- b) We have a total area of 14,810.2067 Ha as on 31-03-2018. The total area has not been surveyed.

Details	Mature Area (Ha)	Immature Area (Ha)
Rubber Plantation	5709.71	1272.04
Cashew Plantation	5175.84	94.60
Slaughter Tapping	241.69	-
Oil Palm Plantation	710.70	207.21
<b>Total</b>	<b>11,837.94</b>	<b>1,573.85</b>

Total mature and immature area : 13,411.79 Ha  
Other Crops : 47.70 Ha  
Vacant and Rocky : 590.028 Ha

**Total : 14,049.518 Ha**

Non Planted Area

i) Secondary Forest Growth : 772.0787 Ha

**Gross Total : 14,821.5967 Ha**

#### A. Leased Land

Sl 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

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.

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SL.NO	NAME OF ASSET	ORIGINAL COST			DEPRECIATION			NET CARRYING AMOUNT			
		GROSS BLOCK AS ON 31.03.2019	ADDITION DURING THE YEAR	DELETION DURING THE YEAR	GROSS BLOCK AS ON 31.03.2020	UPTO 31.03.2019	FOR THE YEAR	CHARGE TO RESERVE	AS ON 31.03.2020	NET BLOCK AS ON 31.03.2020	NET BLOCK AS ON 31.03.2019
	<b>TANGIBLE ASSETS</b>										
1	Furniture	58,56,259.69	38,816.00	-	58,95,075.69	52,60,331.12	1,44,493	-	54,04,824.43	4,90,251.52	5,95,928.57
2	Office Equipments	49,27,743.59	1,116.00	-	49,28,859.59	45,96,922.20	54,370	-	46,51,292.40	2,77,566.87	3,30,821.39
3	Electric Appliances	52,45,544.22	51,335.00	-	52,96,879.22	33,09,457.38	5,13,324	-	38,22,781.14	14,74,099.15	19,36,086.84
4	Electrical Instlation	193,89,709.69	5,11,205.00	-	199,00,914.69	169,23,727.93	6,82,939	-	176,06,666.73	22,94,247.86	24,65,981.76
5	Telephone	8,64,511.90	18,307.00	-	8,82,818.90	8,33,441.16	6,960	-	8,40,401.42	42,415.35	31,070.74
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	510,92,316.79	-	-	510,92,316.79	480,87,725.42	3,23,490	-	484,11,215.07	26,81,101.48	30,04,591.37
9	Fence / Kayyala	464,08,712.96	35,161.00	-	464,43,873.96	430,14,555.84	7,01,869	-	437,16,424.57	27,27,450.53	33,94,157.12
10	Electric Fittings	3,45,610.03	-	-	3,45,610.03	3,28,686.16	3,072	-	3,31,758.44	13,852.33	16,923.87
11	Plant & Machinery	1143,64,432.09	2,84,494.00	-	1146,48,926.09	983,79,117.13	33,38,594	-	1017,17,710.94	129,31,215.41	159,85,314.96
12	Buildings	1803,27,961.39	57,22,176.00	-	1860,50,137.39	915,53,513.64	56,28,326	-	971,81,839.55	888,68,295.78	887,74,447.75
13	Vehicles	344,02,178.36	-	46,739.00	343,55,439.36	319,89,443.83	3,52,350	-	323,41,793.95	20,13,644.61	24,12,734.53
14	Water Supply Instn.	112,45,721.33	-	-	112,45,721.33	107,24,441.58	80,764	-	108,05,205.45	4,40,515.87	5,21,279.75
15	Ammonia Cylinders	5,23,639.00	-	-	5,23,639.00	5,23,622.28	-	-	5,23,622.28	16.72	16.72
16	Wells	15,17,433.57	-	-	15,17,433.57	13,36,826.64	62,429	-	13,99,255.55	1,18,178.40	1,80,606.93
17	Landing Pad	1,18,844.25	-	-	1,18,844.25	1,12,902.33	-	-	1,12,902.33	5,941.92	5,941.92
18	Jhankar & Boat	1,17,650.00	44,100.00	-	1,61,750.00	64,843.72	7,628	-	72,471.96	89,277.87	52,806.28
19	Freehold Land	79,61,898.00	-	-	79,61,898.00	-	-	-	-	79,61,898.00	79,61,898.00
20	Computer	90,60,589.20	23,261.00	-	90,83,850.20	87,33,373.62	90,126	-	88,23,499.15	2,60,352.21	3,27,213.85
	Development of Property (Refer Note No 9 a.)	9655,99,264.66	343,49,901.60	-	9999,49,166.26	-	-	-	-	9999,49,166.26	9655,99,264.66
21	Livestock (Cow)	7,94,940.00	-	-	7,94,940.00	-	-	-	-	7,94,940.00	7,94,940.00
	<b>TOTAL</b>	<b>14602,60,273.62</b>	<b>410,79,872.60</b>	<b>46,739.00</b>	<b>15012,93,407.22</b>	<b>3658,64,800.95</b>	<b>119,90,733</b>	<b>-</b>	<b>3778,55,534.35</b>	<b>11234,37,872.05</b>	<b>10943,95,470.94</b>
	<b>INTANGIBLE ASSET</b>										
1	Compter Software	5,35,106.00	-	-	5,35,106.00	5,35,106.00	-	-	5,35,106.00	-	-
	<b>CAPITAL WORK IN PROGRESS</b>										
1	Capital work in progress	637,54,872.15	2,12,324.00	39,76,597.00	599,90,599.15	-	-	-	-	599,90,599.15	637,54,872.15
	<b>GRAND TOTAL</b>	<b>15245,50,251.77</b>	<b>412,92,196.60</b>	<b>40,23,336.00</b>	<b>15618,19,112.37</b>	<b>3663,99,906.95</b>	<b>119,90,733.40</b>	<b>-</b>	<b>3783,90,640.35</b>	<b>11834,28,471.20</b>	<b>11581,50,343.09</b>

- 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 upto 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. During the current year, an amount of Rs.11,27,345/- was received towards the claim and the same has been accounted as prior period income.
- k) The WDV of buildings, roads, landing pads and fences is Rs.942.83 lakhs of which assets worth Rs.667.02 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. Noncurrent investments

Particulars	2019-20	2018-19
	Rs	Rs
1) Other Investment		
i) Investment in equity instrument (Fully Paid up )		
a) 1000 Equity Shares of Rs. 10,000/- each	10,000,000.00	10,000,000.00

fully paid up in Kerala Feeds Ltd., Kallettumkara, Trichur.		
b) 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.	11,422,100.00	11,422,100.00
fully paid up in Cochin International Airport Ltd., Nedumbassery.		
c) 50,000 Equity shares of Rs 100/- each fully paid up in Kannur International Airport Ltd	5,000,000.00	5,000,000.00
<b>Total</b>	<b>26,422,100.00</b>	<b>26,422,100.00</b>

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	2019-20 Rs	2018-19 Rs
<b>1) Capital Advances</b>		
i) Unsecured and Considered Good		
a) Advance for Land	11,60,000.00	11,60,000.00
<b>2) Loans and Advances to employees</b>		
i) Secured and Considered Good		
a) Motor Car Loan	65,44,486.00	87,06,911.00
b) Motor Cycle Loan	44,52,733.10	63,50,278.10
<b>3) Deposits</b>		
i) Unsecured and Considered Good		
1. KSEB, Port Trust & other Govt. Dept.	82,96,503.00	79,98,544.00
2. Other Deposits	57,99,431.00	57,43,788.00
3. With Court	17,70,675.00	17,70,675.00
<b>4) Other Loans and Advances</b>		
i) Unsecured and Considered Good		
a) K.S.C.D.C.	24,98,000.00	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.	35,87,508.54	45,22,884.54
d) Rebate receivable on Govt. Loan (Inclusive of Guarantee Commission Refund due )	2,58,205.25	2,58,205.25
<b>Total</b>	<b>4,93,67,541.89</b>	<b>5,40,11,285.89</b>

##### 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 i.e., 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/2161 dated 13.08.2019) 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-2161 dated 13-08-2019, 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:

**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	82,22,716.00	79,24,757.00
<b>Total</b>	<b>82,96,503.00</b>	<b>79,98,544.00</b>

**12. Inventories**

Particulars	2019-20 Rs	2018-19 Rs
i) Stock of Rubber & Rubber in Process	14,73,60,954.00	22,49,97,571.00
ii) Stock of Rubber Wood	16,61,662.00	16,61,662.00
iii) Stock of Cashew Nuts	66,16,105.28	1,85,03,967.00
iv) Closing Stock - Others	20,80,967.44	51,26,084.00
v) Stores and Spares at cost	3,47,45,499.80	3,84,27,504.99
vi) Loose Tools	1,16,04,749.05	1,11,85,610.50
vii) Agricultural and Other Equipments	11,53,933.93	12,33,773.84
x) <u>Nurseries :</u>		
Budwood - Rubber	4,85,731.60	9,68,418.81
Polybag - Rubber	3,51,302.79	11,35,649.79
Seedlings - Rubber	11,48,762.29	11,48,762.29
Oil Palm Nursery	12,47,205.00	3,26,406.00
Cashew Nursery	23,74,371.95	3,98,542.15
Other Nurseries	7,73,476.48	2,50,589.90
<b>Total</b>	<b>21,16,04,721.61</b>	<b>30,53,64,542.27</b>

**13. Trade receivables**

Particulars	2019-20 Rs	2018-19 Rs
1) Secured considered good	Nil	Nil
2) Unsecured considered good:		
Exceeding six months	1,86,30,067.56	1,60,87,685.40
Others	50,70,317.70	55,70,038.67
	<b>2,37,00,385.26</b>	<b>2,16,57,724.07</b>
Less Provision for doubtful Debts	13,87,786.91	13,87,786.91
<b>Total</b>	<b>2,23,12,598.35</b>	<b>2,02,69,937.16</b>

Sundry Debtors include Rs.2,37,00,385.26 (Previous year Rs. 2,16,57,724.07) from companies owned by the Government of Kerala and Government of India details of which are as under:

Oil Palm India Ltd, Kottayam	: Rs. 50,70,317.70
State Farming Corporation of Kerala Ltd	: Rs. 5,22,127.70
Handicraft Development Corporation	: Rs. 74,090.00
The Kerala State Cashew Development Corporation	: Rs. 1,80,33,849.86

**Total : Rs. 2,37,00,385.26**

#### 14. Cash and cash equivalents

Particulars	2019-20 Rs	2018-19 Rs
<b>1) Cash in hand</b>		
<b>2) Bank Balances:</b>		
i) With Scheduled Banks		
a) In Current Accounts	25,92,937.67	78,43,099.43
b) In Fixed Deposits less than 12 months	1,08,80,422.00	11,13,66,558.00
c) In Fixed Deposits more than 12 months	-	-
ii) With Treasury		
a) SB A/c	3,50,00,000.00	-
b) In Fixed Deposits less than 12 months	-	-
c) In Investment Deposit Scheme	5,25,00,000.00	6,25,00,000.00
iii) With NABARD	-	-
iv) With Other Banks	-	-
a) Deposit with Banks Estates	-	-
<b>Total</b>	<b>10,09,73,359.67</b>	<b>18,17,09,657.43</b>

Of the above bank deposit, an FD for Rs.13,80,422.00 with Canara Bank is kept as bank guarantee.

**15. Short Term Loans and Advances**

Particulars	2019-20 Rs	2018-19 Rs
1) Advances recoverable in cash or kind		
i) Unsecured and considered good		
a) Employees	15,17,63,152.29	12,31,99,828.29
b) Advance to Contractors	1,43,59,111.75	1,53,94,741.75
c) Others	92,94,509.11	86,71,007.16
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	22,39,05,908.93	22,76,43,029.93
4. Goods and Services Tax	68,46,433.40	59,67,216.84
b) Tax refund due :		
1. Income tax	14,76,18,699.30	16,70,29,340.30
2. Agricultural Income tax	50,82,748.18	50,82,748.18
3. Plantation tax	13,42,483.79	13,42,483.79
3) Others		
i) Unsecured and considered good		
a) Deposit with supplier	55,287.25	55,387.25
<b>Total</b>	<b>98,10,45,039.18</b>	<b>97,51,62,488.67</b>

**16. Other current assets**

Particulars	2019-20 Rs	2018-19 Rs
Interest Receivable on Fixed Deposit	93,18,907.00	1,98,97,132.00
<b>Total</b>	<b>93,18,907.00</b>	<b>1,98,97,132.00</b>

**17. Revenue from operations.**

Particulars	2019-20 Rs	2018-19 Rs
1) Sale of Product	75,28,17,830.29	63,70,39,285.20
2) Sale of Services	40,49,620.00	34,56,960.00
3) Other Operating Revenue	74,12,542.17	42,92,445.45
<b>Total</b>	<b>76,42,79,992.46</b>	<b>64,47,88,690.65</b>

i) Sale of Product comprises		
a) Rubber	63,41,11,152.04	54,84,59,943.51
b) Cashew	5,84,65,148.85	2,94,05,914.86
c) Oil Palm	2,48,24,573.56	3,72,56,421.55
d) Agriculture Produce	88,69,633.84	1,80,83,925.28
e) Trees and Firewood	2,47,00,725.00	20,80,588.00
f) Processed Rubber wood	-	3,161.00
g) Income from Restaurant	18,46,597.00	17,49,331.00
<b>Total</b>	<b>75,28,17,830.29</b>	<b>63,70,39,285.20</b>
ii) Sale of Services comprises		
a) Toll Charges	-	-
b) Rental Income - Plantation Valley	40,49,620.00	34,56,960.00
<b>Total</b>	<b>40,49,620.00</b>	<b>34,56,960.00</b>
iii) Other Non-operating Income		
a) Slaughter Tapping	66,77,667.00	31,23,327.00
b) Tender Forms	2,58,478.41	3,72,423.95
c) Empties and Unserviceables	4,76,396.76	7,96,694.50
<b>Total</b>	<b>74,12,542.17</b>	<b>42,92,445.45</b>
<b>Total</b>	<b>76,42,79,992.46</b>	<b>64,47,88,690.65</b>

#### 18. Other income

Particulars	2019-20 Rs	2018-19 Rs
1) Interest Income		
i) From Banks & Treasury	1,14,16,434.00	2,60,85,166.00
ii) From the employees	14,33,069.00	11,22,494.00
iii) Contractors and Customers	39,604.00	88,215.16
iv) From Income Tax Department	-	-
2) Other Income		
i) Rent of Building	3,78,031.00	2,96,708.00
ii) Dividend from Long Term Investments	16,96,793.00	15,71,105.00
iii) Miscellaneous Income	13,48,265.32	29,95,277.70

iv) Weather Based Crop Insurance	24,300.00	49,250.00
<b>Total</b>	<b>1,63,36,496.32</b>	<b>3,22,08,215.86</b>

#### 19. Prior period income

Particulars	2019-20 Rs	2018-19 Rs
Insurance claim received	11,27,345.00	-
<b>Total</b>	<b>11,27,345.00</b>	<b>-</b>

#### 20. Cost of materials consumed and Direct expenses

Particulars	2019-20 Rs	2018-19 Rs
Purchase Latex	5,03,654.00	30,646.00
Manufacturing Expenses	4,43,14,865.27	4,21,52,809.93
Tapping & Collection - Rubber	26,33,02,830.27	24,88,58,752.17
Collection Charges - Cashew	72,10,190.67	1,06,10,877.85
Harvesting Expenses - Oil Palm	62,24,156.00	78,68,017.00
Cultivation & Upkeep - Rubber	5,80,82,384.46	5,05,88,107.78
Cultivation & Upkeep - Cashew	3,11,14,795.56	4,17,90,688.96
Cultivation & Upkeep - Oil Palm	75,51,345.00	1,19,42,041.00
Cultivation & Upkeep - Other Crops	1,78,22,735.15	90,13,600.78
Collection Charges - Pepper	2,88,969.15	816.00
Dairy Farm Expenses	31,84,197.97	28,46,474.72
Electricity Charges	66,81,427.00	67,85,335.00
Restaurant Expenses Plantation Valley	8,84,213.00	7,18,756.00
<b>Total</b>	<b>44,71,65,763.50</b>	<b>43,32,06,923.19</b>

#### 21. Changes in Inventory

Particulars	2019-20 Rs	2018-19 Rs
Opening Stock - Rubber and Agrl. Products	25,02,89,284.00	23,61,74,957.00
Less : Closing Stock		
Rubber	14,73,60,954.00	22,49,97,571.00

Cashew	66,16,105.28	1,85,03,967.00
Oil Palm	-	-
Other Agricultural Produces	20,80,967.44	51,26,084.00
Treated Rubber Wood	16,61,662.00	16,61,662.00
<b>Total</b>	<b>9,25,69,595.28</b>	<b>(1,41,14,327.00)</b>

## 22. Employee benefit expense

Particulars	2019-20 Rs	2018-19 Rs
Salaries & Allowances	18,33,32,151.50	17,37,34,174.71
Salaries & Allowances to MD	4,05,517.00	9,66,279.00
Honorarium to Chairman	1,56,129.00	1,80,000.00
TA & Sitting Fee to Directors	2,45,615.00	2,38,369.50
Leave Encashment	79,09,326.00	1,92,43,567.00
Employer's Contribution - PF	6,89,87,752.44	6,54,63,751.00
TA to Staff & Officers	15,53,257.00	15,68,145.50
L I C - Group Gratuity Premium	22,41,296.00	20,00,000.00
Bonus & Production Incentive	2,66,13,089.00	81,85,679.00
Welfare Expenses	7,25,95,497.04	8,05,79,301.44
Provision for Gratuity	2,81,27,072.00	(12,37,03,531.00)
<b>Total</b>	<b>39,21,66,701.98</b>	<b>22,84,55,736.15</b>

## 23. Administrative and other expense

Particulars	2019-20 Rs	2018-19 Rs
Rep. & Maintenance of Assets	2,99,78,015.63	2,95,42,782.07
Insurance Charges	(55,616.00)	8,88,185.00
Weather Based Crop Insurance	9,099.00	27,389.00
Selling Expenses	7,15,396.98	5,93,372.46
Rent	3,88,108.36	3,14,906.72
Advertisement Charges	13,32,284.00	29,44,125.14
Corporate Social Responsibility	-	-

Rates & Taxes	19,18,489.84	30,81,321.50
Commission and Rebate	21,24,497.00	13,72,513.00
Legal Expenses	46,08,825.00	13,15,611.00
Security Expenses	1,33,33,309.40	1,25,55,164.74
Professional Fees	16,28,500.00	10,20,250.00
Miscellaneous Expenses	99,94,336.93	63,06,795.70
Electricity Charges	1,62,58,570.00	1,95,37,186.00
Lease Rent	1,66,17,704.48	1,66,17,704.48
Bank Charges	94,937.92	73,225.26
Interest paid	19,633.00	5,41,836.00
<b>Total</b>	<b>9,89,66,091.54</b>	<b>9,67,32,368.07</b>

**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	2019-20 Rs	2018-19 Rs
Bus stand cum shopping complex project, DA arrear higher grade promotion arrear, advocate fee, livestock revaluation	-	22,09,045.00
Rubber budwood nursery written off and repairs to roads	4,90,965.00	
<b>Total</b>	<b>4,90,965.00</b>	<b>22,09,045.00</b>

## 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	(318,245,655.78)	85,039,298.16	17,700,000.00	41,888,081.00
Add : Additions during the year	33,538,671.00	11,496,600.00	19,450,000.00	(1,269,509.00 )
Less : Utilization during the period	(50,427,955.00 )	67,336,154.00	17,700,000.00	2,326,735.00
Add : Recovered from LIC	-	-	-	-
<b>Closing Balance</b>	<b>(234,279,029.78)</b>	<b>29,199,744.16</b>	<b>19,450,000.00</b>	<b>38,291,837.00</b>

## 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. An amount of Rs.1,69,08,199/- being Gratuity liability directly paid by the Corporation has been treated as contribution towards the corpus fund by the LIC in their actuarial valuation for the current year. On the basis of the said valuation this amount is treated as Contribution paid in the books of accounts. 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 31.03.2020 - Policy No :420273**

1	Assumption	As on 31.03.2020	As on 31.03.2019
	Discount rate	7.25%	7.50%
	Salary Escalation	8.00%	8.00%
2	<b>Table Showing changes in present value of obligation as on 31.03.2020</b>		
	Present value of obligations as at beginning of year	425,107,593.32	481,147,654.00
	Interest cost	31,883,069.50	38,491,812.32
	Current Service Cost	34,008,607.47	22,003,461.00
	Benefits Paid	(89,299,737.32)	(54,167,510.00)
	Actuarial (gain) / loss on obligations	19,681,722.00	(62,367,824.00)
	Present value of obligations as at end of year	421,381,254.96	425,107,593.32
3	<b>Table Showing changes in the fair value of plan assets as on 31.03.2020</b>		
	Fair value of plan asset at beginning of year	743,353,249.63	684,124,576.03
	Expected return on plan asset	52,034,727.95	51,549,714.60

	Contributions	(50,427,954.88)	61,846,469.00
	Benefits Paid	(89,299,737.32)	(54,167,510.00)
	Benefits to be Paid	-	-
	Actuarial (gain) / loss on plan assets	-	-
	Fair value of plan asset at the end of the year	655,660,285.38	743,353,249.63
<b>4</b>	<b>Table Showing fair value of plan assets</b>		
	Fair value of plan asset at beginning of year	743,353,249.63	684,124,576.03
	Actual return on plan assets	52,034,727.95	51,549,714.60
	Contributions	(50,427,954.88)	61,846,469.00
	Benefits Paid	(89,299,737.32)	(54,167,510.00)
	Benefits to be Paid	-	-
	Fair value of plan assets at the end of the year	655,660,285.38	743,353,249.63
	Funded status	234,279,030.42	318,245,656.31
	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)		
<b>5</b>	<b>Actuarial gain/ loss recognized as on 31.03.2020</b>		
	Actuarial(gain)/ loss on obligations	(19,681,722.00)	62,367,824.00
	Actuarial gain/ loss for the year - plan assets	Nil	Nil
	Total (gain)/ loss for the year	19,681,722.00	(62,367,824.00)
	Actuarial (gain) /loss recognized in the year	19,681,722.00	(62,367,824.00)
<b>6</b>	<b>The amount to be recognized in the balance sheet and statement of profit and loss</b>		
	Present value of obligations as at the end of year	421,381,254.96	425,107,593.32
	Fair value of plan assets at the end of the year	655,660,285.38	743,353,249.63
	Funded status	234,279,030.42	318,245,656.31
	Net asset/ (liability) recognized in the balance sheet	234,279,030.42	318,245,656.31
<b>7</b>	<b>Expense recognized in statement of Profit and Loss</b>		
	Current Service Cost	34,008,607.47	22,003,461.00
	Interest cost	31,883,069.50	38,491,812.32
	Expected return on plan asset	(52,034,727.95)	(51,549,714.60)
	Net Actuarial (gain) /loss recognized in the year	19,681,722.00	(62,367,824.00)
	Expense/(Income) recognized in statement of Profit and Loss	33,538,671.01	(53,422,265.28)

**Gratuity Report Under AS - 15 (Revised 2005) for the year ended 31.03.2020 - Policy No :603000464**

		As on 31.03.2020	As on 31.03.2019
<b>1</b>	<b>Assumption</b>		
	Discount rate	7.25%	7.50%
	Salary Escalation	8.00%	8.00%
<b>2</b>	<b>Table Showing changes in present value of obligation as on 31.03.2020</b>		
	Present value of obligations as at beginning of year	66,456,768.48	76,171,406.00
	Interest cost	4,984,257.64	6,093,712.48
	Current Service Cost	5,316,541.48	15,751,807.00
	Benefits Paid	(463,132.00)	(19,736,406.00)

	Actuarial (gain) / loss on obligations	4,752,942.04	(11,823,751.00)
	Present value of obligations as at end of year	81,047,377.63	66,456,768.48
<b>3</b>	<b>Table Showing changes in the fair value of plan assets as on 31.03.2020</b>		
	Fair value of plan asset at beginning of year	(18,582,529.68)	735,833.82
	Expected return on plan asset	3,557,141.40	418,042.50
	Contributions	67,336,153.66	Nil
	Benefits Paid	(463,132.00)	(197,36,406.00)
	Actuarial (gain) / loss on plan assets	Nil	Nil
	Fair value of plan asset at the end of the year	51,847,633.38	(18,582,529.68)
<b>4</b>	<b>Table Showing fair value of plan assets</b>		
	Fair value of plan asset at beginning of year	(18,582,529.68)	735,833.82
	Actual return on plan assets	3,557,141.40	418,042.50
	Contributions	67,336,153.66	Nil
	Benefits Paid	(463,132.00)	(19,736,406.00)
	Fair value of plan assets at the end of the year	51,847,633.38	(18,582,529.68)
	Funded status	(29,199,744.25)	(85,039,298.16)
	Excess of actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March)	Nil	Nil
<b>5</b>	<b>Actuarial gain/ loss recognized as on 31.03.2020</b>		
	Actuarial(gain)/ loss on obligations	(4,752,942.04)	11,823,751.00
	Actuarial gain/ loss for the year - plan assets	Nil	Nil
	Total (gain)/ loss for the year	4,752,942.04	(11,823,751.00)
	Actuarial (gain) /loss recognized in the year	4,752,942.04	(11,823,751.00)
<b>6</b>	<b>The amount to be recognized in the balance sheet and statement of profit and loss</b>		
	Present value of obligations as at the end of year	81,047,377.63	66,456,768.48
	Fair value of plan assets at the end of the year	51,847,633.38	(18,582,529.68)
	Funded status	(29,199,744.25)	(85,039,298.16)
	Net asset/ (liability) recognized in the balance sheet	(29,199,744.25)	(85,039,298.16)
<b>7</b>	<b>Expense recognized in statement of Profit and Loss</b>		
	Current Service Cost	5,316,541.48	15,751,807.00

	Interest cost	4,984,257.64	6,093,712.48
	Expected return on plan asset	(3,557,141.40)	(418,042.50)
	Net Actuarial (gain) /loss recognized in the year	4,752,942.04	(11,823,751.00)
	Expense/(Income) recognized in statement of Profit and Loss	11,496,599.75	9,603,725.98

### B) Group Leave Encashment Scheme of Employees

		Current year	Previous year
1	Proposal No/Quot.No :	3976/2	3976/1
	Date of Commencement :	01/09/2021	19/10/2019
2	Membership Data		
	No. of Members :	353	387
	Average age :	46	46
	Average Monthly Salary :	33,335	33,650
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 :	7.00% p.a	7.50% p.a
	Salary Escalation :	7%	
5	RESULTS OF VALUATION		
	a. PV PSG :	23377577	25581790
	b. Current Service Cost	14891997	16285823
	c. LCSA :	3340000	3740000
	d. LC Premium :	18867	17200
	e. GST@18% :	3396	3268
6	RECOMMENDED CONTRIBUTION RATE		
	a. Initial Contribution :	23377577	25581790
	b. Additional Contribution for existing fund :	0	0
	c. Current Service Cost :	14891997	16285823
7	Total Amount Payable (Rs) (6.a +6.c + 5.d+5.e)	38291837	41888081

### 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.

Rs.in Lakhs

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	7,583.73	6,395.63	59.07	52.22	-	0.03	7,642.80	6,447.89
Segment Results	(2,786.76)	(1,144.98)	(3.62)	(22.65)	(0.32)	(0.39)	(2,790.70)	(1,168.02)
Depreciation	114.59	146.11	5.30	4.87	0.02	0.03	119.91	151.01
Dividend & Interest Income	-	-	-	-	-	-	163.36	322.08
Prior Period Income	-	-	-	-	-	-	11.27	-
Prior Period Expenses	-	-	-	-	-	-	4.91	22.09
Unallocated H.O Expenses	-	-	-	-	-	-	989.66	967.32
Extra Ordinary Items	-	-	-	-	-	-	-	-
Current Tax	-	-	-	-	-	-	-	-
Net Profit / (Loss)	(2,612.12)	(822.90)	(3.62)	(22.65)	(0.32)	(0.39)	(2,616.06)	(845.94)
<b><u>Other Informations</u></b>								
Tangible Assets	11,149.70	10,854.48	82.58	87.35	2.10	2.12	11,234.38	10,943.95
Other Assets	14,596.21	16,451.78	12.35	12.35	1.79	1.79	14,610.35	16,465.92
Liabilities	12,766.04	11,709.67	4.69	10.15	1.04	1.04	12,771.77	11,720.86
Write Off	-	-	-	-	-	-	-	-

## 28. Deferred tax assets and liabilities

Even though the company has incurred a loss of Rs.26.16 Crore ( P.Y. Loss – Rs.8.46 Crore) 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)**

<b>Particulars</b>	2019-20	2018-19
(a) Net Profit after tax but before considering Extra ordinary items (Rs. in Lakhs)	(2,616.06)	(845.94)
(b) Profit attributable to equity shareholders (Rs. in Lakhs)	(2,616.06)	(845.94)
(c) Weighted average number of Equity shares	55,688.00	55,688.00
(d) Basic/ Diluted EPS (a)/(c)	(4,697.71)	(1,519.07)
(e) Basic/ Diluted EPS (b)/(c)	(4,697.71)	(1,519.07)
(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

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Name of Related Party	Sri. S.K Suresh	Sri. R Sivadasan Nair
Period of service	1 <sup>st</sup> April 2019 - 2 <sup>nd</sup> November 2019	1 <sup>st</sup> April 2018 – 7 <sup>th</sup> January 2019
Remuneration (Rs.)	Nil	847,530.00
Name of Related Party	Sri. B. Promod	Sri. S.K Suresh
Period of service	2 <sup>nd</sup> November 2019 – 31 <sup>st</sup> March 2020	7 <sup>th</sup> January 2019 - 31 <sup>st</sup> March 2019
Remuneration (Rs.)	4,05,517.00	Nil
<b>Total</b>	<b>4,05,517.00</b>	<b>8,47,530.00</b>

The perquisite enjoyed during the Previous Year by the then Managing Director Sri. R. Sivadasan Nair in respect of rent free furnished residential accommodation provided by taking a flat on rent by the Corporation is Rs.1,16,000/- (April 2018 to January 2019).

**32. Managerial remuneration**

<b>Particulars</b>	<b>Current Year (Rs.)</b>	<b>Previous Year(Rs.)</b>
TA & Sitting fee to Directors	2,45,615.00	2,38,369.50
Honorarium to Chairman	1,56,129.00	1,80,000.00

**33. Auditor's remuneration**

<b>Particulars</b>	<b>Current Year * (Rs.)</b>	<b>Previous year (Rs.)</b>
Statutory Auditor's fee	2,32,200.00	2,32,200.00
Expenses to Statutory Auditors	50,000.00	50,000.00
Internal Auditor's Fee	2,90,000.00	3,17,500.00

Tax Audit fee	50,000.00	50,000.00
GST/VAT Audit	25,000.00	25,000.00
<b>Total</b>	<b>6,47,200.00</b>	<b>6,74,700.00</b>

\* Excluding Taxes.

### 34. Additional information as per Schedule III of the Companies Act, 2013

a) Value of goods consumed during the year

Particulars	Current Year		Previous Year	
	Value (Rs. lakhs)	Consumption	Value (Rs. lakhs)	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)	815.55	100%	800.95	100%

b) Total wages paid during the year to tappers, field worker and factory workers are Rs.3,849.21 lakhs (P. Y: Rs 3,333.87 lakhs.)

c) Total Sales commission paid during the year to selling agents is Rs.20.97 lakhs. (P.Y: Rs. 13.62 lakhs)

d) Manufacturing expense include cost of packing drums worth Rs.140.47 lakhs (P.Y: Rs.111.05 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	4634.32	6341.11	4268.96	5484.60
Cashew	NA	584.65	NA	294.06
Oil palm	2818.00	248.25	4208.84	372.56
Treated Rubber Wood	Nil	Nil	Nil	0.03

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 2017-18 (AY 2018-19). For the current financial year 2019-20, 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)	financial 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)*	Hon'ble High Court order pending for modification
Central Income tax	87.84	2009-10(AY 2010-11)	IT Appellate Tribunal order pending for modification
Central Income tax	479.26	2010-11(AY 2011-12)	CIT Appeal
Central Income tax	*234.95	2011-12(AY 2012-13)	High Court
Central Income tax	106.76	2012-13(AY 2013-14)	High Court
Central Income tax	126.70	2013-14(AY 2014-15)	High Court
Central Income tax	*199.15	2016-17(AY 2017-18)	CIT Appeal
Central Income tax	**2.20	2017-18(AY 2018-19)	CIT Appeal

\* Amount represents the disputed income

\*\*Tax effect of covered issues.

## B) Agricultural Income Tax

The assessment order of Agricultural Income Tax was received up to financial year 2015-16 (AY 2016-17).

The Agriculture Income computed for the current financial year 2019-20 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.

Nature of Statute	Amount (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	Tribunal order pending for modification
Agricultural Income Tax	88.11	2008-2009	KVAT/AIT&ST Appellate Tribunal
Agricultural Income Tax	184.55	2009-2010	KVAT/AIT&ST Appellate Tribunal
Agricultural Income Tax	53.10	2009-2010	KVAT/AIT&ST Appellate Tribunal
Agricultural Income Tax	**730.81	2010-2011	KVAT/AIT&ST Appellate Tribunal/Hon'ble High Court
Agricultural Income Tax	132.19	2011-2012	KVAT/AIT&ST Appellate Tribunal
Agricultural Income Tax	*1403.04	2012-2013	Tribunal order pending for modification
Agricultural Income Tax	*1321.44	2013-2014	Tribunal order pending for modification

\*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 KVAT/AIT&ST Appellate Tribunal 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			2017-18	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 2016-17 has been completed. On the basis of the latest Assessment Order No.B5-5072/81 dated 10.12.2018, necessary adjustments and payments have been made during the current year. The refundable and payable Plantation Tax after the above adjustments amounts to Rs. 13,42,483.79/- and Rs.21,83,319.50 respectively.

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 Rs 1,56,10,090.00 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 Rs1.5 crores)
- b) 202 cases (Previous year 221 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 till 2017-18. From FY 18-19 the Corporation is under loss and therefore we were not able to pay lease rent even though the rent has been accounted for and shown as liability.

### 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/-
<b>Total</b>	<b>1,12,00,000/-</b>

sOut 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 if 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 2019-20.

**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.

**J Sajeev**  
Managing Director

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

**Varun Kumar.C**  
Company Secretary

**THOMAS & ASSOCIATES**  
Chartered Accountants (FRN : 009509S)  
C.A Binu Sankar K (Partner)  
Membership No. 220752

Kottayam  
17.11.2021



सत्यमेव जयते


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

**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 2020**

The preparation of financial statements of **The Plantation Corporation of Kerala Limited, Kottayam** for the year ended **31 March 2020** 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 **15 December 2021**.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **The Plantation Corporation of Kerala Limited, Kottayam** for the year ended **31 March 2020** under section 143(6)(a) of the Act.

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

  
K.P. ANAND

**PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I),  
KERALA**

**Thiruvananthapuram**  
Dated: 04.01.2022