THE PLANTATION CORPORATION OF KERALA LIMITED

ANNUAL REPORT 1985-86

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office: KOTTAYAM-686 004

BOARD OF DIRECTORS

CAV. T. U. KURUVILLA
Chairman (From 10-11-1982 to 18-4-1987)

SHRI. M. S. Joseph, I A S
Chairman (From 18-4-1987 to 26-10-1987)
As Director (from 19-10-1985)
As Managing Director from 28-2-88 to 2-5-1988

ADV. V. T. Thomas
Chairman (From 27-10-1987)

SHRI. S. GOPALAN, I A S
(From 12-10-1984 to 7-10-1985)

" M. SIVARAJAN, I F S
(From 12-10-1984 to 7-10-1985 and from 19-10-1985)

" A. G. ZACHARIAH
(From 10-7-85 to 18-4-1987)

" M. GEORGE
(From 12-10-1984 to 10-7-1985)

" P. MUKUNDA MENON
From 12-10-84 to 7-10-1985)

" P. K. GOPALAN
(From 12-10-1984 to 7-10-1985)

" P. J. JOY
(From 12-10-1984 to 7-10-1985)

" M. P. CHERIYAN
(From 12-10-1984 to 7-10-1985)

" V. J. JOSEPH
(From 3-1-1985 to 7-10-1985)

" K. A. MOHAMMED KUNHI
(From 12-10-1984 to 7-10-1985)

" K. J. SEBASTIAN
(From 12-10-1984 to 7-10-1985)

SHRI. P. GOVINDANKUTTY
(From 12-10-1984 to 26-7-1985)

" P. O. PUSHPANGADAN
(From 12-10-1984 to 7-10-1985)

SMT. RUGMINI BHASKARAN NAIR
(From 12-10-1984 to 7-10-1985)

SHRI. N. SURESH KUMAR
(From 26-7-1985 to 7-10-1985)

" K. M. CHERIYAN
(From 18-4-1987 to 29-9-1987)

" C. A. KURIAN
(From 27-10-1987)

" T. P. RAMAKRISHNAN
(From 27-10-1987)

" C. K. UNNIKRISHNAN
(From 27-10-1987)

" G. PEETHAMBARAN
(From 27-10-1987)

" K. GOPINATHA PILLAI
(From 27-10-1987)

" U. K. BHASI
(From 27-10-1987)

" M. NARAYANA PILLAI
(From 27-10-1987)

" N. K. GOPALAKRISHNAN
Managing Director
(From 18-5-1984 to 28-2-1988)

" KURUVILLA JOHN, I A S
Managing Director (From 2-5-88)

BANKERS

State Bank of Travancore

Indian Overseas Bank

Syndicate Bank

Canara Bank

Central Bank of India

Union Bank of India

Kottayam District Co-operative Bank

State Bank of India

South Indian Bank Limited

Federal Bank Limited

Corporation Bank

District Treasury, Kottayam.

AUDITORS

M/s. K. Venkatachalam Aiyer & Co.,
Chartered Accountants, Kottayam.

LEGAL ADVISERS

M/s. Joseph & Markos,
Advocates, Kottayam.

M/s. Menon & Pai,
Advocates, Ernakulam.

M/s. Menon & Menon,
Advocates, Ernakulam.

Mr. Jose Mackil,
Advocate, Kottayam.

M/s. Swami, Cheriyan & Shankar,
Notary & Lawyers,
Kottayam.

Mr. George Poothottam,
Advocate, Ernakulam.

Mr. P. T. Mathew,
Retired Dist. Judge,
Kottayam.

Mr. M. K. Vasudeva Kurup,
Advocate, Kottayam.

Mr. E. T. Mathew,
Advocate, Kottayam.

Mr. Thampi Cheriyan,
Advocate, Ernakulam.

Mr. T. P. Mathai,
Advocate, Ernakulam.

Mr. N. Bhaskara Pillai,
Advocate,
Meenattoor, Trivandrum.

M/s. Law Chamber, Kottayam.

CONTENTS

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 24th Annual General Meeting of the Corporation will be held at the Registered office of the Corporation at 3 p. m. on Monday the 29th September 1986 to transact the following business.

(i) To receive and adopt the Directors' and Auditors' Reports and the audited Balance Sheet as on 31st March 1986, and the profit and Loss Account for the year ended on that date.

(ii) To record the appointment of Directors by the Governor of Kerala in the place of Directors retiring at the Annual General Meeting under Article 63 (a) of the Articles of Association. The following Directors retire and are eligible for reappointment.

1. Sri M. S. Joseph, I. A. S.
2. ,, M. Sivarajan, I. F. S.
3. ,, A. G. Zachariah

By order of the Board,
For THE PLANTATION CORPORATION OF KERALA LIMITED
Sd/-
PHILIP JACOB
Secretary

Kottayam.
8-9-1986.

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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 24th (adjourned) Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at Kottayam on Tuesday the 14th February, 1989 at 11.30 A. M to transact the following business.

To receive and adopt the Directors' and Auditors' Reports and the audited Balance Sheet as on 31st March 1986, and the Profit and Loss Account for the year ended on that date.

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

Sd/-
PHILIP JACOB
Secretary.

Kottayam
17th January 1989.

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

DIRECTORS' REPORT

Gentlemen,

Your Directors have pleasure in presenting the 24th Annual Report of the Corporation for the year ended 31st March 1986.

FINANCIAL POSITION

The Authorised Capital of the Corporation is Rs. 750 lakhs and the Paid up Capital, which stood at Rs. 556.88 lakhs as on 31-3-1985 continued unchanged during 1985-86.

The Corporation has made substantial remittances towards loan drawn from Government of Kerala for estate development and under Subsidised Housing Scheme and also interest due on these loans during the year 1985-86.

The amount paid are as follows:

Payment of loan	:	Rs. 35.57 lakhs
Payment of interest	:	Rs. 34.14 lakhs

The amount paid subsequently are as follows:

Financial year 1986-87

Payment of loan	:	Rs. 32.35 lakhs
Payment of interest	:	Rs. 21.77 lakhs

Financial year 1987-88

Payment of loan	:	Rs. 30.49 lakhs
Payment of interest	:	Rs. 18.77 lakhs

Payment upto 30-9-88

Payment of loan	:	Rs. 9.81 lakhs
Payment of interest	:	Rs. 4 88 lakhs

We have availed ourselves of a loan of Rs. 24.86 lakhs from Syndicate Bank under World Bank Scheme on 22-7-1986.

PROFIT & LOSS ACCOUNT

The net profit for the year ended 31-3-1986 was Rs. 22.66 lakhs after making the following provisions.

Interest for loans	:	Rs. 23.99 lakhs
Rehabilitation reserve	:	Rs. 1.31 "
Replanting reserve	:	Rs. 38.50 "
Depreciation	:	Rs. 24.02 "
Bonus net payment after deduction of provisions	:	Rs. 49.55 "
Provision for taxation	:	Rs. 124.00 "
Provision for bonus	:	Rs. 17.00 "
Provision for gratuity	:	Rs. 45.70 "

AGRICULTURAL INCOME TAX

The assessment of agricultural income tax of the Corporation has been completed only upto 1980-81. As per the Auditor's Report for the year 1985-86 on the basis of the completed assessment, there is a short provision of Rs. 148.10 lakhs.

Appeals are pending with the higher authorities for the assessment.

LEASE RENT

Government had unilaterally revised the lease rent to Rs. 615/ha. from 18-12-1981 onwards, for lands leased out to the Corporation by the Forest Department. Though we have made provision for this for 1984-85 & 1985-86, we have taken up the matter with the Government for bringing down the lease rent to a rate which the Corporation can withstand. In view of the Corporation's inability to pay up arrears on this account, which would amount to around Rs. 250 lakhs, we have also suggested to Government that alternatively, the lease hold lands may be assigned to the Corporation and the value adjusted against shares to be issued. The matter is pending with Government for a final decision.

ESTATES

There are seven rubber estates and four cashew estates under the ownership of the Corporation. They are located in Pathanamthitta, Ernakulam, Trichur, Kozhikode, Kasargod and Palghat Districts. The Management of Alakode estate (excess land taken over) in Cannanore District is also vested with the Corporation.

The estates are properly maintained and timely upkeep measures are being taken. The area utilisation is given below:

Area under rubber	7,297	Hectares
Area under cashew	6,205	"
Uncultivated reserve including submergible area	174	"
Area under buildings, roads, factories etc.	295	"
Total	13,971	"

CASHEW

The two schemes, viz. Kerala Agricultural Development Project (KADP) and the Multi State Cashew Project (MSCP) are still under operation. Including the Cashew area in the rubber estates, the total extent of cashew planted is 6205 hectares.

The amount received in 1985-86 through sale of cashew nut was Rs. 53.89 lakhs against Rs. 46.74 lakhs during 1984-85.

SALES

Rubber

During 1985-86, quantity of rubber sold was 5,224.6 tons. Sales Proceeds realised was Rs. 1,056.99 lakhs against 6,192.4 tons sold during 1984-85 for Rs. 1,129.19 lakhs. Average price realised in 1985-86 was Rs. 20.23 per kg. against Rs. 18.23 per kg. during 1984-85.

During 1985-86, due to the staff strike, there was a closing stock worth Rs. 262.81 lakhs against a closing stock worth Rs. 139.49 lakhs during 1984-85.

ENGINEERING CONSTRUCTION

In Kodumon Group: Works of semigrouting the road from Division E to F and E to C Kodumon Estate, road from Division C to D and road to Vettuvaparambu collecting station, Chandanappally Estate has been completed. A new collecting station and approach road in Division-A, Chandanappally and compound wall to the rearside of Chandanappally factory have been completed during the period.

In Thannithode Estate: Works for road in new area for a length of 3.50 Kms., semigrouting the road from Division A to B, Ist stage and Division Store in Division B are in progress.

At Vadavathoor, Kottayam: Works for 5 Nos. staff quarters have been completed.

In Kalady Group: works for 3 sets 'E' type quarters and 1 No. Division Store in Adirappally Estate and water tank of 4.5 lakhs ltrs. capacity have been completed. Civil works for the erection of 3rd centrifuging unit is in progress.

In Nilambur Estate: Works for 4 Nos. Semi-permanent sheds to accommodate staff and some road works are in progress.

In Cashew area: of Rajapuram, Cheemeni and Mannarghat Estates, work of road as well as residential building for staff and workers are in progress.

In all the rubber estates, general maintenance work for roads and buildings are in progress.

PERSONNEL MANAGEMENT, INDUSTRIAL RELATIONS AND LABOUR WELFARE

The organisational set up of the Company continued unchanged during the year.

There were fresh appointments of 2 Medical Officers and 2 Assistant Managers. Under the scheme of providing employment to the dependants of employees who die in harness while in our service, we have given 34 appointments in workers' category.

We have continued the practice of sending our employess for various training programmes, seminars etc. The knowledge gained by them has been of great use in the efficient functioning of the organisation.

Labour management relations in the Company continued to be cordial. We have held joint conferences, discussions and negotiations at union-management level and also at higher levels on various matters concerning staff and workers. These conferences and discussions have enabled us to maintain cordial relationship with the employees. Although we had taken every earnest steps for entering into an agreement on revision of salary and service conditions of staff, it could not be finalised, as the staff unions did not agree to sign it. The staff resorted to a strike from 15. 10. 1985 to 22. 11. 1985 to press their demands for payment of Dearness Allowance at State Government rates. As per the direction from the Government, all the benefits given to the staff in the plantation industry as per ESUSI-UPASI settlement dt. 2. 3. 1984 have been extended to our staff also. There has been no case of continuous abour unrest during the period excepting a few instances of token strikes and Bundhs.

The employees in the estates and in the Head Office are provided with all basic amenities such as accommodation, water supply, electricity etc. Medical, educational and recreational facilities are also being given as before. The last grade staff, Mechanical staff Hospital staff etc., are supplied with terry cotton uniform once in two years. The tappers have been paid an all-inclusive special allowance of Rs. 300/- per annum during this year also over and above their normal wages.

Kalady Plantation High School in our Kalady Group has become a full fledged High School. The Upper Primary School at Perambra is also functioning satisfactorily and caters to the needs of the school going children of our workers there.

HOUSING SCHEME

A Scheme for providing House building advance to the employees of the Corporation has been under consideration and the Housing Development Finance Corporation Ltd., has offered to provide necessary funds for the purpose.

The Corporation is exploring ways and means of reducing the interest burden by taking advantage of certain attractive Schemes by the H. D. F. C. Alternate sources like HUDCO are also under consideration.

BOARD OF DIRECTORS

CHAIRMAN

Cav. T. U. Kuruvilla who was appointed Chairman by Government Order dt. 10-11-1982 continued to hold office as Chairman during the year under review.

MANAGING DIRECTOR

Shri N. K. Gopalakrishnan, who had been appointed Managing Director by Government Order dt. 17-5-1984 continued to hold office as Managing Director during the year.

NEW LINES OF BUSINESS

New projects under consideration are:

(i) Cashew Apple Feni distillery and

(ii) Rubber Wood Processing Unit

Project report for these have been submitted to the Government for clearance.

ACKNOWLEDGEMENT

Your Directors are grateful to the Government of India, Government of Kerala, World Bank, NABARD, Rubber Board, Banks and others for their unstinted assistance during the year under review.

Your Directors also deem it their duty to place on record their gratitude for the assistance and wholehearted support received from the officers, staff and workers of the Corporation right through the year.

For and on behalf of the Board of Directors

Kottayam,
Date : 1-11-88

V. T. THOMAS
Chairman

A. STATEMENT OF PARTICULARS OF EMPLOYEES
ACT 1956 READ WITH THE COMPANIES
EMPLOYED THROUGHOUT THE FINANCIAL YEAR
FOR THAT FINANCIAL

Name of Employee	Designation	Remuneration received for the year	Nature of Employment (whether contractual or otherwise)	Other terms & conditions	Nature of duties
(1)	(2)	(3)	(4)	(5)	(6)
		Rs.			
1. N.K. Gopalakrishna Pillai	Managing Director	53847.00	Contract		Managerial
2. P.N. Bahuleyan	Estate Manager	36546.00	Permanent		"
3. D.C. Chithran	General Manager (P&A)	41887.00	-do-		"
4. A. Ramachandran	General Manager (S)	47876.00	-do-		"
5. N.V. Thomas	General Manager (P)	44244.00	-do-		"
6. N.T. Thomas	Scientific Officer	41400 00	-do-		"
7. C. G. Vasudevan Nair (on deputation)	Statistical Officer	36064.00	Deputation from Govt.		"
8. Philip Jacob	Secretary	39235.00	Permanent		"
9. K. A. Abraham	Manager (Plg.& Dev.)	38053.00	-do-		"
10. S. Subramonia Iyer	General Manager (C)	42748.03	-do-		"
11. P. G. Thomas	Estate Manager	38244.40	-do-		"
12. K. T. Thomas	Estate Manager	36381.40	-do-		"
13. C. Ramachandran	Estate Manager	42197.90	-do-		"

PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 - YEAR ENDED 31 st MARCH, 1986.

UNDER REVIEW AND WAS IN RECEIPT OF REMUNERATION

YEAR, IN THE AGGREGATE OF NOT LESS THAN Rs. 36,000/-

Qualification and Experience	Date of commencement of employment	Age of Employee	Last employment held before joining this Company	Percentage of equity shares held by the employee under Section 217 of the Act
(7)	(8)	(9)	(10)	(11)
B. Sc. (Ag) M. B. A.	19 5.84	49	Agro-Machinery Corporation	Nil
B. Sc. (Ag)	11.3.65	47	Agriculture Dept.	"
B.Sc. M. S. W.	18.4.66	50	Kerala University Centre	"
B. Sc. (Ag)	1.1.64	51	Agriculture Dept.	"
B. Sc. (Ag)	13.11.63	48	Rubber Board	"
M. Sc., Ph. D.	26.3.65	46	Agriculture Dept.	"
M.A., B.Ed.	26 11.82 (reverted to Govt. on 25. 11. 87)	53	Government Servant	"
B. Sc., B. Com., F. C. S.	4. 2. 77	55	Marikar (Motors) Ltd.	"
B. Sc. (Chem)	2. 3. 65	48	J & P Coats	"
B. Sc. (Ag)	20. 3. 65	46	Agriculture Dept.	"
B. Sc. (Ag)	1. 1. 64	55	-do-	"
B. A.	3. 5. 71	58	Govt Dept	"
B. Sc.	17.7.65	47		"

REVIEW OF ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM, FOR THE YEAR ENDED 31ST MARCH, 1986 BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

FINANCIAL POSITION

The table below summarises the financial position of the Company under broad headings for the three years upto 1985-86.

		1983-84	1984-85	1985-86
			(Rupees in lakhs)	
Liabilities				
(a)	Paid up capital	556.88	556.88	556.88
(b)	Reserves & Surplus	426.42	338.07	401.16
(c)	Borrowings	498.36	309.89	223.44
(d)	Trade dues & current liabilities (including provisions)	953.51	1097.24	1261.92
	Total	2,435.17	2,302.08	2,443.40
Assets				
(a)	Gross Block	754.06	787.00	823.52
(b)	*Less:* depreciation	213.90	235.88	258.32
(c)	Net fixed assets	540.16	551.12	565.20
(d)	Development of property	837.00	858.66	876.21
(e)	Capital work in progress	16.46	16.37	9.74
(f)	Investments	121.21	0.01	0.01
(g)	Current assets, loans & advances	919.42	873.36	992.24
(h)	Intangible assets: Miscellaneous expenditure	0.92	2.56	
	Total	2,435.17	2,302.08	2,443.40
	Capital employed	1,465.01	1,342.80	1,367.59
	Net worth	982.38	892.39	958.04

Note: 1. Capital employed represents net fixed assets plus working capital.

2. Net worth represents paid up capital plus reserves and surplus less intangible assets.

2. CAPITAL STRUCTURE

The debt equity ratio of the Company declined from 0.89 : 1 in 1983-84 to 0.56 : 1 in 1984-85 and to 0.40 : 1 in 1985-86.

3. RESERVES AND SURPLUS

The reserves and surplus accumulated as at the end of the three years upto 1985-86 amounted to Rs 426.42 lakhs, Rs. 338.07 lakhs, Rs. 401.16 lakhs respectively. The reserves and surplus worked out to 17.5 percent of the total liabilities in 1983-84, 14.7 percent in 1984-85 and 16.4 percent in 1985-86 and 76.6 percent of equity capital in 1983-84, 60.7 percent in 1984-85 and 72.0 percent in 1985-86.

4. LIQUIDITY AND SOLVENCY

(a) The percentage of current assets to total net assets increased from 37.7 in 1983-84 to 37.9 in 1984-85 and to 40·6 in 1985-86.

(b) The percentage of current assets to current liabilities (including provision) varied from 96.4 in 1983-84 to 79.6 in 1984-85 and to 78.6 in 1985-86.

(c) The percentage of quick assets (sundry debtors, cash and bank balances, advances recoverable) to current liabilities (excluding provisions) varied from 99.8 in 1983-84 to 100.9 in 1984-85 and to 70.8 in 1985-86.

5. CURRENT RATIO

As the current liabilities exceeded the current assets of the Company in 1983-84, 1984-85 and 1985-86, the current ratio was below 1 viz. 0.96 : 1, 0.8 : 1, 0.79 : 1 respectively.

6. SOURCES AND USES OF FUNDS

Funds amounting to Rs. 93.43 lakhs from internal sources (reserves and surplus, provisions, depreciation etc.) and Rs. 159.34 lakhs from other sources were utilised during 1985-86 as shown below:

	(Rupees in lakhs)
Gross fixed assets (including development of property and capital work in progress)	47.44
Repayment of borrowings	86.45
Current assets, loans and advances	118.88
Total	252.77

7. WORKING RESULTS

The working results of the Company for the three years upto 1985-86 are tabulated below:

	1983-84	1984-85	1985-86
		(Rupees in lakhs)	
I Profit as per accounts	155.10	139.69	146.67
II *Add* (a) Prior period adjustments	0.10	0.07	9.75
(b) Replanting / Rehabilitation reserves	40.44	36.29	39.82
III Profit for the year before tax	195.64	176.05	196.24
IV Tax provision	114.25	105.00	124.00
V Profit after tax	81.39	71.05	72.24
Percentage of profit before tax to:			
Sales	18.8	15.0	17.6
Gross fixed assets (Including development of property)	12.3	10.6	11.5
Capital employed	13.4	13.1	14.3
Percentage of profit after tax to:			
Net worth	8.3	8.0	7.5
Equity capital	14.6	12.8	13.0
Capital employed	5.6	5.3	5.3

8. COST TRENDS

The table below indicates the sales, cost of sales and percentage of cost of sales to sales for the three years up to 1985-86.

	1983-84	1984-85	1985-86
		(Rupees in lakhs)	
Sales	1042.63	1176.32	1112.21
Less: Profit before tax	195.64	176.05	196.24
Cost of sales	846.99	1000.27	915.97
Percentage of cost of sales to sales	81.2	85.0	82.4

9. PRODUCTION PERFORMANCE

The value of production for the three years upto 1985-86 is worked out as below:

		1983-84	1984-85	1985-86
			(Rupees in lakhs)	
(a)	Sales	1042.63	1176.32	1112.21
(b)	Closing stock of finished goods and work in progress	160.08	139.50	262.81
(c)	Opening stock of finished goods and work in progress	142.01	160.08	139.50
(d)	Value of production (a+b−c)	1060.70	1155.74	1235.52

Percentage of value of production to net worth varied from 108.0 in 1933-84 to 129.5 in 1984-85 and to 129.0 in 1935-86. The percentage of value of production to total net assets varied from 43.6 in 1983-84 to 50.2 in 1984-85 and to 50.6 in 1985-86.

10. INVENTORY AND PRODUCTION

The following table indicates the comparative position of inventory and its distribution at the close of three years upto 1985-86.

		1983-84	1984-85	1985-86
			(Rupees in lakhs)	
(a)	Stores and spares:			
	i) General stores & spares	39 67	58.15	65.05
	ii) Engineering stores	13.22	13.90	11.68
(b)	Loose tools	2.98	3.37	4.76
(c)	Stock in trade finished goods including work in progress	160.08	139.50	262.81
(d)	Agricultural equipments	3.48	3.37	3.63
	Total	219.43	218.29	347.93

The stock of general stores and spares was equivalent to 8.7 months' requirements (for production and development of property) during 1985-86 as compared to 9.7 months' in 1984-85 and 5.7 months' in 1983-84 (engineering stores intended for capital construction are excluded for the purpose of the analysis.)

11. SUNDRY DEBTORS AND TURNOVER

The following table indicates the value of book debts and sales for the three years upto 1985-86.

As on 31st March	Book debts Considered good	Considered doubtful	Sales during the year	Percentage of debt to sales
1984	124.62	—	1042.63	12.0
1985	78.70	10.15	1176.32	7.6
1986	122.40	10.15	1112.21	11.9

Note: No effect of the comments of the Comptroller and Auditor General of India and qualification in the Auditors' Report has been given in the Review of Accounts.

Sd/-

(ANANDA SHANKAR)

Accountant General (Audit)

Kerala

Trivandrum,

12-7-1988.

Annual Accounts

and

Schedules

BALANCE SHEET AS AT

Previous year Rs.	Liabilities		Rs. Ps.	Current year Rs. Ps.
	SHARE CAPITAL			
	Authorised			
7,50,00,000	75,000 Equity Shares of Rs 1,000/-each			7,50,00,000.00
	Subscribed			
5,56,88,000	55,688 Equity Shares of 1,000/- each (previous year 55,688)			5,56,88,000.00
	CALLED AND FULLY PAID UP			
4,35,06,000	43,506 Equity Shares of Rs. 1,000/–each		4,35,06,000.00	
1,21,82,000	12,182 Equity Shares of Rs. 1,000/–each allotted as fully paid up pursuant to contract without payment being received in cash		1,21,82,000.00	5,56,88,000.00
	RESERVES & SURPLUSES			
7,76,733	i) Capital Reserve		7,76,733.00	
	ii) Replanting Reserve:			
	As per last Balance Sheet	1,24,08,000.00		
1,24,08.000	Added during the year	38,50,000.00	1,62,58,000.00	
	iii) Rehabilitation Reserve:			
	As per last Balance Sheet	1,29,47,276.48		
1,29,47,276	Added during the year	1,31,659.00	1,30,78,935.48	
43,58,759	PROFIT AND LOSS ACCOUNT		66,25,412.62	
18,75,000	Subsidy Received from Government of Kerala Housing Scheme		18,75,000.00	
3,59,983	Subsidy received from Rubber Board for rubber plantation	3,59,983.00		
10,80,640	Subsidy received from Government of Kerala for the upkeep of cashew Plantations	10,80,640.00		
		14,40,623 00		
	Subsidy Received during the year: (for rubber plantations from Rubber Board)	61,652.00	15,02,275.00	4,01,16,356.10
8,94,94,391	Carried over			9,580,4,356.10

31ST MARCH 1986 (Contd.)

Previous year Rs.	Assets	Rs.	Current year Rs. Ps.
	FIXED ASSETS		
8,58,65,629	a) Plantations (Schedule A)	8,76,21,102.77	
5,51,12,419	b) Buildings, roads, plant & machinery furniture etc (Schedule B)	5,65,20,377.41	
16,37,006	c) Buildings and Roads under construction	9,73,707.92	14,51,15,188.10
	INVESTMENTS		
1,100	Investments in fully paid equity shares of companies (at cost) (Schedule C)		1,100.00
	CURRENT ASSETS, LOANS AND ADVANCES		
6,44,48,269	a) Current Assets (Schedule D)	6,94,61,343.98	
2,31,43,194	b) Loans and advances (Schedule E)	2,97,63,289.07	9,92,24,633.05
23,02,07,617	Carried over		24,43,40,921.15

BALANCE SHEET AS AT

Previous year Rs	Liabilities	Rs Ps	Current year Rs Ps
8,94,94,391	Brought foreward		9,58,04,356.10
	SECURED LOANS (From Nationalised Banks) Secured by a first charge on the land, machinery, buildings and standing crops of cashew)		
36,00.000	From Syndicate Bank	nil	
14,87,400	From State Bank of Travancore	nil	
	UNSECURED LOANS		
	From Government of Kerala		
2,40,95,866	For Estate Development	2,06,37,893.00	
18,05,900	For Subsidised Housing Scheme	17,05,900.00	
66,92,044	Interest accrued and due on the above	59,94,188.29	
			2,83,37,981.29
	CURRENT LIABILITIES AND PROVISIONS		
4,78,40,284	A) Current Liabilities (Schedule F)	6,42,16,026.72	
	B) Provisions		
1,56,90,057	1) For Gratuity:		
	As per last Balance Sheet 1,56,90,057.49		
	Added during the year 45,70,400.00		
	2,02,60,457.49		
	Less: paid during the year 6,74,397.82	1,95,86,059.67	
18.00 000	2) For Bonus:		
	As per last Balance Sheet 18,00,000.00		
	Added during the year 17,00,000.00		
	35,00,000.00		
	Less: paid during the year 18,00,000.00	17,00,000.00	
			8,55,02,086.39
19,25,05,942	Carried over		20,96,44,423.78

Previous year Rs.	Assets	Current year Rs. Ps
23,02,07,617	Brought forward	24,43,40,921.15
23,02,07,617	Carried over	24,43,40,921.15

BALANCE SHEET AS AT

Previous year Rs.	Liabilities		Rs. Ps.	Current year Rs. Ps.
19,25,05,942	Brought forward			20,96,44,423.78
	3) For taxation:			
	As per last Balance Sheet	3,77,01,674.37		
	Added during the year	1,24,00,000.00		
			5,01,01,674.37	
	Less: Agricultural Income tax due as per completed assessment 1980-81	1,37,53,890.00		
	Less: Central Income tax	16,51,287.00		
			1,54,05,177.00	
3,77,01,675				3,46,96,497.37
23,02,07,617	Total			24,43,40,921.15

Sd/-
T. U. KURUVILLA
Chairman

Sd/-
N. K. GOPALAKRISHNA PILLAI
Managing Director

31ST MARCH 1986 (Contd.)

Previous year Rs.	Assets	Current year Rs. Ps
23,02,07,617	Brought forward	24,43,40,921.15
23,02,07,617	Total	24,43,40,921.15

As per our report of even date
For K. VENKITACHALAM AIYER & CO.
Chartered Accountants
Sd/-
A. GOPALAKRISHNAN
18159, Partner

Sd/-
PHILIP JACOB
Secretary

PROFIT AND LOSS ACCOUNT FOR

Previous year Rs.	Expenditure		Current year Rs. Ps.
	To Opening stock		
1,60,08,395	,, Finished goods/work in process		1,39,49,571.95
98,19,422	,, Salaries and Allowances		99,81,386.65
9,73,786	,, Leave encashment to staff (including the Managing Director's leave encashment)		10,40,285.55
38,16,534	,, Employer's contribution of P. F.		38,54,922.03
	,, Bonus	67,55,801.14	
60,28,117	,, Less: Provisions	18,00,000.00	
			49,55,801.14
9,000	,, Honararium to Chairman		9,000.00
97,758	,, T. A & Sitting fees to Directors		64,706.80
4,06,364	,, T. A. to staff & officers (includes T. A. of Managing Director)		4,77,134.18
217	,, T. A. to Visiting Agent		37.50
27,758	,, Rent		28,286.22
4,87,068	,, Rates & Taxes		7,96,018.18
7,59,733	,, Electricity charges		8,32,688.05
56,99,439	,, Lease rent to Government		58,43,198.79
39,165	,, Insurance charges		82,685.69
2,63,146	,, Advertisement charges		2,36,573.50
86,940	,, Legal expenses		1,01,374.64
15,000	,, Remuneration to Auditors for Audit		12,000.00
6,000	,, Professional charges		18,350.00
10,67,191	,, Security expenses		13,48,117.54
36,15,976	,, Interest on loans		23,99,729.30
44,99,009	,, Repairs & Maintenance of assets (Schedule I)		48,03,825.22
13,20,870	,, Misc. expenses (Schedule II)		11,16,094.59
5,50,46,888	Carried over		5,19,52,787.52

THE YEAR ENDED MARCH 1986

Previous year Rs.	Income	Rs. Ps.	Current year Rs. Ps.
	By SALES:		
1129,18,566	Rubber		10,56,98,948.50
46,74,660	Cashew		53,89,130.20
38,394	Agricultural Produce		58,001.52
12	Pureria		12,695.00
1,96,280	Rubber trees and fire woods		3,43,904.60
2,22,443	Empties and Unserviceables		1,09,579 95
—	,, Slaughter tapping		61,610.19
52,352	,, Profit on sale of assets		42,963.68
—	,, Sale of tender forms and registration fee		1,054.90
	OTHER RECEIPTS		
	,, Interest		
16,768,81	a) Treasury deposit and others	15,85,502.02	
48,040	b) Staff advance	54,387.77	
			16,39,889.79
960	,, Application fee		235.00
6,038	,, Lease rent		47,456.69
15,377	,, Rent of buildings		18,276.74
16,852	,, Relating to prior period		—
10,348	,, Miscellaneous income		11,591.37
139,49,572	,, CLOSING STOCK of finished goods/ work-in-process		2,62,81,387.10
13,38,26,775	Carried over		13,97,16,725.23

PROFIT AND LOSS ACCOUNT FOR

Previous year Rs.		Expenditure		Current year Rs. Ps.
		Brought forward		
5,50,46,888				5,19,52,787.52
87,05,156	,,	Welfare expenses (Schedule III)		92,98,261.95
16,84,681	,,	Depreciation including loss on revaluation		15,54,682.67
1,05,15,522	,,	Cultivation & Upkeep of rubber		1,10,60,704 00
2,00,99,950	,,	Tapping & Collection of rubber		2,30,24,944.16
1,05,78,275	,,	Manufacturing & Selling expenses		1,14,32,713.58
37,14,045	,,	Cultivation & Upkeep of cashew		54,86,698.19
	,,	Collection charges of cashew		1,154.78
	,,	Other crops		12,340.06
23,967	,,	Prior period expenses		9,74,725.24
		PROVISIONS		
18,00,000	,,	i) For Bonus	17,00,000.00	
40,60,196	,,	ii) For gratuity	45,70,400.00	
105,00,000	,,	iii) For taxation	124,00,000.00	
				186,70,400.00
1,29,422	,,	Rehabilitation Reserve		1,31,659.00
35,00,000	,,	Replanting Reserve		38,50,000.00
34,68,673	,,	Net profit for the year c/d		22,66,654.08
1338,26,775			Total	1397,16,725.23
59,14,560	,,	Loss on transfer of shares in Oil Palm India Ltd.		—
102,00,000	,,	Additional provision for taxation for the years 1980-81 to 1983-84		—
43,58,759	,,	Net profit c/d		66,25,412.62
204,73,319			Total	66,25,412.62

Sd/–
T. U. KURUVILLA
Chairman

Sd/
N. K. GOPALAKRISHNA PILLAI
Managing Director

THE YEAR ENDED MARCH 1986 (Contd.)

Previous year Rs.	Income	Current year Rs. Ps.
13,38,26,775	Brought forward	13,97,16,725.23
13,38,26,775	Total	13,97,16,725.23

170,04,646	By Balance as per Last Balance Sheet	43,58,758.54
34,68,673	,, Net profit for the year b/d	22,66,654.08
204,73,319	Total	66,25,412.62

As per our report of even date
For K. VENKITACHALAM AIYER & CO.
Chartered Accountants
Sd/-
A. GOPALAKRISHNAN
18159, Partner
8-10-87

Sd/-
PHILIP JACOB
Secretary

SCHEDULE A

DEVELOPMENT OF PROPERTY

(Included in and forming part of Balance Sheet as at 31st March 1986)

Items	Upto last year	Additions during the year					Total to-date
		Kodumon	Thannithode	Rajapuram	Mannarghat	Perambra	
1	2	3	4	5	6	7	8
Rubber:-							
1959 Plantation	6,28,371.94	—	—	—	—	—	6,28,371.94
1960 ,,	5,62,467.87	—	—	—	—	—	5,62,467.87
1961 ,,	71,32,377.05	—	—	—	—	—	71,32,377.05
1962 ,,	45,61,152.14	—	—	—	—	—	45,61,152.14
1963 ,,	44,37,542.96	—	—	—	—	—	44,37,542.96
1964 ,,	20,37,593.07	—	—	—	—	—	20,37,593.07
1965 ,,	49,47,322.09	—	—	—	—	—	49,47,322.09
1966 ,,	22,52,657.43	—	—	—	—	—	22,52,657.43
1967 ,,	37,69,476.47	—	—	—	—	—	37,69,476.47
1968 ,,	31,97,400.76	—	—	—	—	—	31,97,400.76
1969 ,,	5,42,665.32	—	—	—	—	—	5,42,665.32
1970 ,,	9,90,797.76	—	—	—	—	—	9,90,797.76
1971 ,,	10,04,184.66	—	—	—	—	—	10,04,184.66
1972 ,,	10,00,295 85	—	—	—	—	—	10,00 295.85
1973 ,,	23,66,727.72	—	—	—	—	—	23,66,727.72
1974 ,,	56,54,790.43	—	—	—	—	—	56,54,790.43
1975 ,,	19,40,223.72	—	—	—	—	—	19,40,223.72
1976 ,,	65,47,391 24	—	—	—	—	—	65,47,391.24
1977 ,,	48,06,978.60	—	—	—	—	—	48,06,978 60
1978 ,,	7,40,108.44	—	—	—	—	—	7,40,108.44
1979 ,,	29,93,996.58	—	1,37,771.46	—	—	2,809.88	31,34,577.92
1980 ,,	1,33,265.58	—	—	—	—	—	1,33,265.58
1982 ,,	5,02,831.87	—	49,236.16	—	—	—	5,52,068.03
1983 ,,	21,41,619.67	—	5,23,744.29	—	—	—	26,65,363.96
1985 ,,	—	—	8,16,784.74	—	—	—	8,16,784.74

Items 1		Upto last year 2	Additions during the year — Kodumon 3	Thannithode 4	Rajapuram 5	Mannarghat 6	Perambra 7	Total to-date 8
1967	Replanting	8,99,989.98	—	—	—	—	—	8,99,989.93
1968	,,	1,76,105 28	—	—	—	—	—	1,76,105.28
1969	,,	4,99,906.84	—	—	—	—	—	4,99,906.84
1970	,,	70,505.30	—	—	—	—	—	70,505.30
1971	,,	3,14,844.42	—	—	—	—	—	3,14,844.42
1972	,,	2,18,930.02	—	—	—	—	—	2,18,930.02
1973	,,	15,03,654.30	—	—	—	—	—	15,03,654.30
1974	,,	2,69,512.32	—	—	—	—	—	2,69,512.32
1980	,,	49,295.16	—	—	—	—	—	49,295.16
1983	,,	3,11,335.50	74,555.63	—	—	—	—	3,85,891.13
Coconut		795.36	—	—	—	—	—	795.36
Evicted area expenses		16,94,037.42	—	—	—	—	—	16,94,037.42
Survey		1,60,561.22	—	—	—	—	—	1,60,561.22
Eucalyptus		15,963.37	—	—	—	—	—	15,963.37
Kasargod (Cashew)		36,65,014.59	—	—	—	—	—	36,65,014.59
Cashew 1976		1,50,069.06	—	—	—	—	—	1,50,069.06
,,	1977	20,06,054.00	—	—	—	—	—	20,06,054.00
,,	1978	13,65,478.68	—	—	—	—		13,65,478.68
,,	1979	8,24,526.79	—	—	—	—	—	8,24,526.79
,,	1980	11,97,002.60	—	—	—	—	—	11,97,002.60
,,	1981	18,87,966.82	—	—	—	—	—	18,87,966.82
,,	1982	17,59,787.41	—	—	—	—	—	17,59,787.41
Cashew in Rubber Estates		15,02,072.55	—	—	—	—	—	15,02,072.55
Cashew 1983		4,29,981.45	—	—	97,672.72	52,898.23		5,80,552.40
Total		8,58,65,629.66	74,555.63	15,27,536.65	97,672.72	52,898.23	2,809.88	8,76,21,102.77

As per our report of even date

Sd/-
PHILIP JACOB
Secretary

Sd/-
N. K. GOPALAKRISHNA PILLAI
Managing Director

Sd/-
T. U. KURUVILLA
Chairman

For K. **VENKITACHALAM AIYER & CO.**
Chartered Accountants
Sd/-
A. GOPALAKRISHNAN
18159, Partner

SCHEDULE

SCHEDULE OF

(Included in and forming part of

ITEMS	*ORIGINAL COST*			*DEPRECIATION*		
	Cost at the end of previous year	*Additions during the year*	*Total*	*Up to previous year*	*For the Current year*	*Total*
	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.
Freehold land	25,42,346.05	4,32,356.37	29,74,702.42	..	..	..
Buildings	397,84,505.30	19,46,121.46	417,30,626.76	100,42,272.78	9,36,906.34	109,79,179.12
Vehicles	46,59,768.81	2,97,049.40	49,56,818.21	32,56,915.35	4,70,863.45	37,27,778.80
Plant & Machinery	75,16,183.97	1,30,312.89	76,46,496.86	48,36,991.93	4,26,131.80	52,63,123.73
Furniture	14,22,158.96	55,027.14	14,77,186.10	7,13,957.88	76,257.11	7,90,214.99
Office equipments	3,99,406.89	2,278.00	4,01,684.89	2,64,185.12	20,568.25	2,84,753.37
Survey instruments	11,098.20	..	11,098.20	10,169.07	139.30	10,308 37
Library	47,044.86	60.00	47,104.86	25,973.26	2,113 16	28,086.42
Road	123,33,092.53	8,25,030.51	131,58,123.04	..	..	..
Fence	9,78,602.39	..	9,78,602.39	..	..	..
Electric fittings	46,077.86	5,859.92	51,937.78	26,738.77	2,857.97	29,626.74
Electric appliances	60,251.33	2,532.00	62,783.33	36,525.71	3,938.43	40,464.14
Electric installation	46,11,785.84	1,085.56	46,12,871.40	22,77,703.65	2,39,786.85	25,17,490.50
Telephone	15,557.38	..	15,557.38	13,260.21	344.57	13,604.78
Wells	6,573.37	..	6,573.37	..	..	..
Water Supply Installations	41,27,657.00	1,31,094.13	42,58,751.13	20,70,274.04	2,14,925.19	22,85,199 23
Landing pad	1,18,844.25	..	1,18,844.25	..	..	..
Jhunkar & Boats	19,051.49	..	19,051.49	12,589.88	646.15	13,236 03
TOTAL	787,00,006.48	33,28,807.38	825,28,813.86	235,87,587.65	23,95 478.57	259,83,066.22
Previous year Total	754,05,657.39	36,44,946.69	790,50,604.08	213,90,060.93	25,10,854.98	239,00,915.91

Sd/-
T. U KURUVILLA
Chairman

Sd/-
N. K. GOPALAKRISHNA PILLAI
Managing Director

B

FIXED ASSETS

the Balance Sheet as at 31 st March 1986)

DISPOSAL & ADJUSTMENTS		*BALANCE*			
Original cost	*Depreciation Written off*	*Cost at the end of current year*	*Total Depreciation at the end of current year*	*Net Block as on 31-3-'86*	*Net Block as at 31–3–'85*
Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.
..	..	29,74,702.42	..	29,74,702.42	25,42,346.05
..	..	4,17,30,626.76	1,09,79,179.12	3,07,51,447.64	2,97,42,232.52
1,75,938.77	151,227.22	47,80,879.44	35,76,551.58	12,04,327.86	14,02,853.46
..	..	76,46,496.86	52,63,123.73	23,83,373.13	26,79,192.04
1,003.92	345.24	14,76,182.18	7,89,869.75	6,86,312.43	7,08,201.08
..	..	4,01,684.89	2,84,753.37	1,16,931.52	1,35,221.77
..	..	11,098.20	10,308.37	789.83	929.13
..	..	47,104.86	28,036.42	19,018.44	21,071.60
..	..	1,31,58,123.04	..	1,31,58,123.04	1,23,33,092.53
..	..	9,78,602.39	..	9,78,602.39	9,78,602.39
..	..	51,937.78	29,626.74	22,311.04	19,309.09
..	..	62,783.33	40,464.14	22,319.19	23,725.62
..	..	46,12,871.40	25,17,490.50	20,95,380.90	23,34,082.19
..	..	15,557.38	13,604.78	1,952.60	2,297.17
..	..	6,573.37	..	6,573.37	6,573.37
..	..	42,58,751.13	22,85,199.23	19,73,551.90	20,57,382.96
..	..	1,18,844.25	..	1,18,844.25	1,18,844.25
..	..	19,051.49	13,236.03	5,815.46	6,461.61
1,76,942.69	1,51,572.46	8,23,51,871.17	2,58,31,493.76	5,65,20,377.41	5,51,12,418.83
3,50,597.60	3,13,328.26	7,87,00,006.48	2,35,87,587.65	5,51,12,418.83	5,40,15,596.46

As per our report of even date
For K. VENKITACHALAM AIYER & CO.
Chartered Accountants
Sd/-
A. GOPALAKRISHNAN
18159, Partner

Sd/-
PHILIP JACOB
Secretary

SCHEDULE C

(Included in and forming part of Balance Sheet as at 31st March, 1986)

Previous year Rs	ITEMS	Rs Ps	Current year Rs Ps
1,000	10 Equity Shares of Rs. 100/-each paid up in the Banana and Fruit Development Corporation Limited, Madras.		1,000.00
100	1 'A' class share of Rs. 100/-each fully paid up in the Mannam Sugar Mills Co-operative Stores Limited, No. 4324.		100.00
1,100		Total	1,100.00

SCHEDULE D

(Inventories as certified by the Managing Director)

Previous year Rs	ITEMS		Current year Rs Ps
72,05,372	Stores & spares at cost		76,72,510.27
3,27,044	Loose tools at valuation		4,75,969.58
3,37,467	Agricultural Equipments at valuation		3,63,375.93
1,39,49,572	Stock of rubber, rubber in process at since realised price		2,62,81,387.10
	NURSERIES		
6,26,687	Rubber		4,43,623.64
984	Cashew		6,903.05
	SUNDRY DEBTORS		
17,71,031	a) Outstanding for more than six months	7,33,510.74	
71,13,674	b) Other debts	115,07,113.06	
	c) Considered doubtful	10,14,781.14	1,32,55,404.94
	CASH AND BANK BALANCES		
1,296	Stamp & stamp paper in hand		3,645.15
77,24,114	Balance with scheduled Banks on Current A/c		83,27,385.14
2,53,91,055	Treasury Saving Bank Account		1,26,31,139.18
6,44,48,269		Total	6,94,61,343.98

SCHEDULE E

(Included in and forming part of Balance Sheet as at 31st March, 1986)

Previous year Rs	ITEMS	Rs Ps	Current year Rs Ps
	LOANS AND ADVANCES		
	Staff loans (Secured and considered good)		
2,23,665	Motor Cycle loan	2,40,700.73	
2,85,472	Motor Car loan	3,22,475.00	5,63,175.73
	UNSECURED CONSIDERED GOOD		
	Due from Goverment of Kerala		
80,87,880	a) Alakode Government Estate	95,07,894.05	
50,84,192	b) Oil Palm India Ltd.	67,84,179.09	162,92,073.14
3,71,303	Deposits with Post & telegraph, Electricity Board, Port Trust and other Govt. Depts.	3.93,303.00	
66,000	Deposit with Housing Board	59,000.00	
1,90,929	Other deposits	2,89,929.00	7,42,232.00
—	Prepaid expenses		31,423.95
	Advance Payment of taxes		
40,00,000	a) Agricultural Income tax	54,81,738.00	
6,04,323	b) Central Income tax	15,52,243.72	70,33,981.72
	Advance recoverable in cash or in kind or for value to be received		
38,08,620	Unsecured & considered good	49,34,240.64	
2,55,625	Unsecured and considered doubtful	1,52,583.89	50,86,824.53
1,65.185	Subsidy receivable		13,578.00
231,432,194	Total		297,63,289.07

SCHEDULE F

(Included in and forming part of Balance Sheet as at 31st March 1986)

Previous year Rs.	ITEMS	Rs Ps	Current year Rs Ps.
	CURRENT LIABILITIES		
25,77,945	Sundry Creditors		12,35,554.32
2,48,37,824	Other liabilities		3,13,21,870.93
27,52,943	Earnest Money Deposit and Security Deposit		35,57,634.24
38,123	Suspense pending adjustments		24,331.96
17,115	P. F. Suspense		18,093.78
76,81,541	Interest accrued but not due on Govt. loans		71,14,804.05
15,529	Stores suspense		30,440.80
25,74,980	Income received in advance		40,79,689.87
13,000	Housing Scheme-Workers		11,000.00
1,104	Welfare fund		2,400.25
	Income tax payable:		
	Central Income tax	16,54,905.00	
73,30,180	Agricultural Income tax	151,65,301.52	1,68,20,206.52
4,78,40,284	Total		6,42,16,026.72

As per our report of even date
For K. VENKITACHALAM AIYER & CO.
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-
T. U. KURUVILLA	**N. K. GOPALAKRISHNAN**	**PHILIP JACOB**	**A. GOPALAKRISHNAN**
Chairman	Managing Director	Secretary	18159, Partner

SCHEDULE I

REPAIRS AND MAINTENANCE OF ASSETS

Previous year Rs.	ITEMS	Current year Rs. Ps.
15,77,167	Buildings	15,40,664.29
11,07,576	Vehicles	11,14,342.17
9,88,822	Roads	14,16,022.74
1,65,841	Water Supply	2,19,036.58
2,57,278	Electrification	1,64,770.69
1,84,125	Fence/Kayyala	1,69,835.39
2,18,200	Others	1,79,153.36
44,99,009	Total	48,03,825.22

SCHEDULE II

MISCELLANEOUS EXPENSES

Previous year Rs.	ITEMS	Current year Rs. Ps.
2,62,723	Postage, telephone & telegram	2,66,819.65
5,51,671	Printing & Stationery	3,57,895.45
72,782	Office expenses & miscellaneous	61,876.46
10,842	Bank charges	18,080.11
22,413	Books and periodicals	25,709.00
72,473	Storage expenses	57,385.19
86,099	I. B. expenses	1,02,327.77
18,145	Rent of Boats	19,796.00
17,475	Losses and write off	—
83,641	Entertainment expenses	62,119.66
15,121	Staff training expenses	17,305.00
36,651	Ferry expenses	51,249.90
51,942	Temporary sheds	44,549.04
2,908	Research expenses	4,117.00
833	Gardening	4,307.99
4,000	Management Consultancy	—
3,151	Survey expenses	5,056.53
8,000	Donations	17,499.84
13.20,870	Total	11,16,094.59

SCHEDULE III

WELFARE EXPENSES

Previous year Rs.		Current year Rs. Ps.
9,89,176	Sickness Benefit	9,91,653.43
1,34,381	Maternity benefit	1,22,739.80
15,31,401	Leave with wages	15,54,714.25
11,30,570	Holiday Wages	8,99,705.74
2,33,797	Weather protection expenses	2,56,675.09
6,55,217	Drinking Water supply	7,78,443.58
1,38,953	Sanitation	1,83,973.15
39,930	Recreation facilities	44,601.95
24,05,319	Medical & Hospital facilities	31,29,036.86
22,473	Way expenses to workers	27,068.90
43,360	Running & maintenance of school	37,373.99
3,44,461	Creche expenses	3,11,380.84
8,247	Workmen's compensation	70,606.66
8,403	Worker's education	11,821.65
9,68,134	Uniform to staff & workers	8,48,412.87
11,780	Subsistance allowance	2,242.19
39,554	Labour Welfare fund	27,436.00
—	Others	375.00
87,05,156	Total	92,98,261.95

SCHEDULE IV

MANUFACTURING & SELLING EXPENSES

Previous year Rs.	ITEMS	Current year Rs. Ps.
	TRANSPORT OF LATEX	
6,55,753	Pay and allowances	4,36,989.67
42,844	Vehicle tax and insurance	32,651.80
3,05,831	Running & maintenance of vehicle	3,37,574.23
10,04,428	Total	8,07,215.70
	MANUFACTURING	
11,17,832	Pay and allowances	12,00,970.24
21,84,415	Factory Wages	23,87,821.70
4,00,461	Fuel for Generator, Smoke house & drier	2,44,527.46
15,13,937	Chemicals	15,01,842.38
2,33,215	Factory Upkeep and maintenance	4,28,290.36
4,000	Factory insurance	—
6,10,881	Machinery Upkeep and maintenace	7,62,176.10
7,87,608	Power supply	8,62,322.12
3,84,427	Welfare expenses	3,84,746.18
72,36,776	Total	77,72,696.54
	DISTRIBUTION	
2,34,874	Packing material	7,20,077.47
2,81,622	Packing wages	4,07,200.02
5,58,067	Forwarding charges	5,62,300.18
9,21,665	Depreciation	8,48,812.37
1,99,937	Selling expenses	1,77,614.80
1,40,906	Commission and rebates to Selling Agents	1,36,796.50
23,37,071	Total	28,52,801.34
1,05,78,275	Total	1,14,32,713.58

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1986

1. Estimated amount of civil contracts remaining to be executed on capital account and not provided for is Rs. 41,85,487.66 (last year Rs. 12,10,105.78).

2. Lease deed for lands handed over to the Corporation since 1970 has yet to be executed excepting an area of 749.87 Hect. of land (Rajapuram Estate) handed over for the development of cashew plantation under the World Bank Scheme.

3. Compensation amounting to Rs. 5,353.75 payable to persons evicted from Kodumon Group of estates has not been provided pending production of succession or heirship certificate.

4. The maximum advance under motor car loan to officers during the year was Rs. 4,10,471 (previous year Rs. 3,36,119/-).

5. The maximum amount of advance under motor cycle loan to officers during the year was Rs. 2,61,164/- (last year Rs. 2,81,757/-).

6. As the company is an agricultural company and is carrying only operations required for making the produce marketable, provision contained in para (ii) Schedule VI as to installed capacity etc. of the Company's Act is not applicable.

7. Five cases are pending against the Corporation against which amounts payable are not ascertainable and claims are not acknowledged and hence not provided for.

8. For the police party posted for security purposes in Kodumon and Kalady Groups, an amount of Rs. 11.78 lakhs has been provided for the year 1985-86.

9. The closing stock as on 31-3-1986 has been valued at since realised/realisable price, The quantity of rubber under work in process as on 31-3-1986 has also been valued on the same basis as per grades indicated in the stock verification statement. Due to various practical difficulties, the work-in- process could not be assessed accurately and hence the previous years practice is followed.

10. Loan with Government Department, sundry creditors, sundry debtors, deposit with Government Departments and deposit with others are subject to confirmation by the parties.

11. An area of 3.20 hectares in 1961 plantation in Kodumon Group of estates under Sy. No. 783/1 of Koodal Village has been handed over to the Public Works Department for Kallada Irrigation project. Compensation for this will be adjusted after finalisation of the valuation by the District Collector, Quilon.

12. The buildings and buildings under construction shown under Fixed assets include the cost of buildings put up with the loan and subsidy assistance from Govt. of Kerala under the rules for subsidised Housing Scheme for Plantation Labour, Kerala 1974 and such buildings as per the above rules remain Government property till the loan taken by the Corporation under the Scheme is repaid to the Government.

13. Under the loans and advances in Schedule E, we have shown an amount of Rs. 3,93,303/- as deposit with Govt. Departments.

The details of this amount are as follows:-

		1985-86
		Rs.
Cochin Port Trust		3,600.00
Post & Telegraph Department		59,860.00
Electricity Board		3,29,843.00
	Total	3,93,303.00

14 (a) The Agricultural Income Tax Authorities have completed the assessment for assessment years 1977-78, fixing the total tax for the year at Rs. 39,93,453.10 which has been fully remitted. We have filed an appeal before the higher authorities.

(b) For the assessment year 1978-79. the Income Tax authorities have assessed an amount of Rs. 13,34,188.70, as tax payable for the year. Out of this, Rs. 10,54,392.18 have been remitted. For the balance amount of Rs. 2,79,796.52 we have obtained stay order from the Deputy Commissioner, (Appeals) Ernakulam till the disposal of the appeal.

(c) For the assessment year 1979-80, the Income Tax authorities have assessed an amount of Rs. 80,64,205/-as tax payable for the year. We have paid Rs. 50/ lakhs as adance tax. We have also paid Rs. 19,18,768/- as per Government orders. The appeal filed is also pending befor the higher authorities.

(d) For the assessment year 1980-81, the Income Tax authorities have assessed an amount of Rs. 1,00,68,375/-. We have paid Rs. 60,82,197/- as advance tax. We have also paid 50% of the balance tax payable i.e. Rs. 19,93,089/-. We have obtained a stay order for the payment of the balance amount. The appeal filed is also pending before the higher authorities.

(e) For the assessment year 1981-82, the Income Tax authorities have assessed an amount of Rs. 1,37,53,890/—. We have paid Rs. 40 lakhs as advance tax. We have also paid Rs. 48,76,945/ – against this assessment. We have obtained a stay order for the payment of the balance amount. The appeal filed is also pending before the higher authorities.

(f) We have also paid the following amounts as advance towards Agricultural Income Tax.

Assessment year	Rs.
1983-84	60,00,000/-
1984-85	60,00,000/-
1985-86	54,81,738/-
1986-87	48,43,528/-

Since the assessments already completed are under appeal, no provision is made for the additional demand of tax.

15. Amounts paid to the Managing Director:

	Current year	*Previous year*
	Rs.	*Rs.*
Pay & allowances	49,125.77	43,659.34
Travelling expenses	29,694.50	20,565.35
PF contribution	4,592.00	1,085.00
Festival allowance	——	200.00
Leave encashment	4,520.77	4,886.47

16. Sitting fees to Directors:-	8,000.00	14,600.00
T.A. to Directors	56,706.80	83,157.50

17. (a) Perquisite to Directors:-

The Managing Director is provided with a car for his official purposes and is charged Rs. 100/- per month for his private use limiting to 500 Kmrs. a month. The perquisite in this regard is Rs. 2,400/-.

(b) The Managing Director has been provided with unfurnished accommodation charging 10% of his salary and rent in excess of 25% of the salary. The rent paid for the building for 1985-86 being Rs. 8,400/-.

c) The expenses with regard to medical teatment are also being paid by the Corporation.

d) The Chairman Cav. T. U. Kuruvilla is being paid honorarium of Rs. 750/- per mensem from 10-11-1982. He is provided with a car and for non-duty use of the car beyond 500 Kms, recovery at the rate of 75 Ps. is being made. In lieu of engaging the Corporation driver, a payment of Rs. 25/- to his driver is made for the day the car is used.

18. The following officers are drawing remuneration in excess of Rs. 3,000/- per month.

1) N. K. Gopalakrishnan, Managing Director.
2) A. Ramachandran, General Manager (Sales)
3) D. C. Chithran, General Manager (P&A)
4) N. V. Thomas, General Manager (Production)
5) S. Subramonia Iyer, General Manager (Cashew)
6) Philip Jacob, Secretary
7) N. T. Thomas, Scientific officer
8) P. G. Thomas, Manager (Estate)

9) C. G. Vasudevan Nair (Statistical Officer)

10) K. T. Thomas, Mananger (Estate)

11) K. A. Abraham, Manager (Estate)

12) P. N. Bahuleyan, Manager (Estate)

13) C. Ramachandran, Manager (Estate)

19. The management of Alakode Govt. estate was entrusted to the Corporation from 1974-75. To cover the management expenses, there is a provision of Rs. 15,000/- per annum as per agreement dated 17-1-1977. The Goverment, vide order G.O. MS No. 1343 dt. 4-10-1978 have ordered that the Alakode Govt. estate should be taken over by the PCK Limited for value of Rs. 32.85 lakhs. But the final decision in the matter has not been taken so far by the Corporation. Pending a final decision, we have not charged the management expenses of Rs. 15.000/- from the year 1981-82. The total amount due from the Government towards expenditure in Alakode Govt Estate up to 31-3-1986 amounting to Rs. 95,07,894.05 is shown in the Balance Sheet under Schedule E, as the amount due from Alkode Govt. estate.

20. In making alternate arrangements for the work abandoned by M/s. Encos, the Company had incurred an expenditure of Rs. 3,60,000/-. The Government, in their order No. MS. 134/81/ID dt. 20-04-1981 appointed an arbitrator and his decision is awaited.

21. The total area handed over to the Corporation by the Government Departments as on 31-3-86 is approximately 13,915 Hect. (The total area has not been surveyed).

Rubber	7,201 Hect.
Cashew in Rubber Estates	932 Hect.
Cashew Plantations	5,260 Hect.
Submergible area	220 Hect.
Handed over to P. W. D. for	
Kallada Irrigation Project	3. 3 Hect.
Balance area	3. 7 Hect.
Area under buildings, factories, roads etc.	295 Hect.
Total	13,915 Hect.

22. The maximum amount of advance availed by the Directors are indicated below:

Managing Director	Rs. 4,000/-
Chairman	Nil

23. The provision made for replanting reserve this year is Rs. 38,50,000/-.

24. The terms and conditions of 975 Hectares covered by Cheemeni Plantations are yet to be determined.

25. The company has paid bonus for the year 1985 at the rate of 15.16% plus 15 days wages as recoverable advance to all eligible daily rated workers and bonus at the rate at 10.86% plus Rs. 1000/- as recoverable advance to all eligible monthly paid employees. This was paid in accordance with the Government direction as per the high level conference held on 16-10-1986.

26. The Government have, as per G. O. M. S. 229/82/AD dt. 20-7-1982, stated that the lease rent is payable at Rs. 615/- per Hectare as such we have made provision for lease rent in the accounts for 1985-86.

27. Sundry debtors include the following amounts due from the companies, the equity shares of which is fully paid by the Government of Kerala and have treated as companies under the same management.

M/s. Trivandrum Rubber Works Limited:

(1) Outstanding for more than six months	Rs. 10,14,781.14
(2) Others	Nil

As per our report of even date
K. VENKATACHALAM AIYER & CO.
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-
T. U. KURUVILLA	N. K. GOPALAKRISHNA PILLAI	PHILIP JACOB	A. GOPALAKRISHNAN
Chairman	Managing Director	Secretary	18159, Partner

AUDITOR'S REPORT

To

The Shareholders of
The Plantation Corporation of Kerala Limited,
Kottayam.

We have audited the Balance Sheet of the Plantation Corporation of Kerala Limited as at 31st March, 1986 and Profit and Loss Account of the Corporation for the year ended on that date as attached thereto and report that

1. We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

2. In our opinion proper books of account as required by law have been kept by the Corporation so far as appears from our examination of books.

3. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of accounts.

4. In our opinion and to the best of our information and according to the explanations given to us and subject to the following remarks:

   i) An updated register showing the location, nature and extent of properties owned by the Corporation have not been verified by us and the title deeds to certain properties have not been shown to us.

   ii) Confirmation are not available certifying correctness of the balance under debtors and creditors including Government loans.

   iii) No provisions has been made for debts, considered doubtful amounting to Rs. 10,14,781.14

   iv) Agricultural Income Tax assessments have been completed upto and inclusive of the assessment year 1981-82. There is a short provision on the completed assessments in respect of these years amounting to Rs. 148.10 lakhs.

   v) The subsidiary status of Oil Palm India Ltd. has been terminated with effect from 1-4-'83 and as per the direction of the Government of Kerala the intrinsic value of the shares in Oil Palm India Limited as on 1-4-1983 has been adjusted against the Government loan and the Corporation has not provided interest from 1-4-1983 on this Government loan represented by the intrinsic value of shares. Confirmation from Government for the balance due to them in this loan account is not available.

   vi) Stock-in-trade is as per the inventories taken and valued lower of cost or market value and as certified by Directors.

vii) The management of Alakode Government Estate has been entrusted to the Corporation from 1974-75 with a stipulation that they will be paid a sum of Rs. 15,000/- per annum towards management expenses. Subsequently in 1978 the Government has ordered that the Estate should be taken over by the Company for a value of Rs. 32.85 lakhs. The Company has so far spent Rs. 95,07,804.05. Govt's confirmation for this balance to their debit is not available. In the absence of a confirmation from the Goverment for this balance due to the Corporation its classification as good in the Balance Sheet could not be verified.

viii) Lease rent due to the Goverment of Kerala on the land leased out to the Corporation by the Government of Kerala for the financial years 1981-82 to 83-84 has been short provided to the extent of Rs. 1,00,90,704/-

ix) The Gratuity liability on the date of the Balance Sheet as per actuarial valuation is Rs. 2,35,80,959/– as against which the provision made is Rs. 1,95,86,059.67 There is a short provision of Rs. 39,94,899.33 on this account.

The said Balance Sheet and Profit and Loss Account read with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-

a) In the case of the Balance Sheet of the state of affairs of the Corporation as at 31st March, 1986.

b) And in the case of the profit and loss account of the profit of the Corporation for the year ended on that date.

5. As required by the manufacturing and other companies (Auditors' Report) order 1975, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we further report:-

a) The Corporation has maintained proper records showing full particulars including quantitative details and situations of fixed assets. As per the information furnished to us the fixed assets have been verified by the management during the year and no serious discrepancies have been noticed on verification.

b) None of the fixed assets have been re-valued during the year.

c) According to the informations and explanations and clarification given to us the stock of finished goods, stores, spare parts, raw materials and other items have been physically verified by the management at the close of the year. The discrepancies noticed on verification between the physical stock and book records have been properly dealt with in the books of accounts. In our opinon the valuation of the above mentioned stocks is fair and proper and is in accordance with normally accepted principles and is on the same basis as in earlier years.

d) The Corporation has not obtained loans from Companies, firms, or other parties to which Section 301 of the Companies Act, 1956 is applicable and from Companies under the same management.

e) In respect of loans and advances in the nature of loans given by the Corporation, parties have, except in the case of advance to Oil Palm India Ltd , Alakode Government Estate and certain minor cases, repaid the principal amounts as stipulated and have also been regular in the payment of interest and according to the terms and conditions laid down by the Corporation

f) In our opinion and according to the explanations given to us and to the best of our belief the internal control procedures are commensurate with the size of the Corporation and the nature of its business with regards to the purchase and issue of stores, Plant and Machinery, equipments and other assets.

g) According to informations and explanations given to us, the Corporation has not made any purchase of storesor items from Subsidiaries or from firms or Companies or other parties in which the directors are interested as listed in the register maintained under Section 301 of the Companies Act, 1956 except as provided under Section 297 (2) of the Act.

h) The corporation had determined unserviceable or damaged tools and stores. Adequate provision has been made in the accounts for the loss arising on the items so determined.

i) The Corporation has not accepted deposits from public under Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules 1975.

j) In our opinion and according to the informations and explanations given to us, the Corporation has maintained reasonable records for the sale and disposal of scrap and unserviceable.

k) In our opinion the Corporation has an internal audit system commensurate with the size of the Corporation. We are given to understand that the field conditions are being looked into by the Visiting Agent of the Corporation and in our opinion the Corporation do not have a proper internal audit system commensurate with the size of the Corporation with regard to field conditions.

l) We are informed by the Corporation that the order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Compaines Act, 1956 is not applicable for this Corporation.

m) According to the records of the Corporation, Provident Fund dues have been regularly deposited during the year.

n) Adequate provision has been made for the damaged goods wherever found significant.

Sd/-

A. GOPALAKRISHNAN

KOTTAYAM

8-10-1987.

For K. Venkitachalam Aiyer & Co

Chartered Accountants, Kottayam.

REPLIES TO THE REPORT OF THE STATUTORY AUDITORS ON THE ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED, FOR THE YEAR ENDED 31ST MARCH 1986,

4. (i) All available records and deeds have been shown to the auditors. Action is being taken to prepare an up-to-date register.

(ii) The balance under debtors as on 31-3-1986 has been confirmed in all cases.

(iii) The Corporation has not considered any debt as doubtful. Regarding the dues from M/s. Trivandrum Rubber Works we have shown the amount as unsecured considered good.

(iv) The Agricultural Income tax assessments are completed only upto 1980-81 at the time of audit. For the completed assessments, certain expenditure which were usually allowed in the previous assessments were disallowed. Hence the Corporation has filed appeal before the higher authorities. The amount of Rs. 148.10 lakhs is related to the following years.

1976-77	Rs.	18.70	lakhs
1977-78	Rs.	9.33	lakhs
1978-79	Rs.	16.23	lakhs
1979-80	Rs.	42.32	lakhs
1980-81	Rs.	61.52	lakhs
	Rs	148.10	lakhs

As the appeals have not been finally disposed off, the provision has not been made.

(v) Clarifications in the matter from the Government is awaited.

(vii) The matter is taken up with Government for necessary orders.

(viii) The short-provision mentioned in the report has come about because of Government's unilateral enhancement of lease rent with retrospective effect. The matter is being taken up with Government for a final decision on reduction of rates/assignment of land.

(ix) The Corporation was not providing liability for gratuity in the accounts upto 31-3-1980. The accumulated liability upto 31-3-1980 was Rs. 80,15,790/- In addition to the current year, provision, a portion of the accumulated gratuity not provided for upto 31-3-1980 is also provided during the subsequent years.

5. (k) Each estate is administrated by a Manager who is assisted by one or two Asst. Managers. In addition to the regular and periodical inspection of the Manager and Asst. Manager, there is General Manager (Production) in the Head Office whose main function is to inspect and control all the production management function in the estates. General Manager (Production) makes regular visits to all the estates and factories. General Manager (Production) is submitting inspection reports to the Managing Director. Over and above this, only the Visiting Agent makes his annual visits.

GOVERNMENT OF KERALA

No. 83795 / PU. B1 / 87 / Fin.

Finance Department
Trivandrum

Comments of the Commissoner & Secretary (Finance) to the Government of Kerala under article 105 of the articles of association of the Plantation Corporation of Kerala Limited on the accounts of the company for the year ended 31-3-1986.

"It is noted that the income derived from sale of rubber in 1985-86 is Rs. 1056.99 lakhs as against Rs. 1129.19 lakhs for 84-85. At the same time, the expenses for tapping and collection of rubber has gone up to Rs. 230.25 lakhs in 85-86 against Rs. 200.99 lakhs for the previous year. As a result, the net profits for the year stand reduced to Rs. 22.67 lakhs compared to that for the previous year (Rs. 34.69 lakhs). It is also noted that the company has not made any provision for debts considered doubtful amounting to Rs. 10.15 lakhs. If this had been done, the net profits for 85-86, would have been further reduced.

It is imperative that the Corporation should devise and adopt a proper internal audit system commensurate with its size and field operations."

Sd/-
R. NARAYANAN
Commissioner & Secretary
(Finance)

Trivandrum,
15-1-1988.

REPLIES TO THE COMMENTS OF THE FINANCE SECRETARY ON THE ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM FOR THE YEAR ENDED 31st MARCH 1986

Even though the sale of rubber during 1985-86 is Rs. 1056.99 lakhs, there is a closing stock of Rs. 262.81 lakhs as against the sale of Rs. 1129.19 lakhs and closing stock of Rs. 139.49 lakhs during the previous year.

The increase in expenses for tapping and collection is due to the increase in the wages of workers and increase in the cost of materials.

The Corporation has not considered the amount due from M/s. Trivandrum Rubber Works as doubtful and hence no provision made for the same.

The Corporation has a proper internal audit system commensurate with its size.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT 1956 ON THE ACCOUNTS OF PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM FOR THE YEAR ENDED 31st MARCH 1986

1. Balance Sheet

Liabilities

Unsecured Loans - From Government of Kerala for estate development Rs. 206.38 lakhs.

The Company had been sanctioned by Government, loans aggregating Rs. 112 lakhs during 1977-78 and 1979-80 for acquiring shares in Oil Palm India Limited - its subsidiary. This subsidiary later became an independent Government Company and hence the Government ordered in November 1985 to transfer the 12,120 shares of Rs. 1000/- each in the subsidiary company to Government at their intrinsic value of Rs. 512 per share and to adjust the transfer value against the loan of Rs. 112 lakhs and interest thereon. Accordingly, the shares were transferred to Government in April 1986 and the unsecured loan from Government and investment in shares of the subsidiary company have been reduced by Rs. 62.05 lakhs. As the transfer of shares was actually effected only in April 1986, the adjustment of loan in the accounts for 85-86 had resulted in understatement of unsecured loans by Rs. 62.05 lakhs.

2. Profit and Loss Account

Net profit for the year: Rs. 22.67 lakhs.

This is overstated to the extent of Rs. 12.24 lakhs due to:-	(Rs. in lakhs)
i) Non-provision of enhance, rate of interest with retrospective effect from January 1972, on the amount of share capital contribution converted subsequently as loan.	3.84
ii) Overvaluation of closing stock of rubber	7.75
iii) Non-provision of liabilities in respect of (a) proportionate expenditure on marking fees (Rs. 17,074), (b) cost of medicine supplied (Rs. 6,466) and (c) balance cost of chemicals supplied to various cashew estates (Rs. 41.409)	0.65
	12.24

3. Notes attached to and forming part of the accounts.

i) A reference is invited to Note 14 (c) of the Notes wherein it has been stated that for the assesment year 1979-80 the Income Tax authorities have assessed an amount of

Rs 80.64 lakhs and the appeal there against is pending. Income tax assessed for the year was revised from Rs. 80.64 lakhs to Rs. 81.63 lakhs vide revised assessment order (received on 16-2-1987). Provision for balance amount of Rs. 1.00 lakh has neither been made nor the fact disclosed in the accounts.

ii) A reference is invited to Item 6 of the notes wherein it has been stated that provisions contained in Para (ii), Schedule VI of the Companies Act, 1956 are not applicable as the Company is an agricultural company. The quantity and value of the opening stock, turnover, and closing stock of raw materials stock, should have been disclosed as required under the Act, ibid.

4. General

1. The expenditure in foreign currency incurred by the Managing Director and Chairman for their foreign tour during the year has not been disclosed as required under note 4-D (b) of Part II Schedule VI of the Companies Act, 1956.

2.(a) The Company had been providing depreciation on assets as per Indian Income Tax Act and Rules upto 1982 83. From 1983-84 the rates laid down in Kerala Agricultural Income Tax Act are adopted on the ground that company's Income is assessed to Agricultural Income Tax. However, the rates provided in Agricultural income Tax are adopted in respect of buildings, roads, fences etc. and for other assets such as plant and machinery, the rates as per Indian Income Tax Act are followed. As such there is no consistent policy in this regard.

(b) The Company had neither provided depreciation on extra shifts operated by machinery at its various factories nor the quantum of such depreciation not provided disclosed in the accounts.

3. A difference of 14,429 kgs. (dry weight) of normal latex and 36,500 kgs. (wet weight) of scrap at Thannithode estate was not accounted for and the reconciliation was not done.

4. At Chandanappally estate there was a net difference of 17,722 kgs. of latex and scrap between the quantity shown as produced and those acknowledged at the factory.

5. A reference is invited to para 5 (C) of the Auditor's Report wherein it was stated that discrepancies noticed as physical verification between physical stock and book recorded have been properly dealt with. But at Chandanappally factory, several fictitious adjustments have been resorted to in the monthly production statements.

Sd/-
ANANDA SHANKAR
Accountant General (Audit)
Kerala

Trivandrum,
12.7.1988.

REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM FOR THE YEAR ENDED 31st MARCH 1986

1. Balance Sheet

Liabilities

Unsecured Loans

The transfer of shares was actually effected in April 1986. But the decision for termination of subsidiary status and transfer of shares was communicated in G. O. MS. No. 238/83/AD dated 4.8.'83 and adjustment was effected in the accounts for 1984-85.

II. *Profit & Loss Account*

i) The interest prevailing at the time of drawal of the amount is only 7% and the G. O. also specifies for the payment of 7%. The Goverment while finalising repayment of the amount (vide G. O. Rt. 159/87/AD dated 30.1.1987) has ordered higher rate at 10.75%. We have requested the Goverment to reduce the rate of interest from 10.75% to 7%.

ii) The stock is valued on the same principles followed in the previous years. The value of stock realised/ realisable is taken on the basis of bills issued up to a particular date i. e., the date of preparation of final accounts. The fall in price, if any, at the time of final sale cannot be anticipated on this date.

iii) Noted.

III. *Notes attached to and forming part of the accounts*

i) Noted. The revised assessment order was received only on 16.2.1987.

ii) Noted.

IV. *General*

i) Noted.

ii) a. Noted.

b. Noted.

iii) The crop in Thannithode estate was reconciled as 114.08 MT for the year 1985-86.

iv) The actual difference between factory acknowledged crop and Chandanappally estate is only 7.586 tonnes and not 17.722 tonnes as commented. This difference was subsequently adjusted in the coming month's crop.