ANNUAL REPORT 1987-'88

THE PLANTATION CORPORATION OF KERALA LTD.

P. B. No: 12 KOTTAYAM - 686 004

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 28-2-1988 to 2-5-1988)

SHRI. V. T. THOMAS
Chairman (From 27-10-1987)

,, VINOD RAI, I. A. S.
Managing Director (From 10-5-1990 to 7-6-1990) Director (From 25-9-1989)

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

,, KURUVILLA JOHN, I. A. S.
Managing Director (From 2-5-1988 to 18-7-1989)

SHRI K. SIVAPRASAD
Managing Director (From 18-7-1989 to 18-4-1990)

,, E.K. BHARAT BHUSHAN, I.A.S
Managing Director (From 18-4-1990 to 10-5-1990 and from 7-6-1990)

,, M. SIVARAJAN I.F.S.
(From 12-10-1984 to 7-10-1985 and from 19-10-1985 to 25-9-1990)

,, A. G. ZACHARIAH
(From 10-7-1985 to 18-4-1987)

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

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

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

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

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

,, NARAYANA PILLAI
(From 27-10-1987)

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

,, K. BHASKARAN
(From 19-4-1989 to 25-9-1989)

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

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 26th Annual General Meeting of the Corporation will be held at the Registered office of the Corporation at Kottayam on Friday the 19th August 1988 at 12 Noon to transact the following business.

i) To receive and adopt the Directors' and Auditors' Reports and the audited Balance Sheet as on 31st March, 1988 and the Profit and Loss Account for the year ended on that date.

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

1. Shri C. A. Kurian
2. " T. P. Ramakrishnan
3. " C. K. Unnikrishnan
4. " G. Peethambaran
5. " K. Gopinatha Pillai
6. " U. K, Bhasi
7. " M. Sivarajan
8. " M. S. Joseph
9. " M. Narayana Pillai

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

Sd/-
PHILIP JACOB
Secretary

Kottayam,
Date: 12-7-1988.

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 26th (adjourned) Annual General Meeting of the Corporation will be held at the Registered Office of the Corporation at Kottayam at 10.30 A.M. on Wednesday the 28th November 1990 to transact the following business.

To receive and adopt the Directors' and Auditors' Reports and the audited Balance Sheet as on 31-3-1988 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/-
M.R.V. NAIR
SECRETARY-CUM-MANAGER (F&A)

Kottayam
Date: 29-10-1990

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.

DIRECTOR'S REPORT

Gentlemen,

Your Directors have pleasure in presenting the 26th Annual Report of the Corporation for the year ended 31st March 1988.

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 31-3-1987 continued unchanged during 1987-88.

The Corporation has made substantial remittances towards loan drawn from Govt. of Kerala for estate developments and subsidised Housing Scheme and also interest due on these loans during the year 1987-88. The amount paid are as follows:

Payment of loan	: Rs. 30.49 lakhs
Payment of interest	: Rs. 23.40 ,,

The amounts paid subsequently are as follows:

Financial year 1988-89

Payment of loan	: Rs. 28.34 lakhs
Payment of interest	: Rs. 16.62 ,,

Financial year 1989-90

Payment of loan	: Rs. 46.88 lakhs
Payment of interest	: Rs. 9.20 ,,

Payment upto 30-6-1990

Payment of loan	: Rs 0.25 lakhs
Payment of interest	: Rs. 0.19 ,,

We have availed a loan of Rs. 24.86 lakhs from Syndicate Bank under World Bank Scheme on 22-7-86. The above loan amount in full has been refunded during the financial year 1988-89.

Also an amount of Rs. 3.57 lakhs towards interest has been remitted against the above loan in 1988-89.

Profit & Loss Account

The net profit for the year ended 31-3-1988 was Rs. 4.03 lakhs after making the following provisions.

Interest on loan	: Rs. 22.13 lakhs
Rehabilitation Reserve	: Rs. 1.36 ,,
Replanting Reserve	: Rs. 20.00 ,,
Depreciation	: Rs. 41.71 ,,
Bonus	: Rs. 112.42 ,,
Provision for taxation	: Rs. 100.00 ,,
Provision for gratuity	: Rs. 49.18 ,,

Agricultural Income Tax

The assessment of Agricultural income tax of the Corporation has been completed upto 1984-85 (assessment year). For the completed assessment the Company has filed appeals before the higher authoritie which are pending for disposal.

Lease Rent

Lease rent is provided in the accounts at the rate of Rs. 615/-per hectare whereas the rent fixed by Government as per the latest order is Rs. 1,300/- We have paid lease rent upto 31-3-1990 at the rate of Rs. 125/- per hectare. The matter is under correspondence with the Government for fixing a reasonable rate.

Sales

Rubber

During 1987-88, quantity of rubber sold was 6011.203 Tons. Sales proceeds realised was Rs. 1,361.27 lakhs against 5873.49 Tons sold during 1986-87 for Rs. 1,127.55 lakhs. Average price realised in 1987-88 was Rs. 22.64 per Kg. against Rs. 19.20 per Kg. during 1986-87.

Cashew

The amount received in 1987-88 through sale of cashewnut was Rs. 197.96 lakhs against Rs. 79.47 lakhs obtained in 1986-87 season,

Estates

There are eight rubber Estates under the ownership of this Corporation. They are located in Pathanamthitta, Ernakulam, Trichur, Malappuram and Kozhikode Districts. These estates are well maintained and all agricultural operations are being done in time.

Area under rubber	:	7332 Ha.
Area under tapping	:	6612 Ha.
Area under immature rubber	:	394 Ha.
Area under slaughter tapping	:	362 Ha.
Area under un-cultivated reserve including submergible	:	174 Ha.
Area under buildings and roads	:	295 Ha.
Production for the year 1987--88-		6,643,21 M. T.

Rubber Estates

Perambra: In Perambra Estate an area of 58.32 Ha. was planted in 1986-87,105 Ha. in 1987-88 and 40 Ha. in 1988-89. Gap filling in the above area will be completed in the next season

Nilambur, In this Estate 40 Ha. was planted in 1988 and another 55 Ha. in 1989. Now a seedlings nursery is being raised for producing sufficient planting materials for planting. 200 Ha. in 1992.

Alakode: The planting area is maintained satisfactorily.

Cashew Estates

The four Cashew Estates namely Kasargod, Rajapuram, Cheemeni and Mannarghat Estates are maintained satisfactorily.

Engineering Works

Kodumon Group of Estates

Preliminary steps for establishing a pilot plant for treating and seasoning rubber wood have been initiated. The factory was commissioned on 23-12-1989.

Open air stage is completed in Kodumon Estate. Repaires and maintenance of buildings are being attended.

The old ambulance van of hospital is replaced with a new one.

Thannithode Estate

Main road through Dvn. C for 3.5 kms. completed and the maintenance works of the buildings have been completed.

Kalady Group of Estates

Third centrifuging unit at Kallala factory have been erected and started functioning. Completed semi-grouting of ferry road, cast of 200 RCC L. T. posts for the maintenance of electrical line. A new ambulance van is provided for the Kalady Group hospital in the place of the old one.

A new jeep is provided for Adirappally Estate in place of the old one.

Nilambur Estate

Completed 4 nos. semi permanent sheds for the Dvn. Office as well as for providing accommodation for the staff.

Perambra Estate

Completed one semi permanent shed for the works in new area and the repairs and maintenance of buildings are being attended.

Cashew Project - Mannarghat Estate

Work of 2 sets of labourers quarters, 1 No. Manager's quarters and 1 No. Division Store and the culverts for main road have been completed.

Rajapuram Estate

Cross drainage works for road from Kammadi to Kattimala have been completed.

In all the rubber estates repairs and maintenance of buildings are in progress.

PERSONNEL MANAGEMENT, INDUSTRIAL RELATIONS AND LABOUR WELFARE

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

There was no fresh appointments in the Officers cadre during this year.

Under the programme of providing employment to the dependents of employees who die in harness while in service, we have given appointments in workers and staff categories.

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

Labour-management relations in the Company continued to be smooth and cordial. We have held joint conferences, discussions and negotiations at Union-Management levels and also at higher levels on various matters concerning staff and workers. These conferences and discussions have enabled us to maintain smooth relationship with the employees. There has been no case of continuous labour unrest during the period excepting a few instances of token strike and sathyagraha by a section of employees.

The employees in the estate and in the Head Office are provided with basic amenities such as accommodation, water supply, electricity etc. Medical, educational and recreational facilities are also being given as before. The last grade staff, medical staff mechanical staff etc. are supplied with terry cotton uniforms once in two years.

Kalady Plantation High School in our Kalady Group of estates 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.

The Corporation has already implemented a scheme of 'Providing house building advances' to the employees and workers of the Corporation, through the Housing Development Finance Corporation. In order to strengthen the welfare measures, the Corporation has introduced a welfare fund to the tappers and workers of the estates. A Group Insurance Scheme of the L. I. C. has been introduced in lieu of Employees' Deposit Linked Insurance Scheme.

Particulars of Employees

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, the names and other particulars of the employees are set out in the Annexure II forming part of the report.

ANNEXURE - 1

Details of Directors including changes taken place during the year ending 31st March 1988

Sl. No.	Name	Address	Date of appointment
1.	M. S. Joseph, I. A. S.	Secretary to Government Agriculture Department Trivandrum	From 19-10-1985
2.	M. Sivarajan, I. F. S.	Principal Chief Conservator of Forests Trivandrum	From 19-10-1985
3.	A. G. Zacharia	Additional Secretary Finance Department	From 10-7-85 to 18-4-1987
4.	K. M. Cherian	Additional Secretary Finance Department	From 18-4-87 to 29-9-1987
5.	C. A. Kurian	Devikulam Estate Workers Union (AITUC) Munnar P. O. Idikki	From 27-10-1987
6.	T. P. Ramakrishnan	C. P. I. (M) Office, Perambra P. O. Kozhikode	From 27-10-1987
7.	C. K. Unnikrishnan	Secretary, Kalady Plantation Workers Union P. O. Kalady Plantation Via, Kalady, Ernakulam	From 27-10-1987
8.	K. Gopinatha Pillai	Asha Bhavan Kizhakkekara Kottarakkara	From 27-10-1987
9.	G. Peethambaran	Edayile Veedu, Edathitta P. O. Via, Kodumon Pathanamthitta	From 27-10-1987
10.	U. K. Bhasi	Valyaparambil House Tanur P. O. Malappuram	From 27-10-1987
11.	M. Narayana Pillai	Additional Secretary Finance Department Trivandrum	From 27-10-1987

Board of Directors

The details of Board of Directors including the changes, that have taken place during the period under report are given in Annexure-1

Chairman

Cav. T. U. Kuruvilla whose term of appointment ended on 18-4-1987 has relinquished office as Chairman on that date. From 18-4-87 to 26-10-87 Shri M. S. Joseph, I. A. S. held office as Chairman and from 27-10-87 Shri V. T. Thomas continued to hold office as Chairman during the remaining period under review.

Managing Director

Shri N. K. Gopalakrishnan has relinquished office as Managing Director on 28-2-88 In his place Shri M. S. Joseph, I. A. S. was appointed as Managing Director and he continued to hold office as Managing Director during the remaining period under review.

Acknowledgement

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

Your Directors wish to place on record their deep sense of appreciation of the devoted services rendered by the Executive, staff and workers of the Corporation.

For and on behalf of the Board of Directors
V. T. THOMAS
Chairman

Kottayam,
5-10-90.

STATEMENT SHOWING THE PARTICULARS OF EMPLOYEES OF THE COMPANY AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD ENDED 31-3-1988.

Sl. No.	Name of employee	Designation and nature of duties	Remuneration received for the year Rs.	Age, qualification and experience	Date of commencement of employment	Last employment held before joining the company
1.	N. K. Gopalakrishna Pillai	Managing Director	45,528.81	50 years B. Sc. (Agri.). M. B. A. 24 years	19-5-1984	Agro Machinery Corporation.
2.	K. A. Abraham	Manager (Planning & Development)	46,802.00	47 years B. Sc. (Agri.) 23 years	20-3-1965	Agriculture Department.
3.	Babu G. George	Senior Construction Engineer	39,219.00	49 years Diploma in Civil Engineering 24 years	1-7-1964	Nil.
4.	D. C. Chithran	General Manager (Personnel & Administration)	49,034.00	51 years B Sc. M. S. W. 24 years	18-4-1966	Kerala University Centre.
5.	Geordie John	Chief Construction Engineer	40,178.44	47 years B.Sc (Civil Engineering) 22 years	20-10-1965	Nil.
6.	R. Krishnamoorthy	General Manager (Finance &(Accounts)	38,345.10	38 years B. Com. F. C. A. 11 years	14-9-1977	Teekoy Rubber(India) Ltd.
7.	K. C. Ninan	Executive Engineer (Electrical)	37, 240. 57	40 years B. Sc. (Electrical) 8 years	23-7-1979	Agronech Engineers.
8.	Philip Jacob	Secretary	40,557.00	56 years B. Sc. B. Com. F.C.S. 30 years	4-2-1977	Marikar Motors Limited.
9.	A. Ramachandran	General Manager (Sales)	49,474.00	52 years B. Sc. (Agri.) 30 years	1-1-1964	Agriculture Department.

10. P. P. Raphy	Manager (Personnel & Administration)	36,055.48	55 years B. A., B. L., M. S. W. 18 years	2-4-1979	South Indian Bank Limited.
11. C. B. Sadasivan	Senior Construction Engineer	38,909.68	49 years Diploma in Civil Eng: 23 years	9-6-1964	Nil.
12. N. V. Thomas	General Manager (Production)	53,124.00	49 years B. Sc. (Agri.) 24 years	13-11-1963	Rubber Board.
13. N. T. Thomas	Scientific Officer	45,957.00	47 years M. Sc. Ph. D. 27 years	26-3-1965	Agriculture Department
14. Thampy Abraham	Manager (Finance & Accounts)	36,846.34	41 years B. Com. A. C. A. 11 years	1-11-1978	Kerala Electrical & Allied Engg. Company.
15. Thomas Joseph	Senior Construction Engineer	38,792.40	48 years Diploma in Civil Engg. 21 years	12-12-1966	Nil.
16. S. Subramonia Iyear	General Manager (Cashew)	47,564.00	47 years B. Sc. (Agri.) 23 years	30-3-1965	Agriculture Department.
17. C. Sasikumar	Executive Engineer (Mechanical)	37,405.20	36 years B. Sc. Engg. (Mech.) 12 years	17-7-1979	Travancore Electro Chemicals Ltd.
18 P. G. Thomas	Manager	44,500 00	56 years B Sc. (Agri.) 24 years	1-1-1964	Agriculture Department.
19 A. Augusthy	Manager	46,840 00	54 years B.Sc. 26 years	12-11-1963	Jail Department.
20 George Panicker	Asst. Manager	36,260.00	49 years S. S. L. C. 30 years	1-12-1968	Malayalam Plantations.
21 P. C. Thomas	Manager	39,052.00	52 years B.Sc. B.Ed. 25 years	2-3-1965	Ministry of Education, Govt. of India.
22 R. Krishnamoorthy	Manager	37,488.00	46 years B.Sc. (Chemistry) 24 years	13-3-1965	FACT, Alwaye.

Sl No	name of employee	Designation and nature of duties	Remuneration received for the year Rs.	Age, qualification and experience	Date of commencement of employment	Last employment held before joining the company
23	A. Balagopal	Manager	38,490.00	57 years B.Sc.(Agri.) 28 years	5-4-1969	Pierce Leslie & Co.
24	C. Ramachandran	Manager	45,193.00	48 years B.Sc. 22 years	17-7-1965	Nil
25	K. Sasidharan Pillai	Medical Officer	39,822.00	44 years M.B.B.S. 11 years	10-5-1979	Co—operative Dispensary.
26	Saroja Nambiar	Lady Medical Officer	41,755.78	44 years M.B.B.S. 12 years	19-11-1976	A.C.C. Jamul Cements Work M.P.
27	V. M. Kurian	Manager	39,112.96	55 years 22 years Intermediate Course completed	25-6-1965	Gwalior Rayons.

REVIEW OF ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM FOR THE YEAR ENDED 31ST MARCH, 1988 BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

I Financial Position

The table below summarises the financial position of the Company under board heading for the three years upto 1987-88.

Liabilities	1985-86	1986-87	1987-88
		(Rupees in Lakhs)	
a) Paid up Capital	556.88	556.88	556.88
b) Reserve & Surplus	401.16	384.33	412.20
c) Borrowings	223.44	215.96	185.47
d) Trade dues and current liabilities (including provisions)	1,261.93	1,330.55	1,508.01
	2 443.41	2 487.72	2 662.56
Assets			
a) Gross block	823.52	835.12	859.50
b) Less. depreciation	258.32	279.14	318.06
c) Net fixed assets	565.20	555.98	541.44
d) Development of property	876.21	911.60	955.07
e) Capital work in progress	9.74	20.92	19.55
f) Investments	0.01	0.01	0.01
g) Current Assets, loans and advances	992.25	999.21	1,146.49
	2,443.41	2,487.72	2,662.56
Capital employed	1,367.59	1,405.54	1,439.52
Net worth	958.04	941.21	969.03

Note:

1 Capital employed represents net fixed assets plus working capital.

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

II Capital Structure

The debt equity ratio of the company declined from 0.40:1 in 1985-86 to 0.39:1 in 1986-87 and to 0.33:1 in 87-88.

III Reserve & Surplus

The Reserves and Surplus accumulated as at the end of the three years upto 1987-88 amounted to Rs. 401.16 lakhs, Rs. 384.33 lakhs and Rs. 412.20 lakhs respectively. The reserves and surplus worked out to 16.4 percent of the total liabilities in 1985-86, 15.4 percent in 1986-87 and 15.5 percent in 1987-88 and 72% of equity capital in 1985-86, 69% in 1986-87 and 74% in 1987-88.

IV Liquidity and Solvency

a) The percentage of current assets to total net assets varied from 40.6 in 1985—86 to 40.2 in 1986-87 and to 43.1 in 1987-88.

b) Percentage of current assets to current liabilities (including provisions) varied from 78.6 in 1985-86 to 75.1 in 1986-87 and to 76.00 in 1987-88.

c) The percentage of quick assets (sundry debtors, cash and bank balances advances recoverable) to current liabilities (excluding provisions) decreased from 70.8 in 1985-86 to 45.9 in 1986-87 and to 34 7 in 1987-88.

V Sources and Uses of Funds

Funds amounting to Rs.244.25 lakhs from external sources were utilised during the year as shown below:

	(Rs. in lakhs)
Gross fixed assets (including development of property and capital work in progress	: 66.48
Repayment of borrowings	: 30.49
Current assets, loans & advances	: 147.28
	244.25

VI Working Results

The working result of the company for the three years upto 1987-88 are tabulated below

	1985 86	1986 87	1987 88
		(Rs. in lakhs)	
i) Profit as per accounts	146 67	25.70	104.03
Add: a) Prior period adjustment shown above the line	9.75	0.07	0.84
b) Replanting/Rehabilitation reserve	39.82	8.35	21.36
ii) Profit for the year	196 24	34.12	126.23
Less: Past period adjustments shown below the line.	—	39.95	—
iii) Profit(+)/Less(—) for the year before tax	(+) 196.24	(—) 5.83	(+) 126.23

iv) Taxation provision	124.00	24.00	100.00
v) Profit (+),Less(−) after tax	(+) 72.24	(−) 29.83	(+) 26.23
Percentage of profit before tax to			
Sales	17.6	2.7	8.3
Gross fixed assets (including development of property	11.5	1.9	7.0
Capital employed	14.3	2.4	8.8
Percentage of profit after tax to			
Net worth	7.5	—	2.7
Equity capital	13.0	.	4.7
Capital employed	5.3	—	1 8

VII Cost Trends

The table below indicates the sales, cost of sales and percentage of cost of sales for the three years upto 1987-88.

(Rs. in lakhs)

	1985—86	1986—87	1987—88
Sales	1,112.21	1,246.61	1,515.52
Less: Profit for the year	196.24	34.12	126.23
Cost of sales	915.97	1,212.49	1,389.29
Percentage of cost of sales to sales	82.4	97.3	91.7

VIII Production Performance

The value of production for the three years upto 1987—88 is worked out as below.

(Rs. in Lakhs)

	1985-86	1986-87	1987-88
a) Sales	1,112.21	1,246.61	1,515.52
b) Closing stock of finished goods and work in progress	262.81	234.81	288.58
c) Opening stock of finished goods and work in progress	139.50	262.81	234.81
d) Value of production (a+b−c)	1,235.52	1,218.61	1,569.29

Percentage of value of production to net worth varied from 129.0 in 1985—86 to 129.5 in 1986—87 and 165.9 in 1987—88. The percentage of value of production to total net assets varied from 50.6 in 1985—86, 49.0 in 1986—87 and 58.9 in 1987—88.

IX Inventory and Production

The following table indicates the comparative position of inventory and its distribution at the close of rhe three years upto 1987—88.

	1985-86	1986-87	1987-88
		(Rs: in lakhs)	
a) Stores and spares:			
i) General stores and spares	65.05	67.01	59.53
ii) Engineering stores	11.68	11.19	11.32
b) Loose tools	4.76	5.75	8.55
c) Stock in trade of finished goods including work in progress	262.81	234.81	288.58
d) Agricultural equipments	3.63	3.47	3.88
	347.93	322.23	371.86

The stock of general stores and spares was equivalent to 5.8 months' requirements (for production and development of property) during 1987—88, as compared to 7.2 months' in 1986—87 and 8.7 months' in 1985—86 (Engineering stores intended for capital construction are excluded for the purpose of this analysis)

X Sundry Debtors and Turnover

The following table indicates the volume of book debts and sales for the three years upto 1987—88

As on 31 st March	Book debts considered goods	Considered doubtful	Total	Sales during the year	% of debts to sales
		Rs. in lakhs			
1986	122.40	10.15	132.55	1112.21	11.9
1987	129.30	—	129.30	1246.61	10.4
1988	174.29	..	174.29	1515.52	11.5

The agewise break up of the book debts as on 31st March 1988 is indicated below:

		(Rs. in lakhs)
i)	Outstanding for less than one year	154.92
ii)	Outstanding between one and two years	0.01
iii)	Outstanding between two and three years	3.36
iv)	Outstanding over three years	16.00
	Total	174.29

Note: No effect of the comments of the Comptroller and Auditor General of India and qualification in the Auditor's Report has been given in the review of accounts.

ACCOUNTANT GENERAL (Au) II

Annual Accounts and Schedules

BALANCE SHEET AS AT

Previous Year Rs.	LIABILITY		Current Year Rs.
	SHARE CAPITAL		
	Authorised		
7,50,00,000	75,000 Equity shares of Rs. 1,000/-each		7,50 00 000.00
	Issued		
5,56,88,000	55.688 Equity shares of Rs. 1,000/-each		5,56,88,000 00
	Subscribed, called up and paid up		
5,56,88'000	55,688 Equity shares of Rs. 1,000/-each (of the above shares 12,182 equity shares are allotted as fully paid up pursuant to a contract without payment being received in cash)		5,56,88,000.00
3,84,32,812	RESERVES & SURPLUS (Sch. A)		4,12,20,455.77
24,86,8000	SECURED LOANS	24,86,800.00	
	(From Syndicate Bank secured by a first charge on buildings, machinery, furniture and standing crops of cashew)		
1,42,225	Interest accured and due on above	77,499.60	25,64,299 60
	UNSECURED LOANS From Govt. of Kerala		
1,75,03,017	1) for estate development	1,44,76275.00	
16,05,900	2) Subsidised Housing scheme	15,83,400.00	
1,24,71,418	Interest accrued and due on the above	1.27.25 989.06	2,87,85,664.06
	CURRENT LIABILITIES & PROVISIONS:		
6,49,15,513	A) Current Liabilities (Sch. B)	10.30.87.131.22	
5,55.26 213	B) Provisions (Sch. C)	3.49,10.824.37	13,79,97,955.59
24,87,71,898	Total		26.62.56.375 02

Sd/—	Sd/—	Sd/—
Adv. V. T. THOMAS	K. SIVAPRASAD	M. R. V. NAIR
Chairman	Managing Director	Secretary

31ST MARCH, 1988

Previous Year Rs.	ASSETS	Rs.	Current Year Rs.
	FIXED ASSETS:		
9.11.59.677	a) Plantations (Sch. D)	9.55.07.478:81	
5.55.98.415	b) Buildings, roads.Plant & machinery, furniture etc. (Schedule E)	5,41,43,214:68	
20.91.950	c) Buildings & roads under construction	19,55 345 27	15,16,06,038.76
	INVESTMENTS:		
1,100	Investments in Shares (at cost) Schedule F		1,100.00
	CURRENT ASSETS, LOANS & ADVANCES:		
5.07.39.501	A. Current Assets (Schedule G)	7,37,99,018.94	
4.91.81,255	B. Loans & Advances (Schedule H)	4,08,50,217.32	11,46,49,236.26
24.87.71.898		Total	26,62,56,375.02

As per our report of even date
For KURYAN & SUSEELAN
Chartered Accountants
Sd/-
V. K. KURYAN
(Partner)

PROFIT AND LOSS ACCOUNT FOR

Previous Year Rs.	EXPENDITURE		Current Year Rs.
	To Opening Stock		
2,62,81,387	Finished goods/work in progress		2,34,80,977.47
1,11,44,838	Salary & allowances		1,51,09,813.98
	Pay & allowances - Managing Director		49.322.94
11,40,621	Leave encashment to staff (includes Managing Director's leave encashment)		17,40,799.27
41,35,197	Employer's Contribution P.F.		53,65,494.15
	Bonus	1,07,41,694.34	
98,74,247	Less: Provision	25,00,000 00	82,41,694.34
9,000	Honorarium to Chairman		3,725.00
21,155	T A & Sitting fees to Directors (includes the Managing Director's travelling expenses)		36,355.00
5,22,189	T A to staff & officers		4,80,100.83
193	T A to Visiting Agent		,,
6,409	Remuneration to Visiting Agent		,,
11,615	Rent		14,661.40
7,48,630	Rates & Taxes		8,14,625.70
9,49,459	Electricity charges		9,97,851.00
69,60,989	Lease Rent		70,97,834.43
52,119	Insurance charges		1,11,247.35
1,48,877	Advertisement charges		2,31,808.40
1,12,435	Legal expenses		1,01,622.76
1,500	Addl. remuneration for 1986—87 to auditors		1,500.00
13,500	Remuneration to Auditors for audit		13,500.00
4,050	-do for-expenses		4,000.00

THE YEAR ENDED 31ST MARCH, 1988

Pervious Year Rs.	INCOME	Current Year Rs.
	By Sales	
11,27,54,923	Rubber	13,61,27,574.94
79.46,783	Cashew	1,07,96,122.79
1,20,497	Agricultural produce	1,10562:92
—	Pueraria	1,7280.00
5,99,848	Rubber trees & firewood	7,28,121.17
1,34,172	Empties & unservicebles	1,63,683.44
38,38,875	Slaughter tapping	45,01,060.00
15,217	Profit on sale of assets	75,569.55
4,766	Sale of tender form & reg-fee	6,240.00
	OTHER RECEIPTS:	
	Interest on Treasury deposit	
12,12,069	& bank balance	14,15,957.23
49,056	Interest-staff advance (loan)	50,933.75
—	Application fee	67.00
2,956	Lease rent	
20,570	Rent of buildings	22,947.47
16,240	Misc. income	3,21,733.75
2,34,80.978	Closing stock of finished goods work in progress	2,88,58,022.00
15,01,96,950	Total	18'31,95,876.24

PROFIT AND LOSS ACCOUNT FOR

Previous Year Rs.	EXPENDITURE		Current Year Rs.
32,000	Internal audit fee		32,000.00
13,27,876	Security expenses		13,36,124 67
20,07,008	Interest on Loan		22,13,087.90
39,70,046	Repairs & Maintenance of Assets (Schedule I)		35,18,685.53
12,40,926	Miscellaneous expenses (Schedule II)		9,66,939.43
95,26,042	Welfare expenses (Schedule III)		1,02,31'455.77
22,29,716	Depreciation including loss on revaluation		41,71,483.18
1,16,49,549	Cultivation & Upkeep of rubber		1,22,85,699.11
2,43,87,850	Tapping & Collection of rubber		2,83,59,265.57
1,57,99,918	Manufacturing & selling expenses		1,85,07,456.64
57,95,732	Cultivation & Upkeep of cashew		64,70,090.89
5,789	Other crops		32,697.76
7,376	Prior period expenses		83,854.22
	Alakode expenses upto 31-3-87		94,84,925.15
	Nilambur estate expenses		11,48,212 42
	PROVISIONS:		
25,00,000	Bonus	30,00,000.00	
41,74,487	Gratuity	49,17,902.96	
24,00,000	Taxation	1,00,00,000.00	1,79,17,902.96
1,34,527	Rehabilitation allowance		1,36,285.00
7,00,000	Replanting Reserve		20,00,000,00
1,69,698	Net Profit		4,02,776.02
15,01,96,950	Total		18,31,95,876.24

Sd/-
M. R. V. NAIR
Secretary

Sd/-
K. SIVAPRASAD
Managing Director

Sd/-
V. T. THOMAS
Chairman

THE YEAR ENDED 31ST MARCH, 1988

Previous Year Rs.	INCOME		Current Year Rs.
	Total	B/F	18,31,95,876 24
15,01,96,950	Total		18,31,95,876.24

Kottayam

20-2-90

As per our report of even date

For **KURYAN & SUSEELAN**
Chartered Accountant

Sd/-
V. K. KURYAN
(Partner)

SCHEDULE A

Previous Year Rs.	RESERVES & SURPLUS		Current Year Rs.
	CAPITAL RESERVE		
7,76,733	i) As per last B/Sheet	7,76,733.00	
	Additions during the year	—	7,76,733 00
	ii) Replanting Reserve		
1,69,58,000	As per last B/Sheet	1,69.58.000.00	
	Additions during the year	20.00.000.0	1.89.58.000 00
	iii) Rehabilitation Reserve		
1,32,13,462	As per last B/Sheet	1.32.13.462.48	
	Additions during the year	1.36.285.00	1.33.49.747.48
	iv) Subsidy received from Govt. of Kerala under Housing Scheme:		
18,75,000	As per last B/Sheet	18.75.000 00	
	Additions during the year		18.75.000 00
	v) Subsidy received from Govt. of Kerala for the upkeep of cashew plantations:		
23,35,440	As per last B/Sheet	23.35.440.00	
	Additions during the year	—	23.35.440 00
	vi) Subsidy received from the Rubber Board for cultivation of rubber plantations:		
4,73,965	As per last B/sheet	4.73.965.20	
	Additions during the year	2.48.582 30	7.22.547 50
	vii) Profit & Loss Account:		
28,00,212	As per last B/Sheet	28.00.211.77	
	Add: This year	4.02.776.02	32.02.987.79
3,84,32,812	Total		4.12.20.455.77

SCHEDULE B

Previous Year Rs.	CURRENT LIABILITIES 1987-88	Current Year Rs.
15,17,910/-	Sundry creditors	11,59,38668
3,36,11,514/-	Other liabilities	4,81,69,605.14
40,70,498/-	Earnest Money/Security Deposit	49,89,206.88
95,757/-	Suspense pending adjustment	86,784.25
15,011/-	P. F. suspense	11,403.77
2,39,265/-	Alakode Estate liability	—
1,78,892/-	Stores suspense	33,999.95
77,073/-	Interest accrued, but not due on Syndicate Bank	—
52,02,601/-	Income received in advanec	67,24,018.44
10,000/-	Housing Scheme - Workers	10,000.00
3,868/-	Welfare fund	7,066.69
4,20,455/-	Income tax payable - Central I.T.	4,96,598.00
1,89,29,125/-	Agrl. Income tax payable	4,13,99,061.42
5,43,544/-	CST and ST payable	—
6,49,15,513/-	Total	100,30,87,131 22

For KURYAN & SUSEELAN
Chartered Accountants
V K. KURYAN
(Purtne.)

SCHEDULE C

Previous year Rs.	PROVISIONS 1987-88		Current Year Rs.
	I. For Gratuity		
2.69.30.180.00	As per last B/Sheet	2.69.30.180.00	
	Additions during the year	49.17.902.96	
		3.18.48.082.96	
	Less: paid during the year	13.95.012.96	
			3.04.53.070.00
	II. For Bonus		
25.00.000.00	As per last B/Sheet	25.00.000.00	
	Additions during the year	30.00.000.00	
		55.00.000.00	
	Less: Adjustment against bonus paid during the year	25,00.000.00	30,00,000.00
	III. For Taxation		
2.60.96.033.37	As per last B/sheet	2,60,96.033,37	
	Additions during th> year	1.00.00.000.00	
		3,60,96,033.37	
	Less: IT payable as per completed assessment for 1986-87 (Financial year '85-86)	11,68.342.00	
		3,49.27,691.37	
	Less: AIT payable as per completed assessment for 1983-84 and 1984-85	3,34,69,937.00	
			14,57.754.37
5.55.26,213.37	Total		3,49 10,824.37

For KURYAN & SUSEELAN
Chartered Accounts
V.K. KURYAN
(Partner)

SCHEDULE D

DEVELOPMENT OF PROPERTY.

(Schedule forming part of Balance Sheet as at 31st March, 1988)

Item	Rubber	Balance as per last B/Sheet	Additions during the year Kodumon Rs.	Perambra Rs.	Thannithod Rs.	Alakode Rs.	Nilambur Rs.	Disposals Rs.	Total Rs.
1959	Plantations	6,28,371.94	...	...	...	...	...	...	6,28,371.94
1960	,,	5.62,467.87	...	...	..	...	...	...	5,62,467.87
1961	,,	71,32,377.05	....	...	...	...	...	1,91,705.00	69,40,672.05
1962	,,	45,61,152.14	...	...	...	...	...	2,31,500.00	43,29,652.14
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	...	...	....	....	...	63,556.80	64,83,834.44
1977	,,	48,06,978 60	...	...	...	...	...	...	48,06,978.60
1978	,,	7,40,108.44	...	....	...	....	....	...	7,40,108.44
1979	,,	31,34,577.92	...	...	...	....	...	...	31,34,577.92
1980	,,	1,67,645.15	...	...	...	...	46,415.48	...	2,14,060.63
1981	,,	4,06 012.91	...	...	...	...	3,31,861 83	...	7,37,874.74
1982	,,	6,04,668.05	...	...	74,754.18	...	...	....	6,79,422.23
1983	,,	31 85 639.47	...	...	4,89,953.12	....	....	...	36,75,592.59
1985	,,	12,37,839.06	...	...	3,68,903.56	...	...	...	16,06,742.62
1986	,,	19,13,995.17	...	9,96,865.42	....	...	...	6,24,964.00	22,85,896.59
1987-88	preplanting	45,114.49	...	62,121 80	...	...	...	20,623.21	86,613,08

Item	Balance as per last B/Sheet	Additions during the year					Disposals	Total
		Kodumon	Perambra	Thannithodu	Alakode	Nilambur		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1967 Replanting	8,99,989.98	....	....	....	...	...	...	8,99989.98
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 ,,	4,81,500.44	58,595.08	...	....	...	...	...	
Coconut	795.36	...	...	...	...	...	...	5,40,095.52
Evioted area	16.94,037.42	...	...	....	...	...	...	795.36
Survey	1,60,561 22	....	....	...	...	....	...	16,94,037.42
Eucalyptus	15,963.37	....	....	....	...	...	...	1,60,561.22
Cashew Plantat-			....	....	...	...	...	15,963.37
ions in Kasaragod	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
,, 1983	5,80,552.40	...	...	...	...	...	...	5,80,552.40
,, 1985	5,467 22	....	...	...	...	...	...	5,467.22
Cashew in Rubber								
estates	15,46,138.01	....	18,116.71	...	...	...	60,447.00	15,03,807.72
Alakode Plantation					30,93,010.89		....	30,93,010.89
Total	9,11,59,676.75	58,595.08	10,77,103.93	9,33,610.86	30.93,010.89	3,78,277.31	1192796 01	9,55,07,478 81

For: **KURYAN & SUSEELAN**
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-
Adv. V. T. THOMAS	K. SIVAPRASAD	M. R. V. NAIR	V. K. KURYAN
Chairman	Managing Director	Secretary	(Partner)

SCHEDULE

(Included in and forming part of

FIXED ASSETS

ITEMS	ORIGINAL COST: Cost at the end of previous year	ORIGINAL COST: Additions during the year	ORIGINAL COST: Total Cost	DEPRECIATION: As at the end of the previous year	DEPRECIATION: For the Current year	DEPRECIATION: Total depreciation
	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.
Freehold land	28,81,700.55	....	28 81,700.55	...	...	..
Buildings	4,19,94,473.05	18,39,773.05	4,38,34,246.10	1.18,92,076.33	18,56,471.19	1,37,48,547.52
Vehicles	46,19,713.03	3,05,562.46	49.25,275.49	37,75 661.35	3,17 984.11	40.93.645.46
Plant & Machinery	82,70,126.88	1,25,157.53	83,95,284.41	57,17,645.52	5,71,453.19	62.89.098.71
Furniture	15,03,825.85	68,695.04	15,72,520 89	8,61,135.98	71,134 28	9.32.270.26
Office equipments	4,07,826.59	74,344.56	4,82,171.15	3,03,143.89	26,846.10	3.29.989.99
Survey instruments	11,098.20	...	11'098.20	10,426.77	101.03	10.527.80
Library	47,137.86	140.00	47,277.8	29,991.26	1,747.78	31.739.04
Roads	1,35,38,463.88	2,94,317 77	1,38,32,781.65	...	6,84,341.60	6.84.341.60
Fence	10,07,277.39	....	10,07,277.39	...	50,363.81	50,363.81
Electric fittings	52,499.78	1,905.00	54,404 78	32,203.90	3,330.04	35,533.94
Electric appliances	65,393.33	1,500.00	66,893.33	44,309.45	4,340.83	48.650.28
Electrical installation	46,35,414.63	....	46,35,414.63	27,30,801.47	2,85,691.92	30.16.493.39
Telephone	15,557.38	...	15,557.38	13,897 66	248.94	14,146.60
Wells	6,573.37	...	6,573.37	...	327.76	327.76
Water supply installation	43,16,949.85	10,193.68	43,27,143.53	24,88,400.77	2,78,811.33	27,67,212.10
Landing pad	1,18,844.25	...	1,18,844.25	...	5,942.20	5.942.20
Jhankar & Boat	19,051.49	...	19,051.49	13,817.57	523.38	14,340 95
Total	8,35,11,927.36	27,21,589 09	8,62,33,516.45	2,79,13,511 92	41,59,669 49	3,20,73,171.41
Total for the previous year	8,23,51,871.17	14,14,224.47	8,37,66,095.64	2,58,31,493.76	22,11,827.04	2,80,43,320.80

Sd/-
Adv. **V. T. THOMAS**
Chairman

Sd/-
K. SIVAPRASAD
Managing Director

the Balance sheet as at 31st March 1988)

FIXED ASSETS

DISPOSALS & ADJUSTMENTS		BALANCE			
Original Cost	Depreciation written off	Total cost at the end of the current year	Total depreciation at the end of current year	Net Block	Net Block as on 31-3-1987
Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.
500.00	...	28.81.200.55	...	28.81.200.55	28,81,700.55
....	...	4.38.34.246.10	1.37.48.547.52	3.00.85.698.58	301,02,396.72
2.38.730.98	2.24.807.08	46.86.544.51	38.68.838.38	8.17.706.13	8,44,051.68
44.676.76	41.970.30	83.50.607.65	62.47.128.41	21.03.479.24	25,52,481.36
....	....	15.72.520.89	9.32.270.26	6.40.250.63	6,42,689.87
....	...	4.82.171.15	3.29.989.99	1.52.181.16	1,04,682.70
...	....	11.098.20	10.527.80	570.40	671.43
....	...	47.277.86	31.739.04	15.538.82	17,146.60
....	....	1.38.32.781.65	6.84.341.60	1.31.48.440.05	1,35,38,463.88
....	...	10.07.277.39	50.363.81	9.56.913.58	10,07,277.39
....	...	54.404.78	35.533.94	18.870.84	20,295.88
....	....	66.893.33	48.650.28	18.243.05	21,083.88
...	...	46.35.414.63	30.16.493.39	16.18.921.24	19,04,613.16
....	...	15.557.38	14.146.60	1.410.78	1,659.72
....	...	6.573.37	327.76	6.245.61	6,573.37
...	...	43.27.143.53	27.67.212.10	15.59.931.43	18,28,549.08
...	..	1.18.844.25	5.942.20	1.12.902.05	1,18'844.25
....	...	19.051.49	14.340.95	4,710.54	5,233.92
2,83,907.74	2,66,777 38	8,59,49'608.71	3'18,06,394.03	5,41,43,214 68	555,98,415 44
2,54,168.28	1,29,808.88	8,35,11,927.36	2,79,13,511.92	5,55,98,415.44	----

Sd/-
M.R.V. NAIR
Secretary

For **KURYAN & SUSEELAN**
Chartered Accountants
Sd/-
V.K. KURYAN
(Partner)

SCHEDULE F

Previous year Rs.	TRADE INVESTMENTS 1987 - 88	Current Year Rs.
	Investment in shares	
1,000/-	a) 10 Equity shares of Rs. 100/- each fully paid up in Banana & Fruit Development Corporation Limited, Madras (unquoted)	1.000/-
100/-	b) 1 A Class share of Rs. 100/- each fully paid up in the Mannam Sugar Mills Co-operative Stores Ltd. No. 4324	100/-
1,000/-	Total	1,100/-

For KURYAN & SUSEELAN
Chartered Accountants
V. K. KURYAN
(Partner)

SCHEDULE G

Previous year Rs.		CURRENT ASSETS 1987 - 88		Current Year Rs.
	A	INVENTORIES (Taken & certified by the Management)		
78,20,159	(1)	Stores & spares at cost	70,85,207.28	
5,74,637	(2)	Loose tools (at valuation)	8,55,149 59	
3,47,058	(3)	Agrl. equipments	3,8,224.09	
2,34,80,977	(4)	Stock of rubber, rubber in process (value fixed by the Management as on 31-3-1988 less incidental expenses)	2.88,58,022 00	
	(5)	Nurseries:		
11,57,654		(1) Rubber (at valuation)	26,11,268 55	
		(2) Coffee	26,624 71	
		(3) Cardamom	88 21.94	3,98,33,318.16
	B	SUNDRY DEBTORS (Considered good, the company holds no security other than the debtors personal security)		
21,10,314	a)	Debtors outstanding for a period exceeding six months	19,94,185.12	
1,08,19,550	b)	Other debts	1,54,34,379.35	1,74,28,564.47
	C	CASH & BANK BALANCE		
4.288	a)	Stamp & stamp paper in hand		6,317.90
	b)	Bank balance		...
37,20,281	(1)	With Scheduled Bank on current account	1,18,26,895.41	
6,44,203	(2)	With Treasury Savings Bank	46,80,043 00	1,65,06,938.41
60.380	(3)	Income tax surcharge deposit in SBI, Kottayam		23,880.00
5,07,39.501		Total		7,37,99,018.94

For KURYAN & SUSEELAN
Chartered Accountants
V. K. KURYAN
(Partned)

SCHEDULE H

Previous Year Rs.	LOANS & ADVANCES 1987-88		Current Year Rs.
	SECURED & CONSIDERED GOOD		
	a) Staff Loans		
2,81,135	i) Motor car loan	2,30,635.00	
2,06,891	ii) Motor cycle loan	2,49,250.80	4,79,885.80
	UNSECURED, CONSIDERED GOOD		
1,12,30,145	a) Alakode Estate (due from Govt. of Kerala)		...
65,83,768	b) Oil Palm India Ltd.	53,83,767.99	
59.95,260	c) Advance recoverable in cash or kind or value to be received	50,30,331.21	
	d) Advance payment of taxes		
....	1) Sale Tax	6,02,434.73	
2,23,25,266	2) Agri. Income Tax	2,74.23,337.00	
13,45,275	3) Central Income Tax	11,69,902.72	
45,040	e) Prepaid expenses	38,271.27	3,96,48,044.92
	f) Deposits		
4 36,763	1) With Post & Telegraph, Electricity Board, Port Trust & other Government Departments	6,76,304 00	
59,000	2) With Housing Board	....	
1,79,361	3) Other deposits		6,76,304.00
	UNSECURED & CONSIDERED DOUBTFUL		
4,93,352	Advance recoverable in cash or in kind or value to be received		45,982.60
4,91,81,256	Total		4 08 50,217.32

For KURYAN & SUSEELAN
Chartered Accountants
V. K. KURYAN
(Partner)

SCHEDULE I

Previous Year Rs.	REPAIRS AND MAINTENANCE OF ASSETS 1987 - 88	Current Year Rs.
6,88,771/-	Buildings	7,53,561.73
11,63,888/-	Vehicles	11,11,930.74
11,81,980/-	Roads	6,33,201.12
2,59,790/-	Water supply	2,88,518.86
1,95,878/-	Electrification	3,02,363 63
3,02,839/-	Fence/Kayyala	2,03,945.76
1,76,901/-	Others	2,25,163.69
39,70,047/-	Total	35,18,685 53

SCHEDULE II

Previous year Rs.	MISCELLANEOUS EXPENSES & ADJUSTMENTS 1987-88	Current year Rs.
2,88,997/-	Postage, Telephone & telegrams	3,01,916.55
4,81,838/-	Printing & stationery	2,45,108.61
37,914/-	Office expenses & Miscellaneous	30,575.73
....	Bank charges	2,217.35
24,978/-	Books & Periodicals	30,877.10
83,155/-	Storage expenses	82,129.15
60,754/-	I B expenses	77,569.73
23,965/-	Rent of Boat	....
....	Losses & write off	143.85
51,351/-	Enter tainment expenses	41,658.42
12,550/-	Staff Training expenses	6,645.00
38,233/-	Ferry expenses	1,41,142.57
1,01,752/-	Temporary sheds	1,700.00
3,877/-	Research expenses	140.00
5,167/-	Gardening	1,115.37
21,440/-	Management consultancy	4,000.00
4,955/-	Survey expenses	....
12,40,926/-	Total	9,66 939.43

For KURYAN & SUSEELAN
Chartered Accountants
V.K. KURYAN
(Partner)

SCHEDULE III

Previous Year Rs.	WELFARE EXPENSES 1987-88	Current Year Rs.
11,43,529/-	Sickness Benefit	12,55,968.37
93,283/-	Maternity Benefit	58,908.39
15,89,745/-	Leave with wages	18,91,422.70
9,13,460/-	Holiday wages	11,30,549.58
2,52,820/-	Weather Protection expenses	2,94,020.68
7,33,207/-	Drinking water supply	8,56,340.61
1,59,801/-	Sanitation	1,88,743.12
47,102/-	Recreation facilities	62,940.76
32,63,270/-	Medical & Hospital facilities	32,74,408.32
28,078/-	Way expense to workers	33,768.50
41,320/-	Running & Maintenance of School	44,890.65
2,04,614/-	Creche expenses	1,73,001.80
26,875/-	Workmens Compensation	20,026.66
8,923/-	Workers education	9,978.26
9,71,936/-	Uniform to staff & workers	9,06,824.95
18,971/-	Subsistance allowance	616.42
27,665/-	Labour welfare Fund	29,046.00
1,443/-	Others	....
95,26,042/-	Total	1,02,31,455.77

For KURYAN & SUSEELAN
Chartered Accountants
V. K. KURYAN
(Partner)

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1988

1. Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. 15,38.500/- (previous year Rs. 19,93,500/-).

2. Compensation amounting to Rs. 5,353. 75 payable to the persons evicted from Kodumon Group of Estates has not been provided pending production of succession or heirship Certificates.

3. The subsidiary status of Oil Palm India Limited was terminated vide G. O. Ms. No. 238/83 / AD dated 4-8-1983. The intrinsic value of shares of Oil Palm India Ltd. as on 1-4-1983 was determined at Rs. 62,05,440/- and the same is adjusted against loan due to Government of Kerala against the purchase of these shares. Interest has not been provided from 1-4-1983 on the three loans amounting to Rs. 112/- lakhs drawn from the Government of Kerala for investment in Oil Palm India Ltd. as the said loans were cancelled vide GO (MS) No. 238/P3/AD dated 4-8-1983. The fact that no interest need be provided has been confirmed by Govt. of Kerala vide their letter No. 18919/PU-1/89/AD dated 3-10-1989. The mode of adjustment about the balance value of the loan has to be confirmed by Government.

4. Interest on Government loans under different accounts has been provided in accordance with the orders issued by the Govt. of Kerala from time to time.

5. The Government as per GO. MS. No. 229/82/AD dated 20-7-1982 fixed the lease rent payable by the Company for its lease hold properties at Rs.615/- per hectare per annum for three years with effect from 18-12-1981. As this rate is likely to continue for the next few years also, the lease rent for the year 1987-88 has also been provided at Rs. 615/-per hectare.

6. Appeals against Sales Tax Assessments (CST) from 1979-80 to 1983-84 were remanded by the Deputy Commissioner (Appeals), Quilon for fresh hearing. The same were not yet been posted for hearing by the Assessing Authority. Regarding 1984-85, orders are expected from the Deputy Commissioner (Appeals), Quilon, Hence no provision has been made in the accounts for any additional liability against Sales Tax. Accounts for 1985-86 have now been taken up for assessment.

7 (a) The Agricultural Income Tax authorities have completed the assessment for assessment year 1977-78 fixing the total tax for the year at Rs. 39,93,453. 10 which has been fully remitted. The Company has filed an appeal before the higher authorities.

(b) For the assessment year 1978-79, the Agricultural Income Tax authorities have assessed an amount of Rs. 13,34,188.70 as tax payable. Out of this Rs. 10,54,392. 18 has been remitted. For the balance tax of Rs. 2,79,796.52 the Company obtained stay order from the Deputy Commissioner (Appeals), Ernakulam till the disposal of the appeal. The appeal filed is pending before the higher authorities.

(c) For the assessment year 1979-80, the Agricultural Income Tax authorities have assessed an amount of Rs. 81,63,752/- as tax payable for the Year. So far the Company paid a sum of Rs. 76,09,060/- and for the balance tax, the Company obtained stay order. The appeal filed is also pending before the higher authorities.

(d) For the assessment year 1980-81, the Agricultural Income Tax authorities have assessed an amount of Rs. 84,85,192/- as per the revised assessment order dated 14-3-1988. The Company paid the full amount of tax and also filed an appeal before the higher authorities.

(e) For the assessment year 1981 - 82, the total tax due as per appellate order issued by the Deputy Commissioner (Appeals) is Rs. 1,27,88,890/-. For the said year, so far the Company had paid Rs. 88,76,945/- against tbe demand. The order giving effect to the appellate order has not been issued. Against the order of the Deputy Commissioner, (Appeals), we have filed an appeal before the Kerala Agricultural Income Tax Appellate Tribunal.

f) For the assessment year 1982-83, the Agricultural Income tax authorities have assessed an amount of Rs. 1,31,29,547/-. As per the appellate order of the Deputy Commissioner (Appeals), this has been reduced to Rs. 1,28,20,234/-. Out of this so far we have paid an amount of Rs. 1,15,00,000/-. The appeal filed before the Agricultural Income Tax Appellate Tribunal is pending disposal.

(g) For the assessment year 1983-84, the authorities have completed the A. I. T. assessment fixing Rs. 1,15,63,643/- as tax payable. Out of this Rs. 60/- lakhs was paid as advance tax and Rs. 27,81,820/- after completing the assessment. We have obtained stay order for the collection of balance tax of Rs. 27,81,823/-. The appeal filed against the assessment order is pending disposal.

(h) For the assessment year 1984-85, the assessment was completed fixing the tax payable at Rs. 2,19,06,294/-. Out of this Rs. 50/- lakhs was paid as advance tax and 50% of the balance tax i.e. Rs. 34,53, 147/- was paid on 13-3-1989. We have obtained a stay order for the balance tax payable i.e. Rs. 84,53,147/-. The appeal filed against the assessment order is pending disposal.

The A. I T. assessments from the assessment year 1985-86 are pending.

The company has paid the following amounts as advance tax towards A. I. T. due for the years shown against them.

Assessment year	Amount paid
1985-86	Rs. 54,81,738
1986-87	48,43,528
1987-88	60,33,927
1988-89	40,32,221

The Company filed appeals against the A. I. T. assessments completed for the assessment years 1977-78 to 1984-85 and the management do not anticipate any additional liability towards the A. I. T. and hence no provision has been made for the additional tax demanded by the A. I. T. officers for the aforesaid years.

8. The terms and conditions under which the Corporation has taken 975 hectares of land covered by Cheemeni Plantations are yet to be determined.

9. Lease deed for lands handed over to the Company since 1970 has yet to be executed excepting the land (Rajapuram estate' handed over for the development of cashew Plantations under the World Bank Scheme.

10. The buildings and buildings under construction shown under Fixed Assets include the cost of building 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 building as per the above rules remain as government property with the loan taken by the Corporation under the scheme is repaid to the Government.

11. Schedule H - Loans and advances includes an amount of Rs 4,36,763/- as deposit with Government Departments. The details of the amount are as follows:-

	1987-88	1986-87
Cochin Port Trust	3,600	3,600
Post & Telegraph Dept.	51,860	51,860
Electricity Board	3,81,303	3,81,303
Total	4,36,763	4,36,763

12. The management of Alacode Estate was entrusted to the PCK Limited from 1974-75, the Govt vide order No. GO (MS) No 1343 dated 4-10-1978 have ordered that theAlacode estate should be taken over by the Corporation for a value of Rs. 32.85 lakhs Pending final decision as to the acceptance of the above valuation, necessary adjustments havenot been made in the accounts to this effect. However we have shown the net expenditure to 31-3-1987 amounts to Rs. 94,84,925.15 has been shown in the Profit and Loss Account for the year separately. The expenditure/income for the year 1987-88 has been included in the Profit & Loss account under the appropriate head of accounts.

13. In making alternate arrangements for the works abandoned by M/s. Encos, the Company incurred an expenditure of Rs. 3,60.000/-. The Government vide order No. 137/81/AD dated 20-4-1981 appointed an Arbitrator for the settlement of this and his decision is awaited.

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

15. The maximum amount of advance under motor car loan to officers during the year was Rs. 2,31,830/- (previous year Rs. 3,25,640/-)

16. The maximum amount of advance under Motor cycle loan to officers during the year was Rs. 2,37,517/- (previous year Rs. 2,40,700/-).

17. During the year, the Company has given certain rubber plantations for slaughter tapping. As per the agreement, the contractors are permitted to remit the amount agreed in instalments. The actual amount received during the year from the contractors are credited to the Profit & Loss Account.

18. The right of collection of cashew nuts from our cashew estates have been given on contract under tender-cum-auction system. As the crop season is from February to June, 40% of the auction amount has been treated as the income for the current year and the balance as income received in advance. However, the income from cashew in rubber estates have been fully credited in the Profit & Loss Account.

19. The depreciation provided in the accounts is at the rates applicable as per Schedule XIV of the Companies Act of 1956.

20. Closing stock of finished goods and work in progress have been valued at the price fixed by the Corporation as on 31-3-1988 less incidental expenses as in the previous year.

21. Managerial remuneration paid/payable to Director.

	Current year	Previous year
a) To the Managing Director		
(i) Salaries ...	... 49,314/-	48,833/-
(ii) Contribution to P. F. and superannuation funds ...	—	5,537/-
(iii) Festival allowance ...	350/-	300/-
(iv) Leave encashment	3,458/-	2.207/-
b) To the Directors other than Managing Director		
(i) Sitting fee	—	100/-
(ii) T. A. to Directors ...	—	8,398/-

Perquisites to Directors:

a) The Managing Director is provided with a car for his official purpose and is charged Rs 150/- p.m. for his private use limiting to 500 Kms. a month. The perquisite in this regard is Rs. 1,800/-

b) The Managing Director has been provided with furnished accommodation charging 10% of the salary and rent in excess of 25% of the salary. The rent paid for the building during the year 1986 87 is Rs. 8,400/- The expenses with regard to the medical treatment are also being paid by the Company.

c) The Chairman Sri. V. T. Thomas, (from 27-0-1987) is being paid an honorarium of Rs. 750/- p. m. He is also provided with a car for his official use and an amount of Rs.150/- p. m. is being deducted for non-official use of the car limiting to 500 ks. per month.

22. Additional information pursuant to the provisions of paragraphs 3 & 4 Part II of Schedule VI to the Companies Act 1956.

	Quantity (Kgs)	1987-88 Value
A. Sale by class of goods as per sales register		
i) Rubber	60,11,203	13,61,27,574/-

ii) Cashaw-quantity particulars are not available as the sales were by tender-cum-auction.

B. Reserves:

The following amounts are set aside towards reserves as shown below:

	Current year	Previous year
i) Replanting reserve	20,00,000/-	7,00,000/-
ii) Rehabilitation reserve	1,36,285/-	1,34,527/-

C. Break up of expenditure incurred on employees who were in receipt of:-

	Remuneration not less than Rs.36,000/- for persons employing throughout the period	Remuneration not less than Rs.3000/- per month for persons employed for part of the year
	1987-88,	1987-88
i) Number of employees	25	2
ii) Salary including allowances	10.55.914.73	73,631.99

D. The Company is of the opinion that since it is an agricultural company and carrying on only operation required for making the produce marketable the provision contained in para 3 (ii) a and 4C of Part II, Schedule VI of the Companies Act, 1956 regarding reporting of information in the case of manufacturing companies are not applicable.

E. Value of imports calculated in CIF basis:

		1987-88	1986-87
i) Raw materials, components and spare parts	...	Nil	Nil
ii) Capital goods	...	Nil	3,69,111.18

F.	Expenditure in foreign currencies	Nil	Nil
G.	Particulars of dividends remitted in foreign exchange ...	Nil	Nil
H.	Earnings in foreign exchange ...	Nil	Nil

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

Managing Director	...	Rs. 1000/-
Chairman	...	-

24. The company has paid to its employees bonus at 8.33% and production incentive at 11.67% as per G.O. (RT) No. 1233/88/AD dated 9-8-1988.

25. Sundry debtors includes the following amounts due from the Company, the equity shares of which are fully owned by the Govt. of Kerala and have treated as Company under the same management.

(i) Trivandrum Rubber Works Limited	...	Rs.1,07,382.14
(ii) Others	...	227.82

26. Previous years figures have been re-grouped/ re-stated wherever necessary to make them comparable with current year figures.

27. The Corporation has received an amount of Rs. 7,22,547.50 as Rubber Board subsidy so far and the Corporation has a contingent liability as the same has to be repaid to the Rubber Board in case the plantation is destroyed of taken for any public purpose.

28. The instalments due and recovered from slaughter tapping contractors have been shown as income of the current year.

29. Gratuity has been provided on the basis of acturial valuation.

30. This year we have transferred an amount of Rs.20,00,000/- towards replanting reserve.

Sd/
For KURYAN & SUSEELAN
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-
V.T THOMAS	**K. SIVAPRASAD**	**M. RV. NAIR**	V.K. KURYAN
Chairman	Managing Director	Secretary	(Partner)

AUDITORS' REPORT TO THE SHARE HOLDERS

We have audited the attached Balance Sheet of the Plantation Corporation of Kerala Ltd., Kottayam as at 31st March 1988 and the Profit and Loss Account for the year ended on that date annexed thereto and report that;

1. 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 enclose in the Annexure, a statement on the matters specified in the said order.

2. Further to our comments in the Annexure referred to in paragraph 1 above and the remarks made elsewhere in this report:-

   a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.

   b) In our opinion proper books of Accounts as required by Law have been kept by the Corporation so far as appears from our examination of such books.

   c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of Account.

   d) In our opinion and to the best of our information and according to the explanation given to us, the said Balance Sheet and the Profit and Loss Account read together with the notes thereon give the information required and give a true and fair view.

   i) In so far as it relates to the Balance Sheet of the State of affairs of the Corporation as at 31st March 1988 and

   ii) In so far as it relates to the Profit and Loss Account of the Profit of the Corporation for the year ended on that date.

3. Agricultural Income-tax assessments have been completed upto the assessment year 1984-85 and the Central Income-tax assessments were completed upto the Assessment year 1986-87. Short provision in respect of the completed assessments is estimated at Rs. 337/- lakhs.

4. Lease Rent at the rate of 615/- per Hectare per annum for 11.713.20 Hectares was increased to Rs. 1,300/- for the period 18/12/87 to 17/12/1990 (G.O. MS-11/89 dated 20/1/89) Lease Rent at the above rate for 87/88 will come to Rs. 94,89,777.50. Against this, the Corporation has provided only Rs. 70,97 834 43 for the year 1987/88. Short provision for the year is Rs. 23,91,943.10. Estimated amount of such short provision excluding interest if any payable for the financial years 81/82 to 84/85 is Rs. 102 lakhs.

5. No provision has been created for doubtful debts. Estimated amount of doubtful debts is Rs. 14.1 lakhs.

6. In the absence of confirmation from the Government of Kerala we are not able to verify the correctness of the balance due to the Government under loan account and interest provided thereon.

7. The registeres showing the location. nature and extent of free hold and lease hold lands of the Corporation have not been produced for our verification.

8. The Corporation has a loan of Rs. 24,86,800/- from Syndicate Bank secured by a first charge on the buildings, machinery furniture, standing crops etc. But this charge is not registered with the Registrar of Companies.

9. In the absence of confirmation of balances under Sundry Debtors, Sundry Creditors, Government Loans, Other Loans, advances and deposits we are not able to verify the correctness of these balances.

10. During the year 1986/87 the Corporation has given certain rubber plantations for slaughter tapping for the period 20/3/86 to 19/3/88 for a total contract price of Rs. 40,01,600/- Amount attributable to 1987/88 on time basis will come to Rs. 18,58:638/- Like wise the total contract price for slaughter tapping during the year 1987/88 for the period 3/3/87 to 28/2/89 is Rs. 69,38,550/- Amount attributable to 1987/88 on time basis will come to Rs. 34,69,275/- Total revenue under this head is Rs. 53,27,913/- Against this the Corporation has accounted only Rs 45,01,060/- being the instalments actually received. The extent of revenue understated is Rs. 8 26 853/-

11. The Corporation has not furnished a consolidated reconciliation statement showing the quantitative particulars of agricultural produce, manure, chemicals, stores and spares either produced/acquired and sold/consumed.

12. We are of opinion that internal checks and internal control over debtors ledger in the Sales Department and its control account in general Ledger are not adequate.

For KURYAN & SUSEELAN
Chartered Accountants
Sd/-
V. K. KURYAN
(Partner)

Kottayam,
20-2-1990

ANNEXURE REFERRED TO IN PARA 1 OF THE AUDITORS' REPORT

(i) The Corporation has, except for those registeres referred to in (Para 7) of our report concerning free hold and lease hold lands, maintained proper records to show full particulars including quantitative details and situation of Fixed Assets. The Management has confirmed that fixed assets have been physically verified by them and we were informed that the discrepancies noticed were not significant.

(ii) None of the Fixed Assets have been re-valued during the year.

(iii) Subject to our observation in (Para 11) of our report, stock of finished goods, stores, spare parts, loose tools and other items have been physically verified by the management at the close of the year and the management confirm that discrepancies noticed on verification between the physical stock and the book records have been properly dealt with in the books of accounts. The valuation of the above mentioned stocks is fair and proper and in accordance with normally accepted accounting principles and is on the same basis as in the previous year.

(iv) The Corporation has not availed by loans either secured or unsecured from Companies, Firms or other parties listed in the registers, maintained under Sections 301 and 370 (ic) and from Companies under the same management.

(v) In respect of loans and advances in the nature of loans given by the Corporation, parties have except in the case of Oil Palm India Ltd. and in some cases in respect of employees, repaid the principal amounts and have also been regular in the payment of interest wherever applicable in accordance with the terms and conditions laid down by the Corporation.

(vi) In our opinion and according to the information and explanations given to us there is adequate internal control procedure commensurate with the size of the Corporation and nature of its business for the purchase of stores, plant and machinery equipment and other assets. However the internal control procedure in respect of collection and procurement of agricultural produce and their processing at factories and the despatch is not satisfactory.

(vii) According to the information given to us the Corporation has not made any purchase of stores, raw materials or components from subsidiaries firms or companies or other parties in which the directors are interested as listed in the Register, in respect of contracts and arrangements maintained under Section 301 of the Companies Act 1956 except as provided under Section 297 (2) of the Act

(viii) As explained to us, unserviceable or damaged stores and raw materials are determined by the Management and adequate provisions have been made in the accounts for loss so determined.

(ix) The Corporation has not accepted any deposits from the public.

(x) According to the information giyen to us the Corporation has maintained records for the sale and disposal of scrap and realisable by-products. However the system of maintenance of records in respect of generation of such by-products and scraps is not satisfactory.

(xi) The Corporation has an Internal Audit System commensurate with the size and nature of the business.

(xii) Maintenance of cost records u/s. 209(1) (d) of the Companies Act is not applicable to the Corporation.

(x!ii) According to the records of the Corporation, Provident Fund dues have generally been regularly deposited with authorities though there has been slight delay in few cases. It is informed that small amounts which remain unpaid inadvertently, were paid subsequently.

For **KURYAN & SUSEELAN**
Chartered Accountants

Sd/-
V. K. KURYAN
(Partner)

Kottayam,
20-2-1990.

REPLIES TO THE REPORT OF THE STATUTORY AUDITORS ON THE ACCOUNTS FOR THE YEAR ENDED 31-3-1988.

3. Against completed assessments the Company has filed appeal before the Higher Authorities as certain expenditure which were usually allowed as per previous assessments were disallowed by the assessing authority. As this appeals have not been finally disposed off no provision has been made for the additional amount of tax assessed.

4. As the increase in the rate of lease rent was unilateral we have already requested the Government of Kerala to reconsider the matter and to reduce the lease rent rates.

5. Company has not considered any debt as doubtful. Hence no provision has been made against this.

6. The Corporation is maintaining an updated register for the different loans taken from the Government of Kerala. Being a Government Company there is no necessity for obtaining such confirmation from the Government.

7. All available records and deeds have been shown to the auditors. Action is being taken to prepare an updated register.

8. No assets of the Corporation has been hypothecated for the said loans. Hence we have not registered the charge with the registrar of the Companies. Further we have already repaid the loan in full during the subsequent year.

9. Noted.

10. As some of the contractors are not regular in paying the instalments in time we have accounted only the amount actually received during the financial year.

11. The Corporation is maintaining proper records of different items of stores received and issued in the various estates and Units.

12. Noted.

GOVERNMENT OF KERALA

No. 23383/PUB1/90/Fin. Finance Department.

Comments of the Commissioner & 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 31-3-1988.

> "It is noticed that eventhough the sales turn over of rubber during 1987-88 has registered an increase of about 20% from the previous years level (From Rs. 11.28 crores to Rs. 13.61 crores) the expenditure under staff salary, for the corresponding period has shot up by 36%. (From Rs. 1.11 crores to Rs. 1.51 crores) abnormal increase in expenses is also noticed under 'Tapping and collection of Rubber' (Rs. 40 lakhs) and 'Manufacturing and selling expenses' (Rs. 27 lakhs) all these have resulted in only a meagre profit of Rs. 4. lakhs during the year. If the short provision of Rs. 23.92 lakhs under lease rent is also taken into account, the Corporation would have closed the year 1987-88 with a net loss of about Rs. 20 lakhs".

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

Trivandrum,
19-5-1990.

REPLY TO THE COMMENTS OF THE COMMISSIONER AND SECRETARY (FINANCE) TO THE GOVERNMENT ON THE ACCOUNTS FOR THE YEAR ENDED 31-3-1988

"NOTED"

COMMENTS OF THE CONTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT 1956 ON THE ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED FOR THE YEAR ENDED 31st MARCH 1988

1. Balance Sheet

Liabilities

1.1 Reserve and Surplus (Schedule A) Profit and Loss Account: Rs. 32.03 Lakhs

This is overstated by Rs. 2.95 lakhs being the over valuation of closing stock of centrifuged latex due to inclusion of the value of packing drums already accounted under stores and spares.

Assets

1.2 Current Assets Loans and Advances

Loans and Advances (Schedule H)

Agriculture Income Tax; Rs. 274. 23 lakhs

This includes Rs. 101.64 lakhs being the agricultural income tax paid for the assessment years 1978-79, 1980-81 and 1982-83 as per the assessment completed. As the amount paid has not been adjusted, the Agricultural tax payable (Rs.413.99 lakhs) is overstated correspondingly.

2 Profit and Loss Account Expenditure

2.1 Net Profit Rs.4.03 lakhs

This is overstated by Rs.5.11 lakhs due to non adjustment of the value of 60,000 Kgs of dry rubber destroyed in fire accident in February 1987. The Profit should therefore, turn out to a loss of Rs. 1.08 lakhs.

2.2 Income

Other receipts

Interest on treasury depoist and bank balance Rs. 14. 16 lakhs

This includes Rs. 1 . 53 lakhs being the gross amount of interest received on treasury savings bank deposit out of which Rs. 0. 30 lakh was deducted at source towards income tax. This has not been disclosed as required under item 3 (xi) C of Part II of Schedule VI to the Companies Act, 1956.

3 General

3.1 The Company paid an amount of Rs. 6 04 lakhs towards plantation tax for the year 1987-88 under protest and the appeal given by the Company is pending decision of the Board of Revenue. The Company has not disclosed the fact in the accounts.

3.2 A reference is invited to items 22A, 22C and 23 of the notes attached to the Balance Sheet and Profit and Lose Account. The previous year's figures have not been given therein as required under item 6 (1) of Part II of Schedule VI to the Companies Act, 1956.

3.3 The information viz. the value of imported raw materials spare parts and coponents consumed and the percentage of each to the total consumption as required under Part II of Schedule VI to the Companies Act 1956 has not been furnished.

Sd/-
ACCOUNTANT GENERAL (AUDIT) II
KERALA

Thiruvananthapuram
Dated 7-8-1990

REPLIES TO THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT 1956 ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1988

1 Balance Sheet

Liabilities

1.1 Noted

Assets

1.2 Noted

2 Profit and Loss Account Expenditure

2.1 The actual extent of loss was ascertained only subsequently. Necessary adjustments have been made in the accounts for the year 1988-89.

2.2 Income

Noted

3 General

3.1 The Plantation tax of Rs 6.04 lakhs was paid only during october 1988 after the accounts for the year 1987 was finalised. In the opinion of the Company, we are not legally liable to pay the additional piantation tax demanded by the RDO, Adoor. The amount was paid under protest since the District Collector has rejected our appeal and stay petition. We have already filed an appeal before the Board of Revenue. The appeal is pending disposal. As such we have not provided the amount in the accounts for 198-88

3.2 Noted

3 3 Noted for future compliance.