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THE PLANTATION CORPORATION OF KERALA LTD.

ANNUAL REPORT 2007 - 2008

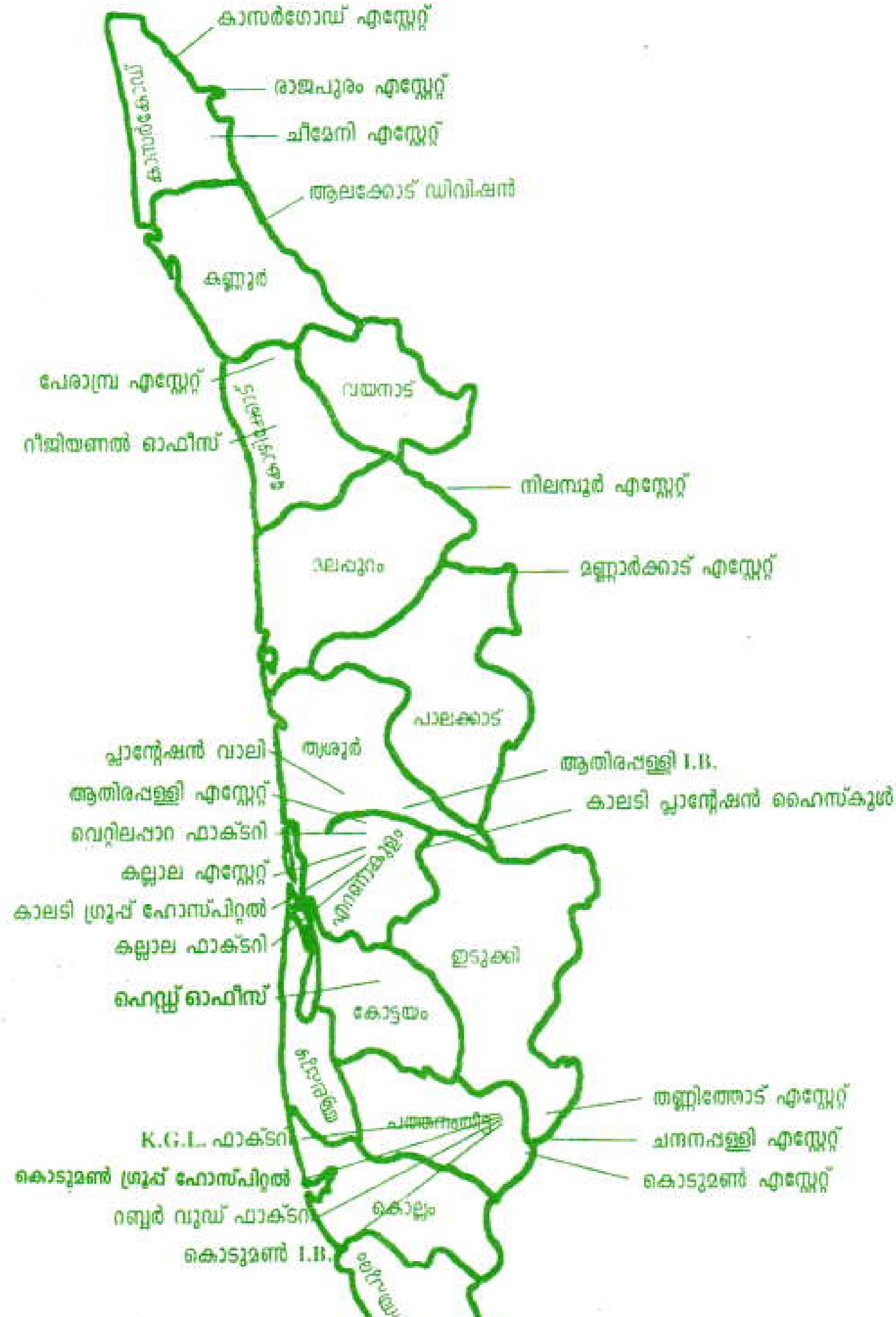
THE PLANTATION CORPORATION OF KERALA LTD. KOTTAYAM - 686 004

(An ISO 9001-2000 Certified Company)

Regd. Office	:	Kottayam - 686 004
Grams	:	Plantcorp
Fax MD	:	0481-2575133 Fax: 0481-2578448 0481-2578254
E-mail	:	pckltd@dataone.in md@pcklimited.com gmfa@pcklimited.com
Website	:	www.pcklimited.com www.pcklimited.org www.plantationvalley.com
Phone (0481)	:	2578301, 2578302, 2578303 2578304, (EPABX), 2578306 2578349, 2578194, 2578164 2578763, 2578254, 2578294

46th Annual Report 2007-2008

LOCATION OF VARIOUS UNITS OF PLANTATION CORPORATION



BOARD OF DIRECTORS

Sri.T.J.Anjalose, Ex.M.P.
Chairman (From 10.8.2006)

Sri.V.R.Padmanabhan, IAS
Director (From 15.3.2008)

Sri.K.Babu
Director (From 27.11.2007)

Sri.K.V.Krishnan
Director (From 31.8.2006)

Sri.C.K.Unnikrishnan
Director (From 4.11.2006)

Sri.K.V.Babu
Director (From 25.6.2007)

Sri.K.K.Raghavan
Director(From 12.6.2007 to 22.12.2007)

Smt.M.G.Girija
Director (From 3.11.2006 to 15.05.2007)

Sri.Babu Thomas
Managing Director (From 7.11.2006)

Sri.V.K.Sinha IFS
Director (From 12.6.2007)

Sri.V.P.Kunjappan
Director (From 14.2.2008)

Sri.P.N.Prabhakaran
Director (From 4.11.2006)

Sri.Vijayan Kunissery
Director (From 25.6.2007)

Sri.E.K.Prakash
Director (From 15.5.2007 to 27.11.2007)

Smt.M.Albertin
Director (From 15.3.2007 to 15.3.2008)

Company Secretary
Ajith John

Auditors
M/s.Koshi & Mani
Chartered Accountants
Kottayam

Internal Auditors
M/s. Kolath & Co.
Chartered Accountants
Ernakulam

Contents

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 46th Annual General Meeting of the Corporation will be held on Tuesday, the 23rd September 2008 at 11.30 AM at the Registered Office of the Corporation at Muttambalam (PO), Kottayam -4 to transact the following business;

(1) To receive, consider and adopt the audited Balance Sheet as at 31st March 2008 and Profit and Loss Account for the year ended on that date, the reports of Directors and Auditors thereon.

(2) To consider declaration of dividend on equity shares.

(3) To record the appointment of Directors by the Governor of Kerala in place of Directors retiring at the Annual General Meeting under Article 63(2) of the Articles of Association.

The following Directors retire and are eligible for re-appointment.

1. Sri.V.R.Padmanabhan, IAS
2. Sri.V.K.Sinha, IFS
3. Sri.K.Babu
4. Sri.V.P.Kunjappan
5. Sri.P.N.Prabhakaran
6. Sri.K.V.Krishnan
7. Sri.C.K.Unnikrishnan
8. Sri.Vijayan Kunissery
9. Sri.K.V.Babu

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

By Order of the Board,
For THE PLANTATION CORPORATION OF KERALA LTD

Sd/-

Kottayam
26-08-2008

AJITH JOHN
Company Secretary

Note:-

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. A form of proxy is attached. A proxy Form must be returned duly completed to reach the office not less than 48 hours before the meeting.
2. Directors' report, Auditors' report, audited profit and loss account for the year ended 31st March 2008 and Balance Sheet as on that date are also seen attached herewith.

DIRECTOR'S REPORT FOR THE YEAR 2007-08

Gentlemen,

Your Directors have pleasure in presenting the 46th Annual Report of the Corporation for the year ended 31st March,2008.

OPERATING RESULTS

Particulars	2007-08 (Rs.in Lakh)	2006-07 (Rs. in Lakh)
Sales	5257.91	5030.88
Stock Differential	9.77	196.89
Other Income	830.65	58.83
Net Revenue after adjusting stock differential	6098.33	5286.60
Manufacturing and Operating Cost	3806.02	3186.36
Depreciation	64.82	59.06
Provision for Gratuity	840.18	900.23
Tax Provision	108.18	33.00
Net Profit before Taxation	1387.31	1140.95

DIVIDEND

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

TERM LOAN

The Corporation had availed a loan from Government of Kerala for investment in Oil Palm India Limited. The said loan has been cancelled by the Government of Kerala when the subsidiary status of Oil Palm India Limited was terminated. The balance outstanding in the loan account was Rs.32,61,222.00 as on 31-03-1996. This was transferred to Capital Reserve Account.

Subsequently as per letter no.L11(1) 15099/84 dated 24-11-1999 Director of Agriculture has requested to remit an amount of Rs.62,75,140.00 as shown below:

Principal	-	Rs.32,61,222.00
Interest	-	Rs.28,67,382.00
Penal Interest	-	Rs. 1,46,536.00
		Rs.62,75,140.00

The Company had requested Government of Kerala for exemption from the above payment considering the serious financial crisis faced by the Company and also on the contention that the entire loan of Rs.112.00 lakhs was already cancelled by the Government of Kerala as per G.O.(MS) No.239/83/AD dated 04-08-1983.

The above request was not considered by the Government. Government ordered to convert the amount of Rs.62,75,140.00 as Share Capital of Government.

The matter was again placed before the Board and the Board has authorized Managing Director to present the case again with the Government considering the present financial position of the Corporation. The request made by the Managing Director is pending at Government level.

The penal interest for delayed remittance of some earlier loan installments and interest is due to Government of Kerala. In earlier years when the Corporation was meeting its working capital requirements with overdraft facilities the loan installments and interest could not be remitted in time.

The corporation had availed a Kissan Credit Overdraft from Canara Bank for a period of three years after mortgaging the land and property at Kasaragode and Vadavathoor (Kottayam) and hypothecation of standing crops. The overdraft limit was valid till 28/11/2007 at an interest of 11.50%. As on 31-03-2007 there is no balance outstanding under Kissan Credit facility.

Canara Bank vide letter no.CR/679/234/02 dated 07/05/2002 had also sanctioned a Term Loan of Rs.14.78 crores at an interest rate of 14.75% in addition to Rs.6.90 crores already availed under Kissan Credit Scheme.

Government has also vide G.O.(MS) 21/2003/AD dated 27.01.03 accorded sanction for availing a loan of Rs.21.68 crores (including Rs.6.9 crores already accorded) from Canara Bank. During the year 2007-08 the loan has fully repaid and there is no outstanding balance. So there is no Government Guarantee outstanding for the year ended 2007-08. The matter is informed to Government also.

AGRICULTURAL INCOME TAX

The assessment of Agricultural Income Tax has been completed upto the financial year 2004-05. For the completed assessment the company has filed appeals before the higher authorities which are pending for disposal.

SALES

Rubber

During the year 2007-08 the value of rubber sold was Rs.4581.67 lakhs as against value of Rs.4372.77 lakhs in 2006-07.

Cashew

During the year 2007-08 the amount received on sale of cashew nuts was Rs.417.88 lakhs as against Rs.423.89 lakhs in 2006-07

PRODUCTION

Rubber Estates

There are seven Rubber estates under the management of the Corporation, which are located in the Districts of Pathanamthitta (Kodumon, Chandanappally & Thannithode Estates), Ernakulam (Kallala & Adirappally Estates), Malappuram (Nilambur Estates), Kozhikode (Perambra Estate).

Cashew Estates

There are four cashew estates viz. Kasaragod, Rajapuram and Cheemeni in Ksaragod District and Mannarghat Estate in Palakkad District

Factories

P C K has 3 major Rubber Processing Factories and one Rubber Wood Factory

(a) Kodumon Group Latex Factory in Pathanamthitta
(b) Kallala Centrifuge Factory situated in Ernakulam District
(c) Vettilappara Crumb Rubber Factory situated in Ernakulam
(d) Rubber Wood Factory – Kodumon situated in Pathanamthitta District.

Rubber Production

The production target was 5915 MTs and the achievement was 4868.395 MT (82.31%) during 2007-08.

Now in Kodumon Estate, the D4 system has been changed into D3 system of tapping. There is a proposal to bring the entire area where D4 system is applied to D3 system.

Cenex

We have produced cenex 3186.784 MT (DRC) during the period of 2007-08 (KGL Factory – 1818.013 MTs and Kallala Factory – 1368.771 MTs)

Rubber Wood Factory

Now the Rubber Wood Factory is operating on commercial lines and it is running in cash profit.

Oil Palm Plantations

We have harvested 3985.635 MTs of Oil Palm F F B during the year 2007-08.

NEW ACTIVITIES

1. Civil Works have been started on new centrifuge latex factory at Kodumon.
2. The company has been recommended for ISO 9001-2000 certification by NQA.
3. Training Schools have been started at Kodumon and Kalady Groups for giving induction level training to workers.
4. Rubber cultivation has been started on an experimental basis at Kasaragod estate.

INDUSTRIAL RELATIONS

The industrial relations during the period 2007-08 remained cordial and peaceful.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES AND OUTGO

The information required under Section 217(1)(e) of the Companies Act 1956 is given in the Annexure – I of the Report.

PARTICULARS OF EMPLOYEES

Particulars under Section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of employees) Rules 1975 as amended is not provided since none of the employees falls in that limit.

DIRECTOR'S RESPONSIBILITY STATEMENT (AS PER SECTION 217(2AA) OF THE COMPANIES ACT 1956)

(i) In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures wherever applicable.

(ii) We had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit or loss of the company for that period.

(iii) We had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act so as to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) The annual accounts are prepared on a going concern basis.

DIRECTORS

The details of Board of Directors including changes that taken place during the period under report is given in Annexure – II

CORPORATE GOVERNANCE

The report on Corporate Governance is given in Annexure – III

AUDITORS

M/s Koshi & Mani, Chartered Accountants, Kottayam were appointed by Comptroller and Auditor General of India as the Auditors of the company for the year 2007-08.

ACKNOWLEDGEMENT

Your Directors are grateful to the Government of Kerala, Rubber Board, Canara Bank, S.B.T, Corporation Bank, Syndicate Bank and North Malabar Gramin Bank and others for the continued support during the year under review.

Your Directors wish to place on record their deep sense of appreciation of the devoted service rendered by the Executives, Staff and Workers of the Corporation.

For and on behalf of the Board of Directors

Sd/-

Kottayam
25.08.08

T.J.Anjalose
Chairman

ANNEXURE – I

Statement under Section 217(1) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken	Nil
(b) Additional investment and proposals; if any being implemented for reduction of energy	Nil
(c) Impact of the measures (a) and (b) above for reduction of energy consumption and subsequent impact on the cost of production of goods	Due to efforts taken during the previous years in getting steady electric supply, the production cost is reduced.
(d) Total energy consumption per unit of Production	Not applicable

FORM – B

(See Rule 2)

Form of Disclosure of particulars with respect of absorption (to the extent applicable)

Research and Development		Nil
(e) Activities relating to export initiatives taken to increase exports development of new export market for new products and services and export plans		Nil
(f) Total foreign exchange used and earned		
	Used	61.95 lacs (INR) (Previous year nil)
	Earned	Nil

ANNEXURE – II

Details of Directors including changes taken place during the year ending 31-03-2008

Sl No.	Name	Address	Date of Appointment
1	Sri.T.J.Anjalose (Chairman)	Thyil House, Pollathai P.O. Alleppey- 688 567	10.08.2006
2	Sri.Babu Thomas (Managing Director)	TC VII/1069, Vattiyoorkavu P.O Trivandrum- 695 013	07.11.2006
3	Sri.V.R.Padmanabhan,IAS	Secretary to Government, Agriculture Dept., Government of Kerala	15.3.2008
4	Sri.V.K.Sinha, IFS Director	Additional Principal, Chief Conservator of Forests (Plg.), Forest Headquarters, Vazhuthacaud, Thiruvananthapuram	12.6.2007
5	Sri.K.Babu Director	Additional Secretary, Finance Dept.,Government of Kerala	27.11.2007
6	Sri.V.P.Kunjappan Director	Joint Rubber Production Commissioner Rubber Board, Kottayam	14.2.2008
7	Sri.K.V.Krishnan Director	Kochunilayam, Ravaneshwar Pallikkara, Kasaragode	31.08.2006
8	Sri.P.N.Prabhakaran Director	Pullolil, Kanjirappally - 686627	04.11.2006
9	Sri.C.K.Unnikrishnan Director	Leela Vilasom, Chowara, Ernakulam- 683571	04.11.2006
10	Sri.Vijayan Kunissery Director	Pranamam, Pooja Nagar Puthur, Palakkad-678 001	25.6.2007
11	Sri.K.V.Babu Director	Kundu Valappil, Vellore P.O. Payyannur, Kannur	25.6.2007
12	Smt.M.Albertin Director	Dy. Secretary, Agriculture Dept..Government of Kerala	15.3.2007 to 15.03.2008
13	Sri.E.K.Prakash Director	Additional Secretary, Finance Department, Government of Kerala	15.5.2007 to 27.11.2007
14	Sri.K.K.Raghavan Director	Joint Rubber Production Commissioner (Extension), Rubber Board, Kottayam	12.06.2007 to 22.12.2007
15	Smt.M.G.Girija Director	Add.Secretary, Finance Department, Government of Kerala	03.11.2006 to 15.05.2007

ANNEXURE – III

REPORT ON CORPORATE GOVERNANCE

During the period 2007-08, meetings of the Board of Directors were convened as per Section 285 of the Companies Act, 1956. The details regarding number of Board meetings held during the period 2007-08 and meetings attended by the Directors are as follows:

Year	Name/Category of Director	Total number of Board meetings held in the year	Total number of meetings attended by the Directors	Total number of meetings required to be attended	Whether AGM attended by the Director
2007-08	A) FUNCTIONAL DIRECTORS	NA	NA	NA	NA
	B) GOVERNMENT DIRECTORS				
	1. Sri.Babu Thomas	13	13	13	Yes
	2. Sri.V.R.Padmanabhan, IAS	13	0	1	NA
	3. Sri.V.K.Sinha, IFS	13	4	12	No
	4. Sri.K.Babu	13	1	4	NA
	5. Sri.V.P.Kunjappan	13	1	2	NA
	6. Smt.M.Albertin	13	10	12	Yes
	7. Sri.E.K.Prakash	13	3	8	No
	8. Sri.K.K.Raghavan	13	4	8	No
	9. Smt.M.G.Girija	13	1	1	NA
	C) POLITICAL DIRECTORS				
	1. Sri.T.J.Anjalose	13	13	13	Yes
	2. Sri.K.V.Krishnan	13	9	13	Yes
	3. Sri.P.N.Prabhakaran	13	11	13	No
	4. Sri.C.K.Unnikrishnan	13	13	13	Yes
	5. Sri.Vijayan Kunissery	13	8	12	No
	6. Sri.K.V.Babu	13	12	12	Yes

THE PLANTATION CORPORATION OF KERALA LTD.,
KOTTAYAM - 4.
BALANCE SHEET AS AT 31st MARCH 2008

Previous Year Rs. Ps.	LIABILITIES		Current Year Rs. Ps.
	SHARE CAPITAL		
75000000.00	Authorised - 75000 Equity Shares of Rs. 1000/- each		75000000.00
55688000.00	Issued - 55688 Equity Shares of Rs. 1000/- each		55688000.00
55688000.00	Subscribed, called up and paid up - 55688 Equity Shares of Rs. 1000/- each (Of the above shares, 12182 shares are allotted as fully paid up pursuant to a contract without payments being received in cash)		55688000.00
302573712.60	**RESERVES & SURPLUS (Sch. A)**		433120170.65
-548084.22	**SECURED LOANS (Sch. B1)**		0.00
	UNSECURED LOANS		
4820960.51	From Govt. of Kerala for Estate Development Interest accrued and due		4820960.51
	CURRENT LIABILITIES & PROVISIONS		
	a. Current Liabilities - Sch. B	293607621.52	
528335715.36	b. Provisions - Sch. C	336330916.07	629938537.59
	ACCOUNTING POLICIES & NOTES TO ACCOUNTS		
	a. Accounting Policies - Sch.J		
	b. Notes forming Part of Accounts - Sch. K		
890870304.25	**TOTAL**		**1123567668.75**

As per our report of even date
For KOSHY & MANI
Chartered Accountants

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

Sd/-
R Krishnamoorthy
G.M. (F&A)

Sd/-
Ajith John
Secretary

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

Kottayam
10.07.2008

THE PLANTATION CORPORATION OF KERALA LTD.,
KOTTAYAM - 4.
BALANCE SHEET AS AT 31st MARCH 2008

Previous Year Rs. Ps.	ASSETS		Current Year Rs. Ps.
	FIXED ASSETS		
428367497.04	a) Plantations - Sch. D		433118963.92
	b) Plant & Machinery,Roads,Buildings etc. - Sch. E	84146506.71	
77420766.60	c) Capital Work in Progress	1003160.80	85149667.51
	INVESTMENTS		
15001000.00	In Shares (at cost) - Sch. F		15001000.00
	CURRENT ASSETS, LOANS & ADVANCES		
	a. Current Assets - Sch. G	500409367.06	
370081040.61	b. Loans & Advances - Sch. H	89888670.26	590298037.32
890870304.25	**TOTAL**		**1123567668.75**

As per our report of even date
For KOSHY & MANI
Chartered Accountants

For and on behalf of Board of Directors

Sd/- T.J Anjalose Chairman	Sd/- Babu Thomas Managing Director	Sd/- R Krishnamoorthy G.M. (F&A)	Sd/- Ajith John Secretary	Sd/- C.A. Thomas Mani (Partner) M.No.20015

Kottayam
10.07.2008

THE PLANTATION CORPORATION OF KERALA LTD.,
KOTTAYAM - 4.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

Previous Year Rs. Ps.	EXPENDITURE	Current Year Rs. Ps.
32628353.00	To Opening Stock - Rubber and Agrl. Products	52317847.34
159069.00	To Purchase of Latex from Union	154297.00
27692770.11	To Manufacturing Expenses	27402688.75
15353898.50	To Electricity Charges	18797243.00
17068526.00	To Lease Rent	17051233.00
62137696.85	To Tapping & Collection - Rubber	65582143.14
2533804.72	To Collection Charges - Cashew	2966859.03
2046416.00	To Harvesting Expenses - Oil Palm	1935223.00
55233743.93	To Salaries & Allowances	63569372.57
369120.00	To Salaries & Allowances to MD	708687.00
17355.00	To Honorarium to Chairman	24000.00
128480.00	To TA & Sitting Fee to Directors	250391.50
3867679.10	To Leave Encashment	4936710.00
20349745.64	To Employer's Contribution - PF	18448041.00
1461659.73	To TA to Staff & Officers	1880378.18
0.00	To L I C - Group Gratuity	29923252.00
20474737.46	To Welfare Expenses - Sch. III	22352536.22
21834411.78	To Bonus & Production Incentive	25015153.17
20700150.54	To Cultivation & Upkeep - Rubber	17767265.97
13037201.94	To Cultivation & Upkeep - Cashew	15668401.56
3411531.00	To Cultivation & Upkeep - Oil Palm	3631202.50
385010.00	To Cultivation & Upkeep - Other Crops	3349508.84
15027319.39	To Rep. & Maintenance of Assets - Sch. I	20641302.27
643940.00	To Insurance Charges	672951.00
345070.56	To Selling Expenses	201589.00
138338.00	To Rent	177703.20
1387457.90	To Advertisement Charges	2351688.30
1073837.67	To Interest & Bank Charges	445788.16
1877905.93	To Rates & Taxes	4079257.65
239364.00	To Rates & Taxes - Fringe Benefit	0.00
1130302.00	To Legal Expenses	939971.50
2606329.47	To Security Expenses	3364017.91
394400.00	To Remuneration to Auditors	554900.00
3043452.09	To Miscellaneous Expenses - Sch. II	4077294.87
42707.00	To Guarantee Commission	0.00
90023392.00	To Provision for Gratuity	84018450.00
	To Provision for Doubtful Debts	513739.11
5905749.93	To Depreciation	6482137.62
631649.94	To Net Loss - Rubber Wood Factory - Schedule - IV	406799.33
1790548.26	To Net Loss - Plantation Valley - Schedule - V	759777.53
121876086.36	Net Profit c/d to P & L Appropriation A/c.	138730958.05
	EPS : 2306	
	Nominal Value : 1000	
569069210.80	**TOTAL**	**662150760.27**

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John
Chairman	Managing Director	G.M. (F&A)	Secretary

Kottayam
10.07.2008

As per our report of even date
For KOSHY & MANI
Chartered Accountants

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

THE PLANTATION CORPORATION OF KERALA LTD.,
KOTTAYAM - 4.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

Previous Year Rs. Ps.	INCOME		Current Year Rs. Ps.
	By Sales		
437277460.34	Rubber	458167383.28	
42389543.06	Cashew	41788057.38	
18934235.00	Oil Palm	18292502.00	
1844638.39	Agricultural Produce	1456108.50	
2106709.00	Trees & Firewood	5671850.78	
89810.00	Tender Forms	143250.00	
445185.00	Empties & Unserviceables	271530.00	525790681.94
	By Interest		
555867.03	From Contractors & Customers	102561.00	
3284112.00	From Banks & Treasury	25327940.00	
52237.60	From Staff Loans	10918.00	25441419.00
	By Other Income		
210326.00	Rent of Building	248231.00	
27802.00	Profit on Sale of Assets	174365.32	
500000.00	Dividend Received	309040.00	
1216798.15	Miscellaneous Income	2082094.41	
7780529.89	Prior Period Income	1439318.00	
	Slaughter Tapping	53370473.00	
36110.00	Inter Crops		57623521.73
	By Closing Stock of Finished Goods & W.I.P.		
48370698.00	Rubber	51999829.00	
3803942.94	Cashew	1199474.10	
143206.40	Other Agricultural Produces	95834.50	53295137.60
569069210.80	**TOTAL**		**662150760.27**

For and on behalf of Board of Directors

Sd/- T.J Anjalose Chairman	Sd/- Babu Thomas Managing Director	Sd/- R Krishnamoorthy G.M. (F&A)	Sd/- Ajith John Secretary

As per our report of even date
For KOSHY & MANI
Chartered Accountants

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

Kottayam
10.07.2008

THE PLANTATION CORPORATION OF KERALA LTD.,

KOTTAYAM - 4.

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

Previous Year Rs. Ps.		Current Year Rs. Ps.	Previous Year Rs. Ps.		Current Year Rs. Ps.
51788802.64	To Balance as per last		121876086.36	By Net Profit as per P & L A/c.	138730958.05
	Balance Sheet	0.00			
3300000.00	To Tax Provision - C I T	10000000.00		By Balance as per last Balance Sheet	66787283.72
	To Tax Provision - F B T	341912.00			
	To Transferred to General Reserve	12838904.00			
	To Transferred to replanting reserve	8700000.00			
	To Provision for Dividend	2784400.00			
	To Provision for Dividend Tax	473209.00			
66787283.72	To Net Profit transferred to	170379816.77		Balance Sheet	
121876086.36	**TOTAL**	**205518241.77**	**121876086.36**	**TOTAL**	**205518241.77**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

Kottayam
10.07.2008

SCHEDULE - F

INVESTMENTS AS ON 31-03-2008

Previous Year Rs. Ps.		Current Year Rs. Ps.
	In shares of companies (unquoted) :	
1000.00	a) 10 Equity shares of Rs. 100/- each fully paid up in Banana & Fruit Development Corporation Ltd., Madras	1000.00
10000000.00	b) 1000 Equity Shares of Rs. 10,000/- each fully paid up in Kerala Feeds Ltd., Kallettumkara, Trichur.	10000000.00
5000000.00	c) 5,00,000 Equity shares of Rs. 10/- each fully paid up in Cochin International Airport Ltd., Nedumbassery.	5000000.00
15001000.00	**TOTAL**	**15001000.00**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

SCHEDULE - G

CURRENT ASSETS AS ON 31-03-2008

Previous Year Rs. Ps.			Current Year Rs. Ps.
	A. INVENTORIES		
13969807.68	1. Stores and Spares at cost	23493838.62	
3308231.16	2. Loose Tools	4131272.03	
541213.07	3. Agricultural and Other Equipments	648892.04	
48370698.00	4. Stock of Rubber & Rubber in Process	51999829.00	
0.00	5. Stock of Rubber Wood	798764.53	
3803942.94	6. Stock of Cashew Nuts	1199474.10	
143206.40	7. Closing Stock - Others	95834.50	
	8. Nurseries :		
1350361.94	Cashew	2616767.84	
171857.64	Budwood - Rubber	512442.03	
410110.00	Oil Palm	249786.00	
1671635.93	Polybag - Rubber	5130631.50	
205739.00	Rubber Seedlings	1005178.09	
9824.20	Other Nurseries	9969.20	91892679.48
8281193.74	**B. SUNDRY DEBTORS (Unsecured considered good):**		
	Exceeding six months	279779.15	
	Others	8748069.07	
	Less: Provision for Doubtful Debts	513739.11	8514109.11
	C. CASH & BANK BALANCES:		
	a. Stamp & Stamp Papers		
	b. Cash Balance		
	c. Bank Balances:		
	1) With Scheduled Banks		
9203028.60	in Current Accounts	14038680.47	
5911.00	2) With Treasury S.B. A/c.	7067.00	
40000000.00	3) F.D with Bank	132447231.00	
163188400.00	4) F.D with Treasury	253509600.00	400002578.47
294635161.30	**TOTAL**		**500409367.06**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

SCHEDULE - H

LOANS & ADVANCES AS ON 31-03-2008

Previous Year Rs. Ps.			Current Year Rs. Ps.
	1. SECURED (Considered Good)		
	STAFF LOAN:		
54700.00	1) Motor Car Loan	54700.00	
131774.10	2) Motor Cycle Loan	88494.10	
391689.60	3) Housing Loan	278034.60	421228.70
	2. UNSECURED (Considered Good)		
2500000.00	2. K.S.C.H.D.C.	2500000.00	
15000000.00	3. K.S.H.D.C.	15000000.00	
14674917.82	b) Advances recoverable in cash or kind for value to be received.	29040688.41	
	c) Advance payment of taxes:		
2153027.90	1. Sales tax	709482.18	
7869275.00	2. Agricultural Income tax	7869275.00	
22485014.00	3. Central Income tax	19913142.00	
191356.84	d) Prepaid expenses		
	e) Tax refund due :		
36353.00	1. Income tax	4718624.00	
5082748.18	2. Agricultural Income tax	5082748.18	
1385583.37	3. Plantation tax	697620.29	
258205.25	f) Rebate receivable on Govt. Loan (Inclusive of Guarantee Commn. Refund due)	258205.25	85789785.31
	3. DEPOSITS		
2295808.00	1. KSEB, Port Trust & other Govt. Dept.	2766452.00	
584031.00	2. Other Deposits	613259.00	
296092.00	3. With Court	242642.00	
55303.25	4. With Suppliers	55303.25	3677656.25
5445879.31	**TOTAL**		**89888670.26**

As per our report of even date
For KOSHY & MANI
Chartered Accountants

on behalf of Board of Directors

- lose an	Sd/- Babu Thomas Managing Director	Sd/- R Krishnamoorthy G.M. (F&A)	Sd/- Ajith John Secretary	Sd/- C.A. Thomas Mani (Partner) M.No.20015

SCHEDULE - H
LOANS & ADVANCES AS ON 31-03-2008

Previous Year Rs. Ps.			Current Year Rs. Ps.
	1. SECURED (Considered Good)		
	STAFF LOAN:		
54700.00	1) Motor Car Loan	54700.00	
131774.10	2) Motor Cycle Loan	88494.10	
391689.60	3) Housing Loan	278034.60	421228.70
	2. UNSECURED (Considered Good)		
2500000.00	2. K.S.C.H.D.C.	2500000.00	
15000000.00	3. K.S.H.D.C.	15000000.00	
	b) Advances recoverable in cash or kind		
14674917.82	for value to be received.	29040688.41	
	c) Advance payment of taxes:		
2153027.90	1. Sales tax	709482.18	
7869275.00	2. Agricultural Income tax	7869275.00	
22485014.00	3. Central Income tax	19913142.00	
191356.84	d) Prepaid expenses		
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5082748.18	2. Agricultural Income tax	5082748.18	
1385583.37	3. Plantation tax	697620.29	
258205.25	f) Rebate receivable on Govt. Loan (Inclusive of Guarantee Commn. Refund due)	258205.25	85789785.31
	3. DEPOSITS		
2295808.00	1. KSEB, Port Trust & other Govt. Dept.	2766452.00	
584031.00	2. Other Deposits	613259.00	
296092.00	3. With Court	242642.00	
55303.25	4. With Suppliers	55303.25	3677656.25
75445879.31	**TOTAL**		**89888670.26**

As per our report of even date
For KOSHY & MANI
Chartered Accountants

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

SCHEDULE - I

REPAIRS & MAINTENANCE OF ASSETS AS ON 31.03.2008

Previous Year Rs. Ps.		Current Year Rs. Ps.
5570110.41	Repairs to Vehicles	5984389.42
1586141.34	Repairs to Buildings	5396983.25
1622572.38	Repairs to Plant & Machinery	1502163.06
2471621.50	Repairs to Roads	3048274.46
1114143.41	Repairs to Electrification	983517.49
1273685.98	Repairs to Water Supply Installation	1151445.81
42897.00	Repairs to Office Equipments	17500.00
631751.70	Repairs to Fence / Kayyala	1700391.69
384758.88	Repairs to Tools	493878.21
100769.00	Repairs to Jhankar & Boat	7734.00
107189.00	Repairs to Computer	123287.57
17192.00	Repairs to Furniture	82942.50
78448.79	Repairs to Temporary Shed	67285.58
26038.00	Repairs & Maint. To Assets	81509.23
15027319.39	**TOTAL**	**20641302.27**

SCHEDULE - II

MISCELLANEOUS EXPENSES AS ON 31.03.2008

Previous Year Rs. Ps.		Current Year Rs. Ps.
856590.82	Postage, Telephone & Telegram	986620.00
586117.97	Printing & Stationery	702232.78
701726.62	Office Expenses & Others	881882.81
16803.00	Storage Expenses	46463.00
158582.20	Survey Expenses	171669.03
26875.00	Books & Periodicals	50022.00
315874.72	I B Expenses	422525.56
113280.51	Entertainment Expenses	209952.50
127746.00	Staff Training Expenses	302129.00
133859.00	Ferry Expenses	159986.00
0.00	Donations	136959.19
5996.25	Gardening	6853.00
3043452.09	**TOTAL**	**4077294.87**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

SCHEDULE - III
WELFARE EXPENSES AS ON 31.03.2008

Previous Year Rs. Ps.		Current Year Rs. Ps.
2495715.99	Sickness Benefit	2259284.92
71560.00	Maternity Benefit	44978.00
3495541.38	Leave with wages	3138308.71
4159268.92	Holiday Wages	4088644.23
193165.57	Weather Protection Expenses	202446.06
1004282.63	Drinking Water Supply	1053852.80
327882.30	Sanitation	555592.46
75103.00	Recreation Facility	84902.00
7096164.22	Medical & Hospital Facility	8674007.45
31550.00	Way Expenses - Workers	20880.00
219974.80	Running & Maint. of School	151816.40
32648.00	Creche Expenses	25365.00
77207.00	Workmen's Compensation	108547.77
196794.00	Group Insurance	157394.00
545735.15	Uniform to Staff & Workers	611494.42
87998.50	Subsistance Allowance	149461.00
46882.00	Labour Welfare Fund	46204.00
299889.00	D L I	500629.00
14375.00	Funeral Expenses	18769.00
3000.00	Awards & Incentives	459959.00
20474737.46	**TOTAL**	**22352536.22**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

SCHEDULE - IV

RUBBER WOOD FACTORY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

Previous Year Rs. Ps.		Current Year Rs. Ps.	Previous Year Rs. Ps.		Current Year Rs. Ps.
147450.00	To Opening Stock		176505.00	By Sale of Processed	
	To Purchase of Rubber Trees	1295550.00		Rubber Wood	1171043.00
183271.26	To Manufacturing Expenses	570807.25	0.00	By Sale of By-Products	
72913.08	To Factory Wages	131191.15		and Waste	129790.00
30363.00	To Salaries & Allowances	156583.00	0.00	By Interest on Staff Loans	
12107.00	To Contribution to PF	20857.00	7490.00	By Interest from Customers	
	To Bonus to Staff & Workers	15962.00	3.00	By Miscellaneous Income	161753.50
3037.00	To Travelling Expenses	6382.00	0.00	By Closing Stock	798764.53
230330.90	To Welfare Expenses	26116.96	631649.94	By Net Loss Transferred to P&L A/c	406799.33
409.00	To Rep. & Maint. of Assets	216123.96			
	To Advt. & Sales Promotion	17222.00			
2814.00	To Office Expenses	72638.04			
	To Bank Charges	4463.00			
	To Labour Welfare Fund	48.00			
132952.70	To Depreciation	134206.00			
815647.94	**TOTAL**	**2668150.36**	**815647.94**	**TOTAL**	**2668150.36**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

SCHEDULE - V

PLANTATION VALLEY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

Previous Year Rs. Ps.		Current Year Rs. Ps.	Previous Year Rs. Ps.		Current Year Rs. Ps.
324510.50	To Restaurant Expenses	504740.30	1011700.00	By Rental Income from Rooms	2101549.00
321649.00	To Electricity Charges	417271.00	468185.00	By Income from Restaurant	800231.00
590947.00	To Salaries & Allowances	865065.00	42505.00	By Miscellaneous Income	11077.00
2764.80	To Welfare Expenses	67198.00	1790548.26	By Net Loss Transferred to P&L A/c	759777.53
23000.00	To Bonus & Production Incentive	31000.00			
29304.00	To Postage, Telephone & Telegram	35637.00			
358269.01	To Rep. & Maint. of Assets	434185.69			
49019.00	To Rates & Taxes	84095.51			
459423.90	To Office Expenses & Others	117691.50			
1154051.05	To Depreciation	1115750.53			
3312938.26	**TOTAL**	**3672634.53**	**3312938.26**	**TOTAL**	**3672634.53**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

Sd/-
R Krishnamoorthy
G.M. (F&A)

Sd/-
Ajith John
Secretary

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

SCHEDULE-J

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008

1. **Basis of Accounting:**

   The Financial Statement of the company are prepared under historical cost convention in accordance with generally accepted accounting principles (GAAP) applicable in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956, to the extend applicable.

2. **Use of Estimates:**

   The preparation of the financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liability as at the date of the financial statement, and the reported amounts of revenue and expenses during the reported year. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3. **Fixed Assets:**

   The fixed assets are accounted on historical cost basis, which includes purchase price, and all other costs attributable to bringing the assets into its working condition as reduced by accumulated depreciation up to other end of the financial year.

4. **Taxes on Income:**

   This includes taxes under the Central Income Tax Act and the Kerala State Agricultural Income Tax Act and as accounted as per the requirement of the Accounting Standard 22-Accounting for taxes. Tax expense for the year comprises of Current Tax and Deferred Tax. Current Taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred Tax Assets and Deferred Tax Liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The effect on Deferred Tax Assets and Liabilities of a change in tax is recognized in the Profit and Loss a/c in the year of change. Deferred Tax Assets and Deferred Tax Liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards.

5. **Earning per Share:**

   The earning considered in ascertaining company's EPS comprises the net profit after tax (and includes the post tax effect of any extraordinary items). The number of shares used in computing Basic EPS is the weighted average number of share outstanding during the year.

6. **Depreciation:**

   The Company has charged depreciation on the written down value method at the rates prescribed in Schedule XIV to the Companies Act except in the case of Office Equipment and Survey Instruments at 15% Library at 10% and Water Supply Installation at 30% consistently .There is no impairable loss to the depreciable asset.

7. **Sales:**

   Sales are accounted at the time of preparation of invoices in the case of Cenex and Oil Palm. The right of collection of cashew nuts from most of the company estates has been awarded under the tender – cum – auction system. As the crop season is from February to June, 40% of the auction price has been recognized as income of the current year and the balance as deferred income.

8. Inventories:

a) Closing stock of finished goods and work-in-progress are valued at lower of costs or net realizable value as in the previous years using weighted average method. Net realizable value of finished goods is selling price less associated selling cost.

b) Agricultural produces are valued at market value.

c) Serviceable tools and implements and other equipment are valued at cost less depreciation.

d) Nurseries comprising of saplings held for planting or sale have been valued at cost.

e) Stores and spares are valued at cost less provision, if any, for obsolescence.

9. Treatment of expenses during construction period:

Expenses during construction period is included under the head Capital Work in Progress and the same is allocated to the respective fixed assets on the completion of the construction.

10. Developments expenditure:

Expenditure incurred for the development of plantation is capitalized and is shown in the Balance Sheet as Fixed Assets – Plantation. At the time of disposal of the plantation, the proceeds are treated as profit or loss after setting off the related development expenditure less subsidy, if any, received.

11. Subsidies:

Subsidy received is shown as a separate liability and is disclosed as a separate item under Reserves & Surplus. The obligation to Rubber Board with respect to Subsidy is fulfilled only on disposal of the related property.

12. Investments:

Investments are stated at cost.

13. Employee Benefits:

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

(b) Post employment benefits (defined benefit Plans)
The employees gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined as on 31.03.2008, the balance sheet date for the first time based on an independent actuarial valuation by Life Insurance Corporation of India. Difference between the said valuation and the provision made till 31.03.2007 being actuarial loss is recognized in the Profit & Loss account as provision for gratuity as in previous years.

(c) Post employment benefit (defined contribution plan)
Contribution to the provident fund which is a defined contribution scheme is recognized in the Profit and Loss account in the period in which the contribution is made.

(d) Long Term Employee Benefits
Long Term employee benefit comprise of compensated absences and other employee incentives. These are measured on accrual valuation carried out by an independent actuary LIC of India for the first time as on the balance sheet date. Actual liability is recognized in the Profit and Loss account.

14. Contingent Liabilities:

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

15. Income Taxes:

(a) Agricultural Income:

The company has not provided tax on agricultural income as the accumulated losses as per previous years return are sufficient to set off current years taxable income under this head.

(b) Income Tax:

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

SCHEDULE-K

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008

1. RESERVES AND SURPLUS

The Reserves and Surplus includes Capital Reserve, Replanting Reserve and Rehabilitation Reserve and General Reserve. The balance in Capital Reserve account is Rs.11,97,89,050.90/- (Previous year Rs. 11,97,89,050.90/-).10% of current year profit is transferred to general reserve amounts to Rs 1,28,38,904/-. An amount of Rs.87, 00, 000/- is transferred to Replanting Reserve.

2. SUBSIDY FROM GOVERNMENT

The Subsidy form Government includes Capital Subsidy received for Rubber and Cashew Cultivation from Government. The subsidy received form Govt. of Kerala for Cashew cultivation up to 31.03.2008 is Rs. 1,24,96,190/- (Previous year Rs. 7,24,7615/-). The Corporation has received Rs. 128,79,117.50/-as Rubber Board subsidy up to 31.03.2008 (Previous year Rs. 1,27,12,671.50/-) and the Corporation is contingently liable to the Government for the same in case the plantation is destroyed or is used for any public purpose.

3. UNSECURED LOANS GRANTED

Loan to Kerala State Horticultural Products Development Corporation Ltd.

In pursuance of the Government order (Rt) No. 1546/96/AD dated 01.11.1996, the company has paid Rs. 1.5 crores to Kerala State Horticultural Products Development Corporation Limited.

In spite of repeated requests, the K.S.H.P.D.C. has not paid part of the loan or interest due to the Corporation. The Govt., of Kerala has directed to convert the loan and interest into share capital. The Corporation's Board meeting held on 30.10.1999 has accorded sanction to convert the principal amount of loan to share capital and to request the Govt. to pay the interest to the Corporation rather than converting the same into share capital. However, the Govt. of Kerala vide letter no. 3840/PU1/99/AD dated 10.01.2000 has not accepted the proposal of the Corporation and has affirmed that the Govt., adheres to the earlier Govt. direction and hence interest of Rs. 27 Lakhs at the rate of 18% has not been provided. The matter will again be taken up before the Board of Directors and Government for a final decision.

Loan to Kerala State Coconut Development Corporation Ltd.

In pursuance of the Government order (Rt.) No. 1828/97/AD dated 01.11.1997, the Corporation has paid Rs. 25 Lakhs to the Kerala State Coconut Development Corporation Limited during 1997-98. Interest for the current year at the agreed rate of 12% per annum amounts to Rs. 3 Lakhs. (Previous year Rs.3 Lakhs). The K.S.C.D.C. has closed down its operation since April 1998 and is under liquidation. It is expected to realize the amount on disposal of the immovable property of the company. Hence no provision for loss is made in the accounts.

4. OTHER LIABILITIES

Labour Welfare Fund

An amount of Rs. 43,350.45/- (Previous year Rs.43,350.45/-) payable to the Labour Welfare Fund of the State Government represents funds credited out of time – barred wages and bonus unclaimed for a period of more than three years.

5. SUNDRY CREDITORS

Sundry Creditors includes an amount of Rs. 86,10,348.03/- (Previous year Rs.15, 18,092/-) due to Small Scale Industrial Undertakings during the current year. **The Company has not received any intimation from it creditors regarding the status under the Micro, Small & Medium Enterprises** Development Act 2006; hence disclosure if any required under the said act has not been made. The amounts of sundry creditors due to small scale undertaking not include any balance outstanding for more than thirty days.

6. PROVISIONS

1. For earlier periods Gratuity is provided on the basis of actuarial valuation by an approved actuary. For the current year we have made investment of Rs.2,99,23,252/- in LIC's Group Gratuity Scheme and the Gratuity and Leave encashment benefit liability have been provided as per the valuation given by Life Insurance Corporation of India Pension and Group Scheme Department. A Trust is formed to manage all the transactions related to the Gratuity Fund invested in LIC's Group Gratuity Scheme.

2. a) Provision for bonus at 20% is made as per the previous year rate, at 20% of eligible earnings.

   b) Agricultural Income Tax assessment is completed up to the assessment year 2005-06 and Central Income Tax assessment is completed up to the assessment year 2006-07. Based on the completed assessment and return filed up-to assessment Year 2007-08, there is a short provision of Rs.658.79 lakhs (Previous year Rs.595.33 lakhs) Since most of the assessments are under appeal no additional provision has been made in this regard. The short provision related to assessment year from 1977-78 to 2008-09.

7. EARNING PER SHARE

Earning Per Share is calculated as; Net profit after provision for taxation/No. of shares.

8. FIXED ASSETS

a) The total area of land handed over the company by the Government of Kerala as on 31-03-2008 is 14,168.27 hectares (Previous year total area 14,168.27 Ha.). Certain areas have been subjected to survey. Particulars are given below:

Details	Mature Area (Ha)	Immature Area (Ha)
Rubber Plantation	5555.30	968.11
Cashew Plantation	6459.75	18.22
Oil Palm Plantation	704.73	0.00
Total	**12719.78**	**986.33**

Area under Cultivation	:	13706.11 Ha
Other Crops	:	61.90 Ha
Vacant and Rocky	:	400.26 Ha
Gross Total	:	**14168.27 Ha**

b) Even though the terms and conditions for the transfer of 3714.62 acres of land in Cheemeni Estate has determined by the Government vide GO (MS) No. 227/2004/RD dated 30.06.2004, the Corporation has requested to reconsider the whole matter and to make a fair and proper arrangement with regard to the land vide letter dated 27.01.2006 with Revenue Department as this property is entrusted to PCK as excess land under the provisions of the Kerala Land Reforms Act. The actual area handed over to the Corporation as per our records is only 975 hectares. The Corporation was paying Land Tax for the said property till 2003-04. Therefore the whole issue relating to the fixation of lease rent at Rs. 1300 per hectare for the land is under reconsideration of the Government. However pending settlement of the dispute, provision for lease rent of Rs. 1300 per hectare is made for 848.45 hectare (excluding 126.55 hectares of land handed over to Prison department) in the accounts for the year-ended 31.03.2006 for the years 2004-05 and 2005-06. Provision for lease rent of Rs. 1,300/- is made in the accounts for the year 2006-07 and 2007-08 also.

The 975 hectares in Cheemeni Estate includes 126.55 hectares transferred to the Prison Department as per G.O (MS) No. 95/99/RD dated 18.03.1999. An area of 126.55 Ha in Thuravu II division was transferred and possession is handed over to Prison Department invoking urgency claim subject to the condition that the terms and conditions of transfer will be decided later. The company has claimed an amount of Rs. 582.30 Lakhs from the Prison Department (by production loss and value of timber trees) as compensation. However, no adjustment in this regard has been made in the accounts since the matter is still pending. At the time of final decision in this matter, the amount receivable will be provided in the accounts.

c) Lease deeds for lands handed over to the company since 1970 are pending execution except for the land handed over for the development of cashew plantations (Rajapuram Estate) under Worlds Bank Scheme.

d) The written down value of Buildings, Roads, Landing pads and Fences is Rs. 540.87 Lakhs of which assets worth Rs. 525.16 Lakhs are constructed on lease hold lands.

9. SUNDRY DEBTORS:

Sundry Debtors include Rs. 7,63,820.11 (Previous year Rs.7, 63,820.11) from companies owned by the Government of Kerala and Government of India details of which are as under:

Trivandrum Rubber Works Ltd., Trivandrum	:	Rs. 1,39,846.47
Hindustan Latex Limited, Belgaum	:	Rs. 78,663.40
Hindustan Latex Ltd., Trivandrum	:	Rs. 17,446.54
Secretary, Rubber Board, Kottayam	:	Rs. 5,100.00
State Farming Corporation of Kerala Ltd, Punalur	:	Rs. 5,22,763.70
Total	**:**	**Rs. 7, 63,820.11**

Necessary provisions have been made in the accounts for doubtful debts for the above dues. Regarding the other sundry debtors follow up action is being taken for realization.

10. STAFF LOAN & ADVANCES

Secured Loan

1) Motor Vehicle loans to officers and staff are fully secured by hypothecation of vehicles in fovour of the company.
2) Housing loan to staff and officers are fully secured

11. DEPOSITS WITH GOVERNMENT DEPARTMENTS:

These comprise balances with:

Details	Current Year (Rs.)	Previous Year (Rs.)
BSNL	500/-	-
Cochin Port Trust	3600/-	3,600/-
Water Authority	18,370/-	-
Civil Supplies Corporation	10,000/-	10,000/-
Post & Telegraph Department	41,317/-	41,317/-
Kerala State Electricity Board and Others	26,92,665/-	22,40,891/-
Total	**27,66,452/-**	**22,95,808/-**

12. PLANTATION TAX

The Plantation Tax Assessments up to 2004-05 have been completed. On the basis of the latest Assessment Order No.B5-5072/81 dated 10-9-07, necessary adjustments and provisions have been made during the current year. On the basis of the same the Net refundable Plantation Tax is Rs.6,97,620.29. (Previous year tax Payable Rs. 15,57,924.18)

13. SALES TAX

KGST assessments and CST assessments are completed only up-to 2004-05. No provision has been made on the additional demand since the assessment orders are under appeal.

A demand of Rs.18527863.58 has been raised against the Company in respect of KGST assessment and Rs.7685987/- has been raised in respect of CST assessment for 1998-99 to 2003-04. No provisions has been made in the accounts as the Company has disputed the same and the appeals are pending.

14. LEASE RENT

The rate of lease rent as per G.O. (MS) No. 11/89 dated 20/01/1989 is Rs. 1,300/- per Ha., payable to Forest Department with effect from 18-12-1987. In view of the repeated representations made by the Corporation, the Government has ordered (vide letter L32/62939/95 dated 22-02-1997) to accept remittance from the Corporation at Rs. 475/- per hectare per annum w.e.f. 01.01.1981 on a purely provisional basis. Corporation is providing in its books of accounts lease rent at Rs. 1,300/- per Ha. and payment is made at Rs. 475/- per Ha. till 1998-99. Payment of Rs. 475/- from 1999-2000 onwards has not been made due to paucity of funds. The Forest department has claimed penal interest of Rs. 848.19 Lakhs for not remitting lease rent is the increased rate. The lease rent claimed by the Government is against the lease deed. Since the rate of lease rent is appeal able, the question of penal interest does not arise at present. However this has not been provided since the final decision has not been made by the Government. The Government also vide G.O.(MS) No. 21/2003/AD dated

27-01-2003 has deferred the payment of lease rent by the company, till completion of repayment of the entire loan and interest available by the company from Canara Bank. There has been a decision to fix the lease rent payable by the company up to the end of 1991 at Rs. 475/- per Ha. No adjustment has been made in the accounts in respect of excess provision if any up to the end of 1991 as the decision is not finalized at Government level.

15. MANAGERIAL REMUNERATION

Managerial Remuneration paid/payable to Managing Director is as follows:

	Current Year (Rs.)	Previous Year (Rs.)
Pay & Allowances	6,93,214.00	3,69,120.00
Leave Encashment	15,473.00	Nil
Medical reimbursement	Nil	Nil

16. MANAGERIAL REMUNERATION

	Current Year (Rs.)	Previous Year (Rs.)
TA & Sitting fee to Directors	2,50,391.50	1,28,480.00
Honorarium to Chairman	24,000.00	17,355.00

17. AUDITOR'S REMUNERATION

	Current Year (Rs.)	Previous Year (Rs.)
Statutory Auditor's fee	60,000.00	58,365.00
Expenses to Statutory Auditors	10,000.00	10,000.00
Internal Auditor's Fee	2,23,261.00	2,23,261.00
Other Services	2,61,639.00	1,02,774.00
Total	**5,54,900.00**	**3,94,400.00**

18. MANUFACTURING EXPENSES

This include cost of packing drums worth Rs.95,70,852.78/-.

19. SALES

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

Item	Current Year		Previous Year	
Sale of goods (as classified in the sales in the sales register)	Quantity (M.Ts.)	Value (Rs. Lakhs)	Quantity (M.Ts.)	Value (Rs. Lakhs)
Rubber	4879.86	4581.67	4563.59	4372.77
Cashew	NA	417.88	N.A.	423.89

Quantitative particulars of cashew are not available as tender affected the sales - cum – auction.

b) The right of collection of cashew nuts from most of the company estates has been awarded under the tender – cum – auction system. As the crop season is from February to June, 40% of the auction price has been recognized as income of the current year and the balance as deferred income.

20. RUBBER WOOD FACTORY

The Corporation has a pilot plant at Kodumon for the treatment of rubber wood collected from the estates. The working result of the project has been separately shown in schedule IV to the Profit & Loss Account for the year ended 31.03.2008.

21. PLANTATION VALLEY

The Corporation has a Farm Tourism project at Adirappally. The working result of the project has been separately shown in Schedule IV of the Profit & Loss Account for the year ended 31.03.2008.

22. CONTINGENT LIABILITIES

a) Estimated amount of contractors for which the Company is contingently liable on Capital Account is Rs.5,62,298/- (Previous year: 18,61,005/-)

b) 97 cases (Previous year 50 cases) are pending, including one appeal before the tax authorities against the company for which amounts are not ascertainable, as claims of the parties have not been finalized. As such they are not acknowledged as creditors and have not been provided for.

c) Lease rent – As per Note 14

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

Particulars	Current Year		Previous Year	
a) CIF vale of import during the year	1,05,000 Euro & 3588 GBP(61.95 lakhs)		Nil	
b) Expenditure in Foreign Currency	Nil	Nil		
c) Value of raw materials, stores, spares and components during the year.	Value (Rs. lakhs)	Consu mption	Value (Rs. lakhs)	Consu mption
1. Imported value	Nil	Nil	Nil	Nil
2. Indigenous (Stores & spares)	286.76	100%	383.22	100%
d) Particulars of dividend remitted in foreign exchange.	Nil	Nil		
e) Earnings in Foreign Exchange	Nil	Nil		

24. Total wages paid during the year to tappers, field worker and factory workers are Rs.746.38 lakhs (Previous year: Rs.721.83 lakhs)

25. Cash flow statement for the year ended 31ST March 2008 has not been prepared and annexed to the accounts, since it is not a listed company and it is not mandatory under the accounting standards issued by ICAI.

26. PRIOR PERIOD EXPENSE

Particulars	Amount (in Rs.)
Previous Years Payment of Gratuity (as per Court Order)	2,24,017.00
Bank charges not accounted in previous year	890.00
Security Deposit during the previous year wrongly accounted in sale of cashew	40,041.00
Total	**2,64,948.00**

27. PRIOR PERIOD INCOME

Particulars	Amount (in Rs.)
Omission of previous years income: KGL Factory - 1,64,566.00Mannarghat - 49,200.00	2,13,766.00
Interest on SB a/c not charged in previous year	116.00
Excess amount accounted in Packing Drums consumed in previous year	10,80,684.00
Excess Guarantee Commission charged in previous year	4,09,700.00
Total	**17,04,266.00**

28. DEFERRED TAX ASSETS AND LIABILITIES

Even though the company has achieved a net profit of Rs. 13.87 Crores during the current year, the company has not recognized the corresponding Deferred tax liability/deferred tax assets, because the DTA relating to the accumulated loss of the previous years was not recognized during the earlier period at that time because of the uncertainty with regard the realization of enough future profits. Depreciation as per IT Act has been taken only for Rubber Estates and Factories as only the Cenex Profit is comes under the purview of Income Tax.

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

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

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

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

The Government has also ordered to adjust against the loan. As such an amount of Rs. 62,05440/- has been adjusted against the loan.

The balance amount of Rs. 32,16,222/- outstanding in the books of the Corporation towards the loan was transferred to Capital Reserve Account during financial year 1996-97.

During 1999-2000, the Corporation was directed to repay an amount of Rs. 62,75,140/- [Principal: Rs. 32,61,222/-, interest: Rs. 28,67,382/- and penal interest: Rs. 1,46,536/-] vide GO (MS) No. 238/99/AD dated 19.08.1999 and letter No. L II (I) 5099/84 dated 24.11.1999 from the Director of Agriculture. The Govt. of Kerala vide GO (MS) No.34/2002/AD dated 15.03.2002 has ordered that the amount of Rs. 62,75,140/- be converted in to Share capital and has directed the Managing Director to issue Share Certificate for the said amount to the Government. However, no provision is made in the accounts for the same as the matter is still under correspondence into Government.

30. AWARD OF SLAUGHTER TAPPING CONTRACTS

The income received from Slaughter tapping contract is accounted on accrual basis of accounting. The penal interest accrued for the current year is Rs.23,89,304/-.No provision has been made in the accounts in this regard as the matter is on dispute.

31. DISPOSAL OF PLANTATION

There is no disposal of plantation during the current year. Expenditure incurred for the development of plantation is capitalized and is shown in the Balance Sheet as Fixed Assets – Plantation. At the time of disposal of the plantation, the proceeds are treated as profit or loss after setting off the related development expenditure less subsidy, if any, received.

32. Dividend

Rs.27,84,400/- is provided for proposed dividend for the financial year 2007-08 and dividend tax @ 15% is also provided .

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No.	:	01997	State Code	:	09
Balance Sheet Date	:	31.03.2008			

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

Public Issue	Rights Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	Nil

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

Total Liabilities	Total Assets
493629	493629

Sources of Funds

Paid up Capital	Reserves & Surplus
55688	433120

Secured Loans	Unsecured Loans
Nil	4821

Application of Funds

Net Fixed Assets	Investments
518269	15001

Net Current Assets	Misc. expenditure
-39641	Nil

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

Turnover	Total Expenditure
608856	470125

Profit/Loss before tax	Profit/Loss after tax
138731	128389

Dividend (Percentage.)	Earning Per Share
5%	2306

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

1. Item Code No.	
(ITC Code)	400110.00
Product Description	Centrifuged Latex (Natural Rubber latex pre vulcanized)
2. Item Code No.	
(ITC Code)	Technically nuts in shell
Production Description	(Natural Rubber (Others) ISNR
3. Item Code No.	
(ITC Code)	080131.00
Production Description	Cashew nuts in shell (Cashew plantation crop)

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

AUDITOR'S REPORT

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

1. We have audited the attached Balance Sheet of The Plantation Corporation of Kerala Ltd. as at 31st March, 2008 and Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:-

   i) *Though Loans amounting to Rs.150 lakhs given to Kerala State Horticultural Products Development Corporation Ltd. and Rs.25 lakhs given to Kerala State Coconut Development Corporation Ltd. are outstanding for a long period, no provision has been made with regard to the said unsecured loans. The consequential financial impact is unascertainable since the quantum of recovery possible is unknown, according to the information provided.*

   ii) *Rs.48.21 lakhs due under unsecured loans from Government of Kerala for Estate Development being interest accrued and due is subject to confirmation/adjustment by the concerned Government departments.*

   iii) *The balance of each item under current liabilities – Schedule B, Sundry Debtors – Schedule G, and Loans and Advances (Dr.) – Schedule -H are subject to confirmation, reconciliation and consequential adjustment. The impact, if any, on the financial statements is not ascertainable.*

   iv) *The Company has not charged depreciation on development of property for various cultivation viz. 35.68 crores for Rubber Plantation, 3.84 crores for Cashew, Rs.3.29 crores for Oil Palm and 0.51 lakhs under other heads. This is not in accordance with "Accounting Standard 6, - Depreciation Accounting". The Company should have amortised the plantations development assets on a systematic basis over their useful lives. As the amount of such non provision of depreciation pertaining to the current year and prior periods is not furnished, the consequential impact on the financial statement is not ascertainable.*

   v) *The Company has shown subsidy Rs.1.66 lakhs received from Rubber Board and 5.25 lakhs received from Government of Kerala during the year under the head "Subsidy from Government under Schedule A – Reserves and Surplus". The total subsidy from Rubber Board till 31.03.2008 is Rs.1.29 crores and from Government of Kerala against Cashew*

Plantation is Rs.1.25 crores. These Government grants related to specific assets should have been deducted from the gross value of the assets in arriving at their book value. Alternately it could have been credited in the Profit and Loss Account in a systematic and rational manner over the useful life of the asset in the proportion in which depreciation on those assets is charged. The above method of treatment as prescribed in "Accounting Standard 12- Accounting for Government Grant" has not been complied by the Company. The impact as a result of the departure read with remark under clause (iv) above on the financial statement is not ascertainable in the absence of relevant details

Subject to the above:

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

(b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of these books;

(c) The balance sheet, and the profit and loss account dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and the profit and loss account dealt with by this report, comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.

(e) Without considering the effect of our qualifications above, the effect of which are not quantifiable now, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

i) in the case of balance sheet, of the state of affairs of the Company as at 31st March, 2008 and

ii) in the case of profit and loss account, of the **profit** for the year ended on that date.

Place : Kottayam
Date : 11-07-2008

For Koshy & Mani
Chartered Accountants

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

ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 3 of our report of even date.

1. (a) Proper records showing full particulars including quantitative details and situation of Fixed Assets were not made available for our verification.

   (b) Physical verification of Fixed Assets has not been carried out during the year and hence discrepancy, if any, in this respect, could not be ascertained by the management and commented by us.

   (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.

2. (a) The inventories have been physically verified by the management during the year at reasonable intervals.

   (b) In our opinion, the procedures of physical verification of inventory needs to be strengthened to be made the same adequate in relation to the size of the Company and nature of business.

   (c) The Company is maintaining proper records of inventory. Discrepancies noticed on verification between the physical stocks and the records during the course of the year, which after updation of book records are not material have been appropriately dealt with in the books of account.

3. (a) During the year the Company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained U/S 301 of the Companies Act, 1956.

   (b) No comment is required under this clause in the light of (a) above.

   (c) In respect of loans and advances in the nature of loans given by the Company during the earlier periods to Kerala State Coconut Development Corporation Ltd. (Rs.25 lakhs) and Kerala State Horticulture Products Development Corporation Ltd. (Rs.150 lakhs), receipt of the principal amount and interest are outstanding for a long time.

   (d) According to the information provided, the Company has taken reasonable steps for the recovery of the principal and interest, but no material evidence was available.

   (e) The Company has not taken 'any loans secured or unsecured from companies, firms or other parties covered in the register maintained U/S 301 of the Act, and so no comment is required under clauses (e),(f) and (g).

4. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods.

5. (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and

   (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public.

7. In our opinion the Company has an Internal Audit system commensurate with the size and nature of its business.

8. The Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie the prescribed accounts and records have been maintained. We have not, however carried out a detailed examination of the same.

9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, except for Provident Fund dues in which there have been slight delay in a few cases, the Company has been regular in depositing in respect of undisputed statutory dues including Sales Tax, Income Tax and other material statutory dues with, the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2008 for a period of more six months from the date of becoming payable.

(b) The disputed statutory dues aggregating to Rs.3590.63 lakhs that have not been deposited on account of disputed matters pending before appropriate authorities are as under.

Sl. No.	Name of Statute	Nature of Dues	Amount in Lakhs	Period to which the Amount related	Forum where dispute is pending
1	The Kerala General Sales Tax Act, 1963	Tax demanded disputed in appeal	13.07	1998-99	Details not furnished
2	"	"	25.58	1999-00	"
3	"	"	42.22	2001-02	"
4	"	"	94.36	2002-03	"
5	"	"	10.04	2003-04	"
6	Central Sales Tax Act	"	2.11	1998-99	"
7	"	"	6.24	1999-00	"
8	"	"	1.03	2001-02	"
9	"	"	16.26	2002-03	"
10	"	"	51.22	2003-04	"
11	Inome Tax Act, 1961	"	0.36	1976-77	"
12	"	"	2.18	1977-78	"
13	"	"	0.98	1978-79	"
14	"	"	2.89	1979-80	"
15	"	"	0.20	1980-81	"
16	"	"	0.81	1981-82	"
17	"	"	0.11	1982-83	"
18	"	"	7.95	1983-84	"
19	"	"	8.38	1984-85	"
20	"	"	94.30	1985-86	"
21	"	"	5.71	1986-87	"
22	"	"	8.36	1987-88	"
23	"	"	54.50	1988-89	"
24	"	"	17.67	1989-90	"
25	"	"	31.76	1990-91	"
26	"	"	40.26	1991-92	"
27	"	"	77.47	1992-93	"
28	"	"	95.18	1993-94	"
29	"	"	97.70	1994-95	"
30	"	"	146.29	1995-96	"

31	"	"	163.01	1996-97	"
32	"	"	97.31	1997-98	"
33	"	"	60.49	1998-99	"
34	"	"	30.68	1999-00	"
35	"	"	7.18	2000-01	"
36	"	"	37.33	2004-05	"
37	"	"	9.62	2005-06	"
38	Agrl.Income Tax	"	39.93	1976-77	"
39	"	"	8.96	1977-78	"
40	"	"	81.64	1978-79	"
41	"	"	84.85	1979-80	"
42	"	"	137.54	1980-81	"
43	"	"	131.29	1981-82	"
44	"	"	63.81	1982-83	"
45	"	"	178.89	1983-84	"
46	"	"	227.62	1984-85	"
47	"	"	183.46	1985-86	"
48	"	"	38.09	1986-87	"
49	"	"	172.17	1987-88	"
50	"	"	214.11	1988-89	"
51	"	"	149.22	1989-90	"
52	"	"	193.35	1990-91	"
53	"	"	124.10	1994-95	"
54	"	"	200.79	1995-96	"

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

11. The Company has not defaulted in repayment of dues to banks during the year.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society.

14. The Company is not dealing or trading in shares, securities, debentures or other investments.

15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. The Company has applied the term loans for the purpose for which they were obtained.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long- term investment.

18. The Company has not made any preferential allotment of shares during the year.

19. The Company has not issued any debentures.

20. The Company has not raised any money by public issues during the year.

21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place : Kottayam
Date : 11-07-2008

For Koshy & Mani
Chartered Accountants

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

REPLIES TO THE COMMENTS OF STATUTORY AUDITORS ON THE ACCOUNTS OF PLANTATION CORPORATION OF KERALA LTD. FOR THE YEAR ENDED 31.03.2008.

i) The loan amounting to Rs. 150 Lakhs and Rs. 25 Lakhs are given to Kerala State Horticultural Products Development Corporation Ltd. and Kerala State Coconut Development Corporation Ltd. as per Government order GO (Rt) No 1546/96/AD dated 1/11/1996 and GO (Rt) No 1828/97/AD dated 1/11/1997 and the same are fully Government owned Public Sector Undertakings. As the payment of principal amount and interest are not regular, it may be noted that the matter will be taken up with the Government as the loan has been paid as per Government direction and the details for the same is shown in Note No. 3 of Schedule K forming part of accounts.

ii) This figure remains in the Balance sheet for the last several years and relates to the penal interest provided for the Government loan granted to Plantation Corporation of Kerala Ltd. The Corporation has fully repaid the principal amount due and interest amounts on Government loan.

iii) The report on the balance of each item under Current Liabilities-Schedule B, Sundry Debtors-Schedule G, Loans and Advances-Schedule H is only a General Statement and not specific. Regarding Sundry Debtors separate action is being taken for detailed verification of each customers account and also relevant provision has been made for doubtful debts in case of State Public sector Undertakings.

iv) The treatment of development expenditure for Plantation followed by the Corporation is shown in Note No. 10 of Schedule J as significant accounting policies followed by the Corporation as on 31.03.08. This practice has been consistently followed and for the amortization of development of Plantation assets the Company has provided Rs 87 lakhs towards replanting reserve.

v) The treatment of subsidies is shown in Accounting Policy Note 11 (Schedule J) and Note No. 2 (Schedule K) forming part of accounts. The company is following capital accounting method as per AS12. As the subsidy is not meant for the purpose of procurement of capital asset and moreover the development of property is not depreciable, the subsidy amount is not credited as development of property, but shown as separate head under Reserve & Surplus.

सत्यमेव जयते

प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय, केरल, तिरूवनन्तपुरम

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT) KERALA THIRUVANANTHAPURAM

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED, KOTTAYAM FOR THE YEAR ENDED 31 MARCH 2008

The preparation of financial statements of **The Plantation Corporation of Kerala Limited, Kottayam** for the year ended 31 March 2008 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 11th July 2008.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section *619* (3) (b) of the Companies Act, 1956 of the financial statements of **The Plantation Corporation of Kerala Limited, Kottayam** for the year ended 31st March 2008. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619 (4) of the Companies Act, 1956.

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

Sd/-

एस. नागलसामी
S. NAGALSAMY
प्रधान महालेखाकार (लेखापरीक्षा) केरल,
PRINCIPAL ACCOUNTANT GENERAL (AUDIT), KERALA

तिरूवनन्तपुरम
Thiruvananthapuram
Date : 12-08-2008

GOVERNMENT OF KERALA

No.57965 / PU-B1 / 2008/Fin

Finance (PU-B) Department

COMMENTS OF PRINCIPAL SECRETARY (FINANCE) ON THE AUDITED ANNUAL ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED FOR THE YEAR ENDED 31st MARCH 2008

Provisions should be included for the doubtful unsecured loans.

Prescribed Accounting standards should be observed.

Statutory dues including PF should be remitted regularly without delay.

Company should maintain proper records and registers as presecribed by law.

There is further scope for improvement in the financial performance by enforcing economy in expenditure.

Sd/-

L.C. GOYAL
PRINCIPAL SECRETARY (FINANCE)

Thiruvananthapuram,
Dated : 26-08-2008

Reply to the comments of Principal Secretary (Finance) on the Audited Annual accounts of The Plantation Corporation of Kerala Limited for the year ended on 31st March 2008

Noted for implementation.

SCHEDULE - A

RESERVES & SURPLUS AS ON 31-03-2008

Previous Year Rs. Ps.			Current Year Rs. Ps.
	RESERVES & SURPLUS		
	1. General Reserve		12838904.00
	2. Capital Reserve		
	As per last Balance Sheet	119789050.90	
119789050.90	Additions during the year	0.00	119789050.90
	3. Replanting Reserve		
	As per last Balance Sheet	81958000.00	
81958000.00	Additions during the year	8700000.00	90658000.00
	4. Rehabilitation Reserve		
14079091.48	As per last Balance Sheet		14079091.48
	SUBSIDY FROM GOVERNMENT		
	1. Subsidy from Rubber Board		
	- Rubber Cultivation		
	As per last Balance Sheet	12712671.50	
12712671.50	Additions during the year	166446.00	12879117.50
	2. Subsidy from Govt. of Kerala		
	- Cashew Plantation		
	As per last Balance Sheet	7247615.00	
7247615.00	Additions during the year	5248575.00	12496190.00
66787283.72	**Profit & Loss Appropriation Account**		170379816.77
302573712.60	**TOTAL**		**433120170.65**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

SCHEDULE - B

CURRENT LIABILITIES AS ON 31-03-2008

Previous Year Rs. Ps.			Current Year Rs. Ps.
4557071.33	Sundry Creditors		
	Due to Small Scale Industrial Undertakings	8610348.03	
	Due to other than S S I Undertakings	4887556.12	13497904.15
62805158.31	Other Liabilities		67827480.76
124350788.30	Lease Rent Payable		141364231.30
6844692.17	E M D		6093044.17
10701067.52	Security Deposit		23515081.72
16313490.00	Advance against Sales		21064585.00
43350.45	Welfare Fund		43350.45
17737151.90	Agricultural Income tax due		17737151.90
468012.00	Fringe Benefit Tax due		468012.00
632160.80	Central Sales Tax Payable		-200869.36
215477.33	Value Added Tax Payable		2181973.43
1557924.18	Plantation Tax Payable		--------
16755.00	Luxury Tax Payable		15676.00
246243099.29	**TOTAL**		**293607621.52**

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-	As per our report of even date For KOSHY & MANI Chartered Accountants
T.J Anjalose Chairman	Babu Thomas Managing Director	R Krishnamoorthy G.M. (F&A)	Ajith John Secretary	Sd/- C.A. Thomas Mani (Partner) M.No.20015

SCHEDULE - B1

SECURED LOAN AS ON 31-03-2008

Previous Year Rs. Ps.		Current Year Rs. Ps.
	LOANS AND ADVANCES FROM BANKS	
	1. Kissan Credit OverDraft from Canara Bank	
-557737.24	Kissan Credit Overdraft availed from Canara Bank, Main Branch, Kottayam, secured by the hypothecation of stock and mortgage of lands at Vadavathoor and Kasaragode and guaranteed by the Govt. of Kerala vide GO (MS)No.21/2003/AD dtd. 27/01/2003	0.00
	2. Term Loan from Canara Bank	
9653.02	Term Loan availed from Canara Bank, Main Branch, Kottayam, secured by the hypothecation of stock and mortgage of lands at Vadavathoor and Kasaragode and guaranteed by the Govt. of Kerala vide GO (MS)No.21/2003/AD dtd. 27/01/2003	0.00
-548084.22	**TOTAL**	**0.00**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

SCHEDULE - C

PROVISIONS AS ON 31-03-2008

Previous Year Rs. Ps.			Current Year Rs. Ps.
252015000.00	**1. Gratuity:**		
	As per last Balance Sheet	252015000.00	
	ADD Additions this year	84018450.00	
		336033450.00	
	LESS Paid this year	35045047.00	300988403.00
5000000.00	**2. Bonus:**		
	As per last Balance Sheet	5000000.00	
	ADD Additions this year (From 1-1-2008 to 31-3-2008)	6500000.00	
		11500000.00	
	LESS Adjusted this year (From 1-1-2007 to 31-3-2007)	5000000.00	6500000.00
25077616.07	**3. Taxation:**		
	As per last Balance Sheet	25077616.07	
	ADD Additions this year	10815121.00	
		35892737.07	
	LESS Adjusted this year	9834624.00	26058113.07
	3. Dividend: Provided for the year		2784400.00
282092616.07	**TOTAL**		**336330916.07**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

SCHEDULE - D
DEVELOPMENT OF PROPERTY AS ON 31st MARCH 2008

Item	Opening Balance Rs. Ps.	Additions Rs. Ps.	Disposals Rs. Ps.	Closing Balance Rs. Ps.
Rubber	352280220.67	4405896.03		356686116.70
Cashew Plantations	38019434.10	336247.85		38355681.95
Arecanut Plantations	1070367.18			1070367.18
Oil Palm Plantation	32918433.18			32918433.18
Teak Plantations	754364.50			754364.50
Cocoa Plantation	12797.00			12797.00
Coconut Plantations	238122.82	9323.00		247445.82
Survey	229734.53			229734.53
Evicted Area Expenses	1694037.42			1694037.42
Eucaliptus & Accasia	611243.64			611243.64
Vanilla Plantations	522819.00			522819.00
Pathimugham Plantation	15923.00			15923.00
Total	**428367497.04**	**4751466.88**	**0.00**	**433118963.92**

For and on behalf of Board of Directors

As per our report of even date
For KOSHY & MANI
Chartered Accountants

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
T.J Anjalose	Babu Thomas	R Krishnamoorthy	Ajith John	C.A. Thomas Mani (Partner)
Chairman	Managing Director	G.M. (F&A)	Secretary	M.No.20015

SCHEDULE - E
SCHEDULE OF FIXED ASSETS AS ON 31-03-2008

ITEM	ORIGINAL COST			DEPRECIATION			DISPOSALS		BALANCE			
	At the end of Previ. Year Rs. Ps.	Additions during the Year Rs. Ps.	Total Cost Rs. Ps.	At the end of Previ. Year Rs. Ps.	For the Year Rs. Ps.	Total Depreciation Rs. Ps.	Original Cost Rs. Ps.	Depm Written off Rs. Ps.	Total Cost as on 31 / 03 / 08 Rs. Ps.	Total Depm as on 31 / 03 / 2008 Rs. Ps.	Net Block as on 31 / 03 / 2008 Rs. Ps.	Net Block as on 31 / 03 / 2007 Rs. Ps.
1.Furniture	3613656.66	132974.00	3746630.66	2837184.62	189150.67	3026335.29	0.00	0.00	3746630.66	3026335.29	720295.37	776472.04
2.Office equipments	3937201.65	90308.00	4027509.65	3161296.27	144328.07	3305624.34	0.00	0.00	4027509.65	3305624.34	721885.31	775905.38
3.Electrical appliances	550303.36	27628.00	577931.36	189609.23	76507.03	266116.25	0.00	0.00	577931.36	266116.25	311815.11	360694.13
4.Electrical fittings	7713981.69	6671.00	7720652.69	6299802.77	197011.39	6496814.16	0.00	0.00	7720652.69	6496814.16	1223838.53	1414178.92
5.Telephone	328833.67	25304.00	354137.67	251442.37	18642.06	270084.43	0.00	0.00	354137.67	270084.43	84053.24	77391.30
6.Survey instruments	12484.92	0.00	12484.92	12346.92	20.00	12366.92	0.00	0.00	12484.92	12366.92	118.00	138.00
7.Library	70903.36	0.00	70903.36	59976.66	1091.97	61068.63	0.00	0.00	70903.36	61068.63	9834.73	10926.70
8.Roads	29878353.04	412865.25	30291218.29	13240681.29	852528.72	14093210.01	0.00	0.00	30291218.29	14093210.01	16198008.28	16637671.75
9.Fence/Kayala	10650983.03	461150.00	11112133.03	7321825.09	359951.66	7681776.75	0.00	0.00	11112133.03	7681776.754	3430356.28	3329157.94
10.Electric Fittings	214385.03	5140.00	219525.03	177992.83	12419.00	190411.83	0.00	0.00	219525.03	190411.83	29113.20	36392.20
11.Plant & machinary	29382533.63	8206757.02	37589290.65	21743722.95	1576984.61	23320707.55	0.00	0.00	37589290.65	23320707.55	14268583.10	7638810.68
12. Buildings	76760723.67	1330990.00	78091713.67	41803633.36	1869941.48	43673574.85	0.00	0.00	78091713.67	43673574.85	34418138.82	34957090.31
13.Vehicles	17546191.09	4454146.00	22000337.09	11800380.17	1838962.79	13639342.96	737500.69	586343.01	21262836.40	13052999.95	8209836.45	5745810.92
14.Water supply installations	8705355.33	122943.00	8828298.33	8449276.73	106277.72	8555554.45	0.00	0.00	8828298.33	8555554.45	272743.88	256078.60
15.Amonium cylinders	523639.00	0.00	523639	523043.00	239.00	523282.00	0.00	0.00	523639	523282.00	357.00	596.00
16.Wells	301822.95	0.00	301822.95	106182.80	9781.11	115963.91	0.00	0.00	301822.95	115963.91	185859.04	195640.15
17.Landing pad	118844.25	0.00	118844.25	76241.75	2130.13	78371.88	0.00	0.00	118844.25	78371.88	40472.38	42602.50
18.Jhankar boat	63041.49	0.00	63041.49	42241.49	2080.00	44321.49	0.00	0.00	63041.49	44321.49	18720.00	20800.00
19.Freehold land	3148635.65	0.00	3148635.65	1.65	0.00	1.65	0.00	0.00	3148635.65	1.65	3148634.00	3148634.00
20.Computer	2593828.18	301488.92	2895317.10	1567426.72	474046.40	2041473.13	0.00	0.00	2895317.10	2041473.13	853843.97	1026401.46
Total	196115701.65	15578365.19	211694066.84	119664308.67	7732093.81	127396402.48	737500.69	586343.01	210956566.15	126810059.47	84146506.68	76451392.98
Previous Year Total	187700193.28	8247204.25	1965737782.65	112868479.01	7192753.67	120061232.69	458080.00	396924.02	196115701.65	119664308.67	776451392.98	75070368.03

As per our report of even date
For KOSHY & MANI
Chartered Accountants

For and on behalf of Board of Directors

Sd/-
T.J Anjalose
Chairman

Sd/-
Babu Thomas
Managing Director

Sd/-
R Krishnamoorthy
G.M. (F&A)

Sd/-
Ajith John
Secretary

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