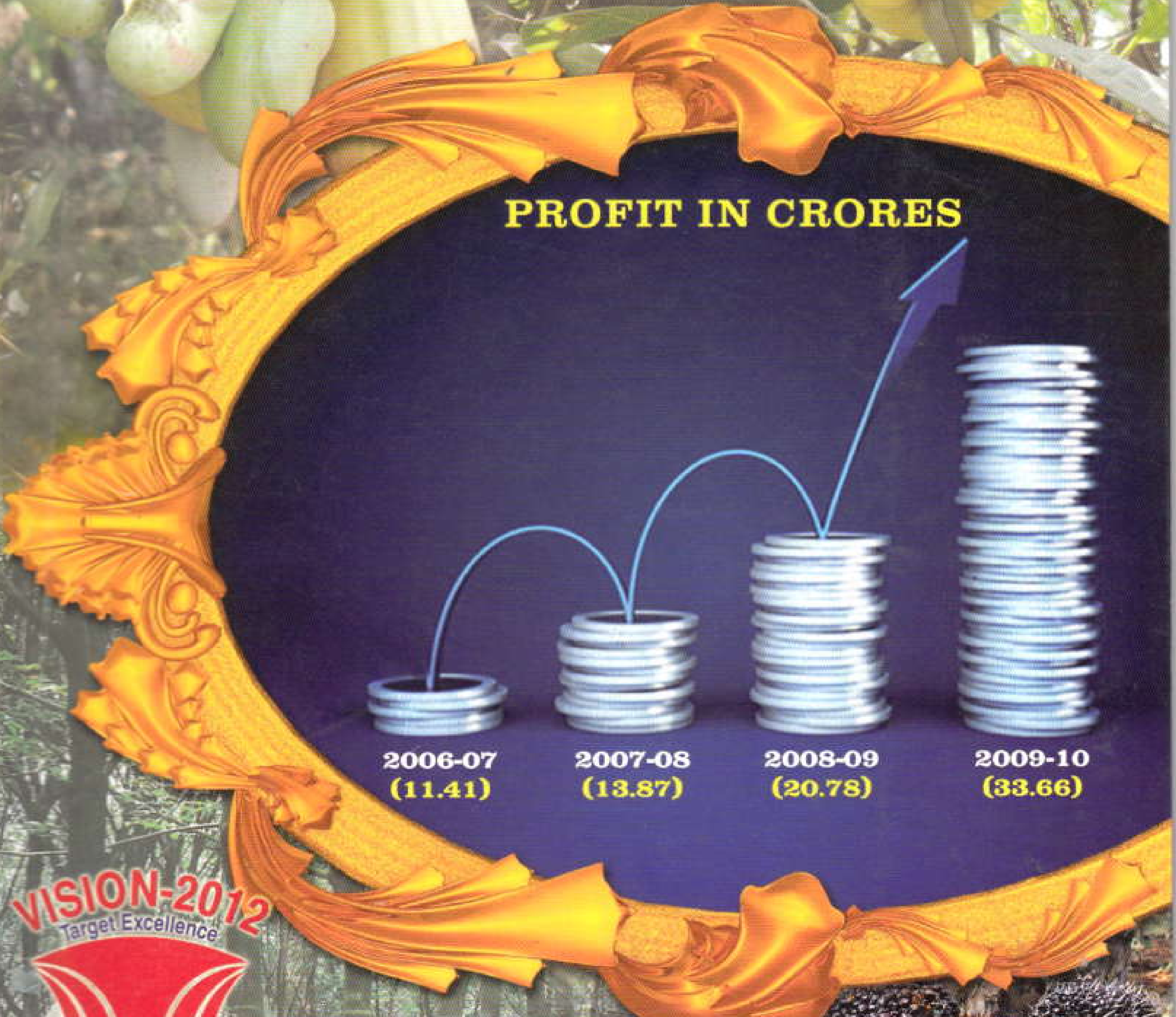
ANNUAL REPORT 2009 - 2010



VISION-2012
Target Excellence

THE PLANTATION CORPORATION OF KERALA LTD
SINCE 1962

The Plantation Corporation of Kerala Ltd

(An ISO:9001-2008 Company under Government of Kerala)

Kottayam - 686 004

THE PLANTATION CORPORATION OF KERALA LTD.

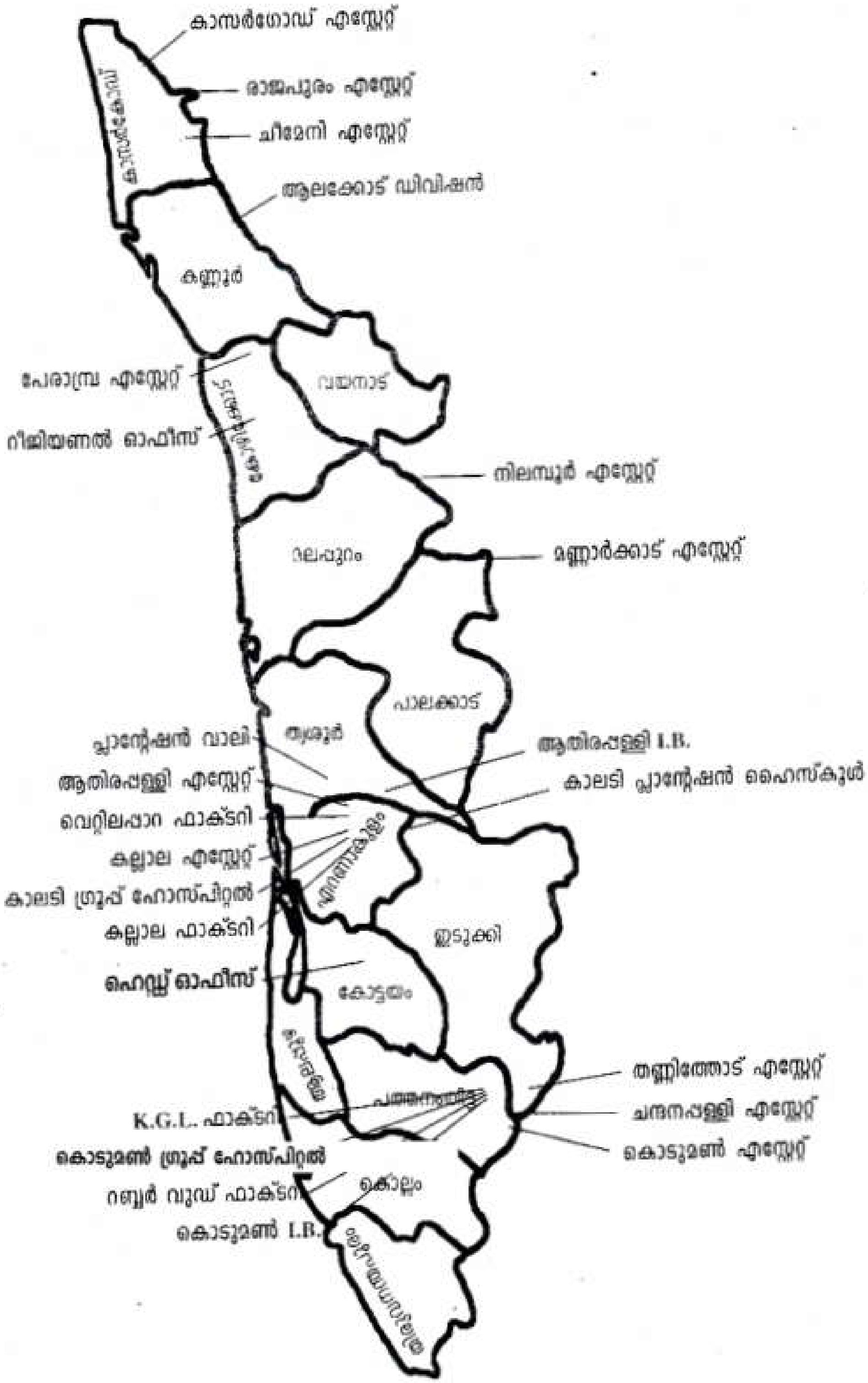
(An ISO 9001-2008 Certified Company)

Regd. Office	:	Kottayam - 686 004
Grams	:	Plantcorp
Fax	:	0481-2575133 (M.D) 0481-2578448 (General) 0481-2578254 (G.M(F&A))
E-mail	:	pckltd@dataone.in md@pcklimited.in pckaccounts@yahoo.co.in
Website	:	www.pcklimited.in www.plantationvalley.com
Phone (0481)	:	2578301 - 304 (EPABX), 2578306, 2578349, 2578294, 2578254, 2578763, 2578194, 2578164

48th Annual Report

2009 - 2010

LOCATION OF VARIOUS UNITS OF PLANTATION CORPORATION



BOARD OF DIRECTORS

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

Sri.N.K.Manoj
Managing Director (From 10.2.2010)

Dr.Davendra Kumar Dhodawat, IAS
Director (From 30.10.2009)

Sri.K.Ajith Kumar
Director (From 30.6.2010)

Sri.M.L.Raveendranath Hegden
Director (From 10.6.2010)

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

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

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

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

Sri.Vijayan Kunissery
Director (From 25.6.2007)

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

Sri.Babu Thomas
Managing Director
(From 07.11.2006 to 03.09.2009)

Sri.R.Krishnamoorthy
Managing Director
(From 04.09.2009 to 10.02.2010)

Sri.V.Presenan
Director (From 11.12.2008 to 30.06.2010)

Sri.K.Venugopal
Director (From 17.06.2009 to 10.06.2010)

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 48th Annual General Meeting of the Corporation will be held on Monday, the 27th September, 2010 at 11 AM at the Registered Office of the Corporation at Muttambalam (PO), Kottayam -4 to transact the following business;

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2010 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. Dr.Davendra Kumar Dhodawat, IAS
   2. Sri.V.K.Sinha, IFS
   3. Sri.K.Ajith Kumar
   4. Sri.ML Raveendranath Hegden
   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

Kottayam
2.9.2010

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 2010 and Balance Sheet as on that date are also seen attached herewith.

DIRECTOR'S REPORT

Gentlemen,

Your Directors have pleasure in presenting the 48th Annual Report of the Corporation for the year ended 31st March,2010.

OPERATING RESULTS

Particulars	2009-10 (Rs. in Lakh)	2008-09 (Rs. in Lakh)
Sales	9111.91	7022.88
Stock Differential	73.95	-85.12
Other Income	1125.78	1065.61
Net Revenue after adjusting stock differential	10311.64	8003.37
Manufacturing and Operating Cost	5420.85	4911.57
Depreciation	114.20	88.73
Provision for Gratuity	1410.45	924.97
Tax Provision	1004.73	408.54
Net Profit before Taxation	3366.14	2078.10

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.

TRANSFER TO RESERVES

Your company has transferred a sum of Rs.2,36,61,419/- to General Reserves.

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 Indian 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.

AGRICULTURAL INCOME TAX

The assessment of Agricultural Income Tax has been completed up to 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 2009-10 the value of rubber sold was Rs.7589.43 lakhs as against value of Rs.6120.27 lakhs in 2008-09.

Cashew

During the year 2009-10 the amount received on sale of Cashew was Rs.344.05 lakhs as against Rs.349.02 lakhs in 2008-09.

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 Estate), Kozhikode (Perambra Estate). These estates are raised in the land leased out to the Corporation by the State Forest Department.

Cashew Estates

There are four cashew estates viz. Kasaragod, Rajapuram and Cheemeni in Kasaragod District and Mannarghat Estate in Palakkad District. Out of these Estates, Rajapuram and Mannarghat Estates are raised in the leased out Forest Lands. Cheemeni Estate is surplus revenue land and Kasaragod Estate is fully owned by the Corporation.

Oil Palm Plantation

The Corporation has planted Oil Palm in 705 Ha. in Athirappally Estate, which has produced 4292.495 MT of Oil Palm FFBs during the financial year 2009-10.

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.
The construction work of the new centrifuging factory is going on in the Kodumon Estate.

Rubber Production

The production target was 6328 MTs and the achievement was 6458.822 MT (102.08%) during 2009-10.

Cenex

The production of cenex during the period 2009-10 was 4370.553 MTs (DRC) [KGL Factory – 2601.581 MT and Kallala Factory – 1768.972 MTs).

Plantation Valley Farm Resort

The Plantation Valley, farm tourism project of PCK in Athirappally has earned a revenue of Rs.28.69 lakhs and a net profit of Rs.7.18 lakhs during the year.

Rubber Wood Factory

During the year 2009-10 the production of treated rubber wood was 10648.74 cft. The quantity of treated rubber wood sold was 7028.60 cft and the price realized thereto was Rs.31,69,778.00.

Nurseries

During 2009-10 season also excellent nursery was establish at Kasaragod, Cheemeni and Nilambur. The revenue from nurseries was Rs.18 lacs from rubber nurseries and Rs.61 lacs from cashew nurseries.

PCK AND WORLD CUP FOOTBALL

Corporation had declared 2009-10 as 'quality year' with a special emphasis on improving quality in tapping and processing. We could achieve better results with increased output of lower VFA latex, increasing acceptance with customers. We are glad to note that the bladder of 'Jabulani' footballs used in the recent world cup football at South Africa was made with PCK latex. Consistency in quality and delivery has helped us make an international presence in an indirect way.

NEW ACTIVITIES

a. The company has been certified under ISO 9001-2008 by NQA.
b. Foundation stone laid for Office-cum-shopping complex at Calicut with a projected outlay of Rs.6 Cr.
c. Bio-ethanol project in association with BARC and Kerala Feeds Ltd
d. Mini-hydal project at Nilambur Estate
e. Medicinal plant nursery at Kasaragod and another one proposed at Mannarghat.
f. New Factory at Kodumon, work is in progress.
g. Largest rain harvesting pond in Kasaragod Dist under construction at Periya.
h. Demonstration plot raising cashew plantation in the laterite soil.
i. Two model nurseries for cashew.

INDUSTRIAL RELATIONS

The industrial relations during the period 2009-10 remained cordial and peaceful. Corporation has declared 2010-2011 as labour welfare year and new schemes for labour welfare have been initiated.

Salary revision for workers, staff and officers implemented.

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 2009-10.

ACKNOWLEDGEMENT

Your Directors are grateful to the Government of Kerala, Rubber Board, The Directorate of Cashewnut & Cocoa Development , Horticulture Mission, 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 | **T.J.Anjalose, Ex.M.P.**

2.9.2010 | **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	1. Power capacitors installed In all factories 2. Air ventilators installed in Factories.
(b) Additional investment and proposals; if any being implemented for reduction of energy	Nil
(c) Impact of the measures (a) and (b) above for previous years in getting steady subsequent impact on the cost of production of goods	Due to efforts taken consumption and cost of electricity 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 Earned	Nil

ANNEXURE – II

Details of Directors including changes taken place during the year ending 31-03-2010

Sl. No.	Name	Address	Date of Appointment
1	Sri.T.J.Anjalose.Ex.M.P. Chairman	Thayil House Pollathai PO Alleppey 688 567	10.08.2006
2	Sri. N.K.Manoj Managing Director	TC 41/2522 Thottam Manacaud PO Trivandrum	10.02.2010
3	Dr. Davendra Kumar Dhodawat, IAS, Director.	Secretary to Government Agriculture Dept. Government of Kerala	30.10.2009
4	Sri.V.K.Sinha IFS Director	Principal Chief Conservator of Forests (Plg.) Forest Headquarters Vazhuthacaud, Thiruvananthapuram	12.06.2007
5.	Sri. K. Ajith Kumar Director	Additional Secretary Finance Dept. Govt. of Kerala	30.06.2010
6.	Sri. M. L. Raveendranath Hegden, Director	Join Rubber Production Commissioner (Extn.) Rubber Board, Kottayam.	10.06.2010
7.	Sri. K. V. Krishnan Director	Kochunilayam Ravaneshwar, Pallikkara Kasargode	31.08.2006
8.	Sri.P. N. Prabhakaran Director	Pullolil Kanjirappally - 686 627	04.11.2006
9.	Sri. C. K. Unnikrishnan Director	Leela Vilasom Chowara, Ernakulam 683 571	04.11.2006
10.	Sri. Vijayan Kunissery Director	Pranamam Pooja Nagar Puthur, Palakkad, Pin 678 001	25.06.2007
11.	Sri. K. V. Babu Director	Kundu Valappil Vellore P.O. Payyannur, Kannur	25.06.2007
12.	Sri. Babu Thomas Managing Director	TC VII / 1069 (6) Vattiyoorkavu P.O. Thiruvananthapuram	07.11.2006 to 03.09.2009
13.	Sri. R. Krishnamoorthy Managing Director	438, Nelloormadom 7 Mutholy, Kottayam	04.09.2009 to 10.02.2010
14.	Sri. V. Presenan Director	Additional Secretary Finance Dept. Govt. of Kerala	11.12.2008 to 30.06.2010
15.	Sri. K. Venugopal Director	Jt. Rubber Production Commissioner Rubber Board, Kottayam	17.06.2009 to 10.06.2010

THE PLANTATION CORPORATION OF KERALA LTD.
KOTTAYAM - 4

BALANCE SHEET AS AT 31ST MARCH 2010

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
606055905.09	RESERVES & SURPLUS (SCH. A)		847731983.11
	UNSECURED LOANS		
	From Govt. of Kerala for Estate Development		
4820960.51	Interest accrued and due		4820960.51
	CURRENT LIABILITIES & PROVISIONS		
	a. Current Liabilities - Sch. B	320553603.09	
768682035.54	b. Provisions - Sch. C	697470964.07	1018024567.16
	ACCOUNTING POLICIES & NOTES TO ACCOUNTS		
	a. Accounting Policies - Sch. J		
	b. Notes forming part of Accounts - Sch. K		
1435246901.14	TOTAL		1926265510.78

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose Chairman	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	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
17-07-2010

THE PLANTATION CORPORATION OF KERALA LTD.
KOTTAYAM - 4

BALANCE SHEET AS AT 31ST MARCH 2010

Previous Year Rs. Ps.	ASSETS			Current Year Rs. Ps.
	FIXED ASSETS			
445190970.77	a.) Plantations - Sch. D			445984569.16
	b.) Plant & Machinery, Roads, Buildings etc... -Sch. E		110301770.46	
104813947.97	c.) Capital Work in Progress			
	As per last Balance Sheet	7836698.92		
	Additions this year	23609501.09		
	Less Capitalized	1613860.00	29832340.01	140134110.47
622459632.00	INVESTMENTS (SCH. F)			932114882.00
	CURRENT ASSETS, LOANS & ADVANCES			
	a. Current Assets - Sch. G		175914058.63	
262782350.40	b. Loans & Advances - Sch. H		232117890.52	408031949.15
1435246901.14	TOTAL			1926265510.78

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose Chairman	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	Ajith John Secretary

Kottayam
17-07-2010

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 2010

Previous Year Rs. Ps.	EXPENDITURE	Current Year Rs. Ps.
53295137.60	To Opening Stock - Rubber and Agrl. Products	44782909.00
193429.00	To Purchase of Latex from Union	172256.00
36982355.73	To Manufacturing Expenses	34381899.04
21637493.00	To Electricity Charges	19734231.00
17043664.74	To Lease Rent	17043894.56
101208385.53	To Tapping & Collection - Rubber	109712676.87
1682796.77	To Collection Charges - Cashew	1021007.29
3029565.80	To Harvesting Expenses - Oil Palm	2322673.00
83960512.84	To Salaries & Allowances	77189404.82
1090062.00	To Salaries & Allowances to MD	621922.80
120000.00	To Honararium to Chairman	120000.00
336436.00	To TA & Sitting Fee to Directors	395120.00
5085559.50	To Leave Encashment	12067765.94
25188074.00	To Employer's Contribution - PF	31081145.00
1953145.27	To TA to Staff & Officers	1988807.67
40330124.00	To L I C - Group Gratuity	40449399.00
24658104.46	To Welfare Expenses - Sch. III	27694834.42
25010167.00	To Bonus & Production Incentive	26404137.44
27955279.83	To Cultivation & Upkeep - Rubber	28969650.82
12832136.40	To Cultivation & Upkeep - Cashew	14722611.04
4124037.00	To Cultivation & Upkeep - Oil Palm	4995264.00
2101378.82	To Cultivation & Upkeep - Other Crops	1229897.31
29890764.58	To Rep. & Maintenance of Assets - Sch. I	25405342.46
1938510.50	To Insurance Charges	1644134.00
259179.87	To Selling Expenses	74804.00
156952.00	To Rent	172904.50
3476810.77	To Advertisement Charges	3151257.73
365288.27	To Interest & Bank Charges	227985.08
3690657.35	To Rates & Taxes	2838165.16
459348.00	To Legal Expenses	1326367.00
4323558.35	To Security Expenses	4364299.45
695216.00	To Remuneration to Auditors	689588.00
5090750.84	To Miscellaneous Expenses - Sch. II	4962823.12
92497255.00	To Provision for Gratuity	141045431.00
5784560.00	To Provision for Doubtful Debts	0.00
0.00	To Bad Debts Written Off	5784560.00
0.00	To Provision for Sales Tax	40000000.00
8873279.82	To Depreciation	11419658.57
207809574.44	Net Profit c/d to P & L Appropriation A/c.	336614187.02
	EPS : 4249	
	Nominal Value : 1000	
855129551.08	TOTAL	1076823014.11

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose Chairman	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	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
17-07-2010

THE PLANTATION CORPORATION OF KERALA LTD.

KOTTAYAM - 4

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Previous Year Rs. Ps.	INCOME		Current Year Rs. Ps.
	BY SALES		
612026707.96	Rubber	758943083.05	
34901902.00	Cashew	34405929.20	
26426606.00	Oil Palm	15301355.00	
6487474.20	Agricultural Produce	3231084.40	
21419900.84	Trees & Firewood	97387040.56	
241364.00	Tender Forms	684666.80	
784434.00	Empties & Unserviceables	1237583.00	911190742.01
	BY INTEREST		
2509589.00	From Long Term Investments	3468736.72	
45318266.18	From Short Term Investments	59334339.15	
512793.40	From Contractors & Customers	471954.72	
84455.10	From Staff Loans	6867.00	63281897.59
	BY OTHER INCOME		
327529.00	Rent of Building	469046.00	
1297877.07	Profit on Sale of Assets	1593627.96	
400000.00	Dividend From Long Term Investments	500000.00	
884820.07	Miscellaneous Income	13815106.90	
640534.48	Prior Period Income	2759633.00	
54584643.32	Slaughter Tapping	30158583.14	49295997.00
	BY CLOSING STOCK OF FINISHED GOODS & W.I.P.		
47904548.00 Rubber	51194486.00		
2227862.00	Cashew	254722.00	
650499.00	Other Agricultural Produces	729093.00	52178301.00
294508.63	Net Profit - Rubber Wood Factory - Schedule - IV		157685.06
1203236.83	Net Profit - Plantation Valley - Schedule - V		718391.45
855129551.08	TOTAL		1076823014.11

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	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	Ajith John Secretary	Sd/- C.A. Thomas Mani (Partner) M.No.20015

Kottayam
17-07-2010

THE PLANTATION CORPORATION OF KERALA LTD.
KOTTAYAM - 4

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

Previous Year Rs. Ps.		Current Year Rs. Ps.	Previous Year Rs. Ps.		Current Year Rs. Ps.
20000000.00	To Tax Provision - C I T	40000000.00	207809574.44	By Net Profit as per P & L A/c.	336614187.02
381500.00	To Tax Provision - F B T	0.00			
20000000.00	To Tax Provision - A I T	60000000.00	5105395.00	By Tax Provision	0.00
16742807.44	To Transferred to General Reserve	23661419.00	170379816.77	By Balance as per last Balance Sheet.	314012869.77
8900000.00	To Transferred to Replanting Reserve	8900000.00			
2784400.00	To Provision for Dividend	2784400.00			
473209.00	To Provision for Dividend Tax	473209.00			
314012869.77	To Net Profit transferred to Balance Sheet	514808028.79			
383294786.21	Total	650627056.79	383294786.21	Total	650627056.79

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/-
N.K. Manoj
Managing Director

Sd/-
N. Mohan Kumar
G.M. (F & A)

Sd/-
Ajith John
Secretary

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

Kottayam
17-07-2010

SCHEDULE - A

RESERVES & SURPLUS AS ON 31-03-2010

Previous Year Rs. Ps.			Current Year Rs. Ps.
	RESERVES & SURPLUS		
29581711.44	1. General Reserve		
	As per last Balance Sheet	29581711.44	
	Additions during the year	23661419.00	53243130.44
119789050.90	2. Capital Reserve		119789050.90
99558000.00	3. Replanting Reserve		
	As per last Balance sheet	99558000.00	
	Additions during the year	8900000.00	108458000.00
14079091.48	4. Rehabilitation Reserve		
	As per last Balance sheet		14079091.48
	SUBSIDY FROM GOVERNMENT		
	1. Subsidy from Rubber Board		
	Rubber Cultivation		
	As per last Balance Sheet	12984491.50	
12984491.50	Additions during the year	0.00	12984491.50
	2. Subsidy from Govt of Kerala		
	Cashew Plantation		
	As per last Balance Sheet	16050690.00	
16050690.00	Additions during the year	8319500.00	24370190.00
314012869.77	**Profit & Loss Appropriation Account**		514808028.79
606055905.09	**TOTAL**		**847731983.11**

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose Chairman	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	Ajith John Secretary

Kottayam
17-07-2010

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

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

SCHEDULE - B

CURRENT LIABILITIES AS ON 31-03-2010

Previous Year Rs. Ps.		Current Year Rs. Ps.
55214890.81	Sundry Creditiors	
	Due to Small Scale Industrial Undertakings	145149.00
	Due to other than S S I Undertakings	9534975.66
30969600.66	Other Liabilities	99630976.59
158298902.04	Lease Rent Payable	125232300.60
7446822.17	E M D	9161199.17
24791382.72	Security Deposit	32930816.72
13891986.00	Advance against Sales	19279872.80
53351.35	Welfare Fund	53656.35
17737151.90	Agricultural Income Tax due	17737151.90
468012.00	Fringe Benefit Tax due	468012.00
- 108451.63	Central Sales Tax Payable	273897.04
4305091.45	Value Added Tax Payable	6090557.26
13687.00	Luxury Tax Payable	15038.00
313082426.47	**TOTAL**	**320553603.09**

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose Chairman	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	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
17-07-2010

SCHEDULE - C

PROVISIONS AS ON 31-03-2010

Previous Year Rs. Ps.			Current Year Rs. Ps.
350517448.00	1. Gratuity		
	As per last Balance Sheet	350517448.00	
	ADD Additions this year	141045431.00	
		491562879.00	
	LESS Paid this year	32570737.00	
			458992142.00
31630515.00	2. Bonus		25000000.00
3499885.00	3. Leave Encashment		5938437.00
6727748.00	4. Provident Fund & Other Charges		7665490.00
60439613.07	5. Taxation		
	As per last Balance Sheet	60439613.07	
	ADD Additions this year	100473209.00	
	LESS Adjusted this year	3822327.00	157090495.07
	6. Provision for Sales Tax		40000000.00
2784400.00	7. Proposed Dividend for the year		2784400.00
455599609.07	**TOTAL**		697470964.07

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose Chairman	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	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
17-07-2010

SCHEDULE - D

PLANTATIONS AS ON 31-03-2010

Item	Opening Balance Rs. Ps.	Additions Rs. Ps.	Disposals Rs. Ps.	Closing Balance Rs. Ps.
Rubber	364651882.12	8740280.90	16303460.44	357088702.58
Cashew Plantations	43237148.90	8356777.93		51593926.83
Arecanut Plantations	1070367.18			1070367.18
Oil Palm Plantation	32143207.66			32143207.66
Teak Plantations	754364.50			754364.50
Cocoa Plantation	12797.00			12797.00
Coconut Plantations	247445.82			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	**445190970.77**	**17097058.83**	**16303460.44**	**445984569.16**

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose Chairman	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	Ajith John Secretary

Kottayam
17-07-2010

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

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

SCHEDULE - E

SCHEDULE - E

PLANT & MACHINERY, ROADS, BUILDINGS ETC., AS ON 31-03-2010

Item	ORIGINAL COST			DEPRECIATION			DISPOSALS		BALANCE			
	At the end of previous year	Additions during the year	Total Cost	At the end of previ. year	For the year	Total Deprecia-tion	Original Cost	Deprn. Written off	Total Cost as on 31-03-2010	Total Deprn. as on 31-03-2010	Net Block as on 31-03-2010	Net Block as on 31-03-2009
	Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps	Rs. Ps
1.Furniture	3940044.66	126820.00	4066864.66	3205529.39	210518.69	3416048.08	0.00	0.00	4066864.66	3416048.08	650816.58	734515.27
2.Office equipments	4063592.65	143280.00	4206872.65	3436824.61	111010.17	3553696.72	0.00	0.00	4206872.65	3553696.72	653175.93	626768.04
3.Electrical appliances	852819.79	68455.00	921274.79	376405.14	124876.28	501281.42	0.00	0.00	921274.79	501281.42	419993.37	476414.65
4. Electrical Installation	7720652.69	119090.00	7839742.69	6667050.27	161689.03	6831482.67	0.00	0.00	7839742.69	6831482.67	1008260.02	1053602.42
5.Telephone	448068.67	2723.00	450791.67	292454.04	24368.99	316823.04	0.00	0.00	450791.67	316823.04	133968.63	155614.63
6.Survey instruments	10517.54	0.00	10517.54	10418.19	14.16	10432.35	0.00	0.00	10517.54	10432.35	83.19	99.35
7.Library	70903.36	0.00	70903.36	62052.80	884.56	62937.36	0.00	0.00	70903.36	62937.36	7966.00	8850.56
8.Roads	30481630.29	2333245.00	32814875.29	14912630.98	836298.29	15748929.27	0.00	0.00	32814875.29	15748929.27	17065946.02	15568999.31
9.Fence/Kayyala	12872969.53	3590816.42	16463785.95	8067518.83	679740.10	8747258.92	0.00	0.00	16463785.95	8747258.92	7716527.03	4805450.70
10.Electric Fittings	217350.03	20610.00	237960.03	194058.71	12513.93	206572.64	0.00	0.00	237960.03	206572.64	31387.39	23291.32
11.Plant & machinery	51215644.99	11294454.00	62510098.99	25810671.00	4073319.91	29883990.91	0.00	0.00	62510098.99	29883990.91	32626108.08	25404973.99
12. Buildings	79516928.67	2132945.00	81649873.67	45501289.12	2027082.96	47528372.08	0.00	0.00	81649873.67	47528372.08	34121501.59	34015639.55
13.Vehicles	23325554.10	5618233.85	28943787.95	14070597.47	3594801.02	17665398.49	2378490.02	2362396.73	26565297.93	15303001.76	11262297.00	9254956.63
14.Water supply installations	9033938.33	43366.00	9077304.33	8689468.71	106448.25	8795916.96	0.00	0.00	9077304.33	8795916.96	281387.37	344469.62
15.Amonium cylinders	523639.00	0.00	523639.00	523425.00	85.00	523510.00	0.00	0.00	523639.00	523510.00	129.00	214.00
16.Wells	348597.95	22810.00	371407.95	125960.74	11156.47	137117.20	0.00	0.00	371407.95	137117.20	234290.75	222637.22
17.Landing pad	118844.25	0.00	118844.25	80395.50	1922.44	82317.94	0.00	0.00	118844.25	82317.94	36526.32	38448.76
18.Jhankar boat	95691.49	0.00	95691.49	48277.49	4741.40	53018.89	63041.49	46645.85	32650.00	6373.04	26276.96	47414.00
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	3615538.20	360858.00	3976396.20	2569283.13	530617.83	3099900.96	0.00	0.00	3976396.20	3099900.96	876495.24	1046255.07
Total	231621561.84	25877706.27	257499268.11	134644312.75	12512089.48	147165007.55	2441531.51	2409042.58	255057736.60	144755964.97	110301770.46	96977249.09
Previous Year Total	210956566.15	22957762.39	233945028.54	126810921.41	10038866.17	136849787.58	2297270.25	2179278.37	231647758.29	134670509.20	96977249.09	84146506.68

For and on behalf of Board of Directors

Sd/-
T.J. Anjalose
Chairman

Sd/-
N.K. Manoj
Managing Director

Sd/-
N. Mohan Kumar
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

SCHEDULE - F

INVESTMENTS AS ON 31-03-2010

Previous Year Rs. Ps.			Current Year Rs. Ps.
	A. LONG TERM INVESTMENTS 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. 10000/- 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
40000000.00	d.)Investment Deposit Scheme for replanting in Treasury		65000000.00
	B. SHORT TERM INVESTMENTS		
235596432.00	a.) Fixed Deposit with Banks	326996082.00	
331862200.00	b.) Fixed Deposit with Treasury	525117800.00	852113882.00
622459632.00	**TOTAL**		**932114882.00**

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	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	Ajith John Secretary	Sd/- C.A. Thomas Mani (Partner) M.No.20015

Kottayam
17-07-2010

SCHEDULE - G

CURRENT ASSETS AS ON 31-03-2010

Previous Year Rs. Ps.			Current Year Rs. Ps.
	A. INTEREST ACCRUED ON INVESTMENTS		
32391555.18	Interest Receivable on Fixed Deposit		37264177.05
	B. INVENTORIES		
29477218.97	1. Stores and Spares at cost	29436739.86	
4621557.45	2. Loose Tools	5134603.48	
655034.04	3. Agricultural and Other Equipments	709133.08	
41904548.00	4. Stock of Rubber & Rubber in Process	51194486.00	
2748125.35	5. Stock of Rubber Wood	4296919.00	
2227862.00	6. Stock of Cashew Nuts	254722.00	
652499.00	7. Closing Stock - Others	729093.00	
	8. Nurseries:-		
1078749.37	Budwood - Rubber	1429469.37	
3757681.81	Polybag - Rubber	7262712.77	
5296723.47	Seedlings - Rubber	6994325.54	
298166.00	Oil Palm Nursery	291604.00	
1925653.08	Cashew Nursery	2168433.08	
25512.28	Other Nurseries	27423.28	109929664.46
1583941.23	**C. SUNDRY DEBTORS** (Unsecured considered good):		
	Exceeding six months	609607.70	
	Others	3081724.50	3691332.20
	D. CASH & BANK BALANCES:		
	Bank Balances:		
	1) With Scheduled Banks		
15790797.07	in Current Accounts	25017779.92	
8948.00	2) With Treasury S.B. A/c.	11105.00	25028884.92
143442572.30	**TOTAL**		**175914058.63**

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose Chairman	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	Ajith John Secretary

Kottayam
17-07-2010

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

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

SCHEDULE - H

LOANS & ADVANCES AS ON 31-03-2010

Previous Year Rs. Ps.			Current Year Rs. Ps.
	1. SECURED (Considered Good)		
	STAFF LOAN:		
54700.00	1) Motor Car Loan	54700.00	
59339.10	2) Motor Cycle Loan	34474.10	
242797.60	3) Housing Loan	110711.60	199885.70
	2. UNSECURED (Considered Good)		
2500000.00	2. K.S.C.D.C.	2500000.00	
15000000.00	3. K.S.H.D.C.	15000000.00	
	b) Advances recoverable in cash or kind		
22419256.25	for value to be received.	34483177.67	
	c) Advance payment of taxes:		
709482.18	1. Sales tax	12922812.18	
27869275.00	2. Agricultural Income tax	92225628.00	
33179365.00	3. Central Income tax	57506149.00	
	d) Prepaid expenses		
	e) Tax refund due :		
7128108.00	1. Income tax	6694668.00	
5082748.18	2. Agricultural Income tax	5082748.18	
680190.29	3. Plantation tax	680190.29	
258205.25	f) Rebate receivable on Govt. Loan	258205.25	227353578.57
	(Inclusive of Guarantee Commn. Refund due)		
	3. DEPOSITS		
2836023.00	1. KSEB, Port Trust & other Govt. Dept.	3213650.00	
1022259.00	2. Other Deposits	1004509.00	
242642.00	3. With Court	290880.00	
55387.25	4. With Suppliers	55387.25	4564426.25
119339778.10	**TOTAL**		**232117890.52**

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose Chairman	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	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
17-07-2010

SCHEDULE - I

REPAIRS & MAINTENANCE OF ASSETS AS ON 31-03-2010

Previous Year Rs. Ps.		Current Year Rs. Ps.
7141392.94	Repairs to Vehicles	8963595.19
11503814.68	Repairs to Buildings	5011184.66
3235845.70	Repairs to Plant & Machinery	3964432.80
2043276.04	Repairs to Roads	988928.57
2097346.96	Repairs to Electrification	1607184.48
1104778.25	Repairs to Water Supply Installation	1617074.50
44314.00	Repairs to Office Equipments	97208.80
1382535.35	Repairs to Fence / Kayyala	1880377.50
591078.07	Repairs to Tools	848061.93
800.00	Repairs to Jhankar & Boat	0.00
591442.00	Repairs to Computer	206884.00
42417.00	Repairs to Furniture	39430.50
73212.59	Repairs to Temporary Shed	108015.00
38511.00	Repairs & Maint to Assets	72964.53
29890764.58	**TOTAL**	**25405342.46**

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	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	Ajith John Secretary	Sd/- C.A. Thomas Mani (Partner) M.No.20015

Kottayam
17-07-2010

SCHEDULE - II

MISCELLANEOUS EXPENSES AS ON 31-03-2010

Previous Year Rs. Ps.		Current Year Rs. Ps.
1001561.80	Postage,Telephone & Telegram	912303.99
925336.18	Printing & Stationery	1029421.70
1229690.04	Office Expenses & Others	1695002.67
629827.00	Penal Interest PF	0.00
58847.99	Storage Expenses	66293.00
66305.28	Survey Expenses	157317.00
21858.00	Books & Periodicals	68051.50
435982.55	I B Expenses	577490.69
228032.00	Meeting Expenses	0.00
193308.00	Staff Training Expenses	61023.00
181144.00	Ferry Expenses	237910.00
13570.00	Donations	0.00
100000.00	Seminar Expenses	0.00
5288.00	Gardening	14006.60
0.00	Losses & Write Off	144002.97
5090750.84	**TOTAL**	**4962823.12**

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	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	Ajith John Secretary	Sd/- C.A. Thomas Mani (Partner) M.No.20015

Kottayam
17-07-2010

SCHEDULE - III

WELFARE EXPENSES AS ON 31-03-2010

Previous Year Rs. Ps.		Current Year Rs. Ps.
2699402.50	Sickness Benefit	3524641.75
138185.00	Maternity Benefit	193955.00
4428347.09	Leave with wages	4862617.97
4498957.17	Holiday Wages	5531270.03
248808.66	Weather Protection Expenses	234860.00
1256027.82	Drinking Water Supply	1655528.23
948156.50	Sanitation	771125.74
92594.00	Recreation Facility	77654.00
8238787.31	Medical & Hospital Facility	7309807.80
27669.00	Way Expenses - Workers	39825.00
307028.00	Running & Maint. of School	229183.00
26637.00	Creche Expenses	27624.00
143386.48	Workmen's Compensation	106532.00
31369.50	Group Insurance	40790.00
374484.74	Uniform to Staff & Workers	294049.90
130486.97	Subsistance Allowance	97548.00
47278.23	Labour Welfare Fund	41535.00
579421.00	D L I	825020.00
16793.00	Funeral Expenses	10585.00
424284.49	Awards & Incentives	1820682.00
24658104.46	**TOTAL**	**27694834.42**

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose Chairman	N.K. Manoj Managing Director	N. Mohan Kumar G.M. (F & A)	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
17-07-2010

SCHEDULE - IV

RUBBER WOOD FACTORY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Previous Year Rs. Ps.	EXPENDITURE	Current Year Rs. Ps.	Previous Year Rs. Ps.	INCOME	Current Year Rs. Ps.
798764.53	To Opening Stock	2748125.35	2121812.00	By Sale of Processed Rubber Wood	3169778.00
2528601.00	To Purchase of Rubber Trees	4069637.00			
936393.64	To Manufacturing Expenses	1122153.02	424902.00	By Sale of By-Products and Waste	1243619.00
345855.00	To Electricity Charges	346785.00	241868.00	By Miscellaneous Income	501857.50
155589.50	To Salaries & Allowances	174147.50	2748125.35	By Closing Stock	4296919.00
41728.00	To Contribution to PF	41555.00			
34281.00	To Bonus to Staff & Workers	72626.00			
8410.00	To Travelling Expenses	8394.00			
50363.03	To Welfare Expenses	53402.21			
106809.33	To Rep. & Maint of Assets	166035.00			
13107.00	To Advt & sales Promotion				
60089.50	To Office Expenses	93390.00			
2413.00	To Bank Charges	690.00			
36960.00	To Rates & Taxes	4976.00			
122834.19	To Depreciation	152572.36			
294508.63	To Net Profit Transferred to P & L A/c	157685.06			
5536707.35	**Total**	**9212173.50**	**5536707.35**	**Total**	**9212173.50**

For and on behalf of Board of Directors

Sd/-
T.J. Anjalose
Chairman

Sd/-
N.K. Manoj
Managing Director

Sd/-
N. Mohan Kumar
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
17-07-2010

Kottayam 17-07-2010 Chairman
N.K. Manoj Managing Director
Sd/- N. Mohan Kumar G.M. (F & A)
Sd/- Ajith John Secretary
...our report of even date For KOSHY & MANI Chartered Accountants
Sd/- C.A. Thomas Mani (Partner) M.No.20015

SCHEDULE - V

PLANTATION VALLEY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

Previous Year Rs. Ps.	EXPENDITURE	Current Year Rs. Ps.	Previous Year Rs. Ps.	INCOME	Current Year Rs. Ps.
949378.00	To Restaurant Expenses	683159.21	4101500.00	By Rental Income From Rooms	2868500.00
334335.00	To Electricity Charges	289337.00	783567.00	By Income from Restaurant	1045700.00
890078.00	To Salaries & Allowances	711670.00	13255.00	By Miscellaneous Income	24615.00
64812.50	To Welfare Expenses	30860.00			
31250.00	To Bonus & Production Incentive	4350.00			
236863.00	To Rep. & Maint of Assets	350558.79			
50494.00	To Rates & Taxes	130435.00			
70789.50	To Office Expenses & Others	57898.00			
2128.00	To Advertisement Charges	0.00			
11171.00	To Bank Charges	4478.00			
11034.00	To TA to Staff & Officers	17819.00			
1042752.17	To Depreciation	939858.55			
1203236.83	To Net Profit Transferred to P & L A/c	718391.45			
4898322.00	TOTAL	3938815.00	4898322.00	TOTAL	3938815.00

For and on behalf of Board of Directors

Sd/- T.J. Anjalose, Chairman

Sd/- N.K. Manoj, Managing Director

Sd/- N. Mohan Kumar, G.M. (F & A)

Sd/- Ajith John, Secretary

Kottayam
17-07-2010

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

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

CASH FLOW STATEMENT AS PER AS-3

2008-09	A. CASH FLOWS FROM OPERATING ACTIVITIES	2009-10	
207,809,574.00	Net Profit before Taxation		336,614,187.02
	Adjustments for		
10,038,866.00	Depreciation	12,512,089.48	
1,113,694.00	Write off	5,928,562.97	
(47,827,855.00)	Interest on Investments	(62,803,075.87)	
(21,419,900.84)	Profit on sale of Trees	(97,387,040.56)	
(1,297,877.00)	Profit on sale of Assets	(1,593,627.96)	
(400,000.00)	Dividend Received	(500,000.00)	
(597,249.00)	Interest Income on Loans & advance	(478,821.72)	
			(144,321,913.66)
147,419,252.16	Operating profit Before Working Capital changes		192,292,273.36
	Adjustments for		
74,659,560.00	Increase in Gratuity and Bonus provision	201,871,355.00	
29,702,438.00	Increase/Decrease in current liabilities	7,471,176.62	
(1,774,651.00)	Increase/Decrease in Inventories	(16,262,333.64)	
6,930,168.00	Increase/Decrease in Debtors	6,980,012.84	
(8,436,778.00)	Advances & Deposits	(112,778,112.42)	
101,080,737.00	Cash generated from operations	87,282,098.40	
(35,700,000.00)	Income tax paid	(82,056,353.00)	5,225,745.40
234,219,890.00	Net Cash from Operating Activities		197,518,018.76
	B. CASH FLOWS FROM INVESTING ACTIVITIES		
(29,791,301.00)	Purchase of Fixed Assets	(41,726,265.25)	
(15,462,107.00)	Development of property	(17,097,058.83)	
(221,501,801.00)	Investments	(309,655,250.00)	
1,415,869.00	Sale of Fixed Assets	1,626,116.00	
23,696,307.84	Sale of Trees	113,690,501.00	
64,392.00	Loans		
29,133,135.00	Interest received on Investment	58,832,365.52	
597,249.00	Interest received on Loans & Advances	478,821.72	
400,000.00	Dividend Received	500,000.00	
3,659,874.00	Subsidy Received	8,319,500.00	
(229,208,283.00)	Net Cash Available from Investing Activities		(185,031,269.84)
	C. CASH FLOWS FROM FINANCING ACTIVITIES		
(2,784,400.00)	Dividend Paid	(2,784,400.00)	
(473,209.00)	Dividend Distribution Tax Paid	(473,209.00)	
Nil	Repayment of Term Loan		
(3,257,609.00)	Net Cash Available from Financing Activities		(3,257,609.00)
1,753,998.00	Net(Decrease)/Increase in Cash and cash Equivalents		9,229,139.92
14,045,747.00	Opening Cash and cash Equivalents		15,799,745.00
15,799,745.00	Closing Cash & Cash Equivalents		25,028,884.92

For and on behalf of Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose	N.K. Manoj	N. Mohan Kumar	Ajith John
Chairman	Managing Director	G.M. (F & A)	Secretary

Kottayam
17-07-2010

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

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 2010

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% ,Fence & Kayyala at 10% and Water Supply Installation at 30% consistently. There is no impairable loss to the depreciable assets. Loose Tools, Electronic Equipments, Lab Equipments, Manager's Bungalow equipments, I.B. Equipments etc were revalued at 10% below its book value and charged to repairs and Maintenance.

7. Sales:

Sales are accounted at the time of preparation of invoices in the case of all products except Cashew. 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 include Long Term and Short Term investments and stated at cost. Dividends are from Long Term Investments in shares of companies. The Company has made an investment of Rs. 6.5 Crores in Investment Deposit Scheme 1993 of State Government.

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 31.03.2010, the balance sheet date, based on an independent actuarial valuation by Life Insurance Corporation of India. Difference between the said valuation and the provision made till 31.03.2010 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, 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 provided for Agricultural Income Tax for this year.

(b) Income Tax:

Income Tax comprises of current 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 certainity of realization of such assets on prudent basis.

SCHEDULE - K

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

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 2,36,61,419/-. An amount of Rs.89, 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 31.03.2010 is Rs. 2,43,70,190/- (Previous year Rs. 1,60,50,690/-). The Corporation has received Rs. 1,29,84,491.50/-as Rubber Board subsidy up to 31.03.2010 (Previous year Rs.1,29,84,491.50/-) 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.53,656.35 (Previous year Rs. 53,351.35/-) 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.1,45,149.00/- (Previous year Rs. 1,17,898.00/-) 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.

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.4,00,00,000/- in LIC's Group Gratuity Scheme and Rs. 4,49,399/- as the premium of the master policy. 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 is made at 22% of eligible earnings.

   b) Agricultural Income Tax assessment is completed up to the assessment year 2006-07 and Central Income Tax assessment is completed up to the assessment year 2007-08 Based on the completed assessment and return filed up-to Assessment Year 2009-10, there is a short provision of Rs.331.79 lakhs (Previous year Rs.508.79 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 2009-10.

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 31-03-2010 is 14,135.27 hectares (Previous year total area 14,135.27 Ha.). Certain areas have been subjected to survey. Particulars are given below:

Details	Mature Area (Ha)	Immature Area (Ha)
Rubber Plantation	5685.46	979.63
Cashew Plantation	5093.08	1210.21
Oil Palm Plantation	704.73	0.00
Total	**11483.27**	**2189.84**

Area under Cultivation	13673.11 Ha
Other Crops:	61.90 Ha
Vacant and Rocky:	400.26 Ha
Gross Total	**14135.27 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

Provision had been made for doubtful debts for an amount of Rs.57,84,560/- due from Oil Palm India Ltd, during the year 2008-09and subsequently the Govt. has settled the issue and fixed the final price for oil palm. Hence this amount has been written off in the accounts for the year 2009-10 as bad debts. 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 favour 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/-	500/-
Cochin Port Trust	3600/-	3600/-
Water Authority	18,370/-	18,370/-
Civil Supplies Corporation	10,000/-	10,000/-
Post & Telegraph Department	41,317/-	41,317/-
Kerala State Electricity Board and Others	30,47,188/-	27,62,236/-
Total	31,20,975/-	28,36,023/-

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.6,80,190.29. (Previous year tax Payable Rs. 6,80,190.29)

13. SALES TAX

KGST assessments and CST assessments are completed only upto 2003-04. No provision has been made on the additional demand since the assessment orders are under appeal.
A demand of Rs.2,97,94,209/- has been raised against the Company in respect of KGST assessment and Rs.68,69,645/- has been raised in respect of CST assessment for 1998-99 to 2003-04. Rs. 4 Crores has been provided for this.

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/- per Ha from 1999-2000 onwards has not been made due to paucity of funds. The Forest department has claimed penal interest of Rs. 848.19 Lakhs for not remitting lease rent is the increased rate. The lease rent claimed by the Government is against the lease deed. Since the rate of lease rent is appealable, 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. But during the year 2009-10, Corporation has Remitted Rs. 5 Crores to Forest Department towards lease rent

15. RELATED PARTY DISCLOSURE (AS -18)

(Remuneration to Key Managerial Personnel)

Name of the Related Party : **Sri Babu Thomas-** Managing Director.

	Current Year (Rs.)	Previous Year (Rs.)
Rendering of Services	6,21,922.80	10,90,062.00
Total	**6,21,922.80**	**10,90,062.00**

16. MANAGERIAL REMUNERATION

	Current Year (Rs.)	Previous Year (Rs.)
TA & Sitting fee to Directors	3,95,120.00	3,36,436.00
Honorarium to Chairman	1,20,000.00	1,20,000.00

17. AUDITOR'S REMUNERATION

	Current Year (Rs.)	Previous Year (Rs.)
Statutory Auditor's fee	99,270.00	99,270.00
Expenses to Statutory Auditors	11,030.00	11,030.00
Internal Auditor's Fee	3,03,325.00	2,36,042.00
Other Services	2,75,933.00	3,37,844.00
Total	**6,89,558.00**	**6,95,216.00**

18. MANUFACTURING EXPENSES

This include cost of packing drums worth Rs.134,38,328.27

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 (Mts.)	Value (Rs. Lakhs)	Quantity (Mts.)	Value (Rs. Lakhs)
Rubber	6654.28	7589.43	6553	6120.27
Cashew	N A	309.83	N A	349.02
Oilpalm	4230.88	153.01	5427.11	264.27

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. DEPRECIATION

Depreciation was charged on Plant and machinery from date in which asset put to use and in case of other assets from the date of purchase or on completion of construction.

Latex factories were operating in double shift and hence higher rate of deprecation has been provided for plant and machinery. Vettilappara T.S.R. Factory started its operations after renovation on 09-09-2009 and was operating in triple shift, depreciation has been provided accordingly.

21. 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 31.03.2010. During the year2009-10, the factory was operating in triple shifts and hence higher rate of depreciation has been provided for plant and machinery. Closing stock of Rubber Wood Factory is valued considering the inter unit transfer price fixed by the management. If the stock is valued at actual cost value of closing stock will be Rs. 14,44,421/- and the net unrealized profit on stock is Rs . 22,11,376.44

22. 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 31.3.2010.

23. NEW FACTORY

The company has engaged in the construction of new Cenex Factory at Kodumon. The construction started on 19.08.2007 and the expenses were accounted under the head Capital Work –in- Progress.

24. PLANTATIONS

There is an initial investment of Rs.10,94,524.20 in Rajapuram estate for rubber plantation in 100 hectares which is pending for completions due to technical reasons to be cleared from forest department.

25. CONTINGENT LIABILITIES

a) Estimated amount of contractors for which the Company is contingently liable on Capital Account is Rs.2,43,00,000/- (Previous year: Rs. 13,69,420/-)

b) 108 cases (Previous year 131 cases) are pending 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) Contingent Liability for Provident Fund is Rs.42,44,299/-.

d) Lease rent – As per Note 14

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

Particulars	Current Year		Previous Year	
a) CIF vale of import during the year	Nil		78000 Euro (48.68 lakhs)	
b) Expenditure in Foreign Currency	Nil		Nil	
c) Value of raw materials, stores, spares and components during the year	Value (Rs. Lakhs)	Consumption	Value (Rs. Lakhs)	Consumption
i.) Imported value	Nil	Nil	Nil	Nil
ii) Indigenous (Stores & Spares)	516.73	100%	557.86	100%
d.) Particulars of dividend remitted in foreign exchange	Nil		Nil	
e.) Earnings in Foreign Exchange	Nil		Nil	

27. Total wages paid during the year to tappers, field worker and factory workers are Rs.1122.14 lakhs (Previous year: Rs.1045.73 lakhs)

28. PRIOR PERIOD INCOME

Particulars	Amount (in Rs.)
Omission of previous years income- Kasargode Estate Sale of Cashew trees and Misc. Trees	27,51,014.00
Head Office – Sale of Rubber	8640.00
Total	**27,59,654.00**

29. PRIOR PERIOD EXPENSES

Particulars	Amount (in Rs.)
Omission of previous years exp now accounted- Head Office- Rent	21.00
Total	**21.00**

30. DEFERRED TAX ASSETS AND LIABILITIES

Even though the company has achieved a net profit of Rs. 33.38 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 as the assessment for AIT from 1976-77 are not yet complete. 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.

31. 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. 62,05,440/- has been adjusted against the loan.

The balance amount of Rs. 32,16,222/- outstanding in the books of the Corporation towards the loan was transferred to Capital Reserve Account during financial year 1996-97. During 1999-2000, the Corporation was directed to repay an amount of Rs. 62,75,140/- [Principal: Rs. 32,61,222/-, interest: Rs. 28,67,382/- and penal interest: Rs. 1,46,536/-] vide GO (MS) No. 238/99/AD dated 19.08.1999 and letter No. L II (I) 5099/84 dated 24.11.1999 from the Director of Agriculture. The Govt. of Kerala vide GO (MS) No.34/2002/AD dated 15.03.2002 has ordered that the amount of Rs. 62,75,140/- be converted in to Share capital and has directed the Managing Director to issue Share Certificate for the said amount to the Government. However, no provision is made in the accounts for the same as the matter is still under correspondence into Government.

32. AWARD OF SLAUGHTER TAPPING CONTRACTS

The income received from Slaughter tapping contract is accounted on accrual basis of accounting, and previous year provisions were reversed now.

33. DISPOSAL OF PLANTATION

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.

34. DIVIDEND

Rs.27,84,400/- is provided for proposed dividend for the financial year 2008-09 and dividend distribution tax @ 16.545% is also provided .

35. Previous year's 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 : 31.03.2010

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
948241	948241

Sources of Funds

Paid up Capital	Reserves & Surplus
55688	887732
Secured Loans	Unsecured Loans
Nil	4821

Application of Funds

Net Fixed Assets	Investments
586119	932115
Net Current Assets	Misc. expenditure
(569993)	Nil

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

Turnover	Total Expenditure
1032622	696008
Profit/Loss before tax	Profit/Loss after tax
336614	236614
Dividend (Percentage.)	Earning Per Share
5%	4249

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) Production Description	Technically nuts in shell (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

Sd/-	Sd/-	Sd/-	Sd/-
T.J. Anjalose	N.K. Manoj	N. Mohan Kumar	Ajith John
Chairman	Managing Director	G.M. (F & A)	Secretary

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

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

Kottayam
17-07-2010

AUDITORS' 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, 2010 and also the Profit and Loss Account and Cash Flow Statement 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 to the extent applicable.

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. We have relied only on the books of accounts maintained and information and explanations furnished by the Company. The impact, if any, on the financial statements is not ascertainable.

iv) The Company has not complied with Accounting Standard-2 (AS-2) as regards valuation of closing stock at Rubber Wood Factory. Value as taken by the Company is overstated to the extent of Rs. 22.11Lakhs. As a result we are of the opinion that the profit was overstated to the extent of Rs. 22.11 Lakhs and inventory value under Current Assets in the Balance Sheet is overstated to that extent.

v) The Company has not charged depreciation on development of property for various cultivation viz. 35.71 crores for Rubber Plantation, 5.16 crores for Cashew, Rs.3.21 crores for Oil Palm and 0.52 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.

vi) The Company has not recognized impairment of development of property with respect to vanilla cultivation of Rs. 5.23 lakhs and Rubber Plantation in Rajapuram Estate of Rs. 10.95 Lakhs in accordance with Accounting Standard- 28 (AS-28). As a result we are of the opinion that the profit was overstated to the extent of 16.18 lakhs and plantation development expenditure in Schedule D under Fixed Assets is overstated to that extent. In Addition to above, the impairment with respect to development of property due to natural calamities like wind fall, fire etc... has not been quantified and recognized in Profit & Loss Account

vii)The Company has shown subsidy of Rs. 83.20 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 31.03.2010 is Rs.1.30 crores and from Government of Kerala against Cashew Plantation is Rs.2.44 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 on the financial statement is not ascertainable in the absence of relevant details.

viii) Cash Flow Statement prepared by the Company is not in accordance with the Accounting Standard-3 (AS-3) and the various methods for different heads prescribed under the said AS..

ix) The Company has not complied with Accounting Standard-17 (AS-17)" Segment Reporting".

x) The Company has not complied with the matters specified in Notification No. GSR 719(E) dated 16th November, 2007 on changes in Schedule VI disclosures.

xi) We are unable to quantify the amounts mentioned in paragraph (v) & (vii) for want of full information and as and when the quantification is made by the Company, the overstatement of the profit will further increase to that extent. Therefore without considering items mentioned in paragraph (v) & (vii) the effect of which could not be determined, had the observations made by us in paragraphs (iv) & (vi) above been considered, the profit for the year would have been Rs. 33.28 crores (as against the reported figure of Rs. 33.66 crores), reserves & surplus would have been Rs. 84.39 crores (as against the reported figure of Rs. 84.77crores), current assets would have been Rs. 17.37 crores (as against reported figure of Rs. 17.59 crores) and plantation development in Fixed Asset would have been Rs. 44.44 crores (as against the reported figure of Rs. 44.60 crores).

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, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet, profit and loss account and cash flow statement 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) As per notification No.G.S.R.829(E) dated 21.10.2003, the Central Government has directed that clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, shall not apply to a Government Company. Hence declaration from directors in terms of section 274(1)(g) of the Companies Act, 1956, have not been obtained.

(f) Without considering the effect of our qualifications above, 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, 2010 and

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

iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Koshy & Mani
Chartered Accountants
FRN-001430S

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

Kottayam,
17th July, 2010

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of our report of even date

1. (a) Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, fixed assets other than land both under freehold and leasehold were physically verified by the management in accordance with program of verification, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Discrepancies noticed on physical verification of fixed assets other than land and development expenditure with respect to vanilla plantations of Rs. 5.23 lakhs and Rubber plantation of Rs. 10.95 lakhs were not material and have been properly dealt with in the books of accounts. In the case of freehold land and leasehold land the Company has not produced title deeds for our verification and thus we are unable to ascertain the correctness of land holdings as stated in the title deeds with the record of land holdings.

(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 procedure 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, 2010 for a period of more than six months from the date of becoming payable.

(b) The disputed statutory dues aggregating to Rs. 3,641.01 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 in Appeal	74.71	2001-2002	Details not furnished
2.	"	"	158.89	2002-2003	"
3.	"	"	8.79	2003-2004	"
4.	"	"	55.55	2004-2005	"
5.	Central Sales Tax Act	"	27.15	2002-2003	"
6.	"		35.06	2003-2004	"
7.	"	"	6.49	2004-2005	"
8.	Income Tax Act, 196l	"	0.36	1976-1977	"
9.	"	"	2.18	1977-1978	"
10.	"	"	0.98	1978-1979	"
11.	"	"	2.89	1979-1980	"
12.	"	"	0.20	1980-1981	"
13.	"	"	0.81	1981-1982	"
14.	"	"	0.11	1982-1983	"
15.	"	"	7.95	1983-1984	"
16.	"	"	8.38	1984-1985	"
17.	"	"	94.30	1985-1986	"
18.	"	"	5.71	1986-1987	"
19.	"	"	8.36	1987-1988	"
20.	"	"	54.50	1988-1989	"
21.	"	"	17.67	1989-1990	"
22.	"	"	31.76	1990-1991	"
23.	"	"	40.26	1991-1992	"
24.	"	"	77.47	1992-1993	"
25.	"	"	95.18	1993-1994	"
26.	"	"	97.70	1994-1995	"
27.	"	"	146.29	1995-1996	"
28.	"	"	163.01	1996-1997	"
29.	"	"	97.31	1997-1998	"
30.	"	"	60.49	1998-1999	"
31.	Agri. Income Tax	"	30.68	1999-2000	"
32.	"	"	39.93	1976-1977	"
33.	"	"	8.96	1977-1978	"
34.	"	"	81.64	1978-1979	"
35.	"		84.85	1979-1980	
36.	"	"	137.54	1980-1981	"

SL No	Name of Statute	Nature of Dues	Amount in Lakhs	Period to which the amount related	Forum where dispute is pending
37.	Agri. Income Tax	Tax demanded in Appeal	131.29	1981-1982	Details not furnished
38.	"	"	63.81	1982-1983	"
39.	"	"	178.89	1983-1984	"
40.	"	"	227.62	1984-1985	"
41.	"	"	183.46	1985-1986	"
42.	"	"	38.09	1986-1987	"
43.	"	"	172.17	1987-1988	"
44.	"	"	214.11	1988-1989	"
45.	"	"	149.22	1989-1990	"
46.	"	"	193.35	1990-1991	"
47.	"	"	124.10	1994-1995	"
48.	"	"	200.79	1995-1996	"

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 and financial institutions 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 not availed any term loan during the year.
17. The Company has not raised funds on short term basis during the year.
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.

For Koshy & Mani
Chartered Accountants
FRN-001430S

Sd/-

Kottayam,
17-07-2010

CA.Thomas Mani
M. No. 20015 (Partner)

REPLIES TO THE COMMENTS OF STATUTORY AUDITORS ON THE ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LTD. FOR THE YEAR ENDED ON 31st MARCH 2010

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 company has complied with Accounting Standard-2 as regards valuation of closing stock of the company and the same is disclosed in note no.8 of Schedule J of Note forming part of Balance Sheet.Regarding the valuation of closing stock in Rubber wood factory, The Company is treating RWF as a separate profit centre different from the normal operations of the undertaking and the profitability statement is separately shown in the statement of accounts. Being so for having a true & fair view on the statement of account of the unit the wood log which is a raw material of the factory procured from the estate of the company is being valued at the price fixed by the management from time to time. Hence in the unit the cost of wood logs is valued at transfer price fixed by the management for the period concerned. The closing stock as on 31.03.2010 is valued by this method and the same was disclosed in detail in item no. 21 of Notes forming part of Balance Sheet.

v) 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 31.03.10. This practice has been consistently followed and for the amortization of development of Plantation assets the Company has provided Rs. 89 lakhs towards replanting reserve.

vi) As per Note No.10 of the schedule J, the policy of the company in treatment of development of Plantations is clearly disclosed. The policy is that at the time of disposal of the plantation , the proceeds are treated as profit or loss after setting off the related development expenditure less subsidy, if any, received. Here there is no such disposal of plantation, in the case of vanilla cultivation and rubber plantation in Rajapuram estate. Regarding Rs.10.95 Lakhs in Rubber Plantation in Rajapuram Estate, it is clearly disclosed in Note No.24 of Note forming part of Balance Sheet that there is an initial investment of Rs.10,94,524.20/- in Rajapuram estate for rubber plantation in 100 hectares which is pending for completions due to technical reasons to be cleared from forest department.

Regarding Vanilla Cultivation it is legally disputed in different Courts including Hon'ble High Court of Kerala, therefore the written off of both these plantations has not been done during this year.

vii) 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 AS-12. As the subsidy is not meant for the purpose of procurement of capital asset and moreover the development of property is not depreciable, the subsidy amount is not credited as development of property, but shown as separate head under Reserve & Surplus.

viii) Noted for future improvement.

ix) The Company has shown separate Profit and Loss account for Plantation Valley and Rubber Wood Factory.

x) Noted

xi) Noted

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 31st MARCH 2010

The preparation of financial statements of **The Plantation Corporation of Kerala Limited, Kottayam** for the year ended 31st March 2010 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 17th July 2010.

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 2010. 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/-

वि. कुरियन
V. Kurian
प्रधान महालेखाकार (नगर और वाणिज्य लेखा परीक्षा) केरल,
PRINCIPAL ACCOUNTANT GENERAL (C & CA), KERALA

तिरूवनन्तपुरम
Thiruvananthapuram
Date : 31-08-2010

GOVERNMENT OF KERALA

No.59192/PUB1/2010/Fin | Finance (PUB) Department

COMMENTS OF ADDITIONAL CHIEF SECRETARY (FINANCE) ON THE AUDITED ANNUAL ACCOUNTS OF THE PLANTATION CORPORATION OF KERALA LIMITED FOR THE YEAR ENDED ON 31ST MARCH 2010

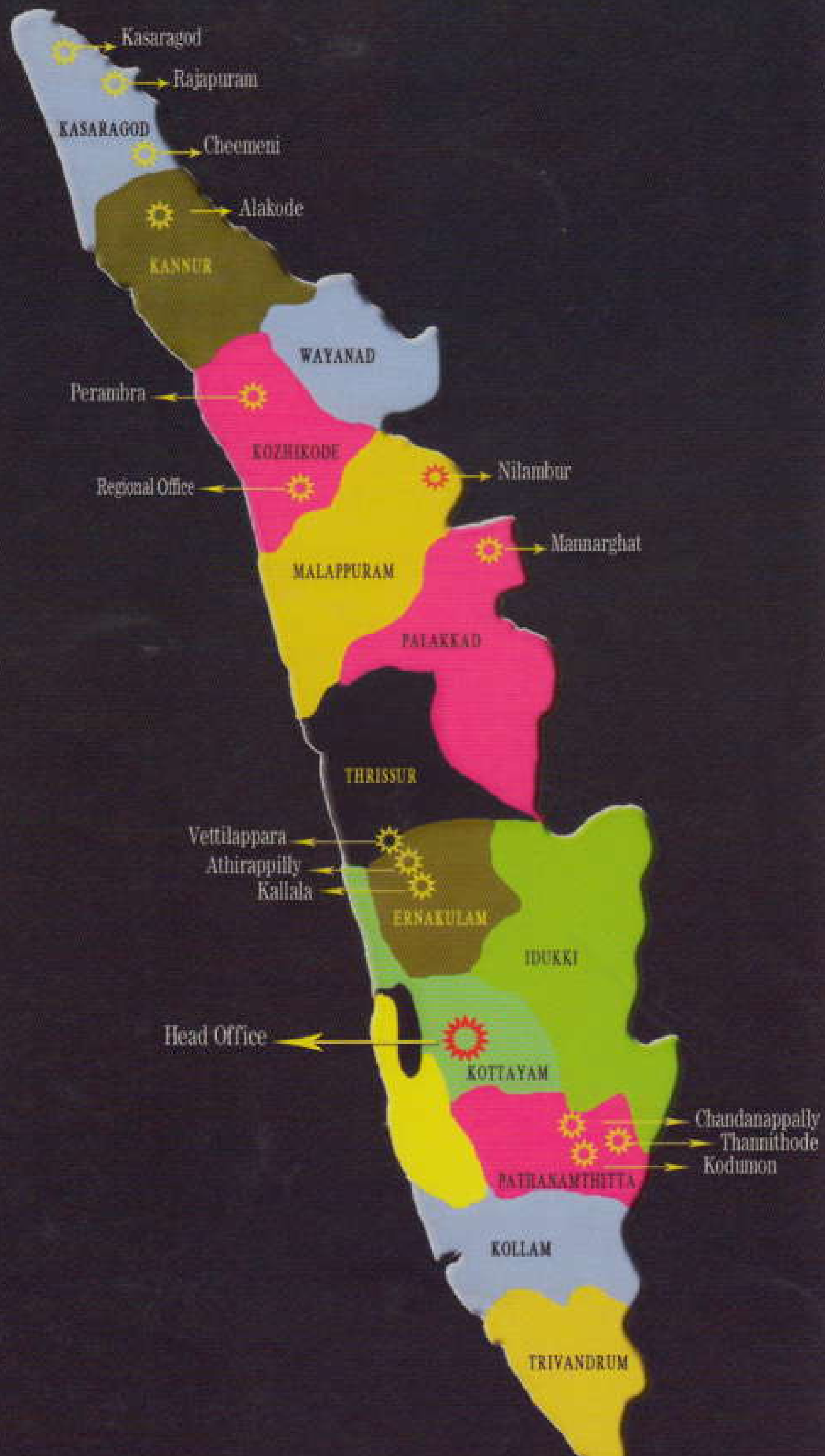
Provisions should be included for the unsecured loans in the accounts and steps should be taken to settle the issues relating to unsecured loans granted to Kerala State Horticultural Products Development Corporation and Kerala State Coconut Development Corporation, at the earliest. All disputed statutory dues including plantation tax, should be settled at the earliest. The Company should ensure that the prescribed accounting standards are strictly observed. Strict follow up action is to be taken in the cases of sundry debtors. Steps should be taken to convert the loan amount of Rs. 62,75,140/- as share capital as directed by Govt. in GO (Ms) No. 34/2002/AD dated: 15-03-2002.

Sd/-
L.C. GOYAL
ADDITIONAL CHIEF SECRETARY (FINANCE)

Thiruvananthapuram,
Dated : 12-08-2010

Reply to The Comments of Additional Chief Secretary (Finance) on the Audited Annual Accounts of The Plantation Corporation of Kerala Ltd. for The Year Ended on 31st March 2010.

The loans granted to Kerala State Horticulture Products Development Corporation and Kerala State Coconut Development Corporation were paid as per Government Order. The matter of loan from Government of Kerala for investment in Oil Palm India Ltd. Rs.62,75,140/- has been included in Directors Report. The other points are noted for future guidance.



THE PLANTATION CORPORATION OF KERALA Ltd
(UNITS AT A GLANCE)