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THE PLANTATION CORPORATION OF KERALA LIMITED

REGISTERED OFFICE :

POST BOX NO. 12.

·CHEMFARATHIMOOTIL · NAGAMPADOM. KOTTAYAM-6

Board of Directors :—

1. SMT. ROSAMMA PUNNOOSE (*Chairman*)
2. SHRI N. CHANDRABHANU, I. A. S.
3. „ P. VELAYUDHAN NAIR, I. A. S.
4. „ C. K. KOCHU KOSHY, I. A. S. (upto 20-12-69)
5. „ S. NAGARAJAN, I. A. S. (w. e. f. 20-12-69)
6. „ K. NARAYANA PILLAI, I. F. S.
7. „ R. S. UNNI (upto 19-8-70)
8. DR. N. D. GHATGE
9. SHRI M. K. GEORGE
10. „ M. K. KUNHIRAMAN
11. „ K. A. PAUL
12. „ K. K. NAIR, I. F. S. (*Managing Director*)

Bankers :—

1. State Bank of Travancore
2. Indian Overseas Bank

Auditors :—

Messrs. MENON & AYYAR

Chartered Accountants, Broadway, Cochin-11.

Legal Advisers :—

Messrs. JOSEPH & MARKOSE

Lawyers & Notaries, Kottayam.

Cover Page : A VIEW OF KODUMON ESTATE.

THE PLANTATION CORPORATION OF KERALA LIMITED

KOTTAYAM-6

NOTICE TO THE SHARE-HOLDERS

NOTICE is hereby given that the EIGHTH ANNUAL GENERAL MEETING of the Share-holders of the Corporation will be held at the Registered Office of the Corporation at 'Chemparathimootil', Nagampadam, Kottayam-6 at 4 p. m. on Monday the 28th September, 1970 to transact the following business:—

1. To receive and adopt the Directors' and Auditors' Reports and the audited Balance Sheet as on 31st March 1970 and the Profit & Loss Account for the year ended on that date.
2. To record the appointment of Directors by the Governor of Kerala in the place of Directors retiring at the Annual General Meeting under Article 63 (2) of the Articles of Association.

The following Directors retire and are eligible for re-appointment:—

1. Shri N. Chandrabhanu
2. „ P. Velayudhan Nair
3. „ S. Nagarajan
4. „ K. Narayana Pillai
5. Dr. N. D. Ghatge
6. Sri R. S. Unni
7. „ M. K. George
8. „ M. K. Kunjiraman
9. „ K. A. Paul

Special Business:—

3. To consider and if thought fit to pass the following resolution as a Special Resolution with or without modifications:

“Resolved that Sub-clause 2 of Clause III of the Memorandum of Association be amended by including the words ‘Oil Palm and Other Palms’ between the words ‘Cocconut’ and ‘Tobacco’.”

4. To transact any other business of which due notice is given.

All Share-holders are requested to be present in person or by proxy. The Register of Members of the Company will remain closed from 21st September, 1970 to 28th September, 1970 (both days inclusive).

(By Order of the Board)

FOR THE PLANTATION CORPORATION OF KERALA LIMITED,

Sd/-

(R. RAVINDRAN)

Secretary

Kottayam-6,
19-8-1970

Explanatory Note: Since the Memorandum of Association does not cover Oil Palm cultivation by the Plantation Corporation of Kerala Limited, the proposal to amend the Memorandum of Association to include Oil Palm, is brought before the Meeting as a special resolution as directed by the Government of Kerala.

- Note:— (i) 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 herewith. This must be returned duly completed to reach the office not less than 48 hours before the meeting.
- (ii) Consent of all Share-holders has been obtained as per Section 171 (2) (i) of the Companies Act, 1956 for holding the meeting at shorter notice.

THE PLANTATION CORPORATION OF KERALA LIMITED

KOTTAYAM-6

DIRECTORS' REPORT

Gentlemen,

Your Directors have pleasure in presenting to you the 8th Annual Report of the Corporation for the year ended 31st March 1970.

Share Capital :

The paid-up Capital of the Corporation stood at Rs. 422.44 lakhs as on 31-3-1970, against the authorised capital of Rs. 7.5 crores.

Finance :

In addition to the Share Capital, the Corporation had drawn a loan of Rs. 80 lakhs from the Kerala Government till 31-3-1969 bearing interest at 6½% per annum. During 1969-70 an additional amount of Rs. 20 lakhs was drawn from the Government of Kerala. A sum of Rs. 5 lakhs was taken as short term loan from the Kerala Agro-Industries Corporation Ltd. and an overdraft arrangement was made with the State Bank of Travancore to the extent of Rs. 10 lakhs. The overdraft as on 31-3-1970 stood at Rs. 9,55,254.10. Financial arrangements were completed with the Agricultural Finance Corporation Ltd. in April 1970 for a loan of Rs. 221 lakhs and two instalments have already been drawn in April/May 1970. The overdraft and the short-term loan from the Agro-Industries Corporation have been cleared in April 1970.

Planting :

(a) Kodumon and Kaladi Groups :

The extent of rubber in the five estates of Kodumon, Chandanappalli, Kallala, Adirappalli and Vettiappara is 6323 Hectares. This is as against the target of 6070 hectares fixed for the Third Five Year Plan. There was no new planting in these groups.

(b) Perambra :

The total area planted in Perambra till last year was 385 hectares. Another area of 40 hectares has been planted this year making up a total of 425 hectares. It is proposed to

increase the planted area by 400 hectares in order to make it a unit of viable size.

Fire Accidents :

There was no serious fire accident during the year under review. Two minor incidents occurred in Kallala Estate destroying 1.25 hectares valued at Rs. 1,773.10 against which Rs. 1283 is recoverable from the Insurance Company. One store building in Adirappalli Estate was damaged by fire due to which the Corporation suffered a loss of Rs. 7399.75.

Area under Tapping & Production :

Tapping in an area of 1460 hectares as on 31-3-1969 increased to 2482 hectares by the end of 31-3-1970. A further area of 448 hectares has been brought under knife during April-May 1970 and another area of about 300 hectares will be tapped during September 1970. The crop obtained during this year was 11,18,913 kg. as against 4,54,488 kg. in the previous year. But for the unfortunate incidents in Kodumon group during August-September 1969 the crop would have been more by about 30,000 kg. The original budget estimate of crop for 1969-'70 was 8,85,292 kg. which was revised to 10,72,075 kg. in the revised budget.

Our factories at Chandanappalli and Adirappalli continued to process our crop into centrifuged latex, smoked sheet and crepe. The quality of our products has been very good and we have been able to get a premium in prices of the various grades over market rates. With additional areas coming into tapping in 1970-'71 and expected increase in yield in areas already in tapping the present processing facilities require expansion during 1970-'71. Arrangements have been made for the addition of one cell of smoke house in each factory and for installation of hot air drying of crepe in Chandanappalli factory. The crop that we are anticipating for processing in 1970-'71 is 1862 tonnes as compared to 1,119 tonnes in 1969-'70.

As the crop can be expected to double during 1971-'72, the question of increasing the manufacturing capacity of the factories in the coming years was considered in detail. There is a proposal to instal new manufacturing processes instead of the conventional process as they are more efficient and economical. In this connection, the Dynat Crumb Rubber plant and Hevea Crumb Plant are under consideration.

Sales :

As in the previous year the chief consumers of our products were Messrs. Hindustan Latex Limited, Trivandrum Rubber Works, Swastic Rubber Products, Firestone Tyre and Rubber Company, M. M. Rubber Company, Dunlop (India) Limited and Bata Shoe Company. Out of total 11,18,913 kg. of rubber produced during the season, 10,33,124 kg. was sold till the end of the season at an average price of Rs. 6.09 per kg. realising a total of Rs. 62,93,500/-. Corresponding figures for the previous season 1968-'69 were 4,18,557 kg. of rubber sold at an average price of Rs. 4.62 realising a total of Rs. 19,34,714. The average price for smoked sheet (RMA IX) quoted in the Kottayam market during 1969-'70 was Rs. 5.16 as per Rubber Board's published figures, and the price realised by us (Rs. 6.09) compares very well with the market price.

Sugarcane :

No planting was done during the season. Previous clearing was kept up. But proper maintenance and harvesting were handicapped by a serious agitation organised by the persons originally evicted from these areas. Harvesting was carried out under great difficulty. As a result a total crop of 80.36 tonnes only was obtained and sold at Rs. 6428.80.

Because of practical difficulties of continuing sugarcane cultivation, it has been decided that these areas be planted with rubber as soon as possible.

Other Crops :

We realised an amount of Rs. 5861.75 during the season from auction sale of right of collection of cocoanuts, arecanuts and other produce from the enclave areas in the Kodumon Group. This is also much below expectations as the agitation by the evicted persons caused large scale thefts of the crop. For the future it has been decided to plant these areas with rubber as soon as the forest department gets the tree growth cleared.

The submergible areas in Perambra Estate were leased out for paddy and tapioca cultivation. The Eucalyptus clearing on Adirappalli estate was also leased for tapioca cultivation. A net amount of Rs. 26,266.79 was realised under these leases during the season.

Buildings :

The State Trading Corporation of India continues as lessee in the building at Wellington Island on a monthly rent of Rs. 2,779.05. During the year, we have made extensions to the school building to accomodate higher standards and more pupils.

Accommodation facilities to officers, staff and workers have been extended in the estates. In total we have constructed 36 tenements for labourers, one building for staff. Motorable roads have been extended within the estate. The road in Adirappalli from factory to the hospital has been given a bitumen surface.

Future Programmes :

The proposal for raising Oil Palm in an area of 1821 hectares (4500 acres) has been approved by the Government of Kerala and the Planning Commission under the Fourth Five Year Plan.

A nursery has been laid down at Yeroor with seeds imported from Malaysia and Nigeria. The seedlings are grown in large polythene bags to be later planted in the field. An Agricultural Assistant with experience in Oil Palm nurseries has been taken on deputation from Government and posted in charge of the nursery. The first planting will be done during 1971-'72 in an area of 121 hectares (300 acres).

Membership in UPASI :

We have resigned the membership in UPASI from 1st April 1970. It is under the active consideration of your Directors whether we should rejoin the UPASI.

Relations with the Employees :

Relations between Management and Employees continued to be generally cordial. There were no strikes during the period under review except one or two token strikes due to local reasons. The Memorandum of Demands for revision of scales etc. from staff and officers have been referred to a One-Man Commission whose final report has now been made available. The Commission recommended an Interim Relief to all employees from

1-1-1970 pending finalisation of the question of pay revision. The Commission's report was studied by a Sub Committee of the Board and its report was approved by the Board with some small changes. The financial implication of this could not be ascertained accurately before finalising the accounts and hence not provided for in accounts of 1969-70.

Bonus at the rate of 13½% was paid to all the employees in respect of 1967, 1968 and advance Bonus at 6½% was paid for 1969. The dispute on a claim for enhanced rate of bonus for 1966 raised by the Staff Union before the State Arbitration Board has been decided in favour of the Corporation. The staff union has filed another claim petition in relation to bonus for 1966 before the Labour Court which is pending.

Welfare :

The Management is providing various welfare amenities for their employees which are listed below :-

Contributory Provident Fund has been introduced from November 1969.

Free accommodation is provided for all resident labour, furnished quarters to staff and officers employed in the estates plus free electricity and running water in many cases. Accommodation facilities are enhanced year after year on a phased programme and with a view to housing all the employees of the Corporation in the estates during the course of the ensuing few years.

Two modern and fully equipped hospitals are in existence one in the Kodumon group and one in the Kaladi group. A Third hospital is being built in Perambra Estate which will replace the present dispensary. These institutions are run by competent Doctors and qualified staff. Attached ambulance facilities are available at each hospital.

An Upper Primary School is run in the Kaladi group which now imparts education for employees' children upto the VIIth Standard. The school building has been extended in view of additions to the classes. A school bus sees to the transportation of all the school children staying in various parts of the estates.

There are Creches and Recreation Centres provided in all the estates. Two centralised Recreation Clubs are being built, one in the Kodumon group and one in the Kaladi Group. A radio set has been supplied to the Kodumon estate to be used as a listening forum by the workers.

Training and Study Programmes :

Employees have been deputed to attend seminars and study programmes on various subjects arranged by Kerala State Productivity Council, N I T I E, Kerala management Association etc. The knowledge obtained as a result of the training programme has been implemented in the organisation wherever it is possible.

Your Directors have approved the proposal to depute two of our employees to Malaysia under the Colombo Plan for study in Modern Rubber Technology and in Oil Palm Plantation. Workers are deputed to attend courses conducted by Workers Education Centres at Alwaye and Calicut. The trained worker teachers are given facilities to conduct unit level classes on the estates.

Accounts :

The Company's gross profit for the year 1969-'70 is Rs. 8,48,100.80 against which we have paid bonus to an extent of Rs. 6,76,157.59. Depreciation was accounted at Rs. 6,93,287.25. Against a taxation provision of Rs. 10,000 for 1968-'69, the income tax assessed was Rs. 18,509/- taking into account of the lease rent realised from cultivators of submergible area in Perambra Estate. We have filed an appeal against this. Provision has been made for interest on loans to the extent of Rs. 6,55,260.46, Rs. 25,000/- for income tax and Rs. 2,23,782.72 for rehabilitation allowance for replanting the plantations when the present plantations cease to produce economic yields. After these adjustments the profit and loss account shows a net deficit of Rs. 14,33,876.20.

Audit :

The accounts for the year 1969-'70 were audited by Messrs. Menon & Ayyar, Chartered Accountants, Ernakulam.

Miscellaneous :

On the representation of the evicted families in Kodumon plantation we have been directed by Government to pay additional compensation to the affected and deserving cases of evictees. This would come to Rs. 6/- lakhs. Since no claim has been received from Government for the amount no provision has been made in the accounts for this also. In Kodumon estate we have given an extent of 3 cents of land for the Panur Kalasamithi for their social and cultural activities. An amount of Rs. 3000/- has been contributed to the

Kodumon Panchayat for the construction of a bridge at Ottathekke. Another contribution of Rs. 2500/- has been made for the X-ray plant installed in Adoor Government Hospital. We have surrendered about an hectare of our land in Chandanappalli for the construction of a public market by the Kodumon Panchayat.

A study was conducted by the Committee on Public Undertakings (1969-70) for examination of the working of the Plantation Corporation of Kerala Ltd. A preliminary and a second report were drawn up by the Committee and the reports are being considered by your Directors.

Board of Directors :

The Board of Directors of the Corporation was reconstituted on 30-9-1969 with Smt. Rosamma Punnoose as Chairman. Sri. C. K. Kochu Koshy, Secretary to Government Labour & Social Welfare Department was substituted by Sri S. Nagarajan, Deputy

Rehabilitation Commissioner and Ex-officio Deputy Secretary from 20-12-1969. Sri K. K. Nair, Managing Director, entered on leave from 25-6-1970. Sri S. Nagarajan, Director was ordered to hold full additional charge of the office of the Managing Director from 25-6-1970.

Your Directors take this opportunity to thank the Government of India, the Government of Kerala and the Rubber Board for their co-operation and ready assistance rendered to us in all matters. Thanks are due to the valuable services of Messrs. Varma & Varma the outgoing auditors who audited our accounts for the past seven years. The employees of the Corporation deserve our thanks for their contribution towards building up this Public Sector Undertaking.

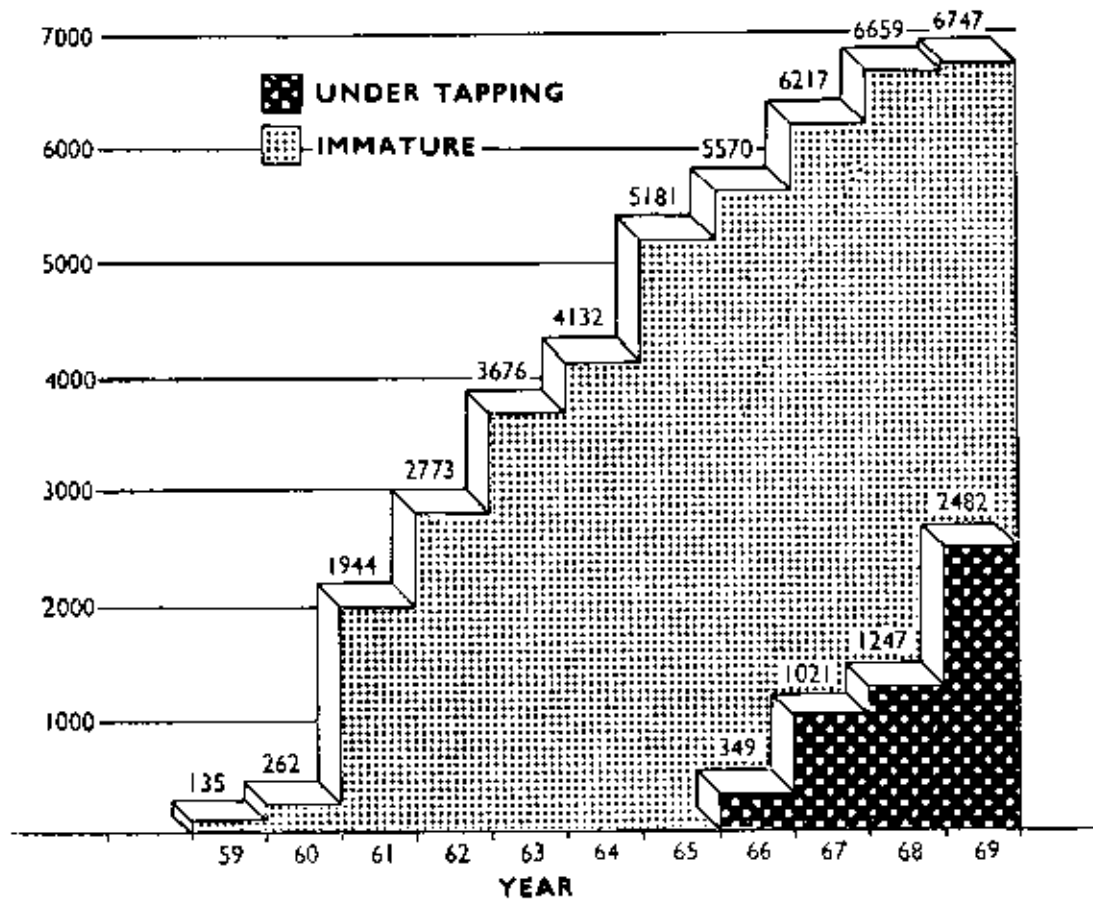
For and on behalf of the Directors

Sd/-

*Kottayam,
19-8-1970.*

Smt. Rosamma Punnoose,
Chairman.

Area under Rubber (hectares)



THE PLANTATION CORPORATION

Registered Office :

BALANCE SHEET AS AT

Previous year Rs.	LIABILITIES	Rs.	Rs.
	SHARE CAPITAL		
	Authorised :		
7,50,00,000.00	75,000 equity shares of Rs. 1,000/- each	7,50,00,000.00	
	Subscribed & paid up		
4,22,44,000.00	42,244 equity shares of Rs. 1,000/- each subscribed and paid up	4,22,44,000.00	
3,54,40,000.00	35,440 equity shares of Rs. 1,000/- each fully called up	3,54,40,000.00	
68,04,000.00	6,804 equity shares of Rs. 1,000/- each allotted as fully paid up pursuant to a contract without payment being received in cash	68,04,000.00	4,22,44,000.00
	RESERVES & SURPLUSES :		
	Rehabilitation Reserve :		
53,602.00	As per last balance sheet		
83,707.60	Addition for the year		
20,867.57	Welfare fund	—	41,072.65
—	Secured loans		
	Loans from State Bank of Travancore		9,55,254.10
	Unsecured loans		
80,00,000.00	Loan from Govt. of Kerala	1,00,00,000.00	—
—	Loan from Agro-Industries Corporation Ltd.	5,00,000.00	1,05,00,000.00
	Current liabilities and provisions		
13,52,824.42	A. Current liabilities as per Sch. H	21,59,191.46	
	B. Provision :		
10,000.00	Provision for taxation	25,000.00	21,84,191.46
5,17,65,001.59	TOTAL	Rs. 5,17,65,001.59	5,59,24,518.21

OF KERALA LIMITED

Kottayam

31st MARCH 1970.

Previous year Rs.	ASSETS	Rs.	Rs.
	Fixed Assets :		
1,38,27,782.35	(a) Buildings, Roads, Plant & machinery, furniture etc. as per Schedule-A	1,45,70,672.44	—
2,70,60,695.24	(b) Development of property as per Schedule-B	2,96,96,532.98	—
5,58,936.10	(c) Buildings and roads under construction (at coast) & machinery under erection	9,91,807.73	4,52,59,013.15
	Investments :		
1,000.00	Investment in equity shares of companies (unquoted) fully paid up (at cost) as per Schedule-C	1,000.00	—
5,100.00	Investment in equity shares of Co-operative Society (unquoted) fully paid up (at cost) as per Schedule-D	5,100.00	6,100.00
	Current Assets, Loans & Advances :		
30,47,827.33	A. Current assets as per Schedule-E	23,78,111.86	
2,30,502.71	B. Loans & Advances as per Schedule-F	1,89,202.23	25,67,314.09
	Miscellaneous Expenditure :		
70,33,156.86	(To the extent not written off or adjusted) as per Schedule-G		80,92,090.97
<u>5,17,65,001.59</u>	TOTAL	Rs.	<u>5,59,24,518.21</u>

Note to Balance-Sheet :—

1. Estimated amount of contracts to be executed on capital account and not provided for Rs. 4,47,203.85 (last year Rs. 3,12,784.57)
2. Estimated amount of supply orders for capital assets remaining to be executed and not provided for is Nil (previous year Rs. 85,338.-)
3. Conveyance deeds for transfer of assets from Government of Kerala have not yet been entered into. The title deeds for freehold lands have not yet been received from the Government.
4. No provision has been made for gratuity. Actual expenses have been charged to revenue. Liability on this account has not been estimated.
5. On freehold land, additional compensation, if any, awarded by the High Court with whom reference made by the original owner of land is pending may have to be paid by the Company.
6. Bonus for 1969 has been provided only at 6 $\frac{1}{2}$ %. Balance, if any, payable is not ascertainable as no decision has been taken as to the quantum of bonus payable for the year and hence not provided for.
7. Grant of Rs. 825/- received from Government of Kerala for maintenance of school in 1969—70 was received and accounted for only in 1970—71.
8. Other advances include a sum of Rs. 100/- paid to one of the Directors for defraying expenses. It also includes a sum of Rs. 5,834.53 paid to One Man Commission appointed by the Government and the amount is due from the Government of Kerala.
9. Electric installations include the value of materials issued to a contractor who abandoned the work in the middle and has to render bill for work done and materials used.
10. Claims raised against the company not acknowledged as debt amount to Rs. 6,882.05.
11. As per Government order, an area of 1.10 acres of land in Chandanappally estate is to be handed over to the Kedumon Panchayat through Forest department. Eventhough the value was realised in 1968—69, the physical handing over could not be done due to technical difficulties.
12. A sum of Rs. 3,000 more is payable to the architect which is not provided for in the accounts.
13. Action is on hand to amend the Memorandum of the Company to include the raising of Oil Palm as one of the objectives of the Company. Expenditure incurred on Oil Palm Nursery is Rs. 86,124.79.

Smt. Resamma Punnoose (*Chairman*)
Shri N. Chandrabhanu
,, K. Narayana Pillai
,, R. S. Unni

Shri M. K. George
,, M. K. Kunhiraman
,, K. A. Paul
,, S. Nagarajan (*Managing Director*)

(*Sd.*)
DIRECTORS

Explanatory notes forming part of the Balance-sheet as at 31-3-1970

- (a) Motor cycle advances are fully secured by hypothecation of the motor cycles in favour of the company. Maximum amount of the loans granted to officers during the year was Rs. 30,102.02.
- (b) Motor car loans are also secured by hypothecation of the cars in favour of the company. The maximum amount of the loan was Rs. 15,200/-
- (c) Sundry debtors include the following amounts due from Government Companies:—

More than 6 months :-

Hindustan Latex Limited	Rs. 9,713.16
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Less than 6 months :-

Hindustan Latex Ltd.	87,960.50
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State Trading Corporation Ltd.	2,779.05
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Trivandrum Rubber Works Ltd.	53,376.61
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TOTAL	Rs. <u>1,44,116.16</u>
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- (d) Other advance include the following amounts due from Government companies :—
More than 6 months :—

F. A. C. T.	Rs. <u>104.16</u>
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- (e) The loan from Bank is secured by hypothecation of finished goods, work-in-process and stores and spares.

As per our report attached.

Sd/-

MENON & AYYAR,
Chartered Accountants.

THE PLANTATION CORPORATION

Registered Office

PROFIT & LOSS ACCOUNT FOR

Previous year			EXPENDITURE	Rs.	P.
Rs.	P.				
1,14,804	84	To	Opening stock & work in process	3,64,973	62
6,41,898	70	„	Pay and allowances	9,03,876	08
		„	Leave salary & pension contribution		
4,227	83	„	for Managing Director	4,382	40
2,505	34	„	Gratuity	6,513	56
14,654	02	„	Privilege leave encashment	12,600	90
		„	Employers contribution to P. F.	1,51,661	19
7,51,509	16	„	Bonus	6,76,157	59
		„	Honorarium to Chairman	5,483	87
15,552	50	„	T. A. and sitting fee to directors	11,288	10
45,241	18	„	Travelling expenses of officers & staff	50,315	46
7,277	74	„	Rent	14,138	20
39,017	56	„	Rates and Taxes	1,83,598	61
19,609	18	„	Electricity charges	38,317	78
20,302	99	„	Lease Rent	31,324	49
1,81,428	78	„	Insurance charges	1,80,426	24
3,23,974	85	„	Repairs & maintenance of Assets Sch. I	3,91,353	30
11,463	40	„	Advertisement	27,348	24
9,073	82	„	Legal expenses	8,649	05
		„	Remuneration to Auditors		
4,500	00		For audit	4,500 00	
581	60		For other services	475 00	
1,344	52	„	Prior period adjustment	2,531	98
430	74	„	Retrenchment compensation	1,164	33
5,000	84	„	Staff training expenses	1,243	70
		„	Arrear wages paid	6,039	24
2,55,602	70	„	Welfare expenses	4,85,524	46
95,286	33	„	Misc. expenses and adjustments—Sch. II	1,32,446	90
10,57,743	28	„	Cultivation & upkeep of rubber plantations	15,94,584	87
76,418	78	„	-do- of other crops	13,492	31
7,70,011	18	„	Tapping and collection	13,40,929	77
1,31,539	60	„	Manufacturing & selling—Sch. III	3,24,465	11
417	47	„	Cost of planting materials sold	150	25
		„	Bad debts written off	48	05
4,79,316	19	„	Depreciation including loss on revaluation of tools	6,93,287	25
2,77,095	87	„	Interest on loans	6,55,260	46
		„	Income tax paid in excess of provision		
			for previous year	8,509	00
10,000	00	„	Provision for taxation	25,000	00
83,707	60	„	Rehabilitation Reserve	2,23,782	70
54,51,538	59				
			Total Rs.	85,75,844	06

OF KERALA LIMITED

Kottayam

THE YEAR ENDED 31st MARCH 1970

Previous year		INCOME			
Rs.	P.			Rs.	P.
19,34,714	80	By sale of rubber	...	62,93,500	37
1,20,686	97	„ Sale of agriculture produce	...	22,927	07
11,500	00	„ Sale of budwood	...	629	00
22,458	69	„ Sale of empties & unserviceables	...	19,444	84
142	00	„ Sale of tender form	...	61	00
810	00	„ Sale of building materials	...	—	—
9,446	50	„ Sale of pureria	...	—	—
4,397	26	„ Interest on deposit	...	308	17
1,092	02	„ Interest on car loan	...	662	10
14,554	52	„ Rent of buildings	...	39,150	01
26,111	70	„ Sub leasing of land	...	26,266	79
2,092	81	„ Misc. income and adjustments	...	2,777	40
16,926	09	„ Prior period adjustment	...	3,779	72
2,571	36	„ Application fee received	...	—	—
19,946	00	„ Excess provision of income tax	...	—	—
—	—	„ Sitting fee for Managing Director for attending Board meetings of the other companies	...	700	00
8,859	94	„ Sugar cane expenses C/F	...	—	—
3,64,973	62	„ Closing stock and work in process	...	7,31,761	39
28,90,254	31	„ Loss for the year	...	14,33,876	20
54,51,538	59			Total Rs.	85,75,844 06

Note:—The above account includes :

1. Amounts paid to full time directors

	This year Rs.	Previous year Rs.
Pay and allowances	46,546.89	18,517.30
Travelling expenses	12,480.28	8,365.38
Medical expenses included under welfare expenses	578.77	—
Provident Fund	166.75	—
2. Sitting fees paid to directors	4,800.00	8,100.00
3. Wages	24,41,021.18	12,43,593.50
4. Stores consumed	9,48,089.09	9,09,604.11
5. Fuel	1,07,827.74	1,18,605.84

6. Perquisite to Directors:—

(a) Managing Director is provided with unfurnished accomodation by the Company charging 10% of salary as rent. Rent paid for the building was Rs. 3,562.50 against which rent recovered was Rs. 1,585.80.

(b) The Chairman is provided with a driver at Company's expense. Salary paid to the driver was Rs. 900. She is also provided with a residential telephone for which the annual rent is paid by the Company at Rs. 780 - per annum (Rs. 65 for 1969-70).

7. Amounts paid to full time directors shown under note (1) above include the following amounts paid to one of the Directors in his capacity as a full time employee of the Corporation namely Visiting Agent and not in his capacity as Director.

Pay and allowances	Rs. 23,450.11
Travelling allowance	Rs. 4,439.76
Medical & hospital facility	Rs. 477.70
Provident fund	Rs. 166.75

Rosamma Punnoose (Chairman)
 N. Chandrabhanu
 K. Narayana Pillai
 R. S. Unni
 M. K. George
 M. K. Kunhiraman
 K. A. Paul
 S. Nagarajan (Managing Director)

Sd/-
 DIRECTORS

As per our report attached.

Sd/-
 MENON & AYYAR,
 Chartered Accountants.

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office : Kottayam

Development expenditure for the year ended 31-3-1970
(Schedule forming part of Balance-Sheet as at 31st March 1970)

Previous year Rs. P.		This year Rs. P.
	Expenditure :—	
1,36,320 33	Overheads B/F From previous year	52,203 00
4,40,980 66	Pay and allowances	3,66,193 74
	Leave salary & pension contribution to deputed	
1,579 00	Personal	2,393 31
	Gratuity	7,475 67
3,129 85	Privilege leave encashment	1,537 88
	Employers contribution to P. F.	7,637 56
8,846 80	Bonus	24,308 95
10,261 12	Travelling expenses	12,350 62
1,640 00	Rates and taxes	564 50
924 94	Insurance charges	715 55
	Repairs and maintenance	
65,616 09	Schedule IV	74,526 19
36,532 39	Lease rent	29,315 54
1,501 94	Advertisement	1,985 22
1,104 45	Prior period adjustment	1,610 40
	Arrear wages paid	19,088 64
2,85,501 90	Welfare expenses	2,77,324 99
9,988 93	Misc. expenses and adjustments-Schedule V	14,529 57
30,68,868 53	Cultivation & upkeep of rubber	19,75,772 18
	do of eucalyptus	4,615 12
6,593 27	Depreciation including revaluation of loose tools	7,704 63
3,645 32	Evicted area expenses	
<u>40,83,035 52</u>		
	Less credits :—	28,81,853 26
7,393 68	Sale of empties & unserviceables	4,717 63
120 50	Sale of tender forms	354 50
	Miscellaneous income	5 00
57 10	Prior period adjustments	1,105 19
52,203 00	Overheads pertaining to incomplete Engg. works carried forward	1,06,440 40
1,086 55	Other adjustments	
<u>60,860 83</u>		
<u>40,22,174 69</u>		1,12,622 72
	Capitalised Under	27,69,230 54
2,29,295 78	Completed Engg works	1,19,333 93
37,92,878 91	Rubber plantations	26,45,281 49
	Eucalyptus plantation	4,615 12
<u>40,22,174 69</u>		27,69,230 54

Smt. Rosamma Punnoose (*Chairman*)
Shri N. Chandrabhanu
" K. Narayana Pillai
" R. S. Unni
" M. K. George
" Kunbiraman
" K. A. Paul
" S. Nagarajan (*Managing Director*)

Sd/-
Directors

Note : - The above statement includes :—

	Rs. P.	Previous year Rs. P.
1. Wages	15,80,151 35	20,55,841 43
2. Stores	3,08,505 69	7,97,917 98
3. Fuel	4,783 75	8,995 56

Sd/-
Menon & Iyaar
Chartered Accountants.

THE PLANTATION CORPORATION

Registered Office :

Schedule

SCHEDULE OF

(Included in and forming part of the

Items 1	ORIGINAL COST			DEPRECIATION		
	Cost as at the end of the previous year 2	Additions during the year 3	Total 4	Depreciation as at the end of the previous year 5	Depreciation for the year 6	Total 7
Buildings	99,16,301.36	7,69,564.43	106,85,865.79	8,12,715.48	2,91,225.34	11,03,940.82
Vehicles	5,42,731.27	89,647.30	6,32,378.57	3,74,414.07	74,835.49	4,49,249.56
Jhangar	11,317.00	—	11,317.00	2,150.23	916.67	3,066.90
Plant & machinery	11,57,808.59	1,60,254.28	13,18,062.87	1,89,498.77	1,91,516.86	3,81,015.63
Furniture	1,75,936.37	37,914.33	2,13,850.70	53,251.98	16,028.83	69,280.81
Office equipment	71,766.58	7,512.40	79,278.98	25,426.78	8,039.65	33,466.43
Survey instruments	10,919.77	198.55	11,118.32	6,641.06	671.56	7,312.62
Library	6,578.16	832.29	7,410.45	1,830.83	557.66	2,388.49
Roads	25,67,764.00	7,902.04	25,75,666.04	—	—	—
Fence	3,58,641.70	9,046.72	3,67,688.42	—	—	—
Electric fittings	2,271.53	2,920.40	5,191.93	759.58	657.16	1,416.74
Electric appliances	2,239.90	6,099.67	8,339.57	742.96	457.94	1,200.90
Electric installations	3,36,476.10	1,97,423.86	5,33,899.96	21,481.46	51,240.90	72,722.36
Telephone	1,156.00	—	1,156.00	580.86	86.27	667.13
Wells	1,677.37	—	1,677.37	—	—	—
Landing pad	2,931.78	—	2,931.78	—	—	—
Water supply installations	1,49,520.22	1,08,017.82	2,57,538.04	17,059.83	24,541.74	41,601.57
Car shed H. O.	763.64	930.00	1,693.64	—	1,693.64	1,693.64
Free hold land	17,534.90	7,449.75	24,984.65	—	—	—
Total Rs.	[1,53,34,336.24	14,05,713.84	1,67,40,050.08]	15,06,553.89	6,62,469.71	21,69,023.60

Note :—Amount of Rs. 10,976.19 pertaining to water supply included under Building and depreciation of Rs. 548.81 during the previous year have been transferred from Building Account to Water Supply Installations

OF KERALA LIMITED

Kottayam

A

FIXED ASSETS

Balance-Sheet as at 31-3-1970)

DISPOSAL & ADJUSTMENTS		BALANCE		Net block
Original cost	Depreciation written off	Original cost	Depreciation to date	
8	9	10	11	12
--	--	1,06,85,865.79	11,03,940.82	95,81,924.97
--	--	6,32,378.57	4,49,249.56	1,83,129.01
--	--	11,317.00	3,066.90	8,250.10
--	--	13,18,062.87	3,81,015.63	9,37,047.24
624.13	280.15	2,13,226.57	69,000.66	1,44,225.91
23.87	13.81	79,255.11	33,452.62	45,802.49
--	--	11,118.32	7,312.62	3,805.70
--	--	7,410.45	2,388.49	5,021.96
--	--	25,75,666.04	--	25,75,666.04
--	--	3,67,688.42	--	3,67,688.42
--	--	5,191.93	1,416.74	3,775.19
--	--	8,339.57	1,200.90	7,138.67
--	--	5,33,899.96	72,722.36	4,61,177.60
--	--	1,156.00	667.13	488.87
--	--	1,677.37	--	1,677.37
--	--	2,931.78	--	2,931.78
--	--	2,57,538.04	41,601.57	2,15,936.47
--	--	1,693.64	1,693.64	--
--	--	24,984.65	--	24,984.65
648.00	293.96	1,67,39,402.08	21,68,729.64	1,45,70,672.44

THE PLANTATION CORPORATION

Registered Office :

Schedule

DEVELOPMENT

Included in and forming part of the

Items 1	Til last year 2	Additions during		
		Kodumon 3	Chandanappally 4	Adirappally 5
1959 Plantation	7,17,074.89	—	—	—
1960 "	5,62,467.87	—	—	—
1961 "	71,50,582.81	—	—	—
1962 "	43,88,542.31	—	—	1,81,390.69
1963 "	42,62,774.49	—	—	1,74,768.47
1964 "	17,33,827.78	—	68,424.53	—
1965 "	36,35,623.28	—	2,33,175.95	1,24,214.93
1966 "	16,15,867.89	6,089.56	35,513.17	1,25,034.88
1967 "	11,67,701.80	—	—	4,37,793.89
1968 "	8,46,171.41	—	2,32,677.87	—
1969 "	1,696.84	93.93	—	—
1970 "	—	7.50	—	—
1967 replanting	2,76,566.23	—	—	1,20,758.56
1968 replanting	72,830.26	—	—	—
1969 replanting	—	—	—	7,138.58
Coconut	433.76	—	—	—
Cashew	9,227.73	—	—	—
Arecanut	156.59	—	—	—
Eucalyptus	—	—	690.75	3,924.37
Evicted area expenses	5,53,988.50	—	—	—
Survey	56,991.47	—	7,063.20	—
Purchase of timber growth	8,170.33	—	—	—
Total Rs.	2,70,60,696.24	6,190.99	5,79,545.47	11,75,024.37

Note:—A sum of Rs. 8,170.33 shown under the head "Purchase of timber growth had been transferred to 1968 planting.

OF KERALA LIMITED

Kottayam

OF PROPERTY

Balance Sheet as at 31-3-1970)

The year			Total 9	Disposal. & adjustment 10	To-date 11
Kallala 6	Vettilappara 7	Perambra 8			
—	—	—	7,17,074.89	—	7,17,074.89
—	—	—	5,62,467.87	—	5,62,467.87
—	—	—	71,50,582.81	—	71,50,582.81
—	—	—	45,69,933.00	—	45,69,933.00
—	—	—	44,37,542.96	—	44,37,542.96
1,45,728.92	—	—	19,47,981.23	—	19,47,981.23
2,97,969.23	24,846.66	—	43,17,830.05	(-) 240.10	43,17,589.95
—	—	1,05,766.61	18,88,272.11	—	18,88,272.11
—	5,427.11	43,117.25	16,54,040.05	—	16,54,040.05
—	1,578.17	1,11,505.80	11,91,933.25	—	11,91,933.25
—	3,836.30	60,812.57	66,439.64	—	66,439.64
—	—	12,147.21	12,154.71	—	12,154.71
16,801.64	—	—	4,14,126.43	(-) 1,533.00	4,12,593.34
24,298.59	—	—	97,128.85	—	97,128.85
4,240.45	—	38,122.47	49,501.50	—	49,501.50
—	—	—	433.76	—	433.76
—	—	—	9,227.73	(-) 9,227.73	—
—	—	—	156.59	—	156.59
—	—	—	4,615.12	—	4,615.12
—	—	—	5,53,988.50	(-) 1,425.00	5,52,563.50
—	—	967.65	65,022.32	(-) 1,494.56	63,527.76
—	—	—	8,170.33	(-) 8,170.33	—
4,89,038.83	35,688.24	3,72,439.56	2,97,18,623.70	22,090.72	2,96,96,532.98

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office : Kottayam

Schedule--C

(Included in and forming part of the Balance-Sheet as on 31-3-70)

Other investments :—Unquoted fully paid up shares

1. 10 equity shares of Rs. 100/- each fully paid in the Banana and Fruit Development Corporation Limited, Madras	Rs. 1,000 00
TOTAL	<u>Rs. 1,000 00</u>

Schedule—D

(Included in and forming part of the Balance-Sheet as on 31-3-70)

Other investments :—Unquoted fully paid up shares.

1. 1 A class share of Rs 100/- each fully paid in the Mannom Sugar Mills Co-operative Stores Ltd. No. 4324	Rs. 100 00
2. 25 B class shares of Rs. 100/- each fully paid in the Kodumon Group of Estates Employees Consumer Co-operative Stores Ltd. No. Q. 341	Rs. 2,500 00
3. 25 B class shares of Rs. 100/- each fully paid in Kalady Group of Estates Employees Consumer Co-operative Stores Limited No. E. 230	Rs. 2,500 00
TOTAL	<u>Rs. 5,100 00</u>

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office : Kottayam

Schedule---E

(Included in and forming part of Balance-Sheet as on 31-3-1970)

Current Assets

<i>Previous year</i>			<i>This year</i>	
<i>Rs.</i>	<i>P.</i>		<i>Rs.</i>	<i>P.</i>
1,650	46	Interest accrued on advances	891	56
8,39,894	27	Stores and spares at cost*	8,50,609	91
84,714	01	Loose tools revalued*	79,802	83
53,436	00	Equipments revalued*	62,475	00
1,81,477	83	Finished goods and stock in trade at value subsequently realised*	6,01,791	27
1,83,495	79	Work in process in factory at realisable value*	1,29,970	12
85,611	17	Nurseries — Rubber	34,244	44
		— Oil palm	86,124	79
8,859	94	Sugarcane expenses chargeable to subsequent year	—	
9,710	38	Semipermanent shed	—	
		Sundry debtors (unsecured considered good)		
20,686	73	(a) Debts outstanding for more than 6 months (includes Rs. 9,713.16 from Govt. companies—Last year Rs. 2,183.81)	40,666	24
6,76,902	49	(b) Other debts (includes Rs. 1,44,116.16 due from Govt Companies—Last year Rs. 3 29,749.82)	2,31,508	20
		Cash and Bank balance		
57	70	Stamp and stamp paper in hand	88	80
—		Cash in transit	2,54,960	46
9,01,330	56	Balance with scheduled banks on current account	4,978	24
30,47,827	33	TOTAL	Rs. 23,78,111	86

* As certified and as valued by the Managing Director

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office : Kottayam

Schedule—F

Loans and Advances

(Included in and forming part of Balance-Sheet as on 31-3-1970)

<i>Previous year</i>			<i>This year</i>	
Rs.	P.		Rs.	P.
30,102	02	Motor cycle advance to Officers (secured considered good)	11,275	63
15,200	00	Motor car loan to Officers (secured considered good)	6,840	00
		Unsecured considered good		
7,642	00	Deposit with Port Trust, P & T Electricity Board and Govt. Departments	9,142	00
13,411	75	Deposit with others	20,600	00
17,513	86	Prepaid expenses	17,234	25
1,35,611	53	Other advances recoverable in cash or in kind or for value to be recovered	1,10,898	80
2,000	00	Advance to employees Co-operative Society	2,000	00
9,021	55	Advance tax paid and tax deducted at source	11,211	55
2,30,502	71	TOTAL	Rs. 1,89,202	23

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office : Kottayam

Schedule—G

Miscellaneous Expenditure

(Included in and forming part of the Balance-Sheet as on 31-3-1970)

<i>Previous year</i>			<i>This year</i>	
Rs.	P.		Rs.	P.
58,479	55	Preliminary expenses	58,479	55
3,42,254	65	Purchases consideration representing interest on investments made by Government of Kerala prior to 31-1-1963 pending adjustment Expenses on expansion programme	3,42,254	65
2,092	85	Oil palm		
18,286	20	Rubber	18,286	20
4,800	70	Andaman Project	4,800	70
3,318	38	Tapper training expenses C/F	3,351	07
6,938	75	Abandoned wells	6,938	75
1,904	86	Task marking	1,144	55
2,695	76	Temporary roads	3,600	12
36,802	34	Suspense pending adjustment	24,868	66
		Profit and loss account		
36,65,328	51	Balance as per last Balance-Sheet	65,55,582	82
28,90,254	31	Add loss for the year	14,33,876	20
		Less Rehabilitation Reserve	3,61,092	30
70,33,156	86	TOTAL	Rs. 80,92,090	97

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office : Kottayam

Schedule—H

Current Liabilities and Provisions

(included in and forming part of Balance-Sheet as at 31-3-1970)

CURRENT LIABILITIES

Previous year			This year		
Rs.	P.		Rs.	P.	
373	43	Due to Government of Kerala for balance value of Assets taken over from them payable	373	43	
28,826	71	Amount due to Government of Kerala in respect of expenses incurred in the formation of the Company less liabilities relating to period prior to taken over discharged by the Corporation not provided for by the Government of Kerala in valuation	28,826	71	
8,21,553	50	Sundry creditors	9,66,059	25	
14,716	14	Other liabilities	41,574	47	
1,90,497	12	Earnest money & security deposits	1,81,272	40	
3,609	00	Income received in advance	4,381	50	
16,152	65	Suspense pending adjustment	7,355	77	
2,77,095	87	Interest accrued but not due on loans	9,29,347	93	
13,52,824	42				
		Total	Rs	21,59,191	46

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office : Kottayam

Schedule—I

Repairs and maintenance

Previous year			This year	
Rs.	P.		Rs.	P.
1,34,342	89	Vehicles	2,14,992	39
29,057	87	Roads	51,369	20
37,394	32	Plant and machinery	29,322	34
97,811	88	Buildings	73,083	30
25,367	89	Others	22,586	07
3,23,974	85	Total	3,91,353	30

Schedule—II

Miscellaneous expenses & adjustments

16,042	61	Postage, telephones & telegrams	24,401	66
17,105	65	Printing and stationery	22,409	95
27,656	11	Office expenses and miscellaneous	36,422	07
1,200	51	Bank charges	22,77	55
1,468	85	Books and periodicals	1,167	96
6,663	65	Storage expenses	10,071	02
116	30	Gardening	114	52
6,713	16	I. B. expenses	8,230	43
720	00	Rent of boats	720	00
118	71	Unserviceable articles written off	40	21
2	88	—do— stores written off	5,088	05
14	47	Loss on sale of umbrellas	9	82
1,823	21	Loss by theft	636	66
—		Loss by agitation	1,760	00
1,500	00	Loss by fire	7,889	85
—		Shortage of stores written off	206	92
—		One Man commission's expenses	8,022	50
—		Cashew plantation written off	2,977	73
100	00	Cost of building materials sold	—	—
1,998	73	Cost of pureria sold	—	—
1,054	74	Survey of submergible area	—	—
10,986	75	Slash felling	—	—
95,286	33	Total	Rs. 1,32,446	90

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office : Kottayam

Schedule—III

Manufacturing & Selling Expenses

Previous year			This year	
Rs.	P.		Rs.	P.
1,09,970	70	Manufacturing	2,34,021	53
—		Power supply	9,278	82
18,740	19	Packing & forwarding	42,345	10
445	65	Shipping & other selling expenses	9,495	04
2,383	06	Carriage outwards	28,276	69
—		Carriage outward insurance	1,047	93
1,31,539	69	Total	3,24,465	11

Schedule—IV

Repairs and maintenance

15,140	57	Vehicles	25,201	86
33,789	78	Roads	36,790	75
3,113	46	Plant and machinery	113	40
13,572	28	Others	12,420	18
65,616	09	Total	74,526	19

THE PLANTATION CORPORATION OF KERALA LIMITED

Registered Office : Kottayam

Schedule V

Miscellaneous expenses & adjustments

Previous year			This year	
Rs.	P.		Rs.	P.
571	53	Postage, telephones & telegrams	607	40
2,136	95	Printing & stationery	2,640	76
1,335	51	Office expenses and miscellaneous	1,368	59
5	50	Bank charges	7	90
48	10	Books and periodicals	98	12
1,867	72	Storage expenses	4,530	65
21	33	Gardening	138	42
—	—	I. B. expenses	546	42
1,283	33	Rent of boats	679	35
23	20	Unserviceable stores written off	162	78
—	—	-do- assets written off	63	39
—	—	Stock adjustment	75	67
2,695	76	Temporary road at Perambra 50% written off	3,600	12
9,988	93	Total	14,519	57

Schedule A to G and I to V.

Smt. Rosamma Punnose (*Chairman*)
 Shri N. Chandrabhanu
 .. K. Narayana Pillai
 .. R. S. Unni

Shri M. K. George
 .. M. K. Kunhiraman
 .. K. A. Paul
 .. S. Nagarajan (*Managing Director*)

Sd/-
 DIRECTORS

Sd/-
 Menon & Ayyar
 Chartered Accountants

REPORT OF THE AUDITORS TO THE SHAREHOLDERS
OF
THE PLANTATION CORPORATION OF KERALA LIMITED
KOTTAYAM

To,

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

We have audited the annexed Balance Sheet of the Plantation Corporation of Kerala Limited, Kottayam as at 31st March 1970 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report that :—

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

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

(c) The Balance Sheet and Profit & Loss Account dealt with by the report are in agreement with the books of account.

(d) In our opinion and to the best of our information and according to the explanations given to us, the accounts with the notes thereon and schedules thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.

(i) In the case of the Balance Sheet, of the State of affairs of the Company, as at 31st March 1970.

(ii) In the case of the Profit and Loss Account of the loss for the year ended on that date.

Kottayam,
24-8-1970.

Sd/-
MENON & AYYAR
Chartered Accountants.

The Plantation Corporation of Kerala Limited

KOTTAYAM-6

Comments of the Finance Secretary to the Government of Kerala
under Article 105 of the Articles of Association of the
Plantation Corporation of Kerala Limited
on the Accounts of the Year ending
31-3-1970.

“ The balance under Rehabilitation Reserve is only Rs. 1,37,309.60 as per last Balance Sheet, where as an amount of Rs. 3,61,092.30 under this head of account is seen adjusted as per Schedule-G ”

*Finance Department,
Trivandrum,
31-8-1970.*

Sd/-
Finance Secretary.

REPLY TO THE ABOVE

The amount includes a sum of Rs. 2,23,782.70 provided in the accounts for 1969-'70 as rehabilitation reserve.

**Comments of the Comptroller and Auditor General of India
under Section 619 (4) of the Companies Act, 1956
on the accounts of the Plantation Corporation
of Kerala Limited, Kottayam, for the
Year Ended 31-3-1970**

I have to state that the Comptroller and Auditor General of India has no comments upon or supplement to the Auditors' Report 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 1970.

*Trivandrum,
23-9-1970.*

*(Sd.)
K. P. RANGASWAMI,
Accountant General, Kerala.*

**Review of the Accounts of the Plantation Corporation of Kerala
Limited for the year ended 31-3-1970 by the Accountant
General Kerala, Trivandrum.**

1. Financial Position

The table below summarises the financial position of the Corporation under the broad headings for the past three years :—

<i>Liabilities</i>	1967-68	1968-69	1969-70
		(Rs. in lakhs)	
(a) Paid up capital	422.44	422.44	422.44
(b) Reserves and surplus	0.53	1.58	0.41
(c) Borrowings (including cash credit)	0.02	80.00	114.55
(d) Trade dues and current liabilities (including provisions)	9.29	13.63	21.85
	432.28	517.65	559.25
 <i>Assets</i>			
(e) Gross block :—			
(i) Buildings, roads, Plant & Machinery etc.	123.23	153.34	167.40
(ii) Development of property	234.63	270.61	296.97
	} 357.86	} 423.95	} 464.37
(f) Depreciation on (e)			
(i) above	10.45	15.06	21.69
(g) Net fixed assets :—			
(i) Buildings, roads, plant & Machinery	112.78	138.28	145.71
(ii) Development of property	234.63	270.61	296.97
	} 347.41	} 408.89	} 442.68
(h) Development projects buildings and roads under construction	18.36	5.59	9.92
(i) Investments	0.06	0.06	0.06
(j) Current assets, loans and advances	25.18	32.78	25.67
(k) Miscellaneous expenditure including accumulated loss	41.27	70.33	80.92
Total	432.28	517.65	559.25
Capital employed	363.30	428.04	446.50
Net worth	381.70	353.69	341.93

- Note:* 1. Capital employed represents net fixed assets plus working capital.
2. Net worth represents paid up capital plus reserves less intangible assets.

2. Capital structure

Debt equity ratio :—

The debt equity ratio of the Corporation was 0 : 1 in 1967-68, 0.19 : 1 in 1968-69 and 0.24 : 1 in 1969-70. The increase in 1968-69 and 1969-70 was on account of the loans of Rs. 80/- lakhs and Rs. 20/- lakhs received from Government of Kerala during 1968-69 and 1969-70 respectively.

Note : Cash credit of Rs. 9.55 lakhs from the State Bank of Travancore and short loan of Rs. 5/- lakhs from the Agro-Industries Corporation have been excluded for the purpose of this ratio.

3. Liquidity and solvency :

- The proportion of current assets to total net assets varied from 5.82% in 1967-68 to 6.33% in 1968-69 and to 4.58% in 1969-70.
- The percentage of current assets to current liabilities (including provision) declined from 271.04 in 1967-68 to 240.50 in 1968-69 and to 117.48 in 1969-70.
- The percentage of quick assets (sundry debtors, advances, interest accrued on investments and cash and bank balances) to current liabilities (excluding provisions) varied from 128.11 in 1967-68 to 133.41 in 1968-69 and to 32.14 in 1969-70.

4. Working capital :

The working capital (current assets, loans and advances less trade dues and current liabilities) of the Corporation at the close of each the three years ending 31st March 1970 amounted to Rs. 15.89 lakhs Rs. 19.15 lakhs and Rs. 3.82 lakhs respectively and represented about 7.9, 4.9, 0.6 month's value of production at cost (excluding depreciation) during these years.

The working capital requirement of the Corporation during 1969-70 was met mainly from cash credit obtained by hypothecation of finished goods, stocks in process and stores and spares and articles manufactured from time to time from bank. The amount actually drawn under each credit was Rs. 9.55 lakhs (as on 31-3-1970) against the limit of Rs. 10/- lakhs allowed by the bank.

5. Sources and uses of funds :

Funds amounting to Rs. 5.61 lakhs (depreciation, provision and reserves) from internal sources and Rs. 42.62 lakhs from other sources were utilised during 1969-70 as shown below :

	<i>(Rs. in lakhs)</i>
(i) Gross fixed assets	40.42
(ii) Capital works in progress (buildings and roads under construction)	4.33
(iii) Current assets, loans and advances (—)	7.11
(iv) Miscellaneous expenditure including loss	10.59

6. Working results :

The working results of the Corporation for the last three years are tabulated below :

	1967-'68	1968-'69	1969-'70
	<i>(Rs. in lakhs)</i>		
(i) Profit (+) / loss (—) before tax	(—) 16.22	(—) 28.80	(—) 14.09
(ii) Tax provision	0.15	0.10	0.25
(iii) Profit (+) / loss (—) after tax	(—) 16.37	(—) 28.90	(—) 14.34

Cost trends

The table below indicates the sales, the cost of sales and the percentage of cost of sales to sales during the last three years.

	1967-'68	1968-'69 (Rs. in lakhs)	1969-'70
Sales	10.98	20.67	63.17
Add loss	16.22	28.80	14.09
Cost of sales	27.20	49.47	77.26
Percentage of cost of sales to sales	247.72	239.33	122.30

8. Production performance

The value of production during the last three years is worked out below :

	1967-'68	1968-'69 (Rs. in lakhs)	1969-'70
(1) Sales	10.98	20.67	63.17
(2) Closing stock of finished goods	0.42	1.81	6.02
(3) Opening stock of finished goods	0.22	0.42	1.81
(4) Value of production (1+2-3)	11.18	22.06	67.38

The percentage of value of production to net worth increased from 2.93 in 1967-'68 to 6.24 in 1968-'69 and to 19.71 in 1969-'70. The percentage of value of production to total net assets varied from 2.59 in 1967-'68 to 4.26 in 1968-'69 and to 12.05 in 1969-'70.

9. Inventory and production :

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

	1967-'68	1968-'69 (Rs. in lakhs)	1969-'70
1. Stores and spares			
(a) General stores and spares including fuel	3.87	5.64	5.95
(b) Engineering stores	2.78	2.76	2.56
Total	6.65	8.40	8.51
2. Loose tools	0.94	0.85	0.80
3. Stock in trade finished goods	0.42	1.81	6.02
4. Work in process	0.73	1.83	1.30
5. Equipments	0.41	0.53	0.62
Total	9.15	13.42	17.25

The stock of general stores and spares held equalled 6.8 months' requirement (for production and development of property) during 1969-'70 as compared to 6.6 months' in 1968-'69 and 5.6 months' in 1967-'68 (Engineering stores intended for capital construction are excluded for the purpose of this analysis).

Finished goods represented 1.14 months' sales during 1969-'70 as compared with 1.05 months' sales during 1968-'69 and 0.46 months sales during 1967-'68.

10. Sundry debtors and turnover

<i>As on</i>	<i>Total book debts Considered good</i>	<i>Considered doubtful (Rs. in lakhs)</i>	<i>Sales</i>	<i>Percentage of debt to sales</i>
31-3-1968	1.14	—	10.98	10.38
31-3-1969	6.98	—	20.67	33.77
31-3-1970	2.72	—	63.17	4.31

The rate of increase of sundry debtors was 512.28% in 1968-'69 when compared to the previous year followed by a decrease of sundry debtors to the extent of 61.03% in 1969-'70. The sundry debtors represented about 1.24 months' turnover during 1967-'68, about 4.05 months' during 1968-'69 and about 0.51 months during 1969-'70.

The following table indicates the details of the debts outstanding for more than one year as on 31-3-1970.

	<i>Government depart- ments / companies (Rs. in lakhs)</i>	<i>Private parties</i>
1. Debts outstanding for more than one year but less than two years	0.05	0.03
2. Debts outstanding for more than two years but less than three years	0.10	—
3. Debts outstanding for three years and more	—	—

*Trivandrum,
23-9-1970.*

(Sd/-)
K. P. RANGASWAMI,
Accountant General,
Kerala.

Production (tonnes) Sales (Rs. lakhs)

