

**REHABILITATION  
PLANTATIONS  
LIMITED**



**34<sup>th</sup>  
Annual Report  
2009-2010**



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## REHABILITATION PLANTATIONS LTD.

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### Rehabilitation Plantations Limited, Punalur

#### BOARD OF DIRECTORS

##### CHAIRPERSON

#### **Smt.K.B.Valsalakumari, IAS**

Secretary to Government  
Labour & Rehabilitation Department, Government Secretariat,  
Thiruvananthapuram

##### MANAGING DIRECTOR

#### **S.Gopalakrishnan, IFS**

##### DIRECTORS

#### **Shri.Vishwapati Trivedi, IAS**

Additional Secretary & Financial Advisor to Govt. of India  
Ministry of Home Affairs, North Block  
Central Secretariat, New Delhi – 110 001

#### **Shri.A.K.Goyal**

Joint Secretary to Govt. of India  
Ministry of Home Affairs,  
North Block, Central Secretariat, New Delhi – 110 001

#### **Shri.N. Gopinathan, IFS**

Chief Conservator of Forests (vig),  
Forest Head Quarters, Thiruvananthapuram

#### **Shri.M.Ayyappan**

Chairman & Managing Director  
Hindustan Latex Ltd., Thiruvananthapuram.

#### **Shri.K.V. Mathew**

Joint Rubber Production Commissioner (Dev.)  
Rubber Board, Kottayam – 2

#### **Shri.B.Prakash**

Additional Secretary to Govt.,  
Labour & Rehabilitation Dept.,  
Govt.Secretariat,  
Thiruvananthapuram.

#### **Smt.G.S.Padmakumari Amma**

Additional Secretary,  
Finance Department,  
Government Secretariat,  
Thiruvananthapuram



### AUDIT COMMITTEE

<b>Shri. B. Prakash</b> (Director)	Chariman, Audit Committee
<b>Shri. S. Gopalakrishnan, IFS</b> (Managing Director)	Member
<b>Smt. G.S. Padmakumari Amma</b> (Director)	Member
<b>Shri. K.V. Mathew</b> (Director)	Member

### DEPARTMENTAL HEADS

1. Shri. Jose Sebastian	Finance Manager
2. Ms. Merena Varghese	Company Secretary
3. Shri. Krishna Kumar	Manager, (Personnel & Administration)
4. Shri.M.K.Vimal Raj	Manager, L.C.Factory
5. Shri. Davidjee Samuel	Manager, R.S.Factory
6. Shri. K.G.Rajeev Lal	Manager, Kulathupuzha Estate
7. Shri. Jaya Prakash	Manager, Ayiranallur Estate
8. Shri. Thomas Vechucheruvil	Deputy Manager (Commercial)
9. Shri. C.Vasanthakumara Pillai	Deputy Manager (Co-ordination)



### Auditors

M/s Ayyar & Cherian  
Chartered Accountants  
Jail Road, Kozhikode.

### Bankers

Syndicate Bank  
Canara Bank  
State Bank of Travancore  
The Federal Bank Ltd.,  
Sub-Treasury, Punalur

### Registered Office

Rehabilitation Plantations Ltd.  
Punalur, Kollam (Dist)  
Kerala, India. Pin: 691 305

++91-475-2222971, 2222972, 2222973, 2222402

Telegram "REHAB"

Fax: ++91-475-2223866

E-mail: [mdrpl@sancharnet.in](mailto:mdrpl@sancharnet.in)

Website: [www.rplkerala.com](http://www.rplkerala.com).



## NOTICE

RPL/F-2004/

To

All Shareholders

Sir,

Sub: **34<sup>th</sup> Annual General Meeting - reg**

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the Company will be held on Tuesday, 28<sup>th</sup> September 2010 at 12.00 noon at the Registered Office of the Company at Punalur - 691 305 (Building No. XXVI -202) *at* to transact the following business:-

### ORDINARY BUSINESS:-

1. To receive, consider, approve and adopt the Balance Sheet as at 31<sup>st</sup> March 2010 and the Profit and Loss Account for the year ended as on that date together with the Reports of the Auditor's, the Directors', the Comments by the Accountant General (Audit), Kerala and that by the Principal Secretary (Finance), Government of Kerala.
2. To declare dividend.
3. To fix the remuneration or to decide the manner of fixing the remuneration of the Auditors to be appointed by the Comptroller and Auditor General of India.

17/08/2010

By order of the Board of Directors,

For Rehabilitation Plantations Limited

Punalur

Company Secretary

### Note:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.**
2. The instrument of proxy should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting



## DIRECTORS' REPORT

To

The members,

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report on the performance on your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

### 1. OPERATIONS & BUSINESS PERFORMANCE

1. 1. The total production of rubber during the year under review is 1141 MT of Rubber (in DRC) as against the previous year production of 1262 MT (in DRC). Main reasons for this reduction in production compared to last year includes reduction in production area due to phased re-planting programme, adverse climatic conditions etc. As per the Report of the Rubber Board, Natural Rubber production in 2009-10 was lower by 3.8 per cent over 2008-09 nationally mainly owing to adverse weather conditions, growing stock of old plantations and intense harvesting done in 2008.

Your Company occupies 23<sup>rd</sup> position (Previous Year 24<sup>th</sup>) in the case processing of Cenex and 51<sup>st</sup> position in the case of Block Rubber production in India. It means that there is scope for improvement and your Company is striving for that.

1. 2. Your Company had also taken steps to purchase field rubber latex from outside sources in order to fully utilize the capacity of the latex Centrifuging Factory to the extent possible. During the year 43 MT (94 MT during the previous year) of dry rubber equivalent of field latex was purchased and processed at the Latex Centrifuging Factory of your Company. The reduction in quantity purchased was mainly because of the price difference offered by some private players in the field. Despite the strict competition, your Company is exploring ways to purchase more field latex at competitive rates. 63.946 MT DRC of scrap rubber was purchased from outside sources during the year under review.



1. 3. The Rubber Sheetings Factory of the Company had produced 330 MT (Previous year: 357.862 MT) of FWQ Rubber Sheetings during the year under review and sold 372.603 against last years 322.011 MT. During the year under review the Company has received orders for processing ROCASIN from the Vikram Sarabhai Space Centre, Thiruvananthapuram.

## 2. FINANCIAL HIGHLIGHTS

### 2.1. Financial Results

	2009-10	2008-09
	Rupees in	Rupees in
	Lakh	Lakh
Sales & other income	2804.28	2432.41
Profit Before Tax	1268.33	757.63
Deferred tax	6.21	(-) 4.43
Less: - (a) Provision for Taxation – Current Year	91.00	74.25
(b) Provision of Taxation – Earlier Years	0	4.50
Add:- (a) Excess provision for AIT for prior years - AY 91-92 & 92-93	75.72	-
(b) Excess provision for CIT for prior years AY 2007-08, 2008-09 & 2009-10	52.96	-
<b>Profit After Tax</b>	<b>1312.22</b>	<b>674.45</b>
Add:	28.55	23.79
Amount transferred from Replanting Allowance Reserve		
Less: Re-plantation Allowance	37.20	32.00
<b>Disposable surplus</b>	<b>1303.57</b>	<b>666.24</b>
Interim Dividend paid (inclusive of dividend tax)	59.54	59.54
<b>Proposed Dividend (inclusive of dividend tax)</b>	<b>19.78</b>	<b>19.84</b>
<b>Balance carried to General Reserve</b>	<b>1224.25</b>	<b>586.86</b>
Earnings per share (Rs)	3758	1930

2. 2. From the Accounting Year 2006-07 onwards, the surplus on sale of old rubber trees is transferred to Profit and Loss Account instead of Capital Reserve as per the direction of the Comptroller & Auditor General of India. Total amount transferred to Capital Reserve is Rs. 1439.61 Lakhs. As the Accounting Policy is changed, it is transferred to General Reserve. All direct expenses of replanting activities and a portion of the Establishment and administrative expenses attributable to the



replanting activities and the expenses on account of lease rent, depreciation on vehicles used exclusively for replanting and premium to Gratuity Trust Fund under the LIC Group Insurance Scheme are capitalized and transferred to Immature Plantations proportionately.

### 3. REPLANTING ACTIVITIES

3.1 Your Company is having 2193.77 Ha of leased out land. This area includes watercourses, roads, labour tenements and other infrastructure facilities. Re-planting programme is going on in a phased manner. After each years re-planting, the area replanted is surveyed and the effective area with rubber trees are separately marked.

3.2 The details of re-planting is given in the following table:-

Year of re-planting	Kulathupuzha Estate		Ayiranallur Estate		Total effective area in Ha
	Total area in Ha	Effective area in Ha	Total area in Ha	Effective area in Ha	
2001	105.75	99.64	39.67	32.98	<b>132.62</b>
2002	103.40	95.03	63.04	61.16	<b>156.19</b>
2003	87.73	82.95	76.75	67.84	<b>150.79</b>
2004	60.00	51.14	65.89	63.37	<b>114.51</b>
2005	58.75	49.43	78.01	72.81	<b>122.24</b>
2006	39.05	38.08	114.17	100.37	<b>138.45</b>
2007	47.80	40.80	56.64	48.82	<b>89.62</b>
2008	79.00	64.30	44.09	37.69	<b>101.99</b>
2009	84.90	72.30	71.43	63.98	<b>136.28</b>
<b>Grand Total</b>					<b>1142.69</b>

3.3 During the re-planting season, 2010 about 154.80 Ha of area (subject to survey) are re-planted with clones such as RR11 105 and 400 series in the Kulathupuzha and Ayiranallur Estates of the Company. About 78400 poly bag plants were planted in this area. It is proposed to re-plant 126.38 Ha in the replanting season 2011.



3. 4. 100% of the trees of the 2001 plantation comes under tapping during 2008-09 and 50% of the 2002 plantation brought under tapping during the year under review.

#### **4. PLANTING OF DWARF CASHEW PLANTS UNDER THE HIGH TENSION ELECTRIC LINES**

4. 1. In view of promoting Cashew Plantations the Company has received an amount of Rs.1,80,000/- & Rs. 1,08,000/- during the years 2008-09 and 2009-10 respectively from Special Officer (Cashew), KSACC towards grant for the development of Cashew Plantations in Kerala. The company has fully utilized the amount received for the above purpose. This is in addition to the cashew plantation raised with the assistance from Directorate of Cashew and Cocoa Development during the years 2006-07 to 2008-09.

#### **5. ISO 14001:2004**

5. 1. As already informed in the previous year's Report, your Company was in the pursuit of getting the Environmental Management System (ISO 14001:2004) Certification from accredited agencies. Now your Directors are happy to inform that your Company has received the ISO 14001: 2004 certification in May 2010 after the Stage 1 and Stage 2 Audit conducted by the Certifying Body viz. Indian Register Quality Systems, Mumbai, accredited by the RvA. The official handing over of the certificate was done by the Hon. Minister for Labour and Excise on 02-08-2010. The Certificate is for all activities related to Plantation, Collection and Supply of Natural Rubber, Water Supply and Waste Management at Ayiranallur and Kulathupuzha Estates. Validity of the Certificate is up to 11-04-2013 subject to continued satisfactory maintenance of the System.

#### **6. HUMAN RESOURCES**

##### **6.1. Human Resources Development**

6. 1. 1. It is important to assess both current and future organisational requirements for all its employees in terms of their skills/technical abilities, competencies, flexibility etc. to attain or upgrade the skills and attitudes of employees at all levels in order to maximise the effectiveness of the organization. Your Company has arranged internal as well as external training programme for its employees during the year under review.

##### **6.2. Industrial relations**

6. 2. 1. Relations with the employees continued to be cordial throughout the year. Your Directors place on record the appreciation of the efforts, dedication and active participation of the employees in various initiatives of the Company and contributing to the performance of the Company during the year under review.



## 7. MARKET TRENDS & PROSPECTS

7. 1. The demand for natural rubber is showing an upward trend. According to the projections of the Rubber Board, NR production in 2010-11 would be 893,000 tonnes and consumption would be 978,000 tonnes. During April-July 2010 also, consumption recorded an increase of 3.3 per cent as compared to the same period last year. Further the world NR production had declined by 4.2 per cent in 2009. However, in the first quarter of 2010 world production recorded a growth of 20.3 per cent over the first quarter of the 2009. Among the major producing countries only China recorded a production decline which was due to severe drought experienced in Yunan. The projections of world production in 2010 and 2011 are 10.16 and 10.73 million tonnes respectively. World consumption had declined by 7.7 per cent in 2009 due to recession. During the first quarter of 2010, world consumption increased by 23.3 per cent over the same period last year. The consumption in 2010 and 2011 are projected as 10.19 and 10.66 million tonnes respectively.
7. 2. Natural Rubber consumption during 2009-10 in India was 930600 tonnes and the projection by the Rubber Board for year 2010-11 is 978000 tonnes. As reported by the Rubber Board, the annual average price of rubber in the domestic market had been consistently lower than that in the international market from 2003-04 to 2008-09 with an average yearly difference of Rs.4.31/kg. But there was a reversal of this trend in 2009-10 when the annual average domestic price was Rs. 3.85/kg higher than the international price. Thus the current trend and the projections as reported by the Rubber Board are in favour of your Company.

## 8. DIVIDEND

- 8.1. Total paid up capital of your Company is Rs. 3,39,27,000 of which 40% shares are held by the Government of India and 60% by Government of Kerala. Your Company had paid interim dividend during the first three quarters of the year under review as per Circular No. 5013/ BPE2/07/Plg. dtd. 23-03-2007 of the Government of Kerala. Interim dividend was paid @ 5% of the paid-up share capital each during the first three quarters. Rs. 20,01,300/- and Rs. 30,87,750/- were paid to Government of India and Government of Kerala respectively during the year under review as interim dividend.
8. 2. A final dividend of Rs. 16, 96,350/- being 5% of the paid-up share capital is recommended by your Directors, which is to be considered for declaration by the members in the ensuing Annual General Meeting as 15% of the paid-up share capital is already distributed as interim dividend. Thus a total of Rs. 200 per share (20 percent) including the interim and the proposed final dividend for the year ended 31<sup>st</sup> March 2010 is envisaged by your directors as in the case of last year.



## 9. DIRECTORS

9.1. The nomination of Shri. C.K. Viswanathan, IAS (Rtd), Dr . B. Shivaraju, IFS, Shri. K. G. Mohanan and Shri. R. P. Sharma, IFS as Directors of the Company were withdrawn by the Government of Kerala on their retirement/transfer. The Board takes this opportunity to place on record its sincere appreciation of the valuable services rendered by Shri. C. K. Viswanathan IAS, as the Chairman of the Company (from 27-09-2005 to 15-06-2010), Dr. B. Shivaraju, IFS as Managing Director of the Company (from 14-03-2008 to 03-06-2010), Shri. K. G. Mohanan as Director (from 13-05-2008 to 07-08-2010) and Shri. R. P. Sharma, IFS as Director (from 23-12-2004 to 23-12-2009) of the Company during their tenure by giving proper advice in the policy matters of the Company. Details of Directors and changes thereon during the year under review to the date of report is given as **Annexure : B**

## 10. TAXATION

- 10.1. The Agricultural Income Tax assessment has been completed up to assessment year 2007-08. Appeals filed against the assessments are pending with various authorities in the case of Assessment Years 1994-95, 1997-98, 2001-02 and 2007-08.
- 10.2. The Assessment of Income Tax of the Company has been completed up to the Assessment year 2008-09. Appeals filed against the assessments are pending with various authorities in the case of Assessment Years 1998-99, 2002-03, 2004-05, 2005-06, 2006-07 and 2007-08.

## 11. AUDIT COMMITTEE

- 11.1. Board of Directors of your Company has constituted an Audit Committee of the Company on 27-02-2009 in accordance with the circular issued by the Government of Kerala (Circular No. 13883/BPE.2/08/Plg. Dt. 15-11-2008).
- 11.2. Present members of the Audit Committee are:-
1. Shri. B. Prakash, the member representing the Labour & Rehabilitation Department of Government of Kerala in the Board of the Company (Chairman of the Committee)
  2. Ms. G.S. Padmakumari Amma, the member representing the Finance Department of Government of Kerala in the Board of the Company.
  3. Shri. K. V. Mathew, the member representing Rubber Board in the Board of the Company and
  4. Shri. S. Gopalakrishnan, IFS, Managing Director of the Company

## 12. AUDIT

- 12.1. The audit of the accounts of the Company for the year 2009-10 has been carried out by M/s. Ayyar & Cherian, Chartered Accountants, Kozhikkode.



### **13. PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956**

13. 1. None of the employees of the company is coming under the purview of Section 217(2A) of the Companies Act, 1956.

### **14. PARTICULARS REGARDING TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNING AND OUTGO REQUIRED UNDER SEC. 217(1)(e) OF THE COMPANIES ACT, 1956**

14. 1. Information required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and also forming part of this report is given in the enclosed **Annexure : A.**

### **15. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the operating Management, confirm

- that in the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- that the Directors have selected such accounting policies and applied them consistently and made judgments 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 year with proper explanation relating to material departures.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- that the annual accounts have been prepared on a going concern basis.

### **16. ACKNOWLEDGEMENT**

The Directors would like to thank the Government of India, the Government of Kerala, the Kerala Forest Department, Rubber Board, Bankers, Customers, Agents, Suppliers and all Employees of the Company for their contributions and cooperation to the Company during the year under review.

On Behalf of the Board of Directors

**(K. B. Valsalakumari, IAS)**

**Chairperson**

17<sup>th</sup> August 2010



## ANNEXURE 'A' TO THE DIRECTORS REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors), Rules, 1988 and forming part of the Directors' Report.

### 1. CONSERVATION OF ENERGY

The Company has adopted various steps to conserve energy and has taken several measures including regular monitoring of consumption and improved maintenance of operations. Your Company has The particulars regarding the consumption of energy are given below:-

	2009-10	2008-09
Electricity		
a. Purchased:Units (KWH)	433500	474081
Total amount (Rs)	2400889	2760469
Rate/ Unit ( Rs)	5.54	5.82
b. Own Generation through diesel generator:-Units (KWH)	55200	90350
Unit per liter of diesel	2.11	2.4
Cost of diesel per KWH ( Rs)	17.54	14.98

### 2. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

Not Applicable

### 3. FOREIGN EXCHANGE EARNINGS& OUTGO

a) Foreign Exchange Earnings in FOB value(Rs)	Nil
b) Foreign exchange out go (Rs)	Nil
c) Others (Rs)	Nil



## ANNEXURE 'B' TO THE DIRECTORS' REPORT

## Details of Directors including changes thereon as on 17-08-2010

Sl.No	Name	Address	Date of Appointment/ Cessation
01	Shri. C. K. Viswanathan, IAS Chairman	Secretary to Government Labor and Rehabilitation Department, Govt. Secretariat, Thiruvananthapuram	27-09-2005 to 15-06-2010
02	Shri. Vishwapati Trivedi, IAS	Additional Secretary & Financial Advisor Ministry of Home Affairs, North Block, Central Secretariat, New Delhi -110001	w.e.f 14-07-2008
03	Dr. B. Shivaraju, IFS (Managing Director)	Chief Conservator of Forest on deputation from Kerala Forest Department	14-03-2008 to 03-06-2010
04	Shri. R. P. Sharma, IFS	Principal Chief Conservator of Forests, Forest Head Quarters, Vazhuthacaud, Thiruvananthapuram	23-12-2004 to 23-12-2009
05	Shri. M. Ayyappan	Chairman & Managing Director, Hindustan Latex Ltd., Poojappura, Thiruvananthapuram	w.e.f. 22-09-2006
06	Ms. G. S. Padmakumari Amma	Additional Secretary, Finance Department, Govt. Secretariat, Thiruvananthapuram	w.e.f. 17-11-2007
07	Shri. B. Prakash	Additional Secretary Labour and Rehabilitation Department, Govt. Secretariat, Thiruvananthapuram.	w.e.f. 21-12-2007
08	Shri. K.G. Mohanan	Jt. Rubber Production Commissioner (Dev.), Rubber Board, R.P. Department, Kottayam-2.	13-05-2008 to 07-08-2010



## REHABILITATION PLANTATIONS LTD.

09	Shri. A. K. Goyal	Joint Secretary (FFR), Ministry of Home Affairs, Lok Naik Bhavan, New Delhi -3	w.e.f.21-01-2009
10	Shri. N. Gopinathan, IFS	Chief Conservator of Forest (Vigilance) Forest Head Quarters, Vazhuthacaud, Thiruvananthapuram	w.e.f.23-12-2009
11	Shri. S. Gopalakrishnan, IFS (Managing Director )	Conservator of Forest on deputation from Kerala Forest Department	w.e.f.04-06-2010
12	Ms. K. B. Valsalakumari, IAS (Chairperson)	Secretary to Government Labor and Rehabilitation Department, Govt. Secretariat, Thiruvananthapuram	w.e.f.15-06-2010
13	Shri. K. V. Mathew	Joint Rubber Production Commissioner (Dev), Rubber Board, RP Department, Kottayam -2	w.e.f.07-08-2010

**BM: 181/ Annexure-H**



**AYYAR & CHERIAN**  
Chartered Accountants

## **AUDITOR'S REPORT**

To The Members of Rehabilitation Plantations Limited,

1. We have audited the attached balance sheet of Rehabilitation Plantations Limited, (the 'Company') as at 31-March-2010, and also the profit and loss account for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). 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 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 misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. We report that:
  - a) ***The company has not obtained confirmation of balances from creditors, debtors and advances and we have relied only on the books of accounts maintained; and***
  - b) ***The Board has not declared dividend and reviewed the profitability for the quarter, before paying interim dividend @ 5% every quarter. Thus the Company has not complied with the provisions of Section 205 (1A) and also Schedule 1 Table A Regulation 86 of the Companies Act, 1956.***
5. Subject to our comments in paragraph 4 above and further to our comments in the



Annexure referred to above, we report that:

- 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 account as required by law have been kept by the company so far as appears from our examination of those books
- c) The financial statements dealt with by this report are in agreement with the books of account.
- d) As the company is a government company, the provisions of clause (g) of sub section (1) of section 274 of the Companies Act, 1956 is not applicable.
- e) In our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act and the Rules framed there under and give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
  - i) the balance sheet, of the state of affairs of the Company as at **31-March-2010;**  

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

*for Ayyar & Cherian*  
*Chartered Accountants*  
FRN : 000284 S

**CA Dinu Jose Mathew**  
*Partner*  
Membership No: 220610

Thiruvananthapuram  
17 - August -2010



**Annexure to the Auditors' Report of even date to the members of Rehabilitation Plantations Limited, on the financial statements for the year ended 31-March-2010**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) ***The fixed assets have not been physically verified by the management during the year and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification.***
  - (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory but material discrepancies were noticed on physical verification. These have been properly dealt with in the books of account.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
  - (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) (a) The Company has not entered into contracts or arrangements referred to in section 301 of the Act.



- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government under section 209 (1)(d) of the Act for the maintenance of cost records in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) The company is regular in depositing the undisputed statutory dues including provident fund, plantation tax, central income tax, agricultural income tax, vehicle tax, profession tax, dividend tax, KVAT, service tax, and other material statutory dues, as applicable, with the appropriate authorities. Further no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they become payable.  
(b) There are no dues in respect of provident fund, plantation tax, central income tax, building tax, , vehicle tax, profession tax, dividend tax, KVAT, service tax, that have not been deposited with the appropriate authorities on account of any dispute.
- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) According to the records the company has not borrowed from financial institutions or banks or issued debentures till 31<sup>st</sup> march 2010. Hence, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture holders does not arise.
- (xii) According to the records the company has not borrowed from financial institutions or banks or issued debentures till 31<sup>st</sup> march 2010. Hence, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture holders does not arise.



- (xiii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
- (xv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xvi) The Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvii) The Company did not have any terms loans outstanding during the year.
- (xviii) In our opinion, no funds raised on short-term basis have been used for long-term investment and vice versa.
- (xix) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xx) The Company has neither issued nor had any outstanding debentures during the year.
- (xxi) The Company has not raised any money by public issues during the year.
- (xxii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

*for* **Ayyar & Cherian**  
*Chartered Accountants*  
FRN : 000284 S

**CA Dinu Jose Mathew**  
*Partner*  
Membership No: 220610  
Thiruvananthapuram  
17 – August -2010



BALANCE SHEET AS AT

LIABILITIES	As per Schedule	Current Year (₹)	Previous Year (₹)
SHARE CAPITAL	A	33927000	33927000
RESERVES & SURPLUS	B	948526978	825237037
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
A. CURRENT LIABILITIES	C	35090372	42687771
B. PROVISIONS	D	99700676	130849743
NOTES TO ACCOUNTS	K		
<b>TOTAL</b>		<b>1117245026</b>	<b>1032701551</b>

For and on behalf of the Board of Directors

Sd/-  
**Jose Sebastian**  
(Finance Manager)

Sd/-  
**Merena Varghese**  
(Company Secretary)

Sd/-  
**S. Gopalakrishnan IFS**  
(Managing Director)



31st MARCH 2010

ASSETS	As per Schedule	Current Year (₹)	Previous Year (₹)
FIXED ASSETS	E	411500095	339921991
CAPITAL WORKS IN PROGRESS	F	292003	2037820
INVESTMENTS	G	100000	100000
DEFERRED TAX-ASSET	H	6344969	5723923
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
A. CURRENT ASSETS	I	591609989	562100092
B. LOANS AND ADVANCES	J	107397970	122817725
<b>TOTAL</b>		<b>1117245026</b>	<b>1032701551</b>

Sd/-  
**G.S. Padma Kumari Amma**  
(Director)

As per our report of even date annexed  
for **Ayyar & Cherian**  
Chartered Accountants  
FRN : 000284 S  
sd/-  
**CA Dinu Jose Mathew**  
Partner  
Membership No: 220610



**PROFIT AND LOSS ACCOUNT FOR**

Expenditure	Schedule No.	Current Year (₹)	Previous Year (₹)
To Opening Stock of Rubber	1	27048275	28638745
To Agricultural & Other Operations	2	30000648	36363737
To Salary, Wages & Bonus	3	97258078	95160344
To Rent, Repair & Maintenance	4	6248914	18959413
To Other Expenses	5	6417291	7761644
To Depreciation	6	7165062	5869501
To Prior Period Expenses	7	185851	188012
To Lease rent		1490255	1585311
<b>Sub Total</b>		<b>175814374</b>	<b>194526707</b>
Profit before Tax		126832996	75763086
<b>TOTAL</b>		<b>302647370</b>	<b>270289793</b>
<b>To Agricultural Income Tax</b>			
Provision for Current Year		0	0
For Prior Year		0	449840
<b>To Central Income Tax</b>			
Provision for the Current Year		9100000	7425000
Deferred Tax		0	443029
To Net Profit after Tax		131221969	67445217
<b>SUB TOTAL</b>		<b>140321969</b>	<b>75763086</b>
To Replantation allowance		3720000	3200000
To Interim Dividend		5089050	5089050
To Final Dividend		1696350	1696350
<b>To Dividend Tax</b>			
Paid		864885	864885
Provision		281743	288295
To Balance transferred to Reserve & Surplus		122424941	58685637
<b>TOTAL</b>		<b>134076969</b>	<b>69824217</b>

Basic Earnings per share ₹ 3758  
Diluted Earnings per share ₹ 3758

For and on behalf of the Board of Directors

Sd/-  
**Jose Sebastian**  
(Finance Manager)

Sd/-  
**Merena Varghese**  
(Company Secretary)

Sd/-  
**S. Gopalakrishnan IFS**  
(Managing Director)



**THE YEAR ENDED 31ST MARCH 2010**

Income	Schedule No.	Current Year (₹)	Previous Year (₹)
By Sales	8	169900651	145924197
By Sales- Others	9	4063424	510003
By Other Income	10	1109579	850424
By Prior period Income	11	321608	30468
By Interest		40949351	45102685
By Surplus on sale of Rubber trees		64082981	50823741
By Closing Stock of Rubber		22219776	27048275
		<b>302647370</b>	<b>270289793</b>
By Profit before Tax		<b>126832996</b>	75763086
Deferred Tax		621046	0
Excess Provision for AIT for prior years, Asst. Year 91-92 & 92-93 .		7572423	0
Excess provision for CIT for prior years Asst. Years 2007-08,2008-09 &2009-10		5295504	0
<b>SUBTOTAL</b>		<b>140321969</b>	<b>75763086</b>
By Net Profit after Tax		<b>131221969</b>	<b>67445217</b>
By Replanting Allowance Reserve		2855000	2379000
		<b>134076969</b>	<b>69824217</b>

As per our report of even date annexed for **Ayyar & Cherian**

Chartered Accountants

FRN : 000284 S

sd/-

**CA Dinu Jose Mathew**

Partner

Membership No: 220610

Sd/-  
**G.S. Padma Kumari Amma**  
(Director)

**Schedules Attached to and forming Part of the Balance Sheet  
as at 31st March, 2010**

	Current Year (₹)	Previous Year (₹)
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
35,000 equity shares of ₹ 1000/- each	35000000	35000000
<b>Subscribed called and paid up</b>		
33,927 shares of ₹ 1000/- each fully paid up (of the above 10,460 equity shares of ₹ 1000/- each have been issued for consideration other than cash)	33927000	33927000
<b>SCHEDULE 'B'</b>		
<b>RESERVE &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last balance sheet	143961331	143961331
Less transferred to General Reserve	143961331	
<b>SUB TOTAL</b>	<b>0</b>	<b>143961331</b>
<b>Replantation Allowance Reserve</b>		
<b>As per last balance sheet</b>	47192388	46371388
Less: Transferred to P&L account proportional to replanted area @ 6.05%	2855000	2379000
	44337388	43992388
Add for the Current Year	3720000	3200000
<b>SUB TOTAL</b>	<b>48057388</b>	<b>47192388</b>
<b>General Reserve</b>		
<b>As per last balance sheet</b>	634083318	575397682
Add transferred from capital reserve	143961331	
Profit for the Year transferred from Profit & Loss A/c	122424941	58685637
<b>SUB TOTAL</b>	<b>900469590</b>	<b>634083318</b>
<b>TOTAL</b>	<b>948526978</b>	<b>825237037</b>



	Current Year (₹)	Previous Year (₹)
<i>SCHEDULE 'C'</i>		
<b>CURRENT LIABILITIES</b>		
<b>Sundry Creditors</b>		
For purchase (Outstanding to small scale industrial undertaking - nil)	2443566	5344284
For Expenses	14158204	16067682
For Works (Contract)	1649427	4380178
Other Liabilities	11863348	10718330
Retention Deposit	798356	905124
EMD & SD	4054619	5149321
Due to Govt. of Kerala	122852	122852
<b>SUB TOTAL</b>	<b>35090372</b>	<b>42687771</b>
<i>SCHEDULE 'D'</i>		
<b>PROVISIONS</b>		
For Bad and doubtful debts	2022279	2943636
For Bonus	10108942	10235019
For Production Incentive	6843555	0
For Agricultural Income Tax (2004-05)	0	3540391
For Agricultural Income Tax (Prior Years)	52297683	64889662
For Central Income Tax (A.Y. 2006-07)	746393	746393
For Central Income Tax (A.Y. 2007-08)	0	12500000
For Central Income Tax (A.Y. 2008-09)	0	11200000
For Central Income Tax (A.Y. 2009-10)	0	7425000
For Central Income Tax (A.Y. 2010-11)	9100000	0
For C.I.T (A.Y. 88-89 & 89-90)	433587	433587
For Central Income Tax (Prior Years)	5493118	5493118
For Dividend	1696350	1696350
For Dividend Tax	281743	288295
For Leave Encashment	9939854	9458292
For Arrear D.A	737172	0
<b>TOTAL</b>	<b>99700676</b>	<b>130849743</b>



**SCHEDULE 'E'**  
**FIXED ASSETS**

PARTICULARS	AT COST			
	Up to 1-4-2009	Additions during the year	Sales/ Adjustments	Upto 31-3-2010
	(₹)	(₹)	(₹)	(₹)
MATURE PLANTATIONS	56916746	24856237	3883515	77889466
IMMATURE PLANTATIONS	182747454	70149285	24856237	228040501
FREEHOLD LAND	22054406			22054406
ROADS	7990078			7990078
BUILDINGS	89792529	8792183		98584713
FACTORY BUILDINGS	14002018	2068133		16070151
MACHINERY & OTHER EQUIPMENTS	30834706	227194	943890	30118010
VEHICLES	14838018	2399084	2930854	14306249
FURNITURE & FITTINGS	2247197	111834		2359031
ELECTRICAL FITTINGS	8287088			8287088
LIBRARY BOOKS	145435	11395		156830
<b>SUB TOTAL</b>	<b>429855675</b>	<b>108615345</b>	<b>32614496</b>	<b>505856523</b>
<b>RUBBER SHEETINGS FACTORY:</b>				
FACTORY BUILDINGS	3331187			3331188
MACHINERY & OTHER EQUIPMENTS	5630975			5630975
VEHICLES	221310	316642	221310	316642
FURNITURE & FITTINGS	66923			66923
ELECTRICAL FITTINGS	874136			874136
OFFICE EQUIPMENTS	31280			31280
<b>SUB TOTAL</b>	<b>10155811</b>	<b>316642</b>	<b>221310</b>	<b>10251144</b>
<b>TOTAL</b>	<b>440011486</b>	<b>108931987</b>	<b>32835806</b>	<b>516107666</b>
<b>PREVIOUS YEAR TOTAL</b>	<b>378509125</b>	<b>86217203</b>	<b>24714842</b>	<b>440011486</b>

Note 1: Depreciation has not be provided for the following assets under agricultural operations, since they have not put to use during the year

- A. Building ₹ 1607812.09 (P.Y. ₹ 2387982.59)
- B. Other Equipments ₹ 37225.00 (P.Y. ₹ 42285.00)
- C. Factory Water Supply ₹ 19464.00 (P.Y.Rs. NIL)

Note 2: Depreciation Amount ₹ 19332.00 (P.Y. ₹ 26914.00) in respect of vehicle purchased for replanting activities has been transferred and capitalized to the Immature Plantaions



DEPRECIATION			NET BLOCK		
Upto 1-4-2009	Sales/ Adjustments	For the Year	Upto 31-3-2010	As on 31-3-2009	As on 31-3-2010
(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
				77889466	56916745
				228040501	182747454
				22054406	22054406
5471794		125914	5597708	2392370	2518284
35056206		2735315	37791520	60793192	54736324
10683079		487808	11170887	4899264	3318939
21725714	103464	1486923	23109172	7008838	9108992
9833057	2343540	1809439	9298957	5007292	4696757
1963567		63822	2027389	331642	283630
6876920		196154	7073074	1214014	1410168
145434		11395	156829	1	1
<b>91755771</b>	<b>2447004</b>	<b>6916770</b>	<b>96225536</b>	<b>409630986</b>	<b>337791700</b>
2302504		102869	2405374	925814	1028683
4711979		133719	4845698	785277	918996
527310	219314	2393	310389	6253	2204
54495		2249	56744	10179	12428
719443		21518	740961	133175	154693
17993		4876	22869	8411	13287
<b>8333724</b>	<b>219314</b>	<b>267624</b>	<b>8382035</b>	<b>1869109</b>	<b>2130291</b>
<b>100089495</b>	<b>2666318</b>	<b>7184394</b>	<b>104607571</b>	<b>411500095</b>	<b>339921991</b>
<b>97036093</b>	<b>2843013</b>	<b>5896415</b>	<b>100089495</b>	<b>339921991</b>	<b>281473032</b>



	Current Year (₹)	Previous Year (₹)
<b>SCHEDULE 'F'</b>		
<b>CAPITAL WORK IN PROGRESS</b>		
Water Supply(AE)	26568	26569
Water Supply(KE)	26684	26684
Building K.E	0	702704
Building A.E	0	483748
Building L.C.F	0	577183
Replanting (AE - 2010)	80918	48992
Replanting (KE - 2010)	157833	171940
<b>TOTAL</b>	<b>292003</b>	<b>2037820</b>
<b>SCHEDULE 'G'</b>		
Investments	100000	100000
In 1000 Equity shares of R.P.Employees Cooperative Societies Ltd. having face value of ₹ 100 each		
<b>SCHEDULE 'H'</b>		
Deferred Tax-Asset (Tax Effect of time differences as prescribed by the Accounting Standard No. 22 issued by the Institute of Chartered Accountants of India)		
	2009-10(₹)	2008-09 (₹)
Fixed Assets	1932021.00	1524771.00
Leave Salary	4412948.00	4199152.00
	<b>6344969</b>	<b>5723923</b>
<b>SCHEDULE 'I'</b>		
<b>CURRENT ASSETS</b>		
Interest accrued but not due on deposits	38039981	41116317
Stores & Spares as certified by MD	13540086	12922250
<b>Stock in trade as certified by MD</b>		
Rubber	21843670	25625203
Rubber Products (RSF)	327295	1416277
Semi Finished Products (RSF)	48811	6795
<b>Sundry Debtors- unsecured considered good for which company holds no security other than the debtors personal security:-</b>		
a) Debtors outstanding for a period exceeding 6 months	3898845	3664127
b) Other debtors	115630	2359003
Cash and stamp in hand	9372	15951
<b>Bank Balance:</b>		
<b>With Treasury Saving bank:</b>		
<b>Maximum during the year</b>		



## REHABILITATION PLANTATIONS LTD.

	Current Year (₹)	Previous Year (₹)
a) In Savings Bank Account ₹ 28817366 (P.Y. ₹ 22938695)	15273070	2024436
b) In Deposit Account Treasury ₹ 428500000 (P.Y. ₹ 403500000) - Commercial banks ₹ 30000000 (PY. ₹ 30000000)	458500000	433500000
c) In Investment Deposit A/C ₹ 163000000 (PY ₹ 263000000)	16300000	16300000
<b>With Schedule Bank:</b>		
On Current A/C	19128569	18724198
<b>Other Current Assets</b>		
Estate Nurseries	4584660	4425535
<b>TOTAL</b>	<b>591609989</b>	<b>562100092</b>
<b>SCHEDULE 'J'</b>		
<b>LOANS &amp; ADVANCES</b>		
<b>Advance recoverable in cash or in kind for value to be received</b>		
Advances exceeding 6 months	5477356	5624344
* <b>Other Advances</b>	4454924	1111257
Advances Central income Tax	15569622	16416394
Central Income Tax prior years	42442464	51712596
Advance KVAT for 2008-09	257020	257020
Agricultural Income Tax (prior years)	34303126	42863073
Provision for AIT 2007-08	2600000	2600000
Other Deposits	993166	915921
Prepaid Expenses	523762	540590
Sales Tax Pending Adjustment	776530	776530
<b>TOTAL</b>	<b>107397970</b>	<b>122817725</b>

\* - Due from Directors of the Company is ₹ 70,000/- (PY Rs. Nil ) Maximum amount due at any time during the year ₹ 2,28,492/- (PY ₹ 4,000). An amount of ₹ 13058/- (PY ₹ 13,058/- ) is outstanding from a retired Director.

Sd/-  
**Jose Sebastian**  
(Finance Manager)

Sd/-  
**Merena Varghese**  
(Company Secretary)

As per our report of even date annexed  
for **Ayyar & Cherian**  
Chartered Accountants  
FRN : 000284 S  
sd/-

Sd/-  
**S. Gopalakrishnan IFS**  
(Managing Director)

Sd/-  
**G.S. Padma Kumari Amma**  
(Director)

**CA Dinu Jose Mathew**  
Partner  
Membership No: 220610



## Schedule on Profit & Loss Account for the year ended 31st March, 2010

	Current Year (₹)	Previous Year (₹)
<i>SCHEDULE No. 1</i>		
<b>Opening and Closing Stock</b>		
<b>Opening Stock</b>		
Natural Rubber	25625203	28109682
Finished Products RSF	1416277	483058
Semi Finished Products RSF	6795	46005
<b>TOTAL</b>	<b>27048275</b>	<b>28638745</b>
<b>Closing Stock</b>		
Natural Rubber	21843670	25625203
Finished Products RSF	327295	1416277
Semi Finished Products RSF	48811	6795
<b>TOTAL</b>	<b>22219776</b>	<b>27048275</b>
<i>SCHEDULE No. 2</i>		
<b>Agricultural &amp; RSF</b>		
<b>a) Agricultural Operations</b>		
Aerial Spraying	570837	5968596
Tapping Materials	571012	624029
Tools & Impliments	43343	8644
Stores & Spares Consumed	3449262	3447142
Packing Materials used for Latex	4876763	5318634
Processing of Latex	4678261	6379030
Sales Commission	648362	674399
<b>Sub Total</b>	<b>14837840</b>	<b>22420474</b>
Less: Transfers to Rubber Sheeting Factory	4271304	3984523
<b>TOTAL A</b>	<b>10566536</b>	<b>18435951</b>



	Current Year (₹)	Previous Year (₹)
<b>b) Rubber Sheeting Factory</b>		
Raw Materials Consumed #	7143087	7015168
Packing Materials used	81662	87207
Transportation Charges	356658	267400
Sales Commission	178077	143001
Stores and Tools Consumed	22870	16152
<b>Sub Total</b>	<b>7782354</b>	<b>7528928</b>
Less: Transfers from Rubber Sheeting Factory	3492	736
<b>TOTAL B</b>	<b>7778862</b>	<b>7528192</b>
<b>c) Purchase of Field Latex</b>	11655250	10399594
<b>TOTAL C</b>	11655250	<b>10399594</b>
<b>TOTAL A + B + C</b>	<b>30000648</b>	<b>36363737</b>
# include raw materials transferred from LC Factory		
<i>SCHEDULE No. 3</i>		
<b>Salary Wages &amp; Bonus</b>		
<b>a) Agricultural Operations</b>		
Wages & Allowance to workers	38583722	39201524
Salary & Allowances to Staff & Officers	29586866	27531702
Bonus	14060811	10570213
Welfare Expenses	2750955	2788927
Staff Training Expenses	235011	115968
Pension Contribution	203429	0
Gratuity	2268066	5502283
Provident Fund	6903898	6805284
<b>b) Rubber Sheeting</b>		
Wages & Allowance to workers	1141105	1180735
Salary & Allowances to Staff & Officers	752077	809307
Bonus	400035	285960
Welfare Expenses	105369	116315
Provident Fund	266734	252126
<b>TOTAL</b>	<b>97258078</b>	<b>95160344</b>



	Current Year (₹)	Previous Year (₹)
<i>SCHEDULE No. 4</i>		
<b>Details of Rent, Repairs &amp; Maintenance</b>		
<b>a) Agricultural Operations</b>		
Upkeep of Buildings	1679177	3391931
Upkeep of Roads	308308	10512278
Upkeep of Vehicles	1760310	2022567
Upkeep of Machinery	117548	698256
Upkeep of Other assets	885065	1062023
Electricity Charges	971664	809810
Warehouse & Storage Charges	20929	12884
<b>b) Rubber Sheeting Factory</b>		
Upkeep of Vehicles	57125	31275
Upkeep of Machinery	113630	44917
Upkeep of Other assets	21640	15372
Electricity Charges	269700	320569
Warehouse & Storage Charges	43818	37531
<b>TOTAL</b>	<b>6248914</b>	<b>18959413</b>
<i>SCHEDULE No. 5</i>		
<b>Details of Other Expenses</b>		
<b>a) Agricultural Operations</b>		
Printing & Stationery	151126	308586
Postage & Telegraph	369016	385426
Taxes Other than Income Tax	800885	505326
Fringe Benefit Tax	0	474330
Insurance	384844	291404
Information Extension Expenses	58000	200000
<b>Travelling Allowance:</b>		
a) Managing Director	190215	80829
b) Directors		600
c) Other Employees	553060	1034000
Carried over	2507146	3280502
Brought Forward	2507146	3280501



	Current Year (₹)	Previous Year (₹)
<b>Statutory Auditor's Remuneration:</b>		
a) Audit Fee	50000	35000
b) Auditors Other Service	15000	11000
Entertainment Expenses	20878	29534
Business Promotion Drive	0	60737
Advertisement	967873	948482
Other Misc. Expenses	1095122	1481646
Hire charges Paid	257580	159137
Donation	9600	56500
Bad & Doubtful Debts	235644	905018
ISO Expenses	641986	172407
Pollution Control Expenses	397082	343727
Loss on sale of other Equipments	7407	8756
<b>b) Rubber Sheeting Factory</b>		
Printing & Stationery	9414	6293
Postage & Telegraph	20165	13607
Taxes Other than Income Tax	82060	147500
Insurance	42372	45929
Travelling Allowance - Other Employees	38661	34644
Other Misc. Expenses	19301	21226
<b>TOTAL</b>	<b>6417291</b>	<b>7761644</b>
<i>SCHEDULE No. 6</i>		
<b>DEPRECIATION:</b>		
Agricultural Operations	6916770	5589026
<b>Rubber Sheeting Factory</b>	267624	307389
<b>Sub Total</b>	<b>7184394</b>	<b>5896415</b>
Less: Transfer to Immature Plantations	19332	26914
<b>TOTAL</b>	<b>7165062</b>	<b>5869501</b>



	Current Year (₹)	Previous Year (₹)
<i>SCHEDULE No. 7</i>		
<b>Prior Period Expenses</b>		
<b>a) Agricultural Operations</b>		
Salary - M.D		12600
Salary - Staff	84936	70964
wages	2375	
Building tax	35647	
Bank charges	3586	
Upkeep of Other Assets	9766	10559
Upkeep of Vehicle	1375	19036
Upkeep of buildings	9102	
Travelling Expenses - Others	1427	24481
Water cess		14018
Office & Misc. Expenses		240
News Paper & Periodicals	2529	4845
Medical and Hospital facilities		963
Interest on Investment Deposit		1141
Replanting Expenses	1000	1500
Loading & Unloading Charges		4031
Empty barrels consumed		6465
<b>b) Rubber Sheeting Factory</b>		
Upkeep of other assets	170	150
Other misc. Expenses		50
News Paper & Periodicals		730
Rubber cess	33938	-
Pollution Control Expenses		16239
<b>TOTAL</b>	<b>185851</b>	<b>188012</b>
<i>SCHEDULE No. 8</i>		
<b>Sales</b>		
Sale of natural Rubber	160507430	137932780
Sale of Footwear Quality sheet RSF	9393221	7991417
<b>TOTAL</b>	<b>169900651</b>	<b>145924197</b>



	Current Year (₹)	Previous Year (₹)
<i>SCHEDULE No. 9</i>		
<b>Agricultural Operations</b>		
<b>Details of Other Sales</b>		
Sale of Gunny bag	3768	4760
Sale of Cashew	10000	30000
Sale of Cashew trees	26100	
Sale of Unservicable articles	249570	226611
Sale of usufructs	24500	42650
Sale of Eucalyptus	60100	
Sale of miscellaneous Spices	140000	
Sale of Firewood	176994	205982
Sale of Rubber Seedlings	3209520	
Sale of used polythene film	162872	
<b>TOTAL</b>	<b>4063424</b>	<b>510003</b>
<i>SCHEDULE No. 10</i>		
<b>Details of Other Income</b>		
<b>a) Agricultural Operations</b>		
Rent and Ground Rent	113275	94289
Fringe Benefit Tax	142970	
Misc. Income	100776	426163
Profit on Sale of Motor Vehicles	626164	–
Profit on Sale of Electrical fittings		159658
Profit on Sale of Machinery		145528
Profit on Sale of Other equipment	1458	21498
Depreciation - subsidy	32863	
<b>b) Rubber Sheeting Factory</b>		
Profit on sale of motor vehicle	78203	–
Sale of Cutting Waste	5770	
Misc. Income	8100	3288
<b>TOTAL</b>	<b>1109579</b>	<b>850424</b>



## REHABILITATION PLANTATIONS LTD.

	Current Year (₹)	Previous Year (₹)
<i>SCHEDULE No. 11</i>		
<b>Prior Period Income</b>		
<b>a) Agricultural Operations</b>		
Upkeep of Buildings	16330	
Salary staff	1138	
Fine	19438	
Sale of fire wood and timber	58890	
Packing materials	225450	
Bank Charges	362	4395
Interest on F D		23715
Interest on House Building advance		1904
Office & Misc.expenses		275
Medical and Hospital facilities		179
<b>TOTAL</b>	<b>321608</b>	<b>30468</b>

For and on behalf of the Board of Directors

As per our report of even date annexed

for **Ayyar & Cherian**  
Chartered Accountants  
FRN : 000284 S

sd/-

**CA Dinu Jose Mathew**  
Partner

Membership No: 220610

Sd/-  
**Jose Sebastian**  
(Finance Manager)

Sd/-  
**Merena Varghese**  
(Company Secretary)

Sd/-  
**S. Gopalakrishnan IFS**  
(Managing Director)

Sd/-  
**G.S. Padma Kumari Amma**  
(Director)



## Notes to Accounts

### Schedule – K

#### 1. Significant Accounting Policies

##### A. Fixed Assets

Fixed assets are stated at their historical cost less depreciation thereon. Cost includes expenses such as freight, duties, etc. that relate to cost of acquisition/installation of the concerned assets.

##### B. Depreciation

Depreciation has been provided on written down value method as per rates and manner provided in Schedule XIV of Companies Act, 1956 on prorata basis.

##### C. Packing Materials

Packing Materials, tapping stores and other implements issued during the year have been charged to revenue.

##### D. Replanting Allowance Reserves

Replanting Allowance Reserves has been worked out at the rate of 2.5% of the income from the rubber and 1.5% of other minor crops as per the Kerala Agricultural Income Tax Act.

The Company has started replanting of rubber trees in the estates since 2001. Thus proportionate Replanting Allowance Reserves to the extent of the area replanted with rubber trees for the year 2008-09 Rs. 28,55,000/- has been transferred to Profit and Loss Account and then transferred to General Reserve.

##### E. Inventories

Valuation of closing stock

- |  |   |  |
|--|---|--|
| a) General Stores and Spares<br>and Chemical         | : | Actual Cost                              |
| b) Natural Rubber                                    | : | Since realized/average realizable price. |
| c) Finished Goods of Rubber<br>Sheeting Factory      | : | Cost or market price whichever is less.  |
| d) Semi Finished Goods at<br>Rubber Sheeting Factory | : | At Cost                                  |



The basis of determining cost for various categories of inventories are as follows:

Stores, Spares and Chemicals : Purchase price, freight and other directly attributable costs

Finished goods and Semi finished goods at Rubber Sheeting Factory : Materials, labour cost, depreciation and overheads of the factory.

Note : Dry Rubber content of rubber stock has been arrived at as follows:

Unprocessed Latex	:	Actual Laboratory DRC
Processed Latex	:	60%
Scrap Rubber	:	60%
Trap Rubber	:	63.15%
Centrifuging Waste	:	65%
Crumb Milling Waste	:	60%
Inferior Trap Rubber	:	50%

**F. Physical Verification of Stock**

Shortage/Excess noticed, if any, on physical verification in items of raw materials, chemicals, finished goods and stores and spares is adjusted in the same year.

**G. Sales**

Sales of goods are recognized at the point of despatch of finished goods. Sales are net of trade discount, KVAT and CST.

**H. Retirement benefits**

(i) **Gratuity** is funded through a trust under the Group Gratuity Scheme of the Life Insurance Corporation of India. Provision for gratuity is made in the books as per advice from Life Insurance Corp.

(ii) Leave encashment on retirement is accounted on the basis of actuarial valuation covered the liabilities as on 31.03.2010. The leave encashment liability as on 31.03.2010 as per the actuarial valuation is ₹ 99,39,854/- (P.Y. ₹ 94,58,292)

**I. Investments**

Investments of long term nature are stated at cost.

**J. Sale of old Rubber Trees**

The Company has sold 48,497 ( P.Y. 48,088) numbers of old rubber trees in connection with the replanting programme during the year 2009-10. After



adjusting the planting and maintenance cost of the rubber trees sold, an amount of ₹ 6,40,82,981/- has been transferred to Profit & Loss A/c as surplus on sale of old rubber trees.

During the past years the Company had transferred the surplus on sale of old rubber trees directly to Capital Reserve. As per the advise of the C & AG of India, the Company has changed the accounting policy of the Company of crediting the surplus on sale of old rubber trees to Profit and Loss account instead of Capital Reserve from the accounting year 2006-07 onwards. The total amount transferred to Capital Reserve in this regard is ₹ 14,39,61,331. Since the accounting policy is changed, the above capital Reserve is transferred to General Reserve.

**K. Immature Plantations**

All direct expenses of replanting activities have been transferred to Immature Plantations. During the year 2009-10 the Company has opened 50% of the 2002 Replanted area for tapping. Hence 50% of the over head expenses relating to the 2002 Replanted area has been transferred to Revenue. The establishment expenses and administrative expenses attributable to the replanting activities in each estates transferred proportionate to the area of replanting to the Immature Plantations as follows:

Kulathupuzha Estate	:	38.91%
Ayiranallur Estate	:	74.04%

In addition to the above the following expenses incurred at Head Office which are directly attributable to the replanting activities proportionate to the immature area have been capitalized and transferred to the Immature Plantations.

- (a) Lease Rent
- (b) Depreciation on Vehicles exclusively used for replanting.
- (c) Premium to Gratuity Fund Trust under LIC Group Insurance Scheme.

**L. Accounting Concepts**

The company is following the mercantile system of accounting, recognizing income and expenditure on accrual basis except as otherwise mentioned. The accounts are prepared on historical cost on a going concern basis. Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.



**M. Accounting Standards**

The accounts of the company have been prepared based on all the applicable accounting standards as prescribed U/S 211 (3c) of the Companies Act, 1956.

**N. Grants / Subsidy**

The subsidy received from Rubber Board for the purchase of machineries has been adjusted in the value of the respective items.

Grants received from government agencies for specific purpose has been utilised for the purpose for which the grants are sanctioned.

2) The gratuity of ₹ 22,68,066/- represents the following

i) Premium to Gratuity Fund Trust under LIC Group Gratuity Insurance Scheme ( P.Y. ₹ 88,03,063)	₹ 71,83,924
---	-------------

ii) Difference between receipts from LIC and company's contribution to meet legal liability on actual gratuity payments during the year (PY ₹ 9,14,127(Dr))	₹ 12,18,292(cr.)
---	------------------

<b>Total</b>	<b>₹ 59,65,632</b>
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Less: Proportionate amount of premium to Gratuity Fund Trust under LIC Group Insurance Scheme transferred to Immature Plantations i.e. 51.47% on ₹ 71,83,924 (PY ₹ 42,14,907)	₹ 36,97,566
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<b>Total</b>	<b>₹ 22,68,066</b>
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3) Fixed Assets worth (WDV) ₹ 7,70,960 have been installed at the office of the Chairman, RPL, at Govt. Secretariat, Trivandrum as on 31.03.2010.

4) Assets and Liabilities do not include Fixed Deposit Receipts and National Saving Scheme Certificates of contractors marking lien for security in favour of the company totalling ₹ 11,74,408(PY ₹ 13,38,137.60).

5) The following are the details of the Managing Director's remuneration, Pay and Allowance and Pension Contribution ₹ 14,29,553 (PY ₹ 14,33,278). Private



use of company's car on recovery of amounts prescribed by the State Government. The telephone charges includes ₹ 49,122 (P.Y. ₹ 35,532) being the reimbursement of the mobile phone charges to the Chairman of the Company.

- 6) The estimated liability in respect of contracts remaining to be executed on capital account (other than foreign exchange contracts) not provided in the accounts ₹ 1,48,23,635 (PY. ₹ 1,14,43,923).
- 7) Quantity details of rubber in Kgs.

	2009-10 (Kgs)	2008-09 (Kgs)
Opening Stock	2,64,852	2,51,108
Production	12,45,098	13,55,051
Sales & transfers	13,69,665	13,41,307
Closing Stock	1,40,285	2,64,852

8) **Purchase of Field rubber latex**

The Company has purchased field rubber latex from outside source for the capacity utilization of Latex Centrifuging Factory considering the production fall due to the Replanting activities. During the year the Company has purchased 106.487 MT of dry Rubber field latex and scrap. Out of this the company has produced 36.138 MT of Cenex, 4.035 MT of skim crepe, 1.645 MT of other by-products and 62.227 MT of crumb rubber. The production quantity includes the above quantity also.

9) Interest received consist of:

	2009-10 (₹)	2008-09 (₹)
a) Interest from Treasury Savings Bank (Gross)	4,39,283.00	2,04,334.00
b) Interest of Treasury Fixed Deposits (Gross)	3,85,49,079.19	4,00,35,558.67
c) Interest on Vehicle loans	1,901.50	3,159.00
d) Interest on Housing loans	37,085.00	47,030.00
e) Interest on Investment Deposits Scheme (Gross)	16,30,000.00	18,80,000.00
f) Penal Interest collected	70,265.00	2,30,275.00
g) Interest from Income Tax Dept	0.00	24,86,975.00
h) Interest on Security Deposit with KSEB	27,600.00	28,757.00
i) Interest on Court Deposit	0.00	1,83,098.00
j) Interest on advance	0.00	3,498.00
k) Interest on Flexi Deposit	1,94,137.58	
<b>TOTAL</b>	<b>4,09,49,351.27</b>	<b>4,51,02,684.67</b>

\* Income tax deducted at source ₹ 95,13,992 (PY ₹ 97,66,394).



- 10) Confirmation for Sundry debtors, advances, deposits, Sundry creditors and other liabilities are not available in all cases. However the company is of the opinion that the amount disclosed under the above heads are realizable/ payable.

**11) Contingent Liabilities**

- (a) The Company has received demand notice from the Punalur Municipality demanding payment of Property tax on the extent of 200Ha of the rubber plantation at Ayiranallur Estate of the company for the years 1997-98 to 2007-08 for an amount of ₹ 5,29,200/-. The company has not paid the amount as the Sub-court of Kottarakkara dismissed an appeal Suit No.14/1986 filed by the Punalur Municipality for the recovery of Property tax from the company on the ground that the owner of the land only is liable to pay property tax and in this case the owner of the land is Government of Kerala. Also major part of the amount is barred by limitation by virtue of Section 539 of the Kerala Municipality Act.

The Punalur Municipality seized two vehicles of the company for the non-payment of property tax. The company filed a writ petition WP No.9322/2010 before the Hon.High Court of Kerala against the demand of alleged tax and attachment of vehicles. The Hon.High Court directed to release the vehicles seized by the Municipality on furnishing a Bank guarantee for ₹ 5.75 lakhs, for a period of one year by the company. Accordingly the company had furnished a Bank guarantee for ₹ 5.75 lakhs valid till 31.03.2011 in favour of the Municipality and the vehicles were released on 31.03.2010. The Court is yet to take a decision in this matter.

- (b) For interest for delayed payment of advance tax under section 37 (4) of the Agricultural Income Tax Act Pending at various stages of appeal is as follows:-

Pending with	Assessment year	2009-10 (₹)	2008-09 (₹)
Commissioner of Agrl Income Tax	2007-08	3,17,500	3,17,500

The company is of the view that this delay in above payment had occurred due to reasons totally beyond its control.

- (c) The Agricultural Income Tax assessment has been completed up to assessment year 2007-08. Appeals filed against the assessments are pending with various authorities and the disputed tax and interest relating to these appeals are as follows:

Assessment Year	Disputed Tax & Interest (₹)
1994-95	28,76,610
1997-98	6,38,068



2001-02	18,07,790
2007-08	19,24,935
<b>TOTAL</b>	<b>72,47,403</b>

In respect of orders received from the Appellate Authority, the effect of relief has not been considered in the absence of proceeding of the assessing authority.

- (d) The Central Income Tax Assessment of the Company has been completed up to the Assessment year 2008-09. Appeals filed against the assessments are pending with various authorities and the disputed tax and interest relating to these appeals are as follows:

<b>Assessment Year</b>	<b>Disputed Tax &amp; Interest (₹)</b>
1998-99	3,21,412
2002-03	32,51,010
2004-05	28,90,808
2005-06	37,76,575
2006-07	44,08,006
2007-08	73,80,550
<b>TOTAL</b>	<b>2,20,28,361</b>

No provision has been made in the accounts towards these amounts as the appeals are pending for disposal. In respect of orders received from the appellate authority, the effect of relief has not been considered in the absence of proceedings of the assessing authority.

- (e) Claims against the company not acknowledged as debts ₹ 14,50,783 (P.Y ₹ 1,46,075)
12. Bonus @ 20% and production incentive @ 12% have been provided in the accounts. The excess of amount paid during the year 2009-10 over the Bonus provision for the year 2008-09 has been accounted in the current years Bonus along with the provision for 2009-10.
  13. The Company has sold 126 barrels of 60% Concentrated Latex to M/s. Prima Poly Leathers, New Delhi, through the agent of the Company M/s. Premier Foam Industries vide Invoice numbers 136 dated 12.09.2005, 158 dated 14.10.2005 and 159 dated 14.10.2005 and the aggregate Invoice value of the Material was ₹ 11,67,074.76. The sale documents were negotiated through bank for the collection of the value of the material and the same were returned by bank without realization of the value of the material. The buyer had taken delivery of the goods without



honouring the documents and the company has filed cases against both the buyer and the transport contractor M/s.O.K.Transport Corporation. The net amount after adjusting the advance received from the party ₹ 10,46,272.71 is disclosed under the head sundry Debtors.

14. Previous years figures have been recasted wherever necessary for comparison.
15. There is no impairment of loss to the assets of the Company as per the assessment of the Company and as certified by M/s B.S.S & Co., Chartered Accountants, Thiruvananthapuram.
16. The plantations of the Company are situated in the lease hold land. The lease agreement with the Govt. of Kerala for the forest land in which the plantations of the Company has been renewed for a further period of 25 years with effect from 26.05.2001 vide G.O (MS) 33/2003/F&WLD dated 10.06.2003.
17. Sundry debtors outstanding for a period exceeding 6 months ₹ 38,98,844.65 (P.Y ₹ 36,64,127.19). Out of the above, an amount of ₹ 20,03,749.13 (P.Y ₹ 22,90,829.00) is long pending at various stages of litigation. Already sufficient provision has been made in the accounts for the long pending cases as Bad & Doubtful debts.
18. Liability towards Agricultural Income Tax and Central Income Tax for earlier years appearing under the head Provisions represent provisions made in the respective years. In all such cases appeals are pending at different levels. Hence, it is not possible to ascertain the correct liability to set off against advances made.
19. The Company has received ₹ 1,80,000 and ₹ 1,08,000 during the years 2008-09 and 2009-10 respectively from Special Officer (Cashew), KSACC towards grant for the development of cashew plantations in the company. The amount received has been fully utilised for the above purpose and the excess amount spent over the grant received is ₹ 3,83,173, which is expected to be reimbursed from M/s KSACC. The above amount is included in the Loans & Advances of the Company.
20. The Company was sanctioned ₹ 8,62,339/- towards subsidy from Rubber Board during the year 2009-10 for the machineries purchased and installed at the factory during the year 2008-09. The subsidy received is adjusted in the value of the machineries and the excess depreciation charged for the year 2008-09 is also adjusted.
21. Additional information. Quantitative details.
  - a) The Company, except for Rubber Sheeting Factory is an Agricultural Company and is carrying operations required to make the produce



marketable, hence the provision contained in part II of Schedule VI relating to quantitative information does not apply. During the year the Company has purchased 106.487 MT (DRC) field latex and scrap from outside source for processing. The process loss for the purchased quantity of latex is 2.442 MT (DRC) and the closing stock as on 31.03.2010 is 'NIL'.

- b) The quantitative information relating to Rubber Sheeting Factory is furnished below:

	2009-10	2008-09
(i) Licensed capacity	Not applicable	Not applicable
(ii) Installed capacity	450MT	450 MT
(iii) Production	329.599 MT	357.862 MT

- c) Raw materials consumed fully indigenous

Particulars	Qty	2009-10	Qty	2008-09
		Value (₹)		Value (₹)
i) Natural Rubber	42745 Kg	42,71,304	51030 Kg	40,17,765
ii) Cotton Fabric	46026 M	3,10,672	46996 M	3,00,160
iii) Cotton Liner	4134 M	98,129	3461 M	79,245
iv) Chemicals etc.*		12,11,190		14,37,197
<b>Total</b>		<b>58,91,295</b>		<b>58,34,367</b>

- \* It is not practicable to furnish quantitative information of chemicals in view of the considerable number of items.

	Sales		Opening Stock		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value
		(Rs. in lakhs)		(Rs. in lakhs)		(Rs. in lakhs)
Rubber Sheeting	372.603 MT	93.93	57.418 MT	14.16	14.252 MT	3.27
Previous Year	322.011 MT	79.91	21.620 MT	4.83	57.418 MT	14.16

- 22) The profit and loss account of Rubber Sheeting Factory is as below. The amount has been already incorporated in the accounts.

**PROFIT & LOSS ACCOUNT FOR THE  
OF RUBBER SHEETING**

<b>EXPENDITURE</b>	<b>Current Year (₹)</b>	<b>Previous year (₹)</b>
To Opening Stock of finished goods	1416277	483058
To Opening Stock of semifinished goods	6795	46005
To Raw materials Consumed	7143087	7015167
To Packing materials consumed	81662	87207
To Transportation of Finished goods	356658	267400
To Stores & Tools consumed	22870	16152
To Sales Commission	178077	143001
To Wages	1141105	1180735
To Salary	752077	809307
To Bonus	400035	285960
To Welfare Expenses	105369	116315
To Provident Fund	266734	252126
To Rent Repairs & Maintenance	192395	91564
To Electricity Charges	269700	320569
To Store & handling Charges	43818	37531
To Printing & Stationery	9414	6293
To Postage & Telegram	989	1029
To Telephone charges	19176	12578
To Taxes Other than Income Tax	82060	147500
To Insurance	42372	45929
To Travelling allowance	38661	34644
To Other Misc. Expenses	19301	21226
To Prior Period Expenses	34108	17169
To Depreciation	267624	307389
<b>Total</b>	<b>12890362</b>	<b>11745855</b>

For and on behalf of the Board of Directors  
Sd/- **Jose Sebastian**  
(Finance Manager)

Sd/- **S. Gopalakrishnan IFS**  
(Managing Director)

Sd/- **G.S. Padma Kumari Amma**  
(Director)





Details as per Notification No. F. No. 3/24/94/-CLV (a) Dated May 15, 1995,

Ministry of Law, Justice and Company Affairs

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS

### PROFILE:

#### F. Registration Details

Registration No.	:	2799/76
State Code	:	09
Balance sheet date	:	31.03.2010

#### II. Capital raised during the year

Public issue	:	Nil
Rights issue	:	Nil
Bonus issue	:	Nil
Private Placement	:	Nil

#### III. Position of Mobilisation and Development of Funds (Rupees in Thousands)

Total liabilities	:	1117245
Total assets	:	1117245

##### Source of Funds

Paid up capital	:	33927
Reserves & surplus	:	948527
Secured loans	:	Nil
Unsecured loans	:	Nil

##### Application of Funds

Net fixed Assets	:	411500
Investments	:	100
Net current assets	:	564217
Misc. expenditure	:	6345 (Deferred tax Asset)
Accumulated losses	:	Nil

#### IV. Performance of Company

Turnover	:	280428
Total expenditure	:	148766
Profit before tax	:	126833
Profit after tax	:	131222
Dividend	:	20%
Earning per share in rupees	:	₹ 3758/- ( Rupees Three Thousand Seven Hundred and Fifty eight only)

#### IV. Generic names of three principal products/services of company ( as per monetary terms)

Item Code No.	:	(ITC Code)
Product Description	:	1. Natural Rubber - 40024100 2. Industrial Rubber Sheetings.



प्रधान महालेखाकार (लेखापरीक्षा) का कार्यालय, केरल, तिरुवनन्तपुरम  
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT) KERALA,  
THIRUVANANTHAPURAM

31 मार्च 2010 को समाप्त वर्ष के लिए दि रिहाबिलिटेशन प्लान्टेशन्स लिमिटेड, पुनलूर  
के लेखाओं पर कम्पनी अधिनियम 1956 की धारा 619(4) के अधीन  
भारत के नियंत्रक महालेखापरीक्षक की टिप्पणियाँ

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER  
SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE  
REHABILITATION PLANTATIONS LIMITED, PUNALUR FOR THE YEAR ENDED  
31 MARCH 2010**

The preparation of financial statements of **Rehabilitation Plantations Limited, Punalur** for the year ended 31 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 17 August 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 **Rehabilitation Plantations Limited, Punalur** for the year ended 31 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**

  
वि. कुरियन  
V. KURIAN

तिरुवनन्तपुरम  
Thiruvananthapuram  
Dated: 22.09.2010

प्रधान महालेखाकार (नागर और वाणिज्य लेखा परीक्षा)केरल  
PRINCIPAL ACCOUNTANT GENERAL (C & CA), KERALA



GOVERNMENT OF KERALA

No: 64621/PUC3/10/FIN.

FINANCE (PU-C) DEPARTMENT.

**COMMENTS OF PRINCIPAL SECRETARY (FINANCE) ON THE AUDITED  
ANNUAL ACCOUNTS OF REHABILITATION PLANTATIONS LIMITED FOR  
THE YEAR 2009-10**

The company shall adhere to the relevant provisions in the Companies Act, while declaring dividends. Huge amount is seen maintained in Current Accounts. Only the minimum amount required for the day to day expenses of the company shall be maintained in the Current Accounts. The Rubber sheeting factory is showing a trend of increased losses, which should be arrested at the earliest and be made a profitable unit.

  
S.M. VIJAYANAND  
PRINCIPAL SECRETARY (FINANCE)

Thiruvananthapuram  
Date: 8/9/2010



**ADDENDUM TO THE DIRECTORS' REPORT  
REPLY TO THE COMMENTS OF THE STATUTORY AUDITORS FOR THE  
YEAR ENDING 31<sup>ST</sup> MARCH 2010**

**COMMENTS**

**REPLY**

- |  |   |
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| <p>1. The company has not obtained confirmation of balances from creditors, debtors and advances and we have relied only on the books of accounts maintained.</p>  | <p>The Company had sent the confirmation of balance letter to creditors, debtors and advances. But the confirmation of balances was not received in all cases. The intimation received from parties had been provided to the audit.</p>   |
| <p>2. The Board has not declared dividend and reviewed the profitability for the quarter, before paying interim dividend @ 5% every quarter. Thus the company has not complied with the provisions of Section 205 (IA) and also Schedule 1 Table A Regulation 86 of the Companies Act, 1956.</p> | <p>Based on the guidelines issued in Circular No.5013/BPE2/07/Plg dtd. 23.03.2007, the Board of Directors of the company in their 168<sup>th</sup> meeting held on 25.06.2007 resolved to pay an interim dividend @ 5% on paid up share capital for every quarter before 15<sup>th</sup> of the succeeding month of the corresponding quarter from then onwards. During the year 2009-10, the quarterly provisional profitability statement also justified the payment of interim dividend. In the 181<sup>st</sup> meeting held on 17.08.2010, the Board approved the recommendation of the Audit Committee of the company to declare interim dividend by the Board on a half yearly basis after reviewing the profitability in the respective Board meetings itself, in view of this observation by the Auditors.</p> |
| <p>3. The fixed assets have not been physically verified by the management during the year and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification.</p>  | <p>Noted. The physical verification of fixed assets will be arranged in future.</p>   |

**On behalf of the Board of Directors  
(K.B.Valsalakumari, IAS)  
CHAIRPERSON**