



**POOL FUND FINAL ACCOUNTS**  
FOR THE SEASON 2003-2004  
(From 01-01-2004 to 31-12-2004)



## AUDIT CERTIFICATE

I have examined the Income and Expenditure Account for the year ending 31 December 2004 and the Balance Sheet as on 31 December 2004 of the Coffee Board, Pool Fund, Bangalore. I have obtained all the information and explanations that I have required, and subject to the appended Audit Report which inter alia contains the following major audit observations :

- \* Non preparation of pool fund account in Common Format .....  
(Para 2.2)

I certify, as a result of my audit, that in my opinion these accounts and Balance Sheet are properly drawn-up so as to exhibit a true and fair view of the state of affairs of the Coffee Board, Pool Fund, Bangalore according to the best of information and explanations given to me, and as shown by the books of the organisation.



(K.P. LAKSHMANA. RAO)  
PRINCIPAL ACCOUNTANT GENERAL (C&CA)  
KARNATAKA

PLACE : BANGALORE  
DATE : 18 OCTOBER 2005

**COFFEE BOARD POOL FUND ACCOUNT**  
**BALANCE SHEET FOR THE SEASON 2003-2004 (AS ON 31st DECEMBER 2004)**

(Revised)

Balance As on 31st Dec. 2003 Rs. Ps.	Liabilities	Rs. Ps.	Balance As on 31st Dec. 2004 Rs. Ps.	Balance As on 31st Dec. 2003 Rs. Ps.	Assets	Balance As on 31st Dec. 2004 Rs. Ps.
	<b>I. CURRENT LIABILITIES</b>				<b>I. FUNDS</b>	
	a. EMD	3910.00			a. Current A/c.	
7885255.97	b. Sales Tax Suspense	7885256.00		16754330.48	Cash at Bank : Rs 9218238.60	9218470.00
163785427.46	c. Purchase Tax	163785427.00	171674593.00		Cash in Hand : Rs 231.64	
				295708449.00	b. Investments A/c	337599636.00
	<b>II. SUSPENSE A/c.</b>			7408710.93	c. Season A/c	
361400.19	a. Pro.order Suspense	361400.00			2004-2005	4919205.00
47086725.15	b. Sales Suspense	47102044.00			2003-2004	—
3181633.66	c. Pool Advance Suspense	3181634.00	50645078.00			
	<b>III. AMT ALLOCATED TO SURPLUS POOL.</b>				<b>II.ADVANCE ACCOUNT</b>	
	Balance B/F from 2002-2003	180805502.00		898829.73	a. Adv.with Pool Agents	66906.00
	ADD: Transfers	287226.00		16536.81	b. Bal.of C.E.D. in P & L A/c.	16537.00
	LESS:Appropriation to Growers	1150816.00		47470528.25	c. Adv.for maint. of building	30000.00
	NET	179941912.00		8272734.34	d. Adv.with General Fund	37160528.00
	ADD: Excess of income over expenditure	202163922.00		8620997.00	e. Pending Court Cases	8272734.00
		22222010.00		3861894.00	f. Due from Promotion Dept.	8620997.00
					g. 50% Deceerd Amt with court.	3861894.00
					h. Receivable Amt from PIS	335000.00
					i. Deposit in Trial Court	430223.00
180805502.11	<b>DISTRIBUTABLE SURPLUS</b>			14092934.00	<b>III. IMMOVABLE PRO. A/c.</b>	13951463.00
<b>403105944.54</b>	<b>GRAND TOTAL</b>		<b>424483593.00</b>	<b>403105944.54</b>	<b>GRAND TOTAL :</b>	<b>424483593.00</b>

Sd/-  
 Director of Finance  
 Coffee Board : Bangalore

Sd/-  
 Dy. Director (Accounts)  
 Coffee Board : Bangalore

PLACE: BANGALORE  
 DATED: 01.08.2005

**COFFEE BOARD POOL FUND  
INCOME & EXPENDITURE FOR THE SEASON 2003-2004  
( 1st JANUARY 2004 TO 31ST DECEMBER 2004)**

Previous Season 2002-2003 Rs. Ps.	Expenditure	Current Year 2003-04 Rs. Ps.	Previous Season 2002-2003 Rs. Ps.	Income	Current Year 2003-04 Rs. Ps.
	I. ADMIN. EXPENDITURE				
3541.60	1. Building Maintenance	66763.00	4117935.89	I. Miscellaneous Receipts	68996.00
257852.00	2. Pay and allowance(Retd off)	20921.00		II. Interest on F.D.A/c	22695954.00
23610.00	3. Leave Encashment	705.00	24280075.07		
50854.00	4. Exgratia on VRS	18078.00			
132592.80	5. Hospitality Charges	16353.00			
	6. Excess Recovery of Vigilance penalty				
571.00	7. Price Insurance Scheme				
91428.00	8. Payment to Growers	23417.00			
38005.50	II. INCIDENTALS	45449.00			
504611.00	III. LEGAL CHARGES	25650.00			
331401.17	IV. DEPRECIATION	325604.00			
	V. EXCESS OF INCOME OVER EXPENDITURE	2222010.00			
26963543.89					
<b>28398010.96</b>	<b>GRAND TOTAL</b>	<b>22764950.00</b>	<b>28398010.96</b>	<b>GRAND TOTAL</b>	<b>22764950.00</b>

PLACE: BANGALORE

DATED: 01.08.2005

Sd/-

Dy. Director (Accounts)

Coffee Board : Bangalore

Sd/-

Director of Finance

Coffee Board : Bangalore

**TRIAL BALANCE POOL FUND ACCOUNTS**

**(FROM 01.01.2004 TO 31.12.2004)**

Sl. No.	HEAD OF ACCOUNT	DEBIT		CREDIT	
		Rs.	Ps.	Rs.	Ps.
1	INVESTMENT ACCOUNT	337599636.00			
2	INTEREST ON INVESTMENT			22695953.89	
3	PAY OF RETIRED OFFICIALS		20921.00		
4	POOL ADVANCE			3181633.66	
5	AMT.ALLOCATED TO SURPLUS POOL			179941912.42	
6	DUE FROM PROMOTION DEPARTMENT	8620997.00			
7	SALES SUSPENSE ACCOUNT			47102043.55	
8	PENDING COURT CASES	8272734.34			
9	50% DECREED AMOUNT WITH COURT	3861894.00			
10	SALES TAX SUSPENSE			7885255.97	
11	PROHIBITORY ORDER SUSPENSE			361400.19	
12	EMD			3910.00	
13	ADVANCE WITH GENERAL FUND	37160528.25			
14	IMMOVABLE PROPERTIES	13951463.00			
15	EX-GRATIA ON V.R.S.	18078.00			
16	LEAVE ENCASHMENT.	705.00			
17	PRICE INSURANCE SCHEME	335000.00			
18	LEGAL CHARGES	25650.00			
19	INCIDENTALS	45449.00			
20	ADVANCE WITH POOL AGENT	66906.00			
21	BALANCE WITH CED IN P & L A/c	16536.81			
22	DEPRECIATION ACCOUNT	325604.00			
23	HOSPITALITY	16353.00			
24	CLOSING BALANCE	9218470.24			
25	PURCHASE TAX		0.00	163785427.46	
26	2004-2005 SEASON A/c	4919205.00			
27	MAINTENANCE OF BUILDING	66763.00			
28	ADVANCE FOR MAINTENANCE OF BUILDING	30000.00			
29	MISCELLANEOUS RECEIPTS		0.00	68996.00	
30	PAYMENT TO GROWERS	23416.50			
31	DEPOSITS IN TRIAL COURT	430223.00			
	<b>TOTAL</b>	<b>425026533.14</b>		<b>425026533.14</b>	

Sd/-  
Director of Finance  
Coffee Board : Bangalore

**LEDGER ACCOUNT OF CURRENT ACCOUNT FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	01.01.2004		16659791.73	
2	13.09.2004		94538.75	
3	31.12.2004	9218470.24		
	<b>TOTAL</b>	<b>9218470.24</b>	<b>16754330.48</b>	<b>7535860.24</b>
4	J.E. No. 1	16754330.48		
	<b>TOTAL</b>	<b>25972800.72</b>	<b>16754330.48</b>	<b>9218470.24</b>

**SCHEDULE OF CURRENT ACCOUNT CLOSING BALANCE FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>NAME OF BANK</b>	<b>DEBIT</b>		<b>CREDIT</b>	
		<b>Rs.</b>	<b>Ps.</b>	<b>Rs.</b>	<b>Ps.</b>
1.	SBM.V.V.BRANCH BANGALORE			9218470.24	
	<b>TOTAL</b>			<b>9218470.24</b>	

**LEDGER ACCOUNT OF INVESTMENTS FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	20.02.2004		11284911.00	
2	25.02.2004		15000000.00	
3	09.03.2004		20000000.00	
4	11.03.2004	32500000.00		
5	11.03.2004	32500000.00		
6	16.03.2004		10000000.00	
7	07.04.2004	13500000.00		
8	22.04.2004	20000000.00	22000000.00	
9	26.05.2004		5000000.00	
10	26.05.2004		10000000.00	
11	09.08.2004	28500000.00		
12	25.08.2004		11000000.00	
13	31.08.2004		5000000.00	
14	02.09.2004		5000000.00	
15	09.09.2004	23000000.00		
16	08.11.2004		28500000.00	
17	25.11.2004	34000000.00	3861894.00	
18	29.11.2004	4099636.00		
19	13.12.2004		23000000.00	
20	14.12.2004	23500000.00		
	<b>TOTAL</b>	<b>211599636.00</b>	<b>169646805.00</b>	<b>41952831.00</b>
	J.E.NO. 1	295708449.00		
	J.E.NO. 2		61644.00	
	<b>TOTAL</b>	<b>507308085.00</b>	<b>169708449.00</b>	<b>337599636.00</b>

**SCHEDULE OF INVESTMENTS OF POOL FUND FOR THE  
SEASON 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>NAME OF THE BANK</b>	<b>AMOUNT</b>
1	SBM V.V. Branch	4099636.00
2	SBM V.V. Branch	34000000.00
3	SBM V.V. Branch	13500000.00
4	SBM V.V. Branch	20000000.00
5	IOB Cantonment	10000000.00
6	IOB Gandhi Nagar	100000000.00
7	Vijaya Bank	32500000.00
8	SBM V.V. Branch	32500000.00
9	I.D.B.I. Flex Bond	5000000.00
10	SBM V.V. Branch	42500000.00
11	H.D.F.C.	15000000.00
12	H.D.F.C.	5000000.00
14	Andhra Bank	23500000.00
	<b>TOTAL</b>	<b>337599636.00</b>

**LEDGER ACCOUNT OF SEASON ACCOUNT FOR 2003-2004  
SEASON ACCOUNT 2004-05**

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	J.E. No. 5	4919205.00	0.00	
2				
	<b>TOTAL</b>	<b>4919205.00</b>	<b>0.00</b>	<b>4919205.00</b>

**SEHEDULE SHOWING THE INTEREST ACCRUED BUT NOT RECEIVED AS ON 31.12.2004.**

(In Rupees)

Sl. No.	NAME OF THE BANK	AMOUNT	RATE OF INTEREST	PERIOD	NO. OF DAYS	NET AMOUNT
1	SBM V.V. Branch	4099636.00	5.50	29.11.2004 to 31.12.2004	33	20385.00
2	SBM V.V. Branch	34000000.00	5.50	29.11.2004 to 31.12.2004	33	169068.00
3	SBM V.V. Branch	13500000.00	5.75	07.12.2004 to 31.12.2004	25	53167.00
4	SBM V.V. Branch	20000000.00	6.50	16.12.2004 to 31.12.2004	16	56986.00
5	IOB Cantonment	10000000.00	8.25	01.01.2004 to 31.12.2004	365	825000.00
6	IOB Gandhi Nagar	100000000.00	8.55	01.10.2004 to 31.12.2004	Quarterly	2137500.00
7	Vijaya Bank	325000000.00	5.75	12.12.2004 to 31.12.2004	20	102397.00
8	SBM V.V. Branch	325000000.00	5.75	12.12.2004 to 31.12.2004	20	102397.00
9	I.D.B.I. Flex Bond	50000000.00	14.00	05.04.2004 to 31.12.2004	271	519726.00
10	SBM V.V. Branch	425000000.00	6.50	28.10.2004 to 31.12.2004	65	491952.00
11	H.D.F.C.	150000000.00	10.00	22.10.2004 to 31.12.2004	71	291780.00
12	H.D.F.C.	50000000.00	9.30	29.10.2004 to 31.12.2004	64	81534.00
14	Andhra Bank	235000000.00	6.15	15.12.2004 to 31.12.2004	17	67313.00
	<b>TOTAL</b>	<b>337599636.00</b>				<b>4919205.00</b>

**LEDGER ACCOUNT OF ADVANCE WITH POOL AGENTS FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	J.E.No.1	898829.73	00	
2	J.E.No.7	0.00	415338.35	
3	J.E.No.7	0.00	23416.50	
4	J.E.No.8	0.00	539453.97	
5	J.E.No.9	79630.40	00	
6	J.E.No.10	66654.69	00	
	<b>TOTAL</b>	<b>1045114.82</b>	<b>978208.82</b>	<b>66906.00</b>

**SCHEDULE OF ADVANCE WITH POOL AGENTS FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>NAME OF THE UNIT</b>	<b>DEBIT</b>	<b>CREDIT</b>
1.	M.C.P.C.S. MYSORE	66906.00	0.00
	<b>TOTAL</b>	<b>66906.00</b>	<b>0.00</b>
	<b>CLOSING BALANCE</b>	<b>66906.00</b>	

**LEDGER ACCOUNT OF CENTRAL EXCISE DUTY FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	J.E.No 1	16536.81	0.00	
	<b>TOTAL</b>	<b>16536.81</b>	<b>0.00</b>	<b>16536.81</b>

**SCHEDULE OF CENTRAL EXCISE DUTY ACCOUNT 1998-99  
BALANCES HELD IN THE P & L ACCOUNT WITH POOL AGENTS AND  
BOARD'S OFFICES FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>NAME OF THE POOL AGENT AND DEPOT</b>	<b>DEBIT</b>	<b>CREDIT</b>
1.	JCCW, P. PATTI	499.59	0.00
2.	JLCCW, P. PATTI	500.00	0.00
3.	CCW, MYSORE	0.00	499.85
4.	KARNATAKA & KERALA WAREHOUSE (MAQ&COCHIN)	84.75	0.00
5.	A.C.M.O. MANGALORE	87.30	0.00
6.	RCW METTUPALAYAM	499.87	0.00
7.	C.E.D. ON RAW COFFEE SUPPLIED FOR MFG. OF INSTANT COFFEE.	15365.15	0.00
	<b>TOTAL</b>	<b>17036.66</b>	<b>499.85</b>
	<b>BALANCE</b>		<b>16536.81</b>
	<b>GRAND TOTAL</b>	<b>17036.66</b>	<b>17036.66</b>

**LEDGER ACCOUNT OF ADVANCE FOR MAINTENANCE  
OF BUILDG. FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	23-1-2004	30000.00		
	<b>TOTAL</b>	<b>30000.00</b>		<b>30000.00</b>

**LEDGER ACCOUNT OF ADVANCE WITH GENERAL FUND FOR 2003-2004**

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	23.06.2004		10000000.00	
2	18.08.2004		310000.00	
	J.E.NO. 1	47470528.25		
	<b>TOTAL</b>	<b>47470528.25</b>	<b>10310000.00</b>	<b>37160528.25</b>

**LEDGER ACCOUNT OF PENDING COURT CASES FOR 2003-2004**

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	J.E. No. 1	8272734.34	0.00	
	<b>TOTAL</b>	<b>8272734.34</b>	<b>0.00</b>	<b>8272734.34</b>

**SUSPENSE SEHEDULE OF PENDING COURT CASES 2003-2004**

(In Rupees)

SL. NO	JE. NO	SEASON	NAME OF POOL AGENT	AMOUNT		REMARKS
				DEBIT	CREDIT	
1	17	1990-91	Rehamaniya Coffee Curing works.Mettupalyam.		513654.28	Part Amount of Rs.761554.31 - JE 130 of 1990-91 season D.F Note dt 10.05.1990 1275 Kg. AEP Coffee and shortages. Note sheet of Vigilance Officer.
2	17	1990-91	Rehamaniya Coffee Curing works.Mettupalyam.		25155.75	
3	33	1989-90	Rehamaniya Coffee Curing works.Mettupalyam.	8698580.60		SRC 1995-96 Clearance of pool advance
4	41	1989-90	Rehamaniya Coffee Curing works.Mettupalyam.		300090.20	Pool advance suspense cell.
			<b>TOTAL</b>	<b>8698580.60</b>	<b>838900.23</b>	
5	21	1989-90	L.R. Rangier & sons Calicut.		289074.66	J.E. NO 146 1989-90. Amount with held from the bills of L.R. Rangier & sons. As per D.F. Note of 10.05.1990.
6	31	1995-96	L.R. Rangier & sons Calicut.	49815.48		The Board has paid Rs 44115.00 towards Central Excess duty on 88230.250 Kgs of shortages of Coffee at L.R.R & sons, Calicut. Amount to be recovered as per letter no GL/CED/96/1174 dt 20.09.1996.addressed to Mr Bhaskar Menon, Advocate, Cochin.
7	33	1989-90	L.R. Rangier & sons Calicut.		653625.15	SRC 1995-96 clearance of pool advance.
8	41	1987-88	L.R. Rangier & sons		1312.00	Pool advance suspense cell.
			<b>TOTAL</b>	<b>703440.63</b>	<b>290386.66</b>	
			<b>GRAND TOTAL</b>	<b>9402021.23</b>	<b>1129286.89</b>	

**LEDGER ACCOUNT OF DUES FROM PROMOTION DEPARTMENT FOR 2003-2004**

(In Rupees)

Sl. No.	DATE	DEBIT	CREDIT	BALANCE
1	J.E. No. 1	8620997.00	0.00	
	<b>TOTAL</b>	<b>8620997.00</b>	<b>0.00</b>	<b>8620997.00</b>

**SUSPENSE SCHEDULE - DUE FROM PROMOTION DEPARTMENT**

SL. NO	J.E. NO	SEASON	NAME OF POOL AGENT	AMOUNT		REMARKS
				DEBIT	CREDIT	
1	47	1995-96			9000.00	Provision made towards amount payable to promotion department towards 50% of pay & allowance and amount adjusted from sundry debtors out of the provision made i.e ( 6112718.04-6103718.04 = 9000.00).
2	48	1995-96			11500000.00	Provision made towards amount payable to promotion department towards 50% of pay & allowance for the year 1996 as per note of ADP accounts.
3	49	1995-96		19857447.00		Amount due from promotion dept.towards supply of raw coffee during 1994-95. 1500 Kg of Arabica cherry AB transferred by DM(A) Bangalore during 98 vide memo No1 . dated 21.01.1998 at Rs 9085.00 per 50 Kgs.
		1997-98		272550.00		
		<b>TOTAL</b>		<b>20129997.00</b>	<b>11509000.00</b>	

**LEDGER ACCOUNT OF 50% DECREED AMOUNT WITH COURT FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	J.E.No. 1	3861894.00		
	<b>TOTAL</b>	<b>3861894.00</b>		<b>3861894.00</b>

**SCHEDULE OF 50% DECREED AMOUNT WITH COURT FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>NAME OF THE COURT</b>	<b>DEBIT</b>	<b>CREDIT</b>
1.	CITY CIVIL COURT, BANGALORE	38,61,894.00	
	<b>TOTAL</b>	<b>38,61,894.00</b>	

**As per the directions of the court this 50% of Decreed amount in connection with ICO stamp case has been deposited with City Civil Court at Bangalore.**

**LEDGER ACCOUNT OF RECEIVABLE AMOUNT FROM P.S.I. 2003-2004**

(In Rupees)

Sl. No.	DATE	DEBIT	CREDIT	BALANCE
1	09.03.2004	235000.00		
2	17.06.2004	100000.00		
	<b>TOTAL</b>	<b>335000.00</b>	<b>0.00</b>	<b>335000.00</b>

**LEDGER ACCOUNT OF DEPOSIT IN TRIAL COURT FOR 2003-2004**

(In Rupees)

Sl. No.	DATE	DEBIT	CREDIT	BALANCE
1	19.08.2004	430223.00		
	<b>TOTAL</b>	<b>430223.00</b>	<b>0.00</b>	<b>430223.00</b>

**LEDGER ACCOUNT OF IMMOVABLE PROPERTY FOR 2003-2004**

(In Rupees)

Sl. No.	Date	Debit	Credit	BALANCE
1	03.02.2004	49531.00		
2	06.02.2004	11200.00		
3	27.07.2004	49630.00		
4	27.10.2004	23937.00		
5	24.11.2004	49835.00		
	<b>TOTAL</b>	<b>184133.00</b>		
1	J.E. NO 1	14092934.00	0.00	
2	J.E. NO. 6	0.00	325604.00	
	<b>TOTAL</b>	<b>14277067.00</b>	<b>325604.00</b>	<b>13951463.00</b>

**THE SCHEDULE OF IMMOVABLE / MOVABLE PROPERTY ACCOUNT AS ON 31.12.2004.**

(In Rupees)

Sl. No.	Name of Assets	Gross Bal. as on 31.12.2003	Deletion During 2004	Additions During 2004	Total value as on 31.12.2004	Depreciation as on 31.12.2004	Net value as on 31.12.2004
	<b>Buildings</b>						
1	LIG/EWS at Hassan	234914.00			234914.00	4698.00	230216.00
2	Coffee Court, Bangalore	2280217.00		172933.00	2453150.00	46594.00	2406556.00
3	Guest House, Bangalore	6177972.00			6177972.00	123559.00	6054413.00
4	ICD, Bhopal.	112327.00			112327.00	2246.00	110081.00
5	No 11 Kailash colony, New Delhi	2044124.00			2044124.00	40882.00	2003242.00
6	No. 11 Kipauk, Chennai.	2041904.00			2041904.00	40838.00	2001066.00
7	University campus, Mysore	533329.00			533329.00	10667.00	522662.00
8	Vehicle, KA-04 P-1	127522.00			12752.00	12752.00	114770.00
9	Office Equipment	392939.00		11200.00	404139.00	40414.00	363725.00
10	Furniture	147686.00			147686.00	2954.00	144732.00
	<b>TOTAL</b>	<b>14092934.00</b>		<b>184133.00</b>	<b>14277067.00</b>	<b>325604.00</b>	<b>13951463.00</b>

Building 2%  
Vehicle 10%  
Office Equipment 10%  
Furniture 2%

**LEDGER ACCOUNT OF EMD FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	21.01.2004	0.00	600.00	
2	21.01.2004	0.00	700.00	
3	21.01.2004	0.00	1200.00	
4	21.01.2004	0.00	710.00	
5	21.01.2004	0.00	700.00	
	<b>TOTAL</b>	<b>0.00</b>	<b>3910.00</b>	<b>-3910.00</b>

**SCHEDULE OF E.M.D. DEPOSIT FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>NAME OF THE PARTY</b>	<b>DEBIT</b>	<b>CREDIT</b>
1.	Sri Shashidhar, Civil Contractor, Bangalore	0.00	600.00
2.	Sri Shashidhar, Civil Contractor, Bangalore	0.00	700.00
3.	Sri Shashidhar, Civil Contractor, Bangalore.	0.00	1200.00
4.	Sri Shashidhar, Civil Contractor, Bangalore	0.00	710.00
5.	Sri Shashidhar, Civil Contractor, Bangalore	0.00	700.00
	<b>TOTAL</b>	<b>0.00</b>	<b>3910.00</b>

**LEDGER ACCOUNT OF SALES TAX SUSPENSE FOR 2003-2004**

(In Rupees)

Sl. No.	DATE	DEBIT	CREDIT	BALANCE
1	J.E. No. 1	0.00	7885255.97	
	<b>TOTAL</b>	<b>0.00</b>	<b>7885255.97</b>	<b>-7885255.97</b>

**SCHEDULE OF SALES TAX SUSPENSE ACCOUNT FOR 2003-2004**

(In Rupees)

Sl. No.	DESCRIPTION	DEBIT	CREDITS
1.	SALES TAX KARNATAKA	-	329924.65
2.	SALES TAX TAMIL NADU	-	1128073.06
3.	SALES TAX ANDHRA PRADESH	-	1405277.03
4.	SALES TAX MAHARASHTRA	-	1408187.60
5.	SALES TAX NEW DELHI	-	262829.16
6.	SALES TAX KERALA	-	3350964.47
	<b>TOTAL</b>	<b>-</b>	<b>7885255.97</b>

**THE AMOUNT REPRESENTS TAX COLLECTED UNDER THE RESPECTIVE SALES TAX ACCOUNTS OF THE GOVERNMENT FROM THE DEALERS ON THE SALES OF COFFEE IN THE INTERNAL MARKET AND PAYABLE TO THE RESPECTIVE GOVERNMENT.**

**LEDGER ACCOUNT OF PURCHASE TAX FOR 2003-2004**

(In Rupees)

Sl. No.	DATE	DEBIT	CREDIT	BALANCE
1	J.E. No. 1	0.00	163785427.46	
	<b>TOTAL</b>	<b>0.00</b>	<b>163785427.46</b>	<b>-163785427.46</b>

**SEHEDULE OF PURCHESE TAX FOR 2003-2004**

(In Rupees)

<b>Sl. No.</b>	<b>DESCRIPTION</b>	<b>YEAR</b>	<b>AMOUNT</b>
1.	PURCHASE TAX	1989-90	10517107.69
2.	PURCHASE TAX	1990-91	47982892.31
3.	PURCHASE TAX	1991-92	4100000.00
4.	PURCHASE TAX	1992-93	66370939.74
5.	PURCHASE TAX	1993-94	34814487.72
	<b>TOTAL</b>		<b>163785427.46</b>

THE AMOUNT REPRESENTS THE PROVISION MADE TOWARDS PAYMENT OF PURCHASE TAX. THE ASSESSMENT IN RESPECT OF KARNATAKA FOR THE ASSESSMENT YEAR BEGINNING FROM 1993-94 AND IN RESPECT OF KERALA FROM 1984-85 IS PENDING.

**LEDGER ACCOUNT OF PROHIBITORY ORDER FOR 2003-2004**

<b>Sl. No.</b>	<b>DATE</b>	<b>DEBIT</b>	<b>CREDIT</b>	<b>BALANCE</b>
1	J.E.No 1	0.00	361400.19	
	<b>TOTAL</b>	<b>0.00</b>	<b>361400.19</b>	<b>-361400.19</b>

**SCHEDULE OF PROHIBITORY ORDER SUSPENSE ACCOUNT FOR 2003-2004**

(In Rupees)

Sl. No.	YEAR	DEBIT	CREDIT
1.	1981-82	1433113.70	2362889.17
2.	1982-83	279984.73	0.00
3.	1983-84	155372.73	0.00
4.	1984-85	1611144.45	320056.79
5.	1985-86	14836.00	281429.55
6.	1986-87	1886377.87	4163476.47
7.	1987-88	1006757.45	0.00
8.	1988-89	347049.42	0.00
9.	1989-90	1193273.15	3833121.35
10.	1990-91	6842228.67	5478573.28
11.	1991-92	2287176.07	1204380.36
12.	1992-93	354606.94	735373.50
13.	1993-94	515946.72	288530.23
14.	1994-95	474764.01	100609.90
15.	1995-96	4408.50	0.00
	TOTAL	18407040.41	18768440.60
	BALANCE	361400.19	
	<b>GRAND TOTAL</b>	<b>18768440.60</b>	<b>18768440.60</b>

THIS REPRESENTS THE AMOUNT COLLECTED AND HELD WITH THE BOARD AS PER COURT ORDER AND PAYABLE TO THE CONCERNED AS PER THE DIRECTION OF THE COURTS AS AND WHEN CASES ARE SETTLED.

**LEDGER ACCOUNT OF SALES SUSPENSE FOR 2003-2004**

Sl. No.	DATE	DEBIT	CREDIT	BALANCE
1	J.E.No 1	0.00	47086725.15	
2	J.E.No 3	0.00	15318.40	
	<b>TOTAL</b>	<b>0.00</b>	<b>47102043.55</b>	<b>-47102043.55</b>

**SCHEDULE OF SALES SUSPENSE FOR 2003-2004**

(In Rupees)

<b>SEASON</b>	<b>DEBIT</b>	<b>CREDITS</b>
1979-80	0.00	21261.66
1980-81	0.00	153743.25
1981-82	0.00	282551.67
1982-83	0.00	867.67
1983-84	0.00	270779.87
1984-85	0.00	207231.86
1985-86	0.00	436.35
1986-87	76891.90	12753.13
1987-88	74299.68	27356.95
1988-89	2491.10	34081866.50
1989-90	68606169.68	71984319.25
1990-91	5157585.53	6750306.22
1991-92	6552287.20	9493244.42
1992-93	5767320.08	4021790.71
1993-94	528078.91	6537437.40
1994-95	528821.51	253485.67
1995-96	41333.43	248563.25
1996-97	0.00	89326.74
1997-98	0.00	0.00
1998-99	0.00	0.00
1999-00	0.00	0.00
<b>TOTAL</b>	<b>87335279.02</b>	<b>134437322.57</b>
<b>BALANCE</b>		<b>47102043.55</b>

**LEDGER ACCOUNT OF POOL ADVANCE SUSPENSE FOR 2003-2004**

(In Rupees)

Sl. No.	DATE	DEBIT	CREDIT	BALANCE
1	J.E.No 1		3181633.66	
	<b>TOTAL</b>		<b>3181633.66</b>	<b>-3181633.66</b>

**SUSPENSE SEHEDULE FOR POOL ADVANCE 2003-2004**

(In Rupees)

SL. NO	JE. No	SEASON	NAME OF POOL AGENT	AMOUNT		REMARKS
				DEBIT	CREDIT	
1	44	2001-2002	Being the amount Pertaining to Pool Advance of Pool Agents. As per JE No 44 of SRC		3181633.66	No details are available.
			<b>TOTAL</b>		<b>3181633.66</b>	

## Notes on Accounts

1. The Pool Fund Accounts has been prepared with Income & Expenditure statement and Balance Sheet, as directed by C&AG for the period from January to December. The accounts are prepared on accrual basis. The Pool Fund Account is operated through SBM V.V. Branch, Bangalore.

The Pool Fund was created in accordance with Coffee Act 1942. On implementation of 100% Free Sale Quota to the growers, the Marketing activities of the Board have ceased. The Final Pool payment for the last pooling season 1994-95 has since been completed. Although 100% FSQ was allowed and coffees are not being pooled, the Coffee Act has not been amended so far. Hence, at present the Pool Fund account is considered as a distinct entity of the Board. Moreover, there are many claims on the Pool Fund which are pending.

### 2. Provision for Purchase Tax

The Commercial Tax Department of Karnataka, in 1989 levied a Purchase Tax on the Coffee sold by the Board in the course of export. Similar demands were also made by the Governments of Tamilnadu and Kerala with a grand total of Rs. 250.00 Crores being demanded by the 3 Governments. These claims are being contested at various fora by the Board and so they are not provided for in the Pool Fund Account.

### 3. Highlights on Accounts

1. An amount of Rs. 9,78,209. (Debit) & Rs.1,46,285/- (Credit) which was kept under Advance with Pool Agents in respect of ACMO, Kalpetta, Hassan, Somwarpet and M/S Kushalanagar Works, Kudige have now been adjusted to the respective heads.
2. As per the court directions a sum of Rs. 38,61,894/- towards 50% of Decreed amount in connection with ICO stamp case has been deposited with City Civil Court at Bangalore.
3. A sum of Rs. 15,318/- being the Sales Suspense for the season 1998-99 has been rectified and readjusted to the respective head.
4. As per the provision of the accounting standard, amounts in Paisa have been rounded off to the nearest Rupee in the Balance sheet and Income and Expenditure statement.

**DIRECTOR OF FINANCE**

**AUDIT REPORT ON THE POOL FUND ACCOUNTS OF THE COFFEE BOARD,  
BANGALORE FOR THE CROP SEASON 2003-04  
(PERIOD FROM 1<sup>ST</sup> JANUARY 2004 TO 31<sup>ST</sup> DECEMBER 2004)**

**1. INTRODUCTORY:**

The Coffee Board, Bangalore was established as a Corporate Body under the Coffee Act, 1942 to promote the development of Coffee Industry through measures such as assisting agricultural and technological research in coffee and promoting production, sale and consumption of coffee etc.

1.2 Section 30 of the Coffee Act, 1942 envisages maintenance of two separate funds by the Board called 'Pool Fund' and 'General Fund'.

1.3 The Pool Fund relates to coffee sales undertaken by the Board on behalf of the growers in the pre-free Sale Quota (FSQ) era. According to the provisions of Section 25 of the Coffee Act 1942, the coffee produced in the country by registered growers was compulsorily pooled by the Board. Subsequently, on sale, the proceeds were distributed among the growers after covering the intermediation expenses.

With the Introduction of the FSQ, the Pool Account has largely been inactive. Consequently, the inflows are mostly on account of the interest earned on cash balances and the outflows on account of the expenditure on Personnel. Pooling of Coffee, as a policy has been completely dispensed with from September 1996. Despite the discontinuance of the Pooling system, this account continues to be operated for meeting the commitments of the earlier periods.

According to the revised procedure approved in February 1980, the Pool Fund accounts are prepared for each season covering a period of twelve months from January to December. The certification of accounts relating to General Fund is dealt with separately.

1.4 Audit arrangements

The audit of accounts of the Coffee Board has been entrusted under Section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for the period up to 2006-07.

## COMMENTS ON ACCOUNTS

### 2. General :

#### 2.1. Non-updation of Primary records

Basic records under the following heads were not updated.

Sl. No.	Head / Record	Amount (Rs. in lakhs)
1.	Sales Tax suspense	78.85
2.	Sales Suspense	471.02
3.	Purchase Tax	1637.85
4.	Advance with Pool Agents	0.67

In regard to prohibitory order suspense (Rs.3.61 lakh) though a detailed statement has been prepared for 14 years, the statement for the year 1991 was yet to be compiled.

Despite being pointed out in the previous Audit Report, no action was initiated in this regard to update the above mentioned records.

In reply the Board stated (Aug 2005) this would be complied with at the earliest.

#### 2.2 Non preparation of pool fund account in common format

The Board had prepared the Accounts in the old format, despite being pointed out in previous audit to adopt the common format prescribed by the Ministry of Finance, Government of India.

In reply the Board stated (August 2005) that Pool fund Accounts were being prepared in the existing format for long time and the transactions involved therein were not feasible for incorporation in the common format. The Board further stated that the new format prescribed by the Government of India, Ministry of Finance has classification, which do not apply in respect of Pool Fund Accounts and therefore, the feasibility of adopting the new format for Pool Fund Account is remote. The Board further stated that, there were hardly any new transactions in the Pool Fund Accounts since the closure of the marketing activities of the board which has formed the basis of Pool Fund Accounts.

The reply of the Board is not tenable as the Board has to adopt the new format of accounts with suitable changes wherever necessary.

### 2.3 Suspense Account

Details for Rs. 31.82 lakh exhibited as Pool Advance Suspense Account were not made available to audit.

The Board stated (September 2005) that efforts were being made to clear the suspense in due course.

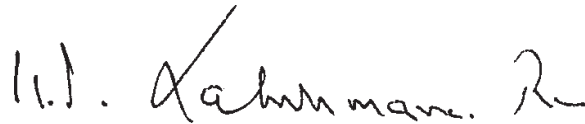
2.4 The fundamental accounting assumption of any entity is the going concern concept. With the introduction of the free sale quota (FSQ) and abolition of pooling procedure completely in 1996, Coffee Board, Pool Fund can no longer be considered as a going concern.

2.5 Internal audit wing (IAW).

Internal Audit Wing was functioning under the Director of Finance, who is the head of the accounting functions and was therefore not independent and also no training was imparted to the staff deployed to IAW.

In view of the above, the Internal Audit Wing needs to be strengthened to make it more effective and also commensurate with the size and activities of the Board.

2.6 The Board revised the Accounts at the instance of Audit. The revised Accounts were submitted on 2 September 2005. The effect of revision was that the assets and liabilities increased by Rs.9.37 lakh and the excess of income over expenditure also increased by Rs. 9.37 lakh.



PR. ACCOUNTANT GENERAL (C&CA)  
KARNATAKA

Place : Bangalore

Dated : 18 October 2005