

FOREST DEVELOPMENT CORPORATION OF MAHARASHTRA LTD.

THE FINANCIAL STRUCTURE OF FDCM LTD.

14-15

The Company has to mobilise different financial sources for implementation of various plantation and other forestry schemes. The financial structure of FDCM Ltd. is as under :

1.0 Owner's Capital

Share Capital .

The Company is Government of Maharashtra Enterprise. The Govt. of Maharashtra has provided entire share capital contribution to the Company. The present Authorised Share Capital of the Company is Rs. 35.00 crore which is divided into 35,00,000 equity shares of Rs.100/- each. The issued, subscribed and paid up share Capital as at 31.3.2014 was Rs. 27.95 crore. In addition, the Share application money of Rs. 294.67 crore, Out of which Rs. 294.54 crore is accounted for, by book adjustment towards conversion of Loan liability into share capital by Govt. of Maharashtra vide GR No FDC-2011/ CR-14 /F-5 dated 19.12.2012 pending allotment of shares for required formalities.

Reserve & Surplus .

Reserve and Surplus as at 31.3.2015 was Rs. 929.72 crore. This includes accumulated surplus of Rs. 558.86 crore and the non-refundable funds provided by Govt. of Maharashtra and others of Rs. 203.45 crore and Capital reserve amounting to Rs. 167.41 crores for Management plan (Mandatory) plantations, for creating specific capital assets/plantations. The funds/ grants are in connection of WFP Plantation, Forest Development Tax Schemes, Wasteland Development Programme under EGS/MREGS, Maharashtra Forestry Project, National Bamboo mission, Medicinal Plantation, 13th Finance commission, CAMPA , Eco tourism etc.

2.00 Borrowed Capital .

i) Secured Loans

Institutional finance

The Company had borrowed loans from Banks under NABARD financial arrangement for its Teak Plantation Phase I, Phase I Extension and W.L.D.P., Zone III , Zone II b Projects. The Company had paid the entire loan of Rs. 46.47 crore alongwith interest, under all Projects, by end of 31.03.2000.

ii) Unsecured Loans from Govt. of Maharashtra

a) Initially the Govt. of Maharashtra provided loan of Rs. 7.53 crore (Govt. old loan) for the teak plantation programme during 1977-78 and 1978-79. The repayment of loan and interest was deferred due to moratorium on

NABARD Loan till 31.03.2000. The Company has repaid to the Govt., the entire old loan alongwith interest upto 2003-04.

b) FDCM Ltd. implemented MFP as one of the line agencies of GOM, during the period from 1992-93 to 1999-2000 . The financing of the Project was as under:-

(Rs. In Lacs)

Sr. No	Classification	Funds received			Interest Accrued on loan
		Grants/Funds	Loan	Total	
1	2	3	4	5 (3+4)	6
1	Plan- Under world Bank Assitance	3532.11	8227.60	11759.71	10860.13
2	Non Plan under GOM Funds	0.00	7641.92	7641.92	13152.06
	Total	3532.11	15869.52	19401.63	24012.19

Sr. No.		Total Loan liability	Loan repaid	Loan conversion into Share Capital Vide GR dated 19.12.2012	Balance loan
		7 (5+6)	8	9	10
1	Plan- Under world Bank Assitance	19087.73	8227.60	10860.13	NIL
2	Non Plan under GOM Funds	20793.98	2200.00	18593.98	NIL
	Total	39881.71	10427.60	29454.11	NIL

3.00 Capital Employed (As at 31.3.2015) - Rs. 1061.04 Crores.

4.00 Creation of Assets

a) Fixed Assets

The Company has acquired different types of fixed assets like Buildings, Roads, Furniture and Fittings, Plant and Machinery, Office equipment, Survey and Mathematical Instruments, Vehicles, Motor Cars, wireless apparatus & Computers etc. The gross value of such assets(including work in progress) as at 31.3.2015 is Rs. 23.02 crore. The accumulated depreciation thereon is Rs.9.21 crore and thus, net value stood for Rs.13.81 crore.

b) Current Assets

The current assets of the Company mostly includes the Nursery and Plantation assets, Closing stock, Claims receivable towards the plantation assets handed over to respective agencies, loans and advances to staff, etc. The Nursery and Plantation assets are shown at cost in the accounts. The book value of such Nursery and Plantation assets as at 31.3.2015 is Rs. 907.70 crore. The total current assets including Nursery and Plantation assets as at 31.3.2015 stood for 1230.65 crore.

The investment on Nursery and Plantation assets includes mainly the following programmes : (Rs in crore)

Sr. No	Name of Programme	Investment
1.	Ongoing Teak Plantation Programme	258.00
2.	Enrichment Plantation Programme	3.44
3.	Plantations under W.L D. Programme under Bank Finance/Internal Sources	37.67
4.	Plantations under Maharashtra Forestry Project	285.11
5.	F. D. Tax Scheme Plantations	16.15
6.	Plantation Schemes by utilising WFP Revolving Fund and Internal Sources	8.99
7.	Management Plan (Mandatory) Plantations under Overwood Removal funds	186.41
8.	Other Plantation Schemes and Nursery	111.93
	TOTAL	907.70

5.00 Profitability of FDCM Ltd.

The income from thinning operations of plantations generally starts from tenth year and onwards, as interim income. The Company has earned profit from the year 1988-89 and onwards. The accumulated profit upto 31.3.2015 is Rs. 558.86 crore. The entire profit is deployed for repayment of loan / interest under NABARD loan arrangement, Govt. loan (old and new), Capital expenditure on some plantations and other activities, including establishment cost & overheads, working capital and future obligations etc.

Considering the obligation to discharge the committed liabilities of Establishment cost & overheads on capital schemes and future obligations etc., the Board of Directors declare prorata dividend @ 5% on paid up Equity Share Capital for the year 2009-10, 2010-11 , 8.60 % for the year 2011-12 , 6 % for the year 2012-13, 11.60 % for the year 2013-14 and 5% for the year 2014-15 out of the Profits of the Company in the light of G.R.No.PSU /10.10/ CR -22/ dated 21st June 2010 and G.R.No.PSU /10.11/ CR-22/ dated 22 Feb. 2012.

The Company has also undertaken some turnkey projects of plantation of various Public Sector Undertakings, Municipal Corporations, Western coal fields etc, and some diversified activities like preparation of Compost / Vermi compost, Eco tourism etc. The Company also implemented schemes under 13th finance commission, Medicinal plants conservation and development, schemes under CAMPA , Eco Tourism activities etc.

The Company has incurred expenditure on different activities during 2014-15 to the tune of Rs. 231 crore approximately. Out of which about Rs.119.00 crore is treated as revenue expenditure and the remaining Rs. 112 crore as Capital expenditure for purchase of assets, raising and maintenance of plantations under different schemes. The Company incurs about Rs.118 crore on the establishment cost and overheads and administrative expenses. The sources of the same at present are mainly from internal sources out of thinning / Harvesting activity.

The Profit and Loss account and Balance Sheet position for last five years is enclosed herewith.

Profit & Loss A/c (Past Five Years)

(Rs. in lakh)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
a)Sale of Materials (Poles, F.W. , Timber etc.)	12893.88	15875.87	13725.07	11780.08	12940.22
b)Turnkey Plantation receipts	86.03	133.85	117.54	167.00	297.28
c) Compensation claims	9.61	3312.58	1030.46	4807.71	66.83
d)Other Income	1291.62	1951.39	2273.44	1679.19	1794.47
e)Closing Stock	1545.12	1801.58	1893.91	1896.38	2334.76
Total Income:-	15826.26	23075.27	19040.42	20330.36	17433.56
<u>EXPENDITURE</u>					
Total Expenditure	8868.37	14782.46	14126.87	11900.44	14582.17
Less: Amount capitalized	672.49	906.40	1376.22	1050.59	1490.27
Net Expenditure	8195.88	13876.06	12750.65	10849.85	13091.90
Gross Profit	7630.38	9199.21	6289.77	9480.51	4341.66
Appropriation to capital reserve for Management plan (Mandatory) Plantation.	1528.73	2426.71	1853.46	1170.68	2010.77
Less: Prior period Adjustments	-	(-)30.97	(-)0.63	0.00	0.00
Profit before tax	6101.65	6803.47	4436.94	8309.83	2330.89
Tax Provision for Income Tax	1672.00	2064.01	1340.00	1800.00	1153.00
Deferred tax liability provision	(-)0.07	(-)0.25	(-)98.70	40.23	(-) 0.25
Transitional Provision for Depreciation	-	-	-	-	269.66
Proposed Dividend on equity shares	138.58	238.94	167.02	323.51	45.42
Tax on Dividend	22.48	38.76	27.10	54.98	7.72
Profit after Tax and Dividend / provision	4268.66	4462.01	3001.52	6091.11	855.34
Accumulated Profit	41475.67	45937.68	48939.20	55030.31	55885.65

6.00 Balance Sheet (Past Five Years)

Liabilities

(Rs.in Lakh)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
a)i) Paid up Capital	2776.49	2781.46	2785.49	2789.49	2795.26
ii) Share Application money	34400.00	29454.13	29454.11	29454.11	29467.09
b) Reserve & Surplus	65800.11	73738.05	80298.46	88672.17	92971.64
c) Borrowings Short/ Long Term	-	2945.89	0.00	0.00	0.00
d) Trade dues & other Liabilities	4297.85	6586.22	13716.49	14003.59	18341.76
e) Deferred Tax liability (Non current liability)	1.72	1.46	0.00	0.00	0.00
Total Liabilities	107276.17	115507.21	126254.55	134919.36	143575.75

Assets

(Rs.in lakh)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
a) Gross Fixed Assets	2161.20	2402.96	2832.36	2837.81	2301.86
b) Less: Depreciation	1404.60	1477.96	1622.75	1741.05	921.26
c) Net fixed Assets	756.60	925.00	1209.61	1096.76	809.21
d) Capital work in Progress	0.08	497.94	504.62	546.67	571.39
e) Current Assets, Loans & Adv.	106519.49	100469.69	109558.49	114405.78	123065.08
f) Non current Assets	-	13614.58	14981.83	18870.15	19130.07
Total Assets	107276.17	115507.21	126254.55	134919.36	143575.75
Capital employed	102978.31	92360.52	97556.23	102045.62	106103.92
Net Worth	44252.16	48719.15	51724.69	57819.80	58680.91

Note:

- 1) Capital employed represents net fixed assets plus capital work in progress and working capital (Current assets-Current liabilities)
- 2) Net worth represents paid-up capital plus free reserves (Accumulated surplus) Less intangible assets.
