

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		

ANNUAL REPORT AND ACCOUNTS

Report  Junction 1997 / 98

THE COCHIN MALABAR ESTATES
AND INDUSTRIES LIMITED



THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

DIRECTORS

Mr. Jimmy J. Gazdar, Chairman & Managing Director
Mr. Minoo H. Mody, Vice-Chairman
Mr. B.G. Bangur
Mr. Noshir S. Dhabhar
Mr. K.N.V. Ramani
Mr. K.R. Menon
Mr. V. Ramanan

AUDITORS

Messrs. Fraser & Ross

BANKERS

Bank of India
The Federal Bank Ltd.
Bank of Maharashtra
State Bank of India
Standard Chartered Bank
Indian Overseas Bank
ANZ Grindlays Bank

REGISTERED OFFICE

"Malabar House"
56, Bristow Road
Willingdon Island
Kochi 682 003
Kerala State

THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 68th Annual General Meeting of the Company will be held at the Registered Office of the Company at "Malabar House", 56, Bristow Road, Willingdon Island, Kochi 682 003, on Monday, 28th September, 1998 at 4 P.M. to transact the following business:

1. To receive and adopt the audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors.
2. To appoint Directors in place of those retiring.

Mr. Minoo H. Mody and Mr. K.R. Menon who retire by rotation and, being eligible, offer themselves for reappointment.

3. To appoint auditors for the ensuing year and to fix their remuneration.

NOTES

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- b) The Register of Members and Share Transfer Books of the Company will remain closed from 16th to 28th September, 1998 both days inclusive.
- c) In accordance with Section 205-A (5) of the Companies Act, 1956 dividends which remained unpaid or unclaimed for a period of three years have been transferred to the General Revenue Account of the Central Government.

Kochi 682 003
Kerala
1st September, 1998

By Order of the Board
P. V. Varghese
Secretary

THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

REPORT OF DIRECTORS

The Directors submit their Sixtyeighth Annual Report and Statement of Accounts for the year ended 31st March, 1998.

Accounts	Rs.
The Profit / (loss) before taxation for the year as shown by the Profit and Loss Account is	(2,82,36,994)
To which has to be added surplus brought forward from previous year	5,50,56,875
Which your Directors propose to carry forward	2,68,19,881

Dividend

Your Directors regret their inability to declare dividend for the year ended 31st March, 1998 owing to the losses suffered by the company.

Estates

The Estates are maintained in a satisfactory manner. Tea crop harvested and price realised were higher compared with previous year. However, the core business of the company being Rubber, the performance of the company was severely hit during the year under report due to heavy fall in the Rubber prices coupled with glut in its demand.

Eventhough the sale of Pullikanam Tea Estate was authorised by the resolution passed in the 65th Annual General Meeting of the company, your directors are not yet successful to implement the same.

Fire and Security Engineering Division

The decline in the business under this Division during the year can be attributed to the slump in construction activities consequent on the prevailing general economic recession.

Aqua Culture Project

The performance of this division during the year under report was partially affected due to the incidence of virus.

Rubber Wood Project

The Company could execute eighteen export consignments during the year under report compared to ten consignments made during the previous year. The company faces stiff competition in the international market, because exports of Rubber Wood from the far-east countries have become cheaper due to the recent heavy devaluation of their currencies.

THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

Directors

In accordance with Article 133 of the Articles of Association of the Company Mr. Minoo H. Mody and Mr. K.R. Menon retire by rotation and, being eligible, offer themselves for reappointment.

Employees

Information as per Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts is being sent to all shareholders of the Company excluding the statement of particulars of employees under Section 217 (2A) of the Act. Any shareholder interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

Relations with staff and labour were generally satisfactory during the year.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

The information as required under Section 217(1)(e) of the Companies Act, 1956 is given in the Annexure to this report.

Auditors

Messrs Fraser & Ross, the retiring auditors, are eligible for reappointment.

As regards the value of the debentures and interest thereon as well as the debt amounting to Rs. 26.81 lacs as referred to in Auditors Report, the management has initiated steps to recover the amounts and presently no provision is considered necessary. The Auditors have also referred to Note B-3 in Notes on Accounts regarding the premium paid to Life Insurance Corporation of India towards Gratuity Fund. The said Note is self explanatory.

Mumbai
22nd August, 1998

For and on behalf of the Board of Directors
Jimmy J. Gazdar
Chairman & Managing Director

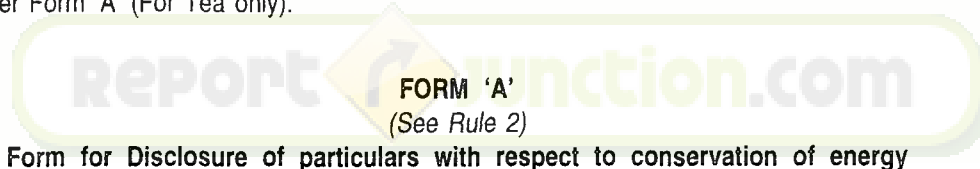
THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1998.

Statement under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) Conservation of Energy:

- (a) Energy conservation measures taken : Steps initiated to prevent power leakages and for air drying of rubber to save fuel.
- (b) Additional investments and proposals, if any, being implemented for reduction of Consumption of energy : Feasibility studies for tapping solar and wind energies are being conducted.
- (c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : Not presently quantifiable.
- (d) Total Energy Consumption and energy consumption per unit of production as per Form 'A' (For Tea only) :



Form for Disclosure of particulars with respect to conservation of energy

	Current Year (1997-98)	Previous Year (1996-97)
a. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
Units (KWH)	1,37,024	1,44,822
Total Amount (Rs.)	4,52,189	3,56,952
Rate/Unit (Rs.)	3.30	2.46
(b) Own Generation		
(i) Through Diesel Generator - Units	1,53,200	1,33,840
Unit per Litre of Diesel Oil	2.98	2.67
Cost/Unit (Rs.)	3.29	3.32
(ii) Through Steam Turbine/Generator	NIL	NIL
2. Coal		
Quantity (Kg.)	29,470	72,110
Value (Rs.)	1,12,223	2,37,787
Avg. Cost (Rs./Kg.)	3.80	3.29

THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

	Current Year (1997-98)	Previous Year (1996-97)
3. Leco		
Quantity (Kg)	2,74,130	2,27,320
Total Cost (Rs.)	12,04,462	8,95,747
Avg. Rate (Rs./Kg)	4.39	3.94
4. Others (Purchased)		
Fire Wood (used in Drier Heaters)		
Quantity (Cubic Metre)	946	1,022
Total Cost (Rs.)	5,12,647	4,22,946
Avg. Rate/Unit (Rs./Cubic Metre)	542	414
b. Consumption Per Unit of Production		
Standards if any		
Product - Tea (Unit/Kg of Made Tea)		
Electricity	0.21	0.25
Leco	0.41	0.39
Coal	0.04	0.12
Fire Wood	0.0014	0.0017
Note: No Standards are available for comparison		
(B) Technology Absorption:		
(e) Efforts made in technology absorption		

FORM 'B'
(See Rule 2)
Form for Disclosure of particulars with respect to absorption
Research & Development (R&D)

- | | |
|---|--|
| 1. Specific areas in which R&D carried out by the Company | NIL |
| 2. Benefits derived as a result of the above R&D | NIL |
| 3. Future plan of action | Further improvements in cultural and plant protection practices as recommended by UPASI Tea Research Institute are being adopted in addition to our own efforts for achieving better productivity and quality. |
| 4. Expenditure on R&D-Recurring | Annual Research Subscription to UPASI to support the activities of UPASI Tea Research Institute Rs. 42,900/- |

THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

Technology Absorption, Adaptation and Innovation

- | | |
|---|---|
| 1. Efforts in brief, made towards Technology absorption, adaptation and innovation | Company, a member of UPASI Tea Research Institute, is adopting their suggestions and recommendations in addition to our own efforts for improving productivity and quality. |
| 2. Benefits derived as a result of the above efforts. eg. product improvement, cost reduction, product development etc. | Improvement in Productivity and Quality. |
| 3. In the case of imported technology, following information may be furnished | |
| (a) Technology imported | NIL |
| (b) Year of Import | Not Applicable |

(C) Foreign Exchange Earnings and Outgo

- | | |
|---|--|
| (f) Activities relating to export; initiatives taken to increase exports; development of new export markets for products and services; and export plans | NIL |
| (g) Total foreign exchange earned and used | Earned : Rs. 65,64,973/-
Used : Rs. 25,54,660/- |

For and on behalf of the Board of Directors
Jimmy J. Gazdar
 Chairman & Managing Director

THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

REPORT OF THE AUDITORS

**To the Members of
The Cochin Malabar Estates And Industries Limited.**

We have audited the attached Balance Sheet of THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above we state that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
 - (c) The Balance Sheet and Profit and Loss Account referred to in this Report are in agreement with the books of account.
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and subject to:
 - i) non-provision for diminution in the value of investment in Debentures of Rs. 33.70 lacs and interest of Rs. 17.25 lacs thereon.
 - ii) non-provision for doubtful debts amounting to Rs. 26.81 lacs.
 - iii) non-absorption of premium amounting to Rs. 38.30 lacs paid to Life Insurance Corporation of India towards Gratuity Fund in the Profit and Loss Account as referred in Note B-3,

and

consequential effect of these on the Loss for the year and the Reserves and Surplus of the Company as at the end of the year, give a true and fair view:

 - A. in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998
 - and
 - B. in so far as it relates to the Profit and Loss Account, of the loss of the Company for the year ended on that date.

Mumbai
22nd August, 1998

For FRASER & ROSS
M.K. Ananthanarayanan
Partner
Chartered Accountants