



THE COCHIN MALABAR ESTATES
AND INDUSTRIES LIMITED



ANNUAL REPORT
08-09

CORPORATE INFORMATION

BOARD OF DIRECTORS

Hemant Bangur

Chairman

P. J. Bhide

Director

B. R. Bhansali

Director

K. C. Mohta

Director

B. L. Dhanuka

Director

BANKERS

State Bank of Bikaner & Jaipur

HDFC Bank Ltd.

State Bank of Travancore

AUDITORS

Rajan Sankar & Co.

Chartered Accountants

Coimbatore

REGISTRARS & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata-700 001

GARDENS

Pullikanam Tea Estate, Kerala

Chemoni Rubber Estate, Kerala

Pudukad Rubber Estate, Kerala

Kinalur Rubber Estate, Kerala

REGISTERED OFFICE

39/4946-A, Ground Floor

NGO Union Office Building

Pallimukku

Kochi-682 016

Kerala State

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NOTICE OF THE 79TH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventy-ninth Annual General Meeting of the members of The Cochin Malabar Estates And Industries Limited will be held on 22nd September, 2009 at 3:15 P.M. at the Registered Office of the Company at 39/4946A,

Ground Floor, NGO Union Office Building, Pallimukku, Kochi-682 016 to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended as on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri B.R. Bhansali who retires by rotation and being eligible offers himself for re-appointment.

Special Business :

3. To consider and if thought fit to pass with or without modifications, the following resolution as ordinary Resolution –

"RESOLVED THAT Shri B.L. Dhanuka be and is hereby appointed a Director of the Company."

4. To consider and if thought fit to pass with or without modifications, the following Resolution as ordinary Resolution –

"RESOLVED THAT Shri K.C. Mohta be and is hereby appointed a Director of the Company."

5. To consider and if thought fit to pass with or without modifications, the following Resolution as ordinary Resolution –

"RESOLVED THAT Shri P.J. Bhide be and is hereby appointed a Director of the Company."

6. To consider and if thought fit to adopt the following resolution as ordinary Resolution.

Whereas a notice has been received from the present auditors M/s. Rajan Sankar & Co., Chartered Accountants that they are unwilling to be re-appointed as Statutory Auditors of the company, hence it is proposed to appoint M/s. Singhi & Co., Chartered Accountants, as Statutory Auditors of the Company in their place.

"RESOLVED that M/s. Singhi & Co., Chartered Accountants, "Emerald House", 4th Floor, IB, Old Post Office Street, Kolkata-700 001 be and are hereby appointed as the Auditors of the company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting i.e. for the Financial Year 2009/2010 at a remuneration as may be decided by the Board of Directors of the company.

For The Cochin Malabar Estates and Industries Limited

Kolkata
27th July, 2009

B. L. Dhanuka
Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company/Registrar not less than 48 hours before commencement of the Annual General Meeting.
2. Corporate Members are requested to send to the Company/Registrar & Share Transfer Agent, a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books in respect of Ordinary Shares of the Company will remain closed from 16th September, 2009 to 22nd September, 2009 (both days inclusive).
4. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company for admission to the Meeting hall.
5. In all correspondence with the Company/Registrar & Share Transfer Agent, Members are requested to quote their Folio Number.
6. Members who wish to obtain any information on the Company or the Accounts for the financial year ended 31st March, 2009 may send their queries to the Company at the Registered Office of the Company at least 10 days before the Annual General Meeting.
7. Pursuant to Section 109A of the Companies Act, 1956, Shareholders can make nomination in respect of shares held by them in Physical form in the prescribed Form 2B (in duplicate).
8. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 3, 4, 5 & 6 is annexed.
9. The Company's Ordinary Shares are listed at The Bombay Stock Exchange Ltd. 25th Floor, P. J. Towers, Dalal Street, Mumbai-400 001 and Madras Stock Exchange Ltd., Stock Exchange Building, 11, Second Line Beach, Chennai-600 001 and upto date listing fees have been paid in time.
10. MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE MEETING.

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No. 3

Shri B. L. Dhanuka was appointed as a Director to fill up the casual vacancy caused by cessation of late S. D. Bhatler with effect from 26th September, 2008. Pursuant to Section 262 of the Companies Act, 1956 Shri B. L. Dhanuka will hold the office up to the date of the forthcoming Annual General Meeting. The company has received a Notice in writing from a member under the Provisions of Section 257 of the Companies Act, 1956 proposing the candidature of Shri B.L. Dhanuka for office of a Director. Shri B.L. Dhanuka, aged about 63 years, is Commerce & Law Graduate. He had held various positions during his career. Shri B.L. Dhanuka has vast experience in running the operations of the company. He is working as Chief Financial Officer of Joonktollee Tea & Industries Ltd. He has been nominated by the Joonktollee Tea & Industries Ltd. a holding Company by virtue of Section 4(1)(a) of the Companies Act, 1956. Hence, the ordinary Resolution set out as item No.3 of the Notice is placed before the meeting for the approval of the members.

None of the Directors is deemed to be concerned or interested in passing the resolution except Shri B.L. Dhanuka.

Item No. 4

Pursuant to Section 260 of the Companies Act, 1956 the Board of Directors appointed Shri K. C. Mohta as an Additional Director of the Company on 7th May, 2009 who holds office as such upto the date of Seventynineth Annual General Meeting of the company. Pursuant to Section 257 of the Companies Act, 1956, the company has received a notice from a member signifying his intention to propose the candidature of Shri K.C. Mohta for the Directorship of the company. Shri K.C. Mohta is aged about 57 years, is Commerce and Law Graduate and is also a Fellow member of Institute of Company Secretaries of India, New Delhi Fellow member of Indian Cryogenic Council (FICC), Jadavpur University, Kolkata and Fellow member of Secretaries & Managers (FSM). He is working as Executive Director of Joonktollee Tea & Industries Ltd. He has wide experience in commercial matters, administration, legal matters, Corporate Planning and Project monitoring. He has been nominated to act as a Director of the Company by Joonktollee Tea & Industries Ltd., a holding Company by virtue of Section 4(1)(a) of the Companies Act, 1956. Hence, the ordinary Resolution set out as item No.4 of the Notice is placed before the meeting for the approval of the members.

None of the Directors is deemed to be concerned or interested in passing the resolution except Shri K. C. Mohta.

Item No. 5

Shri P. J. Bhide was appointed as a Director with effect from 27th July, 2009. Pursuant to Section 262 of the Companies Act, 1956, Shri P.J. Bhide will hold the office upto the date of the forthcoming Annual General Meeting. The company has received a Notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing the candidature of Shri P.J. Bhide for office of a Director. Shri P.J. Bhide aged about 75 years is a Commerce Graduate and fellow member of Institute of Chartered Accountants. He is practicing Chartered Accountants and

got with him 55 years experience of Corporate World. Hence, the ordinary Resolution set out as item No.5 of the Notice is placed before the meeting for the approval of the members.

None of the Directors is deemed to be concerned or interested in passing the resolution except Shri P.J. Bhide.

Item No. 6

M/s. Rajan Sankar & Co., present Auditors of the Company retire as Auditors on the conclusion of the forthcoming Annual General Meeting. The Company has received a notice from M/s. Rajan Sankar & Co., showing their unwillingness to be re-appointed as the Auditors of the Company from the conclusion of this Annual General Meeting. The Company has received a letter from M/s. Singhi & Co. that if appointed, the said appointment will be within the limits specified u/s. 224(1B) of the Companies Act, 1956.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their 79th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2009

FINANCIAL PERFORMANCE :

	March, 31st 2009 Rs.	March, 31st 2008 Rs.
Profit for the year before Depreciation	1,45,89,920	1,53,00,283
Deduct : Depreciation	36,41,782	24,60,313
Profit before Tax	1,09,48,138	1,28,39,970
Deduct : Provision for Corporate Taxation	-	-
Fringe Benefit Tax	80,000	65,000
Net Profit	1,08,68,138	1,27,74,970
Add : Balance of Profit/Loss brought forward from Previous year	(35,39,11,424)	(36,66,86,394)
Loss Balance Carried to Balance Sheet	(34,30,43,286)	(35,39,11,424)

DIVIDEND

In view of the accumulated losses, your Directors regret their inability to propose any dividend for the year under report.

OPERATIONS: - PLANTATIONS

RUBBER ESTATES

The Rubber crop harvested after process loss during the year was 1030 MT compared to 956 MT during the previous year. The crop was higher by 74 MT compared to the previous year, due to good weather conditions prevailing during the year.

The Company also purchased field latex/cenex from the market for better utilization of existing processing facilities on Estate and to fulfil the orders in hand. The quantity purchased during the year was 311 MT against 259 MT in the previous year. Increase in input cost and wages coupled with the fluctuation of the finished goods prices have however eroded the margins.

Kinalur Estate continues to be mired in legal problems as the prospective buyer Mr. P.K.C. Ahamedkutty failed to make

payment despite several promises. The Receiver appointed by the Hon'ble Court of Kerala earlier continues to have constructive possession of the Estate. The Hon'ble High Court also directed the District Collector to take control of the Estate and to ensure to keep the property on as is where is condition. The Company has approached Hon'ble High Court of Kerala for cancellation of MOU with Mr. P.K.C. Ahamedkutty and forfeiture of advance paid by him and to permit the Company to sell the estate afresh and the same is pending.

The Writ Petition filed by the Company before the Hon'ble High Court, Chennai against the order of Debts Recovery Appellate Tribunal, Chennai in connection with the auction sale of Sampaji Estate is still pending.

TEA ESTATE :

The production of Made Tea has gone up to 459 MT during the year compared to 396 MT of Made Tea of the last year. Your company, has undertaken the largest replanting programme under the SPTF programme of the Tea Board in South India. This along with the ongoing modernization of the factory will result in improved performance in the future.

OTHER DIVISIONS :

Aqua Culture Division : Pursuant to approval obtained from the Members of the Company, two Aqua Culture Farms were sold last year. There was no operation in the remaining one Farm and 16.8 Hectares of land also remained utilized. Efforts are on to utilize this Farm and the land in a remunerative way.

Rubber Wood Factory : This factory continues to be non-operational during the year as the ban imposed by the Forest Department earlier has not been withdrawn as yet. The Company has made representation to the Forest officials for withdrawal of the ban imposed as the same is not applicable for processing Rubber Wood.

PROSPECTS :

Rubber - Uncertainty continues in the rubber market due to the global economic meltdown. The finished goods prices of the rubber fluctuated in line with the crude oil prices. The benchmark RSS-4 is hovering around Rs.95/- per kg. presently which is lower than that of the last year. Increase in the input cost and wages has adversely impacted the profitability of the rubber division. It is expected that the market will stabilize and the prices will remain steady and rubber division would post better results in future.

The Company has taken massive replantation programme at its Chemoni & Pudukad Estates which continues in phased and planned manner. With the replanted areas coming into operation, crop after dropping in the coming few years is expected to improve in the medium and long term.

Tea - Due to lack of summer showers Tea production was hit in March - May 2009. The shortfall and increase demand of tea has pushed the tea prices up by Rs1 20/- per kg. It is expected the tea prices Will remain firm.

HOLDING COMPANY :

M/s. Joonktollee Tea & Industries Ltd. has become the Holding Company of the Company by virtue of Section 4(1)(a) of the Companies Act, 1956 in terms of an agreement with the Company.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of 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, are given in Annexure 'A' and form part of this Report.

PARTICULARS OF EMPLOYEES :

The Company had no employee of the category specified under Section 217(2A) of the Companies Act, 1956, read with

Companies (Particulars of employees) Rules, 1975 as amended during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT :

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that :

- i) in the preparation of the annual accounts, the applicable standards have been followed along with proper explanation relating to material departures,
- ii) the directors have selected such accounting policies and applied them consistently and made judgements 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 of the profit or loss of the Company for that period,
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the directors have prepared the annual accounts on a going concern basis.

DIRECTORS :

Shri S. D. Bhatler, Executive Director of the Company, expired on 20th August, 2008 and the vacancy caused by his demise was filled by the appointment of Shri B.L. Dhanuka to hold the office until the conclusion of this Annual Agneral Meeting. Shri B. L. Dhanuka is also a nominee of the holding Company, M/s. Joonktollee Tea & Industries Ltd. by virtue of an agreement entered into with the Company on 5th March, 2009. Notice under Section 257 of the Companies Act, 1956 from the shareholder of the Company proposing the candidature of Shri B.L. Dhanuka has been received by the Company.

Shri G. S. Narayanan has resigned from the Board on 22nd May, 2009. The Board placed on record its appreciation for the valuable services rendered by Shri G. S. Narayanan during his tenure.

Shri B.R. Bhansali retires by rotation and being eligible offer himself for re-appointment.

Shri K.C. Mohta and Shri P.J. Bhide were appointed as Additional Director on the Board of the Company on 7th May, 2009 and 27th July, 2009 respectively to hold the office until the conclusion of this Annual General Meeting. Shri K.C. Mohta is also a nominee of the holding Company M/s. Joonktollee Tea & Industries Ltd. by virtue of an agreement entered into with the Company on 5th March, 2009. Notices under Section 257 of the Companies Act, 1956 from the shareholders of the Company proposing the candidature of Shri K.C. Mohta and Shri P.J. Bhide have been received by the Company.

AUDITORS :

M/s. Rajan Sankar & Co., Chartered Accountants, Coimbatore, the Auditors of the Company retire at the conclusion of the seventy ninth Annual General Meeting. The Company has received a notice from them showing their unwillingness for reappointment as Auditors of the Company. Hence, it is proposed for the members' approval for appointing M/s. Singhi & Co., as the Auditors of the Company from the conclusion of the forthcoming Annual General Meeting to the conclusion of the next Annual General Meeting.

The Notes to the Accounts referred to in the Auditors' Report are self explanatory.

SECRETARIAL COMPLIANCE :

In accordance with the provisions of Section 383-A of the Companies Act, 1956, a Certificate from a Practicing Company Secretary, which forms part of this Report is attached.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and cooperation received from the commercial banks and other authorities. Your Directors also thank the employees of the Company for their valuable service and support during the year.

On behalf of the Board

Kolkata
27th July, 2009

Hemant Bangur
Chairman

ANNEXURE - A

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009

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
Based on Energy Audit
- (b) Additional investments and proposals,
if any, being implemented for reduction : Modern machineries are being installed
of Consumption of energy
- (c) Impact of the measures at (a) & (b)
above for reduction of energy consumption
and consequent impact on the cost of : Not quantifiable at present
production of goods
- (d) Total Energy Consumption and energy
consumption per unit of production as : "
per Form 'A' (For Tea only)

FORM 'A'
(See Rule 2)

Form for Disclosure of particulars with respect to conservation of energy

	Current Year (2008-09)	Previous Year (2007-08)
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a. Power and Fuel Consumption

1. Electricity

(a) Purchased

Unit (KWH)	292432	135425
Total Amount (Rs.)	2202171	1464034
Rate/Unit (Rs.)	7.53	10.81

(b) Own Generation

(i) Through Diesel Generator – Unit	34446	52183
Unit per Litre of Diesel Oil	2.87	2.55
Cost/Unit (Rs.)	12.15	13.63
(ii) Through Steam Turbine/Generator	--	--