THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

ANNUAL REPORT 2010-11

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

HDFC Bank Ltd.

State Bank of Bikaner & Jaipur

State Bank of Travancore

AUDITORS

Singhi & Co.
Chartered Accountants

REGISTRARS & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001

GARDENS

Pullikanam Tea Estate, Kerala
Kolahalmedu Tea Estate, Kerala
Chemoni Rubber Estate, Kerala
Pudukad Rubber Estate, Kerala
Ichipara Rubber Estate, Kerala
Kinalur Rubber Estate, Kerala

REGISTERED OFFICE

21, Strand Road
Kolkata - 700 001
West Bengal

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DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 81st Annual Report and Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL PERFORMANCE

(Amount in ₹)

	31.03.2011	31.03.2010
Profit for the year before Depreciation	**3,93,92,334**	1,80,93,186
Deduct : Depreciation	**54,47,160**	49,32,855
Profit Before Tax	**3,39,45,174**	1,31,60,331
Deduct : Provision for Corporate Taxation	**–**	–
Net Profit	**3,39,45,174**	1,31,60,331
Add : Balance of Profit /(Loss) brought forward from previous year	**(32,98,82,955)**	(34,30,43,286)
Balance Carried to Balance Sheet	**(29,59,37,781)**	(32,98,82,955)

DIVIDEND

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31st March, 2011.

OPERATIONAL REVIEW

The turnover of your Company for the year ended 31st March, 2011 has increased to ₹ 2,044.14 Lacs as against ₹ 1,857.63 Lacs for the same period last year, a higher of ₹ 186.51 Lacs as compared to the last year. The profit after tax has increased from ₹ 131.60 Lacs to ₹ 339.45 Lacs.

RUBBER ESTATES

Chemoni, Pudukad & Ichipara Estates

Your Company produced 9,30,190 Kgs. of Rubber during the year as against 10,21,055 Kgs. for the same period last year. The crop was lower by 90,865 Kgs. than the last year. The prime reasons attributed for the lower production are lower yield of old standing trees and massive re-plantation programme undertaken by the Company. The average price of Rubber realized during the year was ₹ 191/- per Kg. which was higher by ₹ 70/- per Kg. compared to the same period last year. Company continues to focus on quality to fetch premium in the market for its product.

Kinalur Estate

As already reported in the last Annual Report that the Company has cancelled the Memorandum of Understanding entered into with Mr. P. K. C. Ahmmed Kutty for sale of Kinalur Estate and also revoked the Power of Attorney granted in his favour. However, the issue still continues to be in litigation.

Sampaji Estate

The auction sale of this Estate by the Debts Recovery Officer, has been challenged by the Company by filing the Writ Petition before the Hon'ble High Court, Chennai is still pending.

Rubber Wood Factory

This factory continues to be non-operational in view of the ban imposed by the Forest Department. The Company's representation for the withdrawal of the ban imposed, remain indisposed.

TEA ESTATE

Pullikanam Estate

Your Company produced 3,00,050 Kgs. of Made Tea during the year as against 4,15,850 Kgs. for the same period last year. The production was lower on account of unfavourable weather conditions. Moreover, the Company has adopted a massive replantation programme after re-opening of the abandoned Tea Estate in order to ultimately increase the yield per hectare. The crops from the replanted fields would augment the crop in the next couple of years. The average price of Made Tea realized during the year was ₹ 66/- per Kg. as against ₹ 74/- last year.

PROSPECTS

RUBBER

The domestic as well as global rubber prices have increased to new historical high supported by the healthy demand from the tyre industry and strong imports by China. Demand and supply mismatch, high crude oil prices, drop in production in the world's major rubber producing countries, climatic factors will keep rubber prices firm.

The Company has adopted an aggressive replanting policy to increase the yield per hectare. With the replanted area coming into operation in the coming years, it is expected that crop will substantially improve in the long term.

DIRECTORS' REPORT

TEA

Tea production in India during 2011 is expected to be normal based on the current weather conditions. Lower inventory in India, production shortfall in Kenya and other African countries, strong consumption growth should have positive impact on prices during 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms :

i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;

ii) that the selected Accounting Policies were applied consistently and the Directors 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 as at 31st March, 2011 and of the profits of the Company for the year ended on that date;

iii) that proper and sufficient care has been taken 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 fraud and other irregularities;

iv) that the annual accounts have been prepared on a going concern basis; and

v) that the Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company.

HOLDING COMPANY

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

SUBSIDIARY COMPANY

1. a) The Company as on 31st March, 2011 has one Subsidiary Company namely, Cochin Estates Ltd.

   b) In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the individual accounts of the Subsidiary Company are not being attached with the accounts of the Company. The Company will make available the Annual Accounts of the Subsidiary Company to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Company will also be kept for inspection at the Registered Office of the Company.

   c) As required under the Listing Agreement with the Stock Exchanges the Audited Consolidated Financial Statements of the Company together with its Subsidiary Company prepared in accordance with the applicable Accounting Standards are attached.

   d) A statement containing brief financial details of the Subsidiary Company is attached which forms part of the Annual Report.

SOCIAL WELFARE

Your Company continues its welfare activities by participating in various projects sponsored by UPASI in the State of Kerala and also directly contributes to the area's social causes.

CONSOLIDATED FINANCIAL STATEMENTS

As prescribed by Accounting Standard 21 issued by the Institute of Chartered Accountants of India, the audited consolidated financial statements of the Company together with Auditors' Report for the year ended 31st March, 2011 are annexed.

FIXED DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

SECRETARIAL COMPLIANCE CERTIFICATE

As required under the provisions of Section 383A of the Companies Act, 1956, Certificate from a Practicing Company Secretary forming part of this Report is attached herewith.

DIRECTORS

Shri K. C. Mohta and Shri P. J. Bhide retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS & AUDITORS' REPORT

M/s. Singhi & Co., Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

With regard to the observations made by the Auditors in their report the relevant Notes to Accounts are self-explanatory.

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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section

DIRECTORS' REPORT

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.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation 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
03.08.2011

Hemant Bangur
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - A

INFORMATION AS PER 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 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

(A) CONSERVATION OF ENERGY

a)	Energy conservation measures taken	:	Steps initiated to prevent power leakage based on Energy Audit.
b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	:	Modern machineries are being installed.
c)	Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production.	:	Not quantifiable at present.
d)	Total energy consumption and energy consumption per unit of production	:	As per Form 'A' (For Tea only).

FORM 'A'

Form for Disclosure of Particulars with respect to Conservation of Energy

(A)	**POWER & FUEL CONSUMPTION**					**2010-11**	2009-10
	1	**Electricity**					
		a)	Purchased				
				Units (KWH)		**2,16,032**	3,14,002
				Total Amount (₹)		**13,31,319**	17,49,082
				Rate/Unit (₹)		**6.16**	5.57
		b)	Own Generation				
				Through Diesel Generator - Unit		**31,132**	38,136
				Unit per Litre of Disel Oil		**3.02**	3.01
				Cost/Unit (₹)		**14.34**	12.10
	2	**Others : (Purchased)**					
		Fire Wood (used in Drier Heaters)					
		Quantity (M^3)				**1,879.45**	2,623.39
		Value (₹)				**13,59,253**	17,31,055
		Average Cost (₹/M^3)				**723.20**	659.82
(B)	**CONSUMPTION PER UNIT PRODUCTION**						
	Product - Tea (Unit/Kg)						
	Electricity					**0.82**	0.75
	Fire Wood					**0.006**	0.006

ANNEXURE TO THE DIRECTORS' REPORT

FORM 'B'

Form of Disclosure of particulars with respect to Technology Absorption, Research & Development

RESEARCH AND 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	: N.A.
3.	Future Plan of Action	: Improvement in cultural and plant protection practices as recommended by Tea Board are being adopted in addition to our own efforts for achieving better productivity and quality.
4.	Expenditure on R&D :	: Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	: The Company is adopting the suggestion and recommendation of Tea Board in addition to its own efforts for improving productivity and quality.
2.	Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development etc.	: Improvement in productivity and quality.
3.	In case of imported technology following information may be furnished :	
	a) Technology imported	: Nil
	b) Year of import	: N.A.

FOREIGN EXCHANGE EARNINGS AND OUTGO

a)	Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.	: Nil
b)	Total foreign exchange earned and used	
	Earned	: Nil
	Used	: Nil

On behalf of the Board

Kolkata
03.08.2011

Hemant Bangur
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Compliance Certificate

Under Rule 3 of the Companies (Compliance Certificate) Rules, 2001

CIN NO. L01132WB1991PLC152586
Reg. No. : 21- 152586

Authorized Capital: ₹ 5,00,00,000/-
Paid-up Capital : ₹ 1,77,19,080/-

To
The Members of
The Cochin Malabar Estates and Industries Limited

I have examined the registers, records, books and papers of **The Cochin Malabar Estates And Industries Limited** as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In my opinion and to the best of information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies or other authorities as prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company, has the minimum prescribed paid up capital. The Company is a subsidiary of Joonktollee Tea and Industries Limited by virtue of Section 4(1) (a) of the Companies Act, 1956.
4. The Board of Directors duly met four (4) times respectively on 23.04.2010, 05.08.2010, 11.11.2010 and 28.01.2011 in respect of which the proceedings were properly recorded and signed in the Minutes book maintained for the purpose.
5. The Company closed its Register of Members from 23rd September, 2010 to 29th September, 2010 (inclusive of both days) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 29.09.2010 and the resolution passed there at where duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans during the financial year to its Directors, or Persons or Companies as referred under Section 295 of the Companies Act, 1956.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Companies Act, 1956.
11. As there were no instances, during the financial year, falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government as the case may be.
12. The Company has not issued any duplicate shares certificate during the financial year.
13. i) There was no allotment of securities during the financial year. However, the Company has delivered all the certificates on transfer of shares within the time prescribed under the Act.

    ii) The Company has not deposited any amount in a separate bank account as no dividend was declared during the financial year.

    iii) The Company was not required to post dividend warrants to any member as no dividend was declared during the financial year.

ANNEXURE TO THE DIRECTORS' REPORT

iv) The Company was not required to transfer any amount to Investor Education and Protection Fund during the financial year.

v) The Company has complied with the requirements of Section 217 of the Companies Act, 1956.

14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.

15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.

16. The Company has not appointed any sole selling agent during the financial year.

17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under various provisions of the Act.

18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Companies Act, 1956 and the rules made there under.

19. The Company has not issued any shares/securities during the financial year.

20. The Company has not bought back any shares during the financial year.

21. There was no redemption of preference shares or debentures during the financial year.

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.

23. The Company has not invited/accepted any deposits including any unsecured loan falling with the purview of Section 58A during the financial year.

24. The amount borrowed by the Company from banks and others during the financial year are within the borrowing limits of the Company and necessary resolution as per Section 293(1)(d) have been passed in the general meeting.

25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

26. The Company has altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny and complied with the provisions of the Act.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to the name of Company during the year scrutiny.

29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the year scrutiny.

30. The Company has not altered its Articles of Association during the financial year.

31. I was given to understand by the management that there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.

33. The Company has not constituted a separate Provident Fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

Sweety Kapoor
Practising Company Secretary
C.P. No. : 5738

Place : Kolkata
Date : 03.08.2011