



THE COCHIN MALABAR ESTATES
AND INDUSTRIES LIMITED



Corporate INFORMATION

Board of Directors

H. 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

Registrar and 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 82nd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL PERFORMANCE :

(Amount in ₹)

	31.03.2012	31.03.2011
Profit for the year before Depreciation	57,989,733	39,392,334
Deduct : Depreciation	5,079,602	5,447,160
Profit before Tax	52,910,131	33,945,174
Deduct : Provision for Corporate Taxation	–	–
Net Profit	52,910,131	33,945,174
Add : Balance of Profit /(Loss) brought forward from previous year	(295,937,781)	(329,882,955)
Balance Carried to Balance Sheet	(243,027,650)	(295,937,781)

DIVIDEND

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31st March, 2012.

SCHEME OF ARRANGEMENT

Members are aware that the Company is in the process of implementing the Scheme of Arrangement by which the Cochin Plantation Division of the Company comprising of Chemoni, Pudukad, Echipara and the legal proceedings of Sampaji Rubber Estates and Pullikanam & Kolahalmedu Tea Estates would demerge from the Company and merge with Joonktolee Tea & Industries Ltd. w.e.f. 1st April, 2011 .

The final order for confirmation of the Scheme of Arrangement from the Hon'ble High Court of Kolkata is expected to be received shortly.

The Company has obtained necessary extension of time for holding the Annual General Meeting of the Company for the year.

OPERATIONAL REVIEW

The turnover of your Company for the year ended 31st March, 2012 has increased to ₹ 2,395.31 Lacs as against

₹ 2,044.14 Lacs for the same period last year higher by ₹ 351.17 Lacs as compared to the last year. The profit after tax has increased from ₹ 339.45 Lacs to ₹ 529.10 Lacs.

RUBBER ESTATES

Chemoni, Pudukad & Echipara Estates

Your Company produced 9,56,209 Kgs. of Rubber during the year as against 9,30,190 Kgs. for the same period last year. The crop was higher by 26,019 Kgs. than the last year. The average price of Rubber realized during the year was ₹ 206 per Kg. which was higher by ₹ 15 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. Ahmed 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



Directors' REPORT

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 3,35,860 Kgs. of Made Tea during the year as against 3,00,050 Kgs. for the same period last year. The production was higher on account of favourable weather conditions. Moreover, the Company has adopted a massive replantation programme after reopening 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 ₹69 per Kg. as against ₹66/- last year.

PROSPECTS

Rubber

The global NR production during 2012 is anticipated to be marginally higher than the last year and the production is estimated in the region of 113.20 lakh tonnes, an increase of 3.48 lakh tonnes compared to the previous year. Higher crops are anticipated from Vietnam, Indonesia and Malaysia. The global NR consumption for 2012 is also estimated at 112.90 lakh tonnes, higher by 3.70 lakh tonnes. The prospect for the NR sector being dependent on the global developments and with the pace of economic recovery projected to be weak in advanced countries and moderate to high in most emerging and developing economies, a modest NR consumption growth is anticipated. The international prices for NR declined significantly during April to September, 2012 due to the sluggish demand outlook, decline in crude oil prices and un-favourable trends. With global economic recovery losing its momentum, demand is anticipated to slow down, but the resulting negative market sentiments are expected to be absorbed by the shortfall in supply.

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.

Tea

Domestic Consumption of Tea is likely to have an annual growth of 3.50%. Taking into account the small carry over stock and low production on account of adverse weather during the first half to 2012 has resulted in tea prices remaining bullish.

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 March 31, 2012 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 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.

Directors' REPORT

SUBSIDIARY COMPANY

1. a) The Company as on 31st March, 2012 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) 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, 2012 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.

COST AUDIT

During the year under review the company has appointed M/s. A. Basu & Co., Cost Accountants, Kolkata to conduct the audit of the cost accounting records of the Company relating to the plantation products for the year ended 31st March, 2012. The compliance report as submitted by M/s. A. Basu & Co., Cost Accountants, Kolkata confirms that proper cost records as per the Companies (Cost Accounting Records) Rules, 2011 prescribed in Section 209(1)(d) of the Companies Act, 1956 have been maintained by the company and it gives a true and fair view of the cost of production/operation, cost of sales and margin of all products and activities of the Company. The Company has further appointed M/s. A. Basu & Co., Cost Accountants, Kolkata as the Cost Auditor for the Financial Year 2012-13.

DIRECTORS

Shri B. L. Dhanuka and Shri B. R. Bhansali retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS & AUDITORS' REPORT

Messrs. 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 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.



Directors' REPORT

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

Place : Kolkata
12th November, 2012

H. 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, 2012

(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	2011-12	2010-11
1 Electricity		
a) Purchased		
Units (KWH)	2,23,820	2,16,032
Total Amount (₹)	13,63,569	13,31,319
Rate/Unit (₹)	6.09	6.16
b) Own Generation		
Through Diesel Generator - Unit	54,051	31,132
Unit per Litre of Disel Oil	4.07	3.02
Cost/Unit (₹)	11.04	14.34
2 Others : (Purchased)		
Fire Wood (used in Drier Heaters)		
Quantity (M ³)	1,668.82	1,879.45
Total Amount (₹)	12,65,526	13,59,253
Average Cost (₹/ M ³)	758.34	723.20
(B) CONSUMPTION PER UNIT OF PRODUCTION		
Standard, if any : Product - Tea (Unit/Kg)		
Electricity	0.67	0.82
Fire Wood	0.005	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 suggestions and recommendations 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 the 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 export, 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

Place : Kolkata
Date : 12th November, 2012

H. 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: ₹ 50,000,000/-

Paid-up Capital : ₹ 17,719,080/-

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 ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act") 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, 2012. 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 the entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time 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 & 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 10.05.2011, 03.08.2011, 12.11.2011 and 07.02.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes book maintained for the purpose.
5. The Company closed its Register of Members from 22nd September, 2011 to 28th September, 2011 (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 31.03.2011 was held on 28.09.2011 and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the financial year. The Company has passed resolutions by postal ballot under the provisions of Section 192A of the Companies Act, 1956 and notice to all shareholders was sent in accordance with the Act and results of which was declared on 5th January, 2012 and proceedings were duly recorded in the Minutes Book.
8. The Company has not advanced any loans during the financial year to its Directors, or persons or firms or Companies as referred to 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.
12. The Company through its Registrars & Share Transfer Agents has issued duplicate shares certificate for 100 equity shares 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.