The Cochin Malabar Estates and Industries Limited

ANNUAL REPORT
2013

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Corporate **INFORMATION**

Board of Directors

H. Bangur
Chairman

P. J. Bhide
Director

B. R. Bhansali
Director

K. C. Mohta
Director

B. L. Dhanuka
Director

Banker
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

Garden
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 83rd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL PERFORMANCE

(Amount in ₹)

	31.03.2013	31.03.2012
Profit/(Loss) for the year before Depreciation	**(41,301,998)**	57,989,733
Deduct : Depreciation	**–**	5,079,602
Profit/(Loss) before Tax	**(41,301,998)**	52,910,131
Deduct : (Provision for Corporate Taxation)/Excess Tax Provision of earlier years written back	**5,729,928**	–
Net Profit/(Loss)	**(35,572,070)**	52,910,131
Add : Balance of Profit/(Loss) brought forward from previous year	**(243,027,650)**	(295,937,781)
Add : Adjustment due to Scheme of Arrangement	**(78,698,646)**	–
Add : Net impact on Profit /(Loss) for 01/04/2011 to 31/03/2012 due to Scheme of Arrangement	**(63,772,538)**	–
Balance Carried to Balance Sheet	**(421,070,904)**	(243,027,650)

DIVIDEND

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31st March, 2013.

SCHEME OF ARRANGEMENT

The Company since received final order from the Hon'ble High Court of Calcutta confirming the Scheme of Arrangement by which the Cochin Plantation Division of the Company comprising of Chemoni, Echipara & Pudukad Rubber Estates, Pullikanam & Kolahalmedu Tea Estates and legal proceedings of Sampaji Rubber Estates demerged from the Company and merged with Joonktollee Tea & Industries Ltd. The Company has already implemented the Scheme of Arrangement. The aforesaid financial results depicts the results after demerger of the Cochin Plantation Division.

OPERATIONAL REVIEW

Since the Company did not have any manufacturing activities during the current year, it incurred losses to the tune of ₹ 355.72 Lacs. After the demerger of the Cochin Plantation Division, the Company has only Kinalur Rubber Estate with a Rubber Wood Factory. The Kinalur Rubber Estate is in litigation and as such there was no operation. In view of the ban imposed by the forest department, the Rubber Wood Factory at Kinalur still continues to be non-operational. The representation of the Company before the forest department for withdrawal of ban is pending. Operations at Goa properties were also suspended long back.

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;

Directors' REPORT

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, 2013 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.

SUBSIDIARY COMPANY

M/s. Cochin Estates Ltd. ceased to be a subsidiary of the Company w.e.f. 12th February, 2013 and as such the Company does not have any subsidiary as on 31st March, 2013.

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 Hemant Bangur and Shri K. C. Mohta 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

Since the Company did not have any manufacturing activity during the current Financial Year ended 31st March, 2013 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 not attached.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation for 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

Place : Kolkata
Dated : 11th May, 2013

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 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, 2013. 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 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 five (5) times respectively on 12.05.2012, 07.08.2012, 12.11.2012, 28.01.2013 and 13.02.2013 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 15th December, 2012 to 21st December, 2012 (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 31.03.2012 was held on 21.12.2012 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 required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under various provisions of the Act during the financial year.

- Application to CG for appointment of Cost Auditor.

- Application to ROC for Extension of period of AGM.

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. However, the Company has no debentures, thus redemption of debentures is not applicable.

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, investments or advances or given guarantees or provided securities to other bodies corporate during the year under review and consequently no entries have been made in the register kept for the purpose.

26. The Company has not 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.

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

28. The Company has not altered the provisions of the Memorandum with respect to the name of the 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 : 11th May, 2013

Annexure TO THE DIRECTORS' REPORT

Annexure - "A"

Registers as maintained by the Company

1. Register of Member under Section 150 and Index of Members under Section 151.
2. Register of Charges under Section 143.
3. Register of Returns under Section 163.
4. Minutes Book of Board Meeting under Section 193.
5. Minutes Book of General Meeting under Section 193.
6. Books of Accounts under Section 209.
7. Register of Share Transfers.
8. Register of particulars of Contracts in which Directors are interested under Section Section 301(3).
9. Register of Directors, Managing Director, Manager and Secretary under Section 303.
10. Register of Directors' shareholding under Section 307.
11. Register of Investments or Loans made, Guarantee given or Security provided under Section 372A.
12. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of share Certificate) Rules, 1960.

Annexure -"B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ended on 31st March, 2013.

Sl. No.	Form No.	Filed u/s	For	Date of filing	If delay in filing whether requisite additional fee paid Yes / No
1.	23	192	Special Resolution	26-04-2012	N.A.
2.	23C	233B(2)	Application to CG for appointment of Cost Auditor	28-06-2012	N.A.
3.	61	166(1)	Application to ROC for Extension of period of AGM	16-07-2012	N.A.
4.	23B	224	Appointment of Statutory Auditors	24-12-2012	N.A.
5.	66	383A	Compliance Certificate as on 31.03.2012	03-01-2013	N.A.
6.	21	394(1)	Notice of Court	15-01-2013	N.A.
7.	20B	159	Filing of Annual Return	19-01-2013	N.A.
8.	23AC/23ACA XBRL	220 220	Balance Sheet as on 31.03.2012 Statement of Profit & Loss as on 31.03.2012	13-02-2013	N.A.

Independent **AUDITORS' REPORT**

To The Members of
The Cochin Malabar Estates and Industries Limited

1. REPORT ON THE FINANCIAL STATEMENTS

We have audited the attached financial statements of **THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED** as at 31st March 2013, which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, subject to our observations in Paragraph 5 below, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Statement of Profit & Loss, of the Loss for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. EMPHASIS OF MATTERS

Reference is invited to the following observations, impact of which on the Company's Profit/Loss, wherever ascertainable, is stated in the respective notes below :

i) We are unable to express an opinion about the profitability of Kinalur estate, the physical condition of the assets of the estate and adjustment arising out of cancellation of contract as detailed in additional note appended to Note No. 2.7 of the financial statements.

ii) Additional Note appended to Note No. 2.8 of the financial statements regarding non provision of Depreciation in respect of Rubber Wood Division and Kinalur Estate amounting to ₹ 13.19 Lacs. (cumulative depreciation unprovided upto 31-03-2013 ₹ 92.11 Lacs).

6. The Cochin Plantation division of the company has been demerged w.e.f. 01.04.2011 pursuant to the Scheme of Arrangement as outlined in Note No. 2.23 B additional notes to the financial statements. Accordingly, the financial statements of the company have been drawn up giving effect to the said Scheme.

Independent **AUDITORS' REPORT**

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.

Further to our comments in the Annexure referred to above, we report 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; except to the extent indicated in paragraph 5 above;

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 those books, except to the extent indicated in paragraph 5 above;

c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except to the extent indicated in paragraph 5 (ii) above;

e) On the basis of the written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For **SINGHI & CO.**
Chartered Accountants
Firm Registration No. 302049E

Sudesh Choraria
Partner
Membership No. 204936

Place : Chennai
Dated : 11th May, 2013