

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. Bhattar 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 Joonktolee Tea & Industries Ltd. He has been nominated by the Joonktolee 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. Joonktolee 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. Bhattar, 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 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 of goods : Not quantifiable at present
- (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)
--	------------------------------	-------------------------------

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	--	--

	Current Year (2008-09)	Previous Year (2007-08)
2. Coal	Nil	Nil
3. Leco	Nil	Nil
4. Petroleum coke	Nil	Nil
5. Briquetted Fuel	Nil	Nil
6. Others (Purchased)		
Fire Wood (used in Drier Heaters)		
Quantity (m3.)	2511.30	1760.44
Value (Rs.)	1492861	928760
Avg. Cost (Rs./m3.)	594.45	527.57
b. Consumption Per Unit of Production		
Standards if any		
Product – Tea (Unit/Kg)		
Electricity	0.71	0.47
Coal	-	-
Petroleum coke	-	-
Briquetted Fuel	-	-
Fire Wood	0.005	0.004
Note: No Standards are available for comparison		
(B) Technology Absorption :		
(e) Efforts made in technology absorption	NIL	NIL

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. | Better cultivation practice and modern machineries. |
| 2. Benefits derived as a result of the above R&D | Better quality and high yields |
| 3. Future plan of action | Improvements 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 Recurring | NIL |

Technology Absorption, Adaptation and Innovation

- | | |
|---|---|
| 1. Efforts in brief, made towards Technology absorption, adaptation and innovation | The Company is adopting the suggestion 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. 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 | N.A. |

(C) Foreign Exchange Earnings and Outgo

- | | |
|---|-----|
| (e) 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. NIL | |

Used : Rs. NIL

Kolkata
27th July, 2009

On behalf of the Board
Hemant Bangur
Chairman

COMPLIANCE CERTIFICATE

To
The Members of
The Cochin Malabar Estates and Industries Ltd.

We 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 thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we 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 and the rules made thereunder and all entries therein have been duly recorded.
2. the Company has duly filled 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 as prescribed under the Act and the rules made thereunder.
3. the Company being a public limited company, has the minimum prescribed paid up capital. The company has become a subsidiary of Joonktollee Tea & Industries Ltd. by virtue of Section 4(1)(a) of the Companies Act, 1956.
4. the Board of Directors met eight times respectively on 30.04.2008, 29.07.2008, 09.09.2008, 26.09.2008, 30.10.2008, 29.12.2008, 27.01.2009 and 05.03.2009 in respect of which the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. the Company has closed its Register of Members from 01.09.2008 to 13.09.2008 and necessary compliance of section 154 of the Companies Act, 1956 has been made.
6. the Annual General Meeting for the financial year ended on 31.03.2008 was held on 13.09.2008 and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. no Extra Ordinary General Meeting was held during the financial year. The Company has passed Resolution for -
 - a. shifting of the Registered Office of the Company from Kochi to Kolkata; and
 - b. alteration of the Articles of Association of the Company. Through Postal Ballot the results of which were declared on 5th March, 2009.
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 duly complied with the provisions of section 297 of the Companies Act, 1956, in respect of contracts specified in that section.
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 Companies Act, 1956 the Company has not obtained any approvals from the Board, Members or Central Government.
12. the Board has approved the issue of duplicate share certificates during the financial year.
13. (i) the company has delivered all the certificates on transfer/transmission of shares during the financial year.
(ii) the company has not deposited any amount in the separate Bank account as no dividend was declared during the financial year.

- (iii) the Company was not required to transfer to post dividend warrants to any member as no dividend was declared during the financial year.
 - (iv) the Company was not required to transfer any amount of unpaid dividend amount to investor Education and Protection Fund during the financial year.
 - (v) the Company has generally complied with the requirements of Section 217 of the Companies Act., 1956.
14. the Board of Directors of the company is duly constituted and the appointment of Executive Directors and Additional Director have been duly made.
 15. the appointed of whole time Director made during the financial year is yet to be approved by the Central Government.
 16. the Company has not appointed any sole selling agent during the financial year.
 17. the Company has filed a petition before the Company Law Board for shifting of registered office from Kochi to Kolkata which is pending.
 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 thereunder.
 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 not 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, rights shares and bonus shares pending registration of transfer of shares.
 23. the company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
 24. the amount borrowed by the company from bank and other during the financial year are within the following limits of the company and necessary resolutions 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 or made any investments to other bodies corporate during the financial year.
 26. the Company has altered the provisions of the Memorandum with respect to situation of the Company's registered office from Kochi to Kolkata, which is pending for approval by the Company Law Board.
 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 name of the company during the year under scrutiny.
 29. the Company has not altered the provisions of the Memorandum with respect to share capital of the company during the financial year under scrutiny.
 30. The Company has altered the Articles of Association of the Company by inserting the following new Article-
 - 126A (a) Notwithstanding anything to the contrary contained in these Articles, so long as the Memorandum of Understanding between the Company and Joonktolee Tea & Industries Ltd. dated 27.01.2009 remains in force, it at its discretion without the consent or concurrence of any other person, to appoint or remove all or a majority of the Directors nominated by Joonktolee Tea & Industries Ltd. in the Board of Directors of the Company.
 - (b) Joonktolee Tea & Industries Ltd. shall be deemed to have power to appoint to a Directorship with respect to which any of the following conditions is satisfied :

- (i) that a person cannot be appointed in the Board of Directors of the Company without the exercise of the power by Joonktollee Tea & Industries Ltd. in his favour ;
- (ii) that a person's appointment in the Board of Directors of the Company follows necessarily from his appointment as Director or Manager of, or to any other office or employment in Joonktollee Tea & Industries Ltd.; or
- (iii) that the Directorship is held by an individual nominated by M/s. Joonktollee Tea & Industries Ltd. or by its Subsidiary in his favour.
31. no offences occurred under the Companies Act, 1956 and no show cause notice was received by the Company during the year.
- no fines, penalty or any other punishment of the company was imposed on the company and its directors. The Shareholders and creditors winding up petitions filed against the company are pending with the Honourable High Court of Kerala.
32. from books and records made available, the company has not received any security deposit from its employees during the financial year.
33. the company is a constituent of a Provident Fund attracting provisions of section 418 of the Companies Act, 1956. During the year there was no delay in remitting the moneys received in respect of the contributions to be made to the Fund authorities.

For SUSHIL TIWARI & ASSOCIATES
COMPANY SECRETARIES

SUSHIL TIWARI

(Proprietor)

M. No. ACS6199 CP1903

Kolkata
27th July, 2009

Annexure A

Registers as maintained by the company

1. Register of Charges u/s 143
2. Registers of Members u/s 150
3. Registers and Returns u/s 163
4. Minutes of Meetings of Board
5. Minutes of Meetings of Shareholders
6. Books of Accounts
7. Register u/s 301
8. Register of Directors, Managing Director, Manager and Secretary u/s 303
9. Register of Directors' Shareholdings u/s 307
10. Register of investments
11. Register of Share transfers

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ended on 31st March, 2009

Form No.	Filed u/s	For	Filed on
Form No. 32	302(2)	Appointment of Executive Director	01-10-2008
Form No. 32	302(2)	Cessation of Executive Director	01-10-2008
Form No. 66	383A	Secretarial Compliance Certificate for the Year ended 31.03.2008	21-10-2008
Form No. 23AC	220	Balance Sheet for The year ended 31.03.2008	05-11-2008
Form No. 20B	159	Annual Return - Annual General Meeting held on 13.09.2008	24-11-2008
Form No. 32	302(2)	Appointment Director (Mr. B.L.Dhanuka)	25-11-2008
Form No. 25-A	269/Sch. XIII	Application to Central Government for approval of appoinment of ED	05-12-2008
Form No. 23	Sec. 17 Sec. 31	i) Shifting of Registered Office ii) Alteration of Articles	30-03-2009

AUDITORS REPORT

To

The Shareholders 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 31.03.2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement (s). The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 and the subsequent amendments thereon issued by the Central Government of India in terms of sub-section (4A) of Section 227 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 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 (f) below.
 - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books except to the extent indicated in paragraph (f) below.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

- d) In our opinion, the Balance Sheet, Profit and Loss Account 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 (f) below.
- e) On the basis of the written representations received from directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009, from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956.

f) Attention is invited to

1. **We are unable to express an opinion about the profitability of Kinalur Estate and also the physical condition of the assets of the estate (Refer Note No. B-6)**
2. **Depreciation in respect of Aqua Culture, Rubber Wood Divisions and Kinalur Estate of Rubber Division has not been provided during the year. (Refer Note No. B-8)**
3. **Accounting for deferred tax Asset (Refer Note No. A-11)**

Subject to our comments in Para (f) above and, in our opinion and to the best of information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 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 31st March 2009;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

FOR RAJAN SANKAR & CO.
Chartered Accountant
N. Ravisankar

Kolkata
27th July, 2009

Partner
M. No. 023548

Annexure referred to in clause 1 of the auditors report :

1. (i) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. of verification is reasonable. However, this is not applicable to the other divisions of the company, which were non-operational during the year.
- (ii) Some of the Fixed Assets were physically verified during the year by the management in accordance with the programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals except in the case of Kinalur Estate Division, the access to and control of the Estate has not been with the company and hence we are not able to comment on the physical conditions of the Fixed Assets, including the standing crops and plantation assets. According to the information and explanations given to us no material discrepancies were noticed on physical verification carried on by the management.
- (iii) In our opinion the company has not disposed off a substantial part of its Fixed Assets during the year and the going concern status of the company is not affected.
- (ii) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories, followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
2. (i) The inventory at Chemoni, Pudukad and Pullikanam has been physically verified during the year by the management. In our opinion, the frequency
3. (a) Details of loans, secured or unsecured, taken from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
- (b) The above loans were taken from the companies listed in the register maintained under Section 301 of the Companies Act, 1956. However, the terms and conditions are not prejudicial to the interests of the Company.
- (c) The payment of the principal amount and interest are also regular.

Name of Party	Amount (Rs)	Rate of Interest	Nature
Joonktollee Tea and Industries Ltd.	524.27 lacs	Nil	Secured against first charge on Kinalur, Chemoni and Pudukad Estates, Rubber Wood Factory and Properties at Goa.
Credwyn Holding (India) Pvt. Ltd.	525.00 lacs	13%	Un-secured
Wind Power Vinimay Pvt. Ltd.,	225.00 lacs	13%	Un-secured

- (d) The loans taken from others are not prejudicial to the interest of the company. In respect of advances in the nature of loans, the parties are generally repaying the principal amount and are also regular in the payment of interest where applicable.
- (4) In our opinion and according to the information and explanation given to us in respect of the operating divisions, there are adequate internal control system commensurate with the size of the company and the nature or its business for the purchase of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct the major weaknesses in internal control systems.
- (5) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 has been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (6) In our opinion and according to the explanations given to us, the company has not accepted any deposits from the public.
- (7) The company has an internal audit system commensurate with the size and nature of its business.
- (8) On the basis of records produced, we are of the opinion that, Prima Facie, the records and books of accounts prescribed by the Government of India under Sec 209 (1) (d) of the Act have been maintained. We have broadly reviewed the records, books of accounts and have not carried out any detailed examination of such records and accounts.
- (9) (i) According to the records of the company, the company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance Corporation, Sales Tax and Tax Deducted at Source.
- (ii) According to the records of the Company, the dues in respect of sales tax, income tax, customs duty, and wealth-tax, on account of any dispute are as follows.
- (10) In our opinion, the accumulated losses of the company is more than fifty percent of its net worth and it has not incurred cash losses in the financial year covered by the audit and there are no cash losses in the immediately preceding financial year.

Nature of Statute	Nature of Dues (Reasons**)	Amount(Rs)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax	CST Levy on Rubber Cess	2,13,331/-	1988-89 to 1992-93	Supreme Court of India
Customs Duty	Interest on Customs Duty	30,29,925/-	1992-06	High Court of Madras, Chennai.

- (11) Based on the audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to domestic financial institutions :
- (12) According to the information and explanations given to us and based on the documents and records produced, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society and therefore, the provisions of clause 4(xiii) of Order are not applicable.
- (14) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (15) According to information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
- (16) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that long term funds has not been used for short term purpose or vice versa.
- (18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of Act during the year.
- (19) The Company has not issued debentures during the year.
- (20) The Company has not raised money through a public issue during the year.
- (21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of audit.

FOR RAJAN SANKAR & CO.
N. Ravisankar
Chartered Accountants

Kolkata
27th July, 2009

Partner
M. No. 023548

BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULES		As at 31st Mar-09 Rs.	As at 31st Mar-08 Rs.
I. SOURCES OF FUNDS			
(1) Shareholders' Funds :			
(a) Share Capital	1	1,77,19,080	1,77,19,080
(b) Reserves and Surplus	2	52,06,26,787	52,11,30,821
		<u>53,83,45,867</u>	<u>53,88,49,901</u>
(2) Loan Funds :			
(a) Secured Loans	3	5,34,02,924	12,54,76,772
(b) Unsecured Loan		10,29,30,485	4,00,37,661
		<u>15,63,33,409</u>	<u>16,55,14,433</u>
		<u>69,46,79,276</u>	<u>70,43,64,334</u>
II. APPLICATION OF FUNDS			
(1) Fixed Assets			
(a) Gross Block	4	62,00,61,816	61,02,34,809
(b) Less : Depreciation		9,39,34,032	8,97,96,016
(c) Net Block		52,61,27,784	52,04,38,793
(d) Capital Work-in-Progress		68,93,983	41,73,738
		<u>53,30,21,767</u>	<u>52,46,12,531</u>
	5	2,51,441	2,51,441
(3) Current Assets, Loans and Advances			
(a) Inventories	6	2,47,75,390	2,61,62,908
(b) Sundry Debtors		16,74,671	1,04,79,121
(c) Cash and Bank balances		49,00,189	42,96,124
(d) Other Current Assets		11,468	3,375
(e) Loans and Advances		1,81,46,508	1,29,78,129
		<u>4,95,08,226</u>	<u>5,39,19,657</u>
Less : Current Liabilities and Provisions			
(a) Liabilities	7	18,31,14,885	18,63,38,187
(b) Provisions		4,80,30,559	4,19,92,532
		<u>23,11,45,444</u>	<u>22,83,30,719</u>
Net Current Assets		(18,16,37,218)	(17,44,11,062)
(4) Debit Balance in Profit and Loss Account		34,30,43,286	35,39,11,424
		<u>69,46,79,276</u>	<u>70,43,64,334</u>

Significant Accounting Policies and Notes on Accounts

Schedule 1 to 7 and 13 form part of Balance Sheet

For **RAJAN SANKAR & CO.**

Chartered Accountants

N. Ravishankar

Partner

M. No. 023548

Kolkata

27th July, 2009

Hemant Bangur

Chairman

P. J. Bhide

K. C. Mohta

B. R. Bhansali

B. L. Dhanuka

Directors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULES	For the year ended 31st Mar-09 Rs.	For the year ended 31st Mar-08 Rs.
INCOME			
Sales	8	21,98,10,489	16,76,74,989
Miscellaneous Income	12	1,78,26,575	2,19,87,877
Increase/(Decrease) in Stock	8	6,87,727	(5,70,597)
		23,83,24,791	18,90,92,269
DEDUCT			
Expenditure	9	20,81,77,848	15,02,47,502
Miscellaneous Overheads	10	46,81,470	34,19,400
Interest Paid	11	1,08,75,553	2,01,25,084
Depreciation	4	41,45,814	32,81,285
Less : Transferred from Revaluation Reserve		5,04,032	820,972
		36,41,782	24,60,313
		22,73,76,653	17,62,52,299
Profit for the year		1,09,48,138	1,28,39,970
Provision for Fringe Benefit Tax		80,000	65,000
		1,08,68,138	1,27,74,970
Add : Dificit brought forward from previous year		(35,39,11,424)	(36,66,86,394)
Loss carried forward to Balance Sheet		(34,30,43,286)	(35,39,11,424)
Significant Accounting Policies & Notes on A/c.	13		
Basic and Diluted Earnings per share (Rs.)			
(Face value of Rs. 10/- each)		6.13	7.21

Schedule 8 to 13 form part of Profit & Loss Account

For **RAJAN SANKAR & CO.**

Chartered Accountants

N. Ravishankar

Partner

M. No. 023548

Kolkata

27th July, 2009

Hemant Bangur

Chairman

P. J. Bhide

B. R. Bhansali

K. C. Mohta

B. L. Dhanuka

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	2008/09 Rs.	2007/08 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	1,09,48,138	1,28,39,970
Adjustments for		
Depreciation	36,41,782	24,60,313
Interest Paid	1,08,75,553	2,01,25,084
Interest Received	(71,75,899)	(16,496)
Loss/(Profit) on Sale of Fixed Assets	(1,499)	(94,94,134)
Profit on Sale of Investments	-	-
Income from Investments	(15,523)	(10,380)
Operating Profit before working capital changes	1,82,72,552	2,59,04,357
Adjustments For :		
Trade and other receivables	36,36,071	(66,02,831)
Inventories	13,87,518	(12,47,094)
Trade and other payables	28,14,725	(1,80,21,342)
Cash generated from operations	2,61,10,866	33,090
Less : Direct Taxes	80,000	65,000
Net Cash from Operating Activities	2,60,30,866	(31,910)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	34,51,008	4,55,81,661
Capital work-in-progress	(27,20,245)	75,95,066
Sale/Redemption of Investments	0	5,500
Divident received	15,523	10,380
Interest Received	71,67,806	45,314
Purchase of Fixed Assets	(1,32,84,316)	(1,63,89,810)
Net Cash Flow from Investing Activities	(53,70,224)	3,68,48,111
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Brrowings	5,47,05,371	(3,25,35,858)
Short Term Borrowings	(2,97,50,000)	1,32,50,000
Interst Paid	(4,50,11,948)	(1,45,58,837)
Dividend Paid	-	-
	(2,00,56,577)	(3,38,44,695)
EQUIVALENTS (A+B+C)	6,04,065	29,71,506
CASH AND CASH EQUIVALENTS AS ON 31-03-2009	49,00,189	42,96,124
LESS : CASH AND CASH EQUIVALENTS AS ON 31-03-2008	42,96,124	13,24,618
	6,04,065	29,71,506

For **RAJAN SANKAR & CO.**

Chartered Accountants

N. Ravishankar

Partner

M. No. 023548

Kolkata

27th July, 2009

Hemant Bangur

Chairman

P. J. Bhide

B. R. Bhansali

K. C. Mohta

B. L. Dhanuka

Directors

SCHEDULE 1

Share Capital

Authorised

5000 - 12% Cumulative Preference of Rs. 100 each
49,50,000 - Equity Shares of Rs. 10 each

Issued, Subscribed and paid up :

17,71,908 - Equity Shares of Rs. 10 each fully paid up

Of the above

- (i) 71,451 Equity Shares were allotted as fully paid up pursuant to a contract for consideration other than cash except in respect of 64,745 shares for which Rs 2.08 per share was received in cash
- (ii) 6,45,907 Equity Shares were allotted as fully paid up by way of Bonus Shares through the capitalisation of Reserves
- (iii) 1,14,285 Equity Shares were allotted as fully paid up pursuant to a Scheme of amalgamation

As at 31st Mar-09 Rs.	As at 31st Mar-08 Rs.
5,00,000	5,00,000
4,95,00,000	4,95,00,000
<u>5,00,00,000</u>	<u>5,00,00,000</u>
1,77,19,080	1,77,19,080
<u>1,77,19,080</u>	<u>1,77,19,080</u>

SCHEDULE 2

Reserves and Surplus

Fixed Assets Revaluation Reserve :

As per last Balance Sheet

Less : Transfer to Profit and Loss Account

Adjustment on disposal of assets

Capital Reserve :

As per last Balance Sheet

Capital Redemption Reserve :

As per Last Balance Sheet

	As at 31st Mar-09 Rs.	As at 31st Mar-08 Rs.
As per last Balance Sheet	41,74,85,893	42,41,16,864
Less : Transfer to Profit and Loss Account	5,04,032	8,20,972
Adjustment on disposal of assets	2	58,09,999
	<u>41,69,81,859</u>	<u>41,74,85,893</u>
Capital Reserve :		
As per last Balance Sheet	10,35,31,628	10,35,31,628
Capital Redemption Reserve :		
As per Last Balance Sheet	1,13,300	1,13,300
	<u>52,06,26,787</u>	<u>52,11,30,821</u>

SCHEDULE 3

Loans

	As at 31st Mar-09 Rs.	As at 31st Mar-08 Rs.
Secured :		
Term Loans from Bank	9,75,924	6,97,553
Cash Credit from Bank	0	2,80,00,000
Interest Accured and due to Bank	0	2,97,64,457
Loan from Holding Company	5,24,27,000	6,30,00,000
Interest accrued and due	0	40,14,762
	<u>5,34,02,924</u>	<u>12,54,76,772</u>
Unsecured :		
Loan from others	10,29,30,485	3,96,80,485
Interest accrued and due	0	3,57,176
	<u>10,29,30,485</u>	<u>4,00,37,661</u>
	<u>15,63,33,409</u>	<u>16,55,14,433</u>

Notes :

1. Term Loans from bank is secured by hypothecation of vehicles purchased.
2. Loan from Holding Company is secured by equitable mortgage of Kinalur, Chemoni and Pudukad Estates, Rubber Wood Factory and landed properties at Goa.

SCHEDULE - 4

Fixed Assets

Description of Assets	Cost/Valuation				Depreciation				Net Value of Assets	
	To 1st April 2008 Rs.	Additions during the year Rs.	Deductions/Transfer during the year Rs.	Total Value to 31st March 2009 Rs.	To 1st April 2008 Rs.	For the year Rs.	Deductions during the year Rs.	To 31st March 2009 Rs.	As on 31st March 2009 Rs.	As on 31st March 2008 Rs.
LAND		(c)		(b)						
Freehold (a)	21,34,44,227	26,87,666	0	21,61,31,893	0	0	0	0	21,61,31,893	21,34,44,227
Lease hold	21,94,87,159	0	16,62,046	21,78,25,113	0	0	0	0	21,78,25,113	21,94,87,159
DEVELOPMENT	61,67,245	22,22,113	0	83,89,358	0	0	0	0	83,89,358	61,67,245
SEEDING PONDS	1,96,80,593	0	0	1,96,80,593	87,16,955	0	0	87,16,955	1,09,63,638	1,09,63,638
BUILDINGS	9,25,99,438	50,02,709	0	9,76,02,147	4,48,54,656	14,66,902	0	4,63,21,558	5,12,80,589	4,77,44,782
ROADS & BRIDGES	37,99,620	3,41,616	0	41,41,236	19,18,119	44,168	0	19,62,287	21,78,949	18,81,501
			(d)							
MACHINERY	4,52,54,973	14,89,982	17,87,461	4,49,57,494	2,69,00,346	17,72,112	0	2,86,72,458	1,62,85,036	1,83,54,627
FURNITURE	35,38,624	3,63,980	7,802	38,94,802	29,56,059	1,06,319	7,798	30,54,580	8,40,222	5,82,565
VEHICLES	62,62,930	11,76,250	0	74,39,180	44,49,881	7,56,313	0	52,06,194	22,32,986	18,13,049
TOTAL	61,02,34,809	1,32,84,316	34,57,309	62,00,61,816	8,97,96,016	41,45,814	7,798	9,39,34,032	52,61,27,784	52,04,38,793
Previous Year	69,74,48,700	1,63,89,810	10,36,03,701	61,02,34,809	14,82,20,906	32,81,285	6,17,06,175	8,97,96,016	52,04,38,793	

(a) Includes Development of Pullikanam Tea Estate

(b) Includes Rs. 48,38,66,013/- on revaluation in 1993 (2008/2009 - Rs. 41,69,81,859/-)

(c) Ownership right purchased from the Lessee for Rs. 16,62,046/-

(d) Subsidy received from Tea Board

SCHEDULE - 5**Investments**

Particulars	Face Value Rs	As at 1st Apr-08		Additions during the year		Deductions during the year		As at 31st Mar-09	
		No	Amount Rs	No	Amount Rs	No	Amount Rs	No	Amount Rs
LONG TERM NON-TRADE									
Quoted :									
In fully paid Equity Shares in									
The Periakaramalai Tea & Produce Co. Ltd.	10	2,230	1,36,057	0	0	0	0	2,230	1,36,057
The Pullangode Rubber & Produce Co. Ltd.	10	90	275	0	0	0	0	90	275
The Kailas Rubber Company Ltd.	10	20	311	0	0	0	0	20	311
The Rajagiri Ribber & produce Co. Ltd.	10	100	1,410	0	0	0	0	100	1,410
The Malankara Rubber & Produce Co. Ltd.	10	80	1,013	0	0	0	0	80	1013
Jooktollee Tea and Industries Ltd.	10	720	38,593	0	0	0	0	720	38,593
The Thirumbadi Rubber Co. Ltd.	10	327	13,463	0	0	0	0	327	13,463
Graphite India Limited	2	665	3,087	0	0	0	0	665	3,087
Shree Synthetics Ltd.	10	100	2,432	0	0	0	0	100	2,432
Kings International Aqua Marine Exports Ltd.	10	500	5,000	0	0	0	0	500	5,000
LKP Merchant Finance Ltd.	10	1,200	48,000	0	0	0	0	1,200	48,000
Others :									
Kerala Land Reforms Bond 1993		0	1,300	0	0	0	0	0	1300
Kisan Vikas Patra		0	500	0	0	0	0	0	500
		2,51,441		0		0		2,51,441	

2007/2008

2008/2009

	2007/2008		2008/2009	
	Book Value Rs	Market Value Rs	Book Value Rs	Market Value Rs
Quoted Investments	2,49,641	#	2,49,641	#

Latest market value for quoted shares is not available,

SCHEDULE 6
Current Assets, Loans and Advances

	As at 31st Mar-09 Rs.	As at 31st Mar-08 Rs.
CURRENT ASSETS		
Inventories :		
Stores and spare parts	42,16,494	64,92,942
Nursery Stock	9,09,688	8,23,945
Loose Tools, Medical and Laboratory Equipment	5,85,662	5,88,932
Rubber	1,58,70,408	1,38,52,330
Tea	29,70,382	42,79,544
Rubberwood	84,756	1,05,945
Scrap	1,38,000	19,270
	2,47,75,390	2,61,62,908
Sundry Debtors :		
Unsecured :		
Debts Outstanding for a period exceeding six months		
Considered Good	81,678	34,336
Other Debts	15,92,993	1,04,44,785
	16,74,671	1,04,79,121
Cash and Bank Balances :		
Cash on hand	1,77,447	1,25,615
Balance with Scheduled Bank :		
On Current Accounts	46,37,742	40,85,509
On Deposit Accounts	85,000	85,000
	49,00,189	42,96,124
OTHER CURRENT ASSETS		
Interest accrued on deposits	11,468	3,375
LOAN AND ADVANCES :		
Unsecured :		
Advances recoverable in cash or in kind or for value to be received		
Considered good :	1,67,00,347	1,13,75,759
Other Deposits	14,46,161	16,02,370
	1,81,46,508	1,29,78,129
	4,95,08,226	5,39,19,657

**SCHEDULE 7
Current Liabilities and Provisions**

	As at 31st Mar-09 Rs.		As at 31st Mar-08 Rs.	
CURRENT LIABILITIES				
Sundry Creditors :				
I. Due to Creditors other than Small Scale Industrial Undertakings	1,06,99,189		87,21,279	
II. Advance against sale of Kinalur undertakings	15,94,97,252	17,01,96,441	15,94,97,252	16,82,18,531
Other Liabilities		1,28,84,444		1,80,63,656
Due to Directors		34,000		56,000
		18,31,14,885		18,63,38,187
Provisions				
For Gratuity	3,15,68,149		2,19,98,000	
Less : Amount Paid	76,40,842	2,39,27,307	33,55,814	1,86,42,186
For Taxation	2,92,17,283		2,91,37,282	
Less : Payments in advance	2,34,73,594	57,43,689	2,35,39,525	55,97,757
Other Provisions		1,83,59,563		1,77,52,589
		4,80,30,559		4,19,92,532
		23,11,45,444		22,83,30,719

**SCHEDULE 8
Income**

	For the year ended 31st Mar-09		For the year ended 31st Mar-08	
	Qty(Kgs.)	Value(Rs.)	Qty(Kgs.)	Value(Rs.)
Sales				
Rubber (Processed)	13,12,379	14,38,32,816	12,61,179	13,01,78,173
Rubber (Trading)	2,18,500	2,98,68,750	1,56,000	1,46,83,800
Tea	4,89,215	3,09,03,737	3,42,027	1,59,98,307
Treated Rubber Wood		0		0
Trees		1,51,39,009		65,14,187
Minor Produce Sales		66,177		3,00,522
		21,98,10,489		16,76,74,989
Increase / (Decrease) in Stock				
Opening Stock - Rubber	1,29,189	1,38,52,330	1,74,642	1,77,48,411
Opening Stock - Tea	75,254	42,79,544	20,881	9,54,060
Opening Stock - Treated Rubberwood	60 cft	1,05,945	60 cft	1,05,945
		1,82,37,819		1,88,08,416
Less : Closing Stock - Rubber	1,58,553	1,58,70,408	1,29,189	1,38,52,330
Closing Stock - Tea	45,352	29,70,382	75,254	42,79,544
Closing Stock - Treated Rubberwood	60 cft	84,756	60 cft	1,05,945
		1,89,25,546		1,82,37,819
		6,87,727		(5,70,597)
		22,04,98,216		16,71,04,392

SCHEDULE 9
Expenditure

	For the year ended 31st Mar-09 (Rs.)		For the year ended 31st Mar-08 (Rs.)	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Raw Material Purchase		3,73,97,900		2,45,80,154
Rubber Purchases		2,94,20,479		1,44,69,500
Salaries, Wages and Bonus		8,05,10,430		6,46,29,191
Contribution to Provident and other Funds		54,46,875		47,89,760
Gratuity		95,70,149		45,97,221
Workmen and Staff Welfare Expenses		49,30,190		34,34,901
Consumption of Stores and Spare Parts		2,18,99,040		1,80,89,521
Power and Fuel		65,49,868		49,08,396
Rent including Lease Rentals		5,07,398		2,46,822
Repairs to Buildings	44,36,376		41,78,472	
Repairs to Machinery	18,03,857	62,40,233	18,06,342	59,84,814
Vehicle Maintenance		15,07,775		9,05,340
Insurance		6,85,230		6,24,539
Rates and Taxes		7,56,597		4,15,546
Freight and Forwarding Charges		12,16,116		13,36,415
Miscellaneous		15,39,568		12,35,382
		20,81,77,848		15,02,47,502

SCHEDULE 10
Miscellaneous Overheads

	For the year ended 31st Mar-09 (Rs.)		For the year ended 31st Mar-08 (Rs.)	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Selling Commission		3,17,508		2,20,077
Payment to Auditors :				
Audit fee	1,00,000		1,00,000	
Taxation / Tax Audit	35,000		35,000	
Other Services	35,000		35,000	
Expenses	38,086	2,08,086	34,314	2,04,314
Printing & Stationery, Subscription, Postage & Other Charges		11,87,030		11,45,974
Legal & Professional Charges		18,00,357		8,55,461
Travelling Expenses (includes Directors' Travelling Expenses)		9,13,871		7,28,277
Directors' Sitting fees		38,000		26,000
Donations		12,501		21,303
Consultancy and Agency fees		64,411		1,36,207
Bad Debts / Advances written off		1,39,706		81,787
		46,81,470		34,19,400

SCHEDULE 11**Miscellaneous Overheads**

	For the year ended 31st Mar-09		For the year ended 31st Mar-08	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Interest				
on Term Loans		1,08,75,553		1,58,94,595
on Working Capital		0		42,30,489
		<u>1,08,75,553</u>		<u>2,01,25,084</u>

SCHEDULE 12**Other Income**

	For the year ended 31st Mar-09		For the year ended 31st Mar-08	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Divident Received		15,523		10,380
Compensation Received		4,07,099		0
(TDS Rs.3,99,744/-, 2007/08, Rs. Nil)				
Interest Received - Gross from Bank	11,044		9,134	
(TDS Rs. Nil, 2007/08, Rs. 160/-)				
Others	71,64,855	71,75,899	7,362	16,496
(TDS Rs.5,84,263/-, 2007/08, Rs. Nil)				
Profit / (Loss) on sale of Assets		1,499		94,94,134
Subsidy from Tea Board		8,33,993		8,34,195
Miscellaneous Receipts		4,91,364		8,20,057
Provision for Interest no longer required written back		53,37,457		0
Credit Balances no longer required written back		35,63,741		1,08,12,615
		<u>1,78,26,575</u>		<u>2,19,87,877</u>

SCHEDULE 13

Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2009

A. SIGNIFICANT ACCOUNTING POLICIES**1. Basis of Accounting**

The accounts are prepared on historical cost convention (with the exception of certain land and plant and machinery which were revalued) based on Accrual Method of Accounting and applicable Accounting Standards and on Going Concern Basis in accordance with accounting standards referred in Section 211(3C) of Companies Act, wherever applicable.

2. Use of Estimates

The preparation of financial statements are in conformity with generally accepted accounting principles which requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/ materialized.

3. Fixed Assets

- (i) Fixed Assets are stated at cost inclusive of interest on borrowings attributable to acquisition of Fixed Assets and increased by revaluation of assets at their fair market values as on 31/3/1993 as determined by approved valuers, less depreciation except in respect of Aqua Culture and Rubber Wood Divisions and Kinalur Estate of Rubber Division for which no depreciation is provided during the year.
- (ii) Fixed Assets taken on lease (other than land taken on perpetual lease) are not capitalized and the annual lease rentals are absorbed in the Profit and Loss Account. The excess of lease rentals paid over the amount accrued in respect thereof is treated as prepaid lease rental.

4. Investments

Long term Investments are stated at cost and provision for diminution is made if the decline in value is other than of a temporary nature. Cost includes brokerage, stamp duty and other financial charges directly attributable to their acquisition.

5. Inventory Valuation

Stores & Spare parts	- Weighted Average Cost
Nursery Stock	- At cost
Loose tools, Medical & Lab equipments	- Amortized over a period of 3 years
Rubber, Tea , Treated Rubber wood & Scrap	- Net realizable Value.

6. Retirement Benefits

Retirement benefits to employees are ascertained and provided in the accounts as per AS 15 "Employees Benefits".

Gratuity:

Company has taken group gratuity policy for future payment of gratuity with the Life Insurance Corporation of India (LIC). Incremental liability for gratuity is provided in the accounts based on actuarial valuation. The company has entered into an agreement with LIC in respect of arrears of premium payable for previous years.

Superannuation Fund:

This is a defined contribution plan. The company contributes under the defined contribution plan, managed by Life Insurance Corporation of India. The company has no further obligations for future superannuation benefits other than its annual contributions and recognises such contribution as expenses in the year incurred.

Provident Fund:

This is a defined contribution plan, and contributions made to the fund are charged to revenue. The company has no further obligations for future provident fund benefits other than annual contribution.

7. Revenue Recognition

Sales comprise of sales of goods, net of discounts and sales return, Sales Tax and Excise Duty wherever applicable. Sale of standing trees is accounted as and when they are removed and the proceeds are credited to the Profit and Loss Account.

Dividends from companies are accounted as income in the year in which they are received.

8. Depreciation

Depreciation on assets other than relating to Aqua culture and Rubber Wood Divisions are provided under WDV method at the rates specified under Schedule XIV of the Companies Act, 1956. However, depreciation is not provided in respect of Aqua culture and Rubber Wood Divisions and Kinalur estate of Rubber Division since these Divisions are not in operation.

Value of lease hold land taken on perpetual lease and development expenditure thereto are not amortized. Depreciation on the incremental value on revaluation is debited to the Fixed Assets Revaluation Reserve account.

9. Replanting Expenses

Replanting expenses are charged to the Profit and Loss Account of the year in which they are incurred.

10. Foreign Currency Transaction

There were no foreign currency transactions made during the year under audit.

11. Taxation

No provision for taxation for current year is made in view of carried forward losses. The Company has significant unabsorbed depreciation and carried forward losses. In the absence of virtual certainty of realization of unabsorbed depreciation and carry forward losses, no deferred tax assets has been recognized, which is not quantified.

12. Impairment of Assets

At each balance sheet date, the carrying values of the tangible assets are reviewed to determine whether there is any indication that those assets have suffered on impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent

of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the company estimates the recoverable amount of the group of assets as a whole to determine the value of impairment.

13. Borrowing Cost

Borrowing Cost if any are capitalised as part of qualifying fixed assets when it is possible that they will result in future economic benefit. Other borrowing cost are expended.

14. Segment Reporting

As the entire operation of the company relate to products relate to "Plantation" as a single primary reportable segment, in the opinion of management no separate segment reporting is required under Accounting Standard (AS 17) issued by Institute of Chartered Accountants of India.

15. Cash Flow

Cash flow statement has been prepared in accordance with the Indirect Method prescribed in the Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

B. NOTES ON ACCOUNTS

1. Disclosure of related party transaction as per AS.18 "Related Party Disclosures" of The Institute Of Chartered Accountants Of India.

a) Name of related parties and nature of relationship where control exists are as under:-

Persons having a direct or indirect control
Over the Company/Subsidiary Company
Key Managerial Personnel

Mr. Hemant Bangur - Director

Mr. S. D. Bhatler - Former

Executive Director(up to 20-08-2008)

Enterprises with which the Company had transaction over which the Key Managerial Personnel/Relatives have significant influence:

The Malabar Processors Ltd.

Joonktollee Tea & Industries Ltd.,

Credwyn Holdings (India) Pvt. Ltd.,

Wind Power Vinimay Pvt. Ltd.,

b) Related Party Disclosures :

Nature of transaction	Persons having Direct or Indirect control over Company (Rs. in lacs)		Subsidiary Companies (Rs. in lacs)	Key Managerial Personnel and their relatives (Rs. in lacs)	Enterprises over Which the key Managerial Personnel/ Relatives have significant influence (Rs. in lacs)		Previous year (Rs. in lacs)
Sale of goods The Malabar Processors Ltd.,	-	-	-	-	-	157.28	141.72
Dividend recd. Jooktollee Tea & Inds. Ltd.	-	0.01	-	-	-	-	0.01
Loans taken by the company :	Loan	Interest	-	-	Loan	Interest	-
Secured:							
Joonktollee	524.27	-	-	-	-	-	-
Tea & Inds. Ltd.	-	70.04	-	-	-	-	738.31
Kettlewell Bullen & Co. Ltd.	-	-	-	-	-	-	8.40
Unsecured :							
Credwyn Holdings (India) Pvt. Ltd.	-	-	-	-	525.00	30.34	204.62
Wind Power Vinimay Pvt. Ltd.	-	-	-	-	225.00	3.86	-

As at 2009 31st March, 2008
Rs. Rs.

2. Salary and allowances payable to the former Executive Director the Company amounting to Rs. 13,99,051/- was not paid/provided as the approval of the Central Government is yet to be received
3. A) Estimate amount of contracts remaining to be executed on capital account and not provided for (net of advances) - -
- B) Commitments towards future lease rentals (Net of Advances) **6,39,733** 7,27,233
- C) Claims against the company not acknowledged as debts :
 - i) Sales Tax / CST / Interest **2,13,331** 28,42,123
 - ii) Claims of Creditors and workers **14,57,492** 7,32,657
 - iii) Seigniorage payable to Kerala Forest Dept. **33,65,035** 11,43,398
4. The Rubberwood Factory has not been in operation for nearly 11 years pursuant to notice received from the Deputy Conservator of Forests (Protection), Trivandrum. The representation made earlier to the Chief Divisional Officer is still pending. The Company is making fresh representation to the Forest Officials concerned for withdrawal of Ban imposed on the Company, as the same is not applicable in our case.
5. The Company has received notice from the Directorate of Revenue Intelligence prohibiting any alteration/ disposal of certain assets of CIF value approximately Rs.1.1 crores imported for Rubberwood project, consequent to non-fulfillment of export obligation. Demand for payment of balance Customs Duty has been fully paid. The Company has filed a writ petition before the Hon'ble High Court of Madras against the levy of Interest of Rs.30,29,925/- by the Department.

6. The Kinalur Estate continues to be in possession of the Advocate Receiver appointed by the court as reported earlier. Since the bidder Mr.P.K.C.Ahamedkutty has failed to make payment towards the balance sale consideration, the Company has approached the 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 Kinalur Estate on conditions as may be decided by the Hon'ble High Court of Kerala.
7. Sundry Debtors/Creditors, Loans and Advances and Deposits include certain overdue and unconfirmed
10. a) Capacity, Production etc.

balances. However, in the opinion of the management, these current assets would, in the ordinary course of business, realize the values stated in the accounts.

8. In view of no operations in Aqua Culture , Rubber Wood Divisions and Kinalur Estate of Rubber Division, depreciation amounting to Rs.29.60 Lacs has not been provided in the accounts.
9. Repairs to Buildings and Machineries include :
- | | | |
|-------------------------------------|---------|---------|
| Salaries and Wages | 2702854 | 2718527 |
| Consumption of Stores & spare parts | 1509866 | 2027485 |

Classes of goods	Units	Licensed Capacity		Installed Capacity		Actual Production	
		07/08	06/07	07/08	06/07	08/09	07/08
Rubber after process loss	Kg	N/A	N/A	N/A	N/A	13,41,743	12,15,726
Made Tea	Kg	N/A	N/A	N/A	N/A	4,59,313	3,96,400

*As certified by the Management

- b) Value of Raw materials / Finished goods purchased and stores and spares consumed :

	Kg.		Rs.	
	31.03.2009		31.03.2008	
Green Leaf Purchased	2,47,666	25,63,379	1,76,275	15,01,774
Raw Latex / Rubber purchased	3,10,949	3,48,34,521	2,59,449	2,30,78,380
Finished goods (Rubber) Purchased	2,18,500	2,94,20,479	1,56,000	1,44,69,500
Stores & spare parts consumed :				
Indigenous		2,34,08,906		2,01,17,006
Imported		Nil		Nil

11. (a) There are no small-scale industries to which the Company owes dues, which were outstanding for more than 30 days as on the balance sheet date. The amount due to small scale industrial undertaking has been determined to the extent such parties has been identified on the basis of information available with the company. This has been relied by Auditors.
- (b) The Company has not received any intimation from "Suppliers" regarding their status Under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating

to the amounts unpaid as at the year end together with interest paid/payable as required Under said Act could not be furnished.

12. The company has written back credit balances no longer required amounting to Rs.3563741/- during the year. The bank interest provision amounting to Rs.5337457/- was written back, in the view of OTS settlement with Federal Bank by the Holding Company, Joonktolee Tea & Industries Limited.
13. The comparative figure for the previous year have been regrouped wherever necessary to confirm to the classification for the year.

SCHEDULE 13

Significant Accounting Policies and Notes on Accounts for the year ended 31st March 2009

C. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I. Registration Details			
Registration No.	006156	State Code	09
Balance Sheet Date	31 03 2009		
	Date Month Year		
II. Capital raised during the year (Amount in Rs. Thousand)			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)			
Total Liabilities	694679	Total Assets	694679
Sources of Funds		Reserves and Surplus	
Paid-up Capital	17719	Unsecured Loans	102930
Secured Loans	53403	Investments	251
Application of Funds		Misc. Expenditure	NIL
Net Fixed Assets	533022		
Net Current Assets	(181637)		
Accumulated Losses	343043		
IV. Performance of the Company (Amount in Rs. Thousand)			
Turnover	238325	Total Expenditure	227377
Profit / (Loss) before tax	10948	Profit / (Loss) after tax	10868
Earning per share in Rs	6.13	Dividend Rate %	NIL
V. Generic Names of Three Principal Products/Services of Company (as per Monetary terms)			
1) Item Code No (ITC Code)		400110.02	
Product Description		Centrifuged Latex	
2) Item Code No (ITC Code)		090240.02	
Product Description		Black Tea	

Signature to Schedules 1 to 13

For **RAJAN SANKAR & CO.**

Chartered Accountants

N. Ravishankar

Partner

M. No. 023548

Kolkata

27th July, 2009

Hemant Bangur

Chairman

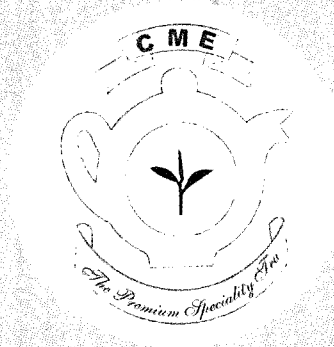
P. J. Bhide

K. C. Mohta

Directors

B. R. Bhansali

B. L. Dhanuka



THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

39/4946-A, Ground Floor, NGO Union Office Building
Pallimukku, Kochi-682 016, Kerala State