



THE COCHIN MALABAR ESTATES
AND INDUSTRIES LIMITED



ANNUAL REPORT
09-10

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

Singhi & Co.
Chartered Accountants

REGISTRARS & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001

GARDENS

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

REGISTERED OFFICE

21, Strand Road
Kolkata - 700 001
West Bengal

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DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 80th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL PERFORMANCE

(Amount in Rs.)

	31.03.2010	31.03.2009
Profit for the year before Depreciation	1,80,93,186	1,45,89,920
Deduct : Depreciation	49,32,855	36,41,782
Profit Before Tax	1,31,60,331	1,09,48,138
Deduct : Provision for Corporate Taxation	—	—
Fringe Benefit Tax	—	80,000
Net Profit	1,31,60,331	1,08,68,138
Add : Balance of Profit /(Loss) brought forward from previous year	(34,30,43,286)	(35,39,11,424)
Balance Carried to Balance Sheet	(32,98,82,955)	(34,30,43,286)

DIVIDEND

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31st March, 2010.

REVIEW OF OPERATIONS**RUBBER ESTATES****Chemoni, Pudukad & Ichipara Estates**

Your Company's production of Rubber during the year was lower by 67,815 kgs. at 10,21,055 Kgs. compared to 10,88,870 Kgs. harvested in the previous year. The production was lower primarily on account of poor yields from old standing trees and un-conducive weather conditions which prevailed during the harvesting months of the year. The Company also purchased 1,70,411 Kgs. of field latex/cenex from the market for better utilization of processing facilities at the Estates and to meet, timely, the orders on hand.

The overall price realization was higher by Rs.8 per Kg. over last year which was partly due to producing quality products. Company continues to focus on quality to fetch premium in the market for its product.

Kinalur Estate

The Hon'ble High Court of Kerala delivered the judgment or order dismissing all cases/ suits and intervening applications by various parties in respect of different issues pertaining to the Estate. Accordingly, the Hon'ble Court released the Receiver appointed by it holding possession of the Estate. Owing to the fact that Mr. P. K. C Ahmmad Kutty, who had agreed to

buy the property, failed repeatedly in honouring his commitment to pay the sale consideration amount due to the Company in stipulated time, the Company has, as such, cancelled the Memorandum of Understanding entered into with him and also revoked the Power of Attorney granted in his favour.

Sampaji Estate

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 this Estate is still pending.

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.

TEA ESTATE**Pullikanam Estate**

Made Tea Production was impacted by unfavourable weather conditions during the year. Your Company produced 4,15,850 Kgs. Tea as against the production of 4,59,313 Kgs. during 2008-09. The average selling price for your Company's Tea for the year was higher by Rs.11/- per Kg. at Rs.74/- per Kg. as compared to Rs.63/- per Kg. realized last year. The main factors which contributed in getting higher price were production of improved quality teas and favourable market conditions.

OTHER DIVISION

Aqua Culture Division

Two of the Company's Aqua Culture Farms were disposed of earlier and third Farm remained without any activity for quite some time. Accordingly, the developmental expenditure capitalized pertaining to these Farms stands written off and effect thereof is given in the accounts for the year under review. Possibilities are being explored for proper use of available land for productive purposes.

PROSPECTS

RUBBER

It is estimated that the world Rubber consumption is to go up by 11% in 2010-11, but the current trends do not reflect matching production to be achieved in the Rubber producing countries. The projected mismatch between demand and supply has already resulted in higher prices. The benchmark RSS Grade Rubber price is currently ruling around Rs.180/- per Kg. as compared to Rs.130/- per Kg. prevailing some time back. Increase in inputs cost, both for material and man power will impact the profitability. However, it is expected that prices will be remunerative in the remaining period of the year.

TEA

Demand for Tea is likely to remain at higher level in view of overall production being lower. Consequently, the prices will remain firm.

Your Company has undertaken massive replantation programme both in Tea and Rubber in a phased manner. With the replanted areas coming into bearing, performance of the Company is expected to improve significantly in the coming years.

HOLDING COMPANY

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

REGISTERED OFFICE

Your Company's Registered Office stands shifted to the State of West Bengal from the State of Kerala in terms of the approval granted by the Company Law Board vide its order dated 6th April, 2010.

PUBLIC DEPOSITS

In terms of the provisions of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits

Rules) 1957, your Company has not invited/accepted any Deposits during the year under review.

SECRETARIAL COMPLIANCE CERTIFICATE

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

SOCIAL WELFARE

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

DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is provided in Annexure 'A' forming part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms :

- i) that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- ii) that the selected Accounting Policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profits of the Company for the year ended on that date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the annual accounts have been prepared on a going concern basis; and
- v) that the Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company.

DIRECTORS

Shri Hemant Bangur and Shri B.L. Dhanuka retire from the Board by rotation and are eligible for re-appointment at the forthcoming Annual General Meeting. The Notice convening the forthcoming Annual General Meeting includes the proposals for re-appointment of Directors.

AUDITORS

The Auditors, M/s. Singhi & Co. Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

In respect of Auditors' observations in para 2(f) of their Report, attention is invited to Notes B-6 and B-7 of Schedule 13 of the Accounts which are self-explanatory.

PERSONNEL

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.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the Banks, Central and State Government Authorities, Regulatory Authorities, Stock Exchanges and the Stakeholders for their continued co-operation and support to the Company. Your Directors also wish to record their appreciation for the continued co-operation and support received from the employees of the Company.

On behalf of the Board

Kolkata
5th August, 2010

Hemant Bangur
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

(A) CONSERVATION OF ENERGY

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

FORM 'A'

Form for Disclosure of Particulars with respect to Conservation of Energy

	2009-10	2008-09
A) POWER & FUEL CONSUMPTION		
1. Electricity		
(a) Purchased		
Units (KWH)	3,14,002	2,92,432
Total Amount (Rs.)	17,49,082	22,02,171
Rate/Unit (Rs.)	5.57	7.53
(b) Own Generation		
(i) Through Diesel Generator - Unit	38,136	34,446
Unit per Litre of Diesel Oil	3.01	2.87
Cost/Unit (Rs.)	12.10	12.15
(ii) Through Steam Turbine/Generator	—	—
2. Others : (Purchased)		
Fire Wood (used in Drier Heaters)		
Quantity (m ³)	2,623.39	2,511.30
Value (Rs.)	17,31,055	14,92,861
Average Cost (Rs./m ³)	659.82	594.45
B) CONSUMPTION PER UNIT PRODUCTION		
Standard, if any, Product - Tea (Unit/Kg)		
Electricity	0.75	0.71
Coal	—	—
Petroleum Code	—	—
Briquetted Fuel	—	—
Fire Wood	0.006	0.005
Note : No Standards are available for comparison		

FORM 'B'

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

RESEARCH AND DEVELOPMENT (R & D)

- 1 Specific areas in which R&D carried out by the Company : Nil
- 2 Benefits derived as a result of the above R&D : N.A.
- 3. Future Plan of Action : Improvement in cultural and plant protection practices as recommended by Tea Board are being adopted in addition to our own efforts for achieving better productivity and quality.
- 4. Expenditure on R&D 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 recommendation of Tea Board in addition to its own efforts for improving productivity and quality.
- 2. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development etc. : Improvement in productivity and quality.
- 3. In case of imported technology following information may be furnished :
 - (a) Technology imported : Nil.
 - (b) Year of import : N.A.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

On behalf of the Board

Kolkata
5th August, 2010

Hemant Bangur
Chairman

ANNEXURE TO DIRECTORS' REPORT SECRETARIAL 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, 2010. 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 of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies 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 Joonkolllee Tea & Industries Ltd. by virtue of Section 4(1)(a) of the Companies Act, 1956.
4. The Board of Directors duly met five times respectively on 27.04.2009, 07.05.2009, 27.07.2009, 27.10.2009 and 27.01.2010 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 16.09.2009 to 22.09.2009 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 31.03.2009 was held on 22.09.2009 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.
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 of Directors, Members or Central Government.
12. The Company has not issued any 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 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.
(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 and the appointment of Directors have been duly made.
15. The Company has not appointed any Managing Director / Whole-Time Director / Manager during the financial year. The appointment of Whole Time Director made during the last financial year was approved by the Central Government during this financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company had filed a petition before the Company Law Board for shifting of registered office from Kochi (State of Kerala) to Kolkata (State of West Bengal) in the last financial year which has been approved by the Order dated 06.04.2010.
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 no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, 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 banks and others during the financial year are within the borrowing 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 fresh investments in other bodies corporate during the financial year.
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. The alteration was made in the last financial year for shifting of registered office from Kerala to West Bengal.
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 not altered its Articles of Association during the financial year.
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 was imposed on the Company and its directors. The Shareholders and Creditors winding up petitions filed against the Company are pending before the Hon'ble High Court of Kerala
32. The Company has not received any security deposit from its employees during the year.
33. The Company has deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Companies Act, 1956.

For **SUSHIL TIWARI & ASSOCIATES**
Company Secretaries

Place : Kolkata
 Date : 05.08.2010

Sushil Tiwari
Proprietor

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 of Directors
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 / Central Government during the financial year ended on 31st March, 2010

Form No.	Filed u/s	For	Filed on
Form No. 17	138	Satisfaction of Charges - The Federal Bank Ltd.	19-05-2009
Form No. 17	138	Satisfaction of Charges - The Federal Bank Ltd.	19-05-2009
Form No. 17	138	Satisfaction of Charges - The Federal Bank Ltd.	19-05-2009
Form No. 17	138	Satisfaction of Charges - The Federal Bank Ltd.	19-05-2009
Form No. 17	138	Satisfaction of Charges - The Federal Bank Ltd.	19-05-2009
Form No. 17	138	Satisfaction of Charges - The Federal Bank Ltd.	19-05-2009
Form No. 17	138	Satisfaction of Charges - Abhuudaya Agrotech Pvt. Ltd.	20-05-2009
Form No. 8	127	Creation of Charges - Joonktollee Tea & Industries Limited.	30-05-2009
Form No. 32	303(2)	Change in Designation - As Nominee Director (Shri Hemant Bangur & Shri B.L. Dhanuka) and Appointment of Additional Director (Shri K.C. Mohta)	23-05-2009
Form No. 32	303(2)	Change in Designation - As Nominee Director (Shri K.C. Mohta)	30-05-2009
Form No. 32	303(2)	Appointment of Additional Director (Shri P.J. Bhide) and Cessation of Director (Shri G.S. Narayan)	25-08-2009
Form No. 23ACA	220	Profit & Loss Account for the year ended 31.03.2009	16-10-2009
Form No. 23AC	220	Balance Sheet for the year ended 31.03.2009	16-10-2009
Form No. 66	383A	Secretarial Compliance Certificate for the year ended 31.03.2009	16-10-2009
Form No. 32	303(2)	Change in Designation - As Director (Shri K.C. Mohta & Shri P. J. Bhide)	22-10-2009
Form No. 20B	159	Annual Return - Annual General Meeting held on 22-09-2009	20-11-2009

AUDITOR'S REPORT

To
The Members 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 31st March, 2010, and the Profit & Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. 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 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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 (as amended) issued by the Central Government 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 paragraph 4 & 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, Profit and Loss account and Cash Flow Statement dealt with by the report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit & 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.

- e) On the basis of the written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
- f) *Reference is invited to the following observations, impact of which on the Company's Profit is stated in the respective notes below :*
 - i) *We are unable to express an opinion about the profitability of Kinalur Estate and also the physical condition of the assets of the estate.*
 - ii) *Note No. B-6 of Schedule 13 regarding non provision of Depreciation in respect of Rubber Wood Division and Kinalur Estate of Rubber Division amounting to Rs.13.84 Lacs.*
 - iii) *Note No. B-7 of Schedule 13 regarding valuation of closing stock of Finished Goods at the lower of cost and net realizable value, which was hitherto being valued at net realizable value. Due to this change in the method of valuation the Profit for the year as well as the closing Inventories is stated lower to the tune of Rs. 57.52 Lacs.*

Subject to our comments in para 2 (f) above and read together with the other Notes thereon, the said Accounts, in our opinion, and to the best of our information and according to the explanations given to us, 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;

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
- ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date, and
- iii) In the case of the Cash Flow Statement of the Cash Flows of the Company for the year ended on that date.

For **SINGHI & CO.**
Chartered Accountants
FR No. 302049E
Sudesh Choraria
Partner
Membership No. 204936

Place : Chennai
Dated : 05.08.2010

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in our Report of even date on the Accounts of THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED as at and for the year ended 31st March, 2010)

1. (i) The Company has maintained proper records to show full particulars including quantitative details and situation of its Fixed Assets.
 - (ii) Some of the Fixed Assets of the Company 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*. According to the information and explanations given to us no material discrepancies were noticed on physical verification carried on by the management.
 - (iii) The Company has not disposed off any substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. (i) The inventories have been physically verified during the year by the management at all its locations other than the Rubber Wood Division and Kinalur Estate of Rubber Division which were non-operational. In our opinion, the frequency of verification is reasonable.
 - (ii) The procedures of physical verification of inventories, followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.
 - (iii) The Company is maintaining proper records of inventory. As far as we can ascertain and according to the information and the explanations given to us, the discrepancies noticed between the physical stocks and book stocks were not material and the same have been properly dealt with in the books of account.
3. a) As per the information & explanations provided to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
 - b) The Company has taken loans, secured and unsecured, from the Companies listed in the register maintained under Section 301 of the Companies Act, 1956 as per details given below. However the terms and conditions are not prejudicial to the interest of the Company.
- | Name of the Party | Closing Balance (Rs. in Lacs) | Maximum Balance (Rs. in Lacs) | Rate of Interest | Nature |
|--------------------------------------|-------------------------------|-------------------------------|------------------|--|
| Joonkoollee Tea and Industries Ltd. | 524.27 | 524.27 | Nil | Secured against first charge on Kinalur, Chemoni and Pudukad Estates, Rubber Wood Factory and Properties at Goa. |
| Credwyn Holding (India) Pvt Ltd | 590.00 | 690.00 | 13% | Un-Secured |
| Wind Power Vinimay Pvt Ltd | 425.00 | 425.00 | 13% | Un-Secured |
| PDGD Investments & Trading Pvt. Ltd. | 50.00 | 50.00 | 13% | Un-Secured |
- c) The payment of the principal amount and interest are regular.
 - 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. On the basis of checks carried out during the course of audit and as per explanations given to us, in our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of Inventory and Fixed Assets and for the sale of goods and services.
 5. During the course of our Audit, no major weakness has been noticed in the internal controls in these respects.
 5. As per the information and explanations given to us, no transactions have been undertaken during the year in pursuance of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
 6. The Company has not accepted any deposits from the public during the year, to which the provisions of Section 58-A, 58-AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under apply.

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. a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities.
- b) According to the information and explanations given to us and the books and records examined by us, there was no undisputed amount outstanding as on 31st March, 2010 in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues for a period of more than six months from the date they became payable.
- c) According to the records of the Company and as per the information and explanations provided to us, the dues (net of advances) outstanding in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty, Cess etc., on account of any dispute, are given below :

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute pending
Central Sales Tax , 1956	CST Levy on Rubber Cess	2,13,331	1988-89 to 1992-93	Supreme Court of India
Customs Act	Interest on Customs Duty	30,29,925	1992 to 2006	High Court of Madras, Chennai

10. In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth and it has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. As per the information and explanations given to us by the management, the Company has not taken any loans from financial institutions and banks. Hence, the requirements of Para 4 (xi) of the above Order are not applicable to the Company.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund, nidhi or mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments, and hence, the requirements of Para 4 (xiv) of the above Order are not applicable to the Company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. No term loans were raised by the Company during the year.
17. According to the information and explanations given to us, in our opinion, short term funds have not been used for long term purposes or vice versa.
18. During the year, the Company has not made any preferential allotment of shares.
19. The Company has not issued debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **SINGHI & CO.**
Chartered Accountants
FR No. 302049E
Sudesh Choraria
Partner
Membership No. 204936

Place : Chennai
Dated : 05.08.2010

BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rs.)

	Schedule	As at 31st March, 2010	As at 31st March, 2009
I. SOURCES OF FUNDS			
(1) Shareholders' Funds :			
(a) Share Capital	1	1,77,19,080	1,77,19,080
(b) Reserves and Surplus	2	52,01,49,584	52,06,26,787
		<u>53,78,68,664</u>	53,83,45,867
(2) Loan Funds :	3		
(a) Secured Loans		5,34,70,950	5,34,02,924
(b) Unsecured Loans		10,65,00,000	10,29,30,485
		<u>15,99,70,950</u>	15,63,33,409
		<u>69,78,39,614</u>	<u>69,46,79,276</u>
II. APPLICATIONS OF FUNDS			
(1) Fixed Assets	4		
(a) Gross Block		62,29,57,965	62,00,61,816
(b) Less : Depreciation		8,93,94,673	9,39,34,032
(c) Net Block		<u>53,35,63,292</u>	52,61,27,784
(d) Capital Work-in-Progress		37,49,624	68,93,983
		<u>53,73,12,916</u>	53,30,21,767
(2) Investments	5	2,49,641	2,51,441
(3) Current Assets, Loans and Advances	6		
(a) Inventories		2,73,26,453	2,47,75,390
(b) Sundry Debtors		50,58,874	16,74,671
(c) Cash and Bank Balances		76,26,553	49,00,189
(d) Other Current Assets		7,234	11,468
(e) Loans and Advances		1,40,15,168	1,81,46,508
		<u>5,40,34,282</u>	<u>4,95,08,226</u>
Less : Current Liabilities and Provisions	7		
(a) Liabilities		18,10,11,121	18,31,14,885
(b) Provisions		4,26,29,059	4,80,30,559
		<u>22,36,40,180</u>	<u>23,11,45,444</u>
Net Current Assets		<u>(16,96,05,898)</u>	(18,16,37,218)
(4) Debit Balance of Profit and Loss Account		32,98,82,955	34,30,43,286
		<u>69,78,39,614</u>	<u>69,46,79,276</u>

Significant Accounting Policies and Notes on Accounts 13

Schedules 1 to 7 and 13 form an integral part of the Balance Sheet

As per our report of even date annexed

For **SINGHI & CO.**

Chartered Accountants

FR No. 302049E

Sudesh Choraria

Partner

Membership No. 204936

Place : Chennai

Dated : 5th August, 2010

Hemant Bangur Chairman

B. R. Bhansali Director

K. C. Mohta Director

B. L. Dhanuka Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs.)

	Schedule	For the year ended 31st March, 2010	For the year ended 31st March, 2009
INCOME			
Sales	8	18,57,62,933	21,98,10,489
Increase/(Decrease) in Stock	8	(13,56,942)	6,87,727
Miscellaneous Income	9	3,00,05,077	1,78,26,575
		<u>21,44,11,068</u>	<u>23,83,24,791</u>
DEDUCT			
Expenditures	10	16,38,54,795	20,81,77,848
Miscellaneous Overheads	11	1,84,64,468	46,81,470
Interest Paid	12	1,39,98,619	1,08,75,553
Depreciation	4	54,10,058	41,45,814
Less : Transferred from Revaluation Reserve		<u>4,77,203</u>	<u>5,04,032</u>
		49,32,855	36,41,782
		<u>20,12,50,737</u>	<u>22,73,76,653</u>
Profit for the year before tax		1,31,60,331	1,09,48,138
Provision for Tax		—	80,000
Profit after tax		1,31,60,331	1,08,68,138
Add : Deficit brought forward from previous year		(34,30,43,286)	(35,39,11,424)
Loss carried forward to Balance Sheet		(32,98,82,955)	(34,30,43,286)
Significant Accounting Policies & Notes on accounts	13		
Basic and Diluted Earnings per share (Rs.)		7.43	6.13
(Face value of Rs.10/- each)			

Schedules 8 to 13 form an integral part of the Profit & Loss Account

As per our report of even date annexed

For **SINGHI & CO.**

Chartered Accountants

FR No. 302049E

Sudesh Choraria

Partner

Membership No. 204936

Place : Chennai

Dated : 5th August, 2010

Hemant Bangur Chairman**B. R. Bhansali** Director**K. C. Mohta** Director**B. L. Dhanuka** Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010
(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

(Amount in Rs.)

	2009 - 2010	2008 - 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	1,31,60,331	1,09,48,138
Adjustments for :		
Depreciation	49,32,855	36,41,782
Interest paid	1,39,98,619	1,08,75,553
Interest received	(65,501)	(71,75,899)
Loss/(Profit) on sale of Fixed Assets	(36,470)	(1,499)
Loss on Fixed Assets discarded	1,13,78,652	–
Loss/(Profit) on sale of Investments	1,800	–
Bad debts/Advances written off	9,74,766	1,39,706
Income from Investments	(15,872)	(15,523)
Operating profit before working capital changes	4,43,29,180	1,84,12,258
Adjustments for :		
Trade and other receivables	(2,27,629)	34,96,365
Inventories	(25,51,063)	13,87,518
Trade and other payables	(75,05,264)	28,14,725
Cash generated from operations	3,40,45,224	2,61,10,866
Less : Direct Taxes	–	80,000
NET CASH FROM OPERATING ACTIVITIES	3,40,45,224	2,60,30,866
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	2,07,841	34,51,008
Capital work-in-progress	31,44,359	(27,20,245)
Dividends received	15,872	15,523
Interest received	69,735	71,67,806
Purchase of Fixed Assets	(2,43,95,589)	(1,32,84,316)
NET CASH FLOW FROM INVESTING ACTIVITIES	(2,09,57,782)	(53,70,224)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term borrowings	68,026	5,47,05,371
Short term borrowings	35,69,515	(2,97,50,000)
Interest paid	(1,39,98,619)	(4,50,11,948)
Dividend paid	–	–
NET CASH FLOW FROM FINANCING ACTIVITIES	(1,03,61,078)	(2,00,56,577)
EQUIVALENTS (A+B+C)	27,26,364	6,04,065
CASH AND CASH EQUIVALENTS AS ON 31-03-2010	76,26,553	49,00,189
LESS : CASH AND CASH EQUIVALENTS AS ON 31-03-2009	49,00,189	42,96,124
	27,26,364	6,04,065

This is the Cash Flow referred to in our Report of even date

As per our report of even date annexed

For **SINGHI & CO.**

Chartered Accountants

FR No. 302049E

Sudesh Choraria

Partner

Membership No. 204936

Place : Chennai

Dated : 5th August, 2010

Hemant Bangur Chairman

B. R. Bhansali Director

K. C. Mohta Director

B. L. Dhanuka Director

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2010

(Amount in Rs.)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised :		
5,000 - 12% Cumulative Preference Shares of Rs 100/- each	5,00,000	5,00,000
49,50,000 - Equity Shares of Rs 10/- each	4,95,00,000	4,95,00,000
	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed and paid up :		
17,71,908 - Equity Shares of Rs 10/- each fully paid up	1,77,19,080	1,77,19,080
	<u>1,77,19,080</u>	<u>1,77,19,080</u>
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 March, 2010	As at 31st March, 2009
SCHEDULE 2		
RESERVES AND SURPLUS		
Fixed Assets Revaluation Reserve :		
As per last Balance Sheet	41,69,81,859	41,74,85,893
Less :		
Transfer to Profit and Loss Account	4,77,203	5,04,032
Adjustment on disposal of assets	- 41,65,04,656	2 41,69,81,859
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>52,01,49,584</u>	<u>52,06,26,787</u>

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2010

(Amount in Rs.)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 3		
LOANS		
SECURED :		
Loan from Holding Company	5,24,27,000	5,24,27,000
Vehicle Loans from Bank	10,43,950	9,75,924
	<u>5,34,70,950</u>	<u>5,34,02,924</u>
UNSECURED :		
Loan from others	10,65,00,000	10,29,30,485
	<u>10,65,00,000</u>	<u>10,29,30,485</u>
	<u>15,99,70,950</u>	<u>15,63,33,409</u>

Notes :

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

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2010

SCHEDULE 4

FIXED ASSETS

(Amount in Rs.)

Description of Assets	Cost/Valuation			Depreciation			Net Value of Assets		
	As on 1st April 2009	Additions during the year	Deductions/ Transfer during the year	Total Value upto 31st March 2010	As on 1st April 2009	For the year	Deductions during the year	As on 31st March 2010	As on 31st March 2009
LAND				(a)					
-Freehold	21,61,31,893	-	-	21,61,31,893	-	-	-	-	21,61,31,893
-Leasehold	21,78,25,113	-	-	21,78,25,113	-	-	-	-	21,78,25,113
DEVELOPMENT	83,89,358	99,58,204	4,15,014	1,79,32,548	-	-	-	-	83,89,358
SEEDING PONDS	1,96,80,593	-	1,96,80,593	-	87,16,955	-	87,16,955	-	1,09,63,638
BUILDINGS	9,76,02,147	10,86,343	-	9,86,88,490	4,63,21,558	15,77,436	-	4,78,98,994	5,12,80,589
ROADS & BRIDGES	41,41,236	1,88,854	-	43,30,090	19,62,287	63,686	-	20,25,973	21,78,949
MACHINERY	4,49,57,494	1,07,64,547	6,88,647	5,50,33,394	2,86,72,458	25,66,268	6,47,156	3,05,91,570	1,62,85,036
FURNITURE	38,94,802	1,31,502	-	40,26,304	30,54,580	1,38,067	-	31,92,647	8,40,222
VEHICLES	74,39,180	22,66,139	7,15,186	89,90,133	52,06,194	10,64,601	5,85,306	56,85,489	22,32,986
TOTAL	62,00,61,816	2,43,95,589	2,14,99,440	62,29,57,965	9,39,34,032	54,10,058	99,49,417	8,93,94,673	52,61,27,784
Previous Year	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

(a) Includes Rs. 48,38,66,013/- on revaluation in 1993 (2009/2010 - Rs. 41,65,04,656/-)

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2010

(Amount in Rs.)

SCHEDULE 5									
INVESTMENTS									
Particulars	Face Value	As at 1st April, 2009		Additions during the period		Deductions during the period		As at 31st March, 2010	
		Rs.	No.	Rs.	No.	Rs.	No.	Rs.	No.
LONG TERM NON - TRADE									
Quoted :									
In fully paid Equity Shares in									
The Periakaramalai Tea & Produce Co. Ltd.	10	2,230	1,36,057	1,115*	–	–	–	3,345	1,36,057
Aspinwall & Company Limited **	10	90	275	–	–	–	–	90	275
The Kailas Rubber Company Ltd.	10	20	311	–	–	–	–	20	311
The Rajagiri Rubber & Produce Co.Ltd.	10	100	1,410	–	–	–	–	100	1,410
The Malankara Rubber & Produce Co.Ltd.	10	80	1,013	–	–	–	–	80	1,013
Joonkoollee Tea and Industries Ltd.	10	720	38,593	–	–	–	–	720	38,593
The Thirumbadi Rubber Co.Ltd.	10	327	13,463	–	–	–	–	327	13,463
Graphite India Limited	2	665	3,087	–	–	–	–	665	3,087
Shree Synthetics Ltd.	10	100	2,432	–	–	–	–	100	2,432
Kings International Aqua Marine Exports Ltd.	10	500	5,000	–	–	–	–	500	5,000
LKP Merchant Finance Ltd.	10	1,200	48,000	–	–	–	–	1,200	48,000
Others :									
Kerala Land Reforms Bond 1993		–	1,300	–	–	–	1,300	–	–
Kisan Vikas Patra		–	500	–	–	–	500	–	–
			2,51,441		–		1,800		2,49,641

	2008/2009		2009/2010	
	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.

* Bonus Shares allotted during the year.

** Shares allotted on amalgamation of Pullangode Rubber & Produce Co. with Aspinwall & Company Ltd.

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2010

(Amount in Rs.)

	As at 31st March, 2010		As at 31st March, 2009	
SCHEDULE 6				
CURRENT ASSETS				
INVENTORIES :				
Stores and spare parts	84,98,101		42,16,494	
Nursery Stock	7,83,057		9,09,688	
Loose Tools, Medical and Laboratory Equipment	4,35,199		5,85,662	
Assets held for disposal	41,492		–	
Rubber	1,13,04,079		1,58,70,408	
Tea	62,64,525		29,70,382	
Rubberwood	–		84,756	
Scrap	–	2,73,26,453	1,38,000	2,47,75,390
SUNDRY DEBTORS :				
Unsecured :				
Debts Outstanding for a period exceeding six months				
Considered Good	1,62,872		81,678	
Other Debts	48,96,002	50,58,874	15,92,993	16,74,671
CASH AND BANK BALANCES :				
Cash on hand	3,02,300		1,77,447	
Balance with Scheduled Banks :				
On Current Accounts	72,94,253		46,37,742	
On Deposit Accounts	30,000		85,000	
		76,26,553		49,00,189
OTHER CURRENT ASSETS :				
Interest accrued on deposits		7,234		11,468
LOANS AND ADVANCES :				
Unsecured :				
Advances recoverable in cash or in kind or for value to be received				
Considered good :	1,29,62,003		1,67,00,347	
Other Deposits	10,53,165	1,40,15,168	14,46,161	1,81,46,508
		5,40,34,282		4,95,08,226

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2010

(Amount in Rs.)

	As at 31st March, 2010	As at 31st March, 2009
SCHEDULE 7		
CURRENT LIABILITIES AND PROVISIONS		
Liabilities		
Sundry Creditors :		
Due to Creditors other than Small Scale Industrial Undertakings	1,07,26,359	1,06,99,189
Other Liabilities (Refer Note No. 4 of Schedule 13)	17,02,74,762	17,23,81,696
Due to Directors	10,000	34,000
	<u>18,10,11,121</u>	<u>18,31,14,885</u>
Provisions :		
For Gratuity	3,40,17,927	3,15,68,149
Less : Amount Paid	<u>72,95,063</u> 2,67,22,864	<u>76,40,842</u> 2,39,27,307
For Taxation	2,92,17,283	2,92,17,283
Less : Payments in advance	<u>2,34,81,378</u> 57,35,905	<u>2,34,73,594</u> 57,43,689
Other Provisions	1,01,70,290	1,83,59,563
	<u>4,26,29,059</u>	<u>4,80,30,559</u>
	<u>22,36,40,180</u>	<u>23,11,45,444</u>

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
SCHEDULE 8		
INCOME		
SALES		
Rubber (Processed)	14,59,19,514	14,38,32,816
Rubber (Trading)	39,10,305	2,98,68,750
Tea	2,76,04,635	3,09,03,737
Trees	80,54,354	1,51,39,009
Minor Produce	2,74,125	66,177
	<u>18,57,62,933</u>	<u>21,98,10,489</u>
INCREASE/(DECREASE) IN STOCK		
Opening Stock - Rubber	1,58,70,408	1,38,52,330
- Tea	29,70,382	42,79,544
- Treated Rubberwood	84,756	1,05,945
	<u>1,89,25,546</u>	<u>1,82,37,819</u>
Closing Stock - Rubber	1,13,04,079	1,58,70,408
- Tea	62,64,525	29,70,382
- Treated Rubberwood	-	84,756
	<u>1,75,68,604</u>	<u>1,89,25,546</u>
	<u>(13,56,942)</u>	<u>6,87,727</u>
	<u>18,44,05,991</u>	<u>22,04,98,216</u>

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2010

(Amount in Rs.)

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
SCHEDULE 9		
MISCELLANEOUS INCOME		
Dividend Received	15,872	15,523
Compensation Received (TDS - Rs. Nil, 2008/09 - Rs. 3,99,744/-)	—	4,07,099
Interest Received - Gross from Bank (TDS - Rs. Nil, 2008/09 - Rs. Nil)	27,715	11,044
Others (TDS - Rs. 7,784/- 2008/09 - Rs. 5,84,263/-)	37,786	71,64,855
	65,501	71,75,899
Profit/(Loss) on sale of Assets	36,470	1,499
Subsidy from Tea Board	—	8,33,993
Miscellaneous Receipts	7,05,562	4,91,364
Provision for Interest no longer required written back	—	53,37,457
Credit Balances/Liabilities no longer required written back	2,91,81,672	35,63,741
	<u>3,00,05,077</u>	<u>1,78,26,575</u>

	For the year ended 31st March, 2010	For the year ended 31st March, 2009
SCHEDULE 10		
EXPENDITURES		
Raw Material Purchases	1,91,59,021	3,73,97,900
Rubber Purchases	36,99,941	2,94,20,479
Salaries, Wages and Bonus	7,97,51,537	8,05,10,430
Contribution to Provident and other Funds	56,84,561	54,46,875
Gratuity	76,30,303	95,70,149
Workmen and Staff Welfare Expenses	52,28,028	49,30,190
Consumption of Stores and Spare Parts	2,09,79,594	2,18,99,040
Power and Fuel	59,03,848	65,49,868
Rent including Lease Rentals	2,94,602	5,07,398
Repairs :		
- Buildings	45,78,388	44,36,376
- Machinery	17,02,614	18,03,857
Vehicle Maintenance	19,90,831	15,07,775
Insurance	3,59,205	6,85,230
Rates and Taxes	10,00,368	7,56,597
Freight and Forwarding Charges	8,19,263	12,16,116
Miscellaneous Expenses	13,04,528	15,39,568
Prior Period Expenses	37,68,163	—
	<u>16,38,54,795</u>	<u>20,81,77,848</u>

SCHEDULES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2010

(Amount in Rs.)

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
SCHEDULE 11				
MISCELLANEOUS OVERHEADS				
Selling Commission		1,68,076		3,17,508
Payments to Auditors :				
Audit fee	1,00,000		1,00,000	
Taxation/Tax Audit	35,000		35,000	
Other Services	35,000		35,000	
Expenses	1,11,135	2,81,135	38,086	2,08,086
Printing & Stationery, Subscription, Postage & Other Charges		10,74,500		11,87,030
Legal & Professional Charges		36,70,168		18,00,357
Travelling Expenses (includes Directors' Travelling Expenses)		8,04,495		9,13,871
Directors' Sitting fees		46,000		38,000
Donation		36,051		12,501
Consultancy and Agency fees		30,625		64,411
Bad Debts / Advances written off		9,74,766		1,39,706
Loss on Fixed Assets discarded		1,13,78,652		—
		<u>1,84,64,468</u>		<u>46,81,470</u>

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
SCHEDULE 12				
INTEREST PAID				
On Loans / Other Accounts		1,39,98,619		1,08,75,553
		<u>1,39,98,619</u>		<u>1,08,75,553</u>

SCHEDULES FORMING PART OF THE ACCOUNTS**SCHEDULE 13**

Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2010

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 and the relevant provisions of Companies Act, 1956.

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 31/03/1993 as determined by approved valuers, less depreciation except in respect of Rubber Wood Division and Kinalur Estate of Rubber Division for which no depreciation is provided during the year.
- (ii) Subsidies received in respect of fixed assets are deducted from the cost of respective assets.
- (iii) Items of machinery spares to be used in connection with an item of fixed assets are amortized over the useful life of the assets.
- (iv) 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 and unquoted Investments are stated at cost unless there is a permanent decline in value

thereof, in which case, adequate provision is made in the accounts. Cost includes brokerage, stamp duty and other financial charges directly attributable to their acquisition.

5. Inventories

- i) Stock of Finished Rubber, Tea and Other Minor Produce are valued at the lower of cost (determined on weighted average method) and net realizable value.
- ii) Stock of Stores and spare parts are valued at cost using the weighted average cost basis.
- iii) Loose tools etc. are amortized over a period of 3 years.

6. Retirement Benefits

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

i) Gratuity :

Company has taken group gratuity policy for future payment of gratuity with the Life Insurance Corporation of India (LIC). Incremental liability for gratuity has been provided in the accounts based on actuarial valuation. The arrears of premium are being paid in monthly instalments.

ii) 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 recognized such contribution as expenses in the year in which the same was incurred.

iii) 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.

SCHEDULES FORMING PART OF THE ACCOUNTS

8. Depreciation

Depreciation on assets other than relating to Rubber Wood Division are provided under WDV method at the rates specified under Schedule XIV of the Companies Act, 1956. However, depreciation is not provided for the year in respect of Rubber Wood Division 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 is charged to the Profit and Loss Account of the year in which they are incurred except for Replanting expenses of Tea Division for the reasons explained in Note No. 8 below.

10. Foreign Currency Transactions

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 Costs

Borrowing costs relating to acquisition/construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

14. Segment Reporting

As the entire operation of the Company's products relate to "Plantation" as 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 Statement

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

	2009-10 Rs.	2008-09 Rs.
1. a) Estimated 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)	5,52,233	6,39,733
c) Claims against the Company not acknowledged as debts :		
i) Central Sales Tax	2,13,331	2,13,331
ii) Claims of Creditors/Workers	9,42,740	14,57,492
iii) Seigniorage Charges (Kerala Forest Dept.)	53,62,033	33,65,035
iv) P. F. Damages	60,32,813	60,32,813

SCHEDULES FORMING PART OF THE ACCOUNTS

2. The Rubber Wood Factory has not been in operation for nearly 12 years pursuant to notice received from the Dy. 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.
3. The Company has received notice from the Directorate of Revenue Intelligence prohibiting any alteration/disposal of certain assets of CIF value approximately Rs. 1.10 Crores imported for Rubber wood 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.
4. The Hon'ble High Court of Kerala vide its order and judgement both dated 25th November, 2009 dismissed the suit and closed all Interlocutory Applications in respect of Kinalur Estate of the Company and accordingly the Receiver appointed was also released.

The Memorandum of Understanding for sale of Kinalur Estate to Mr. P.K.C. Ahammed Kutty has been terminated by the Company and other statutory bodies in earlier years due to non-fulfilment of obligations on his part. Pending finalization of the matter the amount so received continues to be shown under Current Liabilities.
5. Sundry Debtors/Creditors, Loans and Advances and Deposits include certain overdue and unconfirmed 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.
6. In view of no operations in Rubber Wood Division and Kinalur Estate of Rubber Division, depreciation amounting to Rs.13.84 Lacs has not been provided in the accounts.
7. The closing stock of Finished Goods as at 31st March, 2010 was valued at the lower of cost and net realizable value. These were hitherto being valued at since realizable value. Due to change in the method of valuation, the closing stock of Finished Goods disclosed in these accounts is lower by Rs.57.52 Lacs.
8. Replantation expenditure incurred on area under cultivation is considered as revenue expenditure as per the policy of the Company consistently followed. During the year the Company has taken up a plan to replant over the next seven years, a substantial part of the Tea Estate abandoned in earlier years as the existing Tea plants could not be revived. Expenditure of Rs.99.58 Lacs incurred during the year as per the said plan has been capitalized as the benefit of the same shall accrue over a very long period of time.

SCHEDULES FORMING PART OF THE ACCOUNTS

9. Disclosure as per Accounting Standard - 15 related to Employee Benefits

(Rs. in Lacs)

Particulars	2009-2010 Gratuity	
	Funded	Unfunded
Current Service Cost	17.98	—
Interest Cost	26.36	—
Expected return on Plan Assets	(5.31)	—
Actuarial (Gain)/Losses	2.43	—
Past Service Cost	27.23	7.61
Expenses recognized in Profit & Loss Account	68.69	7.61
Present Value of the Defined Benefit Obligation	(340.18)	—
Fair value of Plan Assets	72.95	—
Net Asset/(Liabilities) recognized in Balance Sheet	(267.23)	—
Present value of Defined Benefit Obligations as at 1st April, 2009	302.23	—
Current Service Cost	17.98	—
Past Service Cost	27.23	—
Interest Cost	26.36	—
Actuarial (Gain)/Losses	(0.05)	—
Benefits Paid	(33.57)	—
Present Value of Obligation as at 31st March, 2010	340.18	—
Fair Value of Plan Assets as at 1st April, 2009	76.40	—
Expected return on Plan Assets	5.31	—
Actuarial Gain/(Losses)	(2.48)	—
Benefits Paid	(33.57)	—
Contributions	27.29	—
Fair Value of Plan Assets as at 31st March, 2010	72.95	—
Principal Actuarial Assumptions used		
Discount rates as at 31st March, 2010	8%	—
Expected returns on Plan Assets	9%	—
Expected salary increase rates	5%	—
Mortality Rates	LIC (94-96) Ultimate Rate	—
Major categories of Plan Assets as a percentage of Fair Value of Plan Assets	LIC - 100%	—

10. Disclosure of related party transaction as per AS 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India.

Relationships :

a) Holding Company :

Joonkoollee Tea & Industries Ltd.

b) Other Enterprises over which the Key Managerial Personnel/Relatives are able to exercise significant influence :

Credwyn Holdings (India) Pvt. Ltd.

Wind Power Vinimay Pvt. Ltd.

PDGD Investments & Trading Pvt. Ltd.

c) Key Managerial Personnel

Mr. Hemant Bangur - Chairman

SCHEDULES FORMING PART OF THE ACCOUNTS

The following transactions were carried out with the Related Parties in the ordinary course of business :

(Rs. in Lacs)

Particulars	Joonktolee Tea & Industries Ltd.	Credwyn Holdings (India) Pvt. Ltd.	Wind Power Vinimay Pvt. Ltd.	PDGD Investments & Trading Pvt. Ltd.
Dividend Received	0.01	—	—	—
Previous Year	0.01	—	—	—
Interest Paid	—	82.70	44.73	0.99
Previous Year	—	30.34	3.86	—
Loan Received/(Refunded) during the year (Net)	—	65.00	200.00	50.00
Previous Year	524.27	525.00	225.00	—
Closing Balances	524.27	590.00	425.00	50.00
Previous Year	524.27	555.34	228.86	—

11. Earnings per Share :

	2009-10	2008-09
a) Profit /(Loss) after taxation as per Profit & Loss Account (Rs.)	1,31,60,331	1,08,68,138
b) Number of Equity shares outstanding (Nos.)	17,71,908	17,71,908
c) Basic and diluted earnings per share (in Rs.) (Face value Rs.10/- per share)	7.43	6.13

12. Repairs to Buildings and Machineries include :

	2009-10	2008-09
Salaries and Wages	42,05,201	27,02,854
Consumption of Stores & Spare parts	12,19,812	15,09,866

13. (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 upon 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.

14. The Company has written back liabilities and credit balances no longer required amounting to Rs. 2,91,81,672/- during the year. The Company also written off Bad debts/Advances no longer required amounting to Rs. 9,74,766/- and also written of Fixed Assets amounting to Rs. 1,13,78,652/- during the year. In the opinion of the management the amounts are not payable/receivable/realisable and hence treated as income/expenses of the current year.

15. a) Capacity, Production etc.

Classes of goods	Units	Licensed* Capacity		Installed* Capacity		Actual Production	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Rubber (after process loss)	Kg.	N/A	N/A	N/A	N/A	11,66,905	13,41,743
Made Tea	Kg.	N/A	N/A	N/A	N/A	4,15,850	4,59,313

* As certified by the Management.

SCHEDULES FORMING PART OF THE ACCOUNTS

	2009-10		2008-09	
	Kgs.	Rs.	Kgs.	Rs.
b) Turnover :				
Rubber (Processed)	12,03,676	14,59,19,514	13,12,379	14,38,32,816
Rubber (Trading)	38,500	39,10,305	2,18,500	2,98,68,750
Tea	3,74,561	2,76,04,635	4,89,215	3,09,03,737
Minor Produce	–	2,74,125	–	66,177
c) Stock of Finished Goods :				
i) Opening Stock :				
Rubber	1,58,553	1,58,70,408	1,29,189	1,38,52,330
Tea	45,352	29,70,382	75,254	42,79,544
Minor Produce	–	84,756	–	1,05,945
ii) Closing Stock :				
Rubber	1,21,782	1,13,04,079	1,58,553	1,58,70,408
Tea	86,641	62,64,525	45,352	29,70,382
Minor Produce	–	–	–	84,756
d) Purchase of Traded goods :				
Rubber	38,500	36,99,941	2,18,500	2,94,20,479
e) Raw Materials consumed : (100% Indigenous)				
i) Green Leaf :	17,59,605		17,06,143	
Being Raw materials harvested in the Company's own garden as Agricultural produce involving integrated activities of Nursery, Cultivation, Growth etc. and utilized in the manufacture of tea, its value at the intermediate stage could not be ascertained.				
ii) Green Leaf purchased	–	–	2,47,666	25,63,379
iii) Raw Latex/Rubber purchased	1,64,621	1,91,59,021	3,10,949	3,48,34,521
f) Value of Stores & Spare parts consumed (100% Indigenous) :		2,21,99,406		2,34,08,906

16. The comparative figure for the previous year have been regrouped/ re-arranged wherever necessary to conform to the classification for the year.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 13

Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2010

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

I. Registration Details

Registration No.	0 0 6 1 5 6	State Code	2 1
Balance Sheet Date	3 1 0 3 2 0 1 0		
	Date Month Year		

II. Capital raised during the year (Amount in Rs.Thousands)

Public Issue	N I L	Rights Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	6 9 7 8 4 0	Total Assets	6 9 7 8 4 0
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Sources of Funds

Paid-up Capital	1 7 7 1 9	Reserves and Surplus	5 2 0 1 5 0
Secured Loans	5 3 4 7 1	Unsecured Loans	1 0 6 5 0 0

Application of Funds

Net Fixed Assets	5 3 7 3 1 3	Investments	2 5 0
Net Current Assets	(1 6 9 6 0 6)	Misc.Expenditure	N I L
Accumulated Losses	3 2 9 8 8 3		

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover	2 1 4 4 1 1	Total Expenditure	2 0 1 2 5 1
Profit/(Loss) before tax	1 3 1 6 0	Profit/(Loss) after tax	1 3 1 6 0
Earning per share in Rs	7 . 4 3	Dividend Rate %	N I L

V. Generic Names of Three Principal Products/Services of Company (as per Monetary terms)

1) Item Code No (ITC Code)	4 0 0 1 1 0 . 0 2
Product Description	C E N T R I F U G E D L A T E X
2) Item Code No (ITC Code)	0 9 0 2 4 0 . 0 2
Product Description	B L A C K T E A

Signature to Schedules 1 to 13

As per our report of even date annexed

For **SINGHI & CO.**
Chartered Accountants
FR No. 302049E
Sudesh Choraria
Partner
Membership No. 204936
Place : Chennai
Dated : 5th August, 2010

Hemant Bangur Chairman
B. R. Bhansali Director
K. C. Mohta Director
B. L. Dhanuka Director

THE COCHIN MALABAR ESTATES AND INDUSTRIES LTD.

Registered Office : 21, Strand Road, Kolkata - 700 001

NOTICE

NOTICE is hereby given that the Eightieth Annual General Meeting of the Members of the Company will be held at Shripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020, the 29th September, 2010 at 11.30 A.M. for the purpose of transacting the following Business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, the Profit and Loss Account as on that date and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Shri Hemant Bangur who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri B.L. Dhanuka who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

Registered Office :
21, Strand Road,
Kolkata - 700 001
Date : 5th August, 2010

By Order of the Board

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 deposited with 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 Equity Shares of the Company will remain closed from 23rd September, 2010 to 29th September, 2010 (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. Members are requested to -
 - a. inform the Company/Registrar & Share Transfer Agent, the changes, if any;
 - b. Quote their Folio Numbers in all correspondence with the Company.
6. In terms of Circular No.MRD/DoP/Cir - 05/2009 dated 20th May, 2009 issued by the Securities and Exchange Board of India (SEBI), it is now mandatory for the transferee of the physical shares to furnish copy of PAN card to the Company or its RTA for registration of transfer of shares. Shareholders are requested to furnish copy of PAN card at the time of transferring physical shares.
7. Members who wish to obtain any information on the Company or the Accounts for the financial year ended 31st March, 2010 may send their queries to the Company at the Registered Office of the Company at least 10 days before the Annual General Meeting.
8. 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).
9. The Company's Equity Shares are listed at The Bombay Stock Exchange Ltd. at 25th Floor, P. J. Towers, Dalal Street, Mumbai - 400 001 and Madras Stock Exchange Ltd. at Stock Exchange Building, 11, Second Line Beach, Chennai-600 001 and upto date listing fees have been paid in time.
10. Members who are holding Shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the Share Certificates for consolidating their holding in one folio. The Share Certificates will be returned to the Members after making requisite changes thereon.
11. **MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE MEETING.**

THE COCHIN MALABAR ESTATES & INDUSTRIES LIMITED

Regd. Office : 21, Strand Road, Kolkata - 700 001

PROXY FORM

Folio No./DP ID & Client ID :

No. of Shares held :

I / We
of
..... being a member / members of The Cochin
Malabar Estates & Industries Limited, hereby appoint
of
or failing him
or as my / our proxy to attend and vote
for me / us on my / our behalf at the 80th Annual General Meeting of the Company to be held at Shripati Singhania Hall, Rotary
Sadon, 94/2, Chowringhee Road, Kolkata - 700 020 on Wednesday, the 29th September, 2010 at 11.30 A.M. and at any adjournment
thereof.

As witness my / our hand / hands this day of 2010

Signature.....

Affix Re. 1/-
Revenue
Stamp

Note :

- 1. Please do not fail to put proper revenue stamp and your signature, when sending this form to the Company.
- 2. The Proxy must be returned so as to reach the Registered Office of the Company not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.

THE COCHIN MALABAR ESTATES & INDUSTRIES LIMITED

Regd. Office : 21, Strand Road, Kolkata - 700 001

ATTENDANCE SLIP

Folio No./DP ID & Client ID :

No. of Shares held :

I/We hereby record my/our presence at the 80th Annual General Meeting of the Company to be held at Shripati Singhania Hall,
Rotary Sadon, 94/2, Chowringhee Road, Kolkata - 700 020 on Wednesday, the 29th September, 2010 at 11.30 A.M.

Name of the Shareholder
(in Block Letters)

Signature of the Shareholder

Name of Proxy
(in Block Letters)

Signature of the Proxy

You are requested to sign and hand over this at the entrance to the Meeting Venue.

