

**THE COCHIN MALABAR ESTATES  
AND INDUSTRIES LIMITED**



**ANNUAL REPORT  
2015**

## **BOARD OF DIRECTORS**

**P. J. Bhide**

**B. L. Surana**

**Tara Purohit**

**C. P. Sharma**

**R. K. Gupta**

## **BANKER**

Yes Bank

## **AUDITORS**

Singhi & Co., Kolkata

## **REGISTRARS & SHARE TRANSFER AGENTS**

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001

## **REGISTERED OFFICE**

21, Strand Road

Kolkata - 700 001

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## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting their 85th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2015.

### FINANCIAL PERFORMANCE:

(Amount in ₹)

	31.03.2015	31.03.2014
Profit /(Loss) for the year before Depreciation	1,77,66,314	40,73,83,868
Deduct : Depreciation / Impairment loss	1,88,26,792	—
Profit /(Loss) before Tax	(10,60,478)	40,73,83,868
Deduct : Provision for Corporate Taxation	—	—
Net Profit /(Loss)	(10,60,478)	40,73,83,868
Add : Balance of Profit /(Loss) brought forward from previous year	(1,36,87,036)	(42,10,70,904)
Balance Carried to Balance Sheet	(1,47,47,514)	(1,36,87,036)

### DIVIDEND:

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31st March, 2015.

### OPERATIONAL REVIEW:

During the year the Company has sold the property situated at Goa and recognized the profit on sale of the same.

The Rubber wood Factory has not been in operation for nearly 17 years pursuant to notice received from the Deputy Conservator of Forests (Protection), Trivandrum. The management is of the view that fixed assets (excluding land) of this division be impaired to the extent of ₹ 1,22,63,325/- at the net realizable value estimated by the management.

### FIXED DEPOSITS:

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

### LOANS, GUARANTEES AND INVESTMENTS:

The particulars of loans, guarantees and investments have been disclosed in the financial statements of the Company.

### RELATED PARTY TRANSACTIONS:

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Act. There are no materially significant related party transactions made by the Company with promoters, directors or key managerial personnel etc. during the year which might have potential conflict with the interest of the Company at large.

### DIRECTORS:

During the year the Company has appointed Shri R.K. Gupta, as Wholetime Director of the Company w.e.f. 14th February, 2015.

Shri P.J. Bhide was appointed as Independent Director for a term of one year upto the conclusion of the Annual General Meeting of the Company for the Financial Year ended 31st March, 2015. Shri P.J. Bhide has been reappointed as Independent Director for two consecutive years, for a term upto the conclusion of the Annual General Meeting of the Company for the financial year ending 31st March, 2017 as per the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and is not liable to retire by rotation. The Company has received requisite notice in writing from a member proposing Shri P.J. Bhide for appointment as an Independent Director of the Company.

Shri B.L. Surana was appointed as Independent Director for a term of one year upto the conclusion of the Annual General Meeting of the Company for the Financial Year ended 31st March, 2015. Shri B.L. Surana has been reappointed as Independent Director for five consecutive years, for a term upto the conclusion of the Annual General Meeting of

**DIRECTORS' REPORT** (Contd.)

the Company for the financial year ending 31st March, 2020 as per the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and is not liable to retire by rotation. The Company has received requisite notice in writing from a member proposing Shri B.L. Surana for appointment as an Independent Director of the Company.

Smt. Tara Purohit was appointed as an Additional Director of the Company during the current year, who holds office upto the conclusion of the ensuing Annual General Meeting and being eligible offers herself for appointment as an Independent Director of the Company for five consecutive years for a term upto the conclusion of the Annual General Meeting of the Company for the financial year ending 31 March, 2020 as per the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and is not liable to retire by rotation. The Company has received requisite notice in writing from a member proposing Smt. Tara Purohit for appointment as an Independent Director of the Company.

Necessary resolutions for the appointment / re-appointment of the aforesaid directors have been included in the notice convening the ensuing Annual General Meeting and details of the proposal for appointment / re-appointment are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the ensuing Annual General Meeting.

**NUMBER OF MEETINGS OF THE BOARD**

The Board met four times during the financial year. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

As stipulated by the Code of Independent Directors under the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 14th February, 2015 to review the performance of Non-independent Directors and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

For maintaining the independence of the Board, and separate its functions and management, Company's policy is to have an appropriate combination of Executive and Independent Directors. As on March 31, 2015, the Board consists of 5 members, of which, 4 are Non-Executive Directors (NED) and 1 is Executive Director (ED). The Board has 3 Independent NED (inclusive of 1 Woman Director), one Non-Executive Director and 1 Executive Director. The need for change in its composition and size are evaluated periodically. The remuneration paid to the Directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

**BOARD EVALUATION**

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. The evaluation of all the Directors and the Board as a whole was conducted and the Board approved the evaluation results as collated by the nomination and remuneration committee.

**DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The financial statements are prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. There are no material departures from prescribed Accounting Standards in the adoption of these standards.

The Board of Directors of the Company confirms that :

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



## **DIRECTORS' REPORT** (Contd.)

- ii) 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, 2015 and of the losses of the Company for the year ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis;
- v) the internal financial controls have been laid down and such internal financial controls are adequate and are operating effectively; and
- vi) the Company has adequate internal systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **RETIREMENT OF DIRECTOR:**

Shri C.P.Sharma is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

### **AUDITORS & AUDITORS' REPORT:**

M/s. Singhi & Co. Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting held on August 26, 2014 to hold office till the conclusion of the Annual General Meeting for the Financial Year 2014-15. The Audit Committee and the Board of Directors recommend the re-appointment of M/s. Singhi & Co., Chartered Accountants, as the Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting for the Financial Year 2018-19 subject to ratification of their appointment by the shareholders at every Annual General Meeting. M/s. Singhi & Co., Chartered Accountants, have confirmed that their appointment shall be within the limits and in accordance with the provisions of Section 141 of the Companies Act, 2013. M/s. Singhi & Co. has submitted the Peer Review certificate issued to them by Institute of Chartered Accountants of India (ICAI).

### **SECRETARIAL AUDITORS:**

The Board of Directors of the Company had appointed Mrs. Sweety Kapoor, Practicing Company Secretary to carry out secretarial audit for the financial year 2014-15 in terms of the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for the Financial Year 2014-15 is provided in Annexure - 1 forming part of this report. The observation of the Secretarial Auditor in her Secretarial Audit Report is self explanatory.

### **ANNUAL RETURN:**

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return as required under Section 92(3) of the Companies Act, 2013 and the Rules made thereunder is provided in Annexure - 2 forming part of this report.

### **KEY MANAGERIAL PERSONNEL:**

The Company has appointed Shri R.K. Gupta, as Wholetime Director of the Company and Shri A.K. Ruia as the Chief Financial Officer of the Company in terms of the requirements of the Companies Act, 2013.

### **WHISTLE BLOWER POLICY / VIGIL MECHANISM:**

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism to report concerns about unethical behavior or suspected fraud in violation of Company's Code of Conduct or any other point of concern.

### **INTERNAL FINANCIAL CONTROL:**

The Internal Audit of the Company is conducted by a Practicing Company Secretary. The findings of the Internal Audit and the Action Taken Report on the Internal Audit are placed before the Audit Committee which reviews the audit findings, steps taken and the adequacy of Internal Control System.

**DIRECTORS' REPORT** (Contd.)**RISK MANAGEMENT:**

The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined frame work.

**OTHER DISCLOSURES**

- i) There were no material changes and commitments affecting the financial position of the Company occurring between 31st March, 2015 and the date of this Report.
- ii) There is no change in the business of the Company.
- iii) There were no significant and material orders passed by regulator or courts or tribunals impacting the going concern status and Company's operation in future.

**PARTICULARS OF EMPLOYEES:**

Provisions of Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Rule 5(2) are not applicable to the Company.

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

Your Company did not have any manufacturing activity during the current Financial Year ended 31/03/2015 and as such information in accordance with the provisions of Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not attached.

**ACKNOWLEDGEMENT:**

Your Directors take this opportunity to express their appreciation for assistance and cooperation received from the commercial banks and other authorities.

On behalf of the Board

Place: Kolkata  
15th May, 2015

**(C.P. Sharma)**  
Director

**(R.K. Gupta)**  
Wholetime Director



## ANNEXURE TO THE DIRECTORS' REPORT

Form No. MR-3

Annexure - 1

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

**THE COCHIN MALABAR ESTATES & INDUSTRIES LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Cochin Malabar Estates & Industries Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (There is no Foreign Direct Investment)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable to the company during the audit period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable to the company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the company during the audit period as the company has not issued any debt securities)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable to the company during the audit period as the company is not registered as registrar to issue and share transfer agents)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (not applicable to the company during the audit period as the company has not delisted its equity shares from any stock exchange during the period under review)

## ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable to the company during the audit period as the company has not brought back any of its securities during the financial year under review)
- (vi) The Company presently has no manufacturing activities as confirmed by the Management of the Company and as such there is no specific law applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (not notified hence not applicable to the company during the audit period).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

I further confirm that compliance of applicable financial laws including Direct & Indirect Laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

*The Company has not appointed any Company Secretary as per provisions of Section 203 of the Companies Act, 2013.*

I further report that

- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- B. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- C. None of the Directors in any meeting dissented on any resolution and hence there was no instances of recording any dissenting member's view in the Minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

I further report that during the audit period the Company has not taken any major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013, having bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**Sweety Kapoor**

Practicing Company Secretary

Place: Kolkata

FCS No.:6410

Date: 15/05/2015

CP No.: 5738

*\*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.*





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## ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

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### Annexure - A

To,

The Members

#### THE COCHIN MALABAR ESTATES & INDUSTRIES LIMITED

My report of even date is to be read along with this letter.

- 1) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Sweety Kapoor**

*Practicing Company Secretary*

Place: Kolkata

Date: 15/05/2015

FCS No.:6410

CP No.: 5738

**ANNEXURE TO THE DIRECTORS' REPORT (Contd.)****Form No. MGT-9****Annexure - 2****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	:	L01132WB1991PLC152586
ii)	Registration Date	:	14/03/1930
iii)	Name of the Company	:	The Cochin Malabar Estates & Industries Limited
iv)	Category / Sub-Category of the Company	:	Public Company limited by shares
v)	Address of the Registered office and contact details	:	21, Strand Road, Kolkata – 700 001
vi)	Whether listed company Yes / No	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Maheshwari Datamatics Private Ltd. 6, Mangoe Lane, Kolkata – 700 001 Phone : (033) 2243-5029/5809 Fax No. : (033) 2248-4787 E-mail : mdpl@cal.vsnl.net.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product /service	% to total turnover of the Company
1	NOT APPLICABLE		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

The Company does not have any Holding, Subsidiary and Associate Companies as on 31st March, 2015.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual / HUF	86009	–	86009	4.8540	32719	–	32719	1.8465	(3.0075)
b) Central Govt									
c) State Govt									
d) Bodies Corp.	1084748	–	1084748	61.2192	1136465	–	1136465	64.1379	2.9187
e) Banks / FI									
f) Any Other									
<b>Sub-total (A) (1):</b>	<b>1170757</b>	<b>–</b>	<b>1170757</b>	<b>66.0732</b>	<b>1169184</b>	<b>–</b>	<b>1169184</b>	<b>65.9845</b>	<b>(0.0888)</b>
<b>2. Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									