

**THE COCHIN MALABAR ESTATES  
AND INDUSTRIES LIMITED**



**ANNUAL REPORT  
2017**

**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.  
23, R. N. Mukherjee Road, 5th 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 87th Annual Report with Audited Accounts of the Company for the year ended 31st March, 2017.

### FINANCIAL PERFORMANCE:

(Amount in ₹)

	31.03.2017	31.03.2016
Profit /(Loss) for the year before Depreciation	(4,913,467)	(1,588,954)
Deduct : Depreciation & Amortization	32,472	687,997
Profit /(Loss) before Tax	(4,945,939)	(2,276,951)
Deduct : Provision for Corporate Taxation	-	-
Net Profit /(Loss)	(4,945,939)	(2,276,951)
Add : Balance of Profit /(Loss) brought forward from previous year	(17,024,465)	(14,747,514)
Balance Carried to Balance Sheet	(21,970,404)	(17,024,465)

### DIVIDEND:

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31st March, 2017.

### OPERATIONAL REVIEW:

The Rubberwood Factory has not been in operation for nearly 19 years pursuant to notice received from the Deputy Conservator of Forests (Protection), Trivandrum. Based on the management estimates, impairment loss to the extent of ₹ 12,263,325 was provided in an earlier year on Fixed Assets (excluding land) of Rubberwood Factory considering the net realizable value.

### 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 and the SEBI (LODR) Regulations, 2015. 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.

A statement of all related party transactions is placed before the Audit Committee for approval.

The details of the transactions with the related parties are provided in the Company's Financial Statement.

### DIRECTORS and KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Shri C.P. Sharma, Director, will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

During the year the Company had two Key Managerial Personnel, being Shri R.K. Gupta, Wholetime Director and Shri A.K. Ruia, Chief Financial Officer.

**DIRECTORS' REPORT** (Contd.)

During the financial year ended 31st March, 2017, four Board Meetings were held on 13th May, 2016, 11th August, 2016, 11th November, 2016 & 7th February, 2017. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Independent Directors have submitted their disclosures to the Board that they meet the criteria as stipulated in Section 149(6) of the Companies Act, 2013 and in accordance with Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In accordance with the provisions of the Companies Act, 2013 none of the Independent Directors are liable to retire by rotation.

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 7th February, 2017 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.

**COMMITTEES OF THE BOARD****Audit Committee**

The Audit Committee comprises of two Independent Non-Executive Directors and one Non-Executive Director namely, Shri P.J. Bhide, Shri B.L. Surana & Shri C.P. Sharma respectively.

The Committee met 4 times during the year on 13th May, 2016, 11th August, 2016, 11th November, 2016 & 7th February, 2017.

**Nomination & Remuneration Committee**

The Nomination & Remuneration Committee comprises of two Independent Non-Executive Directors and one Non-Executive Director namely, Shri P.J. Bhide, Shri B.L. Surana & Shri C.P. Sharma respectively.

No meeting was held during the year.

**Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprises of two Independent Non-Executive Directors and one Wholetime Director namely, Shri P.J. Bhide, Shri B.L. Surana & Shri R.K. Gupta respectively.

During the year under review, the Committee met thrice on 23rd September, 2016, 28th December, 2016 & 9th February, 2017.

**NOMINATION AND REMUNERATION POLICY**

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, 2017, the Board consists of 5 members, of which, 4 are Non-Executive Directors (NED) and 1 is Wholetime Director. The Board has 3 Independent NED (inclusive of 1 Woman Director), one Non-Executive Director and 1 Wholetime 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 which is available at the website of the Company.

**BOARD EVALUATION**

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.

None of the Independent Directors are due for re-appointment.

**CORPORATE GOVERNANCE**

In accordance with Regulation 15(2) of the SEBI (LODR) Regulations, 2015, the compliance with the provisions of Corporate Governance are non-mandatory for the Company. The Board remains committed to maintain the highest standards of Corporate Governance and has implemented several good practices as prevalent in the industry.



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

### **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;
- 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, 2017 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.

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

#### **Statutory Auditors**

M/s. Singhi & Co. Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 22, 2015 to hold office till the conclusion of the Annual General Meeting for the Financial Year 2018-19. The appointment of M/s. Singhi & Co., Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders. 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. The Statutory Auditors have submitted the Peer Review certificate issued to them by the 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 2016-17 in terms of the provisions of Section 204(1) of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for the Financial Year 2016-17 is provided in Annexure - 1 forming part of this report. The observation of the Secretarial Auditor in her Secretarial Audit Report is self explanatory.

The Board has reappointed Mrs. Sweety Kapoor, Practicing Company Secretary as Secretarial Auditors of the Company for the Financial Year 2017-18.

### **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.

### **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.

**DIRECTORS' REPORT** (Contd.)**INTERNAL FINANCIAL CONTROL:**

For ensuring methodical and efficient conduct of its business, the Board has adopted policies and procedures. Thus, it ensures safeguarding of assets and resources of the Company, prevention and detention of frauds and errors, accuracy and completeness of the accounting records and timely preparation of financial disclosures.

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.

**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, 2017 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:**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

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

Your Company did not have any manufacturing activity during the current Financial Year ended 31/03/2017 and as such information in accordance with the provisions of clause (m) of Sub-section (3) of Section 134 of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not attached.

The Company does not have any Foreign Exchange inflow & outgo during the year.

**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  
3rd May, 2017

(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, 2017

[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**  
21, Strand Road  
Kolkata – 700 001

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, 2017 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, 2017 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 to the extent of Reg. 55A;
- (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; (not applicable to the company during the audit period)
- (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, 2015;
  - (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 (Share based employee benefit) Regulations, 2014; (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)
  - (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;

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

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (not applicable to the company during the audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (not applicable to the company during the audit period)
- (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/Regulations of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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.

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committee of the Board, as the case may be.

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 there were no instances of :

- Public/Rights/Preferential Issue of Shares/Debentures/Sweat Equity, etc.
- Redemption/Buy Back of Securities
- Major decisions taken by the members in pursuance of Section 180 of the Companies Act, 2013
- Merger/Amalgamation/Reconstruction, etc.
- Foreign Technical Collaboration

**Sweety Kapoor**

*Practicing Company Secretary*

FCS No. : 6410

C P No. : 5738

Place : Kolkata

Date : 03/05/2017

\*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**  
21, Strand Road  
Kolkata – 700 001

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.

Place : Kolkata  
Date : 03/05/2017

**Sweety Kapoor**  
*Practicing Company Secretary*  
FCS No. : 6410  
C P 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, 2017**

[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. 23, R.N. Mukherjee Road 5th Floor Kolkata – 700 001 Phone : (033) 2248-2248 Fax No. : (033) 2248-4787 E-mail : mdpldc@yahoo.com

**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, 2017.

**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 (1st April, 2016)				No. of Shares held at the end of the year (31st March, 2017)				% 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	32719	–	32719	1.8465	124615	–	124615	7.0328	5.1863
b) Central Govt									
c) State Govt									
d) Bodies Corp.	1087590	–	1087590	61.3796	986744	–	986744	55.6882	(5.6914)
e) Banks / FI									
f) Any Other									
<b>Sub-total (A) (1):</b>	<b>1120309</b>	<b>–</b>	<b>1120309</b>	<b>63.2261</b>	<b>1111359</b>	<b>–</b>	<b>1111359</b>	<b>62.7210</b>	<b>(0.5051)</b>