

**THE COCHIN MALABAR ESTATES
AND INDUSTRIES LIMITED**



**ANNUAL REPORT
2018**

BOARD OF DIRECTORS

Mr. Hemant Bangur
Non-Executive Director

Mr. P.J. Bhide
Non-Executive Director

Mr. B.L. Surana
Independent Director

Mrs. Tara Purohit
Independent Director

Mr. C.P. Sharma
Non-Executive Director

Mr. R.K. Gupta
Wholetime Director

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 present the 88th Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2018.

FINANCIAL PERFORMANCE:

(Amount in ₹)

	31.03.2018	31.03.2017
Profit /(Loss) for the year before Depreciation	(2,882,245)	(4,913,467)
Deduct : Depreciation	30,268	32,472
Profit /(Loss) before Tax	(2,912,513)	(4,945,939)
Deduct : Provision for Corporate Taxation	-	-
Net Profit /(Loss)	(2,912,513)	(4,945,939)
Add : Balance of Profit /(Loss) brought forward from previous year	(21,970,404)	(17,024,465)
Balance Carried to Balance Sheet	(24,882,917)	(21,970,404)

DIVIDEND:

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31st March, 2018.

OPERATIONAL REVIEW:

The Rubberwood Factory has not been in operation for nearly 20 years pursuant to notice received from the Deputy Conservator of Forests (Protection), Trivandrum. The Company is contemplating some plans based on the availability of fixed assets of the Company and based on which going concern status of the Company is maintained.

PUBLIC 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 Company has not granted loans or given guarantees or made investments during the year under review.

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 R.K. Gupta, Wholetime Director, will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment to the members of the Company in the ensuing Annual General Meeting.

During the year Shri R.K. Gupta, Wholetime Director and Shri A.K. Ruia, Chief Financial Officer continued to be the Key Managerial Personnel of the Company.

Shri Hemant Bangur was appointed as an Additional Director of the Company during the year, who holds office upto the conclusion of the ensuing Annual General Meeting and being eligible offers himself for appointment as a Non-Executive Promoter Director of the Company as per the provisions of Section 161 and other applicable provisions of the Companies Act, 2013. The Company has received requisite notice in writing from a member proposing Shri Hemant Bangur for appointment as Non-Executive Promoter Director of the Company.

Shri P.J. Bhide's term as an Independent Director on the Board of the Company expired at the last Annual General Meeting of the Company. However, he continues to be a Non-Executive Director of the Company.

During the financial year ended 31st March, 2018, four Board Meetings were held on 3rd May, 2017, 28th August, 2017, 1st December, 2017 & 9th February, 2018. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

DIRECTORS' REPORT (Contd.)

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. 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 9th February, 2018 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 B.L. Surana, Smt. Tara Purohit & Shri P.J. Bhide respectively as on 31st March, 2018.

The Committee met 4 times during the year on 3rd May, 2017, 28th August, 2017, 1st December, 2017 & 9th February, 2018. The attendance of the Members at the Audit Committee Meetings is as under :

Name of the Director	Status	No. of meetings entitled to attend	No. of meetings attended
Shri B.L. Surana	Chairman	4	4
Smt. Tara Purohit *	Member	2	2
Shri P.J. Bhide	Member	4	4
Shri C.P. Sharma #	Member	2	2

*w.e.f. 1st September, 2017

upto 1st September, 2017

NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of two Independent Non-Executive Directors and one Non-Executive Director namely Shri B.L. Surana, Smt. Tara Purohit & Shri P.J. Bhide respectively as on 31st March, 2018.

During the year under review, the Committee met twice on 3rd May, 2017 & 28th August, 2017. The attendance of the Members at the Nomination & Remuneration Committee Meetings is as under :

Name of the Director	Status	No. of meetings entitled to attend	No. of meetings attended
Shri B.L. Surana	Chairman	2	2
Smt. Tara Purohit *	Member	-	-
Shri P.J. Bhide	Member	2	2
Shri C.P. Sharma #	Member	2	2

*w.e.f. 1st September, 2017

upto 1st September, 2017

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year under review, 8 (Eight) Stakeholders' Relationship Committee Meeting was held on 14th September, 2017, 12th October, 2017, 2nd November, 2017, 30th November, 2017, 7th December, 2017, 11th January, 2018, 1st February, 2018 & 15th March, 2018. The attendance of the Members at the Stakeholders' Relationship Committee Meetings is as under :



DIRECTORS' REPORT (Contd.)

Name of the Director	Status	No. of meetings entitled to attend	No. of meetings attended
Shri P.J. Bhide	Chairman	8	8
Shri B.L. Surana	Member	8	8
Shri R.K. Gupta	Member	8	8

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, 2018, the Board consists of 6 members, of which, 5 are Non-Executive Directors (NED) and 1 is Wholetime Director. The Board has 2 Independent NED (inclusive of 1 Woman Director), 1 Promoter Non-Executive Director, 2 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 i.e. www.cochinmalabar.in.

Category	Name of Directors
Promoter Director	
Non-Executive Director	Shri Hemant Bangur
Executive Director	Shri R.K. Gupta
Wholetime Director	
Independent Non-Executive Directors	Shri B.L. Surana Smt. Tara Purohit
Non-Executive Non-Independent Director	Shri P.J. Bhide Shri C.P. Sharma

BOARD EVALUATION

The Board of Directors have evaluated its Committees, Individual Directors (i.e. Executive & Non-Executive Director) and the Board itself. The Nomination & Remuneration Committee have also evaluated the individual performance of each Director and found it satisfactorily.

CORPORATE GOVERNANCE

The Company is having a Paid-up equity share capital not exceeding ₹ 10 crore and Networth not exceeding ₹ 25 crore and hence as per SEBI (LODR) Regulations, 2015, corporate governance requirements provided under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations are not applicable to your Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) & other relevant provisions of the Act.

The Board of Directors of the Company confirms that :

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departures;
- 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, 2018 and of the losses of the Company for the year ended on that date;
- 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;

DIRECTORS' REPORT (Contd.)

- 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.

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 SEBI (LODR) Regulations, 2015. There are no materially 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. Note No. 26.

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, subject to ratification of their appointment by the shareholders, every year. They have confirmed that they are not disqualified from continuing as Auditors of the Company. The Ministry of Corporate Affairs vide its Notification dated 7th May 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

There is no qualification, reservation or adverse remark made by the Auditors in their reports to the Standalone Financial Statements for the Financial Year ended 31st March, 2018.

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 2017-18 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 2017-18 is provided in Annexure - 1 forming part of this report. The Directors would like to state about the observation of the Secretarial Auditor for non-appointment of Company Secretary in the Company – The Company is in the process of appointing Company Secretary as required under the provisions of the Companies Act, 2013.

The Board has reappointed Mrs. Sweety Kapoor, Practicing Company Secretary as Secretarial Auditors of the Company for the Financial Year 2018-19.

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. The policy has been disclosed on the website of the Company and the weblink for the same is http://cochinmalabar.in/whistle_blower.pdf



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 detection 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, 2018 and the date of this Report.
- ii) There is no change in the nature of 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.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Board of Directors of the Company has laid down a policy on prevention of sexual harassment at the workplace. Your Company provides a safe and healthy work environment, there were no cases of sexual harassment reported during the year.

CORPORATE SOCIAL RESPONSIBILITY (CSR) OF THE COMPANY:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 CSR policy does not apply to your Company. Accordingly, your Company has not formed CSR Committee.

COMPLIANCE OF SECRETARIAL STANDARDS:

Your Company has complied with the applicable provisions of the Secretarial Standards – (SS-1) & (SS-2) on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.

STATEMENT PURSUANT TO CLAUSE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

None of the employees of the Company fall within the purview of the information required under Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the Financial Year.

DISCLOSURE PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 ARE GIVEN BELOW:

- 1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for 2017-18 : 1:1.
- 2. The percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary if any, in the Financial Year 2017-18 : NIL.
- 3. The percentage increase in the median remuneration of employees in the Financial year 2017-18 : NIL.
- 4. Number of permanent employees on the roll of the Company as on March 31, 2018 : 2.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and part out if there are any exceptional circumstances for increase in the managerial remuneration : NIL.
6. Affirmation that remuneration is as per remuneration policy of the Company : Yes.

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

Your Company did not have any manufacturing activity during the Financial Year ended 31/03/2018 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
7th May, 2018

(C.P. Sharma)
Director

(Hemant Bangur)
Director



ANNEXURE TO THE DIRECTORS' REPORT

Form No. MR-3

Annexure - 1

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

[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 AND 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 And 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, 2018 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, 2018 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 generally 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 meetings 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

Place : Kolkata

Date : 07/05/2018

FCS No. : 6410

C P 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.