

**THE COCHIN MALABAR ESTATES
AND INDUSTRIES LIMITED**



**ANNUAL REPORT
2020**



CORPORATE INFORMATION

Board of Directors	: Hemant Bangur - Non-Executive Director J. K. Surana - Independent Director (w.e.f. 17th June, 2019) Tara Purohit - Independent Director P. J. Bhide - Non-Executive Director (upto 10th July, 2019) R. K. Gupta - Wholetime Director (upto 29th December, 2019) C. P. Sharma - Wholetime Director (w.e.f. 15th June, 2020)
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Company Secretary	: M. Kandoi
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Chief Financial Officer	: Arun Kumar Ruia
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Banker	: Yes Bank Ltd.
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Auditors	: JKVS & Co., Kolkata
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Registrars & Share Transfer Agents	: Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor Kolkata - 700 001
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Registered Office	: 21, Strand Road, Kolkata - 700 001
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DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present the 90th Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2020.

FINANCIAL PERFORMANCE:

(Amount in ₹)

	31.03.2020	31.03.2019
Profit /(Loss) before Depreciation, Finance Cost & Tax	(1,346,808)	(1,952,530)
Less : Depreciation	4,29,284	28,217
Less : Finance Cost	2,962,357	1,968,492
Profit /(Loss) before Tax	(4,738,449)	(3,949,239)
Less : Tax Expense	-	-
Profit /(Loss) after Tax	(4,738,449)	(3,949,239)
Other Comprehensive Income (Net of Tax)	-	-
Total Comprehensive Income attributable to owners of the Company	(4,738,449)	(3,949,239)
Surplus/(deficit) brought forwards from previous year	(28,477,569)	(24,528,330)
Balance carried to Balance Sheet	(33,216,018)	(28,477,569)

DIVIDEND & RESERVES:

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31st March, 2020.

The Company has not transferred any amount to the General Reserve during the financial year ended 31st March, 2020.

OPERATIONAL REVIEW:

The Rubberwood Factory has not been in operation for nearly 22 years pursuant to notice received from the Deputy Conservator of Forests (Protection), Trivandrum. The Company is developing its land assets in Goa based on which the going concern status of the Company is maintained.

CAPITAL EXPENDITURE

The Company has incurred capital expenditure amounting to ₹ 50.39 lacs during the year ended 31st March, 2020 as compared to ₹ 0.78 lacs for the same period last year.

SHARE CAPITAL

The issued, subscribed and paid-up share capital of the Company as on 31st March, 2020 stood at ₹ 17,719,080 divided into 17,71,908 Ordinary Shares of ₹ 10 each fully paid-up. During the year under review, there has been no change in the capital structure of the Company and neither the Company has granted any stock options and sweat equity. As on 31st March, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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:

The Board with grief regret to inform you of the sad demise of Shri R. K. Gupta, Wholetime Director of the Company, who passed away for his heavenly abode on 29th December, 2019. Late R. K. Gupta served the Company as the Wholetime Director since the year 2015.

DIRECTORS' REPORT (Contd.)

During the year, Shri P. J. Bhide, Non-Executive Director of the Company, resigned from the Board. The Board placed on record its deep appreciation for the valuable contribution made by Shri P.J. Bhide during the tenure of his Directorship.

On the recommendation of Nomination and Remuneration Committee, the Board in its meeting held on 15th June, 2020 has recommended the appointment of Shri C.P. Sharma (DIN: 00258646) as Wholetime Director w.e.f 15th June, 2020 for a period of 3 years subject to approval of shareholders at the ensuing AGM. The resume and other information as required by Regulation 36 of the SEBI (LODR) Regulations, 2015 has been given in the notice convening the ensuing Annual General Meeting.

In accordance with the provisions of the Articles of Association of the Company read with Section 152 of the Companies Act, 2013, Shri Hemant Bangur, Director (DIN : 00040903), 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.

Smt. Tara Purohit was appointed as Independent Director of the Company for five consecutive years for a term upto 31st March, 2020. On the recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on 5th February, 2020 has recommended the re-appointment as Independent Director for a term of five years w.e.f. 1st April, 2020 who shall not be liable to retire by rotation. The Board is of the opinion that her association would be of immense benefit to the Company and it is desirable to avail her service as Independent Director. As she is seeking re-appointment, the resume and other information as required by Regulation 36 of the SEBI (LODR) Regulations, 2015 has been given in the notice convening the ensuing Annual General Meeting.

All 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. In the opinion of the Board, the Independent Directors possesses the requisite expertise and experience and are independent of management. All the Independent Directors on the Board of the Company are registered with the Indian Institute of Corporate Affairs, Manesar, Gurgaon as notified by the Central Government under Section 150(1) of 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 27th January, 2020 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.

None of the Directors proposed for appointment /re-appointment at the ensuing AGM are disqualified from being appointed/re-appointed as Director under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 or any other order of MCA, SEBI or any other statutory authorities

During the year, the Company had three Key Managerial Personnel, being Shri R.K. Gupta, Wholetime Director (upto 29th December, 2019), Shri A.K. Ruia, Chief Financial Officer and Shri M. Kandoi, Company Secretary.

NUMBER OF BOARD MEETINGS HELD

During the financial year ended 31st March, 2020, five Board Meetings were held on 25th April, 2019, 17th June, 2019, 5th August, 2019, 5th November, 2019 & 5th February, 2020. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

COMMITTEES OF THE BOARD**Audit Committee**

The Board of Directors of the Company has constituted an Audit Committee of the Board in terms of the requirements of Section 177 of the Companies Act, 2013 and Rules framed thereunder. The Audit Committee comprises of two Independent Non-Executive Director and one Non-Executive Director namely Shri J.K. Surana, Smt. Tara Purohit & Shri C.P. Sharma during the year under review.



DIRECTORS' REPORT (Contd.)

The Committee met 4 times during the year on 25th April, 2019, 5th August, 2019, 5th November, 2019 & 4th February, 2020. 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 J.K. Surana *	Chairman	3	2
Smt. Tara Purohit	Member	4	4
Shri P.J. Bhide#	Member	1	1
Shri C.P. Sharma\$	Member	3	3

*inducted as a member in the Committee w.e.f. 17th June, 2019

#ceased to be a member w.e.f. 17th June, 2019

\$ inducted as a member in the Committee w.e.f. 17th June, 2019

Nomination & Remuneration Committee

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder. The Nomination & Remuneration Committee comprises of two Independent Non-Executive Directors and one Non-Executive Director namely Shri J.K. Surana, Smt. Tara Purohit & Shri C.P. Sharma during the year under review.

During the year under review, the Committee met twice on 17th June, 2019 & 3rd February, 2020. 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 J.K. Surana *	Chairman	1	1
Smt. Tara Purohit	member	2	2
Shri P.J. Bhide#	Member	1	1
Shri C.P. Sharma\$	Member	1	1

*inducted as a member in the Committee w.e.f. 17th June, 2019

#ceased to be a member w.e.f. 17th June, 2019

\$ inducted as a member in the Committee w.e.f. 17th June, 2019

Stakeholders Relationship Committee

The Board of Directors of the Company has constituted a Stakeholders Relationship Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder. The Stakeholders Relationship Committee comprises of one Non-Executive Director and one Independent Non-Executive Director namely, Shri C.P. Sharma & Shri J.K. Surana during the year under review.

No meeting was held during the year. However, SEBI vide Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/48 dated 26th March, 2020 has extended the time period for conducting meeting of Stakeholders Relationship Committee meetings for the financial year 31st March, 2020 by 3 months upto 30th June, 2020 in view of COVID-19 pandemic and the Committee met on 15th June, 2020 adhering to the relaxation as mentioned in the circular.

NOMINATION AND REMUNERATION POLICY

The Board has an appropriate mix of knowledge, wisdom and varied industry experience to guide the Company in achieving its objectives in a sustainable manner. As on March 31, 2020, the Board consists of 4 members, of which, all are Non-Executive Directors (NED). The Board has 1 Independent Woman Director, 1 Independent Director, 1 Promoter Non-Executive Director, 1 Non-Executive Director. The need for change in its composition and size are evaluated periodically. The Company pays remuneration to non-executive directors by way of sitting fees. The remuneration paid to the Directors and KMP 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.

DIRECTORS' REPORT (Contd.)

Category	Name of Directors
Promoter Director Non-Executive Director	Shri Hemant Bangur
Executive Director Wholetime Director	Shri R. K. Gupta upto 29.12.2019
Non-Executive Non-Independent Director	Shri C. P. Sharma upto 15.06.2020
Independent Non-Executive Woman Director	Smt. Tara Purohit
Independent Non-Executive Director	Shri J.K.Surana
Executive Director Wholetime Director	Shri C. P. Sharma w.e.f. 15.06.2020

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors have carried out the annual performance evaluation for the Board, Committees of the Board, individual Directors of the Company for the Financial Year ended 31st March, 2020.

The Board of Directors expressed their satisfaction with the evaluation process. Performance Evaluation of Independent Directors were done by the entire Board excluding the Independent Director being evaluated.

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, 2020 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;
- the annual accounts have been prepared on a going concern basis;
- the internal financial controls have been laid down and such internal financial controls are adequate and are operating effectively; and
- 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 Companies Act, 2013. 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



DIRECTORS' REPORT (Contd.)

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. 23.

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 Companies Act, 2013. 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. 23.

AUDITORS & AUDITORS' REPORT:

Statutory Auditors

M/s. JKVS & Co, Chartered Accountants (Firm Registration No.318086E) were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on September 9, 2019 to hold office for a period of five years till the conclusion of the 94th Annual General Meeting.

Your Company has received a certificate from M/s. JKVS & Co, Chartered Accountants confirming the eligibility to continue as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder. They have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI as required under the provisions of Regulation 33 of the Listing Regulations.

There is no qualification, reservation or adverse remark made by the Auditors in their report to the Standalone Financial Statements for the Financial Year ended 31st March, 2020.

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 2019-20 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 2019-20 in Form No. MR-3 is provided in Annexure - 1 forming part of this report.

There is no qualification, reservation or adverse remark made by the Secretarial Auditors in their Secretarial Audit Report for the Financial Year ended 31st March, 2020.

REPORTING OF FRAUD BY AUDITORS

There were no instances of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and/or the Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

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

COST AUDIT REPORT

The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and the Rules made thereunder.

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

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.

Your Board is of the opinion that the Internal Financial Control affecting the financial statement of your Company are adequate and operating efficiently.

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, 2020 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 Section 135 of the Companies Act, 2013 CSR provisions does not apply to your Company. Accordingly, your Company has not formed CSR Committee.

COMPLIANCE WITH SECRETARIAL STANDARDS:

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)..

MANAGEMENT DISCUSSION AND ANALYSIS:**Economic Review, Industry Structure & Development**

The COVID-19 pandemic and the consequent lockdown restrictions imposed by national governments has impacted businesses not only in India but all over the world. Economy has been greatly effected and businesses are gravely suffering in terms of production, revenue, losses and idle establishment costs. The level of uncertainty in the economy is at an all time high with the trajectory of recovery difficult to forecast.

Opportunities, Threats and Outlook

India faces a prolonged period of slower growth relative to the country's potential, rising debt, further weakening of debt affordability and persistent stress in parts of the financial system, all of which the country's policy making institutions will be challenged to mitigate and contain.

Operational Review

The Company is developing its land assets in Goa based on which the going concern status of the Company is maintained.



Internal Control Systems and their adequacy

A separate paragraph on Internal Control System and their adequacy, risk management and discussion of financial performance have been provided in this report.

LISTING OF EQUITY SHARES:

The Equity Shares of the Company are listed and traded on BSE Ltd, Scrip Code : 508571 and listing fees for the Financial Year 2019-2020 of BSE Ltd has been paid.

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 2019-20 : 1:3.
2. The percentage increase in remuneration of each Director and Key Managerial Personnel (KMP) during the Financial Year 2019-20 : NIL.
3. The percentage increase in the median remuneration of employees in the Financial year 2019-20 : NIL.
4. Number of permanent employees on the roll of the Company as on March 31, 2020 : 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 31st March, 2020 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
Date : 15th June, 2020

(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, 2020

[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, and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and SEBI warranted due to the spread of COVID-19, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 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, 2020 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 Benefits) 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;