

**THE COCHIN MALABAR ESTATES
AND INDUSTRIES LIMITED**



**ANNUAL REPORT
2021**



CORPORATE INFORMATION

Board of Directors

Hemant Bangur - Non-Executive Director
J. K. Surana - Independent Director
: **Tara Purohit** - Independent Director
C. P. Sharma - Wholetime Director (w.e.f. 15th June, 2020)

Company Secretary : **M. Kandoi**

Chief Financial Officer : **Arun Kumar Ruia**

Banker : **Yes Bank Ltd.**
Bandhan Bank Ltd.

Auditors : **JKVS & 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 91st Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2021.

FINANCIAL PERFORMANCE

(Amount in ₹ thousands)

	31.03.2021	31.03.2020
Profit /(Loss) before Depreciation, Finance Cost & Tax	(1898.49)	(1346.81)
Less : Depreciation	670.98	429.28
Less : Finance Cost	3858.90	2962.36
Profit /(Loss) before Tax	(6428.37)	(4738.45)
Less : Tax Expense	-	-
Profit /(Loss) after Tax	(6428.37)	(4738.45)
Other Comprehensive Income (Net of Tax)	-	-
Total Comprehensive Income attributable to owners of the Company	(6428.37)	(4738.45)

DIVIDEND & RESERVES

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31st March, 2021.

The Company has not transferred any amount to the General Reserve during the financial year ended 31st March, 2021.

OPERATIONAL REVIEW

The Rubberwood Factory has not been in operation for nearly 23 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 ₹ 4.00 lacs during the year ended 31st March, 2021 as compared to ₹ 50.39 lacs for the same period last year.

SHARE CAPITAL

The issued, subscribed and paid-up share capital of the Company as on 31st March, 2021 stood at ₹ 17,719,080 divided into 17,71,908 Equity 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, 2021, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

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 2020-2021 of BSE Ltd has been paid.

COVID-19 & ITS IMPACT

Your directors have been periodically reviewing the adverse impact of Covid-19 pandemic and believe that the impact is likely to be insignificant for the Company. The Board will continue to closely monitor the situation as it evolves and do its best to take all necessary measures in the interest of all stakeholders 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.

RELATED PARTY TRANSACTIONS

All 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. 24.

ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is uploaded on the website of the Company and can be accessed at https://www.cochinmalabar.in/downloads/Annual_Return_2021.pdf

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, 2021.

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 2020-21 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 2020-21 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, 2021.

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.

COST AUDIT

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 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, Wholetime Director (DIN : 00258646), is due to 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.

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 which has been duly assessed by the Board as part of performance evaluation of Independent Directors. The Independent Directors are not liable to retire by rotation. In the opinion of the Board, the Independent Directors are persons of integrity, possesses the requisite expertise and experience and are independent of management. There has been no change in the circumstances affecting their status as Independent Directors of the Company. 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. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and also Code of Conduct for Directors and senior management personnel.

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 29th January, 2021 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 of the Company are disqualified pursuant to the provisions of Section 164 of the Companies Act, 2013 or debarred or disqualified from being re-appointed or continuing as Directors of the Company by SEBI or MCA or any other statutory authorities.

During the year, the Company had three Key Managerial Personnel, being Shri C.P. Sharma, Wholetime Director (w.e.f. 15th June, 2020), 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, 2021, four Board Meetings were held on 15th June, 2020, 4th September, 2020, 6th November, 2020 & 3rd February, 2021. The maximum time gap between two consecutive meetings was less than 120 days as stipulated under Section 173(1) of the Act, Regulation 17(2) of the Listing Regulations and Secretarial Standards issued by Institute of Company Secretaries of India, except for first meeting of the financial year where the gap was of 130 days as the Company has availed the relaxations given by SEBI and MCA for holding meetings beyond 120 days due to lockdown imposed in the country.

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 Wholetime Director namely Shri J.K. Surana, Smt. Tara Purohit & Shri C.P. Sharma.

The Committee met 4 times during the year on 15th June, 2020, 4th September, 2020, 6th November, 2020 & 3rd February, 2021. The maximum time gap between two consecutive meetings was less than 120 days as stipulated under Section 173(1) of the Act, Regulation 17(2) of the Listing Regulations and Secretarial Standards issued by Institute of Company Secretaries of India, except for first meeting of the financial year where the gap was of 130 days as the Company has availed the relaxations given by SEBI and MCA for holding meetings beyond 120 days due to lockdown imposed in the country. 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	4	4
Smt. Tara Purohit	Member	4	4
Shri C.P. Sharma	Member	4	4

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 Wholetime Director namely Shri J.K. Surana, Smt. Tara Purohit & Shri C.P. Sharma.

During the year under review, the Committee met twice on 15th June, 2020 & 3rd February, 2021. 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	2	2
Smt. Tara Purohit	Member	2	2
Shri C.P. Sharma	Member	2	2

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 Wholetime Director and one Independent Non-Executive Director namely, Shri C.P. Sharma & Shri J.K. Surana.

During the year under review, the Committee met twice on 15th June, 2020 & 25th March, 2021. The attendance of the Members at the Stakeholders Relationship Committee Meetings is as under:

Name of the Director	Status	No. of meetings entitled to attend	No. of meetings attended
Shri C.P. Sharma	Chairman	2	2
Shri J.K. Surana	Member	2	2

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors have carried out the performance evaluation of its own performance, Committees of the Board, individual Directors of the Company for the Financial Year ended 31st March, 2021. The performance of the Board was evaluated by the Board based on the criteria such as the Board composition and structure, effectiveness of Board process, information and functioning etc. The performance of the Committees was evaluated by the Board based on the criteria such as composition of the Committees, effectiveness of the Committee Meetings etc.

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.

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 31st March, 2021, the Board consists of 4 members, of which, three are Non-Executive Directors (NED) and one Wholetime Director (WTD). The Board has two Independent Directors including one Woman Director, One Promoter Non-Executive Director and One 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

Category	Name of Directors
Promoter Director Non-Executive Director	Shri Hemant Bangur
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

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(3)(c) of the Companies Act, 2013 your Directors confirm that:

- i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there has been no material departures;
- 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 31st March, 2021 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.

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

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.

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.

ADEQUACY OF INTERNAL FINANCIAL CONTROL SYSTEM

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.

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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

2020 was an unprecedented year by all counts, a year unlike any before because of a raging global pandemic. 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

There is optimism around the recovery of Indian economic growth and this outlook is supported by additional fiscal support, accommodative RBI mandatory policy and strong rebound of private consumption. However, there are risks to growth in the form of second and third waves and its impact on economic outlook.

Operational Review

The Company is developing its land assets in Goa.

Internal Control Systems and their adequacy

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

Key Financial Ratios

Sl. No.	Key Financial Ratios	31.03.2021	31.03.2020	Change (%)
1	Current Ratio	0.02	0.11	78.71%

- Current Ratio for the year ended 31st March, 2021 has decreased due to increase in current liabilities and decrease in current assets.

- In view of no turnover and the losses incurred by the Company for the year ended 31st March, 2021 and 31st March, 2020, Debtors' Turnover, Inventory Turnover, Interest Coverage Ratio, Operating Profit Margin and Net Profit Margin is not calculated.
- Since the Networth of the Company is negative, Debt Equity Ratio and Return on Networth is not calculated.

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.

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 2020-21 : 2:3.
2. The percentage increase in remuneration of each Director and Key Managerial Personnel (KMP) during the Financial Year 2020-21 : NIL.
3. The percentage increase in the median remuneration of employees in the Financial year 2020-21 : NIL.
4. Number of permanent employees on the roll of the Company as on 31st March, 2021 : 3.
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, 2021 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.