

**THE COCHIN MALABAR ESTATES  
AND INDUSTRIES LIMITED**



**ANNUAL REPORT  
2022**



## CORPORATE INFORMATION

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Board of Directors	Hemant Bangur - Non-Executive Director J. K. Surana - Independent Director : Tara Purohit - Independent Director C. P. Sharma - Wholetime Director
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 Corporate Identity No. – L01132WB1991PLC152586 : E-mail : <a href="mailto:cochinmalabar@yahoo.com">cochinmalabar@yahoo.com</a> Website : <a href="http://www.cochinmalabar.in">www.cochinmalabar.in</a>

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## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors present the 92<sup>nd</sup> Annual Report together with Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022.

### FINANCIAL PERFORMANCE

(Amount in ` thousands)

PARTICULARS	31.03.2022	31.03.2021
Profit /(Loss) before Depreciation, Finance Cost & Tax	(1028.21)	(1898.49)
Depreciation	526.65	670.98
Finance Cost	4369.36	3858.90
Profit /(Loss) before Tax	(5924.22)	(6428.37)
Tax Expense	-	-
Profit /(Loss) after Tax	(5924.22)	(6428.37)
Other Comprehensive Income (Net of Tax)	-	-
Total Comprehensive Income	(5924.22)	(6428.37)

### DIVIDEND & RESERVES

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31<sup>st</sup> March, 2022.

The Company has not transferred any amount to the General Reserve during the financial year ended 31<sup>st</sup> March, 2022.

### OPERATIONS AND STATE OF COMPANY'S AFFAIR.

- A. The Rubberwood Factory has not been in operation for nearly 24 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.
- B. Your directors have been periodically reviewing the 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.

### SHARE CAPITAL

The issued, subscribed and paid-up share capital of the Company as on 31<sup>st</sup> March, 2022 stood at ` 17,719,080 divided into 17,71,908 Equity Shares of ` 10 each fully paid-up. The Company has not issued shares with differential voting rights or sweat equity shares, nor has it granted any stock options. As on 31<sup>st</sup> March, 2022, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

During the year under review, there has been no change in the capital structure 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 2022-2023 of BSE Ltd has been paid.

#### PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposit) Rules, 2014 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. 35.

#### DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

The Company does not have any subsidiary, joint venture or associate company.

#### 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\\_2022.pdf](https://www.cochinmalabar.in/downloads/Annual_Return_2022.pdf)

#### AUDITORS & AUDITORS' REPORT

##### Statutory Auditors

M/s. J K V S & 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 94<sup>th</sup> 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, 2022.

#### 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 2021-22 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 ended March,31,2022 in the prescribed Form 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, 2022.

#### COST AUDITORS

The Company is not required to maintain Cost Records as per Companies (Cost Records and Audit) Amendments Rules, 2014 for Financial Year 2021-2022.

#### 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.

#### 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 Hemant Bangur, Director (DIN : 00040903), retires 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 24<sup>th</sup> January, 2022 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.

Independent Directors have been familiarized with the nature of operations and business module of the Company.

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Shri C.P. Sharma, Wholetime Director, Shri A.K. Ruia, Chief Financial Officer and Shri M. Kandoi, Company Secretary.

#### NUMBER OF BOARD MEETINGS HELD

During the financial year ended 31<sup>st</sup> March, 2022, four Board Meetings were held on 27<sup>th</sup> April, 2021, 4<sup>th</sup> August, 2021, 27<sup>th</sup> October, 2021 & 27<sup>th</sup> January, 2022. 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.

#### 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 (four) times during the year on 27<sup>th</sup> April, 2021, 4<sup>th</sup> August, 2021, 27<sup>th</sup> October, 2021 & 27<sup>th</sup> January, 2022. respectively. The time gap between two meetings was within the time prescribed under Companies Act, 2013. 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 once on 27<sup>th</sup> January, 2022. 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	1	1
Shri C.P. Sharma	Member	1	1

#### 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 two Independent Non-Executive Director namely, Shri C.P. Sharma, Shri J.K. Surana & Smt. Tara Purohit.

During the year under review, the Committee met once on 31<sup>st</sup> March, 2022. 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	1	1
Shri J.K. Surana	Member	1	1
Smt. Tara Purohit	Member	1	1

#### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015 the Board of Directors have carried out the annual performance evaluation of its own performance, Committees of the Board, individual Directors of the Company for the Financial Year ended 31<sup>st</sup> March, 2022. 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 31<sup>st</sup> March, 2022, 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](http://www.cochinmalabar.in)

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

## 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 31<sup>st</sup> March, 2022 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](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.

During the financial year 2021-22, the Company has not received any complaints on sexual harassment and no complaints are remaining pending as on March 31, 2022.

#### 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)

The Company does not fall under the criteria of section 135 of the Companies Act, 2013. read with Companies (Corporate Social Responsibility) Rules, 2014.

#### 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 REPORT for the year under review in terms of Regulation 34(2)(e) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in India :-

## Economic Review, Industry Structure & Development

In 2021, the world continued to reel under the threat of the coronavirus. The second wave of the COVID-19 pandemic hit India hard. The year was marked by rising input costs and supply chain bottlenecks, putting pressure on margins. Though the larger population is now vaccinated, travel restrictions have eased and businesses are returning to normalcy, the risks loom large for another wave with new variants emerging and governments imposing restrictions like partial/complete lockdown and renewed travel restrictions. The Ukraine-Russia war makes the economic recovery even more challenging.

## Opportunities, Threats and Outlook

The global economy is forecasted to grow at around 4.7% this year. The post Covid-19 pandemic recovery is hit by huge global supply chain disruption leading to slow growth and pushing up inflation. To counter this, the Government of India offered safety nets to cushion the impact on vulnerable sections of society and the business sector.

## 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	31.03.2022	31.03.2021	Change (%)
1	Current Ratio	0.03	0.02	19.65%

- Current Ratio for the year ended 31<sup>st</sup> March, 2022 has increased due to increase in current liabilities and increase in current assets.
- In view of no turnover and the losses incurred by the Company for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, 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.