

**THE COCHIN MALABAR ESTATES
AND INDUSTRIES LIMITED**



**ANNUAL REPORT
2019**



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) B. L. Surana - Independent Director (upto 18th March, 2019) C. P. Sharma - Non-Executive Director R. K. Gupta - Wholetime Director
Company Secretary	: M. Kandoi
Chief Financial Officer	: Arun Kumar Ruia
Banker	: Yes Bank Ltd.
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 89th Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

FINANCIAL PERFORMANCE:

(Amount in ₹)

	31.03.2019	31.03.2018
Profit /(Loss) before Depreciation, Finance Cost & Tax	(1,952,530)	(1,433,977)
Less : Depreciation	28,217	30,268
Less : Finance Cost	1,968,492	1,448,268
Profit /(Loss) before Tax	(3,949,239)	(2,912,513)
Less : Tax Expense	-	-
Profit /(Loss) after Tax	(3,949,239)	(2,912,513)
Other Comprehensive Income (Net of Tax)	-	-
Total Comprehensive Income attributable to owners of the Company	(3,949,239)	(2,912,513)
Surplus/(deficit) brought forwards from previous year	(24,528,330)	(21,615,817)
Balance carried to Balance Sheet	(28,477,569)	(24,528,330)

DIVIDEND:

In view of accumulated losses, your Directors regret their inability to propose any dividend for the year ended 31st March, 2019.

OPERATIONAL REVIEW:

The Rubberwood Factory has not been in operation for nearly 21 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.

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 C. P. Sharma, Director (DIN : 00258646), 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 B.L. Surana, Independent Director of the Company, resigned from the Board.

The Board placed on record its deep appreciation for the valuable contribution made by Shri B.L. Surana during the tenure of his Directorship.

During the year, Shri M. Kandoi, has been appointed as Company Secretary in the category of Key Managerial Personnel w.e.f. 12th November, 2018. The Company has three Key Managerial Personnel, being Shri R.K. Gupta, Wholtime Director and Shri A.K. Ruia, Chief Financial Officer and Shri M. Kandoi, Company Secretary respectively.

During the financial year ended 31st March, 2019, four Board Meetings were held on 7th May, 2018, 7th August, 2018, 12th November, 2018 & 4th February, 2019. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

DIRECTORS' REPORT (Contd.)

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.

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 4th February, 2019 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 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 B.L. Surana, Smt. Tara Purohit & Shri P.J. Bhide during the year under review.

The Committee met 4 times during the year on 7th May, 2018, 7th August, 2018, 12th November, 2018 & 4th February, 2019. 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	4	3
Shri P.J. Bhide	Member	4	4

*ceased to be a member w.e.f. 18th March, 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 B.L. Surana, Smt. Tara Purohit & Shri P.J. Bhide during the year under review.

During the year under review, the Committee met twice on 7th May, 2018 & 12th November, 2018. 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	2	1
Shri P.J. Bhide	Member	2	2

* ceased to be a member w.e.f. 18th March, 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, one Independent Non-Executive Director and one Wholtime Director namely, Shri P.J. Bhide, Shri B.L. Surana & Shri R.K. Gupta during the year under review.

During the year under review, 6 (Six) Stakeholders' Relationship Committee Meeting was held on 9th August, 2018, 1st November, 2018, 15th November, 2018, 6th December, 2018, 20th December, 2018 & 10th January, 2019. 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	6	6
Shri B.L. Surana *	Member	6	6
Shri R.K. Gupta	Member	6	6

* ceased to be a member w.e.f. 18th March, 2019

The Company Secretary is the Compliance Officer of the Company.

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, 2019, the Board consists of 5 members, of which, 4 are Non-Executive Directors (NED) and 1 is Wholetime Director. The Board has 1 Independent 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 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
Executive Director Wholetime Director	Shri R.K. Gupta
Independent Non-Executive Directors	Smt. Tara Purohit
Non-Executive Non-Independent Director	Shri P.J. Bhide Shri C.P. Sharma

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors have carried out the performance evaluation for the Board, Committees of the Board, individual Directors of the Company for the Financial Year ended 31st March, 2019.

The Board of Directors expressed their satisfaction with the evaluation process.

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, 2019 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

DIRECTORS' REPORT *(Contd.)*

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.

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. 26.

AUDITORS & AUDITORS' REPORT:**Statutory Auditors**

The term of the Statutory Auditors of the Company, M/s. Singhi & Co. Chartered Accountants, expires at the ensuing Annual General Meeting in accordance with the provisions of the Companies Act, 2013.

The Board has appointed M/s. JKVS & Co, Chartered Accountants (Firm Registration No.318086E) as the Statutory Auditors of the Company to hold the office from the conclusion of the forthcoming Annual General Meeting till the conclusion of the Annual General Meeting for the Financial Year 2023-24.

The Company has received a letter from M/s. JKVS & Co, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 139 of the Act and that they are not disqualified for appointment.

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, 2019.

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 2018-19 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 2018-19 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, 2019.

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



DIRECTORS' REPORT (Contd.)

INTERNAL FINANCIAL CONTROL:

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

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, 2019 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

At 7.3%, India outperformed China in the year and emerged as the fastest growing large economy. The key contributors to this growth include its robust private consumption, the implementation of GST, an array of structural reforms and low food inflation.

Opportunities, Threats and Outlook

India is projected to remain robust and grow at a rate of 7.1% in 2019, benefitting from lower oil prices, sustained growth in private consumption and favourable monetary policy. Risk to forecast includes outcome of the general election in May, 2019, monsoons and slowdown in the global economy.

Operational Review

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

DIRECTORS' REPORT (Contd.)**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 2018-2019 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 2018-19 : 1:1.
2. The percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary if any, in the Financial Year 2018-19 : NIL.
3. The percentage increase in the median remuneration of employees in the Financial year 2018-19 : NIL.
4. Number of permanent employees on the roll of the Company as on March 31, 2019 : 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, 2019 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 : 25th April, 2019

(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, 2019

[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, 2019 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, 2019 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:

1. The Company has appointed Company Secretary and Compliance Officer w.e.f. 12/11/2018 in terms of the provisions of Section 203 of the Companies Act, 2013 and Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

FCS No. : 6410

C P No. : 5738

Place : Kolkata

Date : 25/04/2019

*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.



ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Annexure - A

To,
The Members
The Cochin Malabar Estates And Industries Limited
21, Strand Road
Kolkata – 700 001

My report of even date is to be read along with this letter.

- 1) Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Kolkata
Date : 25/04/2019

Sweety Kapoor
Practicing Company Secretary
FCS No. : 6410
C P No. : 5738

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**Form No. MGT-9****Annexure - 2****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L01132WB1991PLC152586
- ii) Registration Date : 14/03/1930
- iii) Name of the Company : The Cochin Malabar Estates And Industries Limited
- iv) Category / Sub-Category of the Company : Public Company limited by shares
- v) Address of the Registered office and contact details : 21, Strand Road, Kolkata – 700 001
(033) 2230-9601
- vi) Whether listed company Yes / No : Yes, at BSE Limited
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Maheshwari Datamatics Private Ltd.
23, R.N. Mukherjee Road, 5th Floor,
Kolkata – 700 001
Phone : (033) 2243-5029/5809
Fax No. : (033) 2248-4787
E-mail : mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product /service	% to total turnover of the Company
1	NIL		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

The Company does not have any Holding, Subsidiary and Associate Companies as on 31st March, 2019.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2018)				No. of Shares held at the end of the year (31st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual / HUF	124615	–	124615	7.0328	124615	–	124615	7.0328	0.0000
b) Central Govt									
c) State Govt									
d) Bodies Corp.	986744	–	986744	55.6882	986744	–	986744	55.6882	0.0000
e) Banks / FI									
f) Any Other									
Sub-total (A) (1):	1111359	–	1111359	62.7210	1111359	–	1111359	62.7210	0.0000



ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (1st April, 2018)				No. of Shares held at the end of the year (31st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Foreign									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
Sub-total (A) (2):-									
Total shareholding of Promoter (A)=(A)(1)+(A) (2)	1111359	–	1111359	62.7210	1111359	–	1111359	62.7210	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	-	5724	5724	0.3230	-	5724	5724	0.3230	0.0000
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies	321304	–	321304	18.1332	321304	–	321304	18.1332	0.0000
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	321304	5724	327028	18.4562	321304	5724	327028	18.4562	0.0000
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1941	8954	10895	0.6149	1351	8954	10305	0.5816	(0.0333)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	114414	160020	274434	15.4881	120249	153173	273422	15.4310	(0.0571)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	41900	–	41900	2.3647	44083	–	44083	2.4879	0.1232
c) Others									
i) Custodian of Enemy Property	480	–	480	0.0271	480	–	480	0.0271	0.0000
ii) Clearing Member	799	–	799	0.0451	200	–	200	0.0113	(0.0338)
iii) Non Resident Individual	320	4693	5013	0.2829	338	4693	5031	0.2839	0.0010
Sub-total (B)(2) :-	159854	173667	333521	18.8228	166701	166820	333521	18.8228	0.0000
Total Public Shareholding (B)=(B)(1)+(B)(2)	481158	179391	660549	37.2789	488005	172544	660549	37.2790	0.0000
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group									
Public									
Grand Total (A+B+C)	1592517	179391	1771908	100.000	1599364	172544	1771908	100.000	-

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**(ii) Shareholding of Promoters (including Promoter Group)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Hemant Bangur	29719	1.6772	–	29719	1.6772	–	–
2	Pushpa Devi Bangur	1000	0.0564	–	1000	0.0564	–	–
3	Hemant Kumar Bangur HUF	92396	5.2145	–	92396	5.2145	–	–
4	Vinita Bangur	500	0.0282	–	500	0.0282	–	–
5	Pranov Bangur	500	0.0282	–	500	0.0282	–	–
6	Gopal Das Bangur HUF	500	0.0282	–	500	0.0282	–	–
7	Joonktollee Tea & Industries Ltd	437294	24.6793	–	437294	24.6793	–	–
8	The Oriental Company Ltd.	323447	18.2542	–	323447	18.2542	–	–
9	Madhav Trading Corporation Ltd.	127064	7.1710	–	127064	7.1710	–	–
10	Gloster Ltd.	98939	5.5838	–	98939	5.5838	–	–
	Total	1111359	62.7210	–	1111359	62.7210	–	–

(iii) Change in Promoters (including Promoter Group) Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NO CHANGE IN THE PROMOTERS SHAREHOLDING DURING THE YEAR					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India				
	a) At the Beginning of the Year	304442	17.1816		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			304442	17.1816
2	United India Insurance Company Ltd.				
	a) At the Beginning of the Year	16862	0.9516		
	b) Changes during the year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			16862	0.9516
3	Hitesh Ramji Javeri				
	a) At the Beginning of the Year	21400	1.2077	21400	1.2077
	b) Changes during the year				
	As on 19/10/2018 – Buy	33	0.0019	21433	1.2096
	As on 23/11/2018 – Buy	150	0.0085	21583	1.2181
	c) At the end of the Year			21583	1.2181



ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Harsha Hitesh Javeri				
	a) At the Beginning of the Year	20500	1.1569	20500	1.1569
	b) Changes during the year				
	As on 08/06/2018 – Buy	2000	0.1129	22500	1.2698
	c) At the end of the Year			22500	1.2698
5	Dilnavaz S Variava				
	a) At the Beginning of the Year	7600	0.4289	–	–
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			7600	0.4289
6	Naira J Jejeebhoy				
	a) At the Beginning of the Year	7550	0.4261	–	–
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			7550	0.4261
7	Firdaus S Variava				
	a) At the Beginning of the Year	7381	0.4166	–	–
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			7381	0.4166
8	Navratan Damani				
	a) At the Beginning of the Year	5000	0.2822	–	–
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			5000	0.2822
9	Navratan Damani (HUF)				
	a) At the Beginning of the Year	5000	0.2822		
	b) Changes during the year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			5000	0.2822
10	Sarladevi Damani				
	a) At the Beginning of the Year	5000	0.2822		
	b) Changes during the year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			5000	0.2822
11	Pallavi G Damani				
	a) At the Beginning of the Year	5000	0.2822		
	b) Changes during the year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			5000	0.2822
12	Savitri Bhatte				
	a) At the Beginning of the Year	7732	0.4364		
	b) Changes during the year				
	As on 08/06/2018 – Sell	(3500)	(0.1975)	4232	0.2388
	c) At the end of the Year			4232	0.2388

- Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)

NOTE : The above information is based on the weekly beneficiary position received from Depositories.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name of the Director & Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Hemant Bangur (Director)				
	a) At the Beginning of the Year	29719	1.6772		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			29719	1.6772
2	Mr. C.P. Sharma (Director)				
	a) At the Beginning of the Year	100	0.0056		
	b) Changes during the Year	NO CHANGE DURING THE YEAR			
	c) At the end of the Year			100	0.0056

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in ₹)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	1,50,00,000	–	1,50,00,000
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	1,50,00,000	–	1,50,00,000
Change in Indebtedness during the financial year				
• Addition	–	45,00,000	–	45,00,000
• Reduction	–	–	–	–
Net Change	–	45,00,000	–	45,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	–	1,95,00,000	–	1,95,00,000
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	1,95,00,000	–	1,95,00,000



ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Wholetime Director	Total Amount
		Shri R. K. Gupta	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,000	12,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	—	—
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission	—	—
	— as % of profit	—	—
	— others	—	—
5.	Others	—	—
	Total (A)	12,000	12,000
	Ceiling as per the Act	Minimum remuneration paid as per approval accorded by Shareholders in their meeting held on 22.09.2015 in accordance with Part II of Schedule V to the Companies Act, 2013	

B. Remuneration to other directors:

(Amount in ₹)

Particulars of Remuneration	Name of Directors			Total Amount (In Rupees)
	-	Mr. B. L. Surana*	Mrs. Tara Purohit	
Independent Directors	-			
• Fee for attending board / committee meetings	-	32,000	16,000	48,000
• Commission	-	-	-	-
• Others	-	-	-	-
Total (1)		32,000	16,000	48,000
Other Non-Executive Directors	Mr. P. J. Bhide	Mr. C. P. Sharma	Mr. Hemant Bangur	
• Fee for attending board / committee meetings	32,000	12,000	8,000	52,000
• Commission	-	-	-	-
• Others	-	-	-	-
Total (2)	32,000	12,000	8,000	52,000
Total (B)=(1+2)				1,00,000
Total Managerial Remuneration				1,12,000
Overall Ceiling as per the Act	The Independent & Other Non-Executive Directors have only been paid fees for attending meeting which are not includible in the ceiling as per provisions of Section 197(5) of the Companies Act, 2013			

* upto 18th March, 2019

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**C. Remuneration to Key Managerial Personnel Other Than MD / Manager /WTD:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO Mr. A. K. Ruia	Company Secretary Mr. M. Kandoi*	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,000	25,000	37,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission	—	—	—
	— as % of profit	—	—	—
	— others	—	—	—
5.	Others	—	—	—
Total		12,000	25,000	37,000

* w.e.f. 12th November, 2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no penalty/punishment/compounding fee imposed on the Company, its Directors or other Officers of the Company under the provisions of the Companies Act, 2013 during the year ended 31st March, 2019.



INDEPENDENT AUDITOR'S REPORT

To the Members of

The Cochin Malabar Estates And Industries Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Cochin Malabar Estates And Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31st 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Material uncertainty related to going concern

We draw attention to Note no. 31 to the Ind As Financial

Statement that indicates the fact that the net worth of the company is fully eroded. The condition may indicate the existence of an uncertainty about the company's ability to continue as a going concern. However, the financial statements of the company have been prepared on a going concern basis based on the reason stated in the above note. The appropriateness of the said basis is dependent on the company's ability to repay its obligations through utilization of its fixed assets and resuming normal operation. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as Key audit matters and for each matter, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
The net worth of the company has been fully eroded. The availability of sufficient funds and the testing of whether the company will be able to resume normal operation and continue meeting its obligations are important for the going concern assumption and, as such, are significant aspects of our audit. This test or assessment is largely based on the expectations of and the estimates made by management. The expectations and estimates can be influenced by subjective elements such as estimated future cash flows, forecasted results and margins from operations.	<ul style="list-style-type: none">• Review of basis of preparation of financial statements as a going concern.• Review of the assumptions and forecasts made by management for assessing the company's ability to continue the normal operation by utilizing the existing fixed assets.• For notes on the going concern assumption, see the going concern principle as referred on note no. 31 of the financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)**Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including annexure to the Board's Report & other Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,



INDEPENDENT AUDITOR'S REPORT (Contd.)

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Refer to paragraph "material uncertainty related to going concern" above in respect to our reporting in respect to going concern appropriateness. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of

INDEPENDENT AUDITOR'S REPORT (Contd.)

such controls, refer to our separate Report in "Annexure B" to this report;

(g) In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in

its Ind AS financial statements – Refer Note 24.1 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place: Kolkata

Date: 25th April, 2019



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" section of our Report to the members of The Cochin Malabar Estates And Industries Limited of even date)

I. In respect of Company's fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed Assets of the Company were physically verified during the year by the management at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed except for Rubber wood factory where physical verification could not be taken place due to closure of factory. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the land situated in Goa amounting to Rs. 27.65 Lacs, mutation of which is in the process of completion.

- II. No inventories were held by the company at the close of the year and hence the requirements of clause (ii) of the Order are not applicable.
- III. The Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- IV. In our opinion and according to the information and explanations given to us, the Company has not made any loans or investments during the year. The Company has neither issued any guarantee nor has provided any security on behalf of any party.
- V. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act 2013 and the rules framed there under.
- VI. As the Rubber Wood factory are not under operation, Cost records and books of accounts prescribed by the Government of India under sub-section (1) of Section 148 of the Act were not maintained as the need for maintaining the Cost records did not arise during the year.

VII. According to the information and explanations given to us and on the basis of our examination of the records of the Company,

- (a) the Company is generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Service Tax, cess and other material statutory dues during the year by the Company with the appropriate authorities and no such dues were in arrears, as at 31st March, 2019 for a period of more than six months from the date they became payable
- (b) According to the information and explanations given to us and the records of the Company examined by us, the dues of income tax, sales tax, wealth tax, Goods and Service tax and cess as at 31st March, 2019 which have not been deposited on account of dispute and the forum where the disputes are pending are as under:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax, 1956	CST Levy on Rubber Cess	7,36,458	1988-89 to 1992-93	Supreme Court of India
Income Tax Act, 1961	Demand U/S 156	50,67,096	2015-16	Commissioner of Income tax (Appeals)

VIII. Based on our audit procedures and on the basis of information and explanations given by the management, the Company did not have any outstanding debentures or dues to the financial institutions/Bank during the year.

IX. According to the information and explanations given to us by the management, the Company did not raise any money by way of Initial public offer or further public offer (including debt instruments), however short term loans raised during the year have been utilized for the purpose for which they were raised.

X. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

XII. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

XIV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares

or fully or partly convertible debentures during the year.

XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E
Gopal Jain
Partner
Membership No. 059147

Place: Kolkata
Date: 25th April, 2019



ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our Report to the members of The Cochin Malabar Estates And Industries Limited of even date)

We have audited the internal financial controls over financial reporting of The Cochin Malabar Estates And Industries Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT (Contd.)

degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Place: Kolkata
Date: 25th April, 2019

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E
Gopal Jain
Partner
Membership No. 059147



BALANCE SHEET AS AT 31ST MARCH, 2019

(Amount in ₹)

	Note No.	As at 31st March, 2019		As at 31st March, 2018	
ASSETS					
1 NON-CURRENT ASSETS					
a Property, Plant and Equipment	5	51,31,737			50,82,454
b Capital Work in Progress		11,80,000	63,11,737		
c Non-Current Tax Assets	6	15,40,907		15,38,709	
d Other Non-Current Assets	7	56,448	15,97,355	56,448	15,95,157
2 CURRENT ASSETS					
a Financial Assets					
i. Cash and Cash Equivalents	8	6,02,994		2,50,853	
ii. Bank balances other than Note i above	9	-		9,10,000	
iii. Other Financial Assets	10	-		6,762	
b Other Current Assets	11	4,44,500	10,47,494	5,37,000	17,04,615
Total Assets			89,56,586		83,82,226
EQUITY AND LIABILITIES					
1 EQUITY					
a Equity Share Capital	12	1,77,19,080		1,77,19,080	
b Other Equity	13	(2,83,64,269)	(1,06,45,189)	(2,44,15,030)	(66,95,950)
LIABILITIES					
2 CURRENT LIABILITIES					
a Financial Liabilities					
i. Borrowings	14	1,95,00,000		1,50,00,000	
ii. Trade Payables	15				
Total outstanding dues of creditors to micro enterprises and small enterprises		-		-	
Total outstanding dues of creditor to other than micro enterprises and small enterprises		93,150		71,551	
iii. Other Financial Liabilities	16	-		-	
b Other Current Liabilities	17	8,625	1,96,01,775	6,625	1,50,78,176
Total Equity and Liabilities			89,56,586		83,82,226

Basis of preparation and presentation of Financial Statement

2

Significant Accounting Policies

3

Significant Judgements & Key Estimates

4

The Notes are an integral part of the Financial Statements

As per our Report annexed

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Regn. No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place: Kolkata

Dated : 25th April, 2019

For and on behalf of Board of Directors

Hemant Bangur

Director

(DIN : 00040903)

C. P. Sharma

Director

(DIN : 00258646)

R. K. Gupta

Wholtime Director

(DIN : 06701619)

Arun Kumar Ruia
Chief Financial Officer

M. Kandoi
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹)

	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
Other Income	18	21,468	63,914
Total Income		21,468	63,914
EXPENSES			
Employee Benefits Expense	19	49,000	24,000
Finance Costs	20	19,68,492	14,48,268
Depreciation and Amortisation Expense	21	28,217	30,268
Other Expenses	22	19,24,998	14,73,891
Total Expenses		39,70,707	29,76,427
Profit before Exceptional Items and Tax		(39,49,239)	(29,12,513)
Exceptional Items		-	-
Profit before Tax		(39,49,239)	(29,12,513)
Tax Expense:			
Current Tax		-	-
Deferred Tax		-	-
Profit/(Loss) for the year		(39,49,239)	(29,12,513)
Other Comprehensive Income (net of tax)			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income for the period (comprising Profit/(Loss) and other comprehensive income for the period)		(39,49,239)	(29,12,513)
Earnings Per Share	23	(2.23)	(1.64)

Basis of preparation and presentation of Financial Statement

2

Significant Accounting Policies

3

Significant Judgements & Key Estimates

4

The Notes are an integral part of the Financial Statements

As per our Report annexed

For and on behalf of Board of Directors

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Regn. No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place: Kolkata

Dated : 25th April, 2019

Hemant Bangur

Director

(DIN : 00040903)

C. P. Sharma

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(DIN : 00258646)

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(DIN : 06701619)

Arun Kumar Ruia

Chief Financial Officer

M. Kandoi

Company Secretary



STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹)

a) Equity Share Capital

Balance as at 31st March 2018	1,77,19,080
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at 31st March 2019	1,77,19,080

b) Other Equity

Particulars	Reserve & Surplus		Total
	Capital Redemption Reserve	Retained Earnings	
Balance as at 31st March, 2017	1,13,300	(2,16,15,817)	(2,15,02,517)
Profit/(Loss) for the year		(29,12,513)	(29,12,513)
Other Comprehensive Income		-	
Total Comprehensive Income for the year	1,13,300	(2,45,28,330)	(2,44,15,030)
Balance as at 31st March, 2018	1,13,300	(2,45,28,330)	(2,44,15,030)
Profit/(Loss) for the year		(39,49,239)	(39,49,239)
Other Comprehensive Income			
Total Comprehensive Income for the year	-	(39,49,239)	(39,49,239)
Balance as at 31st March, 2019	1,13,300	(2,84,77,569)	(2,83,64,269)

The Notes are an integral part of the Financial Statements

As per our Report annexed

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Regn. No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place: Kolkata

Dated : 25th April, 2019

For and on behalf of Board of Directors

Hemant Bangur

Director

(DIN : 00040903)

C. P. Sharma

Director

(DIN : 00258646)

R. K. Gupta

Wholetime Director

(DIN : 06701619)

Arun Kumar Ruia

Chief Financial Officer

M. Kandoi

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in ₹)

	2018-2019	2017-2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) After Extraordinary Item & Before Tax	(39,49,239)	(29,12,513)
Adjustments For:		
Depreciation & Amortisation	28,217	30,268
Finance Cost	19,68,492	14,48,268
Interest Income	(21,468)	(34,530)
Bad Debts & Advances written off	16,244	-
Operating Profit/(Loss) Before Working Capital Changes	(19,57,754)	(14,68,507)
Adjustments For:		
(Increase)/Decrease In Loans, Other Financial Assets & Other Assets	92,500	(1,37,000)
Increase/(Decrease) In Trade Payables & Other Liability	23,599	(23,15,540)
Cash Generated From Operations	(18,41,656)	(39,21,047)
Less : Direct Taxes	2,198	12,60,889
Net Cash From Operating Activities	(18,43,853)	(51,81,936)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment & Intangible Assets including CWIP / Capital Advances	(12,57,500)	-
Interest Received	21,986	34,012
Deposit with Banks	9,00,000	(9,10,000)
Net Cash Flow From Investing Activities	(3,35,514)	(8,75,988)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Borrowings (Net)	45,00,000	65,00,000
Interest Paid	(19,68,492)	(14,48,268)
Net Cash Flow From Financing Activities	25,31,508	50,51,732
Net Change In Cash & Cash Equivalents (A+B+C)	3,52,141	(10,06,192)
Cash And Cash Equivalents As On 31-03-2019	6,02,994	2,50,853
Less: Cash And Cash Equivalents As On 31-03-2018	2,50,853	12,57,045
	3,52,141	(10,06,192)

Notes :

- a) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- b) Figures for the previous year have been re-grouped wherever considered necessary.
- c) The Notes are an integral part of the Standalone Financial Statements.
- d) Cash and cash equivalent consists of :

Particulars	2018-2019	2017-2018
Cash on hand	4,376	7,896
Bank Balance	5,98,618	2,42,957
TOTAL	6,02,994	2,50,853

Basis of preparation and presentation of Financial Statement 2

Significant Accounting Policies 3

Significant Judgements & Key Estimates 4

The Notes are an integral part of the Financial Statements

As per our Report annexed

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Regn. No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place: Kolkata

Dated : 25th April, 2019

For and on behalf of Board of Directors

Hemant Bangur

Director

(DIN : 00040903)

C. P. Sharma

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(DIN : 00258646)

R. K. Gupta

Wholtime Director

(DIN : 06701619)

Arun Kumar Ruia

Chief Financial Officer

M. Kandoi

Company Secretary



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

1. CORPORATE AND GENERAL INFORMATION

The Cochin Malabar Estates And Industries Limited ("The Company") is a public limited company domiciled and incorporated in India under the Indian Companies Act 1913 and has its listing on the BSE Limited. The registered office of the Company is situated at 21, Strand Road, Kolkata, West Bengal. The Company's Rubberwood factory has not been in operation pursuant to notice received from the Deputy Conservator of Forests (Protection), Trivandrum.

2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of preparation

The financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013. The financial statements of the Company for the year ended 31st March, 2019 has been approved by the Board of Directors in their meeting held on 25th April, 2019.

2.2. Basis of Measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve month period from the balance sheet date.

2.3. Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7. Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** — Inputs which are unobservable inputs for the asset or liability.



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.8 Recent Accounting Pronouncement

New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below:

- a) Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt this standard. However, adoption of this standard is not likely to have a significant impact in its Financial Statements.

- b) **The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.**

1. Ind AS 12, Income Taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 12, Income Taxes – Accounting for Dividend Distribution Taxes
3. Ind AS 23, Borrowing costs
4. Ind AS 28 – Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.

3. ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within short term borrowings in the balance sheet.

3.2. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.2.1. Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.2.2. Deferred Tax

- Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.3. PROPERTY, PLANT AND EQUIPMENT

3.3.1. Tangible Assets

3.3.1.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.3.1.2. Subsequent Measurement:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.3.1.3. Depreciation and Amortization:

- Depreciation on Property, Plant & Equipment is provided under Written Down Method at rates determined based on the useful life of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In respect of spares for specific machinery, cost is amortized over the useful life of the related machinery as estimated by the management.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.3.1.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.3.1.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

3.4. LEASES

3.4.1. Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

3.4.2. Company as lessor➤ Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

➤ Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.4.3. Company as lessee➤ Finance Lease

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

➤ Operating Lease

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.5. REVENUE FROM CONTRACT WITH CUSTOMERS

Revenue from contract with customers is recognized when the Company satisfies performance obligations by transferring promised goods and services to the customer. Performance obligations are satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual agreements/arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtain controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of return, using the expected value method.

3.6. EMPLOYEE BENEFITS**3.6.1. Short Term Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

3.7. GOVERNMENT GRANTS

Government grants are recognised at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented within other operating income.

3.8. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.9. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.9.1. Financial Assets

➤ Recognition and Initial Measurement:

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

➤ Classification and Subsequent Measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

o **Measured at Amortized Cost:** A debt instrument is measured at the amortized cost if both the following conditions are met:

- ❑ The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- ❑ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

- o **Measured at FVTOCI:** A debt instrument is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- o **Measured at FVTPL:** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

- o **Equity Instruments designated at FVTOCI:** For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➤ **Derecognition:**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➤ **Impairment of Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.9.2. Financial Liabilities

➤ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

➤ Subsequent Measurement:

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➤ Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

3.9.3. **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.10. **Earnings Per Share**

Basic Earnings per share (EPS) is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.11. **Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.12. **Provisions, Contingent Liabilities and Contingent Assets**

3.12.1. **Provisions**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.12.2. **Contingent Liabilities**

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018 (Contd.)

possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.12.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

4. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable / amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

(₹ in lacs)

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Year Ended 31st March 2019								Net Carrying Amount
	Gross Carrying Amount				Accumulated Depreciation				
	As at 31st March 2018	Additions	Disposals	As at 31st March 2019	As at 31st March 2018	Depreciation charged during the year	Deductions	As at 31st March 2019	
Land-Freehold	30,42,930	77500	-	31,20,430	-	-	-	-	31,20,430
Buildings	16,55,775	-	-	16,55,775	62,740	28217	-	90,957	15,64,818
Plant and Equipment	4,43,302	-	-	4,43,302	-	-	-	-	4,43,302
Roads and bridges	3,187	-	-	3,187	-	-	-	-	3,187
Total	51,45,194	77,500	-	52,22,694	62,740	28,217	-	90,957	51,31,737

Particulars	Year Ended 31st March 2018								Net Carrying Amount
	Gross Carrying Amount				Accumulated Depreciation				
	As at 31st March 2017	Additions	Disposals	As at 31st March 2018	As at 31st March 2017	Depreciation charged during the year	Deductions	As at 31st March 2018	
Land-Freehold	30,42,930	-	-	30,42,930	-	-		-	30,42,930
Buildings	16,55,775	-	-	16,55,775	32,472	30268	-	62,740	15,93,035
Plant and Equipment	4,43,302	-	-	4,43,302	-	-	-	-	4,43,302
Roads and bridges	3,187	-	-	3,187	-	-	-	-	3,187
Total	51,45,194	-	-	51,45,194	32,472	30,268	-	62,740	50,82,454

Notes:

- The Company has elected to measure items of property, plant and equipment at its carrying value at the transition date as deemed cost.
- Land includes ₹ 355,264/- (P.Y. ₹ 355,264/-), Building ₹ 1,564,818/- (P.Y. ₹ 1,593,035/-), Plant and Equipment ₹ 443,302/- (P.Y. ₹ 443,302/-), and Roads and bridges ₹ 3,187/- (P.Y. ₹ 3,187/-) are related to Rubberwood Factory situated in the state of Kerala which is not in operation for nearly 21 years pursuant to notice received from the Deputy Conservator of Forests (Protection), Trivandrum. Building out of these fixed assets mentioned above was impaired in earlier years considering the net realisable value of the same.
- Land includes ₹ 2,765,166/- (P.Y. ₹ 2,687,666/-) represents land situated at Goa, mutation of which is in the process of completion.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

(Amount in ₹)

	As at 31st March 2019	As at 31st March 2018
6 NON CURRENT TAX ASSETS (NET)		
Advance Income Tax/ TDS (Net of Provision)	15,40,907	15,38,709
	15,40,907	15,38,709

7 OTHER NON CURRENT ASSETS		
Balances with Government & Statutory Authorities *	56,448	56,448
Total Other Assets	56,448	56,448

* Includes payment under protest ₹ 56,448/- (Previous Year : ₹ 56,448/-)

8 CASH AND CASH EQUIVALENTS		
Balances With Banks :		
In Current Account	5,98,618	2,42,957
Cash in Hand	4,376	7,896
	6,02,994	2,50,853

9 BANK BALANCES (OTHER THAN NOTE: 8)		
Fixed Deposit with Banks	-	9,10,000
Fixed Deposit Pledged with Sales Tax authorities ₹ NIL/- (Previous Year : ₹ 10,000/-)	-	9,10,000

10 OTHERS FINANCIAL ASSETS		
Interest accrued on Fixed deposit	-	6,762
	-	6,762

11 OTHER CURRENT ASSETS		
Advances to Suppliers & Service Providers	4,44,500	5,37,000
Total Other Assets	4,44,500	5,37,000

	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	Amount	No. of Shares	Amount
12 EQUITY SHARE CAPITAL				
12.1 Authorised Share Capital				
<u>Equity Shares:</u>				
Ordinary Shares of ₹ 10/- each	49,50,000	4,95,00,000	49,50,000	4,95,00,000
<u>Preference Shares:</u>				
12% Cumulative Preference Shares of ₹ 100/- each	5,000	5,00,000	5,000	5,00,000
		5,00,00,000		5,00,00,000
12.2 Issued Share Capital				
Ordinary Shares of ₹ 10/- each	17,71,908	1,77,19,080	17,71,908	1,77,19,080
	17,71,908	1,77,19,080	17,71,908	1,77,19,080
12.3 Subscribed and Paid-up Share Capital				
Ordinary Shares of ₹ 10/- each fully paid-up	17,71,908	1,77,19,080	17,71,908	1,77,19,080
	17,71,908	1,77,19,080	17,71,908	1,77,19,080

12.4 Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

(Amount in ₹)

12.5 Terms/ Rights attached to Equity Shares :

The Company has only one class of issued shares i.e. Ordinary Shares having par value of ₹ 10/- per share. Each holder of Ordinary Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

12.6 Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

12.7 Details of Equity Shareholders holding more than 5% shares in the Company

	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
Ordinary Shares of ₹ 10/- each fully paid				
Joonktollee Tea and Industries Limited	4,37,294	24.68%	4,37,294	24.68%
The Oriental Company Limited	3,23,447	18.25%	3,23,447	18.25%
Life Insurance Corporation of India	3,04,442	17.18%	3,04,442	17.18%
Madhav Trading Corporation Limited	1,27,064	7.17%	1,27,064	7.17%
Gloster Limited (Formerly Kettlewell Bullen and Company Limited)	98,939	5.58%	98,939	5.58%
Hemant Kumar Bangur HUF	92,396	5.21%	92,396	5.21%

12.8 No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

12.9 No Ordinary Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

12.10 No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

12.11 No calls are unpaid by any Director or Officer of the Company during the year.

		As at	As at
		31st March 2019	31st March 2018
13 OTHER EQUITY			
Capital Redemption Reserve	13.1	1,13,300	1,13,300
Retained Earnings	13.2	(2,84,77,569)	(2,45,28,330)
		(2,83,64,269)	(2,44,15,030)

- Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on redemption of preference shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the preference shares redeemed.
- Retained Earnings: Retained earnings represent accumulated profits earned by the Company and remaining undistributed as on date.

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

(Amount in ₹)

13.1 Capital Redemption Reserve

	As at 31st March 2019	As at 31st March 2018
Balance at the beginning and at the end of the year	1,13,300	1,13,300

13.2 Retained Earnings

Balance at the beginning of the year	(2,45,28,330)	(2,16,15,817)
Add: Profit/Loss for the year	(39,49,239)	(29,12,513)
Balance at the end of the year	(2,84,77,569)	(2,45,28,330)
Total Reserve & Surplus	(2,83,64,269)	(2,44,15,030)

14 BORROWINGS

Unsecured	1,95,00,000	1,50,00,000
Loan from Body Corporates	1,95,00,000	1,50,00,000

15 TRADE PAYABLES

Trade Payables for goods and services		
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	93,150	71,551
	93,150	71,551

16 OTHER FINANCIAL LIABILITIES

	-	-
	-	-

17 OTHER CURRENT LIABILITIES

Statutory Dues Payable	8,625	6,625
	8,625	6,625



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

(Amount in ₹)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
18 OTHER INCOME		
Interest Income at amortised cost		
On Bank Deposits	21,468	21,600
On Inter Corporate Deposits and Others	-	12,930
Other Non Operating Income		
Miscellaneous Income	-	29,384
	21,468	63,914
19 EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	49,000	24,000
	49,000	24,000
20 FINANCE COST		
Other Borrowing Costs		
Other Financial Charges	19,60,766	14,45,590
Others	7,726	2,678
	19,68,492	14,48,268
	19,68,492	14,48,268
21 DEPRECIATION AND AMORTIZATION EXPENSE		
On Tangible Assets	28,217	30,268
	28,217	30,268
22 OTHER EXPENSES		
Selling and Administration Expenses		
Rates & Taxes	47,440	45,730
Auditors' Remuneration -		
Statutory Auditors -		
Statutory Audit Fees	35,400	35,400
For Certification	94,400	94,400
Printing & Stationery	75,002	55,181
Postage and Telegram	46,553	44,994
Legal & Professional Fees	2,34,103	6,44,932
Director Sitting Fees	1,00,000	96,000
Other Miscellaneous Expenses	12,92,100	4,57,254
	19,24,998	14,73,891
23 EARNING PER SHARES		
Nominal Value of Equity Shares (₹)	10	10
Profit attributed to the Equity shareholders of the Company	(39,49,239)	(29,12,513)
Weighted average number of equity shares	17,71,908	17,71,908
Basis and diluted earning per shares (₹)	(2.23)	(1.64)
There are no dilutive equity shares in the Company.		

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

(Amount in ₹)

24 CONTINGENT LIABILITIES, CONTINGENT ASSETS & COMMITMENT TO THE EXTENT NOT PROVIDED FOR:**24.1 Contingent Liabilities**

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
A	Claims/Disputes/Demands not acknowledged as debts -		
i.	Income Tax under appeal (Payment under protest - ₹ 12,66,774/-, Previous Year - ₹ 12,66,774/-)	63,33,870	63,33,870
ii.	Central Sales Tax/ VAT (Payment under protest - ₹ 56,448/-, Previous Year - ₹ 56,448/-)	7,92,906	2,69,779

24.2 Commitments

i.	Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	20,00,000	-
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25 DISCLOSURE AS REQUIRED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006, TO THE EXTENT ASCERTAINED, AND AS PER NOTIFICATION NUMBER GSR 679 (E) DATED 4TH SEPTEMBER, 2015

Sl. No.	Particulars	As at 31st March 2019	As at 31st March 2018
i	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	-	-
ii	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above information has been determined to the extent such parties identified on the basis of information available with the Company.

26 RELATED PARTY DISCLOSURES**26.1 Name of the related parties and description of relationship**

- A Enterprise having significant influence over the Company (by virtue of having more than 20% voting rights)
 - Joonktollee Tea & Industries Limited
- B Key Management Personnel
 - Mr. R.K. Gupta - Wholetime Director
 - Mr. A.K. Ruia - Chief Financial Officer
 - Mr. M. Kandoi - Company Secretary



NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

(Amount in ₹)

26.2 Summary of transactions with the related parties

Particulars	Enterprise having significant influence over the Company		Key Management Personnel	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Loan Received	-	35,00,000	-	-
Loan Refunded	-	35,00,000	-	-
Interest Expenses	-	1,85,261	-	-
Remuneration	-	-	49,000	24,000

26.3 Key Management Personnel compensation

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Short-term employee benefits	49,000	24,000
Total compensation	49,000	24,000

26.4 Major terms and conditions of transactions with related parties

Transactions with related parties are carried out in the normal course of business and are made on terms equivalent to those that prevail in arm's length transactions.

27 FAIR VALUE MEASUREMENT

Categories of Financial Assets & Financial Liabilities as at 31st March 2019 and 31st March 2018

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Cash and Cash Equivalents			6,02,994			2,50,853
Bank Balance other than above			-			9,10,000
Other Financial Assets			-			6,762
Total Financial Assets	-	-	6,02,994	-	-	11,67,615
Financial Liabilities						
Borrowings			1,95,00,000			1,50,00,000
Trade Payables			93,150			71,551
Other Financial Liabilities			-			-
Total Financial Liabilities	-	-	1,95,93,150	-	-	1,50,71,551

28 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

28.1 The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

Particulars	31st March 2019		31st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and Cash Equivalents	6,02,994	6,02,994	2,50,853	2,50,853
Bank Balance other than above	-	-	9,10,000	9,10,000
Other Financial Assets	-	-	6,762	6,762
Total Financial Assets	6,02,994	6,02,994	11,67,615	11,67,615

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)

(Amount in ₹)

Particulars	31st March 2019		31st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities				
Borrowings	1,95,00,000	1,95,00,000	1,50,00,000	1,50,00,000
Trade Payables	93,150	93,150	71,551	71,551
Other Financial Liabilities		-		-
Total Financial Liabilities	1,95,93,150	1,95,93,150	1,50,71,551	1,50,71,551

28.2 The management assessed that the fair values of cash and cash equivalents, trade payables, borrowings, and other financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

28.3 The following methods and assumptions were used to estimate the fair values:

28.3.1 The fair values for loans, were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

29 FINANCIAL RISK MANAGEMENT

Financial management of the Company has been receiving attention of the top management of the Company. Various kinds of financial risks and their mitigation plans are as follows:

29.1 Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis.

29.1.1 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

a

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Borrowings	1,95,00,000					1,95,00,000
Trade payables		93,150				93,150
Total	1,95,00,000	93,150				1,95,93,150

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2018

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Borrowings	1,50,00,000					1,50,00,000
Trade payables		71,551				71,551
Total	1,50,00,000	71,551				1,50,71,551

**NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 (Contd.)**

(Amount in ₹)

- c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). It is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

29.2.1 Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. There is no exposure of foreign currency and hence the management has assessed that there is no foreign currency risk during the year (Previous Year: ₹ Nil)

29.2.2 Interest Rate Risk

The Company has borrowings which carries fixed rate of interest. The management has assessed that exposure of the Company in interest rate risk at the end of the year is ₹ Nil (Previous Year: ₹ Nil)

30 CAPITAL MANAGEMENT

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings. Net debt (total borrowings less investments and cash and cash equivalents) to equity ratio is used to monitor capital.

Particulars	As at 31st March 2019	As at 31st March 2018
Net Debt	1,95,00,000	1,50,00,000
Total Equity	(1,06,45,189)	(66,95,950)
Net Debt to Equity Ratio*	-	-

As the Company is having negative networth as on 31st March, 2019 & 31st March, 2018, debt equity ratio cannot be computed.

31. The Networth of the Company has been fully eroded. The Company is developing its land assets in Goa based on which the going concern status of the Company is maintained.
32. In an earlier year the Company had received entire sale consideration in respect of sale of Kinalur Estate. The process of registration of Land in the name of few buyers are in the process of completion.
33. The Company has not recognized deferred tax assets during the year in absence of reasonable certainty of future taxable income.
34. The previous year figures have been regrouped / rearranged wherever considered necessary.

As per our Report annexed

For and on behalf of

SINGHI & CO.

Chartered Accountants

Firm Regn. No. 302049E

Gopal Jain

Partner

Membership No. 059147

Place: Kolkata

Dated : 25th April, 2019

For and on behalf of Board of Directors

Hemant Bangur

Director

(DIN : 00040903)

C. P. Sharma

Director

(DIN : 00258646)

R. K. Gupta

Wholtime Director

(DIN : 06701619)

Arun Kumar Ruia
Chief Financial Officer

M. Kandoi
Company Secretary

If undelivered, please return to:



THE COCHIN MALABAR ESTATES AND INDUSTRIES LIMITED

Corporate Identity Number (CIN) : L01132WB1991PLC152586

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